

Robeco MegaTrends M2 EUR

Robeco Megatrends is an actively managed fund that invests worldwide in equities from developed and emerging countries. The selection of stocks is based on fundamental analysis. The strategy's objective is to achieve a better return than the MSCI ACWI index. The fund invests in companies exposed to five lowly-correlated secular growth trends: Connected Enterprise, Digital World, Emerging Middleclass, Healthy Aging, and Resource Stewardship. It takes a long-term approach, investing in high quality growth companies with the purest possible exposure to these trends.



Marco van Lent, Steef Bergakker, Dora Buckulčíková
Fund manager since 15-11-2013

Performance

	Fund	Index
1 m	1.75%	2.29%
3 m	16.20%	12.05%
Ytd	1.75%	2.29%
1 Year	11.87%	14.68%
2 Years	-2.21%	4.36%
3 Years	0.71%	10.15%
Since 02-2019	7.35%	10.71%

Annualized (for periods longer than one year)

Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see last page.

Calendar year performance

	Fund	Index
2023	21.08%	18.06%
2022	-29.65%	-13.01%
2021	18.45%	27.54%
2020	18.43%	6.65%
2021-2023	0.30%	9.41%

Annualized (years)

Index

MSCI All Country World Index (Net Return, EUR)

General facts

Morningstar	★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 47,583,411
Size of share class	EUR 488,605
Outstanding shares	3,441
1st quotation date	21-02-2019
Close financial year	31-12
Ongoing charges	2.71%
Daily tradable	No
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

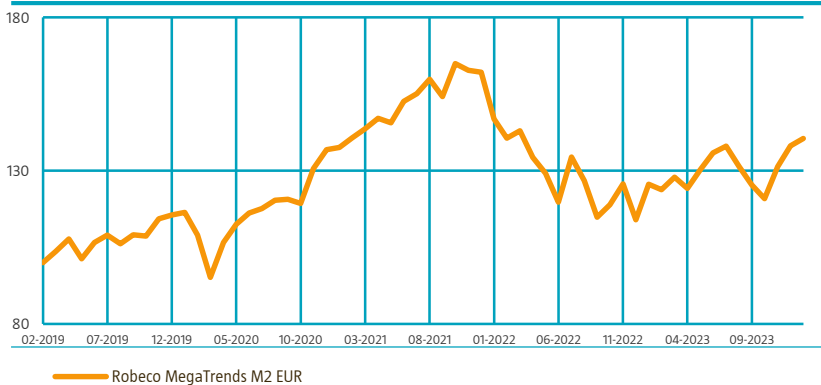
Sustainability profile

- Exclusions
- ESG Integration
- Voting & Engagement

For more information on exclusions see <https://www.robeco.com/exclusions/>

Performance

Indexed value (until 31-01-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.75%.

In January, MegaTrends delivered a positive return, but underperformed the reference index slightly, due to divergence in underlying trend performances. Connected Enterprise (+5%) and Digital World (+7%) excelled, driven by companies like Microsoft (+8%) and NVIDIA (+26%) respectively. Healthy Aging (+0.5%) saw bifurcated performance, with notable performers being Intuitive Surgical (+14%) and Novo Nordisk (+11%), while Resource Stewardship (-5%) suffered, especially due to Tesla's (-23%) disappointing outlook. Emerging Middle Class (-1%) faced challenges, with positive contributions from MercadoLibre (+11%) countered by declines in Meituan (-22%). Overall, trends in GenAI, cybersecurity and electric vehicles strongly influenced performance, reflecting investor sentiments across the Connected Enterprise, Digital World, Healthy Aging, Emerging Middle Class and Resource Stewardship themes.

Market development

In January, a typical reversal trade occurred, initially with a minor sell-off in 2023's top-performing stocks, but investors soon returned to familiar sectors like generative AI, cybersecurity and weight-loss drug manufacturers. Positive results in these areas, notably from Microsoft, supported investor sentiment. However, industries like electric vehicles are facing challenges with slowing demand and excess capacity. In China, economic stimulation efforts faltered, compounded by new regulatory changes affecting gaming. Rising infrastructure costs globally have also raised doubts about energy transition plans. Overall, diverging trends present a challenging environment for thematic investors, highlighting the complexities and uncertainties in various sectors.

Expectation of fund manager

Within MegaTrends' five broad trends and fifteen subtrends, we highlight the following opportunities: In Connected Enterprise, we are enthusiastic about companies that are specifically exposed to onshoring, cybersecurity and automation trends. In Digital World, the loss-making pandemic winners have been particularly hard-hit as reopening in the US and Europe reversed the digitalization trend and higher interest rates sent valuations into a freefall. The ongoing digitalization and formalization of financial and commerce sectors in frontier markets should prove to be tailwinds to the holdings in our Emerging Middle Class trend. Within Healthy Aging, we see upside potential for companies that can provide novel treatments to chronic health conditions, businesses that 'take costs out of the system'. Finally, companies within the Resource Stewardship trend that enable greater energy efficiency, circularity and electrification should continue to experience positive demand momentum, supported by government stimuli in most regions.

Top 10 largest positions

The top five holdings of the fund: NVIDIA, Palo Alto, Microsoft, Amazon and TSMC.

Fund price

31-01-24	EUR	142.01
High Ytd (29-01-24)	EUR	145.26
Low Ytd (05-01-24)	EUR	134.96

Fees

Management fee		2.50%
Performance fee		None
Service fee		0.16%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

Issue structure	Open-end
UCITS V	Yes
Share class	M2 EUR

This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Italy, Luxembourg, Switzerland

Currency policy

The fund can engage in currency hedging transactions.

Risk management

Risk management is fully integrated in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The fund retains any income that is earned, and so its entire performance is reflected in its share price.

Fund codes

ISIN	LU1945299706
Bloomberg	ROGGM2E LX
Valoren	46618862

Top 10 largest positions

Holdings

NVIDIA Corp
Palo Alto Networks Inc
Microsoft Corp
Amazon.com Inc
Taiwan Semiconductor Manufactu ADR
Visa Inc
IQVIA Holdings Inc
Lululemon Athletica Inc
LVMH Moet Hennessy Louis Vuitton SE
Alphabet Inc (Class A)
Total

Sector	%
Information Technology	4.48
Information Technology	3.91
Information Technology	3.81
Consumer Discretionary	3.24
Information Technology	2.92
Financials	2.83
Health Care	2.81
Consumer Discretionary	2.73
Consumer Discretionary	2.65
Communication Services	2.63
Total	32.01

Top 10/20/30 weights

TOP 10	32.01%
TOP 20	54.16%
TOP 30	72.98%

Statistics

	3 Years
Tracking error ex-post (%)	7.96
Information ratio	-0.83
Sharpe ratio	0.13
Alpha (%)	-8.02
Beta	1.32
Standard deviation	18.99
Max. monthly gain (%)	12.33
Max. monthly loss (%)	-9.37

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years
Months outperformance	14
Hit ratio (%)	38.9
Months Bull market	21
Months outperformance Bull	14
Hit ratio Bull (%)	66.7
Months Bear market	15
Months Outperformance Bear	0
Hit ratio Bear (%)	0.0

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation	
Equity	99.7%
Cash	0.3%

Sector allocation

We have selected four independent top-down and long-term growth trends. The sector positioning is the outcome of our bottom-up stock selection process within these trends.

Sector allocation		Deviation index
Information Technology	31.3%	7.8%
Consumer Discretionary	21.3%	10.6%
Health Care	19.4%	8.0%
Industrials	10.8%	0.3%
Financials	10.4%	-5.6%
Communication Services	4.8%	-2.7%
Real Estate	1.1%	-1.2%
Materials	0.9%	-3.3%
Consumer Staples	0.0%	-6.7%
Energy	0.0%	-4.5%
Utilities	0.0%	-2.5%

Regional allocation

The regional allocation of the fund is the outcome of the bottom-up stock selection process.

Regional allocation		Deviation index
America	60.1%	-6.8%
Europe	21.9%	6.0%
Asia	18.0%	2.0%
Africa	0.0%	-0.3%
Middle East	0.0%	-0.9%

Currency allocation

The currency allocation of the fund is the outcome of the bottom-up stock selection process.

Currency allocation		Deviation index
U.S. Dollar	59.9%	-3.6%
Euro	14.6%	6.6%
Japanese Yen	6.4%	0.8%
Pound Sterling	3.2%	-0.3%
Taiwan Dollar	3.0%	1.3%
Hong Kong Dollar	2.8%	0.5%
Danish Kroner	2.2%	1.4%
Swiss Franc	2.0%	-0.4%
Australian Dollar	2.0%	0.2%
Indonesian Rupiah	1.7%	1.5%
Korean Won	1.1%	-0.1%
Chinese Renminbi (Yuan)	0.7%	0.3%
Other	0.4%	-8.1%

ESG Important information

The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

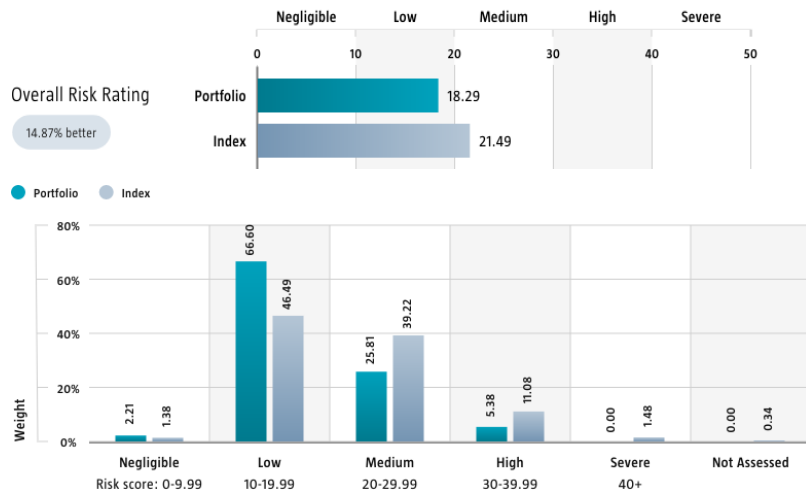
Sustainability

The fund incorporates sustainability in the investment process through exclusions, ESG integration, engagement and voting. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the bottom-up investment analysis to assess existing and potential ESG risks and opportunities. In the stock selection the fund limits exposure to elevated sustainability risks. In addition, where a stock issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement. Lastly, the fund makes use of shareholder rights and applies proxy voting in accordance with Robeco's proxy voting policy.

The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures. The index used for all sustainability visuals is based on MSCI All Country World Index (Net Return, EUR).

Sustainalytics ESG Risk Rating

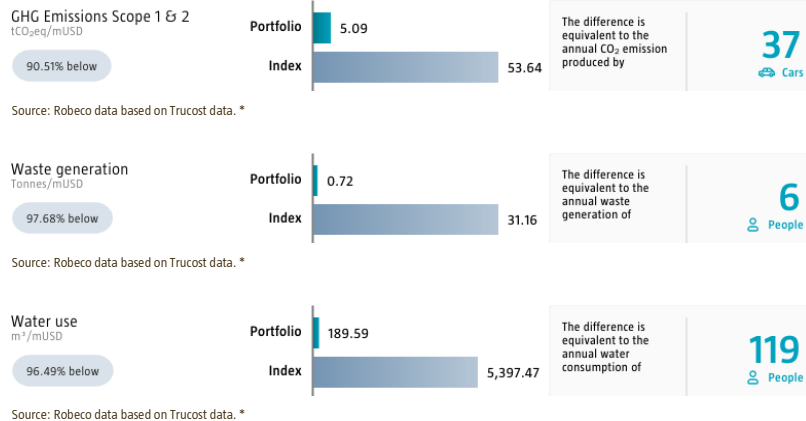
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio 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. Index scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index. Only holdings mapped as corporates are included in the figures.



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Environmental Footprint

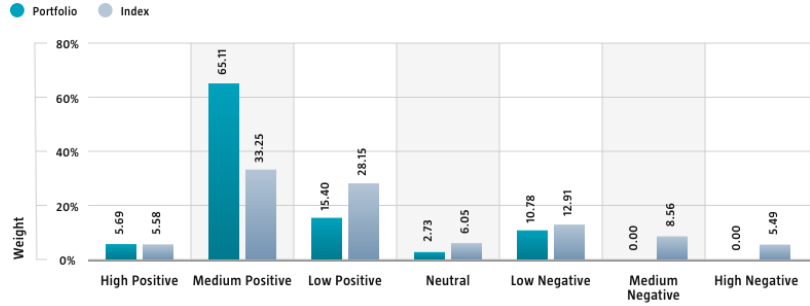
Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted average, multiplying each assessed portfolio constituent's footprint by its respective position weight. For comparison, index footprints are shown besides that of the portfolio. The equivalent factors that are used for comparison between the portfolio and index represent European averages and are based on third-party sources combined with own estimates. As such, the figures presented are intended for illustrative purposes and are purely an indication. Only holdings mapped as corporates are included in the figures.



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SDG Impact Alignment

This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment with the relevant SDGs and assign a total SDG score. The score ranges from positive to negative impact alignment with levels from high, medium or low impact alignment. This results in a 7-step scale from -3 to +3. For comparison, index figures are provided alongside that of the portfolio. Only holdings mapped as corporates are included in the figures.



Source: Robeco. Data derived from internal processes.

Engagement

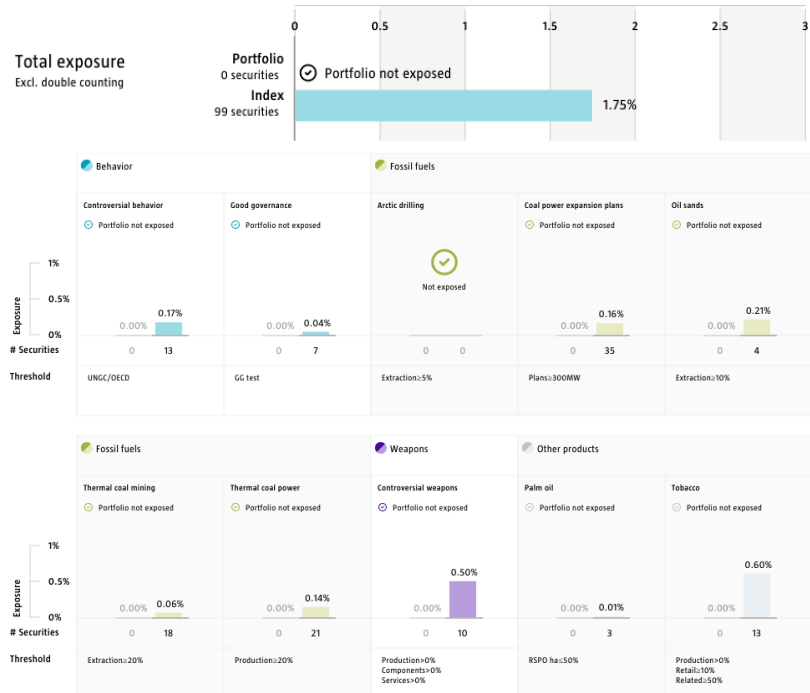
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching international standards. The report is based on all companies in the portfolio for which engagement activities have taken place during the past 12 months. Note that companies may be under engagement in multiple categories simultaneously. While the total portfolio exposure excludes double counting, it may not equal the sum of individual category exposures.

	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	40.31%	22	82
Environmental	1.35%	1	1
Social	7.90%	6	25
Governance	11.65%	6	19
Sustainable Development Goals	23.57%	11	36
Voting Related	1.05%	1	1
Enhanced	0.00%	0	0

Source: Robeco. Data derived from internal processes.

Exclusions

The Exclusions charts display the degree of adherence to exclusion applied by Robeco. For reference, index exposures are shown beside that of the portfolio. Thresholds are based on revenues unless otherwise indicated. For more information about the exclusion policy and which level applies, please refer to the Exclusion Policy and Exclusion List available on Robeco.com.



Source: We use several data sources such as Sustainalytics, RSPD (Roundtable on Sustainable Palm Oil), World Bank, Freedom House, Fund for Peace and International Sanctions; further policy document available [Exclusion Policy](#)

Investment policy

Robeco Megatrends is an actively managed fund that invests worldwide in equities from developed and emerging countries. The selection of stocks is based on fundamental analysis. The strategy's objective is to achieve a better return than the MSCI ACWI index. The fund invests in companies exposed to five lowly-correlated secular growth trends: Connected Enterprise, Digital World, Emerging Middleclass, Healthy Aging, and Resource Stewardship. It takes a long-term approach, investing in high quality growth companies with the purest possible exposure to these trends.

The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions, proxy voting and engagement.

The fund is not constrained by a benchmark but the fund may use a benchmark for comparison purposes. The majority of stocks selected will be components of the Benchmark, but stocks outside the Benchmark may be selected too. The fund can deviate substantially from the weightings of the Benchmark. The fund can deviate substantially from the issuer, country and sector weightings of the Benchmark. There are no restrictions on the deviation from the Benchmark. The Benchmark is a broad market weighted index that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

Marco van Lent is Lead Portfolio Manager Robeco MegaTrends/Rolinco, Portfolio Manager Robeco Digital Innovations and member of the Thematic Investing team. Before 2013, he managed Robeco Infrastructure Equities. Marco joined Robeco in October 2007 to co-manage two European equity funds. He worked at Van Lanschot Asset Management to manage the Van Lanschot European Equity Fund. After the acquisition of Kempen Capital Management by Van Lanschot, he worked at Kempen Capital Management for six months to manage European equity mandates. He was Portfolio Manager European equities at Philips Investment Management in the period 1999-2005 and in the period 1996-1999 he was Portfolio Manager at Van Spaendonck Asset Management. He started his investment career in 1985 as a sell-side analyst/strategist. Marco holds a Master's in Business Economics and Finance from Tilburg University. Steef Bergakker is Portfolio Manager Robeco MegaTrends/Rolinco, Portfolio Manager Robeco Digital Innovations and member of the Thematic Investing team. Previously, he was trends researcher within the Trends Equities team and has authored several white papers. Before that, Steef was portfolio manager of Robeco Infrastructure Equities and Robeco Hollands Bezit. Prior to rejoining Robeco in 2008, Steef held different functions at IRIS (Institute for Research and Investment Services), the former research joint venture of Robeco and Rabobank. From 1998 through 2008 he served as head of IRIS Equity Research, and before that he worked as equity analyst for eight years. Steef started his career in the investment industry at Robeco in 1990 as an analyst. He holds a Master's in Monetary Economics and Finance and Investments from Erasmus University Rotterdam. Dora is Portfolio Manager Robeco MegaTrends/Rolinco and member of the Thematic Investing team. She joined Robeco in 2021 and is dedicated to the MegaTrends strategy. Dora holds experience as a buy-side research analyst who held positions as analyst and investment manager with Baillie Gifford for 6 years. In the last year she was a research consultant for a large UK-based global impact fund, providing long-term fundamental, industry-agnostic and sustainability-focused investment research. Dora is a CFA® Charterholder and obtained her Master of Arts in Economics and Chinese from the University of Edinburgh.

Fiscal product treatment

The fund is established in Luxembourg and is subject to the Luxembourg tax laws and regulations. The fund is not liable to pay any corporation, income, dividend or capital gains tax in Luxembourg. The fund is subject to an annual subscription tax ('tax d'abonnement') in Luxembourg, which amounts to 0.05% of the net asset value of the fund. This tax is included in the net asset value of the fund. The fund can in principle use the Luxembourg treaty network to partially recover any withholding tax on its income.

Fiscal treatment of investor

The fiscal consequences of investing in this fund depend on the investor's personal situation. For private investors in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Each year investors pay income tax on the value of their net assets as at 1 January if and inasmuch as such net assets exceed the investor's tax-free allowance. Any amount invested in the fund forms part of the investor's net assets. Private investors who are resident outside the Netherlands will not be taxed in the Netherlands on their investments in the fund. However, such investors may be taxed in their country of residence on any income from an investment in this fund based on the applicable national fiscal laws. Other fiscal rules apply to legal entities or professional investors. We advise investors to consult their financial or tax adviser about the tax consequences of an investment in this fund in their specific circumstances before deciding to invest in the fund.

Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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