

Robeco Global DM Conservative Equities Fund (AUD)

As of 31 March 2021

Robeco Global DM Conservative Equity Fund (AUD) 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 15/02/2017

Net Performance (AUD)%

	Fund	Index
1 month	7.89%	5.03%
3 months	6.13%	6.30%
6 months	5.63%	12.52%
1 year	5.40%	23.78%
3 year	5.58%	13.07%
Calendar to Date	6.13%	6.30%
Performance since inception*	7.22%	13.23%

*Annualised (for periods longer than one year)

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

Reference Index

MSCI World TR, net dividend reinvested (AUD)

Key Information

APIR Code	ETL3856AU
Type of fund	Equities
Currency	AUD
Fund inception date	15/02/2017
Total size of fund	AUD \$ 132,573,317
Daily tradable	Yes
Responsible entity	Equity Trustees Limited

Fees

Management fee	0.65%
Buy/Sell spread	0.13% / 0.09%

Investment Objective

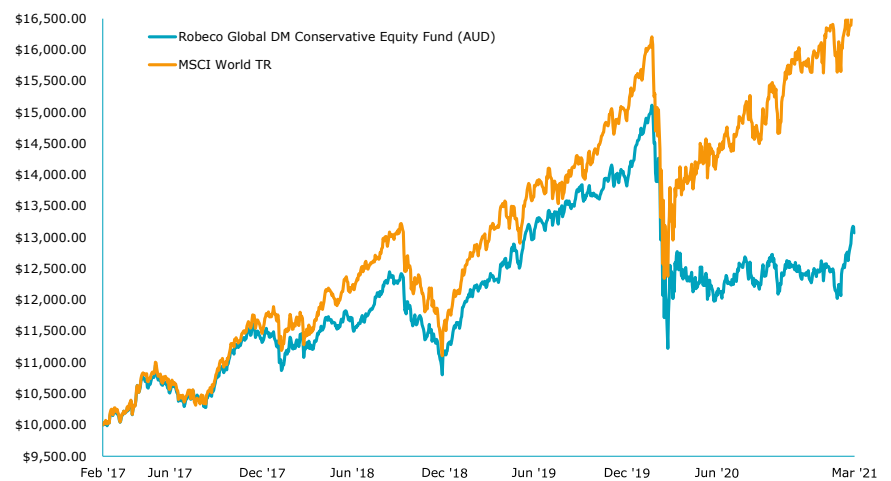
The objective of the Fund is to deliver long-term equity return at a lower downside risk than that of the Reference Index. It aims to achieve the highest long-term Sharpe ratio (the average return earned in excess of the risk-free rate per unit of volatility or total risk), delivering returns equal to or greater than its Reference index over a full market cycle.

Expectation of Fund Manager

The Global Developed Conservative Equities fund (AUD) 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.

Net Performance

Growth of \$10,000



Fund inception date 15 February 2017

Manager's Comments

Performance

The strategy beat the market by a significant margin last month, as the low-risk factor was strong, as was the value factor, which explains why we beat MSCI MinVol as well. Main positive contributors came from holding low-beta technology and consumer stocks such as Oracle, Cisco, Home Depot, Target and AutoZone, which offer decent growth rates but at more attractive valuations than Big Tech and the high-flying internet stocks. As a cyclical recovery seems to be priced in and as the fastest-growing internet and tech stocks are trading at demanding valuations, we think it is time for defensive stocks to take center stage again, especially in more volatile periods.

Top 10 largest positions

Holdings	Sector	%
Apple Inc	Information Technology	2.43
Cisco Systems Inc/Delaware	Information Technology	2.16
Merck & Co Inc	Health Care	2.03
Verizon Communications Inc	Communication Services	1.99
Jpmorgan Chase & Co	Financials	1.99
Target Corp	Consumer Discretionary	1.95
Oracle Corp	Information Technology	1.91
Nestle Sa	Consumer Staples	1.73
Procter & Gamble Co/The	Consumer Staples	1.68
Pfizer Inc	Health Care	1.58
Total		19.46

ESG integration policy

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.

SI fund classification

	Yes	No	N/A
Voting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PRI ESG Integration Classification

	Yes	No	N/A
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability Themed Fund	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Asset allocation

Asset allocation	
Equity	98.5%
Cash	1.5%

Sector allocation

The Global Developed Conservative Equities fund (AUD) 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 index
Financials	17.2%	3.5%
Consumer Staples	15.9%	8.7%
Health Care	14.3%	1.9%
Information Technology	13.4%	-7.9%
Consumer Discretionary	13.1%	1.0%
Industrials	10.4%	-0.5%
Communication Services	6.9%	-2.1%
Real Estate	4.4%	1.7%
Materials	2.3%	-2.2%
Utilities	1.8%	-1.2%
Energy	0.4%	-2.8%
Other	-0.1%	-0.1%

Country allocation

The Global Developed Conservative Equities fund (AUD) 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 index
United States	58.6%	-7.8%
Canada	8.7%	5.4%
Japan	7.6%	0.1%
Australia	6.3%	4.2%
Switzerland	5.5%	2.7%
Sweden	2.9%	1.8%
Norway	2.3%	2.1%
United Kingdom	1.8%	-2.5%
Singapore	1.1%	0.8%
Italy	1.1%	0.3%
Hong Kong	0.8%	-0.2%
Netherlands	0.6%	-0.7%
Other	2.7%	-6.2%

Important information MSCI

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