

momentum
global investment management

Global Equity Enhanced Index Fund

November 2020



Signatory of:





Harmony
Global
Enhanced Index
Equity Fund

Momentum Harmony Global Enhanced Index Equity Fund

(ESG INTEGRATED, DIRECT EQUITY PORTFOLIO)

- **Global equity** strategy
- **Actively** managed
- Strong ESG (**sustainability**) profile
- Well **diversified** across sectors and countries
- **Direct** equity holdings
- **Daily** traded, **highly liquid**
- **UCITS** fund, AUM of \$330m
- Total Expense Ratio **target below 1.15%**

m



Key Features

01.

- Actively managed global equity strategy available at very low, passive like, cost level

02.

- Focused on businesses with better than average ESG (environment, social, governance) scores...

03.

- ...and with lower environmental footprints (carbon, energy, waste and water impact)

04.

- Well diversified across all major developed market sectors and regions, with approximately 650 direct stock holdings

05.

- Multi-style approach (growth, value, quality, size) designed to outperform MSCI World index

06.

- Strategy implemented by Robeco, a world class quantitative investment specialist

ABOUT ESG

ESG refers to three factors which are central to a class of investing also known as “sustainable investing.” This approach to investing incorporates a detailed assessment of a business’s governance practices as well as of its long-term impact on society and the environment. While these are mostly non-financial factors, businesses with higher ESG standards are considered to be less risky and more likely to succeed in the long run.

Bringing it to life

Value

Boxing Day bargain bagger



(trading at less than intrinsic value)
Low valuation multiples

Growth

The fickle fashion follower



(capital appreciation)
High sales / earnings growth

Quality

The presumptuous premium purchaser



(Quality management and Balance Sheet)
Reliable returns

An active approach



- The enhanced indexing approach aims to deliver stable outperformance after costs compared to capitalization weighted market indices with a low tracking error
- Designed to systematically capture the market return and, in addition, benefit from well-rewarded factor premiums while avoiding non-rewarded risks
- The relative attractiveness of stocks is based on value, quality, momentum and analyst revision factors.
- Slightly higher weights are given to stocks with attractive characteristics, and slightly lower weights to those with unattractive characteristics. ESG factors are incorporated in every step of the investment and decision-making process.
- These factors and variables have been thoroughly tested over time and most have been included since inception of the enhanced index strategy in 2004

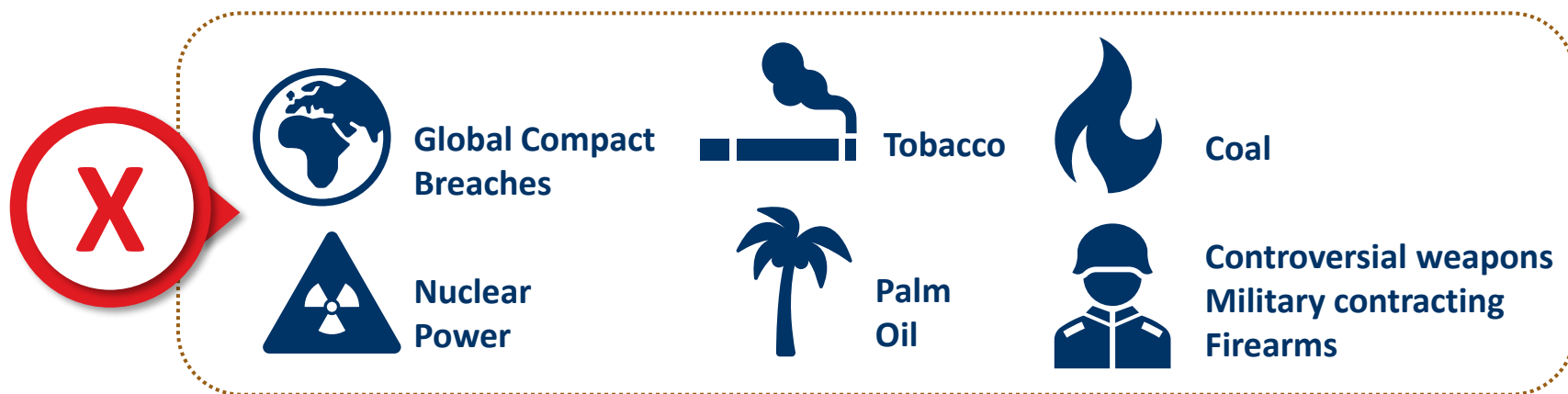
Portfolio Construction



- Max overweight positions of 0.24% to the most attractive stocks in each sector and country, relative to the benchmark
- Max underweight positions of 0.36% to the least attractive stocks
- Broadly neutral in terms of sectors, industry groups, regions, countries and beta, relative to the benchmark
- Portfolios are rebalanced monthly to ensure optimal exposure to the best-scoring stocks over time
- Approximately 650 individual stock holdings
- Active share of >40% (vs. 0% for passive index trackers)
- Tracking error of approximately 1.0-1.5% versus MSCI World index

Sustainability inside

- ESG integrated approach using a combination of positive and negative screening to achieve:
 - Minimum 20% higher ESG score for the portfolio vs. MSCI World index
 - Minimum 20% reduction in environment footprint of the portfolios across four dimensions: carbon, energy, waste and water
 - No exposure to businesses deriving significant revenue from controversial areas*:



- Sophisticated ESG scoring approach to adjust for known biases and materiality
- Enhanced engagement reflected in portfolio positioning

Developed markets track record

performance to September 2020

Return characteristics for live track record of Robeco's original Developed Markets Enhanced Index strategy since November 2004.

Tracking error
1.2%

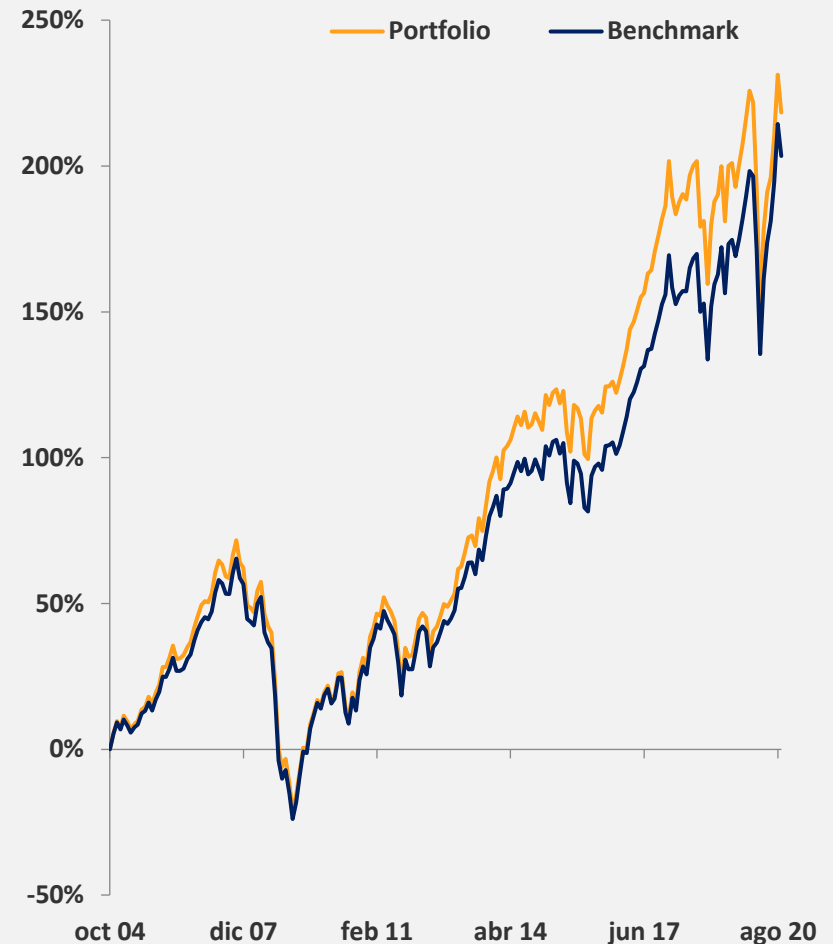
Tracking error is the divergence between the price behaviour of a position or a portfolio and the price behaviour of a benchmark

Outperformance
0.3%

Information ratio
0.3

The information ratio (IR) is a measurement of portfolio returns beyond the returns of a benchmark

Source: Robeco. Performance shown is the live track record for the Robeco Global Developed Enhanced Indexing Equities composite to April 2020, followed by that of the Momentum GF Global Equity Enhanced Index Fund. Performance is shown net of management fees in USD terms. Benchmark is MSCI World Index Net Return.

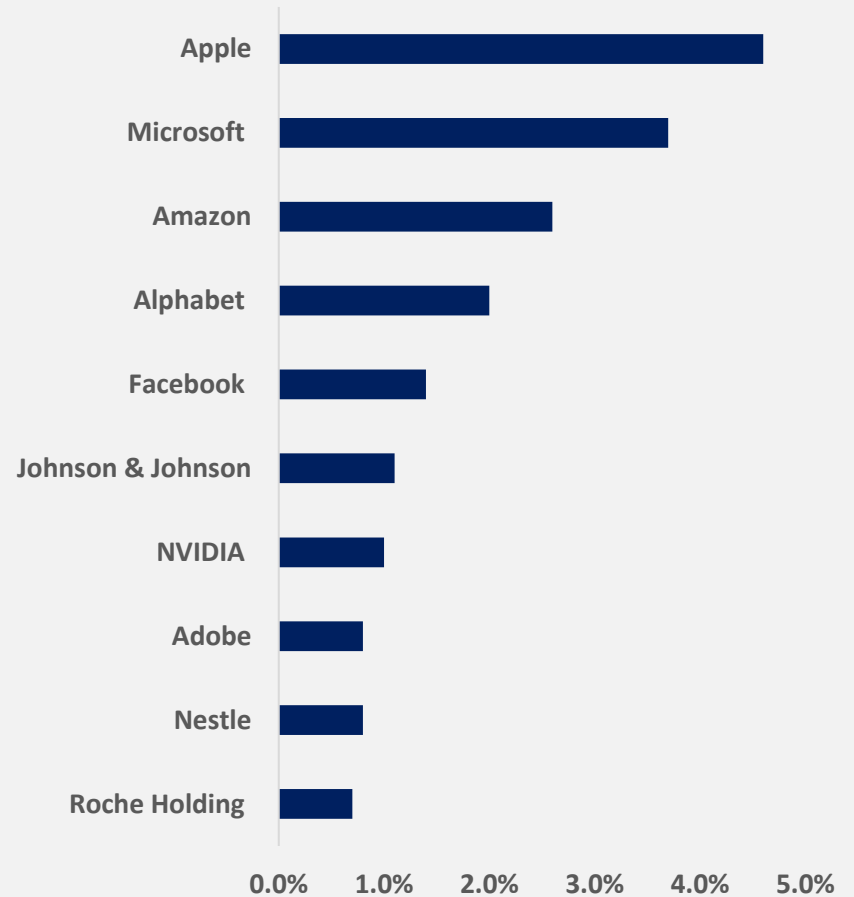


3 years	5 years	10 years	Since Inception
5.8%	9.8%	10.0%	7.5%

Top Ten Holdings

positioning to 30 September 2020

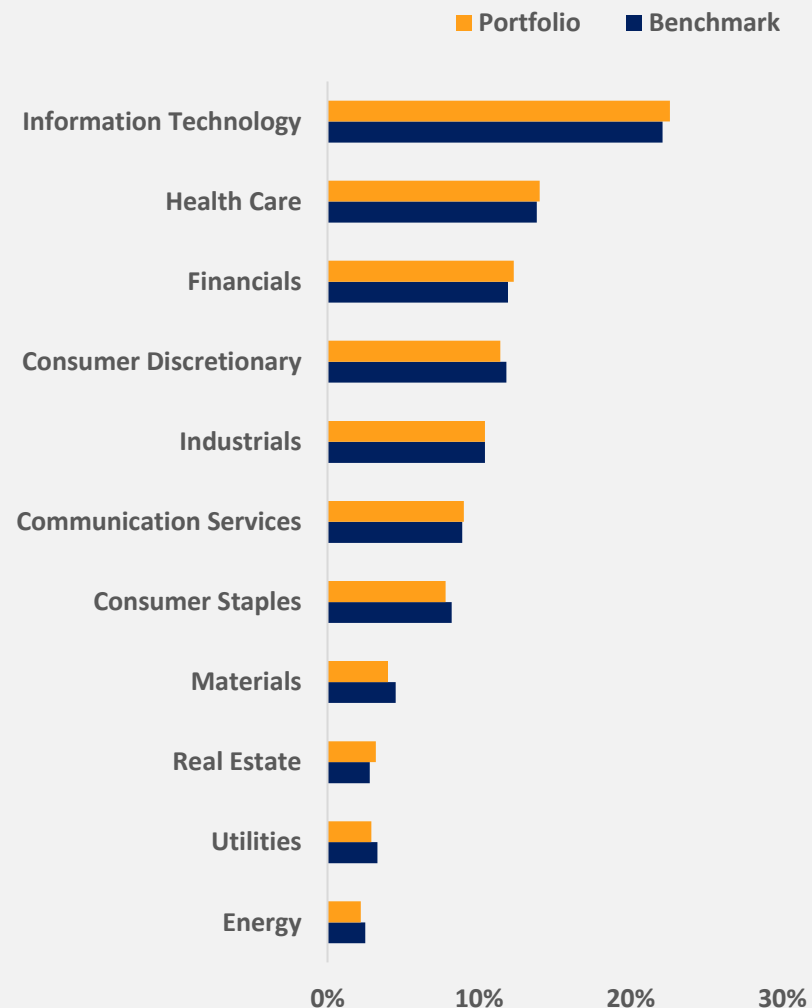
Apple	4.6%
Microsoft Corporation	3.7%
Amazon	2.6%
Facebook	1.4%
Johnson & Johnson	1.1%
NVIDIA Corporation	1.0%
Alphabet	2.0%
Nestle	0.8%
Adobe	0.8%
Roche Holding	0.7%



Sector Allocations

allocation to 30 September 2020

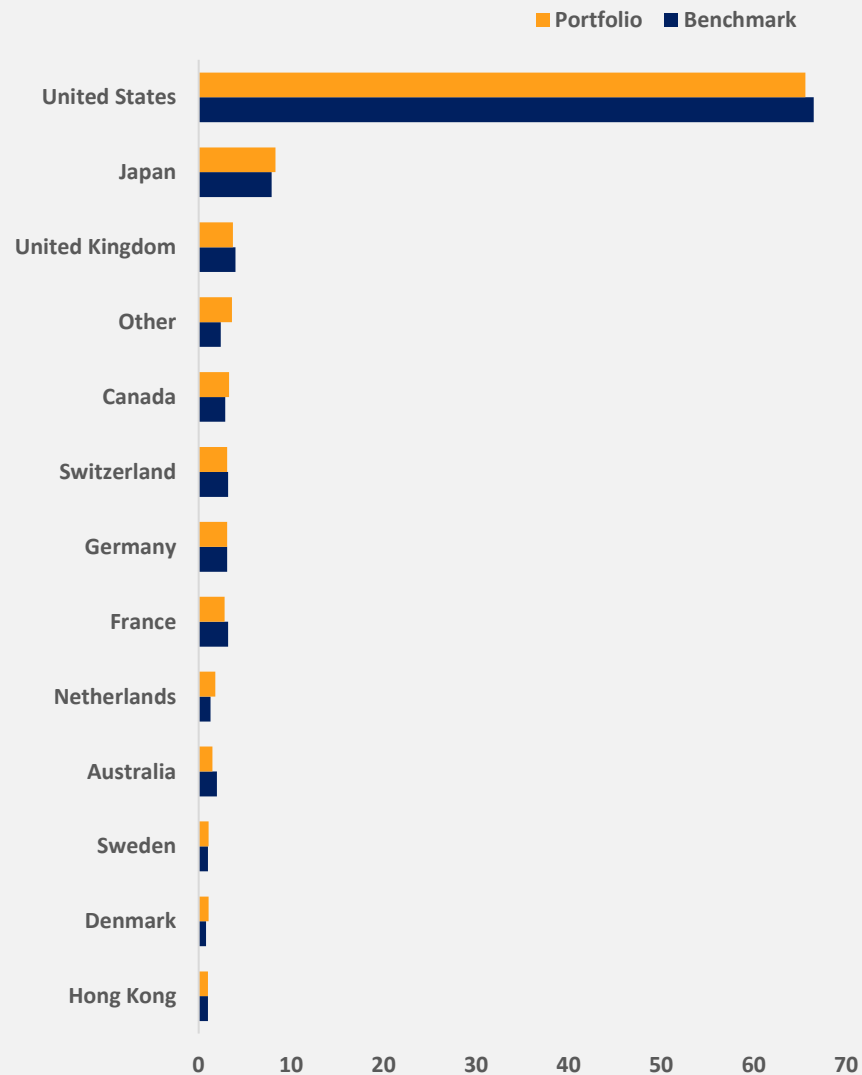
Sector	Portfolio	Benchmark
Information Technology	22.6%	22.1%
Health Care	14.0%	13.8%
Financials	12.3%	11.9%
Consumer Discretionary	11.4%	11.8%
Industrials	10.4%	10.4%
Communication Services	9.0%	8.9%
Consumer Staples	7.8%	8.2%
Materials	4.0%	4.5%
Real Estate	3.2%	2.8%
Utilities	2.9%	3.3%
Energy	2.2%	2.5%



Country Allocations

allocations to 30 September 2020

Country Allocation	Portfolio	Benchmark
United States	65.6	66.5
Japan	8.3	7.9
United Kingdom	3.7	4.0
Canada	3.3	2.9
Germany	3.1	3.1
Switzerland	3.1	3.2
France	2.8	3.2
Netherlands	1.8	1.3
Australia	1.5	2.0
Denmark	1.1	0.8
Sweden	1.1	1.0
Hong Kong	1.0	1.0
Italy	0.8	0.7
Spain	0.5	0.3
Singapore	0.4	0.2
Ireland	0.4	0.2
Israel	0.4	0.2
Belgium	0.4	0.2
Portugal	0.3	0.0
Finland	0.2	0.3
New Zealand	0.1	0.1
Norway	0.1	0.2
Austria	0.0	0.0



Source: Momentum, Robeco. Positioning as of 30 September 2020. Figures below 1% have been grouped and are shown as other in the bar chart.

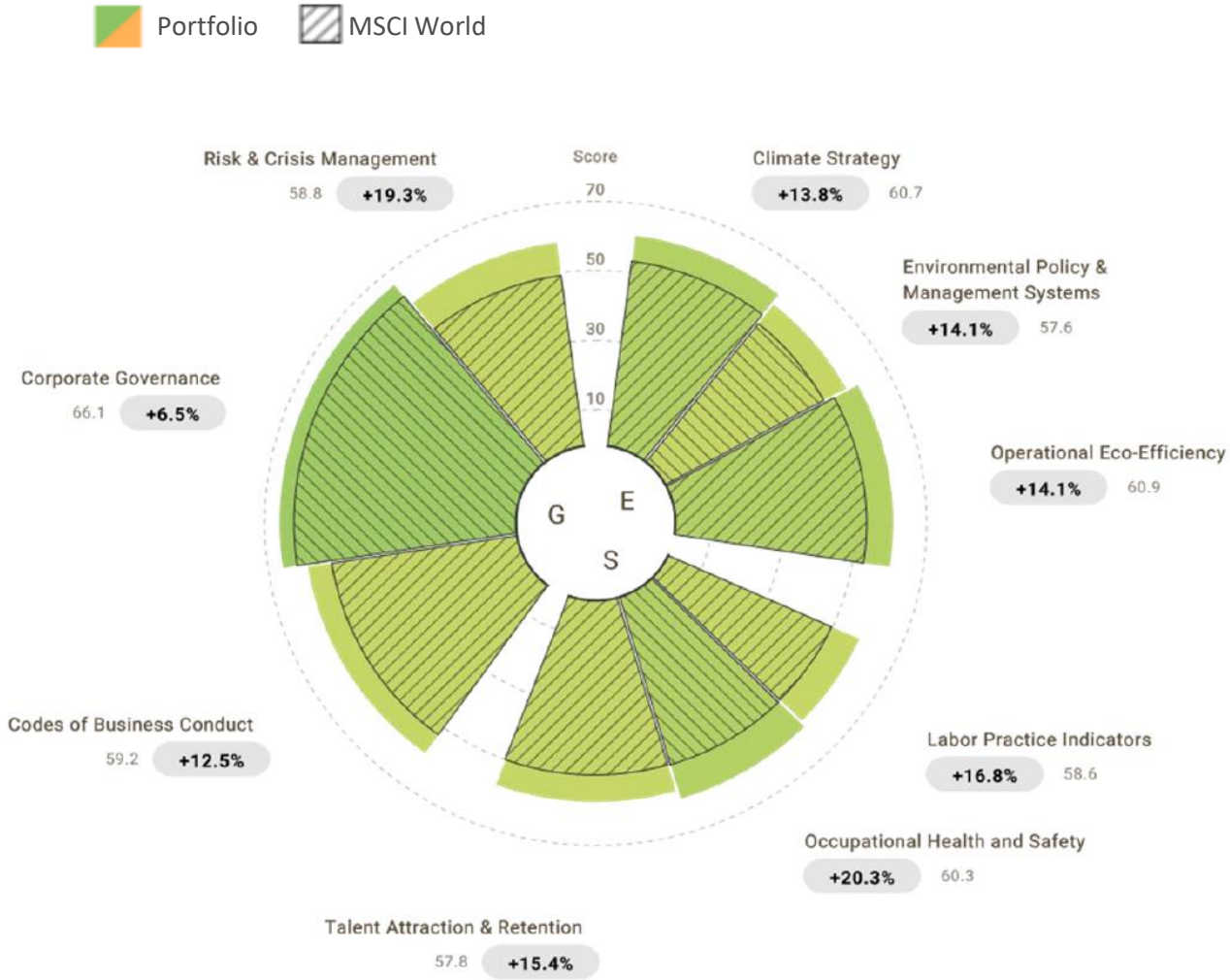
Key ESG criterion scores



The key ESG criterion scores chart displays portfolio scores on key criteria comprising the three ESG dimensions. Each section's colour indicates the portfolio's score: green indicates above average portfolio scores and orange indicates the opposite.

Each criterion's weight varies by industry on the basis of financial materiality. The width of each segment indicates its weight in the portfolio's total score. A number of criteria are used to assess companies in any given industry, thus the weights of the selected nine do not sum to 100%.

If a benchmark has been selected, those criterion scores are provided alongside the portfolio scores, highlighting the portfolio's relative sustainability.



Footprint intensity

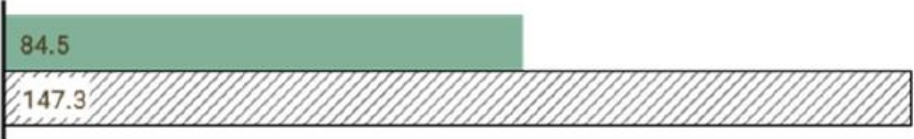


Portfolio
MSCI World

GHG Emissions Scope 1 & 2

tCO₂e/mUSD revenues

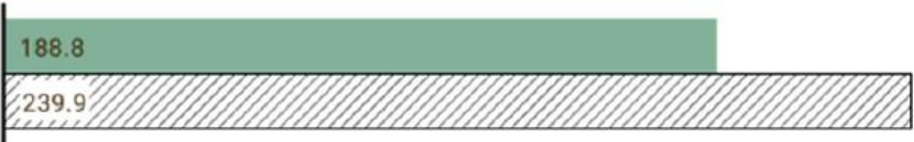
42.7% below



Energy Consumption

MWh/mUSD revenues

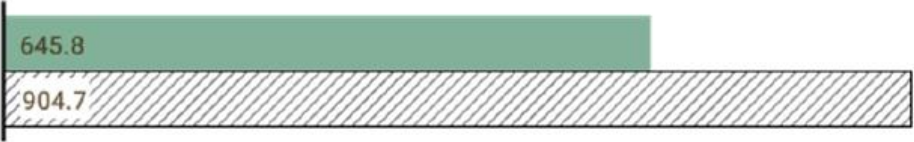
21.3% below



Water Use

m³/mUSD revenues

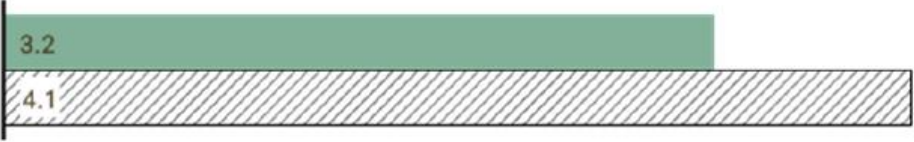
28.6% below



Waste Generation

tons/mUSD revenues

21.7% below

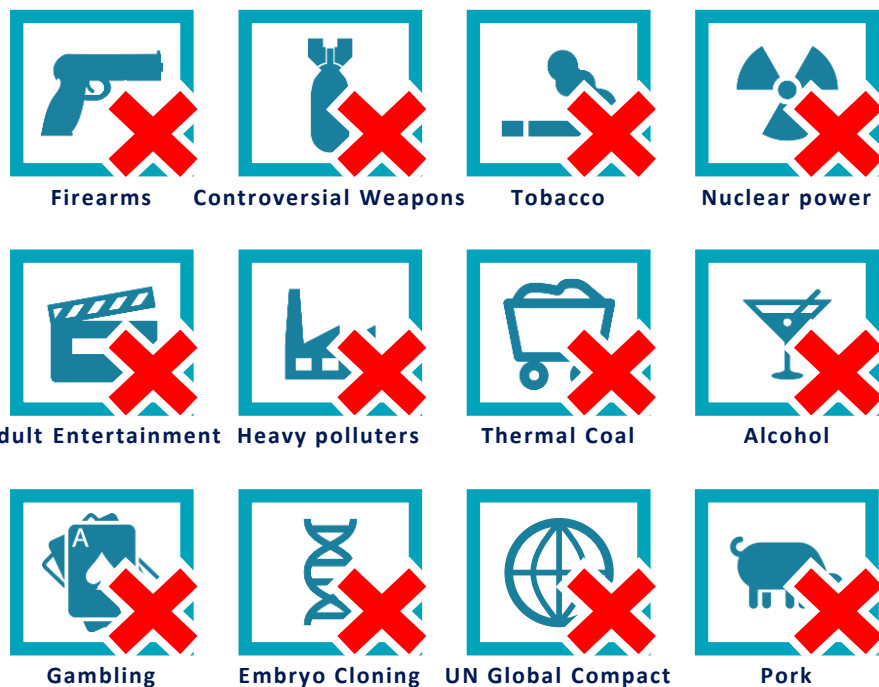


Exclusions

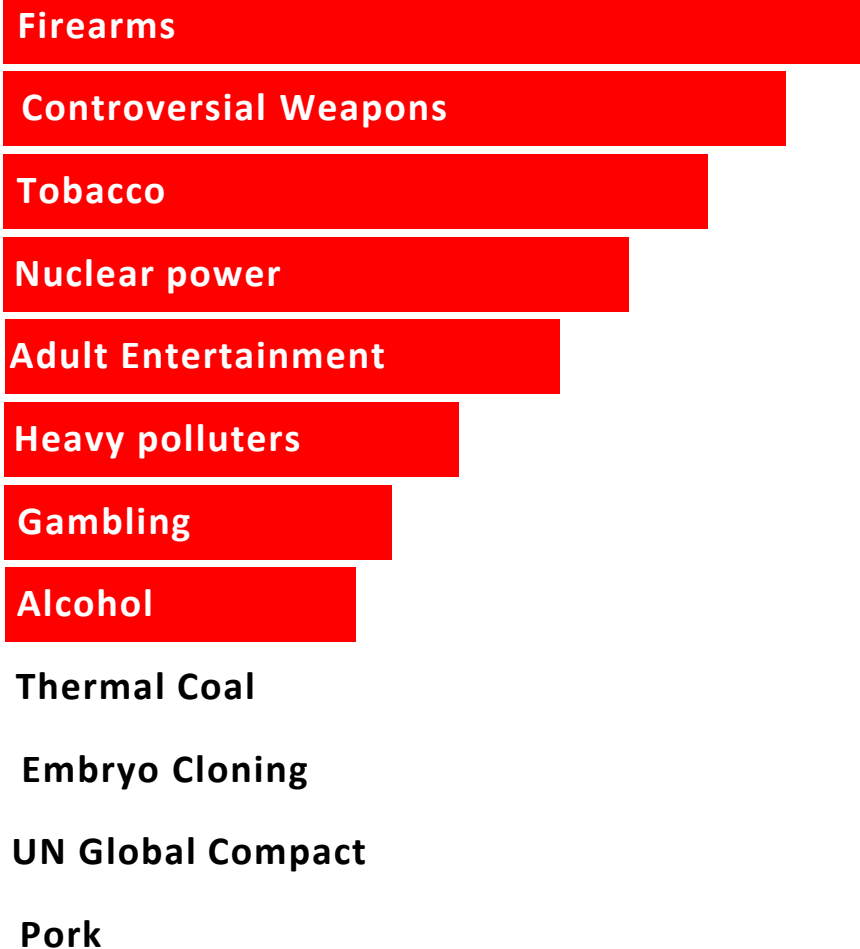


ROBECO

Type of exclusion



Top exclusion criteria



Sustainability Investing

Is here to stay



53%

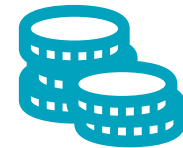
OF TOP 100 CORPORATES THAT
ISSUE SUSTAINABILITY REPORTS



500

FUNDS AVAILABLE

2010



113.5 BLN

USD INVESTED

Sustainability Investing



ROBECO

Is here to stay

75 %

OF TOP 100 CORPORATES THAT
ISSUE SUSTAINABILITY REPORTS



53 %

OF TOP 100 CORPORATES THAT
ISSUE SUSTAINABILITY REPORTS

2020

3400

FUNDS AVAILABLE



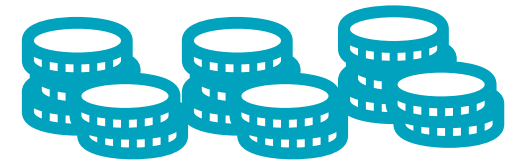
500

FUNDS AVAILABLE

2010

1.06 TRILLION

USD INVESTED



113.5 BLN

USD INVESTED

Sustainability investing: Drivers for growth

ROBECO

Asset Managers

734



2010: UN PRI Signatories

(Momentum became a signatory in 2006)

2517



2020: UN PRI Signatories



Sustainability investing

Investors can make the difference



DAILY SHOWER OF 12 MIN.
5 MINUTES LESS?



50 KM COMMUTE DAILY
1 DAY BY TRAIN?

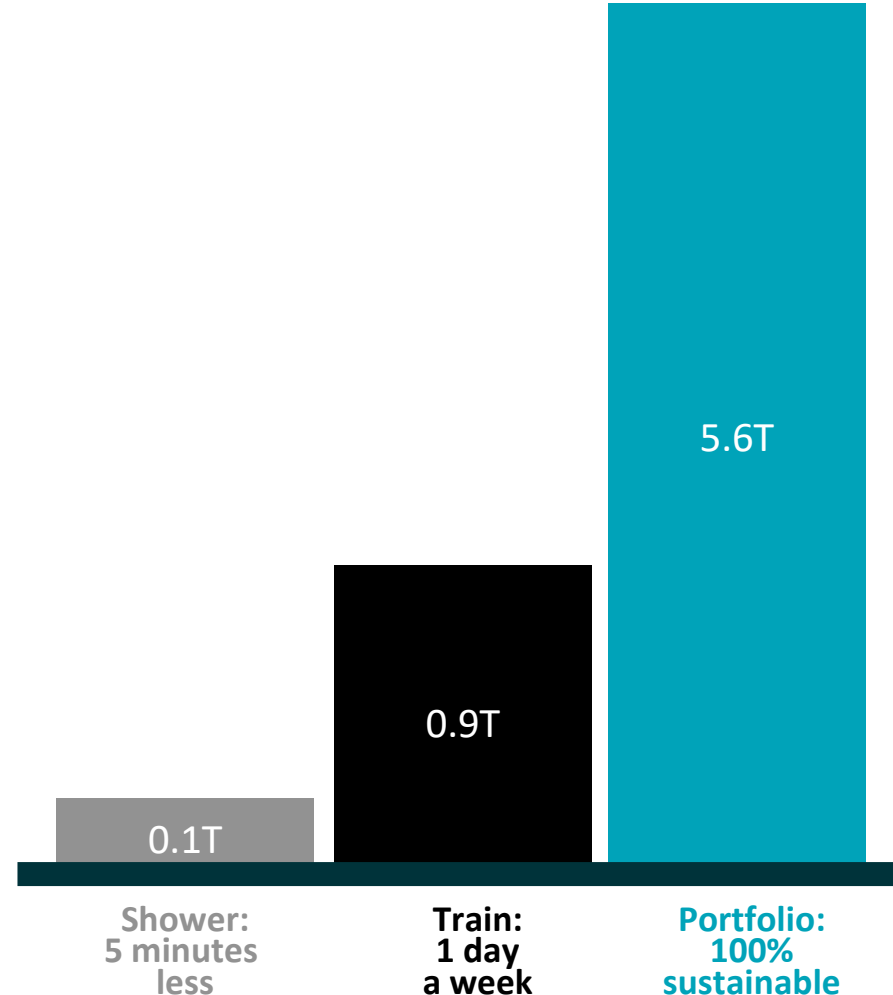


60/40% RETIREMENT
PORTFOLIO OF EUR 300K
100% SUSTAINABLE?



ROBECO

Effect on environmental footprint



A large, thin red circle is positioned on the left side of the slide, partially overlapping the text.

GEnIE Appendix

Robeco overview



- Based in Rotterdam, with 17 offices worldwide
- Around 900 employees, of which >200 are investment professionals and >40 are quant professionals
- Founded in 1929 as **Rotterdamsch Beleggings Consortium**
- Fully owned by ORIX, a Japanese business conglomerate listed on the Tokyo and New York Stock Exchanges with a market cap of over \$20bn.
- As of March 2020, the firm managed EUR 146bn:
 - **EUR 63bn in quantitative strategies**
 - **EUR 131bn in ESG-integrated (environmental, social and corporate governance) strategies**
 - **Operating in equities, fixed income and asset allocation**
- A+ / A score in UN PRI (Principles for Responsible Investment) assessment

Thank you

