

Robeco Global DM Conservative Equities Fund (AUD Hedged)

The Robeco Global DM Conservative Equities Fund (AUD Hedged) invests in low-volatile stocks all over the world in developed countries. The fund's long-term aim is to achieve returns comparable to those on global developed equity stocks, that show lower expected volatility than average global equity. The selection of these low-risk stocks is carried out using a quantitative model, which ranks stocks in a variety of ways, including market sensitivity, volatility, valuation and sentiment.



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Fund manager since 01-02-2018

Index

MSCI World TR, net dividend reinvested (AUD Hedged)

Key Information

APIR Code	ETL1206AU
Type of fund	Equities
Currency	AUD
Fund inception date	05/02/2018
Total size of fund	AUD\$ 2,357,294
Daily tradable	Yes
Responsible entity	Equity Trustees Limited

Fees

Management fee	0.65%
Buy/Sell spread	0.12% / 0.11%

Investment objective

The objective of the Fund is to deliver long-term equity returns at an expected lower risk than that of a market capitalisation weighted index. It aims to achieve a higher Sharpe ratio than equities in the long term. The fund invests in stocks that show lower volatility combined with good upside potential. It combines the outcome of a stock selection model with a disciplined portfolio construction algorithm. This prudent investment approach results in a low turnover portfolio of low-volatile stocks with low valuation and positive market sentiment.

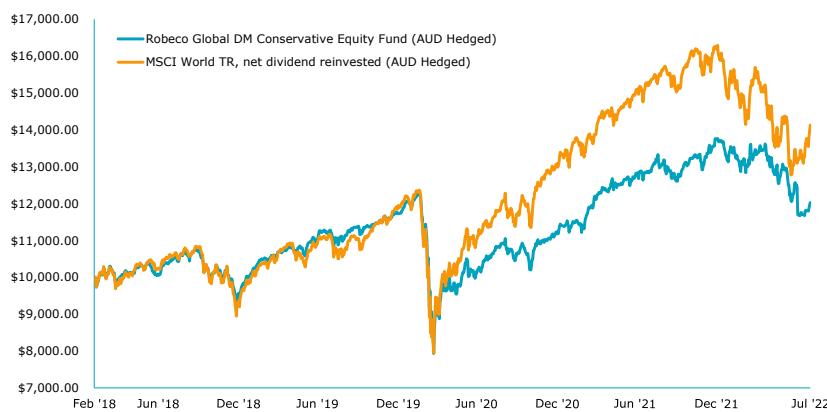
Net Performance (AUD)%

	Portfolio	Index
1 month	4.07%	7.89%
3 months	-0.71%	-1.08%
6 months	-3.44%	-8.07%
1 year	0.72%	-7.05%
3 years	5.05%	8.61%
Calendar to Date	-5.72%	-12.74%
Performance since inception*	5.25%	7.25%
*Annualised (for periods longer than one year)		

Fund return after fees, before taxes. Past performance is not a reliable indicator of future performance.

Net Performance

Growth of \$10,000



Fund inception date 5 February 2018

Performance

The fund lagged a bullish equity market due to the bias towards defensive sectors such as health care, telecom and insurance stocks, while having an underweight in tech and platform stocks such as Amazon, Tesla and Apple. Positive contributions mainly came from holding gas station operator Murphy USA and from US industrial W.W. Grainger, as both stocks surged on 2Q earnings and positive forward guidance. From a factor perspective, value and low-risk lagged in the cyclical growth rally.

Expectation of fund manager

The Robeco Global DM Conservative Equities Fund (AUD Hedged) invests in low volatility stocks with lower expected downside risk and good upside potential. The more stable stocks tend to be overlooked by investors, though they offer relatively high returns given their risk profile. We expect the fund to do particularly well during down markets and volatile market conditions. In a very bullish environment, the fund could lag the overall market, yet still deliver good absolute returns. In the long term, we expect stable equity returns and high income with considerably lower downside risk.

Top-10-largest positions

Holdings

Apple Inc	
Microsoft Corp	
Exxon Mobil Corp	
Chevron Corp	
Union Pacific Corp	
Berkshire Hathaway Inc	
Cisco Systems Inc	
McDonald's Corp	
Amgen Inc	
Coca-Cola Co/The	
Total	22.74

Sector	%
Information Technology	3.26
Information Technology	3.09
Energy	2.29
Energy	2.19
Industrials	2.05
Financials	2.05
Information Technology	1.98
Consumer Discretionary	1.97
Health Care	1.93
Consumer Staples	1.93
	22.74

Sustainability

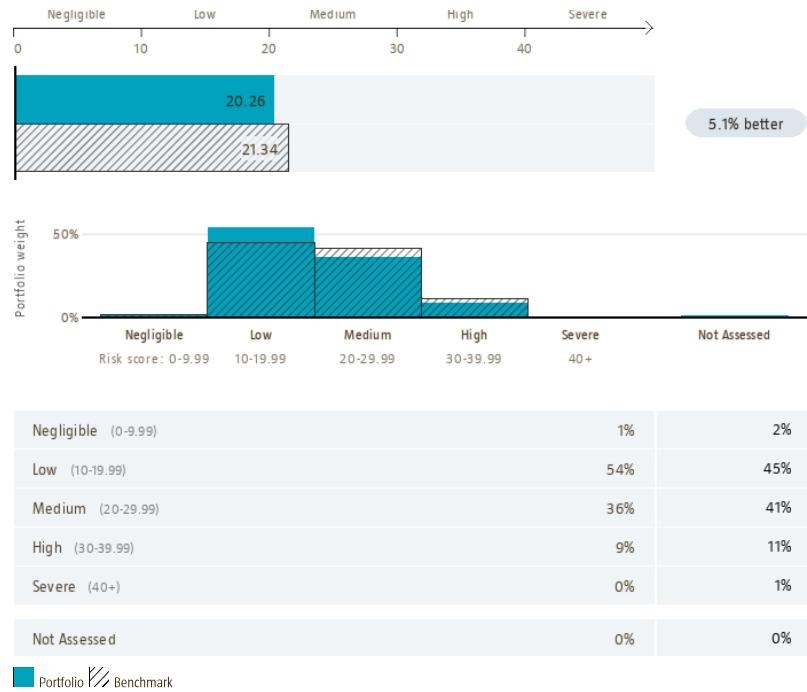
Environmental, Social and Governance (ESG) factors are systematically integrated in the highly disciplined investment process, by using the ESG scores from the RobecoSAM Corporate Sustainability Assessment. The ESG integration aims for a total ESG score of the portfolio higher than the index. Moreover, the scores on the Environmental, Social and Governance dimensions should also be higher than the index, to ensure that the ESG enhancement is reached across all three dimensions. This ensures that stocks with higher ESG scores are more likely to be included in the portfolio while stocks of companies that have very poor ESG scores are more likely to be divested from the portfolio. With these portfolio construction rules we aim for an ESG profile of the fund that is above average compared to its peers. In addition, stocks with corporate governance issues or stocks that have major litigation or regulatory risk may be excluded from the investable universe. Next to ESG integration, Robeco has an exclusion policy and conducts proxy voting and engagement activities based on International Corporate Governance Network objectives.

ESG Risk Score

The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. If an index has been selected, those scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.

The Sustainalytics ESG Risk Rating distribution chart shows the portfolio allocations broken into Sustainalytics' five ESG risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+), providing an overview of portfolio exposure to the different ESG risk levels. If an index has been selected, the same information is shown for the index.

ESG Risk Score

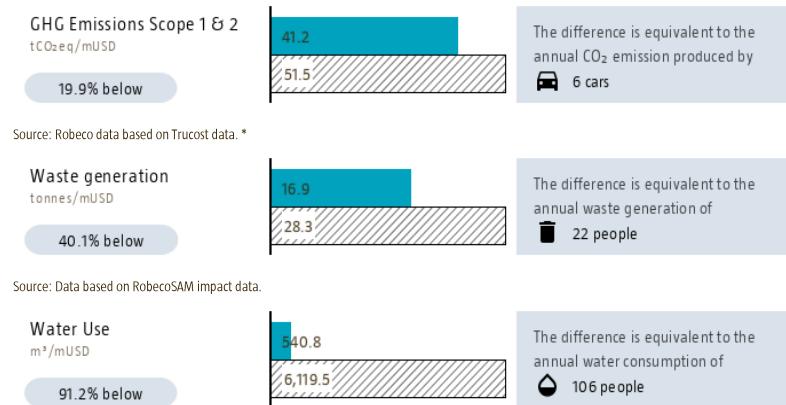


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Footprint Ownership

Footprint ownership expresses the total resource utilization the portfolio finances. Each assessed company's footprint is calculated by normalizing resources utilized by the company's enterprise value including cash (EVIC). Multiplying these values by the dollar amount invested in each assessed company yields the aggregate footprint ownership figures. The selected index's footprint is provided alongside. Sovereign and cash positions have no impact. The portfolios score is shown in blue and the index in grey.

Environmental Footprint



Source: Data based on RobecoSAM impact data.

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Asset Allocation

Asset allocation

Equity		98.4%
Cash		1.6%

Sector allocation

The Robeco Global DM Conservative Equities Fund (AUD Hedged) is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low expected absolute risk and high expected return characteristics. The current weights in defensive sectors are high compared to regular indices. This is due to the fact that these sectors contain a relatively large number of stable and attractively priced stocks.

Sector allocation

		Deviation reference index
Health Care	17.4%	3.9%
Information Technology	16.2%	-5.9%
Financials	15.6%	2.4%
Consumer Staples	13.2%	5.7%
Communication Services	10.8%	3.6%
Industrials	7.8%	-2.2%
Consumer Discretionary	7.5%	-3.8%
Energy	5.6%	0.7%
Real Estate	3.3%	0.4%
Utilities	2.1%	-1.0%
Materials	0.5%	-3.6%

Country allocation

The Robeco Global DM Conservative Equities Fund (AUD Hedged) is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low expected absolute risk and high expected return characteristics. The current weights in certain countries are high compared to regular indices. This is due to the fact that these countries contain a relatively large number of stable and attractively priced stocks.

Country allocation

		Deviation reference index
United States	66.7%	-2.8%
Canada	4.7%	1.2%
Japan	4.5%	-1.5%
Switzerland	3.3%	0.5%
Norway	3.1%	2.9%
Australia	3.1%	1.0%
Netherlands	1.9%	0.7%
Singapore	1.7%	1.3%
Hong Kong	1.7%	0.9%
United Kingdom	1.7%	-2.5%
France	1.5%	-1.6%
Italy	1.3%	0.7%
Other	4.8%	-0.6%

Disclaimer

Important information MSCI

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The Fund's Target Market Determination is available here <https://www.eqt.com.au/insto/>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.