ROBECO

Factsheet | Figures as of 28-02-2022

Robeco QI Global Multi-Factor Credits IH EUR

Robeco QI Global Multi-Factor Credits is an actively managed fund that invests systematically in predominantly investment grade credits. The selection of these bonds is based on a quantitative model. The fund's objective is to provide long-term capital growth. The fund offers balanced exposure to a number of quantitative factors by focusing on bonds with a low level of expected risk (low risk factor), an attractive valuation (value), a strong performance trend (momentum) and a small market value of debt (size). The investment universe includes bonds with at least a BB rating.

Patrick Houweling, Mark Whirdy, Johan Duyvesteyn
Fund manager since 15-06-2015

Performance

	Fund	Index
1 m	-2.16%	-2.17%
3 m	-5.01%	-5.05%
Ytd	-4.79%	-4.86%
1 Year	-4.00%	-4.19%
2 Years	-1.27%	-1.34%
3 Years	2.32%	2.29%
5 Years	1.50%	1.48%
Since 07-2015 (1st full month)*	1.98%	1.99%
Since 06-2015	1.87%	1.94%

Annualized (for periods longer than one year)
*Most representative for long term record due to startup costs of fund
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	-1.24%	-1.69%
2020	6.45%	6.73%
2019	9.00%	9.24%
2018	-3.95%	-3.76%
2017	4.14%	3.66%
2019-2021	4.65%	4.66%
2017-2021	2.77%	2.72%

Annualized (years)

Index

Bloomberg Global Aggregate Corporates Index

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 954,000,899
Size of share class	EUR 497,792,838
Outstanding shares	4,394,932
1st quotation date	15-06-2015
Close financial year	31-12
Ongoing charges	0.43%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

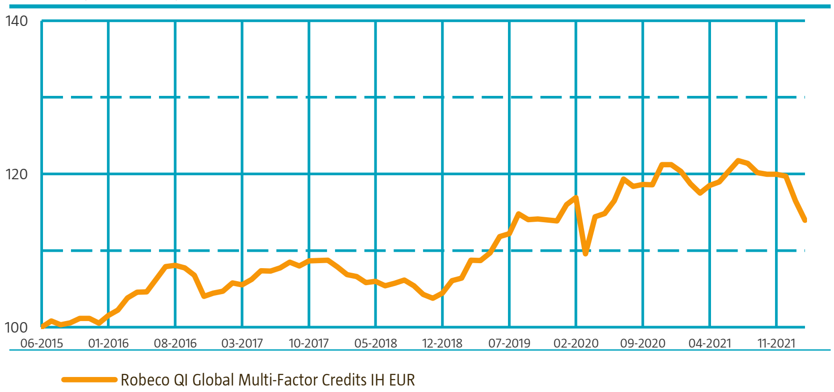
Exclusions
ESG Integration
Engagement
ESG Target

ESG score target	Footprint target
Better than index	Better than index

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 -2.16%.
Based on closing prices, the fund posted a relative return of +0.03% versus the benchmark. Issue(r) selection contributed positively, while beta allocation detracted significantly in the sharply widening markets. The low-risk/quality factor provided all of the positive factor selection, both due to the defensive company selection and the underweight in longer-dated bonds. The value factor underperformed significantly, while the momentum and size factors contributed slightly negatively too. Sector allocation contributed positively, mainly due to the overweight in the technology sector and the underweights in banking and other financial sectors. Currency denomination and country allocation detracted, due to the overweights in EUR bonds and core European countries, while the overweights in USD bonds and US issuers and the underweight in EM issuers partially offset these losses. The allocation to subordination groups made a small positive contribution, mostly thanks to the underweight in senior financials. Rating allocation within investment grade contributed neutrally, while the off-benchmark BBs contributed quite positively.

Market development

The Bloomberg Global Aggregate Corporates Index posted a credit return of -1.44%, as credit spreads widened strongly from 108 to 133 bps. The euro-hedged total return was -2.17%, as underlying government bond yields increased. Most economies fully reopened in February, thereby worsening supply chain bottlenecks and inflationary stresses. Central banks were forced to embark upon a more aggressive tightening cycle than anticipated, leading to a further increase in government bond yields. Diplomatic endeavors to diffuse tensions owing to large-scale Russian military exercises on the Ukrainian border floundered, and finally gave way to a full-scale invasion of Ukraine by Russia. In response, Western countries undertook sweeping sanctions in multiple areas. Equity and credit markets dropped significantly worldwide, but most strongly in Europe, while government bond yields fell, undoing most of their increase earlier in the month. Commodities rallied further in anticipation of severe supply disruptions in oil, gas and wheat, raising the prospect of near-term stagflation.

Expectation of fund manager

Robeco QI Global Multi-Factor Credits invests systematically in predominantly investment grade credits. It offers balanced exposure to a number of quantitative factors. In the long term, we expect the fund to outperform the market by systematically harvesting factor premiums with a risk profile that is similar to the reference index.

Fund price

28-02-22	EUR	113.27
High Ytd (04-01-22)	EUR	118.02
Low Ytd (24-02-22)	EUR	112.35

Fees

Management fee	0.30%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.08%

Legal status

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

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

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

Registered in

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

Currency policy

Currency risks are hedged.

Risk management

The fund will strive to create a risk profile, which is similar to the reference index. The duration and currency exposure of the portfolio will be hedged to the reference index. The strategy can have significant tracking error versus the reference index. The ratio of the portfolio volatility with respect to the volatility of the reference index is restricted by predefined guidelines. These guidelines also restrict the leverage exposure of derivatives on a fund level and the currency exposure as described in the prospectus.

Dividend policy

All income earned will be accumulated and not be distributed as dividend. Therefore the entire return is reflected in the share price development.

Fund codes

ISIN	LU1235145213
Bloomberg	ROMFIHE LX
Sedol	BZ1C0K9
WKN	A14WRZ
Valoren	28267722

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.71	0.59
Information ratio	0.62	0.73
Sharpe ratio	0.54	0.49
Alpha (%)	0.64	0.57
Beta	0.92	0.92
Standard deviation	5.95	4.82
Max. monthly gain (%)	3.84	3.84
Max. monthly loss (%)	-6.31	-6.31

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	23	39
Hit ratio (%)	63.9	65.0
Months Bull market	22	34
Months outperformance Bull	12	19
Hit ratio Bull (%)	54.5	55.9
Months Bear market	14	26
Months Outperformance Bear	11	20
Hit ratio Bear (%)	78.6	76.9

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	7.1	7.0
Maturity (years)	8.6	9.4
Yield to Worst (%, Hedged)	1.9	2.1

Sustainability

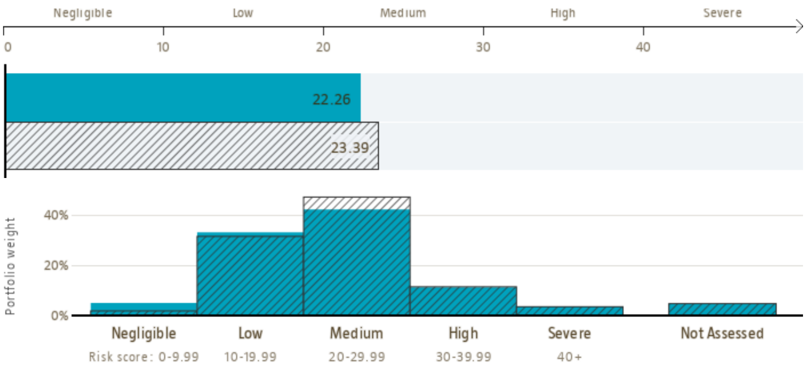
The fund incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, and engagement. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Via portfolio construction rules the fund targets a better ESG score and lower carbon, water and waste footprints than that of the reference index. This ensures that credit issuers with better ESG scores or lower environmental footprints are more likely to be included in the portfolio, and vice versa. In addition, our credit analysts check buy candidates and portfolio holdings for ESG risks that may have material impact for bond holders. Lastly, where corporate issuers are flagged for breaching international standards in our ongoing monitoring, the issuer will become subject to engagement.

ESG Risk Score

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. If an index has been selected, those scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.

The Sustainalytics ESG Risk Rating distribution 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. If an index has been selected, the same information is shown for the index.

ESG Risk Score



	% Portfolio	% Index
Negligible (0-9.99)	5%	2%
Low (10-19.99)	33%	31%
Medium (20-29.99)	42%	47%
High (30-39.99)	11%	11%
Severe (40+)	4%	4%
Not Assessed	5%	5%

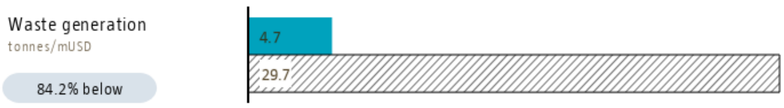
Portfolio Benchmark

Footprint Ownership

Footprint ownership expresses the total resource utilization the portfolio finances. Each assessed company's footprint is calculated by normalizing resources utilized by the company's enterprise value including cash (EVIC). Multiplying these values by the dollar amount invested in each assessed company yields the aggregate footprint ownership figures. The selected index's footprint is provided alongside. Sovereign and cash positions have no impact. The portfolios score is shown in blue and the index in grey.

Environmental Footprint

Source: Robeco data based on Trucost data. *



Source: Data based on RobecoSAM impact data.

Source: Data based on RobecoSAM impact data.

Sector allocation

Allocations to sectors only differ from the benchmark through a limitation of 25% placed on the fund (hence avoiding the index's concentration to financials) and an outright restriction to REITs. They are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. The portfolio exposures to the energy and basic industry sectors increased over the month. The exposures to consumer cyclical, brokerage, asset managers and exchanges decreased. The largest underweight remains in the banking sector; the largest overweights are still in the energy, consumer cyclical and technology sectors.

Sector allocation		Deviation index
Banking	16.7%	-8.0%
Consumer Non Cyclical	16.7%	3.2%
Energy	15.7%	9.3%
Technology	10.9%	4.2%
Consumer Cyclical	10.7%	3.4%
Communications	7.2%	-0.7%
Insurance	4.4%	-1.6%
Basic Industry	4.0%	1.0%
Transportation	3.3%	0.1%
Owned No Guarantee	2.9%	2.9%
Brokerage, Asset Managers, Exchanges	1.9%	0.4%
Other	4.9%	-14.9%
Cash and other instruments	0.6%	0.6%

Currency denomination allocation

Allocations to bond currency denominations differ from the benchmark by 10% at most, and are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. Currency exposures are subsequently hedged to the currency of the fund class. Over the month, the overweights in EUR- and GBP-denominated paper increased, while the exposures to CAD and JPY went further underweight. The portfolio remains underweight in USD bonds.

Currency denomination allocation		Deviation index
U.S. Dollar	59.2%	-7.4%
Euro	32.2%	8.6%
Pound Sterling	8.1%	3.5%
Canadian Dollar	1.6%	-1.8%
Australian Dollar	0.5%	0.1%
Japanese Yen	0.0%	-1.0%
Swiss Franc	0.0%	-0.4%

Duration allocation

The duration position is non-tactical and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. Duration is subsequently hedged to that of the benchmark using interest rate derivatives.

Duration allocation		Deviation index
U.S. Dollar	5.3	0.1
Euro	1.2	0.0
Pound Sterling	0.4	0.0
Canadian Dollar	0.2	0.0

Rating allocation

Allocations to rating buckets differ from the benchmark only by a permitted 10% fund exposure to BB, and are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. The portfolio exposures to AA- and A-rated paper increased over the month, while the exposure to BA decreased. The portfolio remains overweight AAA and AA, underweight A and BAA, and now holds about 8% in off-benchmark BAs.

Rating allocation		Deviation index
AAA	3.7%	2.6%
AA	13.3%	5.7%
A	35.8%	-3.9%
BAA	38.6%	-13.1%
BA	8.0%	8.0%
Cash and other instruments	0.6%	0.6%

Investment policy

Robeco QI Global Multi-Factor Credits is an actively managed fund that invests systematically in predominantly investment grade credits. The selection of these bonds is based on a quantitative model. 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, alongside engagement. The fund offers balanced exposure to a number of quantitative factors by focusing on bonds with a low level of expected risk (low risk factor), an attractive valuation (value), a strong performance trend (momentum) and a small market value of debt (size). The investment universe includes bonds with at least a BB rating. The majority of bonds selected will be components of the benchmark, but bonds outside the benchmark may be selected too. The fund can deviate 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) 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

Patrick Houweling is Lead Portfolio Manager and Researcher Quant Credits. Prior to joining Robeco in 2003, he was Risk Manager at Rabobank International where he started his career in 1998. Patrick has published articles in academic finance literature, including the Journal of Banking and Finance, the Journal of Empirical Finance and the Financial Analysts Journal. The article 'Factor Investing in the Corporate Bond Market', co-written by Jeroen van Zundert, received a Graham and Dodd Scroll Award of Excellence for 2017. He holds a PhD in Finance and a Master's (cum laude) in Financial Econometrics from Erasmus University Rotterdam. Mark Whirdy is Portfolio Manager in the Credit team for Robeco’s factor credits strategies: Conservative Credits, Multi-Factor Credits and Multi-Factor High Yield. His areas of expertise include portfolio optimization, credit markets, credit derivatives modelling and quant investment process development. Prior to joining Robeco, Mark was Portfolio Manager in the Quant Credit team at Pioneer Investments and Analyst in the Quantitative Equities team at that firm. He is a graduate from University College Dublin, and holds a Master’s in Business from University of Ulster. Mr. Johan Duyvesteyn is Portfolio Manager and Quantitative Researcher with Robeco. Johan has been active in the industry and with Robeco since 1999. He started his career as researcher. His areas of expertise are government bond market timing, country sustainability and emerging debt. Johan has published several articles in the academic finance literature, including the Journal of Empirical Finance, the Journal of Banking and Finance and the Journal of Fixed Income. Johan holds a Ph.D. in Finance as well as a Master's degree in Financial Econometrics from the Erasmus University Rotterdam. He became a CFA charter holder in 2005 and is registered with the Dutch Securities Institute.

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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