

RobecoSAM SDG High Yield Bonds IEH GBP

RobecoSAM SDG High Yield Bonds is an actively managed fund that invests in global corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth. The funds invests in high yield corporate bonds with a sub-investment grade rating, with a structural bias to the higher rated part in high yield. 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.



Christiaan Lever, Sander Bus, Roeland Moraal, Daniel de Koning
Fund manager since 22-10-2019

Performance

	Fund	Index
1 m	0.88%	1.07%
3 m	1.52%	1.87%
Ytd	1.52%	1.87%
1 Year	9.55%	10.82%
2 Years	3.23%	2.85%
3 Years	1.03%	1.01%
Since 10-2019	1.82%	2.51%

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	11.13%	12.04%
2022	-10.62%	-11.98%
2021	2.14%	3.49%
2020	3.37%	5.21%
2021-2023	0.48%	0.68%

Annualized (years)

Index

Bloomberg Global High Yield Corporate Index

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	GBP
Total size of fund	GBP 406,248,921
Size of share class	GBP 56,587,559
Outstanding shares	586,572
1st quotation date	22-10-2019
Close financial year	31-12
Ongoing charges	0.69%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

- Exclusions+
- ESG Integration
- Target Universe

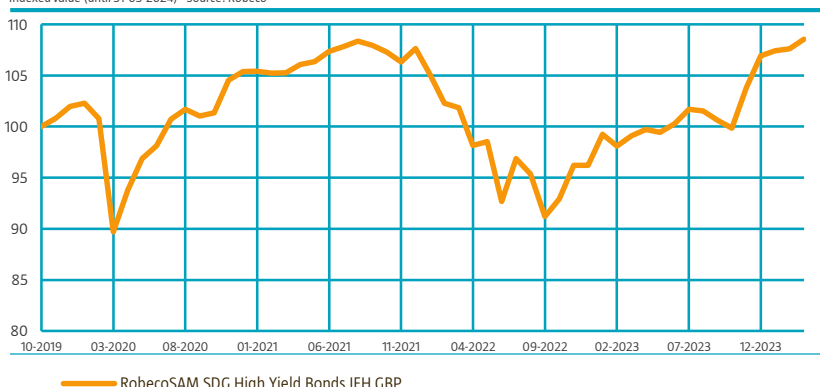


For more information on exclusions see <https://www.robeco.com/exclusions/>

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

Performance

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



Performance

Based on transaction prices, the fund's return was 0.88%.

In March, the high-yield bond index recorded a total return of 0.97%. Excess returns were a small positive and underlying government bonds declined a few bps. The fund underperformed versus the benchmark by 12 bps. Issuer selection detracted 5 bps whereas beta positioning also was a small detractor. On a risk-adjusted basis, the BB category was a clear outperformer in both regions, mainly driven by a few blowups in the lower credit quality category, namely Intrum, Altice and Ardagh. Our underweight in Altice France, especially the unsecured part of the debt structure, resulted in a positive contribution to performance. During the company's earnings call in March, the management of Altice France lowered its guidance and indicated it would seek potential haircuts for bond holders in order to reduce its elevated debt load. Our overweight in packaging company Ardagh detracted from performance. The company's financial metrics have been deteriorating as the packaging sector is going through a cyclical downturn. The situation worsened in March 2024, when press releases came out indicating that the company had hired financial and legal advisors to address its debt structure.

Market development

January marked a subdued performance in the US high yield market, with spreads widening by 7 basis points to reach a total of 307 basis points. Concurrently, the yield-to-worst declined to 7.33%, a decline of 17 basis points. Earnings season has started and seems to be in line with expectations. Economic data, especially from the U.S., is still very supportive, with decent wage growth and low unemployment. The last two months surprised on the upside with U.S. core CPI at 0.4%. With concern about rising inflation, that meant investors pushed back the timing of expected rate cuts from the Fed. Indeed, at the start of the year, investors were expecting the Fed to cut rates at the March meeting. But at the moment June is seen as the most likely timing for a first cut. With the rising commotions in the Middle East, we've also seen oil prices increase from their lows in the past weeks. Again, putting some pressure on inflation outlooks. Primary activity in March for high yield bonds and loans sustained February and January's torrid pace, as issuers remain keenly focused on refinancing 2025's maturities.

Expectation of fund manager

The ideal scenario for credit appears to be materializing, with declining inflation and the likely avoidance of a recession. Credit markets have embraced this narrative and are to a large extent priced for perfection. While we acknowledge the high probability of the consensus scenario, we remain mindful of the fragility of sentiment and the ever-present risks in a changing world. With current tight valuations and risk positioning, there is ample room for disappointment. The US economy has shown remarkable resilience. One major factor for this strong performance has been fiscal stimulus that has kept consumer and government spending high. But performance of the corporate sector is mixed. While large-cap tech stocks are posting record profits, the SME sector is feeling the pressure of higher rates, and EBIT proxies for the broader economy show that profits are actually down. In the high yield universe, there are several companies that are now struggling to refinance upcoming maturities and debt restructurings that are unfavorable to creditors are on the rise. This is the environment in which it is important to firmly hold on to our quality tilt and accept a beta below 1.

Top 10 largest positions

Our top ten holdings consist mostly of BB-rated large caps in the communications and consumer sectors. In communications, we are overall underweight but do hold positions in some of the large US telecom operators like Charter and Sirius. Within the consumer sector, we own positions in healthcare research provider IQV, US supermarket operator Albertsons and in auto supplier ZF Friedrichshafen. Other large holdings are in US chemicals Olympus Water, and packaging names Ball and Mauser.

Fund price

31-03-24	GBP	96.71
High Ytd (28-03-24)	GBP	96.71
Low Ytd (05-01-24)	GBP	94.50

Fees

Management fee	0.55%
Performance fee	None
Service fee	0.12%

Legal status

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

Registered in

Austria, Germany, Ireland, Italy, 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

In principle, the fund will distribute dividend annually.

Derivative policy

RobecoSAM SDG High Yield Bonds make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are liquid.

Fund codes

ISIN	LU2061804634
Bloomberg	RHYIEHG LX
Valoren	50778565

Top 10 largest positions

Holdings

CCO Holdings LLC / CCO Holdings Capital Corp
 Olympus Water US Holding Corp
 ZF Finance GmbH
 Albertsons Cos Inc / Safeway Inc / New Albertsons
 Crown European Holdings SA
 Silgan Holdings Inc
 Sirius XM Radio Inc
 Mauser Packaging Solutions Holding Co
 IQVIA Inc
 Cheplapharm Arzneimittel GmbH
Total

Sector	%
Communications	2.20
Basic Industry	1.48
Consumer Cyclical	1.39
Consumer Non Cyclical	1.34
Capital Goods	1.33
Capital Goods	1.22
Communications	1.21
Capital Goods	1.14
Consumer Non Cyclical	1.10
Consumer Non Cyclical	1.02
	13.44

Statistics

	3 Years
Tracking error ex-post (%)	1.26
Information ratio	0.56
Sharpe ratio	-0.13
Alpha (%)	0.60
Beta	0.94
Standard deviation	7.56
Max. monthly gain (%)	4.63
Max. monthly loss (%)	-5.90

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years
Months outperformance	19
Hit ratio (%)	52.8
Months Bull market	20
Months outperformance Bull	8
Hit ratio Bull (%)	40.0
Months Bear market	16
Months Outperformance Bear	11
Hit ratio Bear (%)	68.8

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	BA2/BA3	BA3/B1
Option Adjusted Modified Duration (years)	3.2	3.1
Maturity (years)	4.3	4.1
Yield to Worst (% , Hedged)	6.7	7.7
Green Bonds (% , Weighted)	6.4	3.2

Sector allocation

Overweights are in less cyclical sectors like packaging, chemicals and paper, as well as in the banking sector. Underweights are in the mostly SDG-negative energy, utility and transportation sectors, as well as in cyclical sectors like retail, leisure and gaming.

Sector allocation		Deviation index	
Capital Goods	17.9%	8.4%	
Basic Industry	13.7%	7.0%	
Consumer Non Cyclical	12.9%	1.0%	
Communications	12.6%	-2.2%	
Consumer Cyclical	11.5%	-8.0%	
Banking	10.0%	5.2%	
Technology	6.0%	0.4%	
Owned No Guarantee	2.8%	2.8%	
Insurance	2.3%	0.3%	
Energy	1.6%	-8.1%	
Electric	1.3%	-1.5%	
Other	4.2%	-8.6%	
Cash and other instruments	3.1%	3.1%	

Currency denomination allocation

All currency risks are hedged to the currency of the share class. The currency denomination allocation shows the currency distribution of the portfolio before hedging.

Currency denomination allocation		Deviation index	
U.S. Dollar	55.0%	-22.6%	
Euro	37.6%	17.8%	
Pound Sterling	4.3%	1.7%	

Duration allocation

RobecoSAM SDG High Yield Bonds does not pursue an active duration policy. HY bonds tend to have a limited effective sensitivity to underlying moves in government bond yields. In our 0-duration share classes, the underlying rate risk is hedged to 0 to 6-month duration.

Duration allocation		Deviation index	
U.S. Dollar	2.3	-0.2	
Euro	0.7	0.2	
Pound Sterling	0.1	0.0	

Rating allocation

Most exposure is in Ba and B issuers. The fund has a large underweight in the categories Caa and below. We have an allocation to BBBs, consisting of former rising stars that still trade at attractive spread levels and some EM issuers with IG ratings.

Rating allocation		Deviation index	
A	0.1%	0.1%	
BAA	13.1%	13.1%	
BA	61.4%	8.9%	
B	18.4%	-17.0%	
CAA	3.8%	-6.6%	
CA		-0.9%	
C		-0.1%	
NR	0.1%	-0.6%	
Cash and other instruments	3.1%	3.1%	

Country allocation

Country risk analysis is incorporated in our proprietary credit research, but we do not implement any specific top-down country policy in the portfolio. We have a slight preference for Europe versus the United States based on valuations.

Country allocation		Deviation index	
United States	46.2%	-15.9%	
Germany	6.0%	2.9%	
France	5.9%	1.9%	
United Kingdom	5.4%	0.4%	
Netherlands	5.1%	4.0%	
Italy	4.4%	0.7%	
Canada	3.0%	0.1%	
Spain	2.9%	1.2%	
Luxembourg	1.9%	0.4%	
Mexico	1.8%	1.2%	
Australia	1.7%	1.2%	
Other	12.7%	-1.0%	
Cash and other instruments	3.1%	3.1%	

ESG Important information

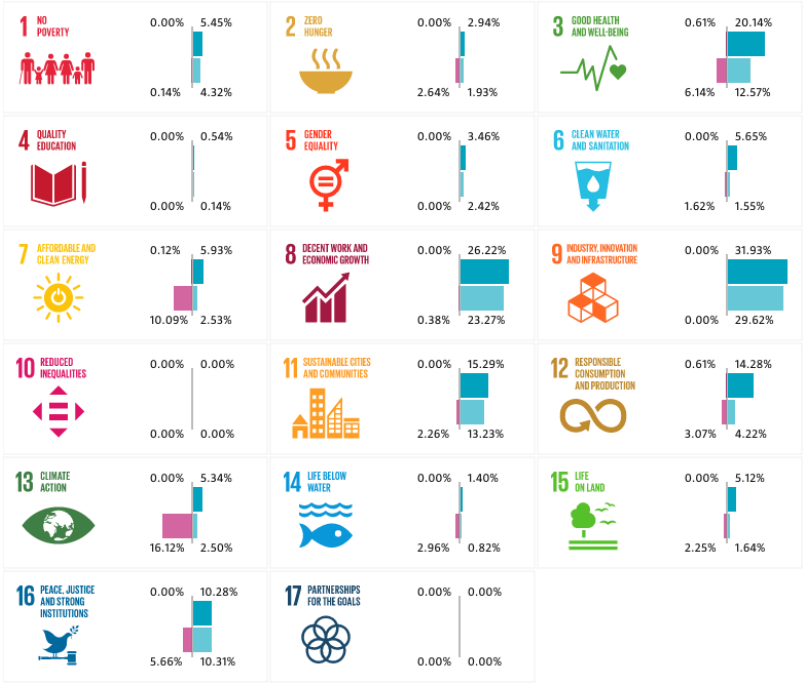
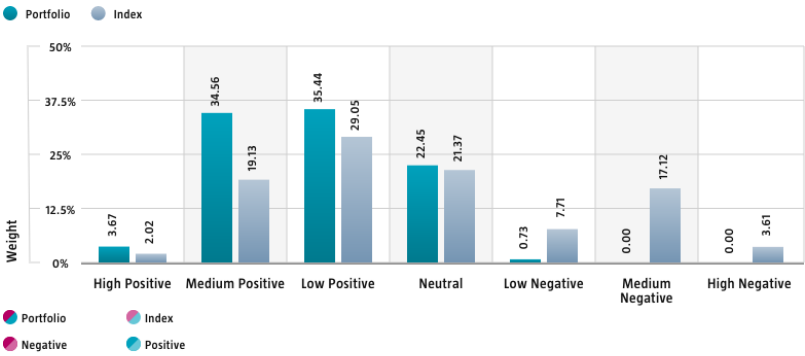
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to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

Sustainability is incorporated in the investment process by the means of a target universe, exclusions, ESG integration, and a minimum allocation to ESG-labeled bonds. 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. Furthermore, the fund invests at least 2% in green, social, sustainable, and/or sustainability-linked bonds. Lastly, where a credit issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to exclusion. 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 Global High Yield Corporate Index.

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. Use of the United Nations Sustainable Development Goals (SDG) logos, including the colour wheel, and icons shall only serve explanatory and illustrative purposes and may not be interpreted as an endorsement by the United Nations of this entity, or the product(s) or service(s) mentioned in this document. The opinions or interpretations shown in this document hence do not reflect the opinion or interpretations of the United Nations.

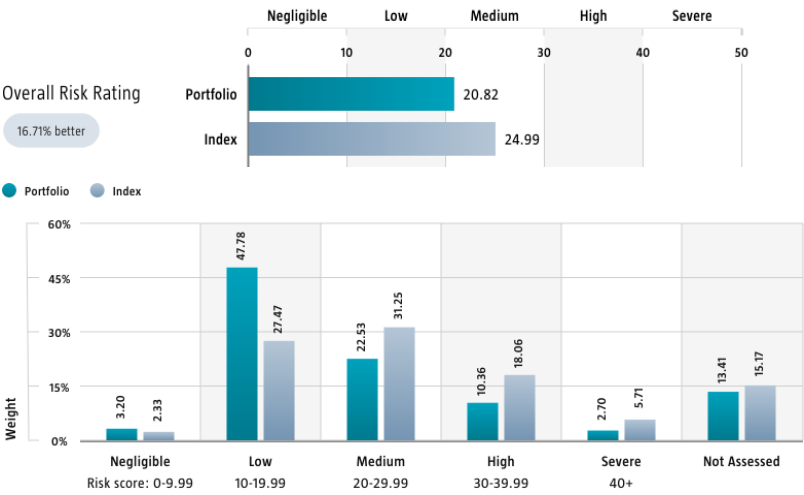


Source: Robeco. Data derived from internal processes.

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.

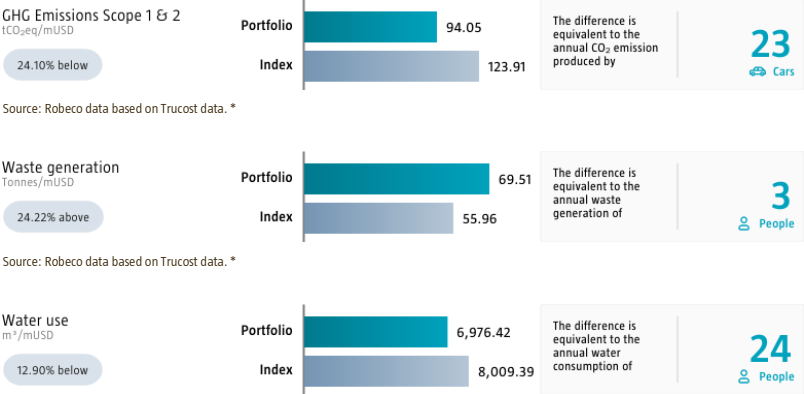
Only holdings mapped as corporates are included in the figures.



Source: Copyright ©2024 Sustainalytics. All rights reserved.

Environmental Footprint

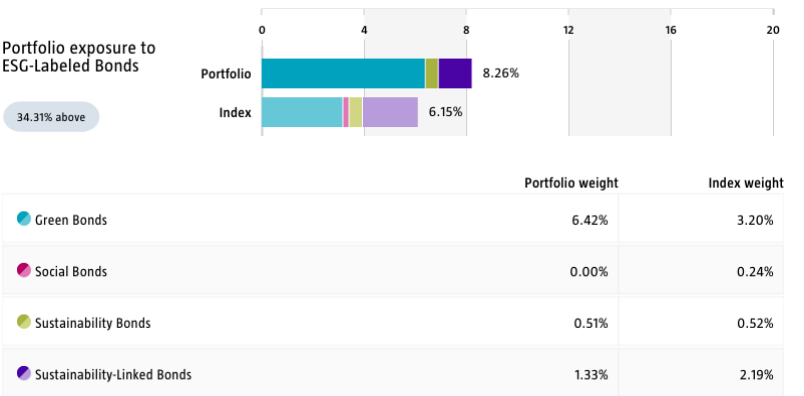
Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted 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: S&P Trucost Limited © Trucost 2024. All rights in the Trucost data and reports vest in Trucost and/or its licensors. Neither Trucost, nor its affiliates, nor its licensors accept any liability for any errors, omissions, or interruptions in the Trucost data and/or reports. No further distribution of the Data and/or Reports is permitted without Trucost's express written consent.

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.



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

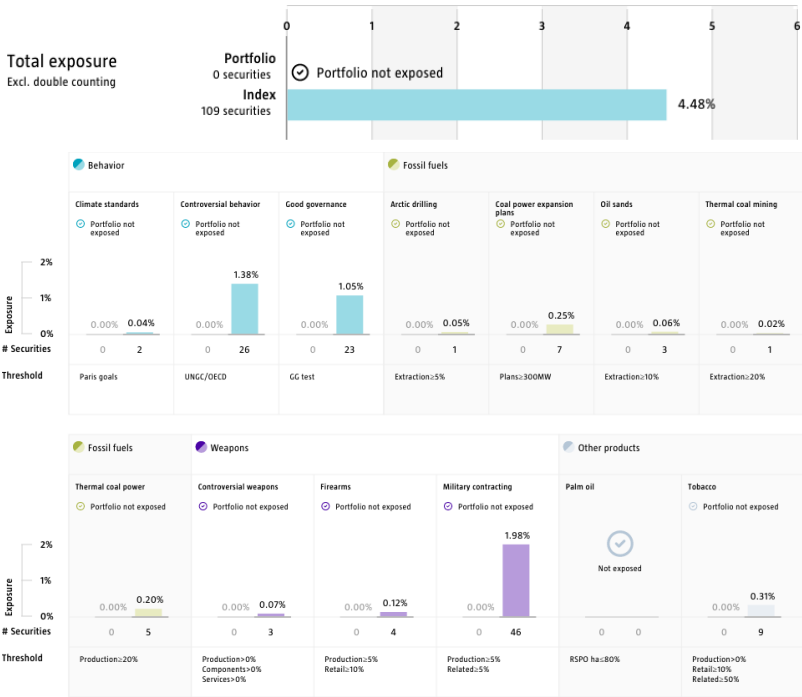
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching international 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)	6.12%	20	65
Environmental	1.41%	9	40
Social	1.42%	4	11
Governance	0.00%	0	0
Sustainable Development Goals	1.83%	4	11
Voting Related	1.47%	3	3
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

RobecoSAM SDG High Yield Bonds is an actively managed fund that invests in global corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth. The fund invests in high yield corporate bonds with a sub-investment grade rating, with a structural bias to the higher rated part in high yield. 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 has sustainable investment as its objective within the meaning of Article 8 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 Governance) factors in the investment process and applies Robeco's Good Governance policy and applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions.

The majority of bonds selected through this approach will be components of the benchmark, but bonds outside the benchmark index 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.

Fund manager's CV

Christiaan Lever is Portfolio Manager High Yield and Emerging Credits in the Credit team. Before assuming this role in 2016, he was Financial Risk Manager at Robeco, focusing on market risk, counterparty risk and liquidity risk within fixed Income markets. Christiaan has been active in the industry since 2010. He holds a Master's in Quantitative Finance and in Econometrics from Erasmus University Rotterdam. Sander Bus is CIO and Portfolio Manager High Yield Bonds in the Credit team. He has been dedicated to High Yield at Robeco since 1998. Previously, Sander worked for two years as a Fixed Income Analyst at Rabobank where he started his career in the industry in 1996. He holds a Master's in Financial Economics from Erasmus University Rotterdam and he is a CFA® charterholder. Roeland Moraal is Portfolio Manager High Yield in the Credit team. Before assuming this role, he was Portfolio Manager in the Robeco Duration team and worked as an Analyst with the Institute for Research and Investment Services. Roeland started his career in the industry in 1997. He holds a Master's in Applied Mathematics from the University of Twente and a Master's in Law from Erasmus University Rotterdam. Daniel de Koning is Portfolio Manager High Yield in the Credit team. Prior to joining Robeco in 2020, he was Portfolio Manager High Yield at NN Investment Partners. Daniel started his career in 2011 at APG Asset Management, where he held roles of Credit Analyst and Portfolio Manager High Yield. He holds a Master's in Business Economics from the University of Amsterdam and he is a CFA® and CAIA® charterholder.

Team info

RobecoSAM SDG High Yield Bonds is managed within Robeco's credit team, which consists of nine portfolio managers and twenty-three 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 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

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

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.towardsustainability.be.



Sustainability images

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

Bloomberg disclaimer

Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Disclaimer

This document has been carefully prepared by Robeco Institutional Asset Management B.V. (Robeco). The information contained in this publication is based upon sources of information believed to be reliable. Robeco is not answerable for the accuracy or completeness of the facts, opinions, expectations and results referred to therein. Whilst every care has been taken in the preparation of this document, we do not accept any responsibility for damage of any kind resulting from incorrect or incomplete information. This document is subject to change without notice. The value of the investments may fluctuate. Past performance is no guarantee of future results. 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. Unless otherwise stated, performances are i) net of fees based on transaction prices and ii) with dividends reinvested. Please refer to the prospectus and the Key Information Document of the funds for further details. These are available at the Robeco offices or via the www.robeco.com website. The ongoing charges mentioned in this publication express the operational costs including management fee, service fee, taxe d'abonnement, depositary fee and bank charges and is the one stated in the fund's latest annual report at closing date. The information contained in this document is solely intended for professional investors under the Dutch Act on the Financial Supervision (Wet financieel toezicht) or persons who are authorized to receive such information under any other applicable laws. 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.