Factsheet | Figures as of 30-04-2024

Robeco Corporate Hybrid Bonds IH EUR

Robeco Corporate Hybrid Bonds is an actively managed fund that invests in global corporate hybrids bonds issued by nonfinancials. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. Corporate hybrids are deeply subordinated bonds with equity-like features. The bonds are mainly issued by investment grade issuers. The fund selects the best-in-class hybrid bonds, with the best risk-return characteristics.

Daniel Ender, Peter Kwaak, Patrick Bawlf
Fund manager since 15-09-2017

Performance

	Fund	Index
1 m	-0.14%	-0.31%
3 m	1.10%	0.83%
Ytd	2.23%	2.00%
1 Year	9.25%	8.47%
2 Years	3.46%	2.94%
3 Years	-0.43%	-0.31%
5 Years	1.76%	1.65%
Since 10-2017	1.54%	1.49%

Annualized (for periods longer than one year)
Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see last page.

Calendar year performance

	Fund	Index
2023	8.70%	8.69%
2022	-11.25%	-11.49%
2021	0.59%	1.76%
2020	4.35%	3.86%
2019	11.92%	11.37%
2021-2023	-1.00%	-0.71%
2019-2023	2.53%	2.51%

Annualized (years)

Index

Bloomberg Global Corporate Hybrids 3% Issuer Cap

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 259,898,739
Size of share class	EUR 241,653,451
Outstanding shares	2,186,203
1st quotation date	19-10-2017
Close financial year	31-12
Ongoing charges	0.54%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.

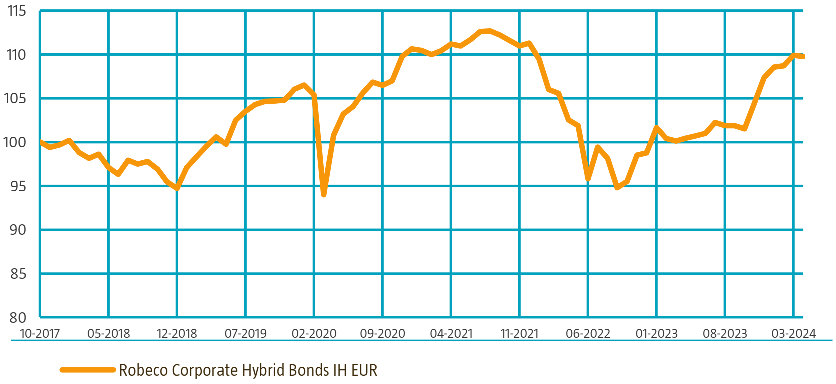
Sustainability profile

- Exclusions
- ESG Integration
- Engagement

For more information on exclusions see https://www.robeco.com/exclusions/

Performance

Indexed value (until 30-04-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -0.14%.
The underlying portfolio outperformed its benchmark index, gross of fees. Relative performance is attributed to beta positioning and issuer selection, in line with our investment process. The beta contribution was positive due to our beta being above one throughout the month, while credit spreads tightened. Most of the outperformance in April continued to stem from our issuer selection. We gained in allocation in being overweight in Euro-denominated versus underweight in US dollar-denominated hybrids. Several of our longs did well in March; notably we gained performance from our exposure in EnBW, Orange, SPP-Distribúcia and Eni SpA, amongst others. Our overweight positions in Duke Energy and TransCanada detracted from performance during the month.

Market development

Last month, the Global Corporate Hybrids Index experienced a total return of -0.31% (EUR, hedged), with the index tightening by 10 basis points to 173 basis points. This performance stood out positively compared to most other credit-related asset classes, as corporate hybrids had underperformed the previous month on a risk-adjusted basis. In April, markets saw volatility with US government bond yields rising nearly 50 basis points and US stock indices dropping 4-5%. The increase in bond yields was driven by strong US economic data, including surprising inflation, robust retail sales, and employment figures. While European bond yields did move higher in sympathy, the move was less pronounced, as signs of a reacceleration in European inflation remain elusive. Geopolitical tensions between Israel and Iran affected risk appetite, though the market reaction was muted, with little impact on oil prices or government bond yields. Despite challenges, credit spreads tightened, showing continued demand at higher yields, with strong primary market activity marked by oversubscription and limited concessions.

Expectation of fund manager

We aim for a portfolio beta above one in corporate hybrids. Current yield and spread levels look very attractive, especially for investment grade corporate issuers. Corporate hybrids offer a significant yield pickup and are mainly issued by large-cap, high-quality companies. These investment grade issuers are well positioned to handle any soft or hard landing, given their size and diversification.

Top 10 largest positions

The largest overweight positions in DTS terms are NextEra Energy, SPP-Distribúcia, Bayer, Iberdrola, and Electricité de France. We like the high yields on these bonds, relative to the market average. In terms of portfolio percentage weights, the largest issuer positions are around 4%.

Fund price

30-04-24	EUR	110.54
High Ytd (08-04-24)	EUR	111.40
Low Ytd (05-01-24)	EUR	107.67

Fees

Management fee	0.40%
Performance fee	None
Service fee	0.12%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

Issue structure	Open-end
UCITS V	Yes
Share class	IH EUR

This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Austria, Finland, France, Germany, Italy, Luxembourg, Singapore, Spain, Switzerland

Currency policy

All currency risks are hedged.

Risk management

Risk management is fully embedded in the investment process so as to ensure that the fund's positions remain within set limits at all times.

Dividend policy

This share class of the fund will not distribute a dividend.

Derivative policy

Robeco Corporate Hybrid bonds make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are very liquid.

Fund codes

ISIN	LU1700711663
Bloomberg	ROCHBIH LX
WKN	A3CPKG
Valoren	38694380

Top 10 largest positions

Holdings	Sector	%
Volkswagen International Finance NV	Industrials	4.93
NextEra Energy Capital Holdings Inc	Utilities	4.93
TotalEnergies SE	Industrials	4.80
Engie SA	Utilities	4.79
Deutsche Bahn Finance GMBH	Agencies	4.71
Iberdrola Finanzas SA	Utilities	4.23
Repsol International Finance BV	Industrials	4.02
OMV AG	Industrials	3.96
Eni SpA	Industrials	3.71
BP Capital Markets PLC	Industrials	3.68
Total		**43.76**

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.24	1.64
Information ratio	0.33	0.38
Sharpe ratio	-0.20	0.19
Alpha (%)	0.64	0.49
Beta	1.11	1.18
Standard deviation	6.65	8.21
Max. monthly gain (%)	3.78	7.29
Max. monthly loss (%)	-5.86	-10.81

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	18	30
Hit ratio (%)	50.0	50.0
Months Bull market	18	36
Months outperformance Bull	10	22
Hit ratio Bull (%)	55.6	61.1
Months Bear market	18	24
Months Outperformance Bear	8	8
Hit ratio Bear (%)	44.4	33.3

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	BAA1/BAA2	BAA2/BAA3
Option Adjusted Modified Duration (years)	3.4	3.4
Maturity (years)	3.9	4.0
Yield to Worst (%, Hedged)	5.2	5.0
Green Bonds (%, Weighted)	12.4	10.8

Sector allocation

Across sectors, the most significant overweights are in energy, agencies, and banking, whereas the capital goods and utilities sectors are still underweight. Our exposure to the financial sector rose from 5% to 6% last month. We continue to favor the spreads on these bonds compared to certain corporate hybrids and find them appealing on a risk-adjusted basis.

Sector allocation		Deviation index
Industrials	44.3%	-2.9%
Utilities	24.6%	-8.6%
Agencies	13.0%	-6.7%
Financials	6.1%	6.1%
Treasuries	5.6%	5.6%
Local Authorities	3.2%	3.2%
Cash and other instruments	3.2%	3.2%

Currency denomination allocation

In risk terms, the fund has a significant overweight in Euro-denominated hybrids, partly offset by underweight positions in US dollar and GBP (pound sterling) hybrids. GBP bonds constitute a small portion of the global hybrid benchmark. With regard to credit beta, it remained above neutral throughout the month.

Currency denomination allocation		Deviation index
Euro	75.6%	12.0%
U.S. Dollar	19.1%	-13.9%
Pound Sterling	2.1%	-1.2%

Duration allocation

The fund's interest-rate sensitivity tracks the duration of the index. Interest rate futures can be used to maintain this neutral duration position.

Duration allocation		Deviation index
Euro	2.2	0.0
U.S. Dollar	1.0	0.0
Pound Sterling	0.2	0.0

Rating allocation

Most of the portfolio is invested in bonds rated BBB. Around 6% of the portfolio is allocated to BB-rated bonds, creating an overweight position in the BB category from a risk perspective. The BB-rated corporate hybrids held within the fund are issued by companies with investment grade issuer ratings.

Rating allocation		Deviation index
AA	5.6%	5.6%
A	9.0%	-2.4%
BAA	76.2%	-12.4%
BA	6.0%	6.0%
Cash and other instruments	3.2%	3.2%

Subordination allocation

The fund predominantly invests in corporate hybrids, which offer high yields for investment grade ratings. Corporate hybrids are subordinated bonds issued by high-quality, non-financial issuers. The fund can also invest in the hybrid capital of banks and insurers, and in the senior debt of non-financial corporates. These bonds can offer an attractive risk/return profile relative to the corporate hybrid market.

Subordination type allocation		Deviation index
Hybrid	78.9%	-21.1%
Senior	10.9%	10.9%
Tier 2	3.7%	3.7%
Tier 1	3.3%	3.3%
Cash and other instruments	3.2%	3.2%

ESG Important information

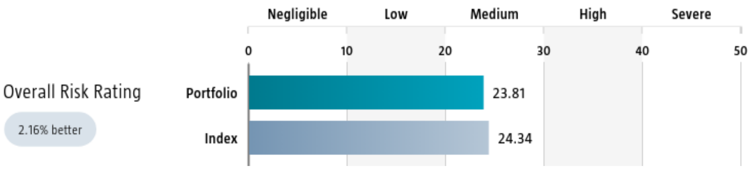
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

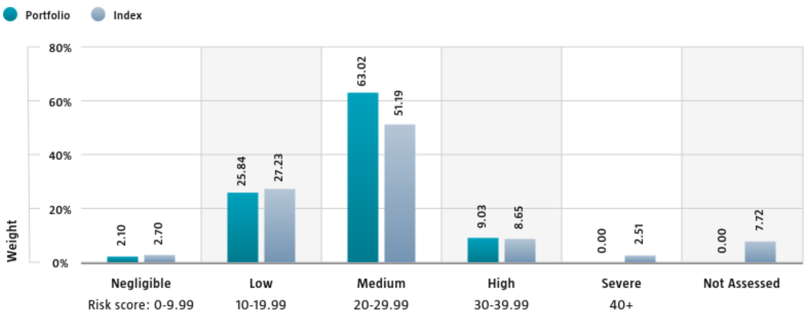
Sustainability

The fund incorporates sustainability in the investment process via exclusions, ESG integration, a minimum allocation to ESG-labeled bonds, and engagement. The fund does not invest in credit issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the bottom-up security analysis to assess the impact on the issuer's fundamental credit quality. In the credit selection the fund limits exposure to issuers with an elevated sustainability risk profile. Furthermore, the fund invests at least 5% in green, social, sustainable, and/or sustainability-linked bonds. Lastly, where issuers are flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement.
The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures.
The index used for all sustainability visuals is based on Bloomberg Global Corporate Hybrids 3% Issuer Cap.

Sustainalytics ESG Risk Rating

The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio allocations broken into Sustainalytics' five ESG risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+), providing an overview of portfolio exposure to the different ESG risk levels. Index scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.
Only holdings mapped as corporates are included in the figures.





Environmental Footprint

Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted average, multiplying each assessed portfolio constituent's footprint by its respective position weight. For comparison, index footprints are shown besides that of the portfolio. The equivalent factors that are used for comparison between the portfolio and index represent European averages and are based on third-party sources combined with own estimates. As such, the figures presented are intended for illustrative purposes and are purely an indication. Only holdings mapped as corporates are included in the figures.

Source: Robeco data based on Trucost data. *

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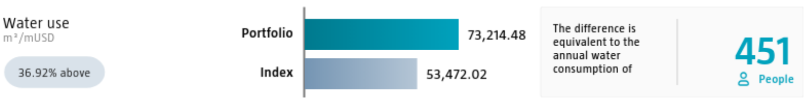
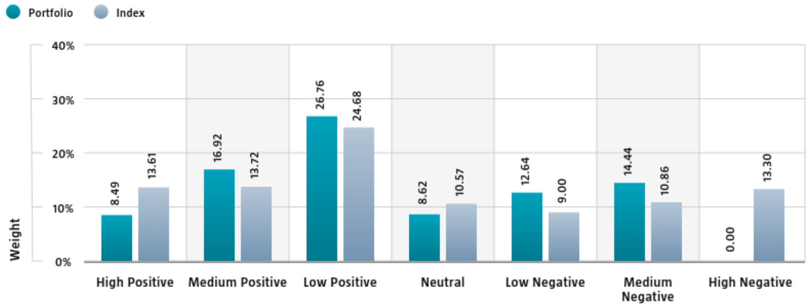


Source: Robeco data based on Trucost data. *

SDG Impact Alignment

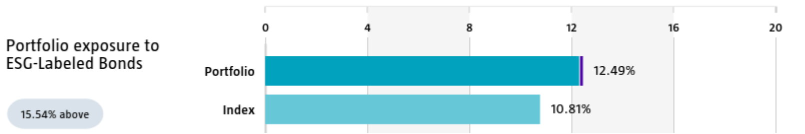
This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment with the relevant SDGs and assign a total SDG score. The score ranges from positive to negative impact alignment with levels from high, medium or low impact alignment. This results in a 7-step scale from -3 to +3. For comparison, index figures are provided alongside that of the portfolio. Only holdings mapped as corporates are included in the figures.



Source: Robeco. Data derived from internal processes.

ESG Labeled Bonds

The ESG-labeled bond chart displays the portfolio's exposure to ESG-labeled bonds. Specifically, green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. This is calculated as a sum of weights for those bonds in the portfolio that have one of above mentioned labels. Index exposure figures are provided alongside the portfolio exposure figures, highlighting the difference with the index.



	Portfolio weight	Index weight
Green Bonds	12.34%	10.81%
Social Bonds	0.00%	0.00%
Sustainability Bonds	0.00%	0.00%
Sustainability-Linked Bonds	0.15%	0.00%

Source: Bloomberg in conjunction with data derived from internal processes. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg").

Engagement

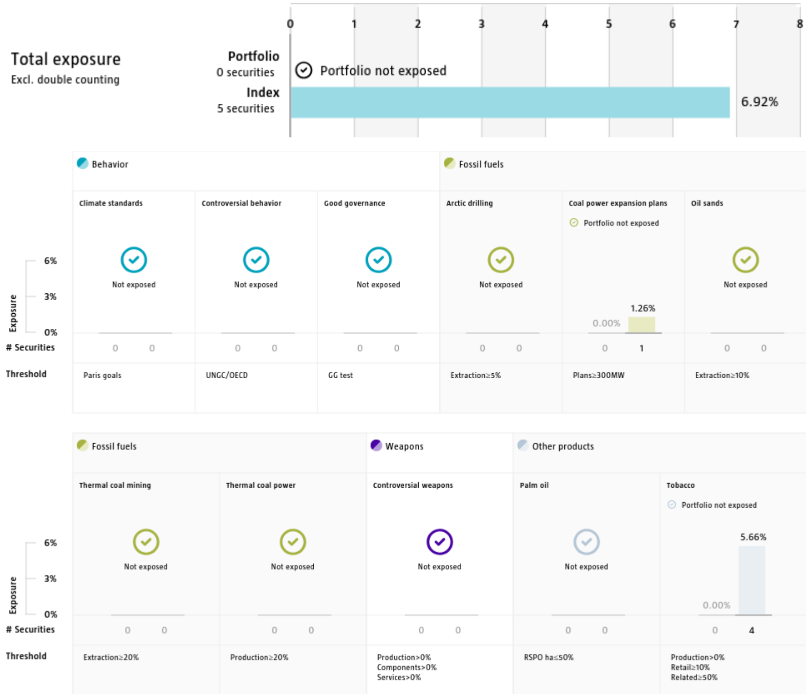
Robeco distinguishes between three types of engagement.
Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching internationals standards. The report is based on all companies in the portfolio for which engagement activities have taken place during the past 12 months. Note that companies may be under engagement in multiple categories simultaneously. While the total portfolio exposure excludes double counting, it may not equal the sum of individual category exposures.

	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	6.75%	7	24
Environmental	1.96%	5	16
Social	0.00%	1	4
Governance	0.00%	0	0
Sustainable Development Goals	4.79%	1	4
Voting Related	0.00%	0	0
Enhanced	0.00%	0	0

Source: Robeco. Data derived from internal processes.

Exclusions

The Exclusions charts display the degree of adherence to exclusion applied by Robeco. For reference, index exposures are shown beside that of the portfolio. Thresholds are based on revenues unless otherwise indicated. For more information about the exclusion policy and which level applies, please refer to the Exclusion Policy and Exclusion List available on Robeco.com.



Source: We use several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, Freedom House, Fund for Peace and International Sanctions; further policy document available Exclusion Policy

Investment policy

Robeco Corporate Hybrid Bonds is an actively managed fund that invests in global corporate hybrids bonds issued by nonfinancials. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. Corporate hybrids are deeply subordinated bonds with equity-like features. The bonds are mainly issued by investment grade issuers. The fund selects the best-in-class hybrid bonds, with the best risk-return characteristics.
The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions.
The majority of bonds selected will be components of the benchmark, but bonds outside the benchmark may be selected too. The fund can deviate substantially from the weightings of the benchmark. The fund aims to outperform the benchmark over the long run, while still controlling relative risk through the application of limits (on currencies and issuers) to the extent of the deviation from the benchmark. This will consequently limit the deviation of the performance relative to the benchmark. The benchmark is a broad market-weighted index that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

Daniel Ender is Portfolio Manager Investment Grade in the Credit team. Previously, he was a Credit Analyst at Actiam. Daniel started his career in the industry in 2018 at ABN AMRO. He has a Master's in Financial Economics from Erasmus University Rotterdam and a Bachelor's in Political Science and Economics from the University of Connecticut. Daniel also is CFA® charterholder. Peter Kwaak is Portfolio Manager Investment Grade in the Credit team. Prior to joining Robeco in 2005, he was Portfolio Manager Credits at Aegon Asset Management for three years and at NIB Capital for two years. Peter has been active in the industry since 1998. He holds a Master's in Economics from Erasmus University Rotterdam and he is a CFA® charterholder. Patrick Bawlf is Portfolio Manager Investment Grade in the Credit team. Previously, he was Analyst, responsible for covering the Utilities sector within the Credit team. Prior to joining Robeco in 2017, Patrick worked at Mizuho as Head of Corporate Credit research. Before that, he headed the Credit Desk Analyst team at Nomura and the Credit Trading Desk Analyst team at Lehman Brothers, targeting opportunities in distressed, high yield and the investment grade credit universes. Earlier in his career, Patrick worked in corporate finance with Deutsche Bank and accounting with KPMG, where he attained his Chartered Accountant designation. He has been active in the industry since 1995 and holds a Bachelor's in Economics from the University of British Columbia.

Team info

The Robeco Corporate Hybrid Bonds fund is managed within Robeco's credit team, which consists of nine portfolio managers and twenty-three credit analysts. The portfolio managers are responsible for the construction and management of the credit portfolios, whereas the analysts cover the team's fundamental research. Our analysts have long term experience in their respective sectors which they cover globally. Each analyst covers both investment grade and high yield, providing them an information advantage and benefiting from inefficiencies that traditionally exist between the two segmented markets. Furthermore, the credit team is supported by three dedicated quantitative researchers and four fixed income traders. On average, the members of the credit team have an experience in the asset management industry of seventeen years, of which eight years with Robeco.

Fiscal product treatment

The fund is established in Luxembourg and is subject to the Luxembourg tax laws and regulations. The fund is not liable to pay any corporation, income, dividend or capital gains tax in Luxembourg. The fund is subject to an annual subscription tax ('tax d'abonnement') in Luxembourg, which amounts to 0.01% of the net asset value of the fund. This tax is included in the net asset value of the fund. The fund can in principle use the Luxembourg treaty network to partially recover any withholding tax on its income.

Morningstar

Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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