

Robeco FinTech I USD

Robeco FinTech is an actively managed fund that invests in stocks in developed and emerging countries. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. Proprietary valuation models are used to select stocks with good earnings prospects and a reasonable valuation and those companies which benefit from the increasing digitization of the financial sector are included. These are individually assessed on the basis of industry trend analysis, in-depth discussions with corporate management, analysts and industry experts.



Patrick Lemmens, Michiel van Voorst CFA, Koos Burema
Fund manager since 17-11-2017

Performance

	Fund	Index
1 m	0.55%	1.44%
3 m	-4.41%	1.57%
Ytd	7.41%	8.85%
1 Year	-10.56%	2.06%
2 Years	-21.03%	-1.76%
3 Years	-1.02%	12.04%
5 Years	1.13%	7.03%
Since 11-2017	3.11%	7.08%

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 0.55%.

April was a very difficult month, in which financials as well as (fin)tech stocks struggled, which led to an underperformance. The payments segment was the one clear positive standout. Partly because of the bid on one of our holdings, Network International, and partly thanks to solid performance from our investments in Latin American payments companies. The largest performance differences on a GICS industry level were seen, with positive contributions coming from IT services (StoneCo, Network International), banks (The Bancorp, NU Holdings) and consumer finance (Bajaj Finance, Kaspi). Software (Qualys, Blackline), interactive media & services (Tencent) and capital markets (MSCI, TradeWeb) were the worst relative industry contributors to performance during April.

Market development

Central banks keep on raising rates, while one after the other US bank is failing. Credit Suisse has been rescued and all around the world there are worries about Office CRE. As we get closer to a formal recession, the question is when will central banks stop hiking. For us that would be the time to move more into high-growth stocks with a reasonable valuation. Financial infrastructure has been a tough place to invest in April and YTD. Fears for poor results in banking technology enablers did not pan out, as Q1 results have been okay. In financial management we are seeing the rise of non-traditional players like Apple, Amazon and Google. The EU voted in large numbers in favor of the Markets in Crypto Assets (MiCA) legislation, which establishes rules for crypto-asset issuers and service providers, DeFi, and market abuse. Outside the US and Europe, we observe continuous regulatory developments. In our view, this implies that activity, capital and innovation will shift away from the US.

Calendar year performance

	Fund	Index
2022	-39.25%	-18.36%
2021	4.48%	18.54%
2020	27.26%	16.25%
2019	35.90%	26.60%
2018	-3.85%	-9.42%
2020-2022	-6.87%	4.00%
2018-2022 Annualized (years)	1.08%	5.23%

Index

MSCI All Country World Index (Net Return, USD)

General facts

Morningstar	★
Type of fund	
Currency	USD
Total size of fund	USD 519,247,210
Size of share class	USD 32,465,023
Outstanding shares	276,765
1st quotation date	17-11-2017
Close financial year	31-12
Ongoing charges	0.94%
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.

Expectation of fund manager

There has been a significant valuation reset. We still see solid growth potential across the fintech investment universe. Though there is a significantly larger focus on the ability to generate cash and profitability. Payments should continue to outgrow nominal GDP, especially digital payments, as e-commerce grows faster with continued higher adoption rates. Data analytics has been a growing part of the fintech investment universe. The (December 2022) announced deal between Microsoft and LSE Group underscores the importance of DA. Enhancing financial inclusion remains a very important raison d'être (reason for existence) for fintech. In addition, we notice increasing importance of B2B business models in especially international / cross-border payments as well as in digital assets applications focused on wholesale business models. After a tough start of the year, we believe that fintech offers great long-term growth opportunities at much lower valuation multiples.

Sustainability profile



Exclusions



ESG Integration



Voting & Engagement

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

Top 10 largest positions

The five largest positions in the fund are PayPal Holdings Inc., MercadoLibre Inc., London Stock Exchange Group PLC, S&P Global Inc. and Fiserv Inc.

Fund price

30-04-23	USD	118.20
High Ytd (02-02-23)	USD	129.55
Low Ytd (13-03-23)	USD	109.49

Fees

Management fee	0.80%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.22%

Legal status

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

Registered in

Austria, Denmark, Germany, Ireland, Italy, Luxembourg, Singapore, Spain, Switzerland, United Kingdom

Currency policy

The fund can engage in currency hedging transactions. Typically currency hedging is not applied.

Risk management

Risk management is fully integrated into the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The fund retains any income that is earned, and so its entire performance is reflected in the price.

Fund codes

ISIN	LU1700711580
Bloomberg	RGFIEU LX
WKN	A2JHGK
Valoren	38714659

Top 10 largest positions

Holdings

PayPal Holdings Inc	
MercadoLibre Inc	
London Stock Exchange Group PLC	
S&P Global Inc	
Fiserv Inc	
Intercontinental Exchange Inc	
NU Holdings Ltd/Cayman Islands	
StoneCo Ltd	
Tencent Holdings Ltd	
Adyen NV	

Total

Sector	%
Diversified Financial Services	4.02
Multiline Retail	3.81
Capital Markets	3.53
Capital Markets	3.31
Diversified Financial Services	3.29
Capital Markets	3.25
Banks	3.23
Diversified Financial Services	3.08
Interactive Media & Services	2.79
Diversified Financial Services	2.78
Total	33.09

Top 10/20/30 weights

TOP 10	33.09%
TOP 20	57.18%
TOP 30	74.34%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	10.41	10.14
Information ratio	-1.18	-0.48
Sharpe ratio	-0.07	0.02
Alpha (%)	-12.30	-4.68
Beta	1.22	1.16
Standard deviation	23.13	22.84
Max. monthly gain (%)	15.31	15.31
Max. monthly loss (%)	-12.33	-18.74

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	14	28
Hit ratio (%)	38.9	46.7
Months Bull market	23	39
Months outperformance Bull	12	21
Hit ratio Bull (%)	52.2	53.8
Months Bear market	13	21
Months Outperformance Bear	2	7
Hit ratio Bear (%)	15.4	33.3

Above mentioned ratios are based on gross of fees returns

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	99.4%
Cash	0.6%

Sector allocation

The fund does not have a sector allocation policy. The fund invests in three different segments that benefit from the digitization of the financial sector, and focuses on the fintech long-term growth investment universe. It invests in three distinct segments, labelled as winners, challengers and enablers. Winners are well-established companies that clearly stand out from their peers. Challengers are younger, less-established companies that have the potential to become tomorrow's winners. Enablers are companies that help the financial industry to develop and implement technology.

Sector allocation

		Deviation index
Diversified Financial Services	29.7%	26.8%
Capital Markets	24.0%	21.3%
Software	14.7%	8.3%
Professional Services	7.0%	6.1%
Banks	6.1%	-0.5%
Consumer Finance	5.6%	5.2%
IT Services	4.0%	2.7%
Multiline Retail	3.8%	1.4%
Interactive Media & Services	2.8%	-0.8%
Insurance	1.2%	-2.0%
Entertainment	1.0%	-0.2%
Other	0.0%	-68.1%

Regional allocation

The fund currently has over 60% of its investments in the US, which is the dominant country for listed fintech equity investments, but over time we expect China, India and other emerging markets next to Europe to gain importance. We have defined a proprietary fintech universe with companies exposed to payments, distributed ledger technology, regtech, insurtech, personal finance, security, wealth management, electronic trading, big data, etc.

Regional allocation

	Deviation index
America	4.8%
Europe	-2.8%
Asia	-2.7%
Middle East	1.0%
Africa	-0.4%

Currency allocation

The fund has no active currency positions.

Currency allocation

	Deviation index
U.S. Dollar	11.2%
Euro	-2.2%
Pound Sterling	1.3%
Hong Kong Dollar	0.6%
Japanese Yen	-1.8%
Chinese Renminbi (Yuan)	2.8%
Indian Rupee	0.7%
Kazakhstan Tenge	1.3%
Singapore Dollar	0.5%
Swedish Kroner	-0.1%
Swiss Franc	-2.6%
Danish Krone	-0.8%
Other	-11.0%

Investment policy

Robeco FinTech is an actively managed fund that invests in stocks in developed and emerging countries. 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. Proprietary valuation models are used to select stocks with good earnings prospects and a reasonable valuation and those companies which benefit from the increasing digitization of the financial sector are included. These are individually assessed on the basis of industry trend analysis, in-depth discussions with corporate management, analysts and industry experts. 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

Patrick Lemmens is Lead Portfolio Manager within the Trends Equities team. He has a focus on financials/fintech. Prior to joining Robeco in 2008, he managed the ABN AMRO Financials fund from October 2003 to December 2007. Previously, he held the position of Analyst of Global Financials at ABN AMRO and was Global Sector Coordinator of the Financial Institutions Equities Group at ABN AMRO. Patrick Lemmens started his career in the investment industry in 1993. He holds a Master's in Business Economics from Erasmus University Rotterdam and is a Certified European Financial Analyst. Michiel van Voorst is Co-Portfolio Manager within the Trends Equities team. He has a focus on financials/fintech/next digital billion. In 2019, Michiel rejoined Robeco from Union Bancaire Privée in Hong Kong where he was CIO Asian Equities. Prior to that, Michiel spent 12 years at Robeco in several senior positions including senior portfolio manager Rolinco Global Growth fund and Robeco Asian Stars. Prior to joining Robeco in 2005, Michiel was Portfolio Manager US Equity at PGGM and Economist with Rabobank Netherlands. Michiel started his career in the investment industry in 1996. Michiel van Voorst holds a Master's in Economics from University of Utrecht and is a CFA® charterholder. Koos Burema is Co-Portfolio Manager within the Trends Equities team. He has a focus on financials/fintech. Koos was an Analyst with the Emerging Markets team covering Korea and technology in Taiwan and Mainland China. Besides this, he was responsible for the integration of ESG in the investment process. Before joining the team in January 2010, he worked as a Portfolio Manager for different sector teams within Robeco. He started his career in the industry in 2007. Koos holds a Master's in Business Administration from the University of Groningen and is a CFA® charterholder.

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 0.01% 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.

Fiscal treatment of investor

Investors who are not subject to (exempt from) Dutch corporate-income tax (e.g. pension funds) are not taxed on the achieved result. Investors who are subject to Dutch corporate-income tax can be taxed for the result achieved on their investment in the fund. Dutch bodies that are subject to corporate-income tax are obligated to declare interest and dividend income, as well as capital gains in their tax return. Investors residing outside the Netherlands are subject to their respective national tax regime applying to foreign investment funds. We advise individual investors to consult their financial or tax adviser about the tax consequences of an investment in this fund in their specific circumstances before deciding to invest in the fund.

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