

ROBECO BP US LARGE CAP EQUITIES STRATEGY

AI capex boom supports US large-cap value stocks

ROBECO
The Investment Engineers

- Large-cap equities strategy invests in four of the Magnificent Seven
- AI capex cycle is fueling the largest infrastructure boom since the railroads
- Value stocks in tech, financials and energy all poised to benefit from the cycle

They're among the biggest and best-known companies in the world, and have accounted for an outsize share of stock market returns in recent years. The 'Magnificent Seven' are synonymous for many investors with growth companies, typically trading at high multiples that reflect equally high expectations about future profits.

But after a challenging market in July for a broad array of tech names, some of these industry titans have since come into scope for value investors such as the Robeco BP US Large Cap Equities strategy. Their market multiples now put them within the remit of the firm's 'Three Circles', which seeks stocks that have a fair value, excellent fundamentals, and good business momentum.

Nvidia, a leading manufacturer of the microchips that are powering the artificial intelligence boom, and Meta, the owner of Facebook, Instagram, and lately a potentially blockbuster AI-powered pocket tool, Muse, have both found their way into the portfolio this year. The strategy also owns Microsoft and Amazon, for a total of four of the Magnificent Seven – but not Apple, Tesla, or Alphabet, the owner of Google.[1]

> *"The hyper-scalers – some of the very largest, highest-quality companies in the world – have become attractive from a valuation perspective for different reasons*

Everything with chips

"If you had told me three years ago that I would one day have Nvidia in the portfolio, I would have said 'you're crazy'," says David Cohen, Portfolio Manager of the Robeco BP US Large Cap Equities strategy. "But then we started to see some high-quality names with growth characteristics start to meet our value criteria."

"Several hyper-scale companies have increasingly aligned with our Three Circles for different reasons, exhibiting characteristics that fit our valuation, quality, and momentum screening criteria."

[1] The companies/securities shown in this article are for illustrative purposes only in order to demonstrate the investment strategy on the date stated. The companies/securities are not necessarily held by a strategy, nor is future inclusion guaranteed. No inference can be made on the future development of the company. This is not a buy, sell, or hold recommendation.

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David Cohen
Portfolio Manager,
Robeco BP US Large Cap Equities strategy

Figure 1: Magnificent Seven companies owned and not owned by the strategy

	MOMENTUM		FUNDAMENTALS	VALUATION	POSITION SIZE	
	3-year revenue growth	3-year earnings per share (EPS) growth	Return on equity	Price-earnings ratio for the fiscal year	Weight in the Russell 1000 Index	Weight in the Large Cap Equities strategy
What we own						
Amazon	13.0%	114.5%	24.3%	23.6x	6.1%	6.8%
Meta Platforms	23.7%	45.7%	32.9%	16.1x	0.8%	2.4%
Microsoft	16.1%	22.8%	34.0%	19.2x	5.0%	5.2%
Nvidia	114.0%	225.0%	114.3%	15.8x	-	1.6%
Large Cap Equities median	7.2%	11.9%	18.0%	15.8x		
What we DON'T own						
Apple	6.6%	14.0%	141.5%	30.0x	6.1%	-
Alphabet	15.6%	61.8%	39.3%	24.0x	-	-
Tesla	3.3%	(32.6%)	4.9%	173.6x	-	-

Past performance is no guarantee of future results. The value of your investments may fluctuate.For illustrative purposes only. This is the current overview as of the date stated and not a guarantee of future developments. It should not be assumed that any investments in securities identified were or will be profitable.
Source: FactSet, Boston Partners, 22 September 2026.

"Now, when you look at the valuations, I can buy Nvidia[2] at 15.5 times earnings, which is basically in line with the large-cap median – except that the company is growing earnings by over 200% a year.[3] And it has very high returns on equity. It's a discounted multiple because there's market skepticism about the sustainability of their profitability and the length of the profit cycle."

Biggest boom since the railroads

Cohen says this profit cycle is expected to last, due to the sheer scale of the capital expenditure (capex) boom that is being led by AI. Aside from semiconductors, this capex cycle is fueling the building of vast numbers of data centers, as well as infrastructure non-tech sectors such as renewable energy and healthcare.

"We have now transitioned into the largest capex cycle in US history, which has been highly positive for large caps, since you need the scale," Cohen says. "AI expenditures as a percentage of GDP are north of 3%; the railroad buildout peaked at 1.5%. And then we have a buildout in power infrastructure, transmission lines, substations, civil infrastructure, bridges, roads and water."

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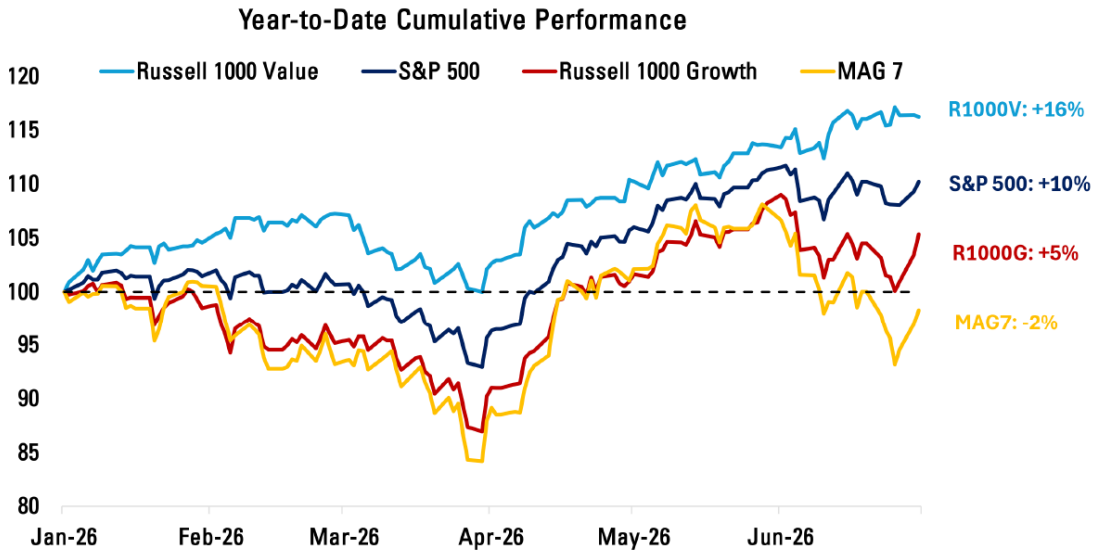
3 Past performance is no guarantee of future results. The value of your investments may fluctuate.

"So we have this massive amount of value cyclicals with strong accelerating demand, backed by good underlying fundamentals. That has led this transition from growth to value; the Russell 1000 Growth Index[4] is up 7% this year while the Value Index is up 21% in the US."

Mineral game changers

Reshoring – the practice of relocating essential industries at home rather than basing them overseas – is also aiding the boom. "Critical mineral deposits that had become dependent on China are being developed within the US," Cohen says.

Figure 2: Relative performance of the main indices against the Magnificent Seven



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Source: Bloomberg, Boston Partners, 30 June, 2026. Indices are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

"All of this infrastructure investment requires raw materials – copper, steel, cement, concrete building aggregates, and energy. It requires industrial components, industrial machinery, and semiconductors, which are the widgets of the 21st century."

"Then there has been reshoring in the critical vertically integrated industries like pharmaceuticals and semiconductor fabrication plants. These are not short-cycle type events. These are investment regimes that last a decade-plus."

The new Muse

While the focus has been on large-scale industrial buildouts, consumer and social platforms such as Meta[5] have also come into play with the strategy, again boosted by the AI revolution.

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“They’re among the most innovative companies in the world,” Cohen says. “They're creating innovative consumer products such as eyeglasses and other devices that integrate with their AI models, along with consumer agent products.”

“The new big thing is Muse, a consumer agent platform that’s effectively like having a personal assistant in your pocket. It can go book reservations for you, cancel your subscriptions, find savings for you and manage your expenditures.”

“It has been downloaded over five million times in three weeks; ChatGPT, which was the fastest ramp-up for any product in history, was 2.3 million. So this is growing at double that rate.”

Automating the banks

Financial services are another growth area where AI can bring long-term efficiencies and returns, Cohen believes. “We’ve seen AI being infused into organizations and consumer applications at the enterprise level. We've seen it revolutionize coding, and now the next phase of this is going to target automating operational functions that exist in the back office of information businesses.

“Banks and insurance companies have massive operational layers; client onboarding, client servicing, credit card charge matching, claims processing, and so on. A great proportion of them are going to be automated through AI.”

“In the US there are 4,000 banks, the vast majority of which are regional banks, and only a handful of very large banks. The very large banks spend USD 1-2 billion a year on IT and so they're able to automate this stuff, whereas these regional banks don't have the same ability to innovate and to automate their back offices.”

The large-cap sweet spot

“So we think there's a benefit to scale that's going to result in profitability and market share being taken by the larger caps. The benefits of scale due to technology are ever more present in the current world, and again the sweet spot here is actually on the value side in large cap.”

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