ROBECO

Factsheet | Figures as of 29-02-2024

Robeco Euro Credit Bonds F EUR

Robeco Euro Credit Bonds is an actively managed fund that provides a diversified exposure to the euro investment grade credit market. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund implements beta policy, sector rotation, off-benchmark positioning in emerging market, covered bonds or limitedly high yield.

Peter Kwaak, Jan Willem de Moor
Fund manager since 01-01-2008

Performance

	Fund	Index
1 m	-0.74%	-0.88%
3 m	2.17%	1.96%
Ytd	-0.55%	-0.75%
1 Year	7.17%	6.58%
2 Years	-1.47%	-1.82%
3 Years	-2.26%	-2.51%
5 Years	0.06%	-0.30%
10 Years	1.30%	1.17%
Since 04-2005	2.02%	2.62%

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	8.39%	8.19%
2022	-13.20%	-13.65%
2021	-1.04%	-0.97%
2020	3.61%	2.77%
2019	6.52%	6.24%
2021-2023	-2.36%	-2.56%
2019-2023	0.54%	0.20%

Annualized (years)

Index

Bloomberg Euro Aggregate: Corporates

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 1,182,009,812
Size of share class	EUR 10,544,543
Outstanding shares	89,010
1st quotation date	17-09-2013
Close financial year	31-12
Ongoing charges	0.57%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	3.00%
Management company	Robeco Institutional Asset Management B.V.

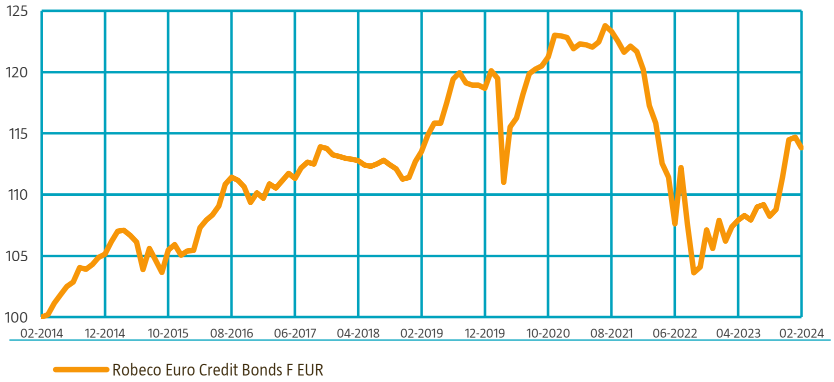
Sustainability profile

- Exclusions
- ESG Integration
- Engagement

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

Performance

Indexed value (until 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -0.74%.
The portfolio outperformed its benchmark index, gross of fees. The benchmark return was negative, as underlying government bond yields sold off, which was only partially offset by a tightening in credit spreads. Specifically, the Euro Aggregate Corporate Index moved down 9 basis points to 120 basis points above government bonds, while the 10-year German Bund yield rose 24 basis points, reaching 2.41%. Performance attribution is split into beta positioning and issuer selection, in line with our investment process. Our small beta overweight position had a positive impact during the month, as index spreads tightened, while we maintained a beta position above one throughout the period. The majority of the outperformance stemmed from issuer selection in February. Several of our higher-beta positions, including Permanent TSB, Eurobank, mBank and Athora, among others, saw further compression, contributing to this month's outperformance.

Market development

In February, the trend of spread tightening persisted alongside another robust month for risk assets on a broader scale. Several equity indices, including the S&P 500, reached record highs, partially credited to the sustained enthusiasm surrounding advancements in AI. Global economic data remained strong, reinforcing the narrative of a soft landing, as employment and consumer spending stayed resilient. On the contrary, stubbornly high inflation in the US, with January's core CPI at +0.4%, exceeding expectations, led investors to adjust rate cut expectations, pushing out the anticipated timing of the first rate cut to June. Consequently, sovereign bond yields increased further. US regional banks continued to grapple with challenges, notably New York Community Bancorp's reported loss due to raised loan loss expectations in commercial real estate. Finally, new issue activity continued to be strong and broadened away from financials, with high demand sustaining low concessions and pricing deals competitively against secondary curves. This solid technical backdrop, driven by robust fund flows and yield buyers, caused downward pressure on credit spreads across the board.

Expectation of fund manager

We have reached the end of one of the sharpest hiking cycles in modern history. Economies in Europe and the US have so far moved through it without being derailed. Markets have declared victory and fully embraced a soft landing. However, we remain cautious, as it is likely we have not fully seen the impact of the tightening cycle. Central banks are gradually pivoting, but rate cuts are still a few months away it seems. The market overall has moved a lot and in some parts valuations are outright rich. We believe selection will be key, not all companies are equal, so it is important to remain vigilant and invest in those companies where risk return is properly balanced. For investment grade portfolios, we continue to see value in banks that still trade cheaper on average. Europe has further room to tighten compared to the US credit market. Given the rally that we have witnessed, we are currently targeting our betas for investment grade portfolios to just above 1. We see this as a conservative positioning for this category. Given the improved technical picture, we deem it too early to go underweight risk. And this leaves ample room to increase risk if volatility returns.

Top 10 largest positions

The large issuer positions are in the banking and insurance sector. In non-financials we remained overweight in utilities like EDF and Enel. The holdings in agencies and covered bonds are overweight positions relative to the corporate benchmark.

Fund price

29-02-24	EUR	118.46
High Ytd (01-02-24)	EUR	119.35
Low Ytd (17-01-24)	EUR	117.80

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.16%

Legal status

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

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

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

Registered in

Belgium, France, Luxembourg, Netherlands, Spain, Switzerland, United Kingdom

Currency policy

All currency risks are hedged.

Risk management

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

Dividend policy

The fund does not distribute a dividend. The 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 Euro Credit Bonds make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are very liquid.

Fund codes

ISIN	LU0971564843
Bloomberg	ROECRFH LX
Valoren	22332041

Top 10 largest positions

Holdings	Sector	%
UBS Group AG	Financials	2.02
BNP Paribas SA	Financials	1.96
Santander UK PLC	Covered	1.95
Volkswagen International Finance NV	Industrials	1.85
Raiffeisen Bank International AG	Financials	1.76
Banco Santander SA	Financials	1.62
NN Group NV	Financials	1.54
ING Groep NV	Financials	1.52
ABN AMRO Bank NV	Financials	1.50
Societe Generale SA	Financials	1.49
Total		**17.22**

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.56	0.57
Information ratio	1.43	1.60
Sharpe ratio	-0.46	0.01
Alpha (%)	0.79	0.92
Beta	0.99	1.01
Standard deviation	6.36	6.41
Max. monthly gain (%)	4.30	4.30
Max. monthly loss (%)	-4.06	-7.02

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	26	42
Hit ratio (%)	72.2	70.0
Months Bull market	18	33
Months outperformance Bull	12	21
Hit ratio Bull (%)	66.7	63.6
Months Bear market	18	27
Months Outperformance Bear	14	21
Hit ratio Bear (%)	77.8	77.8

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	4.4	4.4
Maturity (years)	4.8	5.0
Yield to Worst (%, Hedged)	4.0	3.8
Green Bonds (%, Weighted)	15.1	12.4

Sector allocation

In our portfolio management, we not only factor in weights, but also spreads and durations (DTS). On that basis, we are overweight in financials and underweight in non-financial corporates. The banking sector remains an overweight, while the real estate sector remains an underweight. The fund maintained its overweight positions in agencies, covered bonds and ABS. The position in ABS consists of European residential mortgages and auto loans. The agencies category comprises issuers that are majority-owned by governments.

Sector allocation		Deviation index
Financials	40.8%	-2.6%
Industrials	27.2%	-21.3%
Covered	10.9%	10.9%
Agencies	6.1%	6.1%
Utilities	4.8%	-3.3%
ABS	4.1%	4.1%
Treasuries	1.0%	1.0%
Local Authorities	0.2%	0.2%
Cash and other instruments	5.0%	5.0%

Currency denomination allocation

Most of our bond exposures (more than 95%) are in euros. Some exposures can be in USD or GBP. All currency risks are hedged.

Currency denomination allocation		Deviation index
Euro	95.0%	-5.0%

Duration allocation

The policy of the fund is to have a duration position that is neutral against its benchmark.

Duration allocation		Deviation index
Euro	4.4	0.0

Rating allocation

We have no clear preference for specific rating buckets. Our positioning over the different buckets is therefore the result of beta positioning, sector themes and issuer selection.

Rating allocation		Deviation index
AAA	16.5%	16.2%
AA	4.4%	-4.0%
A	23.4%	-17.4%
BAA	45.2%	-5.3%
BA	5.2%	5.2%
NR	0.2%	0.2%
Cash and other instruments	5.0%	5.0%

Subordination allocation

In the banking sector, we maintained our overweight positions in Tier-1 and Tier-2 debt. The total exposure to Additional Tier-1 bank capital is less than 2%. For several European corporates there is an attractive spread pickup available by moving from senior debt into corporate hybrids.

Subordination type allocation		Deviation index
Senior	83.3%	-7.8%
Tier 2	7.0%	1.0%
Hybrid	3.5%	0.6%
Tier 1	1.2%	1.2%
Cash and other instruments	5.0%	5.0%

ESG Important information

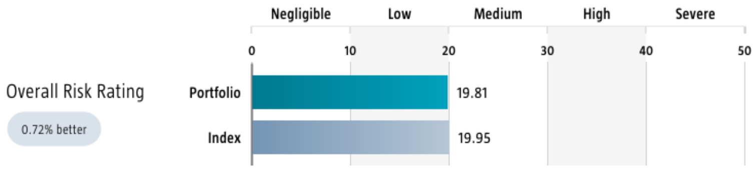
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to 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.

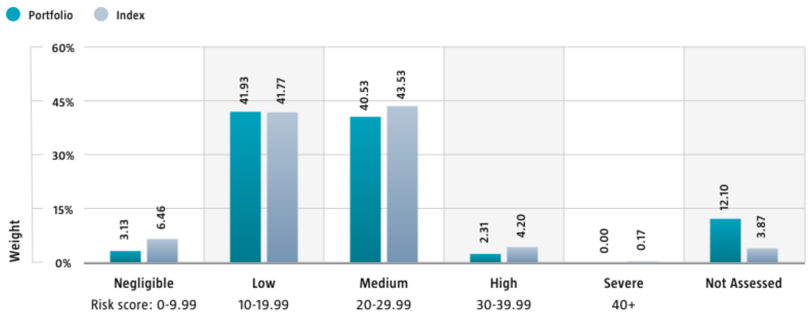
Sustainability

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.

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.

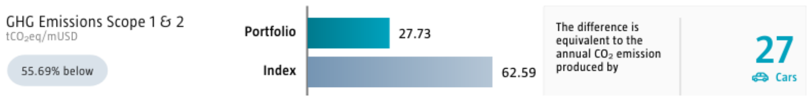




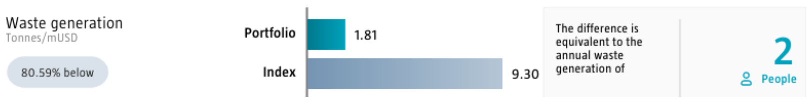
Source: Copyright ©2024 Sustainalytics. All rights reserved.

Environmental Footprint

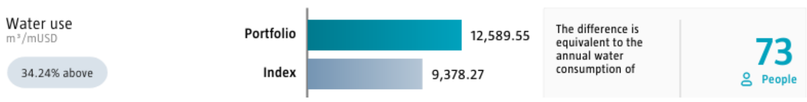
Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted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



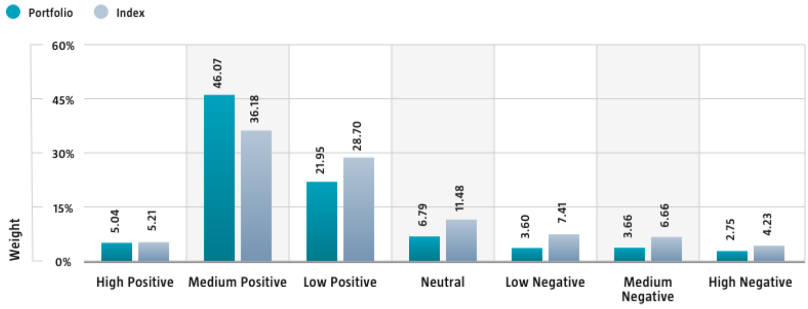
Source: Robeco data based on Trucost data. *



Source: Robeco data based on Trucost data. *

SDG Impact Alignment

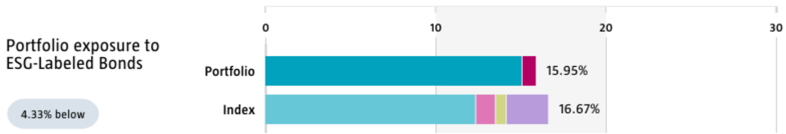
This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment 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	15.11%	12.38%
Social Bonds	0.84%	1.16%
Sustainability Bonds	0.00%	0.64%
Sustainability-Linked Bonds	0.00%	2.49%

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

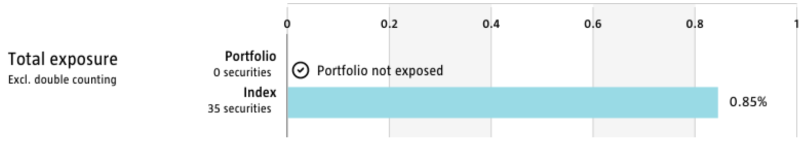
Robeco distinguishes between three types of engagement.
Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear 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.

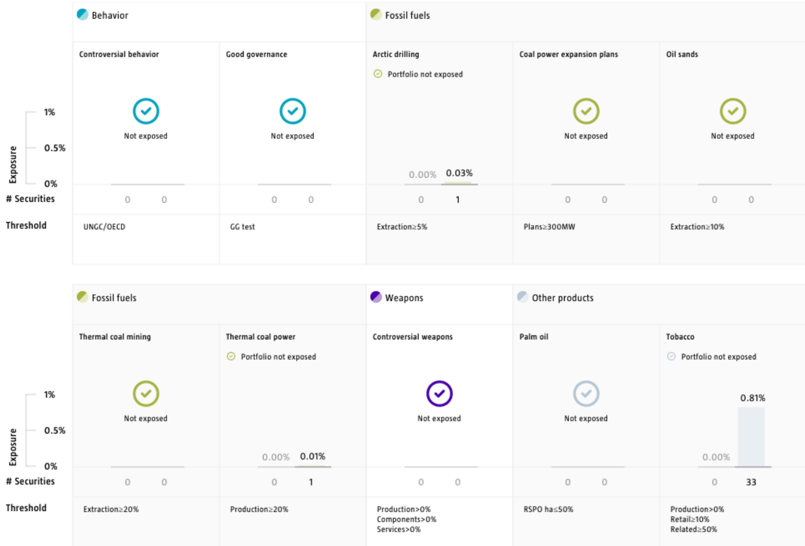
	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	10.39%	23	89
Environmental	4.60%	11	45
Social	2.76%	8	22
Governance	2.94%	5	8
Sustainable Development Goals	0.69%	2	8
Voting Related	0.74%	1	1
Enhanced	0.26%	1	5

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 Euro Credit Bonds is an actively managed fund that provides a diversified exposure to the euro investment grade credit market. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund implements beta policy, sector rotation, off-benchmark positioning in emerging market, covered bonds or limitedly high yield.
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, 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. Jan Willem de Moor is Portfolio Manager Investment Grade in the Credit team. Prior to joining Robeco in 2005, he worked at the Dutch Medical professionals' pension fund as an Equity Portfolio Manager and at SNS Asset Management as an Equity Portfolio Manager. Jan Willem has been active in the industry since 1994. He holds a Master's in Economics from Tilburg University.

Team info
The Robeco Euro Credit Bonds fundis 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 0.05% 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.

Morningstar

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

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