ROBECO

Factsheet | Figures as of 28-02-2022

RobecoSAM Climate Global Credits IH EUR

RobecoSAM Climate Global Credits is an actively managed fund that invests mainly in nongovernment bonds all around the world. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth.The fund invests mainly in nongovernment bonds (which may include contingent convertible bonds (also "coco" bonds) and similar nongovernment fixed income securities and asset backed securities from all around the world. The carbon footprint reduction objective will be aligned with the Solactive Paris Aligned Global Corporate Index.

Victor Verberk,Reinout Schapers, Peter Kwaak
Fund manager since 09-12-2020

Performance

	Fund	Index
1 m	-2.44%	-2.22%
3 m	-5.16%	-5.23%
Ytd	-5.02%	-4.79%
1 Year	-4.25%	-4.30%
Since 12-2020	-5.60%	-4.88%

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
2021	-2.19%	-1.86%

Annualized (years)

Index

Solactive Paris Aligned Global Corporate Index

General facts

Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 150,030,514
Size of share class	EUR 8,758,416
Outstanding shares	94,000
1st quotation date	09-12-2020
Close financial year	31-12
Ongoing charges	0.53%
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

ESG Target

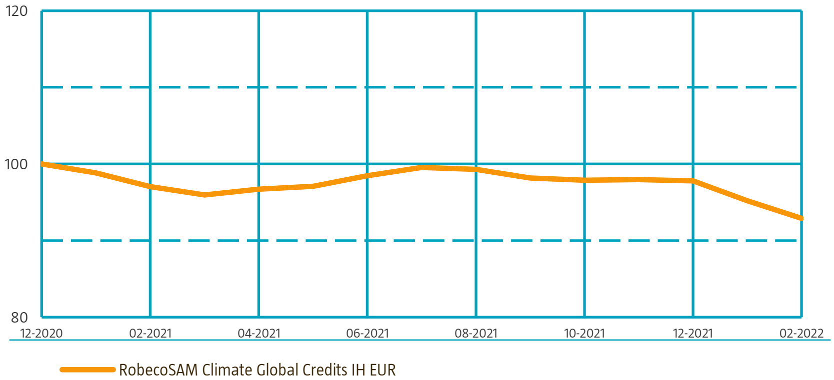
Footprint target

Better than index

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

Performance

Indexed value (until 28-02-2022) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -2.44%.
The Solactive Paris Aligned Global Corporate Index returned -2.22% (hedged to EUR). Credit spreads widened during the month to 1.26%. US 10-year bond yields increased from 1.78% to 1.83%, and German 10-year yields increased by 13 basis points to 0.14%.The fund performed worse than the benchmark by -0.23%. The fund's beta was below one during the month, resulting in a positive contribution to performance. This was offset by our issuer selection and our swap position. The biggest movers were Raiffeisen Bank, Oracle Corporation and Atlantia SpA. We continue to hold a position in swap spreads. We entered a trade where we are long 5-year European swap spreads. The contribution was negative last month, as swap spreads widened. We see swap spreads normalize during the first quarter of the year.Given the index rebalancing and updated ISS & EDGAR data at month-end, as at 1 February, after some portfolio adjustments, the carbon footprint was -27% less (better) than that of the benchmark. By month-end it was -30% better.

Market development

February was a month of two halves for markets. The first half was dominated by central banks being forced to embark upon a much more aggressive tightening cycle than anticipated, especially as inflation continued to surprise on the upside. In the second half, we saw a massive risk-off move prompted by the reality of Russia's invasion of Ukraine, which in turn triggered severe sanctions on Russia that have had a seismic market impact across multiple asset classes. The largest implications are felt by: the Russian MOEX Index down -50% (in USD terms), Brent moving above USD 100/bbl, European natural gas is +16%, wheat prices are up +20%, and every major credit index moved wider for the month. These rises in commodity prices are set to make life increasingly difficult for central banks. On the one hand, they are unable to take direct action to deal with the supply shock, but on the other, its consequences will be seen through stagflation, with the risk that higher inflation becomes entrenched over time. In China, the various measures aimed at improving property sales have not translated into improvement yet. With regard to Covid, most Western nations have abolished lockdowns and travel restrictions.

Expectation of fund manager

Imperfect information implies imperfect forecasts, which is especially true right now. With so many distorting elements at play, including severe global supply chain disruptions, there are no easy answers in predicting economic growth. As we consider all the evidence around corporate pricing power, policy stimulus and consumer spending behavior, we believe that US and European fundamentals will not be the key driver of credit markets in Q1 2022. The outlook might be more uncertain again, but corporate fundamentals are still strong. We think there are certain risk factors that are not sufficiently priced in yet, like geopolitical risks around Russia and the growth impact of the Chinese real estate meltdown. Central bank activity and communication might cause a bout of risk aversion after years of increased risk taking by asset owners. This means we see plenty of reasons to enter 2022 with a fairly cautious positioning. We aim for a portfolio beta that is below one, though we do see opportunities still in financials, BB-rated credit, Euro swap spreads or Covid-recovery plays. Continued strong fundamentals could result in an above-average amount of rising stars.

Top 10 largest positions
In our portfolio management, the most relevant issuer positions are those measured in risk points (weight x spread x duration). Our largest holdings are names in a variety of sectors and countries. Top holdings are for example Raiffeisen Bank, NextEra Energy Corporation, Banco de Sabadell, Energias de Portugal and Atlantia SpA (via Autostrade bonds).

Fund price
28-02-22	EUR	93.17
High Ytd (04-01-22)	EUR	97.30
Low Ytd (24-02-22)	EUR	92.46

Fees
Management fee	0.40%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.21%

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
Belgium, France, Italy, Luxembourg, Netherlands, 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
The fund does not distribute a dividend.

Fund codes
ISIN	LU2258387716
Bloomberg	ROCCIHE LX
Valoren	58900988

Top 10 largest positions
Holdings	Sector	%
AT&T Inc	Industrials	1.98
Banco de Sabadell SA	Financials	1.88
Swedbank AB	Financials	1.83
Citigroup Inc	Financials	1.67
CaixaBank SA	Financials	1.65
Oracle Corp	Industrials	1.63
Deutsche Bank AG	Financials	1.61
NextEra Energy Capital Holdings Inc	Utilities	1.54
ABN AMRO Bank NV	Financials	1.54
Autostrade per l'Italia SpA	Industrials	1.51
Total		**16.83**

Characteristics
	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	7.3	7.2
Maturity (years)	8.0	9.6
Yield to Worst (%, Hedged)	1.9	2.0
Green Bonds (%, Weighted)	3.9	2.7

Changes
RobecoSAM Climate Global Credits: With effect from 10 March 2021, the benchmark has been changed from Bloomberg Barclays Global Aggregate Corporates Index to Solactive Paris Aligned Global Corporate Index.

Sustainability

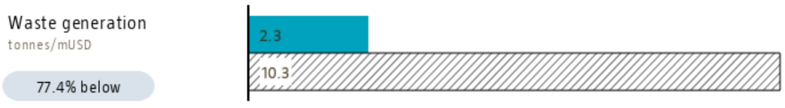
The fund's sustainable investment objective is to contribute to keeping global temperature rise well-below 2°C by reducing the carbon footprint of the fund. Climate change and sustainability considerations are incorporated in the investment process via exclusions, ESG integration and a carbon footprint target. The fund does not invest in companies that are in breach of international norms and applies the activity-based exclusions of Article 12 of the EU regulation on Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks as per Robeco's exclusion policy. ESG factors, including climate change, are integrated in the bottom-up security analysis to assess the decarbonization potential and the impact of financially material ESG risks on the issuer's fundamental credit quality. In the portfolio construction the fund targets a carbon footprint at least equal to the Solactive Paris Aligned Global Corporate Index. This is to ensure the fund is aligned with the desired decarbonization trajectory of 7% year on year.

Footprint Ownership

Footprint ownership expresses the total resource utilization the portfolio finances. Each assessed company's footprint is calculated by normalizing resources utilized by the company's enterprise value including cash (EVIC). Multiplying these values by the dollar amount invested in each assessed company yields the aggregate footprint ownership figures. The selected index's footprint is provided alongside. Sovereign and cash positions have no impact. The portfolios score is shown in blue and the index in grey.

Environmental Footprint

Source: Institutional Shareholder Services.



Source: Robeco data based on Trucost data. *

Source: Robeco data based on Trucost data. *

Sector allocation

The sector allocation is a combination of bottom-up issuer selection and carbon intensities. The fund is overweight in banking, utilities, insurance, transportation, technology and communications. Our largest underweights are consumer non-cyclicals, capital goods and consumer cyclical. Either because carbon intensities are too high, valuations too low or their decarbonizing commitments are not achievable or non-existent. Value trades can be found in banking (in Europe), as interest rates are on the rise and banks are far more resilient than a decade ago. We focus on companies with relatively low GHG emissions, or a credible climate strategy that should lead to a lower carbon footprint in the near future. Examples are renewable champions like Energias de Portugal and low-emission sectors such as communications and technology like Charter and Cellnex.

Sector allocation		Deviation index
Financials	41.5%	3.4%
Industrials	40.2%	-14.9%
Treasuries	5.8%	5.8%
Utilities	5.3%	1.0%
Agencies	2.4%	0.6%
Supranational	2.0%	2.0%
Covered	0.1%	-0.1%
Local Authorities	0.0%	-0.5%
Cash and other instruments	2.7%	2.7%

Currency denomination allocation

The fund has an underweight risk position in USD cash bonds, an overweight in EUR cash bonds and is neutral in GBP cash bonds. Our underweight in USD bonds is driven by a combination of a large percentage of carbon intensive issuers from the US. We have closed our NA CDX position and added risk in Europe. In percentage weights, the split between euro, dollar and pound is 43%, 48% and 5% respectively. The remainder is held in cash. All currency exposure is hedged back to the Solactive Paris Aligned Global Corporate Index.

Currency denomination allocation		Deviation index
U.S. Dollar	48.3%	-18.6%
Euro	48.2%	20.2%
Pound Sterling	5.0%	-0.1%

Duration allocation

The duration of the fund is in line with the index.

Duration allocation		Deviation index
U.S. Dollar	5.5	0.0
Euro	1.4	0.0
Pound Sterling	0.4	0.0

Rating allocation

The fund is underweight in investment grade credits and overweight in BB credits. That said, we have turned neutral for AA-rated and above by selling more BBB-rated credit, as the pickup versus BB is close to all-time lows. Positions vary from emerging credits, high yield-rated countries, subordinated bonds and rising stars.

Rating allocation		Deviation index
AAA	9.9%	8.5%
AA	7.6%	0.3%
A	21.6%	-18.7%
BAA	40.0%	-10.5%
BA	17.2%	16.8%
B	1.0%	1.0%
Cash and other instruments	2.7%	2.7%

Subordination allocation

In the allocation to the capital structure we continue to favor senior bonds over subordinated bonds. The exposure that we do have to subordinated bonds is limited to only positions that have both a good fundamental outlook and a good bond structure.

Subordination type allocation		Deviation index
Senior	75.8%	-18.2%
Tier 2	11.7%	6.4%
Hybrid	5.9%	5.3%
Tier 1	3.8%	3.7%
Cash and other instruments	2.7%	2.7%

Investment policy

RobecoSAM Climate Global Credits is an actively managed fund that invests mainly in nongovernment bonds all around the world. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth.The fund has sustainable investment as its objective within the meaning of Article 9 of the European Sustainable Finance Disclosure Regulation. The fund to keep the maximum global temperature rise well-below 2◦ C by reducing the carbon footprint intensity of the portfolio. The fund integrates ESG (i.e. Environmental, Social and corporate Governance) in the investment process, applies an exclusion list basis controversial behavior, products (including controversial weapons, tobacco, palm oil and fossil fuel) while avoiding investment in thermal coal, weapons, military contracting and companies that severely violate labor conditions, next to proxy voting and engagement . The fund invests mainly in nongovernment bonds (which may include contingent convertible bonds (also “coco” bonds) and similar nongovernment fixed income securities and asset backed securities from all around the world. The carbon footprint reduction objective will be aligned with the Solactive Paris Aligned Global Corporate Index.Benchmark: Solactive Paris Aligned Global Corporate Index. The fund is managed against a benchmark that is consistent with the sustainable investment objectives pursued by the fund. It aims to align with the Paris Agreement requirements on greenhouse gas emission reduction. For corporate bonds the Benchmark aims to represent the performance of an investment strategy that is aligned with the technical standards for EU Paris Aligned Benchmarks in areas such as exclusions and carbon reduction objectives. The Benchmark differs from a broad market index in that the latter does not take into account in its methodology any criteria for alignment with the Paris Agreement on greenhouse gas emission reduction and related exclusions.

Fund manager's CV

Mr. Verberk is Head and Portfolio Manager Investment Grade Credits since January 2008. Prior to joining Robeco in 2008, Mr. Verberk was CIO with Holland Capital Management. Before that he was employed by Mn Services as Head of Fixed Income and he worked for AXA Investment Managers as Portfolio Manager Credits. Victor Verberk started his career in the investment industry in 1997. Mr. Verberk holds a Master's degree in Business Economics from Erasmus University, Rotterdam and has been a CEFA holder since 1999. Mr. Schapers is Portfolio Manager Emerging Market Credits in the Credit team. Prior to joining Robeco in 2011, Reinout worked at Aegon Asset Management for 5 years where he was a senior portfolio manager high yield credits and was Head of High Yield Europe since 2008. Before that, he worked at Rabo Securities as an M&A associate and at Credit Suisse First Boston as a corporate finance analyst. He holds an Engineering degree in Architecture from the Delft University of Technology. He has been active in the industry since 2003. Peter Kwaak is a Senior Portfolio Manager and a member of the Credit team. Prior to joining Robeco in 2005, Mr. Kwaak was employed by Aegon Asset Management for three years as Credits and High Yield Portfolio Manager and at NIB Capital for two years as Portfolio Manager. Peter Kwaak started his career in the Investment Industry in 1998. Mr. Kwaak is a CFA Charterholder and holds a Master's degree in economics from the Erasmus University Rotterdam. Mr. Kwaak is registered with the Dutch Securities Institute.

Team info

The RobecoSAM Climate Global Credits is managed within Robeco’s credit team, which consists of nine portfolio managers and twenty-three credit analysts (of which four financials 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 dedicated quantitative researchers and 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

Febelfin disclaimer

The fact that the sub-fund has obtained this label does not mean that it meets your personal sustainability goals or that the label is in line with requirements arising from any future national or European rules. The label obtained is valid for one year and subject to annual reappraisal. For further information on this label, please visit www.towardssustainability.be.

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