

Robeco Investment Grade Corporate Bonds IE 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, Daniel Ender, Joost Breeuwsma
Fund manager since 27-03-2009

Performance

	Fund	Index
1 m	1.26%	1.21%
3 m	0.32%	0.12%
Ytd	0.32%	0.12%
1 Year	6.13%	5.86%
2 Years	-0.95%	-0.97%
3 Years	-2.40%	-2.50%
5 Years	-0.31%	-0.54%
10 Years	1.26%	1.15%
Since 04-2009	2.95%	3.00%

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	7.57%	7.87%
2022	-13.46%	-13.87%
2021	-1.20%	-1.25%
2020	3.56%	3.04%
2019	6.25%	6.23%
2021-2023	-2.75%	-2.83%
2019-2023	0.24%	0.08%

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 62,159,480
Size of share class	EUR 4,122,637
Outstanding shares	38,705
1st quotation date	28-04-2009
Close financial year	31-12
Ongoing charges	0.50%
Daily tradable	Yes
Dividend paid	Yes
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 31-03-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.26%.

The portfolio outperformed its benchmark index, gross of fees. The benchmark return was driven by tighter credit spreads and lower underlying government bond yields. Specifically, the Euro Corporate Ex-Financials Index moved down 6 basis points to 110 basis points above government bonds, while the yield on 10-year German Bunds dropped by 11 basis points, reaching 2.30%. Performance attribution is split into beta positioning and issuer selection, in line with our investment process. Our slight overweight beta position had a small positive impact as index spreads tightened, and we maintained a beta above one. Most of the outperformance in March stemmed from issuer selection. Previously lagging names like Eurofins Scientific and Volkswagen caught up, contributing positively. Names like Autostrade per l'Italia and E.ON also performed strongly throughout the month.

Market development

Risk appetite remained firm in March with credit spreads continuing their tighter grind alongside continued strength in global equity markets. The generally positive run of economic data has continued, forcing most commentators to abandon recession calls. Meanwhile, the market maintains conviction that policy rates have peaked in most major economies and will begin to be loosened imminently. There's a growing consensus on US-Europe inflation and rate cut divergence. US inflation is resilient, while Europe shows signs of easing in manufacturing, services, and employment, aligning with projections of diminishing wage pressures ahead. Notable central bank moves included the BoJ increasing the policy rate for the first time in 17 years, moving it from -0.1% to 0%, and the Swiss National Bank cutting rates by 0.25%. Technical demand for credit has remained extremely strong, even as spreads continue to grind tighter. Many market participants are primarily drawn to significantly higher 'all-in' yields, fueled by notably higher government yields. Issuers recognize this dynamic, maintaining strong supply volumes with minimal concessions. New issuance remains easily absorbed.

Expectation of fund manager

The ideal 'soft-landing' scenario for credit appears to be materializing, characterized by declining inflation and the likely avoidance of a recession. Credit markets have wholeheartedly embraced this narrative and are to a large extent priced for perfection. However, have market participants grown complacent, with risk appetite reaching high levels? We remain comfortable with investment-grade credit, but are cautious on the lower rated segments such as high yield bonds and bank Tier-1 Cocos. Spreads are especially low in the US credit market, both in high yield and investment grade. We do see pockets of value in European investment grade, especially in the banking sector where senior bonds still offer attractive spreads. As such, we target betas just above neutral in Euro investment grade credit funds. In global funds, we maintain our overweight Euro versus underweight USD positioning.

Top 10 largest positions

SPP Distribúcia, Eurofins Scientific, Enxsis Holding, Eni and BT Group are the largest issuer positions in terms of duration times spread versus the benchmark. These bonds are either hybrids, lower rated or have longer maturities. The spreads are attractive relative to peers.

Fund price

31-03-24	EUR	106.60
High Ytd (28-03-24)	EUR	106.60
Low Ytd (17-01-24)	EUR	104.89

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.12%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)
 UCITS V Yes
 Share class IE EUR
 This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Austria, Finland, France, Germany, 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

In principle, this fund distributes dividend annually.

Derivative policy

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

Fund codes

ISIN	LU0425027157
Bloomberg	ROBIGIE LX
WKN	AORMZJ
Valoren	10134246

Top 10 largest positions

Holdings

Volkswagen International Finance NV
 TotalEnergies SE
 Medtronic Global Holdings SCA
 Sanofi SA
 Orange SA
 AT&T Inc
 Thermo Fisher Scientific Inc
 Visa Inc
 Anheuser-Busch InBev SA/NV
 Siemens Financieringsmaatschappij NV
Total

Sector	%
Industrials	3.21
Industrials	2.96
Industrials	2.82
Industrials	2.68
Industrials	2.65
Industrials	2.05
Industrials	2.03
Industrials	1.96
Industrials	1.92
Industrials	1.83
Total	24.11

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.42	0.43
Information ratio	1.36	1.56
Sharpe ratio	-0.48	-0.07
Alpha (%)	0.62	0.69
Beta	1.01	1.01
Standard deviation	6.75	6.53
Max. monthly gain (%)	5.06	5.06
Max. monthly loss (%)	-4.49	-6.54

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	24	41
Hit ratio (%)	66.7	68.3
Months Bull market	17	32
Months outperformance Bull	13	23
Hit ratio Bull (%)	76.5	71.9
Months Bear market	19	28
Months Outperformance Bear	11	18
Hit ratio Bear (%)	57.9	64.3

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A3/BAA1	A3/BAA1
Option Adjusted Modified Duration (years)	4.9	4.9
Maturity (years)	5.4	5.5
Yield to Worst (% , Hedged)	3.5	3.5
Green Bonds (% , Weighted)	14.8	9.8

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	75.3%	-10.2%	
Utilities	11.4%	-3.1%	
Agencies	9.3%	9.3%	
Local Authorities	2.5%	2.5%	
Treasuries	0.5%	0.5%	
Cash and other instruments	1.0%	1.0%	

Currency denomination allocation

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

Currency denomination allocation		Deviation index	
Euro	99.0%	-1.0%	

Duration allocation

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

Duration allocation		Deviation index	
Euro	4.9	0.0	

Rating allocation

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

Rating allocation		Deviation index	
AAA	1.4%	1.1%	
AA	10.7%	4.3%	
A	29.7%	-4.5%	
BAA	55.2%	-3.9%	
BA	2.0%	2.0%	
Cash and other instruments	1.0%	1.0%	

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.

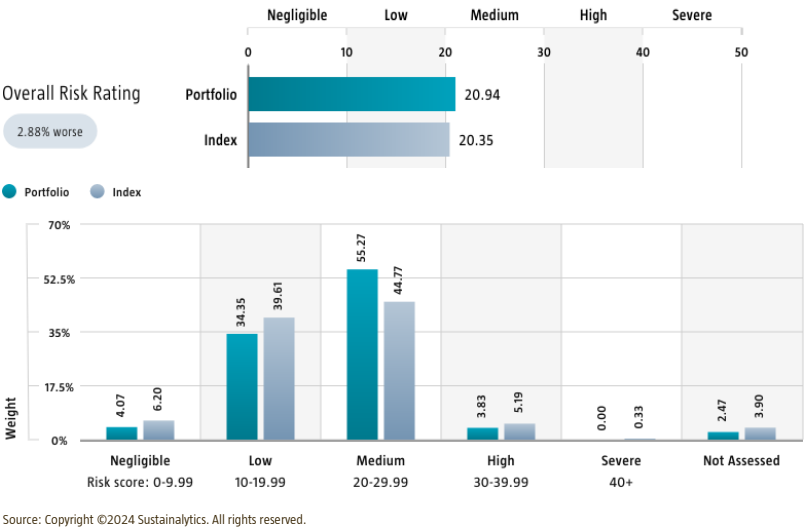
The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures.

The index used for all sustainability visuals is based on Bloomberg Euro Aggregate: Corporates ex financials 2% Issuer Cap.

Sustainalytics ESG Risk Rating

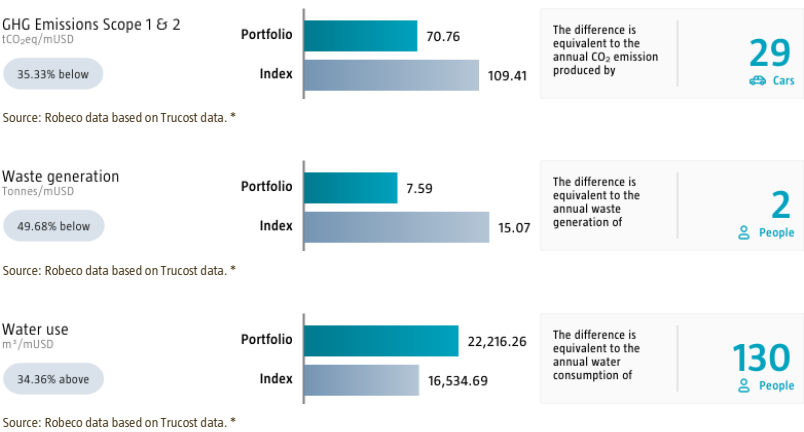
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio 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

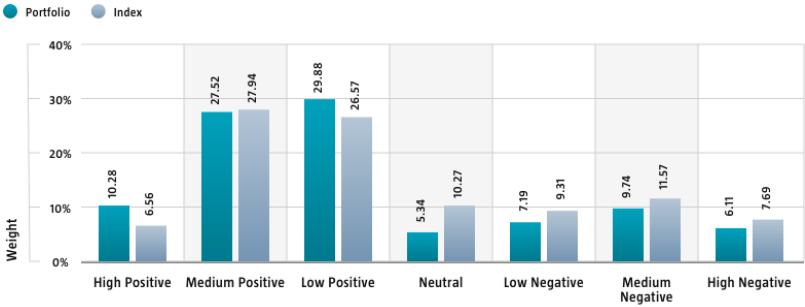
Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted 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.



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SDG Impact Alignment

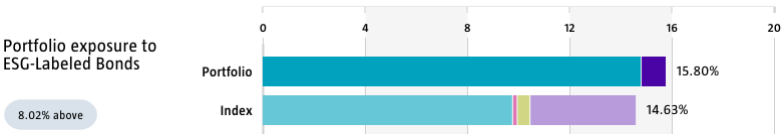
This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco’s SDG Framework. The framework utilizes a three-step approach to assess a company’s impact alignment 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	14.83%	9.80%
Social Bonds	0.00%	0.18%
Sustainability Bonds	0.00%	0.50%
Sustainability-Linked Bonds	0.98%	4.15%

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

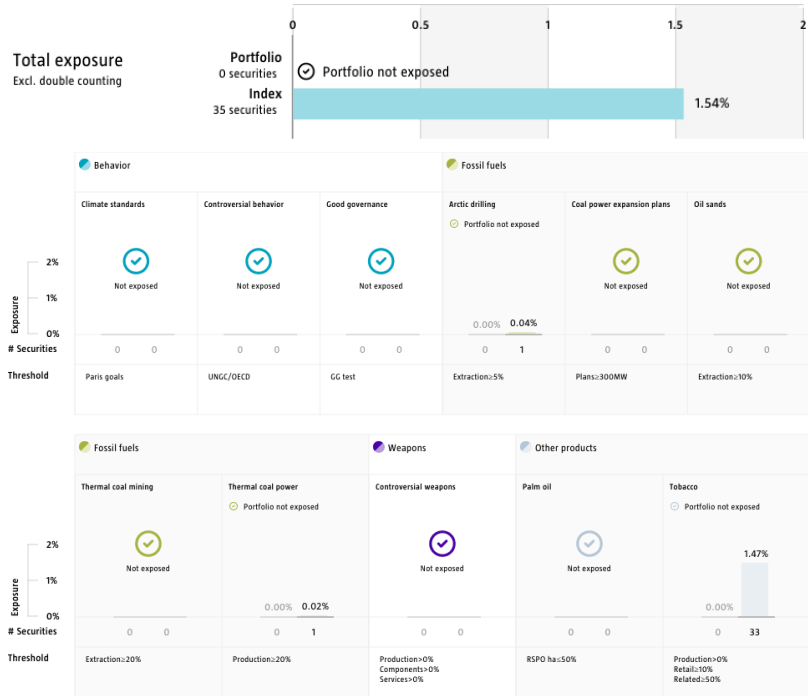
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company’s SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching international 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)	14.64%	17	53
Environmental	2.55%	4	12
Social	5.54%	8	21
Governance	4.58%	6	10
Sustainable Development Goals	2.96%	2	9
Voting Related	1.62%	1	1
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 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.

The fund aims for a better sustainability profile compared to the Benchmark by promoting certain E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation and integrating ESG and 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, and engagement.

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 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. 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. Joost Breeuwsma is Portfolio Manager Investment Grade in the Credit team. Prior to starting his career and joining Robeco in 2017, he obtained a Master's with Distinction in Financial Mathematics from King's College London. Joost Breeuwsma is Portfolio Manager Investment Grade in the Credit team. Prior to starting his career and joining Robeco in 2017, he obtained a Master's with Distinction in Financial Mathematics from King's College London.

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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Sustainability images

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

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