

Robeco Euro Sustainable Credits BH EUR

Robeco Euro Sustainable Credits provides diversified exposure across circa 80 corporate issuers to the Euro investment grade credit market (industrial and financial companies). The fund selects the best-in-class sustainable issuers in close cooperation with RobecoSAM, market leader in sustainability information.



Jan Willem de Moor
Fund manager since 18-05-2010

Performance

	Fund	Index
1 Year	1.30%	1.79%
2 Years	3.80%	4.46%
3 Years	4.62%	5.48%
5 Years	4.30%	4.96%
Since 05-2010	4.26%	4.79%

Annualized (for periods longer than one year)

Calendar year performance

	Fund	Index
2014	7.12%	8.40%
2013	1.75%	2.37%
2012	13.75%	13.59%
2011	1.05%	1.49%
2012-2014	7.43%	8.02%

Annualized (years)

Fund price

30-06-15	EUR	98.63
High Ytd (12-03-15)	EUR	104.77
Low Ytd (30-06-15)	EUR	98.63

Benchmark

Barclays Euro-Aggregate: Corporates (EUR)

General facts

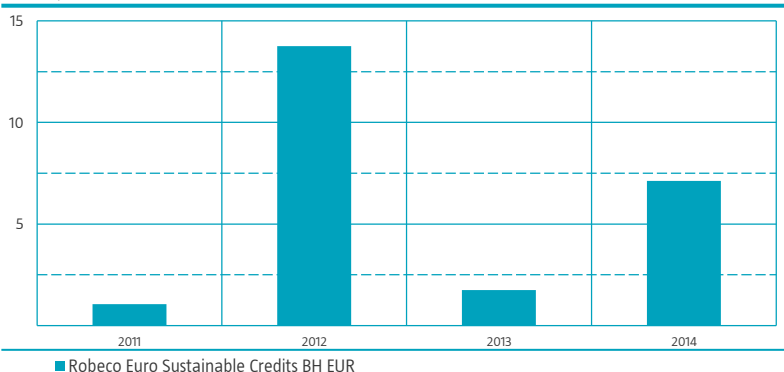
Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 248,363,879
Size of share class	EUR 68,507,252
Outstanding shares	693,955
1st quotation date	18-05-2010
Close financial year	31-12
Ongoing charges	0.88%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	2.50%
Management company	Robeco Luxembourg S.A.

Fees

Management fee	0.70%
Service fee	0.12%

Performance

Calendar years



Performance

Based on transaction prices, the fund's return was -2.04%. The negative return of the fund was attributable to the increase in underlying government-bond yields and the increase in credit spreads. The best-performing position in the portfolio was a subordinated bond of Citigroup, as the bank announced a favorable tender for this bond. In general, shorter-maturity bonds performed fairly well. Positions that underperformed were insurance bonds like those of Achmea and Swiss Re and corporate hybrids like those of Bayer. Other underperformers were longer-maturity bonds.

Market development

June was a negative month for investors in euro-denominated corporate bonds, with the Euro Corporate Credit Index posting a total return of -1.97%. This negative total return was driven by an increase in underlying government-bond yields and an increase in credit spreads. Spreads ended the month at 122 basis points, which is an increase of 22 basis points versus the end of May. The excess return for the index (the extra return versus an investment in underlying government bond yields) was -1.04%. The fact that the negotiations between Greece and its creditors were still not finalized in June has acted as a drag on credit spreads. Especially the announcement of a referendum in Greece was a trigger for more volatility in spreads and government bond yields. In this environment subordinated bonds and bonds issued by countries from the European periphery underperformed. The widening of spreads for longer maturity debt has been remarkable too. Earlier in the year, a lot of new debt with longer maturities was issued and this might be a reason for the current weakness in this segment. Issuance of new bonds slowed down significantly in June.

Expectation of fund manager

On 18 June, our last Quarterly Outlook took place. We keep our intention to be overweight credit beta, but the targeted overweight is only a small one. The outlook for the short term will be impacted by the developments in Greece, but we do not expect these developments to really change the medium- and longer-term outlook for European credit. Areas in the market that we still like are subordinated bonds of financials and non-financials. That said, senior bonds of banks and corporates have widened quite a bit in recent months and this has increased their attractiveness. We will look for opportunities in this part of the market too.

SI fund classification

	Yes	No	N/A
Engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Top 10 largest positions

The top ten positions contain more financials than non-financials. We do have a preference for financials over non-financials. In addition to that, the index weights for financials tend to be bigger.

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)
 Issue structure Open-end
 UCITS IV Yes
 Share class BH EUR
 This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Belgium, Luxembourg, Netherlands, Spain, Switzerland

Currency policy

The fund only invests in Euro-denominated bonds.

Risk management

Risk management is fully embedded in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund distributes dividend on a quarterly basis. This fund aims to pay a quarterly dividend of 1.25%. The dividends referred to are target dividends and may be subject to change as a result of market conditions.

Derivative policy

Robeco Euro Sustainable Credits make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are very liquid.

Fund codes

ISIN LU0503372517
 Bloomberg ROBSCBE LX

ESG integration policy

ESG integration is key within the investment universe that only consists of companies that have best-in-class ESG scores, determined by the research process of RobecoSAM. Our credit analysts integrate ESG factors in their analysis of the companies fundamental credit quality to strengthen our ability to assess the downside risk of our credit investments.

Top 10 largest positions

Holding	Sector	%
Total Capital International Sa	Industrials	2.50
Credit Agricole Sa/London	Financials	2.40
Lloyds Bank Plc	Financials	2.20
Volkswagen Leasing Gmbh	Industrials	2.10
Allianz Finance li Bv	Financials	2.10
Ing Bank Nv	Financials	2.00
Bg Energy Capital Plc	Industrials	1.90
Bnp Paribas Sa	Financials	1.90
Bmw Finance Nv	Industrials	1.90
Credit Suisse Ag/London	Financials	1.90
Total		20.90

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.35	0.55
Information ratio	0.89	0.82
Sharpe ratio	1.87	1.27
Alpha (%)	0.25	0.33
Beta	1.01	1.02
Standard deviation	3.06	3.91
Max. monthly gain (%)	2.59	3.09
Max. monthly loss (%)	-1.97	-2.96

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	22	36
Hit ratio (%)	61.1	60.0
Months Bull market	27	40
Months outperformance Bull	17	25
Hit ratio Bull (%)	63.0	62.5
Months Bear market	9	20
Months Outperformance Bear	5	11
Hit ratio Bear (%)	55.6	55.0

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	5.2	5.1
Maturity (years)	5.7	5.6
Yield to Worst (%)	1.9	1.8

Sector allocation

In our investment process, we do not only look at our positioning in weights, but we also take into account spreads and durations. Using these metrics, we are running an overweight position in financials, a small underweight position in industrials and a bigger underweight position in utilities. Excess cash is invested in German Bunds.

Sector allocation		Deviation benchmark
Financials	44.9%	0.4%
Industrials	43.8%	-2.7%
Utilities	4.2%	-4.8%
Treasuries	3.9%	3.9%
Covered	0.8%	0.8%
Cash and Cash Equivalents	2.4%	2.4%

Duration allocation

The intention is to have a neutral duration position versus the benchmark.

Duration allocation		Deviation benchmark
European Euro	5.2	0.1

Rating allocation

We do not specifically target a certain distribution of the portfolio over the different rating buckets. The actual distribution therefore is the result of sector allocation and issuer positions. The position that we hold in AAA-rated bonds mainly consists of German Bunds.

Rating allocation		Deviation benchmark
AAA	4.5%	4.0%
AA	9.2%	-2.6%
A	40.9%	-2.5%
BAA	39.7%	-4.5%
BA	3.3%	3.1%
Other	0.0%	0.1%
Cash and Cash Equivalents	2.4%	2.4%

Subordination allocation

We have a preference to be invested in subordinated bonds, both in financials (Tier-2 and Tier-1) and in non-financials (Hybrid). We like the spread pick-up that is available while moving from senior to subordinated, especially since certain senior bonds are starting to become expensive.

Subordination type allocation		Deviation benchmark
Senior	74.8%	-12.2%
Tier 2	18.9%	9.4%
Hybrid	3.1%	-0.1%
Tier 1	0.8%	0.4%
Other	0.0%	0.1%
Cash and Cash Equivalents	2.4%	2.4%

Investment policy

Robeco Euro Sustainable Credits provides diversified exposure across circa 80 corporate issuers to the Euro investment grade credit market (industrial and financial companies). The fund selects the best-in-class sustainable issuers in close cooperation with RobecoSAM, market leader in sustainability information. The investment philosophy is based on managing a solid diversified portfolio with a long term view. The universe for this fund consists of those companies in each sector, that have the best scores in the three ESG factors. Top-down beta positioning is based on the outcome of our credit quarterly outlook meeting, in which the team is discussing the fundamental market outlook, valuation of bond markets and market technicals. Bottom-up issuer research is executed by our credit analysts, who execute the fundamental analysis. The analyst research reports are being discussed in approx. 500 credit committees per year. The portfolio managers are responsible for the portfolio construction. A proprietary developed risk management approach avoids high risk concentration in the portfolio. As the investment process is well-structured and proven over time, it contributes to repeatable performance delivery. The Euro Sustainable Credits fund is managed by our credit team which consists of seven portfolio managers and twelve credit analysts. Within the team, Victor Verberk, Peter Kwaak and Jan Willem de Moor are responsible for investment grade, they work together for 6 years at Robeco. The portfolio managers are responsible for the construction and management of the credit portfolios, whereas the analysts cover the team's fundamental research.

Fund manager's CV

Mr. de Moor is a Senior Portfolio Manager and a member of the Credit team. Prior to joining Robeco in 2005, Mr. de Moor was employed by SBA Artspensioenfondsen as Senior Portfolio Manager Equities for six years. Before that, he worked at SNS Asset Management holding positions of Portfolio Manager Equities (three years) and Research Analyst (two years). Jan Willem de Moor started his career in the Investment Industry in 1994. He holds a Master's degree in Economics from Tilburg University.

Team info

The Robeco Euro Sustainable Credits fund is managed within Robeco's credit team, which consists of eight portfolio managers and thirteen 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 sixteen 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 0.05% 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.

Fiscal treatment of investor

Investors outside Luxembourg are subject to their national tax regime applying to foreign investment funds. We advise individual investors to contact their financial or fiscal adviser regarding their specific fiscal situation.

Morningstar

Copyright © Morningstar Benelux. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more information on Morningstar, please refer to www.morningstar.com

Disclaimer

Robeco Institutional Asset Management B.V. has a license as manager of UCITS and AIFs from the Netherlands Authority for the Financial Markets in Amsterdam. Annual returns are calculated according to the actuarial method. The entry fees and the stock-exchange tax are not taken into account when calculating returns. Past performance is no guarantee of future results. The product described in this brochure is part of the subfunds of Robeco Capital Growth Funds (SICAV), an investment company with variable capital according to Luxembourg law. In Belgium, the financial services for Robeco Capital Growth Funds are provided by CACEIS Belgium N.V./SA. Investors bear the usual placement fees and stock-exchange taxes. For information regarding the application of the stock-exchange tax and its rates clients we refer to the fiscal information for investors above. Placement fees amount to a maximum of 5%. The prospectuses, the Key Investor Information Document the additional information for investors resident in Belgium and the annual reports are available at Robeco Institutional Asset Management B.V. and the financial-services providers. The SICAV is not required to follow the benchmark. The benchmark is not laid down in the prospectus. The word fund is used to mean a SICAV, or subfund of a SICAV. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The Morningstar and S&P ratings for the funds in this brochure are supplied by Morningstar and S&P. Morningstar and S&P are the holders of all copyrights for these ratings. For more information please go to www.morningstar.be and www.fund-sp.com. The Fund is in scope for the EU savings directive. The Fund is in scope for the EU savings directive. The Belgium transfer tax on stock exchange transactions is not applicable on distributing shares but can be applicable on non-distributing shares. Please contact your bank or financial intermediary for information regarding the application of Belgium transfer tax on stock exchange transactions on the redemption of shares in the fund. For Belgian private individuals the redemption of shares in the fund can be subject to Belgian income tax. In addition a distribution by the fund can be subject to Belgian income tax at a rate of 25%. Investors are advised to consult their financial or tax advisor before investing in this fund.