

Robeco Next Digital Billion D EUR

Robeco Next Digital Billion is an actively managed fund that invests in companies in emerging markets. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than that of the index. The fund selects companies with high growth potential that aim to cater to the previous and next billion internet users. Many of the targeted emerging countries now have a critical mass in internet penetration and coupled with the absence of traditional economic infrastructure, this can lead to the emergence of the next wave of technology companies and value creation.



Michiel van Voorst CFA, Bryan Satterly
Fund manager since 14-09-2021

Performance

| | Fund | Index |
|---------------|---------|---------|
| 1 m | -3.79% | -2.70% |
| 3 m | -8.42% | -6.29% |
| Ytd | -1.31% | -0.64% |
| 1 Year | -13.07% | -10.67% |
| Since 09-2021 | -35.47% | -10.10% |

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



Calendar year performance

| | Fund | Index |
|----------------------------|---------|---------|
| 2022 Annualized (years) | -40.11% | -14.85% |

Index

MSCI Emerging Markets Index (Net Return, EUR)

General facts

| | |
|------------------------------|--|
| Type of fund | Equities |
| Currency | EUR |
| Total size of fund | EUR 9,156,989 |
| Size of share class | EUR 611,104 |
| Outstanding shares | 13,628 |
| 1st quotation date | 14-09-2021 |
| Close financial year | 31-12 |
| Ongoing charges | 1.85% |
| 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. |

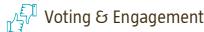
Sustainability profile



Exclusions



ESG Integration



Voting & Engagement

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

Performance

Based on transaction prices, the fund's return was -3.79%.

Internet platforms contributed negatively to performance during April, reverting the positive trend that was ongoing for the category since a couple of months. The largest detractor was Baidu, which was down 22%. The online consumer & media sector also made a negative contribution, as the Chinese market experienced weakness across all local stocks in the segment. In the mobility/e-logistics category, the largest holding, ESR Group, experienced a decline of 13% for the month, which contributed significantly to its negative performance. The B2B/enterprise-focused portion of the portfolio continued to contribute negatively this month, as our biggest position in this category, EPAM, dropped 6%. On the flip side, fintech and ICT & enablers made positive contributions, with the former driven by the announcement of two non-binding PE offers to take Network private.

Market development

The Next Digital Billion Fund slightly underperformed the reference index. There was notable volatility due to various factors, such as regulations in the Chinese AI market and ongoing geopolitical tensions. The underperformance of Robeco Next Digital Billion was mostly driven by our exposure in Chinese tech. April markets in China were brutally shaken by the release of a draft regulation on generative AI by the Cyberspace Administration of China (CAC). This resulted in a broad sell-off of Chinese AI-beneficiaries' stocks, including our mega-cap holdings Tencent and Baidu. Meanwhile, on the other side of the world, our investments in Latin America showed strong momentum in April. Taking a more comprehensive view on the region, Brazil as a whole continues to experience extreme volatility, with rotating months of outperformance and weakness. While all those moving parts are clearly shaking up the Brazilian market, we see this volatility as an opportunity to trade around our positions and make profit.

Expectation of fund manager

We are confident about the strong operational performance demonstrated by our current portfolio holdings, even in the face of potential volatility in the near future. As demand begins to recover, we are taking proactive steps to position our portfolio strategically and capitalize on emerging opportunities in different geographic regions. Within our high conviction approach, we remain diversified across geographies. We continue to be excited by the long-term investment opportunities that our strategy offers and search for new investment ideas even in these turbulent times.

Top 10 largest positions

The largest five positions are Airtel Africa PLC, MercadoLibre Inc, Alibaba Group Holding Ltd, Prosus and Shenzhen Transsion Holdings.

Fund price

| | | |
|---------------------|-----|-------|
| 30-04-23 | EUR | 48.96 |
| High Ytd (27-01-23) | EUR | 55.15 |
| Low Ytd (26-04-23) | EUR | 47.94 |

Fees

| | |
|----------------------------|-------|
| Management fee | 1.60% |
| Performance fee | None |
| Service fee | 0.20% |
| Expected transaction costs | 0.08% |

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, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Singapore, Spain, Sweden, Switzerland

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 its share price.

Fund codes

| | |
|-----------|--------------|
| ISIN | LU2368226135 |
| Bloomberg | RONDBDA LX |
| WKN | A3C30P |
| Valoren | 113770582 |

Top 10 largest positions

| Holdings |
|------------------------------------|
| Airtel Africa PLC |
| MercadoLibre Inc |
| Alibaba Group Holding Ltd |
| Prosus NV |
| Shenzhen Transsion Holdings Co Ltd |
| StoneCo Ltd |
| Reliance Industries Ltd |
| Sea Ltd ADR |
| Kaspi.KZ JSC GDR |
| EPAM Systems Inc |
| Total |

| Sector | % |
|------------------------|------|
| Communication Services | 5.44 |
| Consumer Discretionary | 5.11 |
| Consumer Discretionary | 4.91 |
| Consumer Discretionary | 4.87 |
| Information Technology | 4.72 |
| Financials | 4.31 |
| Energy | 4.29 |
| Communication Services | 4.19 |
| Financials | 4.13 |
| Information Technology | 4.10 |
| 46.08 | |

Top 10/20/30 weights

| | |
|--------|--------|
| TOP 10 | 46.08% |
| TOP 20 | 75.15% |
| TOP 30 | 89.38% |

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 |  | 97.0% |
| Cash |  | 3.0% |

Sector allocation

The fund does not have a sector allocation policy. The fund invests into high-growth, publicly listed companies that cater to the previous and next billion internet users. The portfolio is based on a differentiated universe of high-growth companies, containing segments like internet platforms, fintechs, technology enablers and online consumer and media.

Sector allocation

| | | Deviation index |
|------------------------|-------|-----------------|
| Financials | 25.2% | 3.0% |
| Consumer Discretionary | 22.2% | 9.2% |
| Communication Services | 21.3% | 11.2% |
| Information Technology | 20.2% | 0.5% |
| Real Estate | 4.8% | 2.9% |
| Energy | 4.3% | -0.7% |
| Consumer Staples | 1.9% | -4.7% |
| Industrials | 0.0% | -6.2% |
| Health Care | 0.0% | -3.9% |
| Utilities | 0.0% | -2.7% |
| Materials | 0.0% | -8.8% |

Regional allocation

The fund's regional allocation is the result of the bottom-up stock selection strategy, where some holdings have been obtained through positions in ADRs and/or GDRs.

Regional allocation

| | Deviation index |
|-------------|-----------------|
| Asia | -24.5% |
| America | 18.1% |
| Europe | 16.4% |
| Middle East | -6.4% |
| Africa | -3.6% |

Currency allocation

The portfolio itself does not use currency hedges. The currency allocation is based on the listings of the investments of the portfolio, where some holdings have been obtained through positions in ADRs and/or GDRs.

Currency allocation

| | Deviation index |
|-------------------------|-----------------|
| U.S. Dollar | 29.3% |
| Hong Kong Dollar | -1.4% |
| Pound Sterling | 8.2% |
| Chinese Renminbi (Yuan) | 2.2% |
| Indian Rupee | -6.6% |
| Euro | 5.1% |
| Singapore Dollar | 5.0% |
| Kazakhstan Tenge | 4.0% |
| Philippine Peso | 2.1% |
| Brasilian Real | -2.3% |
| Egyptian Pound | 0.8% |
| Indonesian Rupiah | -1.3% |
| Other | -45.2% |

Investment policy

Robeco Next Digital Billion is an actively managed fund that invests in companies in emerging markets. 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 selects companies with high growth potential that aim to cater to the previous and next billion internet users by improving access to technology and innovating with digital solutions in local communities. 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 environmental, social and governance characteristics promoted by the fund.

Fund manager's CV

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. Bryan Satterly is Portfolio Manager Next Digital Billion and a member of the Robeco Trends Equities team. Prior to this role, Bryan was an investment manager for Robeco's Private Equity group where he was responsible for group exposures in emerging markets, venture capital and co-investments. He joined Robeco in 2018. Before that he was an investment analyst in Washington D.C. for the Venture Capital Group at IFC, the World Bank Group's private sector investment arm, investing into technology companies across emerging markets. He started his career in 2013 as an investment banking analyst at BMO Capital Markets in New York, working on a variety of equity, debt and M&A transactions in the Healthcare and Real Estate sectors. Bryan holds a Bachelor's degree in Foreign Service from Georgetown University in Washington D.C.

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.

Fiscal treatment of investor

The fiscal consequences of investing in this fund depend on the investor's personal situation. For private investors in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Each year investors pay income tax on the value of their net assets as at 1 January if and inasmuch as such net assets exceed the investor's tax-free allowance. Any amount invested in the fund forms part of the investor's net assets. Private investors who are resident outside the Netherlands will not be taxed in the Netherlands on their investments in the fund. However, such investors may be taxed in their country of residence on any income from an investment in this fund based on the applicable national fiscal laws. Other fiscal rules apply to legal entities or professional investors. We advise 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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