

ROBECO

Summary document

Robeco All Strategies Funds - Robeco Life Cycle Fund 2040

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Sub-fund invests mainly in investment funds or strategies with E/S promoting characteristics (Article 8) or a sustainable investment objective (Article 9). The Sub-fund considers investment funds promoting at least the same E/S characteristics which the Sub-fund promotes for the direct holdings, as depicted below.

For direct holdings in government bonds:

1. The Sub-fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society, such as exposure to controversial behaviour, controversial weapons, and certain fossil fuel-related activities. Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom.
2. The Sub-fund promotes investment in countries that perform well on the Robeco Country Sustainability Ranking. The Robeco Country Sustainability Ranking incorporates a wide range of ESG factors such as aging, corruption, social unrest, political risks and environmental risks.

For direct holdings in corporate investments, i.e. equity or bonds:

1. The Sub-fund promotes certain minimum environmental and social safeguards through applying exclusion criteria and therefore applies exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society, such as exposure to controversial behaviour, controversial weapons, and certain fossil fuel-related activities.
2. The Sub-fund promotes adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles.
3. The Sub-fund limits exposure to ESG risks by limiting of investing in companies with an elevated sustainability risk based on ESG risk scores whereas all such investments require approval from the Robeco's Sustainable Investment Center of Expertise that oversees that all investments are substantiated and eligible based on a fundamental review on the sustainability risk.

For fund investments, the Sub-fund promotes investments in funds that have a weighted average ESG score that is better than that of the general market index and/or funds that limit investing in companies with an elevated sustainability risk based on ESG risk scores.

Investment Strategy

Robeco Life Cycle Fund 2040 is an actively managed fund that invests in a global mix of asset classes like equity, bonds, deposits, money market instruments. The Sub-fund's objective is to achieve long term capital growth. As the maturity date of the Sub-fund approaches, the mix is adjusted in order to provide a gradual investment risk reduction.

This eliminates the need for investors to switch to another fund with an appropriate short term risk profile. Via the due diligence performed on the funds invested in, the Sub-fund integrates sustainability indicators on a continuous basis. Amongst others, the Sub-fund considers norms-based and activity-based exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the due diligence process.

Benchmark

Not applicable.

Planned asset allocation

The product plans to make a minimum of 0% sustainable investments. All investments are aligned with the E/S characteristics, with the exception of investments in the category "other" which are mostly cash and cash equivalents.

Monitoring and due diligence

Robeco has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments, amongst others taking into account Robeco's risk appetite and sustainability risk management policies. Portfolio managers and analysts are primarily responsible for conducting investment due diligence on their strategies on a daily basis. They are supported by independent monitoring, performed by the Financial Risk Management and Investment Restrictions departments.

Data sources, methodologies and limitations

The product uses several sources for gathering sustainability data. Robeco scrutinises the data quality of each provider during due diligence assessments, that includes reviewing the data model, performing statistical checks and evaluating coverage. Data processing takes place in different forms, the preference is always to have data acquisition as automated as possible to avoid any operational risks or unnecessary human intervention.

Robeco maintains comprehensive methodology documents of our proprietary analytical frameworks on our website. In addition, for some social and environmental characteristics, Robeco relies on externally sourced content for which we aim to select the best of breed vendor for each of our target characteristics. The primary limitation to the methodology or data source is the lack of corporate disclosure. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. To overcome this issue, Robeco has resorted to using multiple data providers, since each has its own respective strengths and weaknesses.

Engagement strategy

The holdings of the fund are subject indirectly, via the fund-of-fund investments, to Robeco's enhanced engagement program, that focuses on companies that severely breach minimum standards which Robeco has set out in terms of corporate behavior, climate and biodiversity. In evaluating corporate behavior, we expect companies to comply with internationally accepted codes of conduct for corporate governance, social responsibility, the environment and transparency such as the UN Global Compact and OECD Guidelines for Multinational Enterprises. In the areas of climate change and biodiversity, we expect companies to make sufficient progress against Robeco's climate traffic light score or against the RSPO certification, respectively. The process for enhanced engagement theme selection is a formal part of our exclusion policy. Enhanced Engagement program includes the themes 'Global controversy', 'Acceleration to Paris', and 'Palm oil'.

In addition, the holdings of the fund are subject indirectly, via the fund-of-fund investments to the selection process of Robeco's value engagement program, that consists of a constructive dialogue between investors and investee companies to discuss how they manage ESG risks and opportunities, as well as stakeholder impact. Although this type of engagement is not directly related to the environmental or social investment strategy of the fund, it can be that adverse sustainability impacts are addressed via the value engagement program.