

Harvesting factor premiums in EM large-cap stocks

- Factor premiums can be harvested efficiently within EM large-cap stocks
- Large-cap approach is also accompanied by better liquidity, thus lower costs
- Robeco offers EM Enhanced Indexing and Active Equities Plus strategies

For global investors, an emerging markets (EM) equity allocation is a critical lever for portfolio diversification—particularly as US market valuations continue to rise and developed markets (DM) become increasingly concentrated. That said, how investors choose to access EM exposure matters. Beyond return potential, investors can seek cost-effective solutions that align with their specific investment objectives.

This raises an important question: Can EM large-cap stocks—typically more liquid and associated with lower trading costs—actually deliver sufficient excess returns? Or does pursuing high alpha in EM require exposure to small and mid-cap stocks instead? In this article, we explore whether investing in the largest stocks in the EM universe can be an optimal way to generate strong relative returns that justify the risks associated with investing in these markets.

A pioneering quant legacy in EM

Before diving into the large-cap discussion, it's important to acknowledge that EM investing presents unique challenges—from political and regulatory uncertainties to currency risks. As such, successfully navigating these markets requires deep expertise and a well-established investment process. From our experience, we know that managing the risk-return trade-offs in EM isn't just about picking the right stocks—it's about capitalizing on persistent factor premiums, understanding the multitude of risk factors, and executing within a disciplined framework.

In fact, Robeco's foray into quantitative EM investing dates back to the late 1990s, when many investors were skeptical about the viability of quant strategies in the EM arena primarily due to concerns over data quality. Yet, driven by a commitment to research and innovation, we took the first steps in developing a quant-driven approach that could systematically capture opportunities in these markets.

In 2000, we launched our proprietary stock selection model, which became an integral part of our Fundamental EM team's investment process. Over time, our research¹ confirming that value and momentum factors were just as effective in EM as in DM was validated by academic recognition in journal publications between 2003 and 2005. These developments collectively led to the launch of our first pure EM quant portfolios in 2007, leveraging insights from our extensive experience in DM.

¹ van der Hart, J., Slagter, E., and van Dijk, D., 2003, "Stock selection strategies in emerging markets", *Journal of Empirical Finance*; van der Hart, J., de Zwart, G., and van Dijk, D., 2005, "The success of stock selection strategies in emerging markets: is it risk or behavioral bias?", *Emerging Markets Review*.

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Since then, our systematic process has continued to evolve. We've refined our factor definitions, augmented our models with short-term signals, and improved our portfolio construction approach with the view of enhancing returns and lowering implementation costs. But our pioneering mindset hasn't stopped there. The pace of innovation in quant investing—driven by advancements in computing power, big data, and advanced modeling techniques such as machine learning and natural language processing—continues to reshape the industry.

For instance, one of the key recent developments in our EM investing process has been integrating China-specific signals based on alternative data sources. China's market structure differs significantly from other EMs due to its unique regulatory environment, retail investor dominance, and the distinct digital footprint created by its major technology platforms. Our research has identified several ways China's data ecosystem provides an edge for quant investors, strengthening our ability to extract alpha in EM.

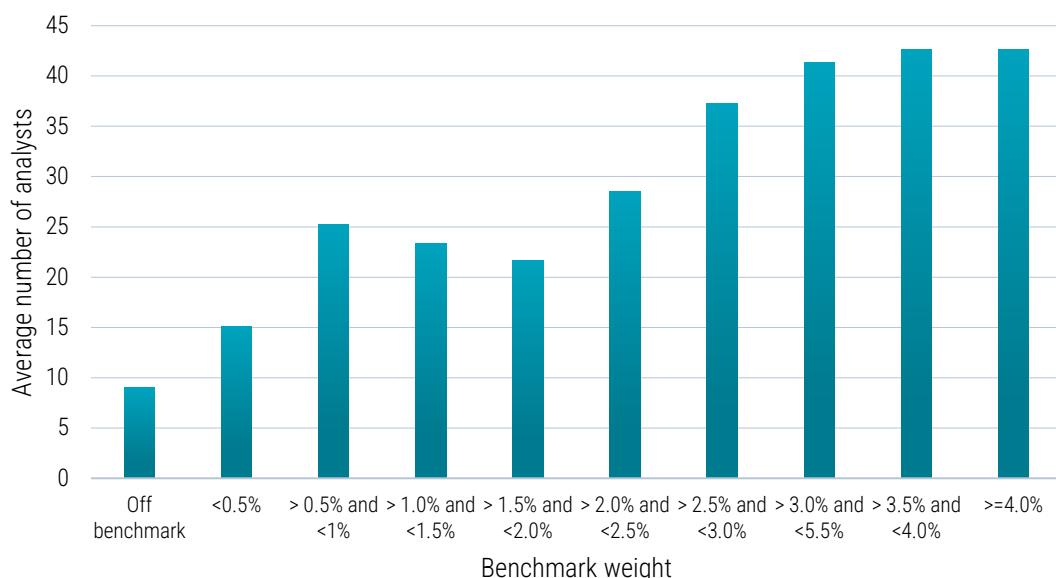
Our pedigree in EM investing is reflected in our nearly two-decade live track record, during which we have consistently delivered strong risk-adjusted returns. Over the years, clients have recognized this success and placed their trust in our investment process, making EM strategies a cornerstone of our quant business.

Now, at this juncture of our EM journey, we continue to look for ways to provide solutions for our clients, such as investigating how investors can gain efficient EM exposure while optimizing for cost-effectiveness—specifically by focusing on the largest stocks in the EM investment universe. This is in line with the observed increase in demand for low-cost investment strategies that enable clients to tap into our Robeco Quant Equities alpha generation ability in EM.

EM large-cap alpha stacks up well against alpha from smaller counterparts, especially after transaction costs

A long-standing debate within the investment community is whether smaller-cap stocks tend to outperform their larger counterparts in the long run. One explanation for this phenomenon is that markets are more efficient when concerning larger-cap companies compared to their smaller-cap peers. As illustrated in Figure 1, one of the purported reasons is that large-cap stocks are generally among the most closely followed securities in global markets and are widely covered by analysts.

Figure 1 - Analyst coverage based on stock benchmark weight



Source: Robeco, MSCI. This chart illustrates the average number of analysts covering stocks across different benchmark weight categories based on the MSCI Emerging Markets Index. The data is for illustrative purposes only and highlights the relationship between stock coverage and benchmark weight. Stocks with higher benchmark weights tend to have greater analyst coverage, on average, reflecting increased market attention and information availability.

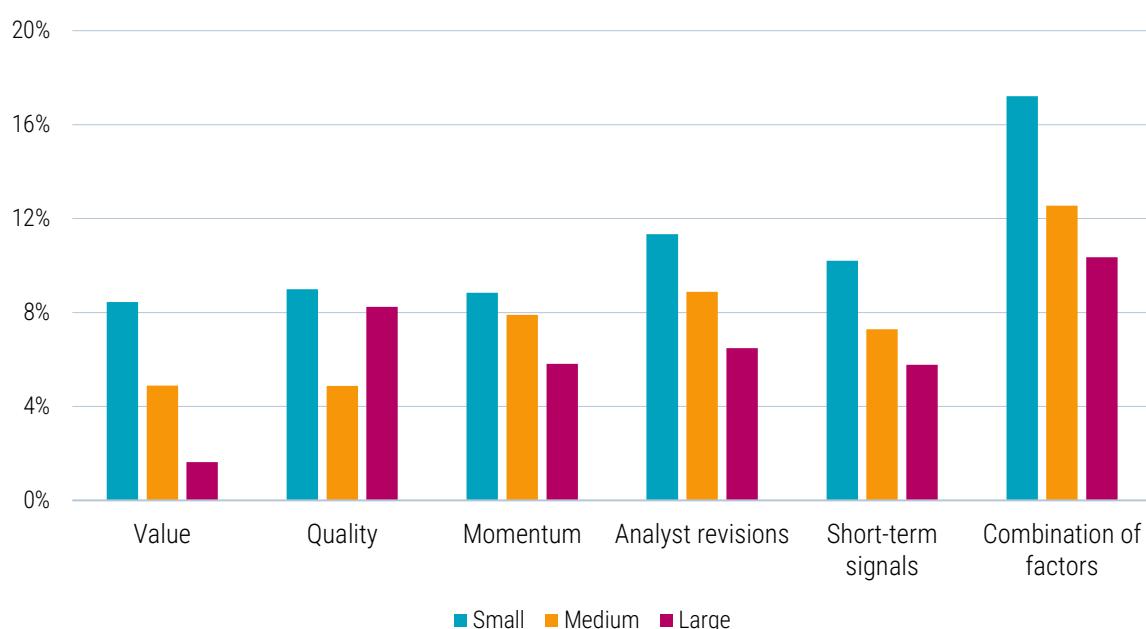
Large-cap companies are also subject to extensive media attention and represented in passive and benchmark-aware portfolios. Additionally, their higher trading volumes, tighter bid-ask spreads, and lower transaction costs make them easier to trade with minimal price impact. As a result, it is assumed that new information is typically incorporated into their price more quickly, leaving fewer inefficiencies for investors to exploit.

However, Robeco's research² suggests that there is a lack of strong evidence that supports a standalone size premium. That said, the academic paper establishes that factor premiums tend to be stronger in small-cap stocks compared to their large-cap counterparts. Furthermore, it highlights this by demonstrating that standard factor portfolios, which are often overweight small-cap stocks, generate higher alphas than those without this small-cap tilt.

Indeed, size acts as a catalyst that amplifies the effectiveness of factors such as value and momentum. This interaction suggests that long-only investors may benefit from systematically overweighting small-cap stocks, even if the size characteristic itself does not offer an independent premium. However, while small-cap stocks may exhibit stronger factor premiums, the key question remains: Can investors still capture meaningful factor returns within EM large-cap stocks?

To answer this, we analyzed the performance of small, mid, and large-cap stocks across all the factors in our integrated multi-factor stock selection model that has been live since 2004. As illustrated in Figure 2, our findings confirm the established notion: factor premiums are generally lower for large-cap stocks compared to mid and small-cap stocks when using an approach that has a balanced combination of these factors. This profile remains consistent across individual factors, with one notable exception—quality. Given that high-quality firms tend to have stronger fundamentals and larger market capitalizations, this result aligns with expectations.

Figure 2 – Comparison of factor premiums across market capitalization segments, January 2006 to December 2024



Source: Robeco, MSCI. The chart shows the top minus bottom annualized returns across small, mid, and large-cap stocks across all factors in our integrated multi-factor stock selection model: value, quality, momentum, analyst revisions, and short-term signals. The investment universe consists of MSCI Emerging Markets Index constituents and the most liquid off-benchmark stocks from the S&P Emerging BMI Index. The period spans from January 2006 to December 2024. For a robust comparison, we categorized firms into terciles—ensuring that one-third of the universe consists of large-cap stocks, one-third of mid-cap stocks, and one-third of small-cap stocks, all with an equal number of firms. Given the unique structure of China's equity markets, we treated China A-shares separately, forming distinct terciles for Chinese onshore stocks and the rest of the EM universe. We then concatenated the data to prevent all China A-shares from clustering in a single bucket.

² Blitz, D, and Hanauer, M., 2021, "Settling the size matter", Journal of Portfolio Management.

While Figure 2 highlights the impressive returns of factors in the small-cap space, it's important to note that these are theoretical, or "paper," returns that do not account for trading costs. In reality, incorporating transaction costs would significantly dampen these returns, as trading smaller-cap stocks tends to be far more expensive due to higher market impact and liquidity constraints.

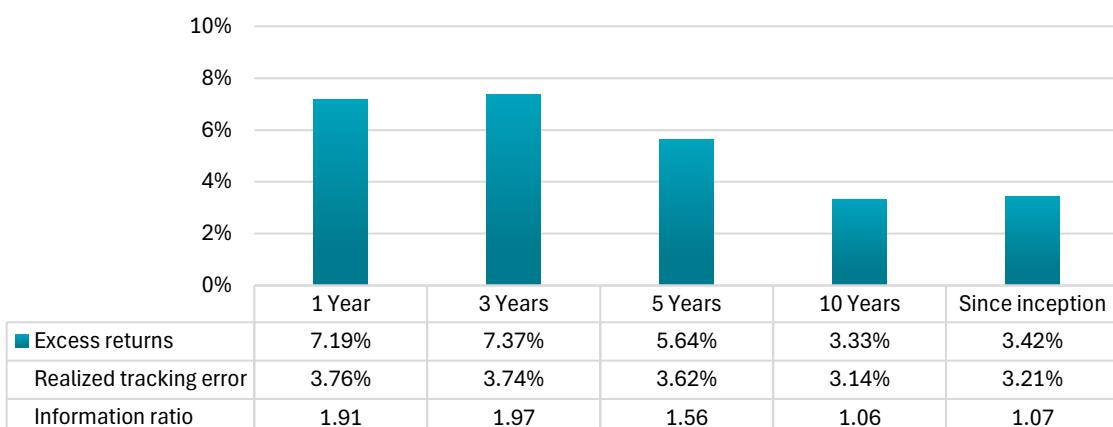
All in all, our analysis highlights an important takeaway: despite lower factor premiums within EM large-cap stocks, they are still sizable and are less impacted by transaction costs. This is particularly the case when adopting an approach with a balanced combination of these factors, given the diversification benefits of blending multiple factors. More importantly, these findings are not confined to a theoretical framework—they translate into real, tangible outcomes for investors.

Not just research: real-world evidence

To illustrate this, a direct comparison between the live track records of the Robeco Emerging Markets Active Equities strategy (which is based on the entire EM investment universe with an inception date of February 2008) and Robeco Emerging Markets 3D Active Equities strategy³ (which focuses on approximately the 700 largest stocks in the EM investment universe with an inception date of January 2015) provides clear evidence of this.

Both strategies are based on our tried and tested investment process that employs our proprietary integrated multi-factor stock selection model and portfolio construction algorithm. As depicted in Figures 3 and 4, each strategy has consistently delivered strong excess returns across all time horizons—3, 5, and 10 years.

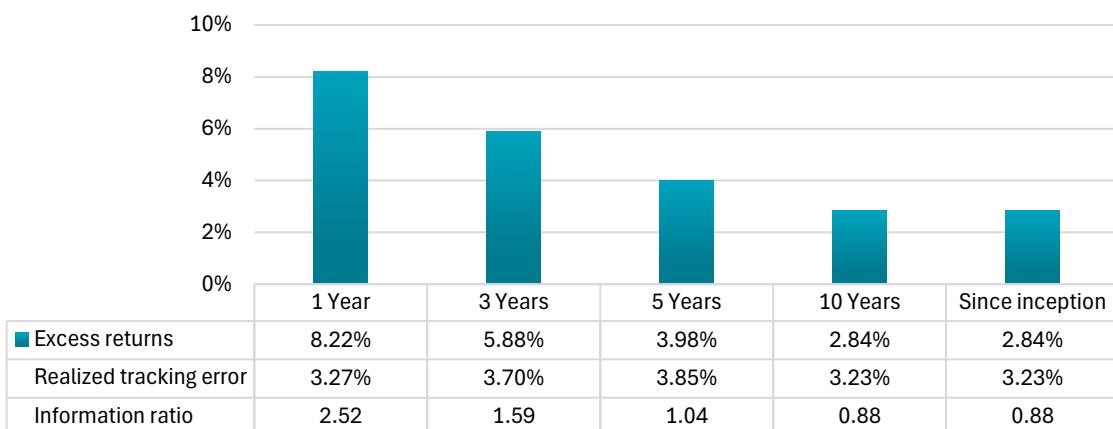
Figure 3 – Robeco Emerging Markets Active Equities strategy – approach based on full investment universe



Source: Robeco. Robeco Composite Emerging Markets Active Equities. Figures are in EUR. All figures are gross of fees. Inception is February 2008. In reality, costs such as management fees and other costs are charged. These have a negative effect on the returns shown. Figures based on December 2024. The value of your investment may fluctuate. Results obtained in the past are no guarantee of future performance.

³ The Robeco Emerging Markets 3D Active Equities strategy is formerly known as the Robeco Emerging Markets Sustainable Active Equities strategy.

Figure 4 – Robeco Emerging Markets 3D Active Equities strategy* – approach focusing on largest stocks



Source: Robeco. *Robeco QI Emerging Markets 3D Active Equities (EUR) I-share, formerly known as Robeco QI Emerging Markets Sustainable Active Equities (EUR) I-share. Figures are in EUR. All figures are gross of fees. Inception is January 2015. In reality, costs such as management fees and other costs are charged. These have a negative effect on the returns shown. Figures based on December 2024. The value of your investment may fluctuate. Results obtained in the past are no guarantee of future performance.

As expected, the strategy based on the full investment universe has generated higher outperformance over time, reflecting the well-documented phenomenon that factor premiums are typically stronger in smaller stocks. Moreover, the higher excess returns have been driven by the wider breadth.

However, what is particularly noteworthy is that the strategy focusing on the largest stocks has also delivered sizable and persistent outperformance. This reinforces the notion that while the largest stocks may offer lower factor premiums, a systematic multi-factor approach remains highly effective in generating alpha—even in a more efficient market segment. For investors, this means they do not have to choose between a cost-effective approach and meaningful excess returns.

Beyond return generation: improved liquidity, resulting in lower transaction costs

While our strategy based on the full investment universe has historically delivered higher excess returns, our strategy focusing on the largest stocks can offer investors the distinct benefit of a better liquidity profile resulting in lower transaction costs. In EM, liquidity is a key consideration given typically greater execution costs compared to DM—as such, higher trading volumes and tighter bid-ask spreads allow for smoother execution, lower market impact, and greater flexibility when adjusting portfolio positions.

To quantify this, we analyze the average daily volume (ADV) of USD 1 billion portfolios across both strategies. The ADV measure accounts for the share of the total daily market volume that portfolio trades represent. A higher ADV percentage indicates that trades take up a larger percentage of daily volumes, increasing market impact.

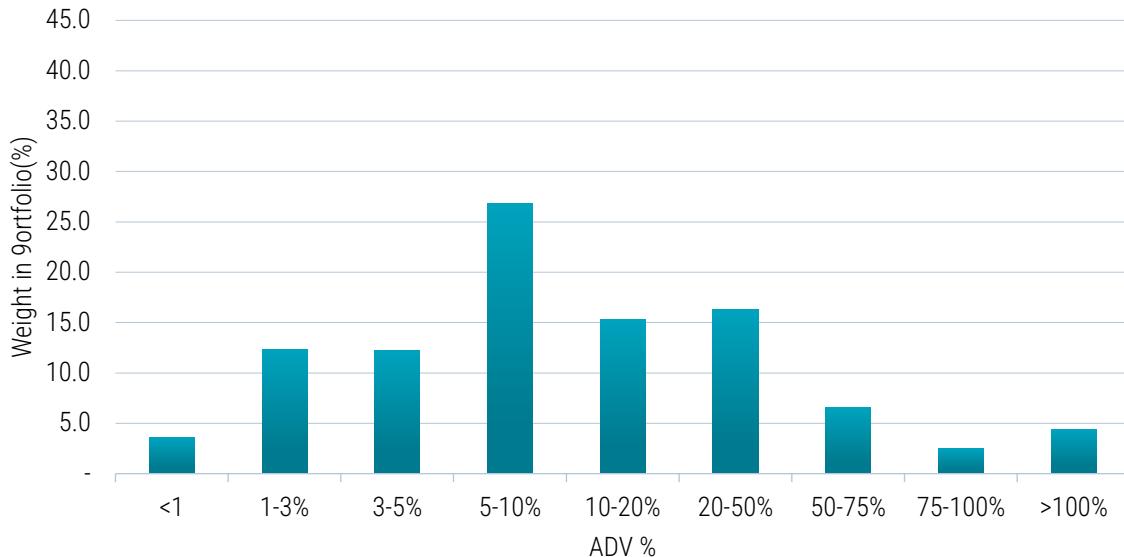
Conversely, a lower ADV percentage suggests trades are a smaller fraction of daily volumes, enabling more efficient execution with less market impact.

Our findings highlight a clear difference. The portfolio based on the full investment universe, which includes small and mid-cap stocks, faces greater liquidity constraints. In contrast, the variant focusing on the largest stocks benefits from enhanced trade execution efficiency and a significantly higher capacity—roughly three times that of the portfolio based on the full investment universe—making it easier for investors to scale positions up or down with less market impact.

Additionally, examining the liquidity distribution of each approach confirms this liquidity advantage, as depicted in Figures 5 and 6. The portfolio based on the full investment universe includes smaller-cap stocks with significantly higher ADV percentages, illustrating the liquidity challenges that come with smaller stocks. Meanwhile, the variant

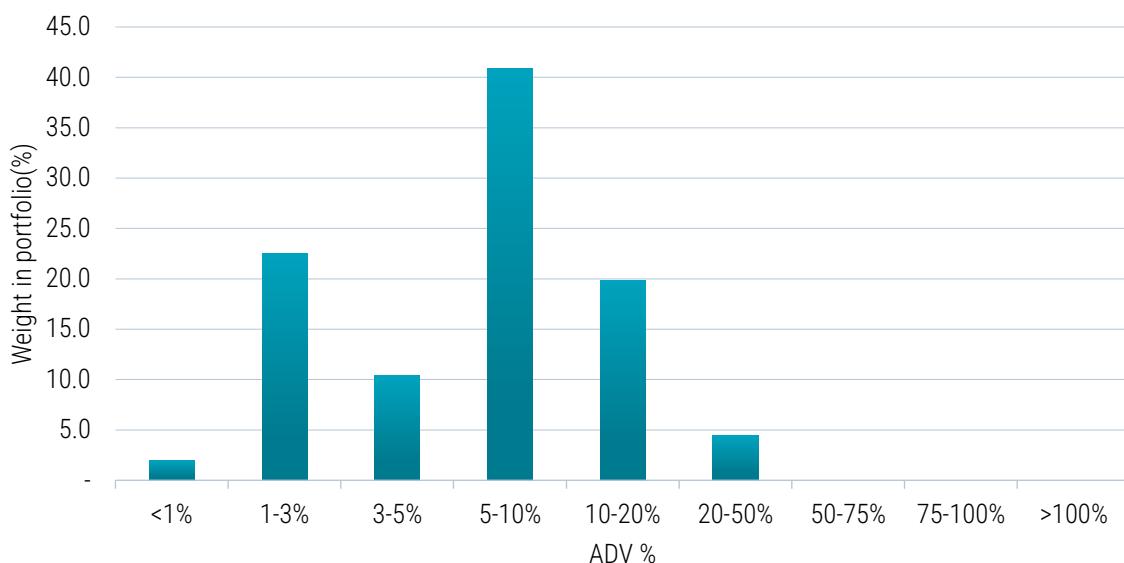
focusing on the largest stocks holds stocks with considerably lower ADV percentages, reinforcing its superior liquidity profile.

Figure 5 – Liquidity distribution – Robeco Emerging Markets Active Equities strategy – approach based on full investment universe



Source: Robeco. The data presented is for illustrative purposes only and reflects a hypothetical portfolio of USD 1 billion constructed in alignment with the Robeco Emerging Markets Active Equities – approach based on full investment universe. This is not an actual live portfolio. The liquidity profile is based within this illustrative framework. Actual portfolio composition and trading characteristics may differ over time due to market conditions, liquidity constraints, and investment decisions. The data is as of January 2025.

Figure 6 – Liquidity distribution – Robeco Emerging Markets Active Equities Plus strategy – approach focusing on largest stocks



Source: Robeco. The data presented is for illustrative purposes only and reflects a hypothetical portfolio of USD 1 billion constructed in alignment with the Robeco Emerging Markets Active Equities Plus – approach focusing on largest stocks. This is not an actual live portfolio. The liquidity profile is based within this illustrative framework. Actual portfolio composition and trading characteristics may differ over time due to market conditions, liquidity constraints, and investment decisions. The data is as of January 2025.

Our analysis also revealed that the estimated market impact costs were lower for the approach focusing on largest stocks while exhibiting a tighter weighted-average bid-ask spread. For investors, this translates into lower transaction costs. While the largest stocks may offer lower factor premiums, the liquidity advantage presents a compelling counterbalance, particularly for investors seeking cost-efficient exposure to EM.

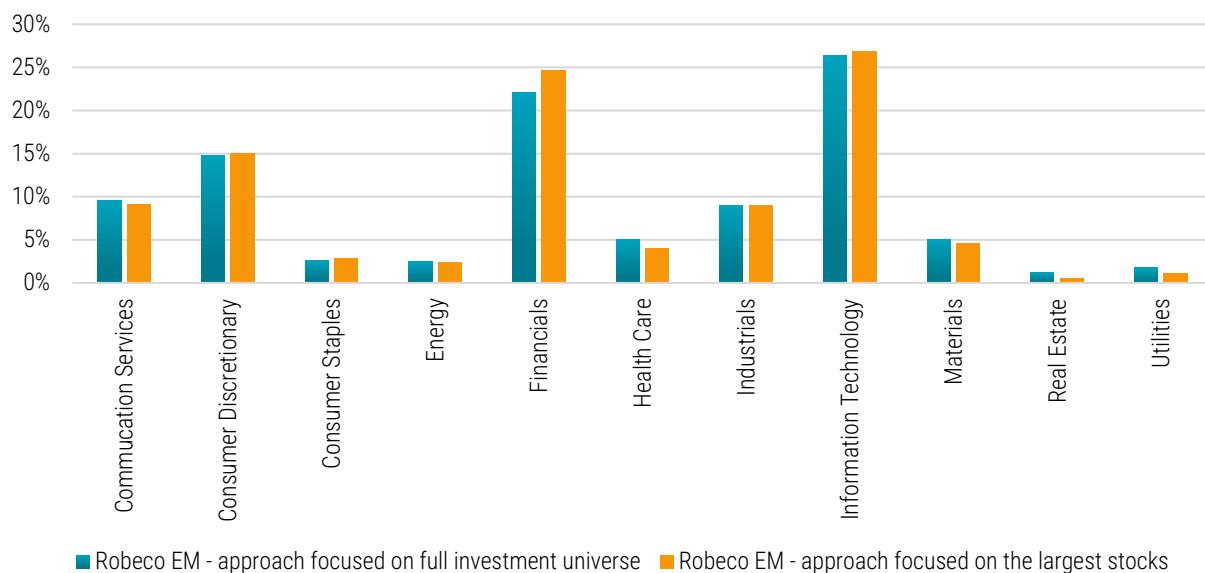
Diversification remains intact

A key concern for investors when shifting from a strategy based on the full investment universe to one focusing on the largest stocks is whether this adjustment leads to unintended sector or country allocation biases. However, our analysis confirms that this is not the case. Our strategy focusing on the largest stocks has sector and country compositions that closely mirrors that of our strategy based on the full investment universe, ensuring that investors do not face unintended tilts when opting for a more liquid strategy.

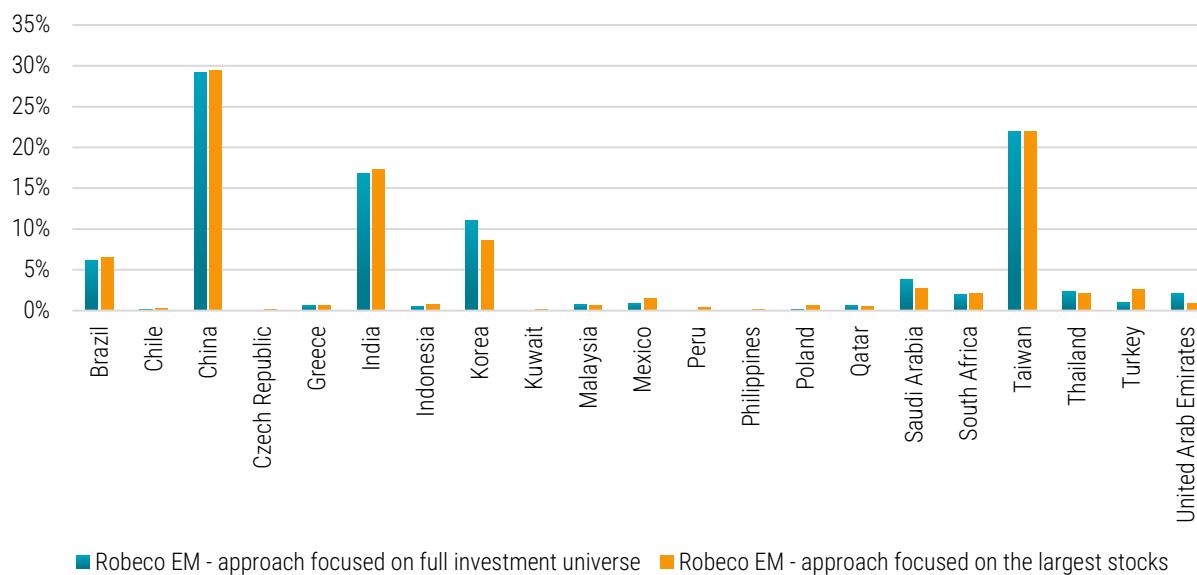
To illustrate this, we compare both portfolios' absolute sector and country allocations. The results in Figures 7 and 8 demonstrate that focusing on largest stocks does not come at the cost of diversification—exposures remain well-distributed across major EM economies and industries. This means investors can benefit from the cost-effectiveness of a strategy focusing on the largest stocks without sacrificing broad diversification.

This finding reinforces the strength of an approach focusing on largest stocks as a viable alternative to one that is based on full investment universe, particularly for investors who prioritize cost efficiency while maintaining a diversified exposure.

Figure 7—Absolute sector allocation



Source: Robeco. The data presented is for illustrative purposes only and represents the absolute sector positioning for hypothetical portfolios constructed in alignment with the Robeco Emerging Markets Active Equities (approach based on full investment universe) and Robeco Emerging Markets Active Equities Plus (approach focusing on largest stocks). These are not actual live portfolios. Actual sector allocations may differ and vary over time based on market conditions, portfolio adjustments, and investment decisions. The data is as of January 2025.

Figure 8 – Absolute country allocation

■ Robeco EM - approach focused on full investment universe ■ Robeco EM - approach focused on the largest stocks

Source: Robeco. The data presented is for illustrative purposes only and represents the absolute country positioning for hypothetical portfolios constructed in alignment with the Robeco Emerging Markets Active Equities (approach based on full investment universe) and Robeco Emerging Markets Active Equities Plus (approach focusing on largest stocks). These are not actual live portfolios. Actual sector allocations may differ and vary over time based on market conditions, portfolio adjustments, and investment decisions. The data is as of January 2025.

Robeco's Quant EM Plus offering

Within the EM quant equities range, our Enhanced Indexing Equities strategy offers investors a smarter alternative to passive investing and is suitable as a core EM equity allocation. Meanwhile, our Active Equities strategy offers investors a smart way to generate alpha in a risk-controlled manner and can augment EM equity allocations with the aim of higher returns.

For clients seeking cost-efficient exposure to EM, we offer the EM Enhanced Indexing Equities Plus and EM Active Equities Plus strategies, both available as mandate and commingled vehicles. Additionally, we will launch the Robeco 3D Emerging Markets Equity ETF in March, providing an easily accessible vehicle for our EM Enhanced Indexing approach that uses our proprietary 3D portfolio optimization framework to balance risk, return, and sustainability considerations and focuses on the largest stocks in the universe.

The Plus range builds on our established Quant Equities EM strategies and focuses on approximately the 700 largest stocks in the investment universe. These strategies meet the needs of cost-conscious investors who want to access our Robeco Quant Equities alpha generation ability in EM but with lower fees.

Key similarities:

- **Same team:** These strategies are managed by the same experienced team of quant investment professionals behind our time-tested EM Enhanced Indexing Equities and EM Active Equities strategies. This ensures that the strategies retain the integrity of our proven investment process and expertise.
- **Same quant approach:** Both the EM Enhanced Indexing Equities Plus and EM Active Equities Plus strategies are built on the same robust investment philosophy, leveraging our time-tested stock selection model and portfolio construction algorithm.
- **Same benchmark:** All the strategies are benchmarked against the MSCI Emerging Markets Index. As such, they have a common yardstick, ensuring comparability in investment outcomes such as risk and returns.

Key differences:

- **Focused investment universe:** The Plus range focuses on the largest EM companies by market cap, narrowing the investment universe to approximately the 700 largest stocks. This streamlined approach results in a reduction in estimated transaction costs, making it ideal for cost-conscious clients.
- **Decent information ratio, compelling fees:** The Plus range is a compelling choice for cost-conscious investors as it ensures that the net returns remain competitive and highly attractive to our clients, as outlined in Table 1. Even though the narrower investment universe translates into a reduction in targeted information ratios and excess returns, the lower expected returns are counterbalanced by attractive fees.

Table 1 – Targeted portfolio outcomes

	Emerging Enhanced Indexing Equities	Emerging Enhanced Indexing Equities Plus	Emerging Active Equities	Emerging Active Equities Plus
Targeted information ratio (long-term average)	1.0	0.75	0.8	0.6
Targeted excess returns (long-term average)	1.2%	0.9%	2.4%	1.8%

Source: Robeco.

Conclusion

Investing in EM is a strategic decision that offers significant diversification benefits and access to high-growth economies. However, the way investors gain exposure to EM matters. Our research and live performance confirm that while factor premiums are stronger in small and mid-cap stocks, an EM approach focusing on the largest stocks can still deliver sizable excess returns, particularly when following a disciplined investment process. Crucially, they do so while offering superior liquidity and thus lower transaction costs.

At Robeco, we understand that investors have different needs when it comes to EM investing. Whether the priority is maximizing risk-adjusted returns (information ratio) through a strategy based on the full investment universe or optimizing for cost efficiency through a variant that focuses on the largest stocks, we offer a comprehensive suite of solutions to meet these objectives. Our quant-driven approach, backed by nearly two decades of live EM investing experience, ensures investors can confidently allocate to EM with a proven, research-based investment process.

Detailed similarities and differences in the investment universe, portfolio settings, and outcome

	Emerging Enhanced Indexing Equities	Emerging Enhanced Indexing Equities Plus	Emerging 3D Enhanced Indexing Equities	Emerging Active Equities	Emerging Active Equities Plus	Emerging 3D Active Equities
Investable universe	MSCI EM	MSCI EM	MSCI EM	MSCI EM	MSCI EM	MSCI EM
Benchmark constituents	1,400	700	1,400	1,400	700	700
Large, liquid off-benchmark stocks	200	-	200	1,400	-	-
Quant Emerging Markets portfolio construction						
Scoring and ranking on academically proven characteristics	1,600	700	1,600	2,800	700	700
Small over- and underweights of individual positions	0.2%/-0.3%	0.2%/-0.3%	0.3%/-0.45%	0.5%/-0.75%	0.5%/-0.75%	0.6%/-0.9%
Max country/region over/underweight	0.3%/-0.3%	0.3%/-0.3%	0.3%/-0.3%	2.0%/-2.0%	2.0%/-2.0%	2.0%/-4.0%
Max sector/industry over/underweight	1.0%/-1.0%	1.0%/-1.0%	1.0%/-2.0%	2.5%/-2.5%	2.5%/-2.5%	2.5%/-4.5%
Maximum off-benchmark position	5%	0%	5%	20%	0%	0%
ESG risk versus benchmark	Better	Better	10% better	Better	Better	10% better
Carbon reduction versus benchmark	Lower	Lower	30% lower	Lower	Lower	30% lower
Water usage and waste generation versus benchmark	Lower	Lower	20% lower	Lower	Lower	20% lower
SDG integration	✓	✓	-3, -2 excluded	✓	✓	-3, -2 excluded
Active ownership	✓	✓	✓	✓	✓	✓
Quant Emerging Markets strategy portfolio management						
Ex-ante tracking error (long-term average)	1.2%	1.2%	1.5%	3.0%	3.0%	3.0%
Information ratio (long-term average)	1.0	0.75	0.7	0.8	0.6	0.5
Number of holdings (long-term average)	± 500	± 450	± 400	± 300	± 200	± 200
Voting & enhanced engagement reflected in portfolio positioning	✓	✓	✓	✓	✓	✓
Active share	± 35%	± 35%	± 45%	± 60%	± 60%	± 60%
Currency policy	Open	Open	Open	Open	Open	Open
Assets, EUR (31-12-2024)	18,687 mln	-	2,666 mln	5,686 mln	-	435 mln
Inception date	07/2007		11/2019	03/2008		02/2015

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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

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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

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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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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.

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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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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.

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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 Superintendency 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.