

Flash Notes – Under Review

Robeco Global Fintech Equities



Following the recent turnover within the investment team, we have placed the **Robeco Global Fintech Equities fund “Under Review”**. The decision applies to all share classes of the fund. At this stage, this is not a change in the rating of the fund, and it does not mean that we advise to sell.

Rationale: co-Portfolio Manager departure

The Trend Investing team at Robeco is experiencing turnover. Jeroen van Oerle, co-Portfolio Manager (PM) of Robeco Global FinTech Equities fund (since inception in November 2017) and Christian Vondenbusch, co-PM of Robeco New World Financial Equities (since September 2018), have decided to leave Robeco to pursue an opportunity elsewhere.

For Robeco New World Financial Equities and Robeco Global FinTech Equities, Patrick Lemmens will remain lead PM for both funds. Jack Neele, PM of Robeco Global Consumer Trends (also selected by WS Partners), will act as co-PM for Global Fintech Equities on an interim basis. Jack Neele is a seasoned member of the Trends Investing team with long history of investing in technology companies, including fintech related stocks.

For Robeco New World Financial Equities, Jan Willem Knoll will act as co-PM and support Patrick Lemmens on a temporary basis. Jan Willem is analyst in Robeco’s Credit team since 2016 and has over 20 years of asset management experience. Jan Willem is covering the Financials sector and in that capacity has already worked together with Patrick at Robeco. Patrick, Jack and Jan Willem will work together to ensure continuity for the two funds.

WS Partners Opinion

Given the embedding of the Portfolio Managers within the broader Trends & Thematic investment team, the disciplined investment process of the strategies, combined with the continuous support from many other investment professionals at Robeco and RobecoSAM, **we believe that these changes can be absorbed with minimal impact** on the strategy.

Robeco Global Fintech Equities is part of Robeco’s Trends & Thematic Investment team. It consists of 20 investment professionals, based in Rotterdam and Zurich. The Trends & Thematic Investment capability has seen strong growth, with assets more than doubling over the last three years and over EUR 10.5 billion in AUMs.

We think those resources will provide valuable support to Patrick Lemmens as we assume that his workload will increase in the next weeks until new investment professionals are hired. In the meantime, we think Robeco has taken the necessary measures to ensure continuity.

Jeroen van Oerle has more in-depth tech knowledge and Patrick Lemmens has more global financials knowledge. They used to manage the fund alongside Christian Vondenbusch who also brought extensive knowledge in quantitative research.

Although we hold Jeroen van Oerle in high regards given his expertise in digital finance (he wrote several FinTech related white papers for instance on mobile payments in emerging markets, distributed ledger technology, artificial intelligence etc), his portfolio management responsibilities only begun in 2015, and he started his career only in 2013 at Robeco. He clearly displayed less experience than Patrick Lemmens in that field, albeit their skills and background were complementary. On the other side, Christian Vondenbusch has also a solid performance track record and many additional skills, but he used to be mainly involved in quantitative modelling for the FinTech fund (Holt, quantitative research, and various scoring models), rather than fundamental research.

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The departure of Jeroen van Oerle and Christian Vondenbusch are material in the short term given their positive contribution to the fund's performance since inception. But we think the profile of Patrick Lemmens, expert on financial regulation for more than 20 years, which is actually a strong driver of FinTech developments, remains a scarce resource and a key input for the strategy. We think the key expertise and track record remains in Patrick Lemmens' hands. His stock picking skills are proven and cycle-tested. He has largely demonstrated his capabilities managing the Robeco New World Financial Equities' for nearly 20 years before launching the Fintech wrapper.

We will closely monitor the AUMs of the fund to track any significant outflows that could impact the strategy, as well as the potential drift on the portfolio's performance. We remain also in close contact with Robeco to have first-hand information on the new investment professionals that will join.

We will reassess the rating of the fund once we have more details on this transitioning period and after thorough assessment of the new set-up in the coming days or weeks. We will keep you informed if any change in the status of the fund occurs.