



Better risk-return profile through enhanced factor definitions



Experienced team with USD 6.3 bln assets



Transparent to clients only to prevent index arbitrage

Robeco Factor Indices provide exposure to proven factor premiums and integrate sustainability through an efficient index construction process that keeps turnover low. Our methodology protects investors from arbitrage and overcrowding.

## STRATEGY

- **High risk-adjusted returns**
  - Provides efficient exposure to proven factor premiums
  - Avoids unrewarded risks
  - Aims to avoid unintended factor exposures
  - Prevents index arbitrage and overcrowding
- **Stock selection** Ranking stocks on the basis of enhanced factor definitions.
- **Index construction** Process optimized for low turnover and easy fulfilment by asset managers.
- **State-of-the-art research** Based on our experience in and dedication to factor and sustainability investing.

## WHY INDICES FROM ROBECO?

- 1 **Experience** One of the largest European Quant Investing boutiques with more than 20 years of experience.
- 2 **Efficient** Enhanced factor definitions delivered in indices that are designed to be easy to implement with low turnover.
- 3 **Sustainable** ESG considerations are integrated in the index construction process which results in an enhanced sustainability profile.
- 4 **Private transparency** The index is transparent to the client only and thereby addresses concerns about index arbitrage and overcrowding.
- 5 **Operational excellence** Delivered in partnership with globally leading index provider S&P Dow Jones Indices. Tracking of indices by client's preferred asset manager via vehicle of choice (segregated account or pooled fund).

### How we identify attractive stocks

Value	Momentum	Low-Risk	Quality



Sustainability integrated in the index construction process

### Why factor investing

Factor investing is about systematically investing in securities that exhibit favorable characteristics in order to achieve higher risk-adjusted returns than the market over a full economic cycle.

### Why Robeco

We see convincing evidence for the Value, Momentum, Quality and Low Volatility factors. Size is integrated in the index construction process as it functions as a catalyst for the other factors. Based on our research and extensive experience in factor investing we have refined the factor definitions. Our systematic approach selects stocks based on these enhanced factors. This results in factor indices that display significantly better risk-return profiles than generic indices.

### Transparency

Robeco recognizes the increased need for transparency and offers its client full transparency. However, in order to prevent hidden costs from index arbitrage and overcrowding we do not publicly share our methodology. This is to the benefit of our clients.

### Customization

Robeco is highly skilled in tailoring factor indices towards our clients' needs in terms of factor selection (single or multi-factor), investment universe (global or regional) and degree of sustainability integration (ESG integrated or Sustainability themed).



JOOP HUIJ, PHD

'Robeco Factor Indices are our response to the growing demand for passive factor investing solutions with sustainability integration and high levels of transparency at highly competitive cost levels. Our indices are based on our proprietary research and designed in such a way that they are easy to implement for investors that want to harvest proven factor premiums.'

## FACTS

<b>Name</b>	Robeco Factor Indices
<b>Since</b>	2015
<b>Team</b>	Joop Huij, Georgi Kyosev, Jean-Paul van Brakel
<b>Regions</b>	All Countries, Developed, Emerging Markets, Europe, US, Asia-Pacific, Japan
<b>Bloomberg codes</b>	RO-USTRO (Global All Countries), RO-USTR1 (Global Developed), RO-USTR2 (Emerging Markets), RO-USTR3 (Europe), RO-USTR4 (United States), RO-USTR5 (Asia-Pacific) and RO-USTR6 (Japan)
<b>ESG Integration</b>	Yes (ESG integrated or Sustainability themed)
<b>Rebalancing frequency</b>	Quarterly
<b>Transparency</b>	Private (transparent to clients only - not to the public)
<b>Calculation agent</b>	S&P Dow Jones Indices
<b>Fulfillment</b>	By client's preferred asset manager or strategic fulfillment partner

## ABOUT ROBECO

### Heritage



Robeco was founded in the Netherlands in 1929 and now operates globally with 17 offices worldwide.

### Research



We have the core belief that every investment decision should be research-driven. As a world leader in quant and sustainability investing, we have strong academic ties to universities.

### Global – local



We offer our clients a unique advantage – local presence and specialist investment capabilities combined with the global support and expertise of ORIX Europe.

### Governance



Since 2013, Robeco has been the principal asset management subsidiary of the Japanese financial services group ORIX.

### Performance Example: Robeco Global Multi-Factor Equities Index at 31/12/2019

	Return			Volatility		Return/Volatility	
	One year	Five years	Inception	Five years	Inception	Five years	Inception
Robeco Global Multi-Factor Index	23.58%	9.08%	11.51%	10.99%	13.31%	0.83	0.86
S&P Global Large MidCap	27.01%	8.98%	8.21%	11.72%	14.94%	0.77	0.55
MSCI AC World	27.30%	9.00%	7.73%	11.77%	14.92%	0.76	0.52

Source: Robeco Performance Measurement. Monthly data since inception, gross of fees. All figures in USD. Simulated figures until September 2017, live figures as of October 2017. Figures longer than 1 year are annualized. The value of your investments may fluctuate. Past performance is not an indication of future results.

#### **Important Information**

Robeco Indices B.V. ("Robeco Indices") is registered with The Netherlands Authority for the Financial Markets as an administrator of benchmarks under the Benchmark Regulation. This presentation is intended to provide the professional investor with general information on Robeco Indices' specific capabilities, but does not constitute a recommendation or an advice to buy or sell certain securities or investment products. Without further explanation this presentation cannot be considered complete. All rights relating to the information in this presentation are and will remain the property of Robeco Indices. No part of this presentation may be reproduced, saved in an automated data file or published in any form or by any means, either electronically, mechanically, by photocopy, recording or in any other way, without Robeco Indices' prior written permission. The information contained in this publication is not intended for users from countries where the offering of foreign financial services is not permitted, or where Robeco Indices' services are not available.

The "Index" is the property of Robeco Indices, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the Index. "Calculated by S&P Dow Jones Indices" and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Robeco Indices. S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS"), and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones").