

Marketing material for professional investors

## Global markets reach new highs amidst resurgence of virus cases

- Central banks continue to signal strong liquidity support
- Chinese EV sector in the spotlight
- Focus maintained on companies with strong long-term structural growth drivers



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## 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 Mobility Fund	4.16%	6.09%	40.66%	-17.96%	-	-	-	-	10.17%
MSCI World Index TRN	5.48%	-1.13%	30.02%	-9.78%	-	-	-	-	7.36%
Excess Return	-1.32%	7.22%	10.64%	-8.18%	-	-	-	-	2.81%

\*31.07.2018

## 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. South Korean lithium-ion battery producer Samsung SDI continued its strong upward trend, as its EV battery business is seeing strong momentum. The fund management took

some additional slight profit into the strength, whilst maintaining the company at a ~4% portfolio weight. Japanese micro-controller company Renesas Electronics also had a strong month, as the recovery in demand for its automotive products became more visible. 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, notably for the SiC market for EV cars. Swiss car connectivity play u-blox corrected, as the company still was not able to report any uptick in demand. Once again, the position was strengthened slightly into the weakness. Other smaller negative portfolio contributors included Power Integrations and Xilinx. During the month, some profit was taken in Delta Electronics, one of the strongest performance contributors this year. The positions in TDK and Analog Devices were also further reduced.

## 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. In the current soft market environment, car manufacturers and suppliers will continue to take decisive action concerning their future spending plans on capex and R&D. In this context, we expect them to focus even more on electrification (EV) and autonomous driving (AV), which will, in our opinion, just accelerate the transition of the car industry towards EV/AV, both areas we are strongly invested in.

### Why invest in the RobecoSAM Smart Mobility Strategy?

- Participate in the “electrification of transportation” megatrend — This emerging investment theme offers outstanding long term growth opportunities in the entire electric vehicles value chain.
- Focus on solution providers — Successfully invest in the technology leaders and innovative winners of this globally disruptive revolution.

### Why invest now?

The electrification of the transportation sector has just started, and will offer huge investment opportunities for many years to come.

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