

Robeco Multi Factor Absolute Return Fund (AUD) – Class B

As of 30 September 2020

Robeco Multi Factor Absolute Return Fund (AUD) – Class B is a systematic absolute return strategy. The fund harvests a highly diversifying set of factor premiums across a wide set of asset classes, aiming for attractive returns across market scenarios and low long-run correlation to the traditional asset classes.



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Fund manager since 07-08-2018

Net Performance (AUD)%

| | Fund | Index |
|------------------------------|---------|-------|
| 1 month | -0.52% | 0.01% |
| 3 month | -1.17% | 0.03% |
| 6 month | -3.68% | 0.07% |
| Calendar to date | -19.72% | 0.24% |
| Performance since inception* | -16.27% | 0.41% |

*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

ICE BofA Merrill Lynch AUD Currency Overnight Deposit Offered Rate Index

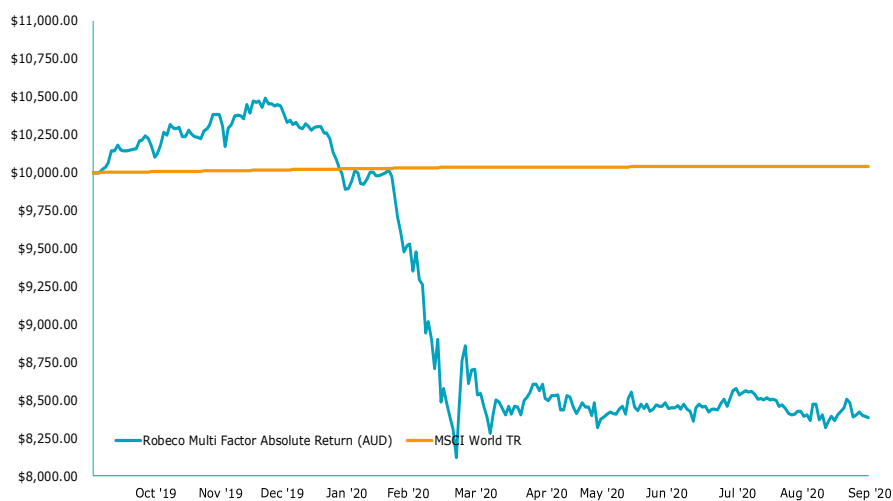
Key Information

| | |
|---------------------|-------------------------|
| APIR Code | ETL6152AU |
| Type of fund | Asset Allocation |
| Currency | AUD |
| Fund inception date | 26/08/2019 |
| Total size of fund | AUD \$ 4,399 |
| Daily tradable | Yes |
| Distribution paid | Yes |
| Responsible entity | Equity Trustees Limited |

Fees

| | |
|-----------------|---------------|
| Management fee | 0.83% |
| Buy/Sell spread | 0.15% / 0.11% |

Net Performance Growth of \$10,000



Fund inception date 26 August 2019

Manager's Comments

Performance

In September the fund exhibited negative performance. Main positive contributors were Carry and Quality, followed by Flow and Value, while Momentum and Low risk detracted. Currency allocation was positive, but performance was offset by negative returns from Equity selection, Credit allocation and Government bond allocation. Commodities, Credit selection and Equity allocation had close to neutral performance contributions.

Investment Objective

The aim of the Fund is to provide long term capital growth and low long-run correlation to the traditional asset classes by harvesting factors across all major asset classes in a risk-balanced and ESG-aware manner.

Factor Premiums

The fund harvests six factor premiums; value, momentum, low-risk, quality, carry and flow. These factors have strong risk adjusted performance, are robust to falsification, are persistent, explainable and executable. The fund utilizes enhanced factor exposures that mitigate unrewarded risks and efficiently deal with transaction costs. We optimize harvesting efficiency by utilizing a substantial investable universe, including 4,500 different equities, 15,000 different corporate bonds and over 50 liquid derivatives. Factor premiums are present in every major market as well as across markets. Bundling them in one strategy provides a highly diversified, academically founded and robust return generating solution.

| Low-risk | Value | Momentum | Quality | Carry | Flow |
|--------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------|----------------------------------------|
| | | | | | |
| "Be conservative" | "Buy low, sell high" | "Follow the trend" | "Pursue sound fundamentals" | "Collect income" | "Exploit supply & demand" |
| Low-risk assets offer higher risk-adjusted returns than high-risk assets | Low valued assets outperform expensively valued assets | Recent winners outperform and recent losers underperform | High quality names outperform assets with low quality | High yielding assets outperform low yielding assets | Accommodating asset flows is rewarding |

ESG integration policy

Environmental, Social and Governance (ESG) factors are systematically integrated in our highly disciplined investment process in several ways. Firstly, the portfolio's ESG score is substantially better than the market. This score is developed by sustainability expert RobecoSAM. Also the environmental footprint on greenhouse gas emissions, energy consumption, water use and waste generation is expected to be substantially lower than the market. Furthermore, we apply an extensive exclusion list covering various controversial sectors or business practices and we continuously monitor our universe for companies with corporate governance issues, major litigations or regulatory risk. Finally, we conduct proxy voting and engagement activities to improve companies' behavior on ESG themes. Our enhanced form of ESG integration ensures we avoid the risk of being overexposed to less sustainable companies and captures financially material mid- to long term risks and opportunities like corporate governance and climate change.

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"/> |

Strategic allocation

Strategic risk allocation: Factors



| Factor | Percentage |
|----------|------------|
| Low-risk | 10% |
| Value | 20% |
| Momentum | 25% |
| Quality | 25% |
| Carry | 10% |
| Flow | 10% |

Strategic risk allocation: Asset Classes



| Asset class | Percentage |
|------------------|------------|
| Stocks | 25% |
| Credits | 5% |
| Equity indices | 20% |
| Government bonds | 20% |
| Credit indices | 10% |
| Currencies | 15% |
| Commodities | 5% |

The fund harvests factor premiums in all major markets using several proven factor strategies and targets a reasonably aggressive risk profile. For this purpose we target a well-diversified liquid portfolio that invests in equities (developed & emerging markets), fixed income (government and corporate bonds) and liquid derivatives across the major markets. At the selection level (equities and fixed income), we focus on the harvesting of proven factor premiums above the general market risk premium, through bottom-up security selection. Within equities the investible universe includes small, mid and large-caps across regions, countries, sectors and industry groups. Within credits we include high yield and investment grade. At the allocation level, our factor strategies result in a top-down allocation to markets. We use liquid derivatives to invest in equity indices, credit indices, currencies, and government bonds. Combined, the solution provides efficient and enhanced exposure to factor premiums across asset classes and markets. The portfolio has close to zero long term correlation to traditional asset classes by taking long/short positions and through hedging the equity market beta and interest rate risk.

Robeco. Strategic risk allocation over factors and markets, these percentages are targets and realised volatility contributions move around their targets over time.

Portfolio Holdings

The fund is structured to be market neutral, uncorrelated to traditional markets, targets a 8% volatility and 6% return over cash. This is achieved by efficient and well diversified factor exposures implemented with high breadth. We include enhanced sustainability, which we believe reduces tail risks. Our portfolio achieves the strategic risk allocation by holding a large chunk of the portfolio in stocks and single name credits, both via direct cash investments and besides that holding a liquid and sizable cash pool that underlies derivatives-based hedging and factor positions.

| | Number of Positions | Leverage |
|-------------------------|---------------------|-------------|
| Single-name Stocks | 484 | 0% |
| Single-name Corp. Bonds | 640 | 0% |
| Cash Bonds | 4 | 0% |
| Equity Futures | 19 | 83% |
| Bond Futures | 14 | 90% |
| CDX | 4 | 10% |
| Commodity's | 25 | 5% |
| FX Forwards | 19 | 64% |
| Total | 1209 | 253% |

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