BostonPartners

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Boston Partners Global Equity: Opening up the Opportunity Set

In 1992, Morningstar introduced the Style Box™, the now-pervasive nine-square grid that visually depicts the investment style of mutual funds. The goal of the Style Box™ is to aid institutional investors seeking to categorize strategies to meet specific asset-allocation targets. Over time, in a way, it also helped perpetuate a "playbook" style of investment, in which managers, themselves, select stocks to fill out their own allocation models with target weightings that tend to vacillate depending on the market conditions.

An unintended consequence of this "playbook" approach – and one that greatly benefits unconstrained managers – is that these target weightings create a source for dislocations; mispricings that can be found by bottom-up stock pickers in out-of-favor sectors, regions or market-cap designations. When the investment scope extends to the global market, unconstrained managers have literally thousands of opportunities from which to find attractive assets at valuations that aren't reflective of the opportunity.

As global investors look into 2016 and beyond, they are confronted by an investment landscape marked by uncertainty and a heightened level of volatility. China's attempted transition from a manufacturing-driven to a consumer-driven economy, coupled with haunting doubts about the country's faith in the free markets, remains a key concern for most top-down investors. Many are also carefully monitoring the impact of currency shifts on the market and calibrating their models to account for the strength of the U.S. dollar. Moreover, lingering unease also remains regarding the effectiveness of quantitative easing programs across the Euro Zone and Japan.

While these apprehensions may be valid, as an unconstrained bottom-up investment manager, it won't preclude our strategy from investing in companies others have ruled out due to macro factors. We simply must find attractive fundamentals, catalysts for growth, and a stock price that reflects a meaningful discount typically ranging from 15% to 20% to our reading of fair value. In fact, we often find that our three-circle approach, incorporating lenses through which we assess a company's valuation, fundamentals and momentum, guides us to the areas of market "underweighted" by those who base and fill out their models on economic forecasts or other macro factors.

Consider, for instance, our current weighting in the Industrials sector, an area of the market deemed out of favor by many macro-oriented investors. Market volatility, coupled with reduced global economic forecasts from the OECD, have driven many top-down investors to gravitate toward traditional "safe haven" sectors, such as the Utilities, REITs, Consumer Staples, Telecom and even areas within Healthcare. As of March 31, 2016, our weighting in the Industrials sector stood at 16.5%, versus the MSCI World Index, which had 10.6% exposure to Industrials. The strategy was also overweight in the Materials sector, another area in which the valuations of certain discrete stocks didn't reflect company fundamentals or catalysts for future growth, with a significant underweighting in the so-called "shelter sectors," including Telecom and Consumer Staples, and no exposure at all to Utilities.

Unpacking Performance

The value of the unconstrained approach can be evident through the attribution analysis of our strategy's performance. To wit, Materials, on a three-year basis, fell by -9% on the MSCI World Index, whereas the exposure of Boston Partners Global Equity strategy to the sector actually outperformed the market, returning 28% over the same period. The same was true in Industrials, where the Index's sector exposure returned 26%, while our exposure to the sector returned 45%. Even our exposure to Energy returned 8% compared to a -18% shortfall on the Index.

It's not simply about expanding the opportunity set. The value of operating an unconstrained global strategy also means we're not beholden to forced exposures in areas of the market exhibiting high valuations, poor fundamentals and few catalysts. Our mandate effectively allows our portfolio managers three degrees of freedom in that we can invest in any country or region, any sector or industry, and across any market cap designation above $250 million. Through focusing on only the idiosyncratic risks of individual securities, we can avoid the so-called falling knives that tend to result as macro views shift and allocation models are reshuffled. In an unsettled market environment, this can be a critical differentiator.

The charts, to the right, track the relative sector, market cap and regional weightings of the Boston Partners Global Equity strategy since July 2008, highlighting the movement across the various styles and sector categories. As a result of these sector, market cap and regional weighting differences, the portfolio has a very high active share versus the MSCI World Index which has ranged from 80% to 88% over this time.

Figure 1: Relative Sector Weightings from July 2008 through March 2016

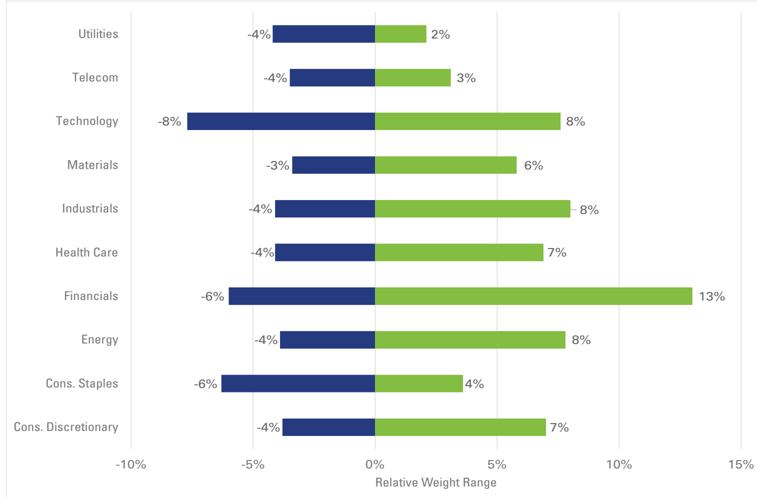


Figure 2: Relative Market Cap Weightings from from July 2008 through March 2016

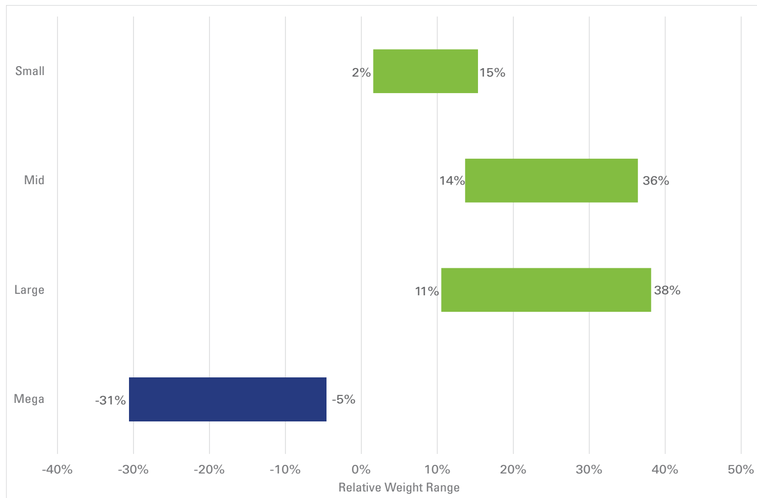
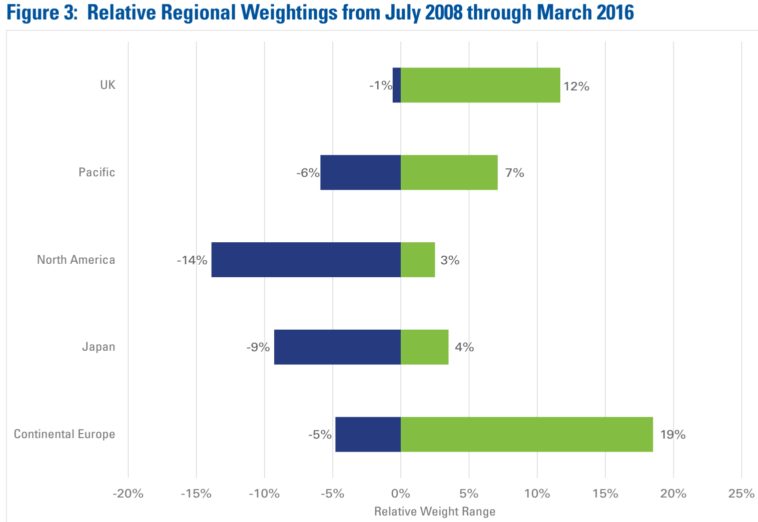


Figure 3: Relative Regional Weightings from July 2008 through March 2016



The charts to above are relative to the MSCI World Index. Sector weighting, Market Cap weightings and Regional weightings are based upon a representative account in the composite and are subject to change. Individual portfolio results may vary. Market Cap Tiers as of March 2016: Small Cap less than $1.7 billion; Mid Cap $1.7 to $8.0 billion; Large Cap $8.0 billion to $57.3 billion; and Mega Cap greater than $57.3 billion. This information is supplemental to the GIPS® compliant presentation herein. Please refer to the last page for other important disclosures.

Figure 4: Rolling 1-Year Sharpe Ratio from June 2009 through March 2016

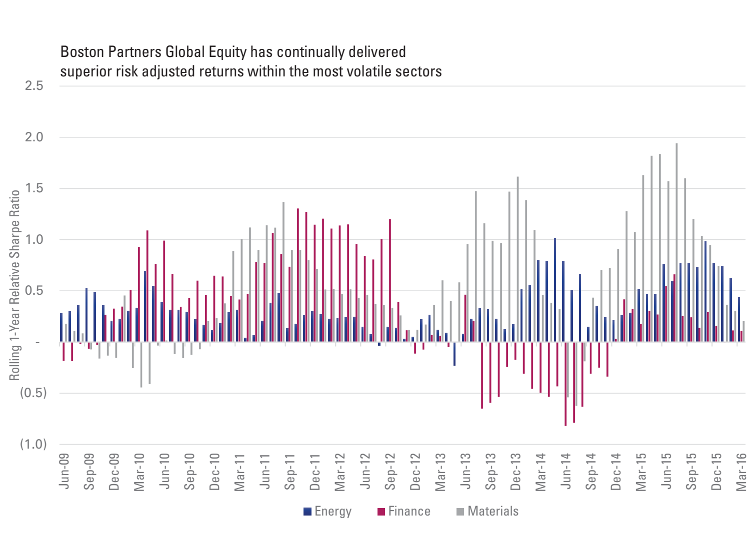
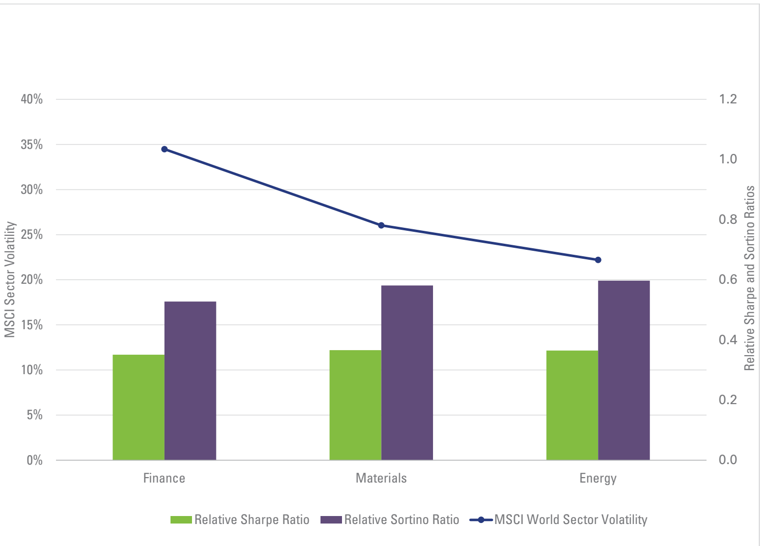


Figure 5: Volatility and Return/Risk Measures: July 2008 through March 2016



The charts above are relative to the MSCI World Index. Boston Partner's Global sector returns and MSCI World Index sector returns used to create this graph were calculated using FactSet, which provides holdings based return. This information is supplemental to the GIPS® compliant presentation herein. Please refer to the last page for other important disclosures.

Annualized Performance (%) as of March 31, 2016

	1Q 2016	1 Year	3 Year	5 Year	7 Year	Since Inception*
Global Equity USA - Gross of Fees	**0.00**	**-1.76**	**9.64**	**9.51**	**16.09**	**7.71**
Global Equity USA - Net of Fees	**-0.19**	**-2.51**	**8.81**	**8.68**	**15.19**	**6.34**
MSCI World Index	-0.19	-2.90	7.41	7.12	13.75	4.87

* July 1, 2008.

Past performance is not an indication of future results. Returns reflect composite results in USD and individual returns will vary. Please see calendar year performance and disclosure on the last page of this booklet.

Moreover, in light of the market volatility that has ratcheted up this year, Boston Partners Global Equity strategy has historically generated a positive risk adjusted return in the most volatile sectors. From July 2008 to March 2016, for instance, when using the rolling one-year Sharpe Ratio as a measure, Boston Partners Global Equity has generally produced higher risk adjusted returns than its benchmark, the MSCI World Index, in the Energy, Finance and Materials sector during most periods over that time. When using the Sortino Ratio as a measure, which tracks only downside risk versus total market volatility, the variance was even more pronounced, underscoring the cushion provided through a process that places emphasis on intrinsic value and fundamentals (see charts to the left).

While market views will change, our track record underscores why the idiosyncratic nature of individual securities, combined with a thorough and rigorous process to identify the undervalued names, is what matters most in the pursuit of consistent, market-beating performance.

Boston Partners Global Equity **Investment Performance Disclosure**

Boston Partners ("BP") is a dba of Robeco Investment Management ("RIM" or the "Firm"), an Investment Adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. RIM is a subsidiary of Robeco Groep N.V. ("Robeco"), a Dutch investment management firm headquartered in Rotterdam, the Netherlands. RIM updated its firm definition as of January 1, 2015 to reflect changes in its divisional structure. RIM is comprised of three divisions, Boston Partners, Weiss, Peck & Greer Partners ("WPG") and Redwood Equity ("Redwood").

RIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RIM has been independently verified for the periods 2007 through 2014. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The RIM Global Equity II composite has been examined for the annual periods 2012 to 2014. The verification and performance examination reports are available upon request. PAM and WPG were verified by an independent verifier on an annual basis from 1995 through 2006 and 1993 through 2006, respectively.

Past performance is not indicative of future results. This document is not an offering of securities nor is it intended to provide investment advice. It is intended for informational purposes only.

The inception and creation date of the RIM Global Equity II composite is July 1, 2008. This strategy is unconstrained and primarily invests in equity securities in the global market without using hedges on currency. The benchmark of this composite is the MSCI World Index. The composite includes all fully discretionary, fee-paying accounts under management, both separately managed and commingled, with a similar investment mandate and an account market value greater than $1 million.

Account returns are market value weighted and calculated on a total return, time-weighted basis using trade date valuations. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions, and transaction costs. Performance is expressed in U.S. Dollars. Additional information regarding the Firm's list of composite descriptions, policies for valuing portfolios, calculating performance, and presenting compliant presentations is available upon request.

Composite returns are provided on a gross and net of fees basis. Account gross returns will be reduced by any fees and expenses incurred in the management of the account. In general, actual fees may vary depending on the applicable fee schedule and portfolio size. Net of fees returns for commingled vehicles that are members of a composite are calculated using a model fee that is the highest tier in the separate account fee schedule for the strategy. Fees are applied to gross returns at month end.

Benchmark

The MSCI World Index represents large and mid-cap equity performance across 23 developed markets countries, covering approximately 85% of the free float-adjusted market capitalization in each. This index offers a broad global equity benchmark, without emerging markets exposure. Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the index does not have costs, fees, or other expenses associated with its performance. In addition, securities held in the index may not be similar to securities held in the composite's accounts.

Composite Dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "N/A". The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Global Equity

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
***2015:**	3	$432 mm	1%	N/A
2014:	1	$27 mm	0%	N/A
2013:	2	$66 mm	0%	N/A
2012:	2	$18 mm	0%	N/A
2011:	1	$8 mm	0%	N/A
2010:	1	$9 mm	0%	N/A
2009:	1	$8 mm	0%	N/A
****2008:**	1	$6 mm	0%	N/A

* Data are preliminary and unaudited.

** 2008 performance period is from July 1.

Other Disclosures

RIM has adjusted the S&P and Russell sector classifications to group stocks according to similar business product lines and correlation of stock returns. RIM's classifications are similar to the major market indices in terms of breadth but may differ in terms of composition. All product characteristics and sector weightings are calculated using a representative portfolio. Risk statistics are calculated using composite data. Portfolio composition is subject to change and information contained in this publication may not be representative of the current portfolio. Effective January 1, 2011; RIM adopted a significant cash flow policy for this composite in accordance with the Global Investment Performance Standards. If an external cash flow is greater than or equal to 10.0% of the beginning market value of the portfolio on the day of the flow, and greater than or equal to 10.0% of the beginning market value of the composite for that month then the portfolio is removed from the composite for the month that the flow occurred. The portfolio is then placed back into the composite in accordance with Firm's inclusion policies and procedures.

RIM participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part II. IPO contributions to performance vary from year-to-year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods.

Annual Fee Schedule

Investment advisory fees, which are more fully described in RIM's Form ADV Part II, are: 75 basis points ("bp") on the first $25 million; 65 bp on the next $25 million; 55 bp on the next $50 million; 50 bp thereafter.

Calendar Year Performance (%)

	2015	2014	2013	2012	2011	2010	2009	2008*
Global Equity USA - Gross of Fees	**1.89**	**5.54**	**35.12**	**17.25**	**-1.77**	**13.46**	**29.62**	**-30.51**
Global Equity USA - Net of Fees	**1.11**	**4.74**	**34.11**	**16.37**	**-2.55**	**12.56**	**28.61**	**-30.80**
MSCI World Index	-0.32	5.50	27.37	16.53	-5.01	12.34	30.79	-33.52

* July 1, 2008.

Past performance is not an indication of future results. Returns reflect composite results in USD and individual returns will vary.