ROBECO

Factsheet | Figures as of 29-02-2024

Robeco Global Credits IH EUR

Robeco Global Credits is an actively managed fund that invests primarily in a diversified portfolio of global investment grade corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. This fund has the flexibility to invest in other fixed income asset classes such as high yield, emerging credits and asset-backed securities. The fund can take limited active duration (interest-rate sensitivity) positions.

Reinout Schapers, Evert Giesen
Fund manager since 04-06-2014

Performance

	Fund	Index
1 m	-1.03%	-1.23%
3 m	2.55%	2.18%
Ytd	-1.17%	-1.41%
1 Year	4.56%	4.54%
2 Years	-3.91%	-3.89%
3 Years	-4.00%	-3.99%
5 Years	0.25%	-0.23%
Since 06-2014	1.33%	0.77%

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	6.40%	6.51%
2022	-16.67%	-16.31%
2021	-1.65%	-1.69%
2020	9.47%	6.73%
2019	9.59%	9.24%
2021-2023	-4.46%	-4.30%
2019-2023	0.91%	0.43%

Annualized (years)

Index

Bloomberg Global Aggregate Corporates Index

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 2,962,587,533
Size of share class	EUR 817,958,546
Outstanding shares	7,201,460
1st quotation date	04-06-2014
Close financial year	31-12
Ongoing charges	0.54%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.

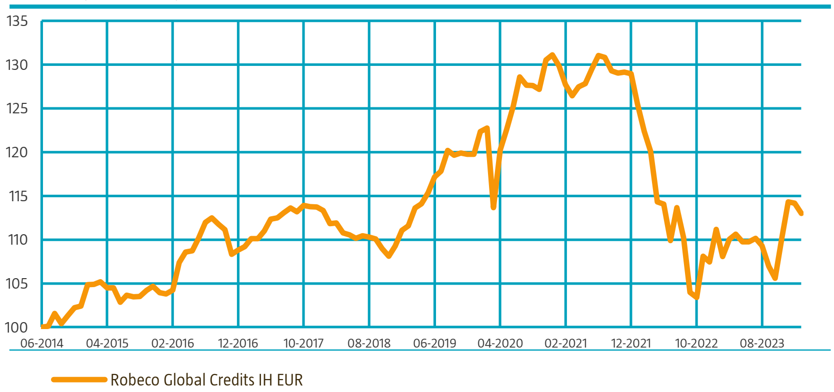
Sustainability profile

Exclusions
ESG Integration
Engagement

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 -1.03%.
The Global Aggregate Corporate Bond Index returned -1.23% (hedged in euro) this month, while excess returns were +0.15%. Underlying government bond yields widened, with the German 10-year yields rising 24 basis points to 2.41% and the 10-year US Treasury rising by 34 basis points to 4.25%. By the end of the month, the credit spread on the Bloomberg Global Aggregate Corporate Bond Index tightened by 4 basis points to 106 basis points. The fund performed better than the index. Performance attribution is divided between beta positioning and issuer selection, which is consistent with our investment approach. Our neutral beta policy contributed nothing to the month. Subsequently, all of the performance came from issuer selection. Notably, our overweight euro credits and underweight USD credits added nicely to the month.

Market development

In February, the trend of spread tightening persisted alongside another robust month for risk assets on a broader scale. Several equity indices, including the S&P 500, reached record highs, partially credited to the sustained enthusiasm surrounding advancements in AI. Global economic data remained strong, reinforcing the narrative of a soft landing, as employment and consumer spending stayed resilient. On the contrary, stubbornly high inflation in the US, with January's core CPI at +0.4%, exceeding expectations, led investors to adjust rate cut expectations, pushing out the anticipated timing of the first rate cut to June. Consequently, sovereign bond yields increased further. US regional banks continued to grapple with challenges, notably New York Community Bancorp's reported loss due to raised loan loss expectations in commercial real estate. Finally, new issue activity continued to be strong and broadened away from financials, with high demand sustaining low concessions and pricing deals competitively against secondary curves. This solid technical backdrop, driven by robust fund flows and yield buyers, caused downward pressure on credit spreads across the board.

Expectation of fund manager

In our recent quarterly outlook, we observed a consensus shift towards a soft landing, a trend that continued in the last quarter. Many economists and strategists abandoned bearish views on the economy. Spread levels have fallen below major banks' 2024 projections. We argue that it remains wise to stay cautious in this environment. Although markets have fully embraced a goldilocks scenario, we think risks have not abated. History tells us that tightening cycles by central banks almost always lead to a recession. The early 90s were the exception when economies continued to do well in the years thereafter. The market is currently pricing in an optimistic scenario, with spreads experiencing significant movement, particularly in US credit markets approaching the bottom decile in valuations. Such a trend is typically observed after extended bull markets rather than in the current environment.

Top 10 largest positions
In our portfolio management, the most relevant issuer positions are those measured in risk points (weight x spread x duration). The largest positions consist of a mix of financials and industrials. Often, we have more than one bond holding in a specific name. Top financial holdings are Deutsche Bank, CaixaBank and Aegon. Top corporate holdings are Warner Bros Discovery, EDF and Paramount.

Fund price
29-02-24	EUR	113.58
High Ytd (01-02-24)	EUR	115.20
Low Ytd (13-02-24)	EUR	112.87

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, France, Germany, 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 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. The income earned by the fund is reflected in its share price. This means that the fund's total performance is reflected in its share price performance.

Derivative policy
Robeco Global Credit make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are very liquid.

Fund codes
ISIN	LU1071420456
Bloomberg	RGBCIHE LX
Sedol	BYQBDJ4
WKN	A14P63
Valoren	24504797

Top 10 largest positions
Holdings	Sector	%
CAR 2023-G1V	ABS	1.78
BNP Paribas SA	Financials	1.66
Banque Federative du Credit Mutuel SA	Financials	1.48
Citibank NA	Financials	1.46
JPMorgan Chase & Co	Financials	1.41
Aegon Bank NV	Financials	1.26
Volkswagen International Finance NV	Industrials	1.24
Morgan Stanley	Financials	1.18
Goldman Sachs Group Inc/The	Financials	1.17
Danske Bank A/S	Financials	1.14
Total		**13.78**

Statistics
	3 Years	5 Years
Tracking error ex-post (%)	0.85	1.08
Information ratio	0.57	0.92
Sharpe ratio	-0.58	0.03
Alpha (%)	0.78	1.07
Beta	1.05	1.06
Standard deviation	8.15	8.13
Max. monthly gain (%)	4.61	5.75
Max. monthly loss (%)	-5.34	-7.32

Above mentioned ratios are based on gross of fees returns

Hit ratio
	3 Years	5 Years
Months outperformance	20	33
Hit ratio (%)	55.6	55.0
Months Bull market	14	31
Months outperformance Bull	8	19
Hit ratio Bull (%)	57.1	61.3
Months Bear market	22	29
Months Outperformance Bear	12	14
Hit ratio Bear (%)	54.5	48.3

Above mentioned ratios are based on gross of fees returns.

Characteristics
	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	6.0	6.0
Maturity (years)	8.0	8.6
Yield to Worst (%, Hedged)	4.3	3.9
Green Bonds (%, Weighted)	5.4	4.6

Sector allocation

The sector allocation is to a large extent driven by bottom-up issuer selection. The fund is overweight in European financials, both banking and insurance. The banking sector globally remains relatively cheap. In particular, senior bank bonds can still be considered on the cheap side. Subordinated financial bonds have performed and are now below median levels. The fund continues to be underweight REITs for many reasons: maturity walls are coming due, higher vacancies at CREs, and lower revaluations. We are neutral on cyclicals and cyclically exposed sectors, but overweight in basic industry due to beneficial cost positions, and underweight risk in energy. The overweight in communications is related to media content creators, which are more focused on free cash flow generation and deleveraging, or incumbent telecom providers with solid market positions. Apart from that, we hold overweight positions in several utility-like agencies, such as TenneT, EDF and DP World.

Sector allocation		Deviation index
Financials	38.5%	-0.5%
Industrials	37.4%	-14.7%
Covered	4.7%	4.7%
ABS	4.5%	4.5%
Utilities	4.3%	-4.5%
Agencies	4.0%	4.0%
Treasuries	2.0%	2.0%
Supranational	0.9%	0.9%
Sovereign	0.1%	0.1%
Cash and other instruments	3.6%	3.6%

Currency denomination allocation

Our currency positioning over different foreign currencies is the result of our beta positioning, sector themes, and issuer selection. The remainder is held in cash. All currency exposure is hedged back to the Bloomberg Aggregate Corporate Index. The funds hold an overweight position in Euro bonds, mainly driven by financials. USD cash bonds underperformed EUR cash bonds in terms of risk-adjusted excess returns for the month.

Currency denomination allocation		Deviation index
U.S. Dollar	50.7%	-16.8%
Euro	40.8%	17.3%
Pound Sterling	4.8%	0.7%
Canadian Dollar	0.0%	-3.2%
Japanese Yen	0.0%	-0.7%
Australian Dollar	0.0%	-0.5%
Swiss Franc	0.0%	-0.4%

Duration allocation

The duration of the fund was in line with its benchmark.

Duration allocation		Deviation index
U.S. Dollar	4.4	0.0
Euro	1.0	0.0
Pound Sterling	0.3	0.0
Canadian Dollar	0.2	0.0

Rating allocation

Our positioning over the different rating buckets is the result of beta positioning, sector themes, and issuer selection. Currently, the fund is underweight investment grade credits and overweight BB credits. Within investment grade rating buckets, we have an overweight position in AAA-rated credits.

Rating allocation		Deviation index
AAA	10.7%	9.8%
AA	8.2%	0.3%
A	24.9%	-18.4%
BAA	45.4%	-2.5%
BA	6.9%	6.9%
B	0.2%	0.2%
NR	0.1%	0.1%
Cash and other instruments	3.6%	3.6%

Subordination allocation

In the allocation to the capital structure, we favor the bonds with the most risk-adjusted performance potential, while taking into account the beta, sector themes, and the credit cycle. The exposure that we do have to subordinated bonds is limited to only positions that have both a good fundamental outlook and a good bond structure.

Subordination type allocation		Deviation index
Senior	82.5%	-11.0%
Tier 2	7.0%	2.3%
Hybrid	4.2%	2.5%
Tier 1	2.6%	2.5%
Cash and other instruments	3.6%	3.6%

ESG Important information

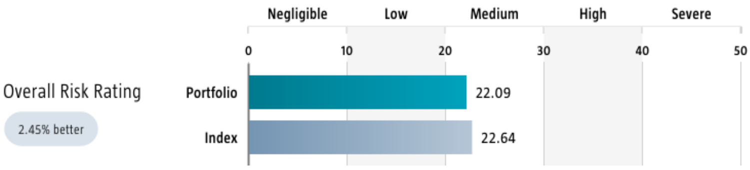
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to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

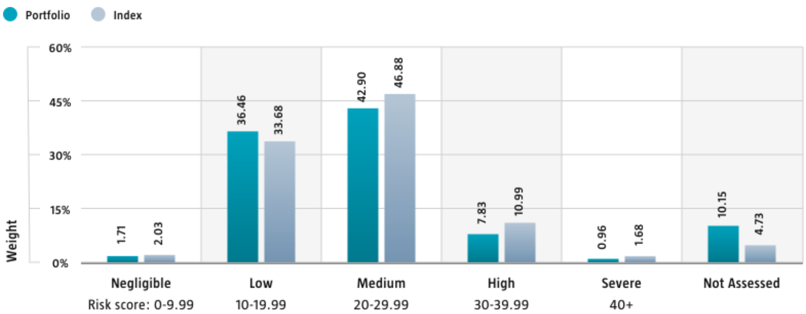
Sustainability

The fund incorporates sustainability in the investment process via exclusions, ESG integration, a minimum allocation to ESG-labeled bonds, and engagement. 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. Financially material ESG factors are integrated in the bottom-up security analysis to assess the impact on the issuer's fundamental credit quality. In the credit selection the fund limits exposure to issuers with an elevated sustainability risk profile. Furthermore, the fund invests at least 5% in green, social, sustainable, and/or sustainability-linked bonds. Lastly, where issuers are flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement.
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 Aggregate Corporates Index.

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.



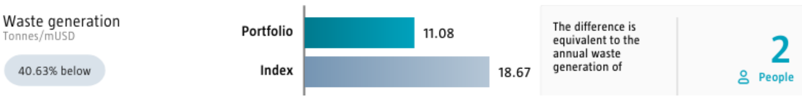


Source: Copyright ©2024 Sustainalytics. All rights reserved.

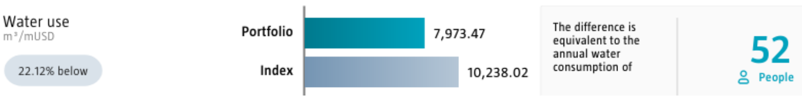
Environmental Footprint

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: Robeco data based on Trucost data. *



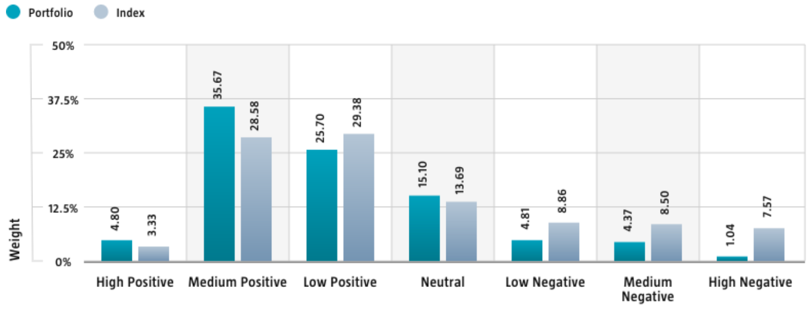
Source: Robeco data based on Trucost data. *



Source: Robeco data based on Trucost data. *

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.



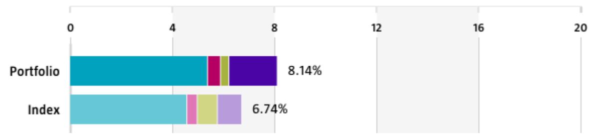
Source: Robeco. Data derived from internal processes.

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 exposure to ESG-Labeled Bonds

20.72% above



	Portfolio weight	Index weight
Green Bonds	5.40%	4.59%
Social Bonds	0.51%	0.41%
Sustainability Bonds	0.33%	0.79%
Sustainability-Linked Bonds	1.90%	0.95%

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

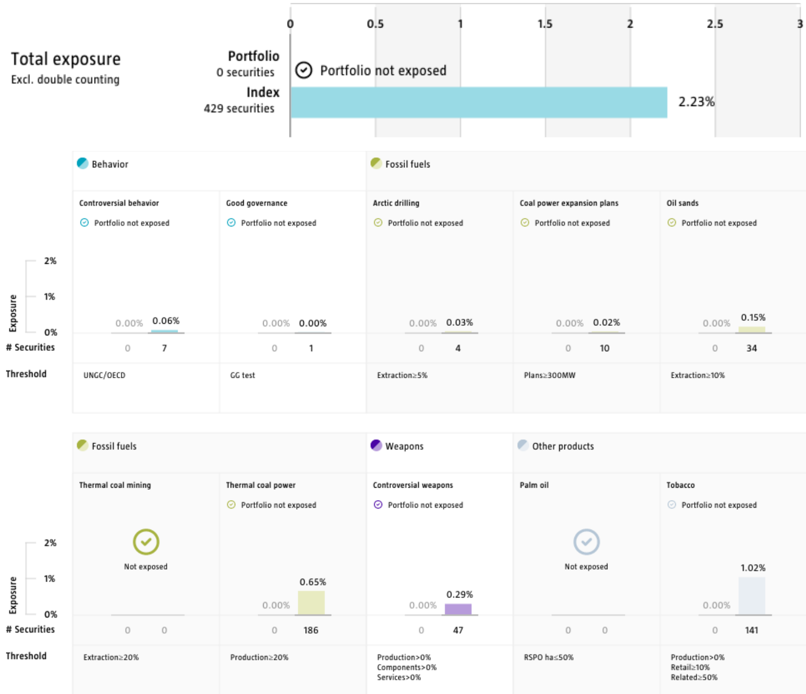
Robeco distinguishes between three types of engagement.
Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear 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)	13.03%	46	163
Environmental	5.45%	20	83
Social	2.62%	15	42
Governance	1.97%	6	14
Sustainable Development Goals	1.04%	4	16
Voting Related	2.55%	6	7
Enhanced	0.22%	1	1

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

Robeco Global Credits is an actively managed fund that invests primarily in a diversified portfolio of global investment grade corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. This fund has the flexibility to invest in other fixed income asset classes such as high yield, emerging credits and asset-backed securities. The fund can take limited active duration (interest-rate sensitivity) positions.
The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions, and engagement.
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, 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

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. Evert Giesen is Portfolio Manager Investment Grade in the Credit team. Previously, he was an Analyst, responsible for covering the Automotive sector within the Credit team. Prior to joining Robeco in 2001, Evert worked at AEGON Asset Management for four years as a Fixed Income Portfolio Manager. He has been active in the industry since 1997 and holds a Master's in Econometrics from Tilburg University.

Team info

The Robeco Global Credits fund 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

Sustainability images

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

Sustainalytics disclaimer

Bloomberg disclaimer

Disclaimer