

8 out of 9: Conservative Equities scores

- Evaluating 'winning by losing less' using three performance metrics
- Conservative Equities delivered strong results in eight out of nine cases
- Big Tech dominance made beating the global index tough, but tide may turn

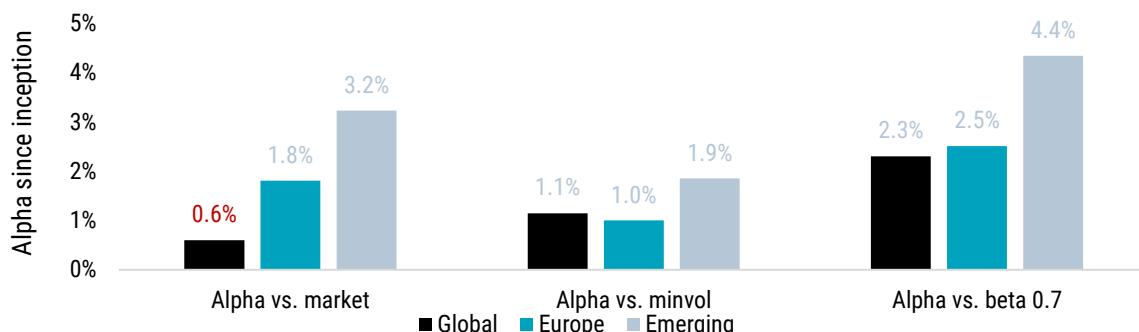
Recent years have been challenging for defensive investing. As equity markets surged, defensive strategies lagged behind market indices, leading to outflows from both active strategies and index-tracking ETFs. Yet, despite this headwind, many of these strategies have consistently delivered on their core promise: to reduce risk over time and across markets.

So, how well has Robeco Conservative Equities performed? To answer this, we evaluate three flagship strategies – developed markets, emerging markets, and Europe – against two key performance benchmarks: the market index and the minimum volatility ("minvol") index. Performance is measured since inception using three key metrics:

- Alpha vs. market index (outperformance, beta = 1.0)
- Alpha vs. minvol index (value added)
- Alpha vs. market index (risk-adjusted, beta = 0.7)

With each strategy assessed per metric, this results in nine performance scores or alphas, summarized in Figure 1.

Figure 1 | Global, European and Emerging Conservative Equities strategies' alphas since inception



Past performance is no guarantee of future results. The value of your investments may fluctuate. Source: Robeco Performance Measurement. Index: MSCI World, MSCI Europe, MSCI Emerging Markets, and corresponding MSCI Minimum Volatility indices. Portfolio, share class and inception date: Robeco QI Institutional Developed Conservative Equities ("Global"), September 2006; Robeco QI European Conservative Equities B EUR ("Europe"), August 2007; Robeco QI Emerging Conservative Equities I EUR ("Emerging"), February 2011. All figures in EUR. Data as of 30 April 2025. Returns gross of fees, based on gross asset value. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Performance since inception is as of the first full month. Periods shorter than one year are not annualized. Values and returns indicated here are before cost; the performance data does not take account of the commissions and costs incurred on the issue and redemption of units. These have a negative effect on the returns shown.

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Pim van Vliet PhD
Head of Conservative Equities



Jan Sytze Mosselaar CFA
Senior Portfolio Manager

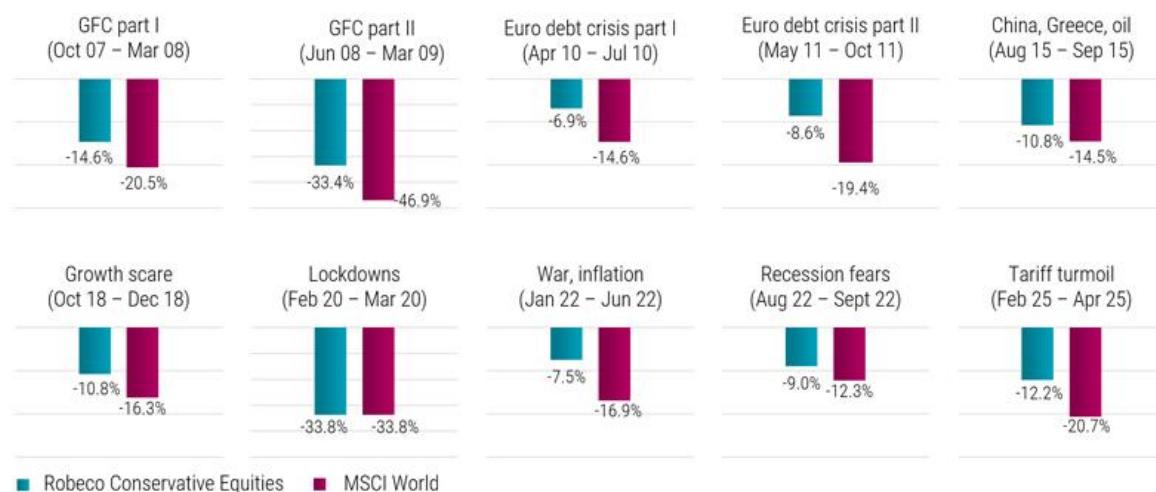
The results are clear: eight out of nine scores are positive. The only below-target case is our Global Developed Markets Conservative strategy versus the MSCI World, where 60 basis points of outperformance over 18 years is just not economically significant.

In the following sections, we highlight the targets and analyze the drivers behind these results; break down performance across different periods; examine the underperformance in developed markets; and discuss the outlook for this investment style. To get the best grasp of these dynamics, however, let's start with a closer look at the effectiveness of reducing downside risk, as measured by drawdowns.

30% risk reduction

A key feature of conservative equities is their ability to reduce downside risk – in other words, to ‘win by losing less’. To illustrate this, we examine periods during which markets declined by more than 10%. Over the past 18 years, the MSCI World Index (EUR) experienced ten such downturns, with an average drawdown of -22%. In comparison, our Global Developed Conservative Equities strategy saw a milder decline of -15%. While the degree of risk reduction varies, our approach has been effective in nine out of ten cases.

Figure 2 | Global Developed Conservative Equities in times of market stress



Past performance is no guarantee of future results. The value of your investment may fluctuate. Source: Robeco. The figure shows the maximum drawdowns of the Robeco Conservative Equities strategy versus the MSCI World Index during ten distinct market drawdown episodes since the start of the strategy in October 2006, as selected by Robeco. The length of the period is based on when MSCI World reached the pre-sell-off level (not yet reached again for the “tariff turmoil” scenario, for which the drawdowns are measured up to 29 April 2025). Drawdowns are measured based on daily data in EUR of the net asset value of the representative account Robeco QI Institutional Global Developed Conservative Equities, gross-of-fees. In reality, costs such as management fees and other costs are charged. These have a negative effect on the returns shown.

It's important to remember that recovering from these significant losses entails asymmetrical gains and losses in compounded returns. For example, while a -10% drop needs an +11% gain to break even, a -15% decline needs a larger +18% gain. A -22% drop requires a significant +28% gain to break even, demonstrating how mitigating losses can significantly enhance long-term investment outcomes.

For our Global Developed strategy, the average risk reduction was -31% during market corrections larger than -10%. A similar reduction of around 30% is observed for the European and Emerging strategies.

Targets and drivers

Over a full investment cycle, defensive equities aim to deliver equity-like returns while reducing risk. Robeco's strategies are designed to outperform both the market and the minvol index throughout this cycle. Additionally, when adjusted for the lower beta, Conservative Equities should outperform markets by at least 2.0%, independent of the equity premium.

A closer analysis shows that these targets were achieved in eight out of nine cases. In two instances, the Robeco Emerging strategy exceeded return expectations, driven by the strong performance of low-volatility stocks across the main emerging stock markets. The only below-target result occurred in the Global Developed strategy, where our +0.6% return relative to the market index falls short of expectations. The table below provides a brief summary.

The selected beta of 0.7 versus the market indices aligns with our long-term target beta and the realized beta for our strategies: Global Developed Conservative ('Global') has achieved a beta of 0.68 since inception, European Conservative ('Europe') 0.70, and Emerging Conservative ('Emerging') 0.68.

Table 1 | Robeco Conservative Equities strategy performance evaluation

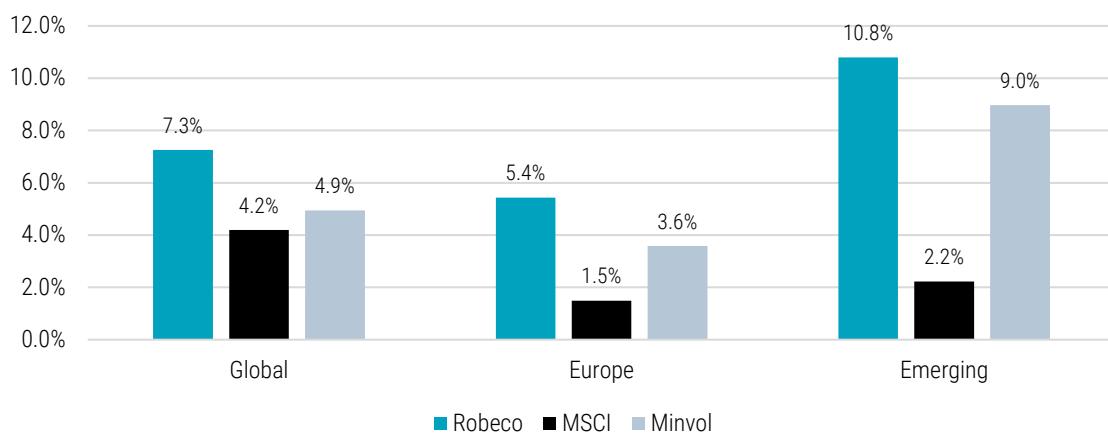
Market	Reference index	Target met	Alpha	Summary description
Global	MSCI World	✗	0.6%	Strong first 10 years, but lagging in the FAANG era
Global	Minvol	✓	1.1%	Supported by proprietary distress signals and quant alpha signals
Global	Beta 0.7	✓	2.3%	Equity returns with lower risk, reflecting positive CAPM alpha
Europe	MSCI Europe	✓	1.8%	Reduced risk in sell-offs but lagged during last five-year cyclical rally
Europe	Minvol	✓	1.0%	Supported by proprietary distress signals and quant alpha signals
Europe	Beta 0.7	✓	2.5%	Equity returns with lower risk, reflecting positive CAPM alpha
Emerging	MSCI EM	✓	3.2%	Achieved 'winning by losing less' during volatile EM periods
Emerging	Minvol	✓	1.9%	Supported by proprietary distress signals and quant alpha signals
Emerging	Beta 0.7	✓	4.4%	Strong performance aided by tailwinds from defensive style

Past performance is no guarantee of future results. The value of your investments may fluctuate. Source: Robeco Performance Measurement. Index: MSCI World, MSCI Europe, MSCI Emerging Markets, and corresponding MSCI Minimum Volatility indices. Portfolio, share class and inception date: Robeco QI Institutional Developed Conservative Equities ("Global"), September 2006; Robeco QI European Conservative Equities B EUR ("Europe"), August 2007; Robeco QI Emerging Conservative Equities I EUR ("Emerging"), February 2011. All figures in EUR. Data as of 30 April 2025. Returns gross of fees, based on gross asset value. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Performance since inception is as of the first full month. Periods shorter than one year are not annualized. Values and returns indicated here are before cost; the performance data does not take account of the commissions and costs incurred on the issue and redemption of units. These have a negative effect on the returns shown.

Part 1: Inception - 2014

We begin by examining the early years of the strategies, excluding the most recent decade, to focus on their performance during their formative period. This analysis covers the period up to December 2014, starting in September 2006 for Global, August 2007 for Europe, and February 2011 for Emerging. This timeframe was characterized by low equity returns, due to the impact of major bear markets in 2008 (for developed strategies), 2011, and 2013. Emerging markets returns in this analysis were higher as the EM strategy started in 2011 and hence the returns aren't impacted by the 2008 sell-off.

Figure 3 | Absolute returns Conservative Equities (EUR) inception until 2014



Past performance is no guarantee of future results. The value of your investments may fluctuate. Source: Robeco Performance Measurement. Index: MSCI World, MSCI Europe, MSCI Emerging Markets, and corresponding MSCI Minimum Volatility indices. Portfolio, share class and inception date: Robeco QI Institutional Developed Conservative Equities ("Global"), September 2006; Robeco QI European Conservative Equities B EUR ("Europe"), August 2007; Robeco QI Emerging Conservative Equities I EUR ("Emerging"), February 2011. All figures in EUR. Data is from inception to 2014. Returns gross of fees, based on gross asset value. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Performance since inception is as of the first full month. Periods shorter than one year are not annualized. Values and returns indicated here are before cost; the performance data does not take account of the commissions and costs incurred on the issue and redemption of units. These have a negative effect on the returns shown.

Wide margin victories

- **Global** achieved a strong annualized return of 7.3%, significantly outperforming both the MSCI World (4.2%) and the Minvol (4.9%). The strategy delivered substantial excess returns in its early years, benefiting from the general defensive approach and the inclusion of alpha signals.
- **Europe** delivered an annualized return of 5.4%, outperforming the MSCI Europe (1.5%) and the Minvol (3.6%). Its success can be attributed to effective defensive positioning and strong stock selection, which generated positive alpha relative to the Minvol Index.
- **Emerging** posted an annualized return of 10.8%, significantly outperforming the MSCI EM (2.2%), largely due to the strong performance of defensive stocks, as reflected by the Minvol (9.0%). Despite the very favorable environment for defensive stocks, the strategy still delivered a respectable +1.8% alpha on top of the EM Minvol Index.

Commercial momentum

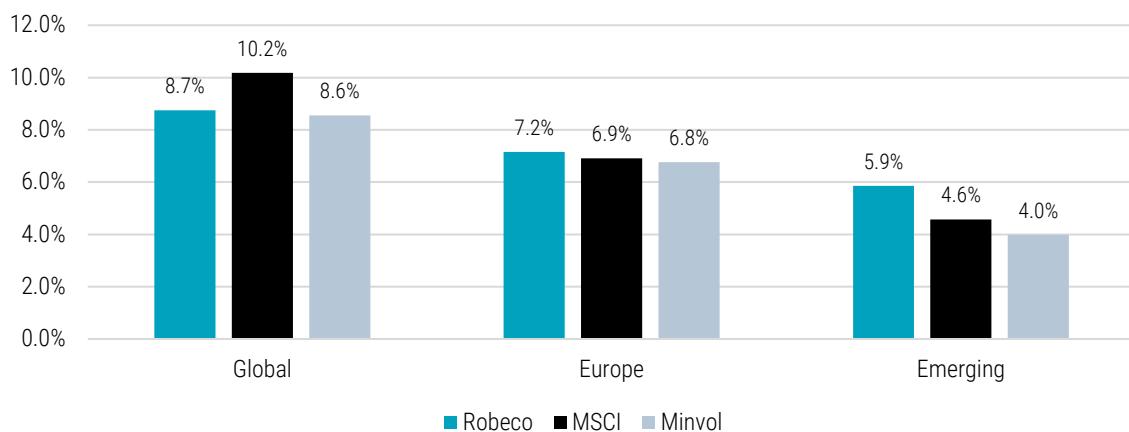
The strong outperformance of these strategies garnered significant attention from asset managers and index providers, many of whom began adopting similar defensive strategies. This growing interest and the resulting net cash inflows contributed to rising valuations, with multiples increasing significantly. Concerns about 'defensive' becoming 'expensive' began to emerge.

However, the integration of valuation factors into Robeco's strategies helped mitigate the impact of multiple expansion during this early period. This prudent approach provided a strong foundation for sustained performance in the subsequent decade, spanning January 2015 to April 2025.

Part 2: 2015-April 2025

We now turn to the most recent decade and analyze the performance of the three strategies versus their two reference indices. This period was characterized by high equity returns for US equities and hence for global developed equity indices, while other regions lagged behind. As a result, returns across the board were significantly higher than during the early years. Global developed markets delivered a solid annualized return of +10.2% in EUR, while Europe and emerging markets saw more moderate returns.

Figure 4 | Absolute returns Conservative Equities (EUR) 2015-April 2025



Past performance is no guarantee of future results. The value of your investments may fluctuate. Source: Robeco Performance Measurement. Index: MSCI World, MSCI Europe, MSCI Emerging Markets, and corresponding MSCI Minimum Volatility indices. Portfolio, share class and inception date: Robeco QI Institutional Developed Conservative Equities ("Global"), September 2006; Robeco QI European Conservative Equities B EUR ("Europe"), August 2007; Robeco QI Emerging Conservative Equities I EUR ("Emerging"), February 2011. All figures in EUR. Data from January 2015 to April 2025. Returns gross of fees, based on gross asset value. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Performance since inception is as of the first full month. Periods shorter than one year are not annualized. Values and returns indicated here are before cost; the performance data does not take account of the commissions and costs incurred on the issue and redemption of units. These have a negative effect on the returns shown.

Difficult to keep up in DM

- **Global** achieved a robust annualized return of 8.7%, but lagged the overall market by 1.5% per annum, falling short of delivering equity-plus returns. The era of the Magnificent Seven made the MSCI World a tough benchmark to beat due to narrow market leadership. The strategy managed to stay ahead slightly of the Minvol Index in this strong bull market.
- **Europe** delivered an annualized return of 7.2%, slightly outperforming the MSCI Europe (6.9%) and Minvol (6.8%). Although the strategy showed risk reduction during volatile periods, it lagged during strong periods for either cyclical growth stocks (e.g., LVMH, Novo Nordisk, and ASML) or cyclical value stocks (e.g., banks and oil stocks).
- Our **Emerging** strategy maintained its strong relative performance, posting an annualized return of 5.9%, outperforming both the MSCI EM (4.6%) and the Minvol (4.0%). Although the strategy faced challenges in 2020, its performance rebounded quickly in the following years

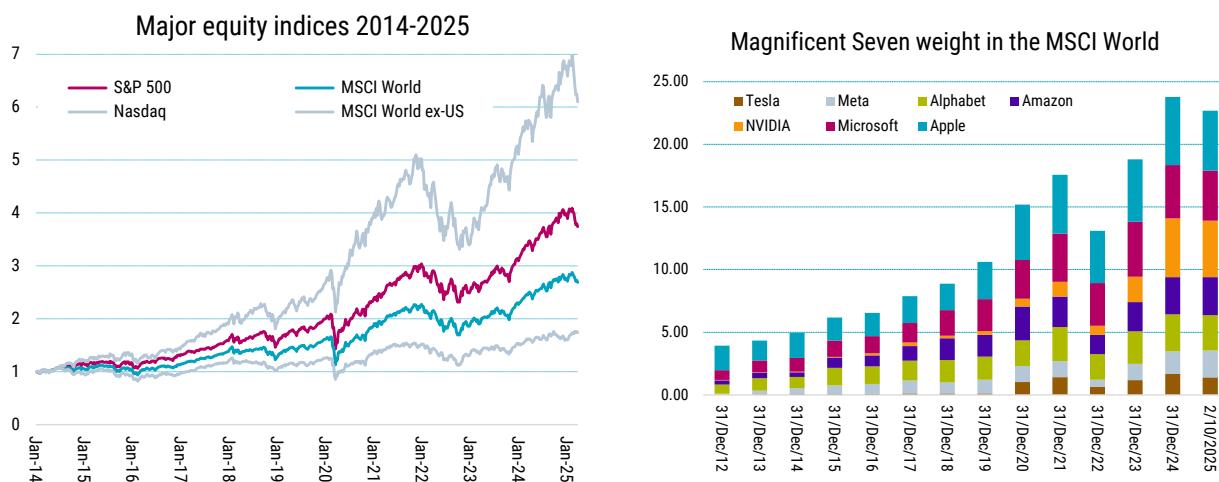
Commercial reversal

The weak relative performance of defensive strategies led investors to move closer to the benchmark in this 'alpha bear market.' In some countries, such as Australia, relative performance was even mandated by law, despite the potential for reduced downside absolute risk, further increasing sell pressure on this defensive market segment. During this period, we benefited from our distress signals and enhanced alpha signals, which were particularly helpful in emerging markets, where return dispersion was much greater than in the increasingly concentrated developed markets.

At the start of 2025, following the AI-driven bull market, investors grew more cautious as US valuations hit record highs and US stocks comprised a staggering 74% of global developed markets. This heightened valuation and concentration risk has amplified concerns about increased volatility and lower equity returns in the decade ahead.

During this second period, global equity markets were dominated by the rise of US big tech, leading to a remarkable outperformance of US stocks. Even during the pandemic panic in March 2020, these stocks proved to be the best defense for equity investors. The upward trend was only interrupted by the tech sell-off in 2022, during which low-risk stocks demonstrated their expected added value. Figure 5 shows the indexed return pattern for major equity indices, including the Nasdaq, and the rise of the Magnificent Seven.¹

Figure 5 | The rise of the Magnificent Seven



Source: Bloomberg. Stock weights based on the iShares MSCI World ETF (URTH US). These charts are for illustrative purposes only and do not represent any specific product or strategy.

Technology-related stocks typically have an above-average beta, which makes them less likely candidates for a low-risk portfolio.² However, there is considerable dispersion in low-risk scores and factor scores, as stocks like NVIDIA and Tesla are usually more volatile than Apple and Microsoft. This is because NVIDIA and Tesla's valuations are based on expected future earnings growth, while Apple and Microsoft are more mature, with high revenues and lower percentage-wise earnings growth. Additionally, Apple and Microsoft are cash-rich, making them more stable. Our Conservative Equities strategy scores Apple and Microsoft quite highly (typically in the top 20% of the ranking), while NVIDIA and Tesla are considered high-risk stocks.

The rise of Big Tech has made the MSCI World a challenging benchmark for low-risk strategies like our Conservative Equities strategy, explaining their sub-par results over the past decade. Looking ahead, investors should consider whether these patterns will repeat in the next decade or if high US stock market valuations create more downside risks, warranting a more defensive stance.

Robeco's Global Developed Conservative Equities strategy invests in stocks with solid fundamentals, below-average market and distress risk, attractive valuations, stable shareholder yields, and positive price and earnings trends. Current overweight positions include PepsiCo, Johnson & Johnson, Gilead Sciences, Chubb Limited, Trane Technologies, Aflac, W.W. Grainger, Roper Technologies, Procter & Gamble, Novartis, Cisco, Exxon Mobil, and

¹ The historical analysis on the Magnificent Seven has a significant hindsight bias, as will have any similar analysis. If one concentrates on what the largest stock weights are at the moment, it is virtually inevitable that one will observe a rising trend historically.

² Although we concentrate on the Magnificent Seven stocks, the group of high-beta tech stocks is of course much larger. Examples of large tech-related stocks outside of the Mag7 stocks are for example Broadcom, Qualcomm, Adobe, PayPal, Visa, Mastercard, Salesforce and ASML. Low-risk strategies typically have no or low exposure to these stocks because of their above-average beta and volatility.

Merck & Co. As we show in the next section, our portfolio of solid and stable stocks still trades at a discount to the market index, despite the downside risks associated with higher market valuations.

Outlook for defensive equities and Robeco's Conservative Equities strategies

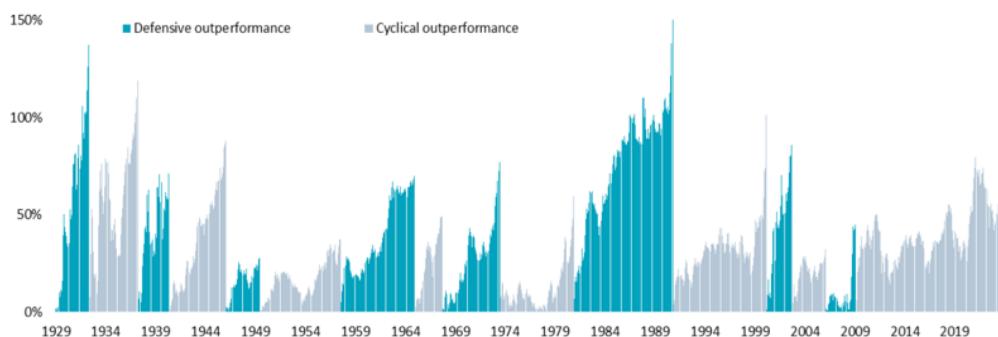
We believe that the current outlook for low-risk stocks is quite favorable, based on three observations:

1. The duration of current market leadership for cyclicals over defensive stocks has been unusually long.
2. Elevated market valuations are historically associated with higher downside risks.
3. Our Conservative Equities strategies trade at a discount compared to their respective market index.

1. *Cyclicals versus defensives*

Markets tend to overreact, leading to a mean-reverting pattern in investment styles. This phase typically lasts between three and ten years and sometimes even longer. Defensive-cyclical market leadership for the US and, consequently, global equities has been unusually long in favor of cyclical stocks, primarily driven by the phenomenal rally of US Big Tech companies. When this trend reverses, it should bode well for global defensive strategies.

Figure 6 | Cyclical and defensive cumulative outperformance US equities

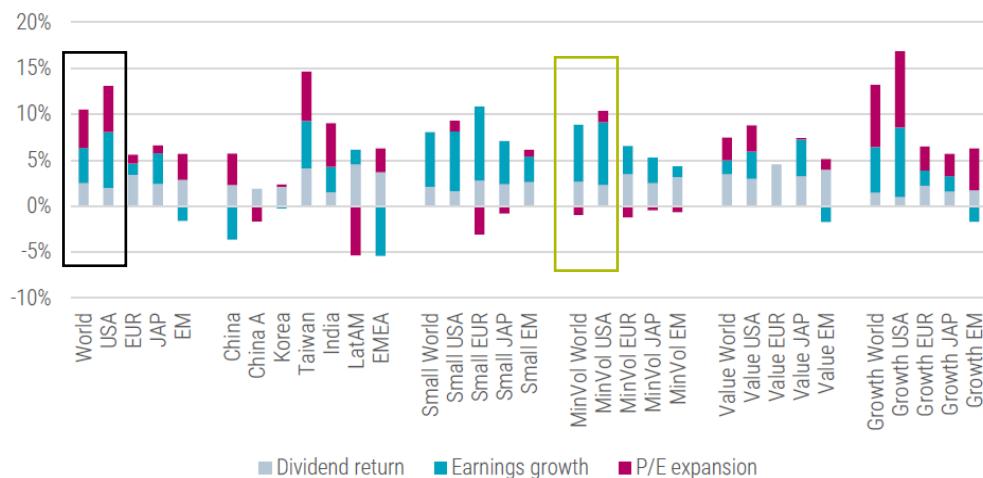


Source: Robeco research on US equities, 1929-2024. This chart is for illustrative purposes only and does not represent any specific product or strategy.

The underperformance of low-risk stocks over the past ten years is primarily due to multiple expansion in the broader market, rather than lower realized earnings growth for low-risk stocks, as recent research by David Blitz shows³. Figure 7 illustrates this, comparing the MSCI World and USA (highlighted in black) versus their Minvol equivalents (highlighted in green).

³ Blitz, David, 'Decomposing equity returns' | Robeco Global

Figure 7 | Decomposition of annualized total returns 2015-2024



Source: MSCI, Robeco. This chart is for illustrative purposes only and does not represent any specific product or strategy.

2. The relationship between market valuations and future returns and volatility

In 2024 we published a white paper exploring three valuation scenarios for 2030: high, medium, and normal. Figure 8 presents the cyclically adjusted price earnings (CAPE) ratio for the US⁴, tracing its history back to 1900.

Figure 8 | US CAPE 1900-2030



Source: Robeco white paper, July 2024. This chart is for illustrative purposes only and does not represent any specific product or strategy.

This research quantified the impact of multiple expansion and contraction on returns for both the market index and the Robeco Conservative Equities strategy. Defensive stocks, being less reliant on market sentiment and multiple expansion, show resilience across these scenarios. Starting from current CAPE levels, the projected scenarios are as follows:

⁴ Van Vliet, Pim, 'What if history rhymes? Equity return scenarios for the next five years' | Robeco Global.

- CAPE at 20 ("Back to Normal"): Equity returns are expected to be around 1%, driven by multiple contraction, possibly failing to keep up with inflation. Defensive equities, however, would hold up well, delivering returns of 5-6%.
- CAPE at 30 ("Higher for Longer"): Equity returns would moderate to around 6%, with minimal tailwind from multiple expansion. Defensive equities would outperform slightly, yielding an 8% return.
- CAPE at 40 ("Exuberance"): Equity returns could exceed 10%, comparable to the past 15 years. Defensive equities would also perform well, though slightly lagging the broader market.

Higher valuation levels not only lead to lower long-term returns, but typically also to higher market volatility, as illustrated in the right-hand chart. The high CAPE ratio for US markets indicates that market volatility in 2025 could be higher than investors have grown accustomed to in the past ten years. The combination of higher volatility and moderate equity returns has historically been an ideal environment for our Conservative Equities strategies.

In addition, in another recent [publication](#)⁵, David Blitz revisited the outlook for factors based on his quant cycle framework. Currently, we assign a reduced likelihood to a growth rally and a bull reversal (a.k.a. junk rally, which typically occurs coming out of a bear market), while assigning an increased likelihood to a 'normal' market environment (which occurs two-thirds of the time) or a bear reversal (a correction following a strong period for equity markets).

We currently appear to be in the normal stage of the quant cycle and are likely to remain so. The only other stage with an elevated likelihood is the bear reversal, i.e., a growth crash scenario. Both these environments are highly favorable for factor performance. These market conditions are favorable not only for beta-1 quantitative strategies centered on the value, momentum, and quality factors, but also for defensive strategies that specifically target the low-risk factor.

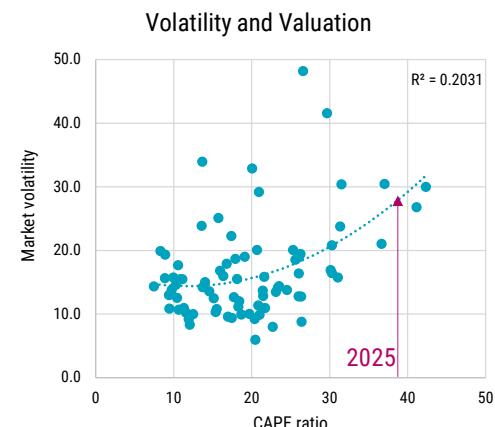
Figure 9 | The various stages of Robeco's quant cycle

Stage	Market	Size	Value	Quality	Mom	Low Risk	1/N
Normal	+	+	+	+	+	+	+
Growth rally	+	0	--	++	++	-	0
Value crash	--	-	--	++	++	-	0
Bear reversal	--	0	++	+	+	++	++
Bull reversal	++	++	+	--	--	-	-

Source: Robeco research. The chart is for illustrative purposes only and does not represent any product or strategy.

	CAPE 20	CAPE 30	CAPE 40
Start CAPE 18 (hypothetical)			
Equity market	9.5%	14.8%	20.1%
Robeco defensive	9.7%	12.3%	14.9%
Start CAPE 34 (current)			
Equity market	0.9%	6.3%	11.6%
Robeco defensive	5.5%	8.1%	10.7%

Source: Robeco. Five-year return forecasts are based on regression 1 and 2. Estimation period 2009-2024.



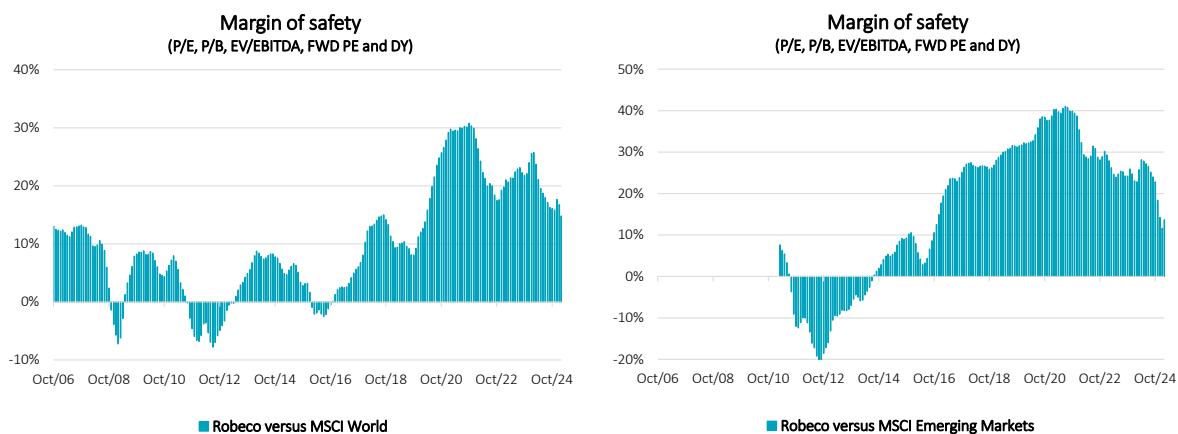
Source: Robeco. Market volatility contemporaneous 260-days. Sample period US 1947-2024.

⁵ Blitz, David, 'Outlook for factors remains positive' for Robeco's Investing in 2025 outlook series | Robeco Global.

3. Positive margin of safety for Conservative Equities

Despite this favorable outlook, Robeco Global Conservative Equities trades at below-average valuations. Expectations for low-risk stocks are rather low, while fundamentals seem solid. We expect this valuation gap, or margin of safety, to be a tailwind for long-term investors in Conservative Equities. We see a similar discount for Emerging Conservative Equities, and a lower discount for our European strategy.

Figure 10 | Margin of Safety Robeco Global and EM Conservative Equities



Past performance is no guarantee of future results. The value of your investments may fluctuate. Source: Robeco. As of 31 March 2025. Left: Margin of safety of Global Developed Conservative since start of our first global strategy in 2006. Right: Margin of safety of Emerging Conservative Equities since start in February 2011. We include the first global strategy in order to show a longer history for this valuation margin, including the 2008 GFC and subsequent recovery. Margin of safety calculates the equal-weighted valuation difference with the MSCI World and the fund based on five different valuation metrics: LTM P/E, Forward P/E, EV/EBITDA, price/book and LTM dividend yield.

Conclusion: Positioning for the next cycle

The analysis across three main strategies and covering up to 18 years of real-life performance shows that Robeco Conservative Equities has delivered solid results over the long term, particularly in EM as measured, also recently, against all three of our yardsticks. Across developed, European, and emerging markets, the strategy has met expectations in eight out of nine cases.

While investor sentiment for defensive equities has waned in the era of US Big Tech dominance, elevated US equity valuations, rising concentration risks, and increasing volatility suggest the tide may turn. Market leadership is cyclical and Conservative Equities thrives in environments of moderate equity returns and heightened volatility. With a disciplined focus on risk reduction, stable fundamentals, and valuation awareness, the strategy remains well-positioned for those seeking resilience and a time-tested solution: *winning by losing less*.

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Additional information for investors with residence or seat in Austria

This information is solely intended for professional investors or eligible counterparties in the meaning of the Austrian Securities Oversight Act.

Additional information for investors with residence or seat in Brazil

The Fund may not be offered or sold to the public in Brazil. Accordingly, the Fund has not been nor will be registered with the Brazilian Securities Commission (CVM), nor has it been submitted to the foregoing agency for approval. Documents relating to the Fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Fund is not a public offering of securities in Brazil, nor may they be used in connection with any offer for subscription or sale of securities to the public in Brazil.

Additional information for investors with residence or seat in Brunei

The Prospectus relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). The Prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2013, and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved the Prospectus or any other associated documents nor taken any steps to verify the information set out in the Prospectus and has no responsibility for it. The units to which the Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the units offered should conduct their own due diligence on the units.

Additional information for investors with residence or seat in Canada

No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence. Robeco Institutional Asset Management B.V. relies on the international dealer and international adviser exemption in Quebec and has appointed McCarthy Tétrault LLP as its agent for service in Quebec.

Additional information for investors with residence or seat in Chile

Neither Robeco nor the Funds have been registered with the *Comisión para el Mercado Financiero* pursuant to Law no. 18.045, the *Ley de Mercado de Valores* and regulations thereunder. This document does not constitute an offer of or an invitation to subscribe for or purchase shares of the Funds in the Republic of Chile, other than to the specific person who individually requested this information on their own initiative. This may therefore be treated as a "private offering" within the meaning of Article 4 of the *Ley de Mercado de Valores* (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

Additional information for investors with residence or seat in Colombia

This document does not constitute a public offer in the Republic of Colombia. The offer of the fund is addressed to less than one hundred specifically identified investors. The fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. The information contained in this Prospectus is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Additional information for investors with residence or seat in the Dubai International Financial Centre (DIFC), United Arab Emirates

This material is distributed by Robeco Institutional Asset Management B.V. (DIFC Branch) located at Office 209, Level 2, Gate Village Building 7, Dubai International Financial Centre, Dubai, PO Box 482060, UAE. Robeco Institutional Asset Management B.V. (DIFC Branch) is regulated by the Dubai Financial Services Authority ("DFSA") and only deals with Professional Clients or Market Counterparties and does not deal with Retail Clients as defined by the DFSA.

Additional information for investors with residence or seat in France

Robeco Institutional Asset Management B.V. is at liberty to provide services in France. Robeco France is a subsidiary of Robeco whose business is based on the promotion and distribution of the group's funds to professional investors in France.

Additional information for investors with residence or seat in Germany

This information is solely intended for professional investors or eligible counterparties in the meaning of the German Securities Trading Act.

Additional information for investors with residence or seat in Hong Kong

The contents of this document have not been reviewed by the Securities and Futures Commission ("SFC") in Hong Kong. If there is any doubt about any of the contents of this document, independent professional advice should be obtained. This document has been distributed by Robeco Hong Kong Limited ("Robeco"). Robeco is regulated by the SFC in Hong Kong.

Additional information for investors with residence or seat in Indonesia

The Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

Additional information for investors with residence or seat in Italy

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This document is considered for use solely by qualified investors and is distributed by Robeco Japan Company Limited, registered in Japan as a Financial Instruments Business Operator, [registered No. The Director of Kanto Local Financial Bureau (Financial Instruments Business Operator), No.2780, Member of Japan Investment Advisors Association].

Additional information for investors with residence or seat in South Korea

The Management Company is not making any representation with respect to the eligibility of any recipients of the Prospectus to acquire the Shares therein under the laws of South Korea, including but not limited to the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to applicable laws and regulations of South Korea.

Additional information for investors with residence or seat in Liechtenstein

This document is exclusively distributed to Liechtenstein-based, duly licensed financial intermediaries (such as banks, discretionary portfolio managers, insurance companies, fund of funds) which do not intend to invest on their own account into Fund(s) displayed in the document. This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich, Switzerland. LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, Liechtenstein acts as the representative and paying agent in Liechtenstein. The prospectus, the Key Information Documents (PRIIP) the articles of association, the annual and semi-annual reports of the Fund(s) may be obtained from the representative or via the website.

Additional information for investors with residence or seat in Malaysia

Generally, no offer or sale of the Shares is permitted in Malaysia unless where a Recognition Exemption or the Prospectus Exemption applies: NO ACTION HAS BEEN, OR WILL BE, TAKEN TO COMPLY WITH MALAYSIAN LAWS FOR MAKING AVAILABLE, OFFERING FOR SUBSCRIPTION OR PURCHASE, OR ISSUING ANY INVITATION TO SUBSCRIBE FOR OR PURCHASE OR SALE OF THE SHARES IN MALAYSIA OR TO PERSONS IN MALAYSIA AS THE SHARES ARE NOT INTENDED BY THE ISSUER TO BE MADE AVAILABLE, OR MADE THE SUBJECT OF ANY OFFER OR INVITATION TO SUBSCRIBE OR PURCHASE, IN MALAYSIA. NEITHER THIS DOCUMENT NOR ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION WITH THE SHARES SHOULD BE DISTRIBUTED, CAUSED TO BE DISTRIBUTED OR CIRCULATED IN MALAYSIA. NO PERSON SHOULD MAKE AVAILABLE OR MAKE ANY INVITATION OR OFFER OR INVITATION TO SELL OR PURCHASE THE SHARES IN MALAYSIA UNLESS SUCH PERSON TAKES THE NECESSARY ACTION TO COMPLY WITH MALAYSIAN LAWS.

Additional information for investors with residence or seat in Mexico

The funds have not been and will not be registered with the National Registry of Securities or maintained by the Mexican National Banking and Securities Commission and, as a result, may not be offered or sold publicly in Mexico. Robeco and any underwriter or purchaser may offer and sell the funds in Mexico on a private placement basis to Institutional and Accredited Investors, pursuant to Article 8 of the Mexican Securities Market Law.

Additional information for investors with residence or seat in Peru

The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. The information the Fund provides to its investors and the other services it provides to them are the sole responsibility of the Administrator. This Prospectus is not for public distribution.

Additional information for investors with residence or seat in Singapore

This document has not been registered with the Monetary Authority of Singapore ("MAS"). Accordingly, this document may not be circulated or distributed directly or indirectly to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. The contents of this document have not been reviewed by the MAS. Any decision to participate in the Fund should be made only after reviewing the sections regarding investment considerations, conflicts of interest, risk factors and the relevant Singapore selling restrictions (as described in the section entitled "Important information for Singapore Investors") contained in the prospectus. Investors should consult their professional adviser if you are in doubt about the stringent restrictions applicable to the use of this document, regulatory status of the Fund, applicable regulatory protection, associated risks and suitability of the Fund to your objectives. Investors should note that only the Sub-Funds listed in the appendix to the section entitled "Important information for Singapore Investors" of the prospectus ("Sub-Funds") are available to Singapore investors. The Sub-Funds are notified as restricted foreign schemes under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and invoke the exemptions from compliance with prospectus registration requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Sub-Funds are not authorized or recognized by the MAS and shares in the Sub-Funds are not allowed to be offered to the retail public in Singapore. The prospectus of the Fund is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The Sub-Funds may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304, Section 305 or any other applicable provision of the SFA and the subsidiary legislation enacted thereunder. You should consider carefully whether the investment is suitable for you. Robeco Singapore Private Limited holds a capital markets services license for fund management issued by the MAS and is subject to certain clientele restrictions under such license.

Additional information for investors with residence or seat in Spain

Robeco Institutional Asset Management B.V., Sucursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-14º, is registered with the Spanish Commercial Registry in Madrid, in volume 19.957, page 190, section 8, sheet M-351927 and with the National Securities Market Commission (CNMV) in the Official Register of branches of European investment services companies, under number 24. The investment funds or SICAV mentioned in this document are regulated by the corresponding authorities of their country of origin and are registered in the Special Registry of the CNMV of Foreign Collective Investment Institutions marketed in Spain.

Additional information for investors with residence or seat in South Africa

Robeco Institutional Asset Management B.V. is registered and regulated by the Financial Sector Conduct Authority in South Africa.

Additional information for investors with residence or seat in Switzerland

The Fund(s) are domiciled in Luxembourg. This document is exclusively distributed in Switzerland to qualified investors as defined in the Swiss Collective Investment Schemes Act (CISA). This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich. ACOLIN Fund Services AG, postal address: Leutschenbachstrasse 50, 8050 Zürich, acts as the Swiss representative of the Fund(s). UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Europastrasse 2, P.O. Box, CH-8152 Opfikon, acts as the Swiss paying agent. The prospectus, the Key Information Documents (PRIIP), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the office of the Swiss representative ACOLIN Fund Services AG. The prospectuses are also available via the website.

Additional information for investors with residence or seat in Taiwan

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Additional information for investors with residence or seat in Thailand

The Prospectus has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and the Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Additional information for investors with residence or seat in the United Arab Emirates

Some Funds referred to in this marketing material have been registered with the UAE Securities and Commodities Authority ("the Authority"). Details of all Registered Funds can be found on the Authority's website. The Authority assumes no liability for the accuracy of the information set out in this material/document, nor for the failure of any persons engaged in the investment Fund in performing their duties and responsibilities.

Additional information for investors with residence or seat in the United Kingdom

Robeco Institutional Asset Management B.V (FRN: 977582) is authorized and regulated by the Financial Conduct Authority.

Additional information for investors with residence or seat in Uruguay

The sale of the Fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The Fund must not be offered or sold to the public in Uruguay, except under circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Fund is not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay. The Fund corresponds to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated 27 September 1996, as amended.