

Marketing material for professional investors

Global markets reach new highs amidst resurgence of virus cases

- Central banks continue to signal strong liquidity support
- Fund once again showed a positive performance during the month
- Focus maintained on companies with strong long-term structural growth drivers



Thiemo Lang, PhD
 Senior Portfolio Manager

Market review and developments

The global stock markets reached near record highs in August, supported by the Fed's new inflation approach, with its pledge to stay accommodative for a longer period of time. Any progress of a coronavirus vaccine was watched

very closely by investors, as new virus outbreaks were reported. The economic recovery continued at a modest pace at best, also held back by few improvements on the job markets.

Periodic performance comparison (in EUR terms, gross), August 2020

	last month	YTD	2019	2018	2017	2016	2015	2014	Since Inception* p.a.
RobecoSAM Smart Energy Fund	2.46%	9.42%	45.48%	-10.83%	20.66%	8.10%	11.62%	13.66%	9.80%
MSCI World Index TRN	5.48%	-1.13%	30.02%	-4.11%	7.51%	10.73%	10.42%	19.50%	7.69%
Excess Return	-3.02%	10.55%	15.46%	-6.72%	13.15%	-2.63%	1.20%	-5.84%	2.11%

*23.09.2003

Portfolio and performance

During the month, the fund management initiated a new position in Chinese EV manufacturer Nio, following its very encouraging quarterly numbers and guidance, with the company ramping up volumes of new models, and tweaking its business model to allow for higher profitability. Even though the company announced a secondary offering towards the end of the month, the overall performance contribution to the fund was very positive. With the objective to further broaden the exposure to Chinese EV car manufacturers, the portfolio management also initiated a limited position in Xpeng.

Fuel cell systems supplier Plug Power continued to climb higher, as the company successfully placed a stock offering. The net proceeds of USD 345 million will allow the company to accelerate its expansion plans towards a fully vertically integrated hydrogen player, starting from hydrogen production with renewable energy and its distribution, as well as further developments in fuel cell technology. German solar inverter company SMA Solar Technology AG was higher, as the company struck a confident tone, reiterating its guidance supported by strong bookings.

Other positive performance contributors during the month notably included building isolation company Rockwool, South Korean lithium-ion battery producer Samsung SDI and Fuji Electric.

Compound semiconductor company II-VI Incorporated corrected, as investors weighed up the diluting effects of an equity offering and higher tax rates on the earnings. The position was increased slightly into the weakness, as the fund management sees the company as very attractively positioned.

Other weaker companies during the month included Lumentum and Inphi, both as a result of rather limited profit taking, given their decent year-to-date performance.

In addition to the changes indicated above, during the month, the fund management reduced the positions in the energy efficiency - industrials sub-cluster by trimming the positions in Delta Electronics, Fuji Electric and Analog Devices. The position in building efficiency play Johnson Controls was increased further.

Outlook

The economic recovery will likely continue at a moderate rate at best, as a resurgence of coronavirus cases can hamper the reopening process, making further improvement of the job markets less likely. On the other hand, the full monetary support of central banks remains assured, and governments worldwide continue to provide strong stimulus and recovery packages.

We therefore remain constructive on the mid-term to long-term perspectives of the equity markets, and intend to use

the current higher market volatility to further solidify positions in companies with very strong long-term business perspectives.

The strategy's focus continues to be on – smart – grid suppliers, semiconductor power management and battery companies, notably for – electric – automotive applications, firms that improve the power efficiency of data centers, and companies that provide automation equipment / services for industrial and residential markets.

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- The future of energy is electric, based on clean energies. Participate in the transformational changes offered by renewable power generation, smart grid and energy efficiency.

Why invest now?

All building blocks towards an all-embracing clean energy infrastructure are finally available and affordable. The next big steps of the electrification of the transportation and heating sectors offer manifold investment opportunities.

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