

RobecoSAM Climate Global Credits IBH JPY

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.



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

Performance

	Fund	Index
1 m	0.22%	0.34%
3 m	-1.28%	-0.95%
Ytd	1.87%	1.91%
1 Year	-6.11%	-5.22%
Since 08-2021	-11.29%	-10.45%

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
2022	-18.56%	-17.37%

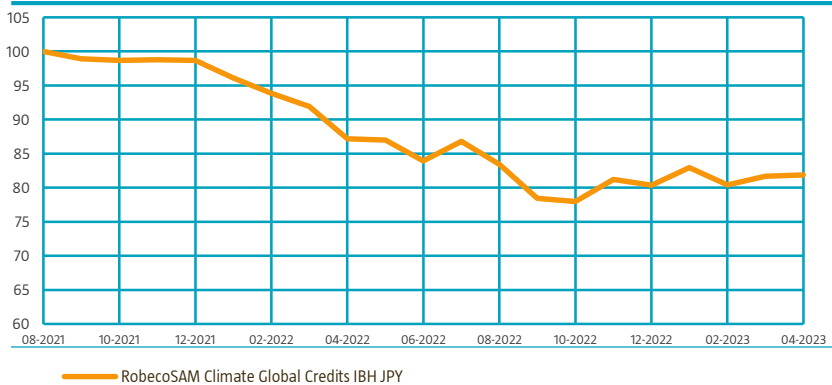
Annualized (years)

Index

Solactive Paris Aligned Global Corporate Index

Performance

Indexed value (until 30-04-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 0.22%.

The monthly return of the Solactive Paris Aligned Global Corporate Index was positive. In the US, 5 and 10-year Treasury yields did not move much, while the average credit spread on the index tightened slightly. The fund's return was slightly below that of the index. Our top-down beta positioning made a positive contribution to the fund's performance. Credit markets slightly outperformed treasuries, while the fund's beta was above one. We continue to hold a long position in Euro swap spreads. The 5-year swap spread was unchanged at the end of the month. Issuer selection made a negative contribution overall. Several overweight positions in the financial sector contributed negatively. The fund does not have exposure to US regional banks. There were no holdings in Credit Suisse subordinated bonds.

Market development

In April, financial markets were relatively quiet and credit spreads traded in a narrow range, as measures of volatility like the VIX moved lower. The credit spread on the Solactive Paris Aligned Global Corporate Index tightened 4 basis points (bps) to 139 bps at the end of the month. Problems in the US regional banking sector continued to pop up. First Republic Bank was the latest victim. The bank faces similar issues as other regional banks, with large unrealized losses on "assets held to maturity". In March, a group of US banks provided USD 30 bln of uninsured deposits to shore up liquidity. The bank was ultimately acquired by JPMorgan in a transaction organized by the US government. Most company earnings exceeded expectations, as the latter had been guided down to relatively low levels. Inflation remains above target levels in both Europe and the US, while tighter bank lending standards led to questions about the number of rate hikes to come. Primary bond markets were relatively subdued due to the earnings season.

Expectation of fund manager

Central banks have been experimenting with monetary policy for many years now. The economic system created debt in all corners of society. A fast and aggressive hiking cycle will reveal many problems, not just at Silicon Valley Bank. A recession could start somewhere toward the end of the year – and we believe central banks will cause one. Recent developments in the banking sector will lead to a further tightening of lending standards, which will put additional pressure on the economy. Our concern is with leveraged sectors that might be interest rate sensitive like real estate. We stick to our overweight beta position. Valuations had improved in March after the spread widening, especially in the financial sector. We are far enough into the business and rate cycle that when markets become too bearish, buying on the dip makes sense. This time, the sell-off in Bank Tier-1 CoCos and subordinated financials led to a buying opportunity in those segments. Valuations for non-financials are relatively less attractive and valuations for most cyclical do not fully reflect recession risks at the moment.

General facts

Type of fund	Bonds
Currency	JPY
Total size of fund	JPY 19,653,834,067
Size of share class	JPY 1,178,298,257
Outstanding shares	150,000
1st quotation date	24-08-2021
Close financial year	31-12
Ongoing charges	0.53%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.
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/>

Top 10 largest positions

The largest issuer overweight positions mainly consist of banks and utilities. The top three holdings are Raiffeisen Bank, SSE Plc and Barclays Plc.

Fund price

30-04-23	JPY	7832.31
High Ytd (02-02-23)	JPY	8058.45
Low Ytd (02-03-23)	JPY	7678.04

Fees

Management fee	0.40%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.15%

Legal status

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

Registered in

Luxembourg, 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 distributes dividend on a quarterly basis.

Fund codes

ISIN	LU2378181999
Bloomberg	ROCGCIJ LX
Valoren	113425291

Top 10 largest positions

Holdings

Microsoft Corp
 BNP Paribas SA
 Procter & Gamble Co/The
 CaixaBank SA
 Apple Inc
 Comcast Corp
 Deutsche Bank AG
 ING Groep NV
 AXA SA
 ABN AMRO Bank NV
Total

Sector	%
Industrials	2.29
Financials	2.11
Industrials	2.09
Financials	2.04
Industrials	1.98
Industrials	1.93
Financials	1.90
Financials	1.82
Financials	1.81
Financials	1.79
Total	19.76

Characteristics

	Fund	Index
Rating	A2/A3	A3/BAA1
Option Adjusted Modified Duration (years)	6.6	6.4
Maturity (years)	7.9	8.9
Yield to Worst (% , Hedged)	0.8	-0.3
Green Bonds (% , Weighted)	11.8	3.7

Sustainability

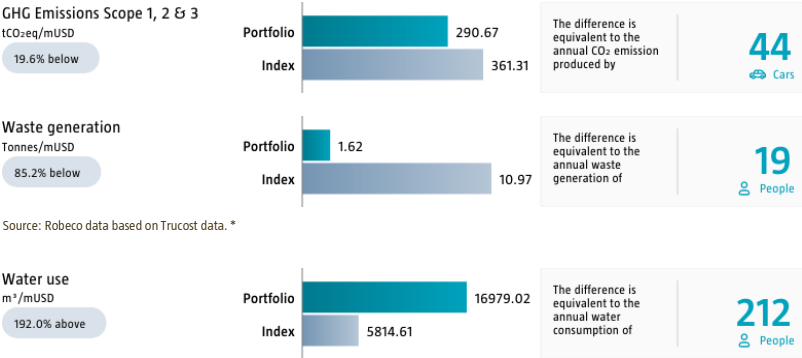
The fund’s sustainable investment objective is to contribute to keeping global temperature rise well-below 2°C by reducing the carbon footprint of the fund. Climate change and sustainability considerations are incorporated in the investment process via exclusions, ESG integration, a minimum allocation 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.

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. Sovereign and cash positions have no impact on the calculation. If an index is selected, its aggregate footprint is 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. Figures only include corporates

The reported waste generation by companies in the portfolio and index can include Incinerated Waste, Landfill Waste, Nuclear Waste, Recycled Waste and Mining Tailing Waste. While these types of waste have different environmental impacts, in the comparison all types of waste are aggregated and expressed as total weight. The difference in tonnes/mUSD invested between portfolio and index is expressed as ‘equivalent to the annual waste generation of # people’, based on the average tonnes of household waste generated per European.



Source: Robeco data based on Trucost data. *

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Sector allocation

Sector allocation is mainly driven by issuer selection and beta decisions. The largest overweights are in banking and utilities. The recent volatility in banks led to attractive buying opportunities, which we continue to hold. In the utility sector we hold issuers that are renewable energy leaders such as Enel, Iberdrola, NextEra and SSE. Their climate strategies include clear decarbonization targets, which will help to decarbonize the portfolio going forward. We also hold government-owned agencies like Greenko Power and TenneT NV. These companies facilitate the decarbonization of other sectors, via the production or transportation of renewable energy. In general, we focus on companies with attractive valuations, in combination with a low current footprint or a credible strategy to reduce GHG emissions going forward.

Sector allocation		Deviation index	
Financials	47.9%	8.2%	
Industrials	33.9%	-18.2%	
Treasuries	7.5%	7.5%	
Utilities	6.4%	1.2%	
Agencies	2.7%	0.5%	
Local Authorities	0.7%	0.2%	
Covered	0.7%	0.4%	
Cash and other instruments	0.3%	0.3%	

Currency denomination allocation

Currency positioning is mainly driven by our beta positioning, regional valuation differences and sector themes. All currency exposure is hedged back to the benchmark: the Solactive Paris Aligned Global Corporate Index. Currently, the fund combines an overweight in EUR credit with an underweight in the USD market. We view EUR spreads as attractive, while USD investment grade corporate bonds are trading close to their long-term average.

Currency denomination allocation		Deviation index	
U.S. Dollar	51.7%	-15.4%	
Euro	43.9%	16.4%	
Pound Sterling	4.1%	-1.2%	

Duration allocation

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

Duration allocation		Deviation index	
U.S. Dollar	4.9	0.1	
Euro	1.3	0.0	
Pound Sterling	0.3	0.0	

Rating allocation

Positioning across rating categories is the result of our beta policy and issuer selection. Currently, the fund is underweight in the single-A category, has a small overweight in BBB-rated bonds, and is overweight in the BB category. The subordinated bank bonds we continue to like are often BB rated.

Rating allocation		Deviation index	
AAA	9.4%	7.9%	
AA	8.9%	1.4%	
A	33.0%	-10.9%	
BAA	40.7%	-6.2%	
BA	7.7%	7.5%	
Cash and other instruments	0.3%	0.3%	

Subordination allocation

The fund can invest in subordinated debt such as corporate hybrids, and Additional Tier-1 or Tier-2 capital of banks. Positioning in subordinated debt reflects both our beta policy and issuer selection. Given the higher risk and return on these instruments, they can be used to manage the portfolio beta. The relative value versus senior debt is an important factor in the bottom-up issuer and bond selection.

Subordination type allocation		Deviation index	
Senior	77.2%	-17.2%	
Tier 2	13.6%	8.6%	
Hybrid	4.6%	4.1%	
Tier 1	4.3%	4.2%	
Cash and other instruments	0.3%	0.3%	

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 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 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's objective is also to provide long term capital growth. 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 carbon footprint reduction objective will be aligned with the Solactive Paris Aligned Global Corporate Index. Benchmark: Solactive Paris Aligned Global Corporate Index. 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

Victor Verberk is CIO Fixed Income and Sustainability and Portfolio Manager Investment Grade Credits. Prior to joining Robeco in 2008, Victor was CIO at Holland Capital Management. Before that, he was Head of Fixed Income at MN Services and Portfolio Manager Credits at AXA Investment Managers. He has been active in the industry since 1997. Victor holds a Master's in Business Economics from Erasmus University Rotterdam and he is a Certified European Financial Analyst. Reinout Schapers is Co-Head Portfolio Management 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. 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.

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.

Fiscal treatment of investor

Investors who are not subject to (exempt from) Dutch corporate-income tax (e.g. pension funds) are not taxed on the achieved result. Investors who are subject to Dutch corporate-income tax can be taxed for the result achieved on their investment in the fund. Dutch bodies that are subject to corporate-income tax are obligated to declare interest and dividend income, as well as capital gains in their tax return. Investors residing outside the Netherlands are subject to their respective national tax regime applying to foreign investment funds. We advise individual investors to consult their financial or tax adviser about the tax consequences of an investment in this fund in their specific circumstances before deciding to invest in the fund.

Morningstar

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Febelfin disclaimer

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