

Robeco Chinese Equities D EUR

Robeco Chinese Equities is an actively managed fund that invests in listed stocks of leading Chinese companies. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. The fund identifies attractive macro-economic themes and selects fundamentally sound companies. Both offshore (Hong Kong and US listed) and, to a limited extent, domestic Chinese stocks are selected.



Team China
Fund manager since 01-05-2007

Performance

	Fund	Index
1 m	-6.08%	-6.21%
3 m	-16.05%	-12.50%
Ytd	-8.59%	-4.08%
1 Year	-17.58%	-9.52%
2 Years	-23.62%	-17.82%
3 Years	-3.95%	-5.04%
5 Years	-1.56%	-2.81%
10 Years	5.29%	4.89%
Since 12-1997	2.82%	2.96%

Annualized (for periods longer than one year)
Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see last page.

Performance

Indexed value (until 30-04-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -6.08%.

Robeco Chinese Equities underperformed its index by -0.3% in April. Negative contributions came from financials and information technology. Positive sector contributions came from consumer discretionary and industrials. The main detractors were Baidu, Thunder Software and China Construction Bank. The main contributors were China Resources Pharmaceutical, Prudential and JD.com.

Calendar year performance

	Fund	Index
2022	-26.08%	-16.39%
2021	-11.56%	-14.08%
2020	48.72%	19.95%
2019	31.97%	24.43%
2018	-22.79%	-14.03%
2020-2022	-0.94%	-4.84%
2018-2022	-0.19%	-1.62%

Index

MSCI China 10/40 Index (Net Return, EUR)

General facts

Morningstar	★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 211,056,866
Size of share class	EUR 68,926,493
Outstanding shares	747,459
1st quotation date	04-12-1997
Close financial year	31-12
Ongoing charges	1.87%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

- Exclusions
- ESG Integration
- Voting & Engagement

For more information on exclusions see <https://www.robeco.com/exclusions/>

Market development

The Politburo meeting on 28 April offered a cautiously optimistic view on the economic recovery, while keeping the policy stance largely unchanged. The Politburo reiterated the policy focus on restoring and expanding domestic demand, as at the NPC meeting in early March. It reckoned that current economic activities have been "fully normalized", and Q1 GDP growth was above expectation. On the other hand, policymakers highlighted that China is still in a recovery phase with weak growth momentum and insufficient demand. Policymakers maintained the same policy stance of an "accurate and forceful" monetary policy and an accommodative fiscal policy. The meeting reiterated "unswerving" support for the private sector, encouraging big tech firms to innovate. It also indicated a continuation of the supportive housing policy regarding home upgrades and housing completion.

Expectation of fund manager

We are constructive on the Chinese market, as the country's pro-growth policies are supporting its recovery. Recovery is largely on track with the improvement of mobility. Looking ahead, a rebound in economic activity, especially the resumption of services, will support employment and household income, both of which could further drive consumption recovery. Recovery of the property sector remains a key area to monitor, as it will impact the sustainability of consumption recovery, which is expected to be a main driver of this year's growth. On the geopolitical side, long-term US-China tension is unlikely to subside, and escalation could still happen in the near term. On the positive side, earnings revisions are stabilizing and set to recover, helped by the turnaround in domestic fundamentals such as mobility and economic activities improving, as well as a lower base in 2022. Valuations remain attractive from a historical average point of view. In the long run, we focus on the structural growth drivers of the Chinese economy, while selectively investing in structural winners within themes such as consumption upgrades, the green economy, technology innovation, and industrial upgrades.

Top 10 largest positions

We are becoming more positive towards internet service companies due to their earnings turnaround resulting from cost-cutting measures and attractive valuations. Our top ten holdings, including Alibaba, Tencent, NetEase and Baidu, stand to benefit from this trend. We believe that the property market will bottom out due to the government's supportive measures, and China Resources Land, a leading SOE property developer, will survive and enjoy market share growth. Additionally, we expect that the worst is over for the life insurance sector, and we favor China Life and Prudential for their strong fundamental turnaround potential and attractive valuations. We believe that the service sector's consumption will continue to generate strong earnings, and our holdings in CR Beer, Galaxy Entertainment and Meituan reflect this belief.

Fund price

30-04-23	EUR	92.09
High Ytd (26-01-23)	EUR	113.10
Low Ytd (24-04-23)	EUR	90.20

Fees

Management fee	1.60%
Performance fee	None
Service fee	0.20%
Expected transaction costs	0.56%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)	
Issue structure	Open-end
UCITS V	Yes
Share class	D EUR
This fund is a subfund of Robeco Capital Growth Funds, SICAV	

Registered in

Austria, Belgium, Chile, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, Peru, Poland, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom

Currency policy

The fund is allowed to pursue an active currency policy to generate extra returns.

Risk management

Active. Risk management systems continually monitor the portfolio's divergence from the benchmark. In this way, extreme positions are avoided.

Dividend policy

The fund does not distribute dividend. The income earned by the fund is reflected in its share price. The fund's entire result is thus reflected in its share price development.

Fund codes

ISIN	LU0187077309
Bloomberg	ROCHINE LX
Sedol	B049BJ8
WKN	AOCA01
Valoren	1812302

Top 10 largest positions

Holdings

Tencent Holdings Ltd
Alibaba Group Holding Ltd
Meituan
Baidu Inc
China Resources Land Ltd
Galaxy Entertainment Group Ltd
NetEase Inc
Prudential PLC
China Resources Beer Holdings Co Ltd
China Life Insurance Co Ltd

Total

Sector	%
Communication Services	9.34
Consumer Discretionary	8.92
Consumer Discretionary	6.59
Communication Services	3.65
Real Estate	3.50
Consumer Discretionary	2.98
Communication Services	2.87
Financials	2.77
Consumer Staples	2.74
Financials	2.66
Total	46.01

Top 10/20/30 weights

TOP 10	46.01%
TOP 20	66.92%
TOP 30	82.21%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	7.25	6.66
Information ratio	0.28	0.45
Sharpe ratio	-0.13	0.01
Alpha (%)	1.69	3.00
Beta	0.92	0.94
Standard deviation	24.21	22.49
Max. monthly gain (%)	18.49	18.49
Max. monthly loss (%)	-16.45	-16.45

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	20	34
Hit ratio (%)	55.6	56.7
Months Bull market	18	32
Months outperformance Bull	8	17
Hit ratio Bull (%)	44.4	53.1
Months Bear market	18	28
Months Outperformance Bear	12	17
Hit ratio Bear (%)	66.7	60.7

Above mentioned ratios are based on gross of fees returns

Changes

As of 1 April 2018, the fund does not use a benchmark in its investment, but uses the MSCI China 10/40 (Net Return) as a reference index. Before 1 April 2018, the fund used the MSCI China (Net Return).

Sustainability

The fund incorporates sustainability in the investment process through exclusions, ESG integration, engagement and voting. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the bottom-up investment analysis to assess existing and potential ESG risks and opportunities. In the stock selection the fund limits exposure to elevated sustainability risks. In addition, where a stock issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement. Lastly, the fund makes use of shareholder rights and applies proxy voting in accordance with Robeco's proxy voting policy.

Asset Allocation

Asset allocation

Equity		99.9%
Cash		0.1%

Sector allocation

The fund is overweight in healthcare, consumer discretionary, communication services, industrials, information technology and real estate. It was underweight in financials, energy, consumer staples, materials and utilities.

Sector allocation

		Deviation index
Consumer Discretionary	32.8%	4.5%
Communication Services	17.8%	3.6%
Health Care	11.2%	4.6%
Financials	9.6%	-8.5%
Industrials	9.0%	2.8%
Information Technology	7.2%	0.9%
Real Estate	4.4%	0.8%
Consumer Staples	3.7%	-2.9%
Materials	2.2%	-1.7%
Utilities	2.1%	-0.7%
Energy	0.0%	-3.4%

Country allocation

Country allocation

		Deviation index
China	91.1%	-8.9%
Hong Kong	6.1%	6.1%
United Kingdom	2.8%	2.8%
Cash and other instruments	0.0%	0.0%

Investment policy

Robeco Chinese Equities is an actively managed fund that invests in listed stocks of leading Chinese companies. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to normative, activity-based and region-based exclusions, proxy voting and engagement. The fund identifies attractive macro-economic themes and selects fundamentally sound companies. Both offshore (Hong Kong and US listed) and, to a limited extent, domestic Chinese stocks are selected. The majority of stocks selected will be components of the Benchmark, but stocks outside the Benchmark may be selected too. The investment policy is not constrained by a Benchmark but the fund may use a benchmark for comparison purposes. The fund can deviate substantially from the issuer, country and sector weightings of the Benchmark. There are no restrictions on the deviation from the Benchmark. The Benchmark is a broad market weighted index that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

The Chinese Equities investment team consists of five investment professionals with an average experience of 10 years, combining complementary skills and worldwide investment backgrounds. The team's portfolio managers place local insights into the context of a wider regional and global perspective. Local presence in Hong Kong and Shanghai allows for optimal coverage of both off- and onshore markets, respectively.

Fiscal product treatment

The fund is established in Luxembourg and is subject to the Luxembourg tax laws and regulations. The fund is not liable to pay any corporation, income, dividend or capital gains tax in Luxembourg. The fund is subject to an annual subscription tax ('tax d'abonnement') in Luxembourg, which amounts to 0.05% of the net asset value of the fund. This tax is included in the net asset value of the fund. The fund can in principle use the Luxembourg treaty network to partially recover any withholding tax on its income.

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