ROBECO

Factsheet | Figures as of 28-02-2022

Robeco Investment Grade Corporate Bonds I EUR

Robeco Investment Grade Corporate Bonds is an actively managed fund that invests in euro-denominated securities. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The investment process combines a top-down market view to assess credit attractiveness and factors that drive credit market returns in the short term with skillful issuer selection to create a broadly diversified portfolio. The fund has a conservative profile and a limited exposure to derivatives.

Peter Kwaak
Fund manager since 27-03-2009

Performance

	Fund	Index
1 m	-2.35%	-2.56%
3 m	-3.92%	-4.02%
Ytd	-3.62%	-3.86%
1 Year	-3.74%	-4.04%
2 Years	-1.06%	-1.57%
3 Years	1.04%	0.73%
5 Years	1.01%	0.80%
10 Years	2.54%	2.55%
Since 03-2009	3.84%	3.90%

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	-1.20%	-1.25%
2020	3.57%	3.04%
2019	6.24%	6.23%
2018	-0.61%	-1.07%
2017	1.45%	1.80%
2019-2021	2.82%	2.63%
2017-2021	1.85%	1.71%

Annualized (years)

Index

Bloomberg Euro Aggregate: Corporates ex financials 2% Issuer Cap

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 132,315,258
Size of share class	EUR 61,240,761
Outstanding shares	376,097
1st quotation date	27-03-2009
Close financial year	31-12
Ongoing charges	0.48%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	2.50%
Management company	Robeco Institutional Asset Management B.V.

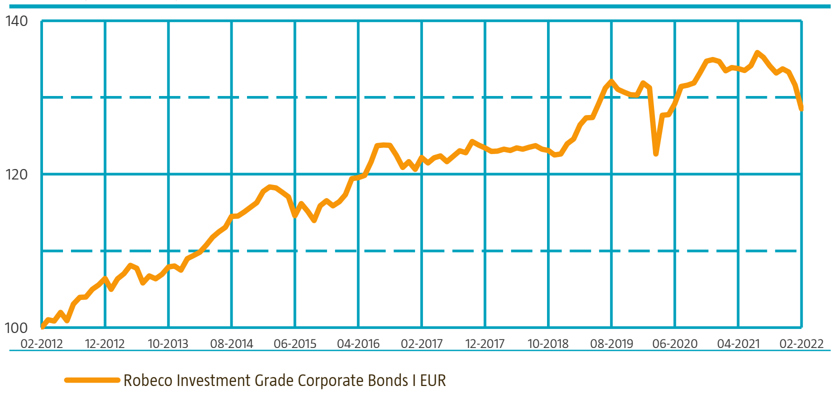
Sustainability profile

Exclusions
ESG Integration
Engagement

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

Performance

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



Performance

Based on transaction prices, the fund's return was -2.35%.
The fund's total return was negative at -2.31%, outperforming the index. Our defensive beta policy made a positive return contribution last month. Issuer selection made a negative contribution to the fund's performance. The Corporate ex-Financials Index delivered a total return of -2.56% last month. Credit spreads widened, generating negative excess returns versus government bonds of -1.83%. This return was amplified by an increase in underlying government bond yields. The average credit spread was 36 basis points wider for the month at 133 bps. German 10-year yields increased by 13 basis points to 0.14%.

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. On top of that, we have seen a widening in credit spreads. Still, we think there are also many risk factors that are not sufficiently priced in yet, like geopolitical risks around Russia, the growth impact of the Chinese real estate meltdown, and emerging market volatility in general. 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.

Top 10 largest positions

Electricité de France, PepsiCo, Deutsche Bahn, Iberdrola SA, Volkswagen AG, ZF Friedrichshafen, Carlsberg AS, Aker BP, American Tower and Accor are the largest positions in terms of duration times spread.

Fund price

28-02-22	EUR	162.83
High Ytd (05-01-22)	EUR	168.75
Low Ytd (25-02-22)	EUR	162.48

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.06%

Legal status

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

UCITS V	Yes
Share class	I EUR

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

Registered in

Austria, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Singapore, Spain, Switzerland, United Kingdom

Currency policy

The fund invests in Euro denominated securities only.

Risk management

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

Dividend policy

The fund does not distribute dividend. Any income earned by the fund is reflected in its share price. This means that the fund's total performance is reflected in its share-price performance.

Derivative policy

Robeco Investment Grade Corporate Bonds make use of derivatives for hedging purposes. These derivatives are very liquid.

Fund codes

ISIN	LU0418691860
Bloomberg	ROBCBIE LX
Sedol	BD7YCP4
WKN	A0Q27Y
Valoren	10042068

Top 10 largest positions

Holdings	Sector	%
Mercedes-Benz International Finance BV	Industrials	3.51
Volkswagen International Finance NV	Industrials	3.27
Medtronic Global Holdings SCA	Industrials	2.90
TotalEnergies SE	Industrials	2.87
BMW Finance NV	Industrials	2.10
Iberdrola International BV	Utilities	2.10
Thermo Fisher Scientific Inc	Industrials	2.06
Booking Holdings Inc	Industrials	2.05
Telstra Corp Ltd	Industrials	1.99
American Honda Finance Corp	Industrials	1.97
Total		**24.83**

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.42	0.38
Information ratio	1.72	1.67
Sharpe ratio	0.35	0.43
Alpha (%)	0.73	0.64
Beta	1.00	0.99
Standard deviation	5.51	4.36
Max. monthly gain (%)	4.15	4.15
Max. monthly loss (%)	-6.54	-6.54

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	25	41
Hit ratio (%)	69.4	68.3
Months Bull market	19	31
Months outperformance Bull	13	19
Hit ratio Bull (%)	68.4	61.3
Months Bear market	17	29
Months Outperformance Bear	12	22
Hit ratio Bear (%)	70.6	75.9

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A3/BAA1	A3/BAA1
Option Adjusted Modified Duration (years)	5.5	5.5
Maturity (years)	5.8	5.9
Yield to Worst (%, Hedged)	1.1	1.2
Green Bonds (%, Weighted)	4.2	5.3

Sustainability

The fund incorporates sustainability in the investment process via exclusions, ESG integration 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. Lastly, where issuers are flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement.

Sector allocation

The fund does not invest in the financial sector. There is no exposure to banks, brokers, finance or insurance companies. The fund can invest in the finance subsidiaries of automotive companies. Agencies held in the fund are mainly government-owned utility and energy companies.

Sector allocation		Deviation index
Industrials	82.9%	-4.2%
Agencies	6.7%	6.7%
Utilities	5.6%	-7.3%
Treasuries	2.3%	2.3%
Local Authorities	0.3%	0.3%
Financials	0.0%	-0.1%
Cash and other instruments	2.2%	2.2%

Currency denomination allocation

The fund invests only in investment-grade non-financial corporate bonds denominated in euros.

Currency denomination allocation		Deviation index
Euro	100.0%	0.0%

Duration allocation

The fund does not have an active duration policy. It follows the duration of the benchmark.

Duration allocation		Deviation index
Euro	5.5	0.0

Rating allocation

Any AAA-rated exposure is mainly in German government bonds.

Rating allocation		Deviation index
AAA	2.7%	2.3%
AA	2.9%	-1.3%
A	35.6%	3.4%
BAA	53.2%	-10.0%
BA	3.3%	3.3%
Cash and other instruments	2.2%	2.2%

Investment policy

Robeco Investment Grade Corporate Bonds is an actively managed fund that invests in euro-denominated securities. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund promotes certain ESG (environmental, social and corporate governance) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, and integrates ESG and sustainability risks in the investment process. In addition, the fund applies an exclusion list based on controversial behavior, products (including controversial weapons, tobacco, palm oil and fossil fuel) and countries. The investment process combines a top-down market view to assess credit attractiveness and factors that drive credit market returns in the short term with skillful issuer selection to create a broadly diversified portfolio. The fund has a conservative profile and a limited exposure to derivatives. 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

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 Robeco Investment Grade Corporate 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

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