Factsheet | Figures as of 28-02-2022

RobecoSAM Climate Global Bonds IH EUR

RobecoSAM Climate Global Bonds is an actively managed fund that invests in bonds globally. 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 worldwide bonds and other marketable debt securities and instruments (which may include short dated fixed or floating rate securities) issued or guaranteed by OECD member states and by companies based in OECD countries.

Jamie Stuttard, Regina Borromeo, Bob Stoutjesdijk
Fund manager since 09-12-2020

Performance

	Fund	Index
1 m	-1.47%	-1.44%
3 m	-3.63%	-3.92%
Ytd	-2.81%	-3.08%
1 Year	-2.63%	-3.15%
Since 12-2020	-4.16%	-4.14%

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	-2.32%	-2.29%

Annualized (years)

Index

Solactive Paris Aware Global Aggregate Index (hedged into EUR)

General facts

Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 73,672,887
Size of share class	EUR 24,516,634
Outstanding shares	258,275
1st quotation date	09-12-2020
Close financial year	31-12
Ongoing charges	0.48%
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

ESG Target

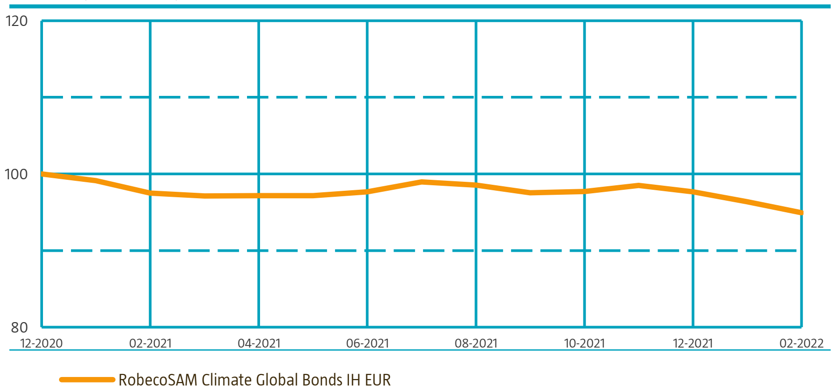
Footprint target

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 -1.47%.
The fund had negative total returns in February and was slightly behind the benchmark for the month. The fund's performance was driven by spread widening in swap spreads and government-related securities/SSAs, which were the main detractors along with the overweight in China rates. The top contributors to relative performance were EUR & Japanese duration underweights and FX positioning. With the credit weakness, CDS/ITRX protection positions contributed to returns, offset by the relative underperformance of EUR IG vs US IG. Also, the overweight in Denmark duration detracted from performance, as did the underweight in EM Asia local currency duration, which outperformed during the month.

Market development

February was a month of two halves with significant volatility in bond markets. At the start of the month, the ECB stunned markets, as President Christine Lagarde highlighted that inflation might remain more elevated than previously predicted and refrained from reiterating that a rate hike this year is highly unlikely. Yields spiked sharply higher on this news. 10-year German Bunds broke into positive territory for the first time since H1 2019 and 10-year US yields rose above 2%. The rise in yields was driven by increased policy rate expectations in the wake of persistently elevated headline inflation prints and reduced concerns about the economic impact of Omicron. Nonetheless, in the second half of February, as the unprecedented Ukraine crisis started to unfold, government bond yields consolidated and steadily started to decline again. Liquidity became much thinner and bonds found support from increasing uncertainty around the heightened geopolitical situation. Both US and EUR IG corporate bonds had negative excess returns for the month, -1.5% and 1.96% respectively, as spreads were 19 bps and 40 bps wider relative to Treasuries and Bunds respectively.

Expectation of fund manager

Uncertainty about the war in Ukraine will likely continue to dominate bond market sentiment. However, the impact on central bank policy is expected to differ per region. We expect the Fed to start hiking rates in March, followed by further rate increases as well as more details on balance sheet reduction. For the ECB we believe that for now, the ECB will take a cautious approach and will refrain from taking large policy steps such as pre-announcing the end of the asset purchase program. Macro uncertainty is expected to weigh on sentiment and the jump in energy and commodity prices could lead to slower growth, weigh on consumer sentiment and increase stagflationary concerns, particularly in Europe. In this narrative, ECB policy is likely to be focused on preserving market liquidity. With regard to spread markets, we expect the widening trend to continue, as central banks withdraw stimulus and more growth concerns rise.

Fund price

28-02-22	EUR	94.92
High Ytd (04-01-22)	EUR	97.17
Low Ytd (15-02-22)	EUR	94.33

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.13%

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

Belgium, France, Italy, Luxembourg, Netherlands, Spain, Switzerland

Currency policy

All currency risks are hedged.

Risk management

Risk management is fully embedded in the investment process so as to ensure that the fund's positions remain within set limits at all times.

Dividend policy

The fund does not distribute a dividend.

Fund codes

ISIN	LU2258388441
Bloomberg	ROCBIHE LX
Valoren	58898201

Characteristics

	Fund	**Index**
Rating	AA2/AA3	A1/A2
Option Adjusted Modified Duration (years)	7.1	7.4
Maturity (years)	7.1	9.1
Yield to Worst (%, Hedged)	0.2	0.9
Green Bonds (%, Weighted)	4.2	1.2

Changes

RobecoSAM Climate Global Bonds: With effect from 10 March 2021, the benchmark has been changed from Bloomberg Barclays Global Aggregate Index to Solactive Paris Aware Global Aggregate Index.

Sustainability

The fund’s sustainable investment objective is to contribute to keeping global temperature rise well-below 2°C by reducing the carbon footprint of the fund. Climate change and sustainability considerations are incorporated in the investment process via exclusions, ESG integration as well as a carbon footprint target for both the government bond component and the credits component. For government bonds, the fund complies with Robeco’s exclusion policy for countries. For credits, the fund does not invest in companies that are in breach of international norms and applies the activity-based exclusions of Article 12 of the EU regulation on Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks through exclusions as per Robeco’s exclusion policy. ESG factors, including climate change, are integrated in the bottom-up security analysis to assess the decarbonization potential and the impact of financially material ESG risks on the issuer's fundamental quality. In the portfolio construction the fund targets carbon footprints at least equal to the government bond component and the credit component of the Solactive Paris Aware Global Aggregate Index, respectively. This is to ensure the fund is aligned with the desired decarbonization trajectory of 7% year on year.

Footprint Visuals

Carbon ownership - Credit allocation

Footprint ownership expresses the total resource utilization the credit allocation of the portfolio finances. Each assessed companys footprint is calculated by normalizing resources utilized by the companys enterprise value including cash (EVIC). Multiplying these values by the dollar amount invested in each assessed company yields the aggregate footprint ownership figures. The same is done for the corporate bonds in the index. Carbon efficient companies have lower ownership values. The portfolios score is shown in blue and the index in grey.

Carbon intensity - Government bond allocation

Carbon intensity expresses the aggregate efficiency of the government bond allocation of the portfolio. Each country’s carbon intensity is calculated by normalizing the country’s greenhouse gas emissions (expressed in carbon equivalents) by its population size. The portfolio's aggregate intensity figure is calculated by multiplying each portfolio holding’s intensity figure by its respective portfolio weight. The same is done for the government bonds in the index. Carbon efficient countries have lower intensity values. The portfolios score is shown in blue and the index in grey.

Sector allocation

The fund continues to hold overweight positions in attractive carbon scoring countries such as Denmark and the United Kingdom versus underweights in Germany and Japan. We continue to be overweight high-grade supranational green bonds along with EU bonds and increased swap spread exposure. During the month, the underweight to the periphery, specifically Spain and Italy, was brought to neutral. Spread volatility increased through the month and we took profit, closing out CDX EM and ITRX sub-financial positions. Given the further potential spread widening risk, the fund continues to be underweight US IG, EM hard currency beta and industrials. The country carbon footprint is -13% less (better) than the benchmark and the corporate footprint is -43.6% less.

Sector allocation		Deviation index
Treasuries	65.4%	-4.3%
Industrials	10.6%	-6.0%
Financials	10.6%	-0.9%
Supranational	6.7%	6.7%
Agencies	1.8%	1.0%
Utilities	1.2%	-0.1%
Covered	0.3%	0.2%
Local Authorities	0.0%	-0.1%
Cash and other instruments	3.6%	3.6%

Currency allocation

The fund kept its FX risk profile in February with an EUR long position versus various EM currencies. The fund kept its structural short in the ZAR based on negative structural trends in social inequality, rising government debt and political pressures. The fund also kept its underweight in the IDR versus the EUR, because we expect some erosion to come in the independence of the central bank, as its role has been changing more towards that of a fiscal financier. The fund put on two additional shorts in the HUF and PLN based on the rising tensions between Ukraine and Russia earlier in the month. After the Russian invasion of Ukraine, the fund moderated the underweights in HUF and PLN, given their sharp depreciation following the invasion. Given the tapering and potential tightening by the Fed that we expect, due to the very strong inflationary backdrop from the pandemic and Ukraine-Russia war, the fund is short EM currencies versus EUR.

Currency allocation		Deviation index
Euro	101.4%	1.4%
Indonesian Rupiah	-1.0%	-1.0%
South African Rand	-0.5%	-0.5%
Hungarian Forint	-0.4%	-0.4%
Romanian New Leu	0.2%	0.2%
Pound Sterling	-0.2%	-0.2%
U.S. Dollar	-0.2%	-0.2%
Japanese Yen	-0.2%	-0.2%
Chilean Peso	0.1%	0.1%
Czech Koruna	0.1%	0.1%
Swiss Franc	0.1%	0.1%
Peruvian New Sol	0.1%	0.1%
Other	0.4%	0.4%

Duration allocation

The underweight duration of the fund was decreased in the second half of the month to -0.30 years, as geopolitical tensions rose. Most notable are the underweights in Japan and Germany relative to overweights in Denmark and China. The underweight positions are mainly in front-end maturities like 2-years in the US and Europe. In the portfolio overall, we retain our preference for US Treasuries over German Bunds and markets that still have scope for a rally in interest rates, such as China. We are close to neutral duration position in US Treasuries overall, but we hold longs in 30s, while we have short positions in bond futures with 2-year maturities. Also, we continue to prefer sovereign markets with attractive carbon scores and a lower rates beta such as Denmark.

Duration allocation		Deviation index
U.S. Dollar	2.4	-0.1
Euro	2.1	-0.1
Pound Sterling	0.9	0.0
Chinese Renminbi (Yuan)	0.8	0.5
Japanese Yen	0.4	-0.6
Danish Kroner	0.3	0.3
Korean Won	0.0	-0.1
Indonesian Rupiah	0.0	-0.1
Other	0.0	-0.3

Rating allocation

The average rating of the fund increased to Aa2/Aa3, which is higher than that of the index, A1/A2. The fund has about 55% invested in AAA/AA bonds, mainly comprising French and UK government bonds. For A-rated bonds totaling a 24.1% allocation, Spanish, Japanese and Chinese bonds remain the largest sovereign positions. The fund continues to underweight the BBB allocation by -11% relative to the index driven by the corporate and EM underweight. The fund closed its position in Austrian government bonds versus German government bonds, given the Ukraine-Russia war and the exposure Austrian banks have in Russia. The below IG corporate exposure increased slightly by 1.5%. Overall, the fund beta is slightly underweight at 0.98.

Rating allocation		Deviation index
AAA	25.7%	5.0%
AA	29.3%	9.9%
A	24.1%	-9.8%
BAA	14.2%	-11.0%
BA	3.0%	2.9%
B	0.2%	0.2%
NR	0.0%	-0.6%
Cash and other instruments	3.6%	3.6%

Investment policy

RobecoSAM Climate Global Bonds is an actively managed fund that invests in bonds globally. 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 contributes to keeping the maximum global temperature rise well-below 2◦ C by reducing the carbon footprint intensity of the portfolio. 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 fund invests in worldwide bonds and other marketable debt securities and instruments (which may include short dated fixed or floating rate securities) issued or guaranteed by OECD member states and by companies based in OECD countries. The fund is managed against a benchmark that is consistent with the sustainable investment objectives pursued by the fund. It aims to align with the Paris Agreement requirements on greenhouse gas emission reduction. For corporate bonds the Benchmark aims to represent the performance of an investment strategy that is aligned with the technical standards for EU Paris Aligned benchmarks in areas such as exclusions and carbon reduction objectives. For investments in government bonds in the Benchmark, the long term aim is to strive for a 7% year-on-year decarbonization as long as this is realistically feasible and technical standards are not applicable. The Benchmark differs from a broad market index in that the latter does not take into account in its methodology any criteria for alignment with the Paris Agreement on greenhouse gas emission reduction and related exclusions.

Fund manager's CV

Jamie Stuttard is Lead Portfolio Manager of Robeco Global Total Return Bond Fund and Robeco All Strategy Euro Bonds. He started at Robeco in 2018. In the period 2014-2018 Jamie worked at HSBC Bank in London, where was Head of European and US Credit Strategy. Prior to that he held a number of senior fixed income positions at Fidelity Management & Research, Schroder Investment Management and PIMCO Europe. He started his career at Dresdner Kleinwort Benson in London in 1998. Jamie has a Master's in History from University of Cambridge. Regina Borromeo is Portfolio Manager in the Global Macro team with a focus on top-down allocation within credits and on EM allocation. She joined Robeco in 2018. She joined Brandywine Global Investment Management in London, where she worked in the period 2010-2017. Her last position was Head of International High Yield. Before that she was Portfolio Manager and Credit Analyst at Morgan Stanley in London and Philadelphia. Regina started her career in the industry in 2000. She holds a Bachelor's in Communications from University of Pennsylvania. Bob Stoutjesdijk is a portfolio manager and strategist on Robeco's Global Macro team. Bob worked at Shell Asset Management Company as Portfolio Manager Fixed Income Sovereign Credit from 2011 to 2019. Prior to that, he was Portfolio Manager Fixed Income at SNS Asset Management. He started his career as Quantitative Analyst at APG Asset Management in 2008. Bob has a Master's in Economics & Business from Erasmus University Rotterdam and is a CAIA® charterholder.

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.

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