ROBECO

Factsheet | Figures as of 28-02-2022

RobecoSAM Euro SDG Credits IE EUR

RobecoSAM Euro SDG Credits is an actively managed fund and 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 portfolio is built on the basis of the eligible investment universe and the relevant SDGs using an internally developed framework about which more information can be obtained via the website www.robeco.com/si. The fund can take some off-benchmark positioning in emerging markets, covered bonds and a limited exposure to high yield bonds.

Peter Kwaak, Jan Willem de Moor
Fund manager since 18-05-2010

Performance

	Fund	Index
1 m	-2.50%	-2.51%
3 m	-4.01%	-3.91%
Ytd	-3.74%	-3.80%
1 Year	-4.17%	-3.87%
2 Years	-1.31%	-1.42%
3 Years	0.79%	0.73%
Since 10-2018	1.16%	1.05%

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
2021	-1.37%	-0.97%
2020	3.35%	2.77%
2019	6.05%	6.24%
2019-2021	2.63%	2.64%

Annualized (years)

Index

Bloomberg Euro Aggregate: Corporates

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 891,730,989
Size of share class	EUR 2,598,781
Outstanding shares	255
1st quotation date	12-10-2018
Close financial year	31-12
Ongoing charges	0.48%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	2.50%
Management company	Robeco Institutional Asset Management B.V.

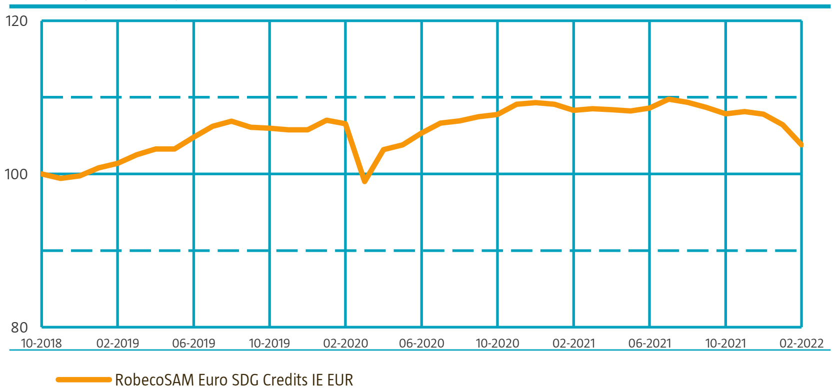
Sustainability profile

Exclusions++
ESG Integration
Target Universe

For more information on exclusions see https://www.robeco.com/exclusions/
For more information on target universe methodology see https://www.robeco.com/si

Performance

Indexed value (until 28-02-2022) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -2.50%.
The portfolio posted a negative return for the month. Credit spreads widened, generating a negative excess return versus government bonds. This return was amplified by an increase in underlying government bond yields. The index excess return of corporate bonds over underlying government bonds was -1.87%, as credit spreads ended the month at 144 basis points, 39 basis points higher than at the end of the previous month. German 10-year yields increased by 13 basis points to 0.14%. The performance of the portfolio beat that of the index; the portfolio benefited from spread widening because of the fairly cautious beta positioning. This was offset by our issuer selection and our swap position. We continue to hold a position in swap spreads. We entered a trade where we are long 5-year European swap spreads. The contribution was negative last month, as swap spreads widened. We see swap spreads normalize during the first quarter of the year. With regard to issuer selection, the largest contributors (in absolute terms) are: Raiffeisen Bank, Vodafone Group and Danaher Corporation.

Market development

February was a month of two halves for markets. The first half was dominated by central banks being forced to embark upon a much more aggressive tightening cycle than anticipated, especially as inflation continued to surprise on the upside. In the second half, we saw a massive risk-off move prompted by the reality of Russia's invasion of Ukraine, which in turn triggered severe sanctions on Russia that have had a seismic market impact across multiple asset classes. The largest implications are felt by: the Russian MOEX Index down -50% (in USD terms), Brent moving above USD 100/bbl, European natural gas is +16%, wheat prices are up +20%, and every major credit index moved wider for the month. These rises in commodity prices are set to make life increasingly difficult for central banks. On the one hand, they are unable to take direct action to deal with the supply shock, but on the other, its consequences will be seen through stagflation, with the risk that higher inflation becomes entrenched over time. In China, the various measures aimed at improving property sales have not translated into improvement yet. With regard to Covid, most Western nations have abolished lockdowns and travel restrictions.

Expectation of fund manager

Imperfect information implies imperfect forecasts, which is especially true right now. With so many distorting elements at play, including severe global supply chain disruptions, there are no easy answers in predicting economic growth. As we consider all the evidence around corporate pricing power, policy stimulus and consumer spending behavior, we believe that US and European fundamentals will not be the key driver of credit markets in Q1 2022. The outlook might be more uncertain again, but corporate fundamentals are still strong. On top of that, we have seen a widening in credit spreads. Still, we think there are also many risk factors that are not sufficiently priced in yet, like geopolitical risks around Russia, the growth impact of the Chinese real estate meltdown, and emerging market volatility in general. Central bank activity and communication might cause a bout of risk aversion after years of increased risk taking by asset owners. This means we see plenty of reasons to enter 2022 with a fairly cautious positioning. We aim for a portfolio beta that is below one, though we do see opportunities still in financials, BB-rated credit, Euro swap spreads or Covid-recovery plays.

Top 10 largest positions

The largest positions consist of a mix of financials and industrials. Often, we have more than one bond holding in a specific name.

Fund price

28-02-22	EUR 1,0185.96
High Ytd (05-01-22)	EUR 1,0571.55
Low Ytd (25-02-22)	EUR 1,0172.86

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.11%

Legal status

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

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

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

Registered in

Belgium, Luxembourg, 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

This share class of the fund will distribute dividend.

Derivative policy

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

Fund codes

ISIN	LU1821197412
Bloomberg	ROBSIEH LX
Valoren	41769754

Top 10 largest positions

Holdings	Sector	%
Nordea Bank Abp	Financials	1.85
Belfius Bank SA	Financials	1.75
Banco Santander SA	Financials	1.72
KBC Group NV	Financials	1.68
Nestle Finance International Ltd	Industrials	1.67
Medtronic Global Holdings SCA	Industrials	1.57
BPCE SA	Financials	1.56
CaixaBank SA	Financials	1.55
Deutsche Bank AG	Financials	1.50
NN Group NV	Financials	1.50
Total		**16.36**

Statistics

	3 Years
Tracking error ex-post (%)	0.58
Information ratio	0.95
Sharpe ratio	0.31
Alpha (%)	0.51
Beta	1.04
Standard deviation	5.71
Max. monthly gain (%)	4.34
Max. monthly loss (%)	-7.11

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years
Months outperformance	22
Hit ratio (%)	61.1
Months Bull market	20
Months outperformance Bull	10
Hit ratio Bull (%)	50.0
Months Bear market	16
Months Outperformance Bear	12
Hit ratio Bear (%)	75.0

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	5.1	5.1
Maturity (years)	4.2	5.4
Yield to Worst (%, Hedged)	1.4	1.2
Green Bonds (%, Weighted)	14.0	7.6

Sustainability

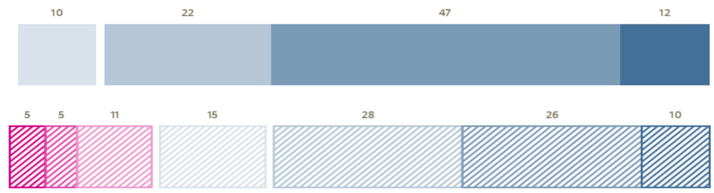
The fund’s sustainable investment objective is to advance the United Nations Sustainable Development Goals (SDGs). SDG and sustainability considerations are incorporated in the investment process by the means of a target universe, exclusions and ESG integration. The fund solely invests in credits issued by companies with a positive or neutral impact on the SDGs. The impact of issuers on the SDGs is determined by applying Robeco's internally developed three-step SDG Framework. The outcome is a quantified contribution expressed as an SDG score, considering both the contribution to the SDGs (positive, neutral or negative) and the extent of this contribution (high, medium or low). In addition, 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. ESG factors are integrated in the bottom-up security analysis to assess the impact of financially material ESG risk on the issuer's fundamental credit quality. Lastly, where a credit issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to exclusion.

SDG Contribution

The SDG score shows to what extent the portfolio and the benchmark contribute to the 17 UN Sustainable Developments Goals (SDGs). Scores are assigned to each underlying company using the Robeco SDG Framework, which utilizes a three-step approach to calculate a company’s contribution to the relevant SDGs. The starting point is an assessment of the products offered by a company, followed by the way in which these products are produced, and finally whether the company is exposed to any controversies. The outcome is expressed in a final score which shows the extent to which a company impacts the SDGs on a scale from highly negative (dark red) to highly positive (dark blue).

The bar shows the aggregate percentage exposure of the portfolio and the benchmark (shaded) to the different SDG scores. This is then also split out per SDG. As a company can have an impact on several SDGs (or none), the values shown in the report do not sum to 100%. More information on Robeco’s SDG Framework can be found at: https://www.robeco.com/docm/docu-robeco-explanation-sdg-framework.pdf

SDG Contribution



- Portfolio
- Benchmark
- High Positive
- Medium Positive
- Low Positive
- Neutral
- Low Negative
- Medium Negative
- High Negative

Sector allocation

In our portfolio management, we not only factor in weights, but also spreads and durations. On that basis, we are overweight in financials and non-financials. The agencies category comprises issuers that are majority-owned by governments.

Sector allocation		Deviation index
Financials	52.3%	9.8%
Industrials	35.0%	-15.2%
Treasuries	4.3%	4.3%
Utilities	2.3%	-5.0%
Agencies	1.6%	1.6%
Local Authorities	0.6%	0.6%
Cash and other instruments	3.9%	3.9%

Duration allocation

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

Duration allocation		Deviation index
Euro	5.1	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	4.3%	4.0%
AA	10.7%	3.8%
A	28.5%	-8.5%
BAA	41.0%	-14.9%
BA	11.3%	11.3%
B	0.3%	0.3%
Cash and other instruments	3.9%	3.9%

Subordination allocation

We think that better value can be found in subordinated bonds than in senior bonds. For the financial sector, we expect the spread differential between the two subordination classes to decline, as the banking sector gets better capitalized and runs more conservative balance sheets. For some stronger corporates in the core European countries, there is also an attractive spread pickup available by moving from senior debt into corporate hybrids.

Subordination type allocation		Deviation index
Senior	77.1%	-13.4%
Tier 2	12.5%	6.3%
Hybrid	4.2%	1.0%
Tier 1	2.4%	2.3%
Cash and other instruments	3.9%	3.9%

Investment policy

RobecoSAM Euro SDG Credits is an actively managed fund and 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 has sustainable investment as its objective within the meaning of Article 9 of the European Sustainable Finance Disclosure Regulation. The fund advances the UN Sustainable Development Goals (SDGs) by investing in companies whose business models and operational practices are aligned with targets defined by the 17 UN SDGs. The fund integrates ESG (Environmental, Social and corporate Governance) in the investment process, applies an exclusion list basis controversial behavior, products (including controversial weapons, tobacco, palm oil and fossil fuel) while avoiding investment in thermal coal, weapons, military contracting and companies that severely violate labor conditions, next to engagement. The portfolio is built on the basis of the eligible investment universe and the relevant SDGs using an internally developed framework about which more information can be obtained via the website www.robeco.com/si. The fund can take some off-benchmark positioning in emerging markets, covered bonds and a limited exposure to high yield bonds. 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, whilst still controlling relative risk through the applications of limits (on currencies and issuers) to the extent of 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 sustainable objective of the fund.

Fund manager's CV

Peter Kwaak is a Senior Portfolio Manager and a member of the Credit team. Prior to joining Robeco in 2005, Mr. Kwaak was employed by Aegon Asset Management for three years as Credits and High Yield Portfolio Manager and at NIB Capital for two years as Portfolio Manager. Peter Kwaak started his career in the Investment Industry in 1998. Mr. Kwaak is a CFA Charterholder and holds a Master's degree in economics from the Erasmus University Rotterdam. Mr. Kwaak is registered with the Dutch Securities Institute. 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 Artsenpensioenfondsen 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 RobecoSAM Euro SDG Credits 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 0.01% 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

Eurosif disclaimer

The European SRI Transparency logo signifies that Robeco commits to provide accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the Sustainable Responsible Investment (SRI) policies and practices relating to the fund. Detailed information about the European SRI Transparency Code can be found on www.eurosif.org, and information of the SRI policies and practices of the RobecoSAM Euro SDG Credits can be found at: www.robeco.com. The Transparency Code are managed by Eurosif, an independent organisation. The European SRI Transparency Logo reflects the fund manager’s commitment as detailed above and should not be taken as an endorsement of any particular company, organisation or individual.

Febelfin disclaimer

The fact that the sub-fund has obtained this label does not mean that it meets your personal sustainability goals or that the label is in line with requirements arising from any future national or European rules. The label obtained is valid for one year and subject to annual reappraisal. For further information on this label, please visit www.towardssustainability.be.

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