

Factsheet | Figures as of 30-04-2023

Robeco QI Global Multi-Factor Credits ZBH GBP

Robeco QI Global Multi-Factor Credits is an actively managed fund that invests systematically in predominantly investment grade credits. The selection of these bonds is based on a quantitative model. The fund's objective is to provide long-term capital growth. The fund offers balanced exposure to a number of quantitative factors by focusing on bonds with a low level of expected risk (low risk factor), an attractive valuation (value), a strong performance trend (momentum) and a small market value of debt (size). The investment universe includes bonds with at least a BB rating.



Patrick Houweling, Mark Whirly, Johan Duyvesteyn
Fund manager since 15-06-2015

Current MIFID legislation prevents us from reporting performance data for funds with less than a 12 month track record.

Index

Bloomberg Global Aggregate Corporates Index (hedged into GBP)

General facts

Type of fund	Bonds
Currency	GBP
Total size of fund	GBP 905,866,647
Size of share class	GBP 74,735,595
Outstanding shares	710,485
1st quotation date	18-10-2022
Close financial year	31-12
Ongoing charges	0.01%
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.

Based on closing prices, the fund posted a relative return of -0.05% versus the benchmark. Beta allocation slightly detracted and issue(r) selection also made a negative contribution. The value factor made the largest positive contribution, followed by a much smaller positive contribution from size. The low-risk/quality factor detracted somewhat, driven by both the underweight in longer-dated bonds and the defensive company selection. The momentum factor contributed neutrally. Sector allocation detracted somewhat, mainly due to the overweight in the technology sector and the underweight in the REITs sector. Currency allocation contributed slightly positively, mostly due to the overweight in GBP bonds. Country allocation made a positive contribution, primarily due to the underweight in the United States and the overweights in Germany and the United Kingdom; the underweight in Canada slightly detracted. The allocation to subordination groups slightly detracted, due to the underweight in senior financials. Rating allocation made a negative contribution, primarily due to the off-benchmark position in BAs and to a much lesser extent due to the underweight in As.

Sustainability profile

	Exclusions
	ESG Integration
	Engagement
	ESG Target

ESG score target Footprint target

Better than index Better than index

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

Market development

The Bloomberg Global Aggregate Corporates Index posted a positive credit return of 0.35%, as credit spreads tightened somewhat from 153 to 149 bps. The euro-hedged total return was 0.63%, as underlying government bond yields decreased. In April, financial markets were relatively quiet, credit spreads traded in a narrow range and broad measures of volatility, like the VIX and MOVE indices, declined. Problems in the US regional banking sector continued to pop up. First Republic 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 orchestrated 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. The real estate sector saw a continuation of defaults in office property loans, due to rising vacancy rates, higher interest rates, and tighter lending standards.

Expectation of fund manager

Robeco QI Global Multi-Factor Credits invests systematically in predominantly investment grade credits. It offers balanced exposure to a number of quantitative factors. In the long term, we expect the fund to outperform the market by systematically harvesting factor premiums with a risk profile that is similar to the reference index.

Fund price

30-04-23	GBP	105.54
High Ytd (02-02-23)	GBP	107.53
Low Ytd (02-03-23)	GBP	103.17

Fees

Management fee	0.00%
Performance fee	None
Service fee	0.00%
Expected transaction costs	0.21%

Characteristics

	Fund	Index
Rating	A3/BAA1	A3/BAA1
Option Adjusted Modified Duration (years)	6.1	6.2
Maturity (years)	8.2	8.8
Yield to Worst (%, Hedged)	5.1	4.7

Legal status

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

Registered in

Ireland, Luxembourg, Singapore, Switzerland, United Kingdom

Currency policy

Currency risks are hedged.

Risk management

The fund will strive to create a risk profile, which is similar to the reference index. The duration and currency exposure of the portfolio will be hedged to the reference index. The strategy can have significant tracking error versus the reference index. The ratio of the portfolio volatility with respect to the volatility of the reference index is restricted by predefined guidelines. These guidelines also restrict the leverage exposure of derivatives on a fund level and the currency exposure as described in the prospectus.

Dividend policy

In principle, this share class of the fund will distribute an quarterly dividend.

Fund codes

ISIN	LU2539431572
Bloomberg	ROBMFCR LX
Valoren	123039367

Sustainability

The fund incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, and engagement. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Via portfolio construction rules the fund targets a better ESG score and lower carbon, water and waste footprints than that of the reference index. This ensures that credit issuers with better ESG scores or lower environmental footprints are more likely to be included in the portfolio, and vice versa. In addition, our credit analysts check buy candidates and portfolio holdings for ESG risks that may have material impact for bond holders. Lastly, where corporate issuers are flagged for breaching international standards in our ongoing monitoring, the issuer will become subject to engagement.

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. If an index has been selected, those scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.

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. If an index has been selected, the same information is shown for the index.

Only holdings mapped as corporates are included in the figures.
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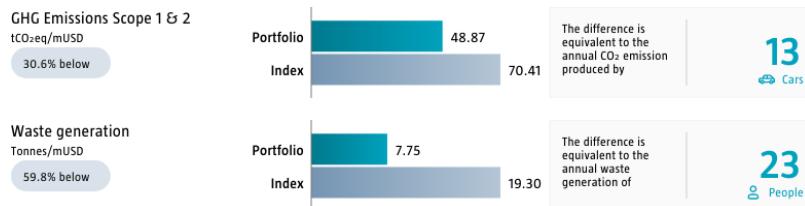


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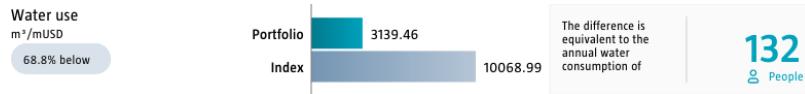
Environmental Footprint

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

Allocations to sectors are limited to 25% (hence avoiding the index's concentration to financials) and an outright restriction to REITs. They are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. The portfolio exposures to the consumer non-cyclical, banking, consumer cyclical and technology sectors increased over the month, while the exposures to the energy and capital goods sectors decreased. The largest underweights remain in the banking and electric utility sectors; the largest overweights remain in the consumer cyclical and consumer non-cyclical sectors.

Sector allocation

		Deviation index
Consumer Non Cyclical	19.0%	5.5%
Banking	18.1%	-8.6%
Consumer Cyclical	13.5%	6.3%
Technology	10.1%	3.2%
Communications	7.9%	0.3%
Energy	7.4%	1.6%
Capital Goods	5.8%	1.2%
Insurance	5.6%	-0.4%
Owned No Guarantee	3.2%	3.2%
Basic Industry	2.4%	-0.5%
Electric	1.5%	-5.3%
Other	3.5%	-8.7%
Cash and other instruments	1.8%	1.8%

Currency denomination allocation

Allocations to bond currency denominations differ from the benchmark by 10% at most, and are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. Currency exposures are subsequently hedged to the currency of the fund class. Over the month, the exposure to USD-denominated paper decreased, while the exposures to EUR and GBP paper increased. The portfolio remains underweight in USD-denominated bonds and overweight in EUR and GBP bonds.

Currency denomination allocation

	Deviation index
U.S. Dollar	-10.6%
Euro	5.5%
Pound Sterling	7.4%
Canadian Dollar	-2.7%
Australian Dollar	-0.3%
Japanese Yen	-0.7%
Swiss Franc	-0.4%

Duration allocation

The duration position is non-tactical and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. Duration is subsequently hedged to that of the benchmark using interest rate derivatives.

Duration allocation

	Deviation index
U.S. Dollar	0.0
Euro	0.0
Pound Sterling	0.0
Canadian Dollar	0.0

Rating allocation

Allocations to rating buckets differ from the benchmark only by a permitted 10% fund exposure to BA, and are otherwise non-tactical, and incidental to the bond selection, which is generated by the quantitative multi-factor ranking model. The portfolio exposures to A and BAA-rated paper increased, while the exposure to AA decreased. The portfolio remains underweight in A and BAA-rated bonds and overweight in AAA and AA bonds, and holds about 8% in off-benchmark BAs.

Rating allocation

	Deviation index
AAA	2.2%
AA	3.5%
A	-9.6%
BAA	-5.6%
BA	7.7%
Cash and other instruments	1.8%

Investment policy

Robeco QI Global Multi-Factor Credits is an actively managed fund that invests systematically in predominantly investment grade credits. The selection of these bonds is based on a quantitative model. The fund's objective is to provide long-term capital growth. The fund promotes ESG (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 fund offers balanced exposure to a number of quantitative factors by focusing on bonds with a low level of expected risk (low risk factor), an attractive valuation (value), a strong performance trend (momentum) and a small market value of debt (size). The investment universe includes bonds with at least a BB rating. The majority of bonds selected will be components of the benchmark, but bonds outside the benchmark may be selected too. The fund can deviate 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

Patrick Houweling is Co-Head of Quant Fixed Income and Lead Portfolio Manager of Robeco's quantitative credit strategies. Patrick has published seminal articles on Duration Times Spread, factor investing in credit markets, corporate bond liquidity and credit default swaps in various academic journals, including the Journal of Banking and Finance, the Journal of Empirical Finance and the Financial Analysts Journal. The article 'Factor Investing in the Corporate Bond Market' he co-authored received a Graham and Dodd Scroll Award of Excellence for 2017. Patrick is a guest lecturer at several universities. Prior to joining Robeco in 2003, he was Researcher in the Risk Management department at Rabobank International where he started his career in 1998. He holds a PhD in Finance and a Master's (cum laude) in Financial Econometrics from Erasmus University Rotterdam. Mark Whirdy is Portfolio Manager Quant Fixed Income. His areas of expertise include portfolio optimization, credit markets, credit derivatives modelling and quant investment process development. Prior to joining Robeco, Mark was Portfolio Manager in the Quant Credit team at Pioneer Investments and Analyst in the Quantitative Equities team at that firm. He is a graduate from University College Dublin, and holds a Master's in Business from University of Ulster. Johan Duyvesteyn is Portfolio Manager Quant Fixed Income. His areas of expertise include government bond market timing, credit beta market timing, country sustainability and emerging-market debt. He has published in the Financial Analysts Journal, the Journal of Empirical Finance, the Journal of Banking and Finance, and the Journal of Fixed Income. Johan started his career in the industry in 1999 at Robeco. He holds a PhD in Finance, a Master's in Financial Econometrics from Erasmus University Rotterdam and he is a CFA® charterholder.

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

The fiscal consequences of investing in this fund depend on the investor's personal situation. For private investors in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Each year investors pay income tax on the value of their net assets as at 1 January if and inasmuch as such net assets exceed the investor's tax-free allowance. Any amount invested in the fund forms part of the investor's net assets. Private investors who are resident outside the Netherlands will not be taxed in the Netherlands on their investments in the fund. However, such investors may be taxed in their country of residence on any income from an investment in this fund based on the applicable national fiscal laws. Other fiscal rules apply to legal entities or professional investors. We advise 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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Disclaimer

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