ROBECO

Factsheet | Figures as of 31-03-2024

Robeco Financial Institutions Bonds C EUR

Robeco Financial Institutions Bonds is an actively managed fund that mainly invests in subordinated euro-denominated bonds issued by financial institutions. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund offers a diversified exposure to subordinated bonds issued by banks and insurance companies and the focus of the fund is, in general, towards higher rated issuers (investment grade).

Jan Willem de Moor, Jan Willem Knoll
Fund manager since 16-05-2011

Performance

	Fund	Index
1 m	1.57%	1.59%
3 m	2.22%	1.93%
Ytd	2.22%	1.93%
1 Year	11.49%	10.80%
2 Years	1.62%	0.79%
3 Years	-0.38%	-1.02%
5 Years	1.69%	1.12%
10 Years	2.87%	2.56%
Since 05-2011	4.53%	3.97%

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	10.40%	10.09%
2022	-12.94%	-13.94%
2021	0.79%	0.58%
2020	2.68%	2.56%
2019	11.68%	10.45%
2021-2023	-1.05%	-1.60%
2019-2023	2.13%	1.54%

Annualized (years)

Index

Bloomberg Euro Aggregate Corporates Financials Subordinated 2% Issuer Cap

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 1,937,334,127
Size of share class	EUR 110,922,564
Outstanding shares	1,184,114
1st quotation date	17-09-2013
Close financial year	31-12
Ongoing charges	0.62%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	4.00%
Management company	Robeco Institutional Asset Management B.V.

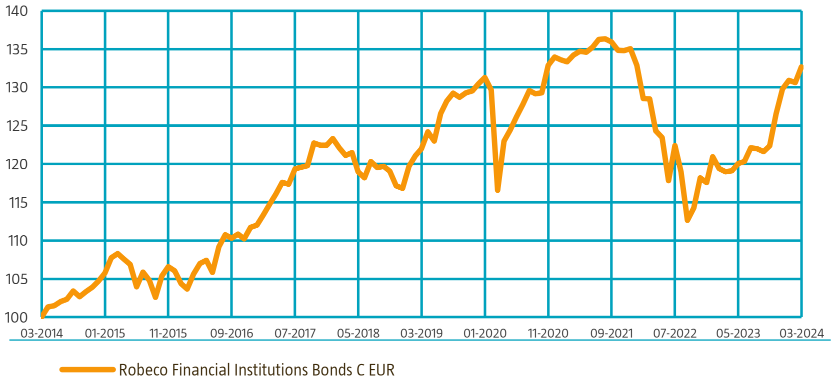
Sustainability profile

Exclusions
ESG Integration
Engagement

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

Performance

Indexed value (until 31-03-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.57%.
The positive return was driven by a decline in underlying government bond yields and a decline in credit spreads. The average index spread ended the month at 190 basis points, 10 basis points tighter than at the end of February. The index excess return of subordinated bonds over underlying government bonds was therefore positive, at 0.99%. The performance of the underlying portfolio, measured gross of fees, was just a bit better than that of the index. The beta overweight position contributed positively, as the asset class had a positive excess return over government bonds. Issuer selection detracted from the performance in March. Measured on a risk-adjusted basis, the underweight in real estate hybrids contributed negatively to the relative performance. Aroundtown and Grand City Properties, two names that we do not hold in the portfolio, announced tenders for some of their hybrids, which led to higher prices. Individual positions that contributed most were Deutsche Bank, Commerzbank and Erste Bank. Names that detracted from the performance were Aroundtown, Grand City Properties and Raiffeisen Bank.

Market development

Risk appetite remained firm in March with credit spreads continuing their tighter grind and continued strength in global equity markets. The new issue market was still fairly strong and we acquired new Tier-2 bonds of Belfius, Unicaja, HSBC, Bankinter and National Bank of Greece. We are becoming a bit more cautious in buying CoCos and we decided not to participate in the new CoCo issues of for instance NN Group and ASR. The positive run of economic data has continued, forcing most commentators to abandon recession calls. At the same time, the market remains convinced that policy rates have peaked in most major economies. 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. March saw two notable central bank meetings. The first was from the Swiss National Bank as it became the first major central bank to cut rates during its quarterly meeting. The second was the Bank of Japan which decided to increase the policy rate for the first time in 17 years, moving it from -0.1% to 0%.

Expectation of fund manager

The ideal scenario for credit appears to be materializing, characterized by declining inflation and the likely avoidance of a recession. This soft landing scenario presents the most favorable conditions for credit. However, it is important to recognize the possibility of alternative scenarios, as these cannot be ruled out. We concur with the consensus view that there is a high probability of the Fed implementing three rate cuts and the ECB implementing even one more. So, is there still value? We would argue that while spreads are tight, European investment grade and financials still present attractive value relative to other markets. Although financials have tightened considerably in absolute terms, they still appear attractive compared to corporate counterparts on a relative basis. We maintain that the long-term investment thesis for financials remains intact, given the improvements in capital ratios, liquidity and funding since the global financial crisis. Given that spreads have tightened quite a bit in the past months, we have moved up a bit up in quality, for instance by reducing the exposure to CoCos. That said, we still aim to have a beta positioning that is a bit above 1.

Top 10 largest positions

The fund has a benchmark that caps benchmark weights at 2%. For diversification reasons, actual individual positions will be limited to 3% at max. Holdings typically consist of exposures to large and strong banks and insurance companies.

Fund price

31-03-24	EUR	93.71
High Ytd (13-03-24)	EUR	94.56
Low Ytd (09-01-24)	EUR	92.18

Fees

Management fee	0.40%
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	C EUR

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

Registered in

Austria, Belgium, Chile, Germany, Luxembourg, Netherlands, Singapore, 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 aims to pay a quarterly dividend.

Derivative policy

Robeco Financial Institutions Bonds fund make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are very liquid.

Fund codes

ISIN	LU0971565576
Bloomberg	ROBFIFH LX
Sedol	BJ0WZD6
WKN	A116BD
Valoren	22332183

Top 10 largest positions

Holdings	Sector	%
AXA SA	Financials	3.00
Banco Bilbao Vizcaya Argentaria SA	Financials	2.84
ASR Nederland NV	Financials	2.82
Ageas SA/NV	Financials	2.74
Erste Group Bank AG	Financials	2.63
CaixaBank SA	Financials	2.62
ELM BV for Helvetia Schweizerische Versicherungsge	Financials	2.58
HSBC Holdings PLC	Financials	2.57
Deutsche Bank AG	Financials	2.57
Raiffeisen Bank International AG	Financials	2.47
Total		**26.84**

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.33	1.30
Information ratio	0.94	0.89
Sharpe ratio	-0.16	0.21
Alpha (%)	1.30	1.15
Beta	1.01	1.06
Standard deviation	7.16	7.99
Max. monthly gain (%)	3.95	5.56
Max. monthly loss (%)	-5.27	-10.05

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	28	43
Hit ratio (%)	77.8	71.7
Months Bull market	17	34
Months outperformance Bull	14	27
Hit ratio Bull (%)	82.4	79.4
Months Bear market	19	26
Months Outperformance Bear	14	16
Hit ratio Bear (%)	73.7	61.5

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	BAA1/BAA2	BAA1/BAA2
Option Adjusted Modified Duration (years)	3.8	3.8
Maturity (years)	4.5	4.3
Yield to Worst (%, Hedged)	4.9	4.7
Green Bonds (%, Weighted)	6.5	7.9

Changes

As of March 2012 the benchmark of CGF Financial Institutions Bonds will change from "BarCap Euro Universal, sub financials index (IG + HY) (EUR)" to "BarCap Euro-Aggregate: Corporates Financials Subordinated 2% issuer constraint (EUR)". In this new benchmark, High Yield bonds are excluded and the issuers are capped on max. 2% per single issuer, which limits the absolute risk towards a single issuer.

Sector allocation

The fund only invests in financials – excess cash may be invested in (German) government bonds.

Sector allocation		Deviation index
Financials	89.2%	-10.8%
Treasuries	3.8%	3.8%
Agencies	3.4%	3.4%
Cash and other instruments	3.6%	3.6%

Currency denomination allocation

The fund is allowed to invest in currencies other than euros. Approx. 7% of the fund is invested in bonds issued in pound sterling and US dollars. All foreign currency exposures are hedged.

Currency denomination allocation		Deviation index
Euro	89.6%	-10.4%
Pound Sterling	5.2%	5.2%
U.S. Dollar	1.6%	1.6%

Duration allocation

The fund aims to hold an interest rate position that is neutral versus the benchmark.

Duration allocation		Deviation index
Euro	3.8	0.0

Rating allocation

The fund does not follow an active rating strategy – the current rating allocation is a result of bottom-up bond selection. The fund is allowed to invest in high yield and around 13% of the portfolio is currently invested in high yield rated bonds.

Rating allocation		Deviation index
AAA	3.8%	3.8%
A	15.3%	-10.1%
BAA	64.0%	-10.6%
BA	13.0%	13.0%
B	0.4%	0.4%
Cash and other instruments	3.6%	3.6%

Country allocation

Country allocation is to a large extent bottom-up driven. We are underweight in French banks, as spreads are tight. The largest overweight can be found in Spanish banks.

Country allocation		Deviation index
France	15.2%	-10.5%
Netherlands	13.4%	3.6%
Spain	11.9%	3.6%
United Kingdom	10.2%	1.9%
Germany	9.7%	-1.5%
Belgium	6.6%	2.6%
Austria	5.9%	0.3%
Switzerland	5.4%	-0.3%
Denmark	4.0%	-0.1%
Finland	2.3%	-1.6%
Ireland	2.2%	1.2%
Other	9.4%	-3.0%
Cash and other instruments	3.6%	3.6%

Subordination allocation

About 73% of the portfolio is invested in Tier-2 debt: 47% is invested in Tier-2 bonds issued by banks and 26% in Tier-2 bonds issued by insurance companies. Circa 11% of the portfolio is invested in Tier-1 debt, bank Tier-1 CoCo bonds represent circa 8.5%. On top of the bank CoCo bonds, we hold circa 3.5% in insurance CoCo bonds. We have reduced the exposure to CoCos a bit in the past months, as market spreads have tightened quite a bit. The exposure to senior bonds mainly consists of German Bunds, though we also hold senior bank bonds issued by banks like mBank, Alpha Bank and Banca Transilvania. The categories hybrid and subordinated contain subordinated debt issued by insurance companies.

Subordination type allocation		Deviation index
Tier 2	72.7%	-18.4%
Tier 1	11.3%	11.0%
Senior	7.6%	7.6%
Hybrid	4.6%	-3.6%
Subordinated	0.2%	-0.3%
Cash and other instruments	3.6%	3.6%

ESG Important information

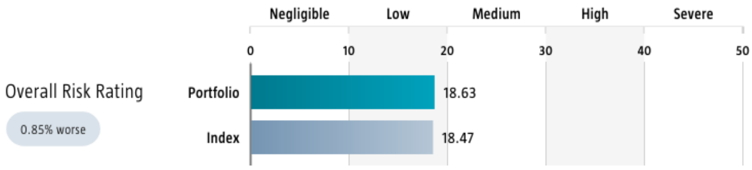
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to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

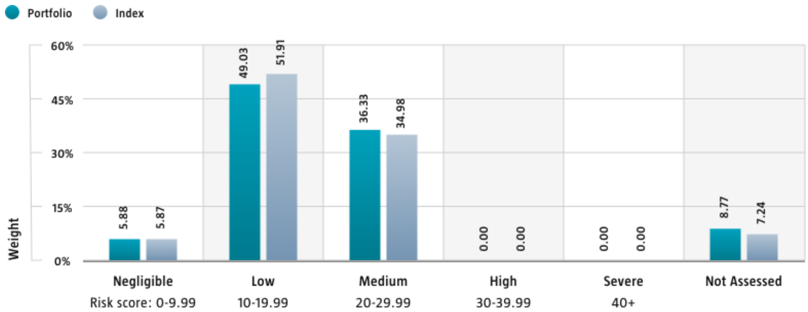
Sustainability

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 Financials Subordinated 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.

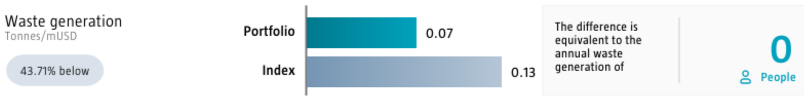




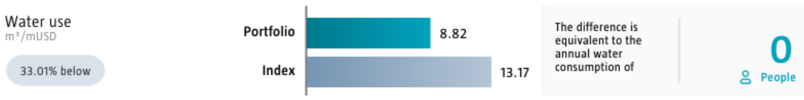
Environmental Footprint

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.

Source: Robeco data based on Trucost data. *



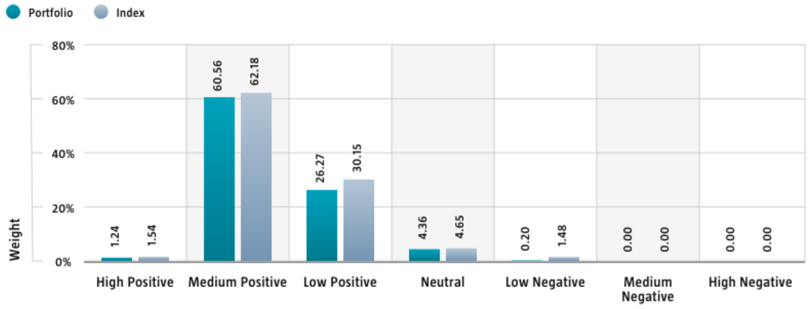
Source: Robeco data based on Trucost data. *



Source: Robeco data based on Trucost data. *

SDG Impact Alignment

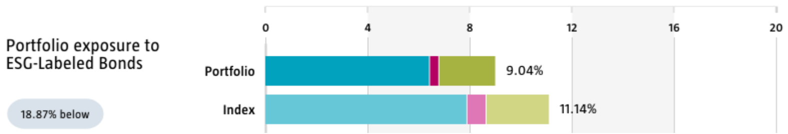
This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment 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	6.45%	7.92%
Social Bonds	0.36%	0.75%
Sustainability Bonds	2.23%	2.48%
Sustainability-Linked Bonds	0.00%	0.00%

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

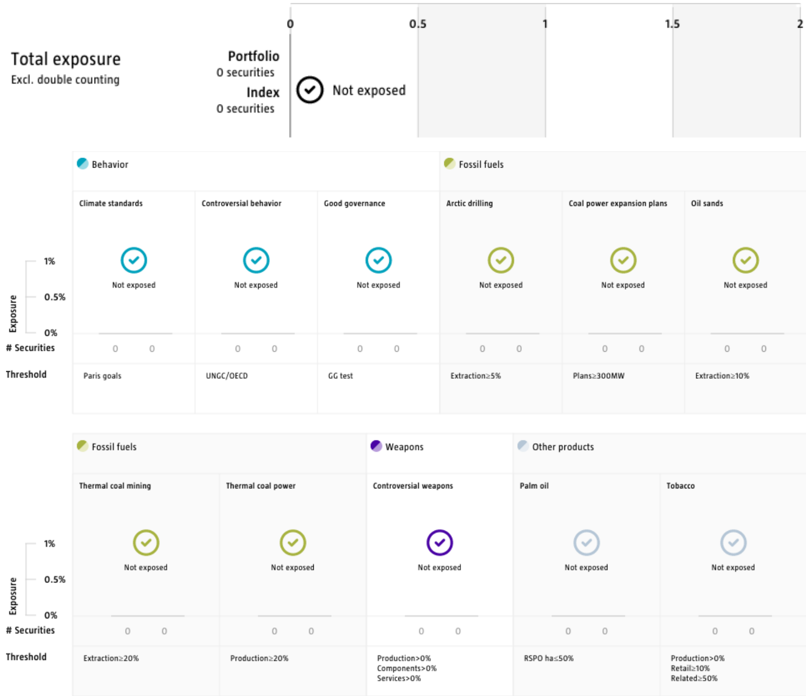
Robeco distinguishes between three types of engagement.
Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear 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)	9.76%	5	24
Environmental	9.76%	5	24
Social	0.00%	0	0
Governance	0.00%	0	0
Sustainable Development Goals	0.00%	0	0
Voting Related	0.00%	0	0
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 Financial Institutions Bonds is an actively managed fund that mainly invests in subordinated euro-denominated bonds issued by financial institutions. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund offers a diversified exposure to subordinated bonds issued by banks and insurance companies and the focus of the fund is, in general, towards higher rated issuers (investment grade).
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

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. Jan Willem Knoll is Portfolio Manager Investment Grade in the Credit team. He joined the Credit team in 2016. Previously, Jan Willem headed the Financials Equity sell-side research team at ABN AMRO. He started his career in the industry in 1999 at APG, where he held several positions including Portfolio Manager of a global insurance portfolio and subsequently a pan-European financials portfolio. Jan Willem holds a Master’s in Business Economics from the University of Groningen and he is a CFA® charterholder.

Team info

The Robeco Financial Institutions Bonds fund 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 0.05% 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.

Sustainalytics disclaimer

Bloomberg disclaimer

Disclaimer