RobecoSAM Climate Global Credits IH EUR

RobecoSAM Climate Global Credits is an actively managed fund that invests mainly in nongovernment bonds all around the world. The selection of these bonds is based on fundamental analysis. The fund has sustainable investment as its objective, within the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on Sustainability-related disclosures in the financial sector. The fund aims to reduce the carbon footprint of the portfolio and thereby contribute towards the goals of the Paris agreement to keep the maximum global temperature rise well-below 2◦ C. The carbon footprint reduction objective will be aligned with the Solactive Paris Aligned Global Corporate Index. The fund invests mainly in nongovernment bonds (which may include contingent convertible bonds (also "coco" bonds) and similar nongovernment fixed income securities and asset backed securities from all around the world. The fund's objective is also to provide long term capital growth.

Peter Kwaak, Reinout Schapers
Fund manager since 09-12-2020

Performance

	Fund	Index
1 m	-1.30%	-1.49%
3 m	2.38%	2.06%
Ytd	-1.44%	-1.51%
1 Year	3.87%	4.50%
2 Years	-4.93%	-4.18%
3 Years	-4.71%	-4.22%
Since 12-2020	-5.18%	-4.45%

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	5.94%	6.36%
2022	-17.78%	-16.56%
2021	-2.19%	-1.86%
2021-2023	-5.20%	-4.50%

Annualized (years)

Index

Solactive Paris Aligned Global Corporate Index

General facts

Morningstar	★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 402,292,100
Size of share class	EUR 3,825,033
Outstanding shares	45,422
1st quotation date	09-12-2020
Close financial year	31-12
Ongoing charges	0.53%
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

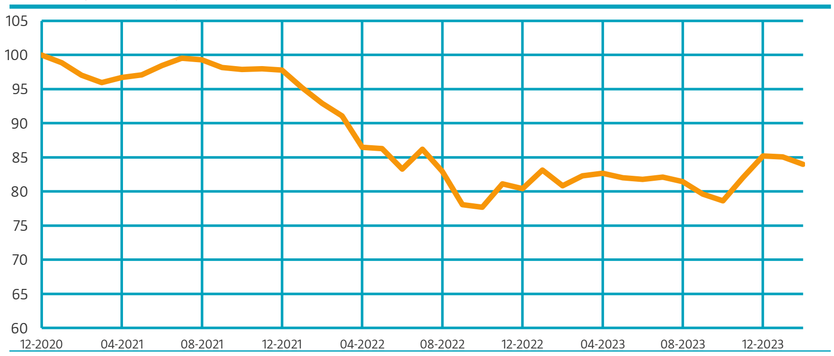
Footprint target

Better than index

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

Performance

Indexed value (until 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -1.30%.
The Paris-Aligned Global Corporate Index return was -1.39% this month (GBP hedged). Credit spreads tightened somewhat, while treasury yields moved higher. The US Treasury 10-year bond yield moved up 35 bps to 4.26% at the end of the month. In Germany, the 10-year government bond yield increased to 2.41% at the end of the month. The portfolio return was -1.09% this month (GBP hedged). The fund outperformed the index by 30 bps this month, mainly driven by issuer selection. Our top-down beta positioning made a neutral contribution this month. The overweight beta position was small, and spreads tightened only marginally. Issuer selection made a positive contribution to performance. The overweight positions in Enel, AXA and ZF Friedrichshafen added value as they outperformed the index. Power generation as a sector did well, as EDF, SSE Plc and Adani Renewables also outperformed.

Market development

Investment grade credit spreads tightened further in February, building on the momentum from the previous months. The average credit spread on the Paris-aligned global investment-grade corporate bond index tightened 2 basis points to 103 bps at the end of the month. The momentum reversed somewhat at the end of the month, especially in the USD market, where supply was quite heavy in February. Several equity indices, including the S&P 500, reached record highs, partially credited to the sustained enthusiasm surrounding advancements in AI applications. Economic data was quite resilient, reinforcing the narrative of a soft landing. Inflation numbers in the US also remained high, with core CPI above expectations at 3.9% in January. As a result, US and German treasury bond yields increased during the month. The primary market for new issues was very active, especially in the US. Pricing was done close to secondary curves, as demand was strong and sustained by robust inflows into credit funds.

Expectation of fund manager

We have reached the end of one of the sharpest hiking cycles in modern history. Economies in Europe and the US have so far moved through it without being derailed. Markets have declared victory and fully embraced a soft-landing scenario. We remain cautious, as we have not fully seen the impact of the tightening cycle yet. Central banks are gradually pivoting, but remain data dependent and rate cuts are still a few months away it seems. We believe selection will be key, not all companies are equal, so it is important to remain vigilant and invest in those companies where risk return is properly balanced. For investment grade portfolios, we continue to see value in euro credit, especially in the banking sector. European spreads have room to tighten further, unlike the US credit market, which trades almost 40% below its long-term average. The underweight in USD credit remains significant. We currently target investment grade portfolio betas to just above 1. We see this small overweight beta as a conservative positioning for IG credit. Given the improved technical picture, we deem it too early to go underweight risk. And this leaves ample room to increase risk if volatility returns.

Top 10 largest positions

The top ten largest issuer positions mainly consist of banks, electric utilities and communications/media companies. These bonds offer attractive valuations. These companies already have a low carbon intensity or credible plans to reduce GHG emissions going forward. This helps to meet the two Paris-aligned decarbonization targets of the fund: 1) At least 50% less carbon intensive than the broad market, and 2) At least 7% year-on-year reduction of the portfolio's carbon intensity going forward.

Fund price

29-02-24	EUR	84.21
High Ytd (01-02-24)	EUR	85.63
Low Ytd (13-02-24)	EUR	83.72

Fees

Management fee	0.40%
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	IH EUR

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

Registered in

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

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	LU2258387716
Bloomberg	ROCCIHE LX
WKN	A3CXTD
Valoren	58900988

Top 10 largest positions

Holdings	Sector	%
Visa Inc	Industrials	2.27
Microsoft Corp	Industrials	2.17
Pfizer Investment Enterprises Pte Ltd	Industrials	2.14
Comcast Corp	Industrials	1.95
AT&T Inc	Industrials	1.79
Citibank NA	Financials	1.71
Apple Inc	Industrials	1.71
Svenska Handelsbanken AB	Financials	1.70
Thermo Fisher Scientific Inc	Industrials	1.61
AXA SA	Financials	1.58
Total		**18.64**

Statistics

	3 Years
Tracking error ex-post (%)	0.78
Information ratio	0.00
Sharpe ratio	-0.65
Alpha (%)	0.23
Beta	1.04
Standard deviation	8.31
Max. monthly gain (%)	4.42
Max. monthly loss (%)	-5.86

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years
Months outperformance	17
Hit ratio (%)	47.2
Months Bull market	14
Months outperformance Bull	7
Hit ratio Bull (%)	50.0
Months Bear market	22
Months Outperformance Bear	10
Hit ratio Bear (%)	45.5

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	A3/BAA1	A3/BAA1
Option Adjusted Modified Duration (years)	6.2	6.2
Maturity (years)	8.3	8.8
Yield to Worst (%, Hedged)	4.2	3.9
Green Bonds (%, Weighted)	15.4	5.2

Changes

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

Sector allocation

Sector allocation is mainly driven by issuer selection and beta decisions. The fund remained overweight in the banking sector. The fund also maintained the underweight in real estate. In non-financial corporates as a whole we are underweight, mainly driven by an underweight in consumer non-cyclicals. In the utility sector, positioning is slightly overweight versus the index. The fund is invested in energy transition leaders such as Enel from Italy, and NextEra in the United States. These companies have clear decarbonization targets, and will contribute to GHG emissions reduction in the future. The fund also invests in electricity grids, as they facilitate the decarbonization via the transportation of renewable energy. We focus on companies with attractive valuations, and a low carbon footprint or a credible strategy to reduce GHG emissions going forward.

Sector allocation		Deviation index
Industrials	47.3%	-3.5%
Financials	38.1%	-2.1%
Utilities	8.1%	2.5%
Agencies	3.2%	0.7%
Local Authorities	1.2%	0.7%
Covered	0.3%	0.0%
Treasuries	0.1%	0.1%
Cash and other instruments	1.6%	1.6%

Currency denomination allocation

Currency positioning is driven by our top-down beta positioning, which takes regional valuation differences into account. All currency exposure is hedged back to the Paris-aligned global investment-grade corporate bond index. Currently, the fund combines an overweight in the EUR credit market with an underweight in the USD market. We view EUR credit spreads as most attractive, while USD corporate bonds trade significantly below their long-term average spread. The portfolio beta remained slightly above one, reflecting our modest overweight view on investment grade credit markets.

Currency denomination allocation		Deviation index
U.S. Dollar	48.8%	-17.9%
Euro	44.1%	16.1%
Pound Sterling	5.5%	0.1%

Duration allocation

The duration of the fund is managed in line with the index.

Duration allocation		Deviation index
U.S. Dollar	4.7	0.0
Euro	1.2	-0.1
Pound Sterling	0.3	0.0

Rating allocation

Our positioning over the different rating buckets is the result of beta positioning and issuer selection. The fund increased exposure to BBB-rated bonds, while remaining underweight in the single-A category. The position in BB-rated bonds was 5% at the end of the month. Subordinated bank debt can be BB-rated, and the fund is also active in BB-rated rising stars, corporate hybrids and emerging market corporates.

Rating allocation		Deviation index
AAA	2.7%	1.3%
AA	9.8%	2.8%
A	33.0%	-9.9%
BAA	47.5%	-0.9%
BA	5.2%	5.0%
NR	0.2%	0.2%
Cash and other instruments	1.6%	1.6%

Subordination allocation

The fund can invest in subordinated debt such as corporate hybrids, and Tier-1 or Tier-2 capital of banks. Positioning in subordinated debt reflects both our beta policy and issuer selection. The relative value versus senior debt is an important factor in the bottom-up issuer and bond selection. The fund remained overweight in bank Tier-1, with absolute exposure around 2% portfolio weight.

Subordination type allocation		Deviation index
Senior	81.2%	-13.9%
Tier 2	9.0%	4.7%
Hybrid	6.1%	5.5%
Tier 1	2.2%	2.2%
Cash and other instruments	1.6%	1.6%

ESG Important information

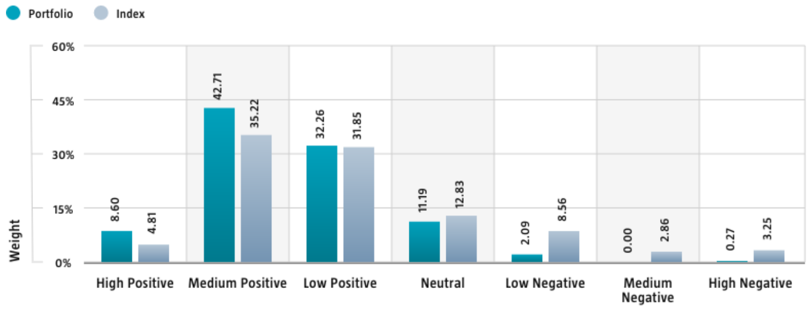
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to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

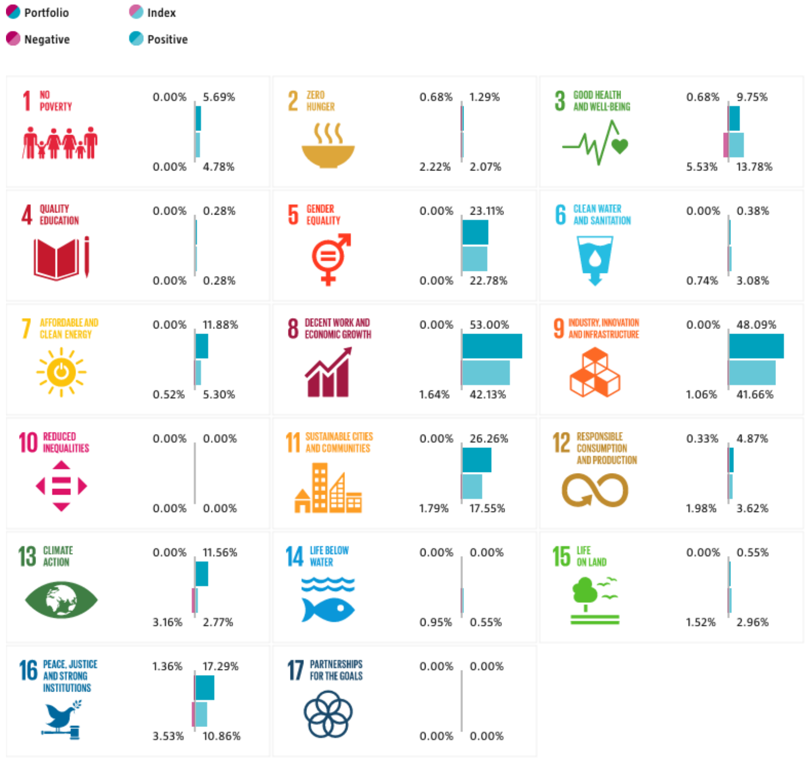
Sustainability

The fund'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, a minimum allocation to ESG-labeled bonds and a carbon footprint target. 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 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 credit quality. Furthermore, the fund invests at least 5% in green, social, sustainable, and/or sustainability-linked bonds. In the portfolio construction the fund targets a carbon footprint at least equal to or better than the Solactive Paris Aligned Global Corporate Index. This is to ensure the fund is aligned with the desired decarbonization trajectory of an average 7% year on year.
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 Solactive Paris Aligned Global 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.

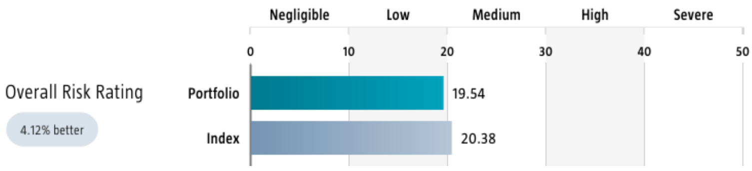


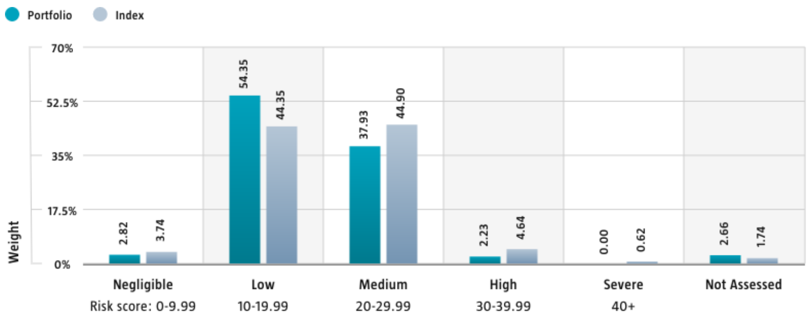


Source: Robeco. Data derived from internal processes.

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.

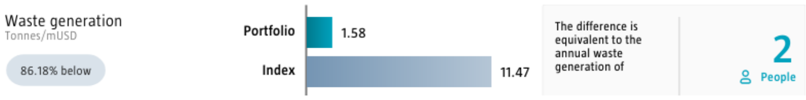




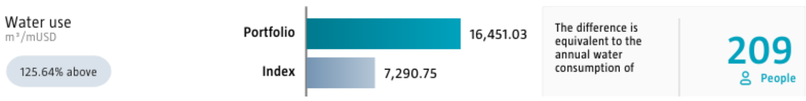
Environmental Footprint

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: Institutional Shareholder Services.



Source: Robeco data based on Trucost data. *



Source: Robeco data based on Trucost data. *

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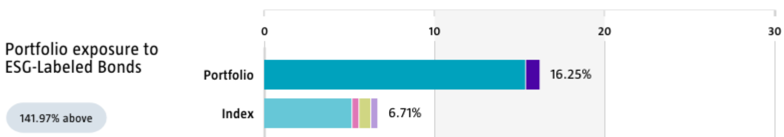
ESG Labeled Bonds

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	15.40%	5.19%
Social Bonds	0.00%	0.41%
Sustainability Bonds	0.00%	0.70%
Sustainability-Linked Bonds	0.85%	0.42%

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

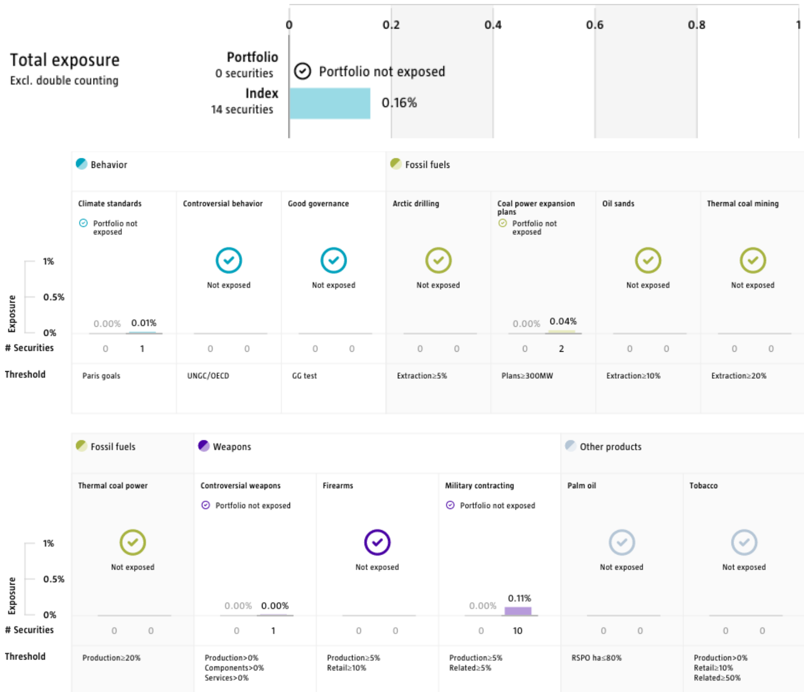
Robeco distinguishes between three types of engagement.
Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear 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)	17.18%	25	94
Environmental	5.66%	10	41
Social	3.61%	6	17
Governance	6.45%	5	10
Sustainable Development Goals	2.35%	4	24
Voting Related	2.43%	2	2
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 Climate Global Credits is an actively managed fund that invests mainly in nongovernment bonds all around the world. The selection of these bonds is based on fundamental analysis. The fund has sustainable investment as its objective, within the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on Sustainability-related disclosures in the financial sector. The fund aims to reduce the carbon footprint of the portfolio and thereby contribute towards the goals of the Paris agreement to keep the maximum global temperature rise well-below 2° C. The carbon footprint reduction objective will be aligned with the Solactive Paris Aligned Global Corporate Index. The fund invests mainly in nongovernment bonds (which may include contingent convertible bonds (also "coco" bonds) and similar nongovernment fixed income securities and asset backed securities from all around the world. The fund's objective is also 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 aims to reduce the carbon footprint of the portfolio and thereby contribute towards the goals of the Paris agreement to keep the maximum global temperature rise well-below 2° C. The fund integrates ESG (Environmental, Social and Governance) factors in the investment process, applies Robeco's Good Governance policy and applies normative exclusions and activity-based exclusions in line with Article 12 of the EU regulation on Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks.
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. 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

Peter Kwaak is Portfolio Manager Investment Grade in the Credit team. Prior to joining Robeco in 2005, he was Portfolio Manager Credits at Aegon Asset Management for three years and at NIB Capital for two years. Peter has been active in the industry since 1998. He holds a Master's in Economics from Erasmus University Rotterdam and he is a CFA® charterholder. Reinout Schapers is Portfolio Manager Investment Grade in the Credit team. Prior to joining Robeco in 2011, Reinout worked at Aegon Asset Management where he was a Head of European High Yield. Before that, he worked at Rabo Securities as an M&A Associate and at Credit Suisse First Boston as an Analyst Corporate Finance. Reinout has been active in the industry since 2003. He holds a Master's in Architecture from the Delft University of Technology.

Team info

The RobecoSAM Climate Global Credits 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 0.01% 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

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.

Sustainability images

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

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