

Summary document

Robeco Capital Growth Funds - Robeco High Income Allocation

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

The Sub-fund has the following E/S characteristics for direct holdings in government bonds:

1. The Sub-fund promotes certain minimal environmental and social standards and therefore applies exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society, such as investments 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 with minimum average scores on the Robeco Country Sustainability Ranking. The Robeco Country Sustainability Ranking incorporates around 50 ESG factors such as aging, corruption, social unrest, political risks and environmental risks.

The Sub-fund has the following E/S characteristics for direct holdings in corporate investments, i.e. equity or bonds:

1. The Sub-fund applies certain exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society, such as investments 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 investing in companies with an Elevated Sustainability Risk based on ESG risk scores whereas all such investments require approval from the Sustainable Investment Center of Expertise that oversees that all investments are substantiated and eligible based on a fundamental review on the sustainability risk.
4. The Sub-fund promotes good governance and sustainable corporate practices through proxy voting, which contributes to long-term shareholder value creation. This includes taking an active stance on social and environmental topics through Robeco's proxy voting policy.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

Investment Strategy

Robeco High Income Allocation is an actively managed fund that invests in a mix of asset classes across the world. The Sub-fund's objective is to achieve long term capital growth whilst maintaining a consistent level of income. The Sub-fund has a relatively low risk profile and uses asset allocation strategies mainly investing directly in bonds and taking exposure to other asset classes such as, but not exclusively, equities. The asset allocation strategy is subject to investments and volatility restrictions. The strategy integrates sustainability indicators on a continuous basis as part of the direct line investments or underlying fund due diligence process. Amongst others, the Sub-fund applies norms-based and activity-based exclusions, Robeco's good governance policy, Robeco's SDG framework and considers Principal Adverse Impacts in the investment process, and considers those elements in the due diligence of external funds. More product-specific information can be found on our website and the links provided in the final question of this disclosure.

Benchmark

Not applicable.

Planned asset allocation

The product plans to make a minimum of 25% 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 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'.

The holdings of the fund are subject 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 sustainable investment objective of the fund, it can be that adverse sustainability impacts are addressed via the value engagement program. More information can be found in Robeco's Stewardship Policy [Robeco's Stewardship Policy](#).