

Robeco Global Credits - Short Maturity IH USD

Robeco Global Credits - Short Maturity is an actively managed fund that invests primarily in a diversified portfolio of global investment grade corporate bonds with a short maturity. 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, Victor Verberk
Fund manager since 04-06-2014

Performance

| | Fund | Index |
|---------------|--------|--------|
| 1 m | 0.67% | 0.71% |
| 3 m | 0.98% | 0.89% |
| Ytd | 2.64% | 2.55% |
| 1 Year | 1.43% | 1.32% |
| 2 Years | -1.87% | -1.76% |
| 3 Years | 0.29% | 0.37% |
| Since 11-2019 | 0.19% | 0.40% |

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 | -5.90% | -5.82% |
| 2021 | -0.34% | 0.01% |
| 2020 | 4.16% | 4.58% |
| 2020-2022 | -0.78% | -0.50% |

Annualized (years)

Index

Bloomberg Global Aggregate Corporate 1-5 years (hedged into USD)

General facts

| | |
|------------------------------|--|
| Morningstar | ★★★★★ |
| Type of fund | Bonds |
| Currency | USD |
| Total size of fund | USD 435,079,092 |
| Size of share class | USD 1,624,505 |
| Outstanding shares | 16,230 |
| 1st quotation date | 26-11-2019 |
| Close financial year | 31-12 |
| Ongoing charges | 0.44% |
| Daily tradable | Yes |
| Dividend paid | No |
| Ex-ante tracking error limit | 3.00% |
| Management company | Robeco Institutional Asset Management B.V. |
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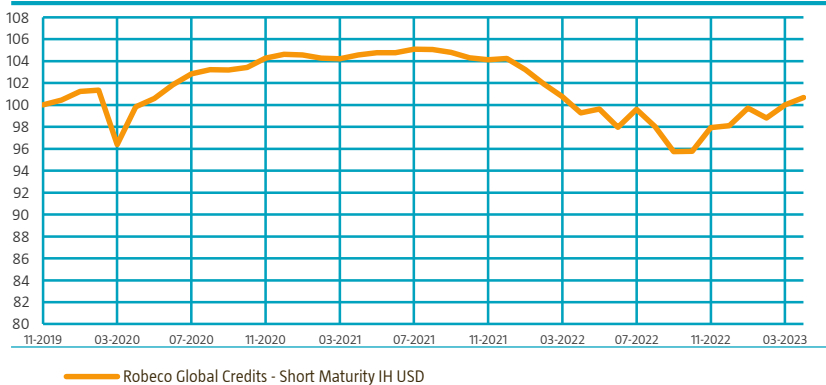
Sustainability profile

- Exclusions
- ESG Integration
- Engagement

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

Performance

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



Performance

Based on transaction prices, the fund's return was 0.67%.

With a beta above 1 and positive credit excess returns in April, the contribution from beta positioning was positive in the month. Issuer selection contributed negatively. Allocation over sectors made a neutral contribution and the negative issuer selection was mainly driven by issuer selection within sectors. Negative contributors were Barclays and tech company Western Digital for example. The position in ZF Friedrichshafen contributed positively.

Market development

In April, financial markets were relatively quiet and credit spreads traded in a narrow range, as broad measures of volatility including VIX and MOVE trended lower. Problems in the US regional banking sector continued to pop up. First Republic Bank, which is mainly active in the market for wealthy clients, 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 larger US banks provided USD 30 bln of uninsured deposits to shore up liquidity. This did not turn the tide for First Republic and the bank was ultimately acquired by JPMorgan in a transaction organized by the US government. 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. In the real estate sector, there continue to be defaults in office property loans. Spreads for the Bloomberg Global Agg Corp 1-5 declined 6 bps in April to 1.30%. The excess return over Treasuries was 0.36% for this index.

Expectation of fund manager

Central banks have been experimenting with monetary policy for years – and have invented a lot of new monetary instruments and strategies along the way. The result has been low or negative yields for way too long. The economic system created debt in all corners of society. A fast and aggressive hiking cycle will for sure reveal many problems. All time-series show 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 more tightening lending standards, which will put additional pressure on the economy. We do believe risks are more skewed to the US market this time. Our concern is with leveraged sectors that might be rate sensitive like covenant-lite leveraged loans, real estate, and CLOs. We are far enough into the business and rate cycle that when markets become too bearish, buying on the dip makes sense.

Top 10 largest positions

In weight terms, our largest single-name exposures are mainly in the bank and insurance sector. The biggest positions in risk points are Barclays, BNP Paribas, Santander UK, ABN Amro and Banco de Sabadell.

Fund price

| | | |
|---------------------|-----|--------|
| 30-04-23 | USD | 100.64 |
| High Ytd (25-04-23) | USD | 100.67 |
| Low Ytd (03-01-23) | USD | 98.15 |

Fees

| | |
|----------------------------|-------|
| Management fee | 0.30% |
| Performance fee | None |
| Service fee | 0.12% |
| Expected transaction costs | 0.10% |

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

| | |
|-----------------|----------|
| Issue structure | Open-end |
| UCITS V | Yes |
| Share class | IH USD |

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 to ensure that positions always meet predefined guidelines.

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

The fund make use of derivatives for hedging purposes as well as for investment purposes.

Fund codes

| | |
|-----------|--------------|
| ISIN | LU2080583474 |
| Bloomberg | ROCSMIU LX |
| Valoren | 51337801 |

Top 10 largest positions

Holdings

Banco Santander SA
Morgan Stanley
BPCE SFH SA
Santander UK Group Holdings PLC
Societe Generale SA
JPMorgan Chase & Co
Apple Inc
Skandinaviska Enskilda Banken AB
Volkswagen Financial Services NV
Deutsche Bank AG
Total

| Sector | % |
|--------------|--------------|
| Financials | 1.89 |
| Financials | 1.89 |
| Covered | 1.73 |
| Financials | 1.73 |
| Financials | 1.56 |
| Financials | 1.54 |
| Industrials | 1.52 |
| Covered | 1.51 |
| Industrials | 1.44 |
| Financials | 1.41 |
| Total | 16.23 |

Statistics

| | 3 Years |
|----------------------------|---------|
| Tracking error ex-post (%) | 0.52 |
| Information ratio | 0.88 |
| Sharpe ratio | -0.15 |
| Alpha (%) | 0.52 |
| Beta | 1.06 |
| Standard deviation | 3.49 |
| Max. monthly gain (%) | 2.25 |
| Max. monthly loss (%) | -2.31 |

Above mentioned ratios are based on gross of fees returns

Hit ratio

| | 3 Years |
|----------------------------|---------|
| Months outperformance | 22 |
| Hit ratio (%) | 61.1 |
| Months Bull market | 20 |
| Months outperformance Bull | 13 |
| Hit ratio Bull (%) | 65.0 |
| Months Bear market | 16 |
| Months Outperformance Bear | 9 |
| Hit ratio Bear (%) | 56.3 |

Above mentioned ratios are based on gross of fees returns

Characteristics

| | Fund | Index |
|---|-------|---------|
| Rating | A2/A3 | A3/BAA1 |
| Option Adjusted Modified Duration (years) | 2.7 | 2.7 |
| Maturity (years) | 2.7 | 2.9 |
| Yield to Worst (% , Hedged) | 5.9 | 5.6 |
| Green Bonds (% , Weighted) | 6.3 | 4.3 |

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.

Sector allocation

In risk points, the portfolio continues to have an overweight position in banking. The portfolio is underweight in the real estate sector; higher yields are having an impact on real estate valuations.

| Sector allocation | | Deviation index | |
|----------------------------|-------|-----------------|--|
| Financials | 47.4% | -3.1% | |
| Industrials | 33.0% | -10.7% | |
| Covered | 7.1% | 7.1% | |
| Utilities | 3.3% | -2.5% | |
| Agencies | 2.6% | 2.6% | |
| Treasuries | 2.5% | 2.5% | |
| ABS | 0.3% | 0.3% | |
| Cash and other instruments | 3.9% | 3.9% | |

Currency denomination allocation

All currency exposure is hedged back to the fund's base currency.

| Currency denomination allocation | | Deviation index | |
|----------------------------------|-------|-----------------|--|
| U.S. Dollar | 58.0% | -2.3% | |
| Euro | 31.3% | 1.4% | |
| Pound Sterling | 6.8% | 3.4% | |
| Canadian Dollar | 0.0% | -4.1% | |
| Japanese Yen | 0.0% | -1.0% | |
| Australian Dollar | 0.0% | -0.7% | |
| Swiss Franc | 0.0% | -0.5% | |
| New Zealand Dollar | 0.0% | -0.1% | |
| Singapore Dollar | 0.0% | -0.1% | |

Duration allocation

The fund duration is in line with the benchmark.

| Duration allocation | | Deviation index | |
|---------------------|-----|-----------------|--|
| U.S. Dollar | 1.6 | 0.0 | |
| Euro | 0.9 | 0.1 | |
| Canadian Dollar | 0.1 | 0.0 | |
| Pound Sterling | 0.1 | 0.0 | |

Rating allocation

The fund has allocated around 6% of its assets to bonds rated below investment grade. The exposure to AAA-rated securities is around 11% and is mainly via covered bonds.

| Rating allocation | | Deviation index | |
|----------------------------|-------|-----------------|--|
| AAA | 11.4% | 10.7% | |
| AA | 5.1% | -2.9% | |
| A | 31.5% | -12.8% | |
| BAA | 42.2% | -4.7% | |
| BA | 5.7% | 5.7% | |
| B | 0.1% | 0.1% | |
| Cash and other instruments | 3.9% | 3.9% | |

Subordination allocation

We continue to like taking exposure to the financial sector via senior and Tier-2 bonds, as these continue to offer decent spreads, and our outlook on the bank and insurance sector remains constructive. The fund currently has a small position in CoCo bonds, as they are attractively valued at the moment.

| Subordination type allocation | | Deviation index | |
|-------------------------------|-------|-----------------|--|
| Senior | 84.5% | -7.6% | |
| Tier 2 | 7.8% | 2.0% | |
| Tier 1 | 2.3% | 2.1% | |
| Hybrid | 1.2% | -0.7% | |
| Subordinated | 0.3% | 0.3% | |
| Cash and other instruments | 3.9% | 3.9% | |

Investment policy

Robeco Global Credits - Short Maturity is an actively managed fund that invests primarily in a diversified portfolio of global investment grade corporate bonds with a short maturity. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. 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. 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 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 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. 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.

Team info

The Robeco Global Credits - Short Maturity fund is managed within Robeco's credit team, which consists of nine portfolio managers and twenty-three credit analysts (of which four financial 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 0.05% 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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