

# ROBECO

## Summary document

### Robeco UCITS ICAV - Robeco 3D Global Equity UCITS ETF

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

The Fund promotes the following E/S characteristics:

1. The Fund promotes having a substantially lower carbon footprint than the general market index referred to in the Supplement, namely the MSCI World Index (the "Benchmark") (20% lower).
2. The Fund promotes having a substantially lower environmental footprint than the Benchmark (20% lower for water and 20% lower for waste).
3. The Fund has a substantially better weighted average ESG score than the Benchmark.
4. The Fund promotes investment in a portfolio that avoids significant harm to the Sustainable Development Goals (SDGs).
5. The Fund applies certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that the Manager believes are detrimental to society and incompatible with sustainable investment strategies, such as exposure to controversial weapons, and fossil fuels. Via its exclusion policy, the Manager excludes investments in companies involved in thermal coal through several categories. Additionally, investments in companies involved in oil sands and arctic drilling are excluded under the climate-related exclusion categories. These exclusion categories are a part of the Manager's approach to the SFDR PAI indicators related to greenhouse gas emissions and relate to the promoted environmental characteristics of the Fund.
6. While the Fund will only invest in companies that follow minimum good governance practices, the Fund also promotes further good governance and sustainable corporate practices through proxy voting, which contributes to long-term shareholder value creation. This includes taking an active stance by exercising voting rights on social and environmental topics in accordance with the Manager's proxy voting policy, for example by using voting rights to vote against management recommendations in cases of poor corporate governance practices, when proposals are not in the best interest of long-term shareholders and on any other proposal that is out of line with the Manager's policy principles. The Manager's proxy voting policy relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). The ICGN Principles describe the responsibilities of boards and shareholders respectively and aim to enhance dialogue between the two parties. They embody ICGN's mission to inspire and promote effective standards of governance to help advance efficient markets world-wide. More information on the Manager's proxy voting guidelines can be found at the following link: <https://www.robeco.com/en-int/sustainable-investing/influence/proxy-voting-guidelines>. More information on the Manager's stewardship approach and guidelines can be found at the following link: <https://www.robeco.com/files/docm/docu-robeco-stewardship-policy.pdf>.

For the E/S characteristics under 1, 2 and 3 above, reference is made to the Benchmark, i.e. the MSCI World Index. The Benchmark is a broad market weighted index that is not necessarily consistent with the environmental and social characteristics as promoted by the Fund (i.e. any environmental and social governance characteristics promoted by the Benchmark, if any, do not have to be the same as the environmental and social characteristics promoted by the Fund). For the purpose of attaining the environmental and social characteristics promoted by the Fund no other reference benchmark is designated.

#### Investment Strategy

The Fund is actively managed and will apply the Manager's "3D" investment strategy, which seeks to consider risk, return and sustainability in the Fund's portfolio. The Fund's portfolio will be optimised using a quantitative process to target returns in excess of the Benchmark, sustainability characteristics better than the Benchmark and to manage risk compared to the Benchmark. The three dimensions of risk, return and sustainability are considered together in the Manager's proprietary quantitative stock-ranking model, which is described further below.

The Fund seeks to outperform the Benchmark by reflecting the expression of the Manager's positive and negative views on companies within the Benchmark by correspondingly overweighting and underweighting stocks in the Fund's portfolio relative to the weighting in the Benchmark. The relative attractiveness of stocks is determined using the Manager's proprietary quantitative stock-ranking model, which considers proven return factors such as value, quality and momentum. The Manager overweights stocks with an attractive valuation, a profitable operating business, strong price momentum, and positive recent revisions from analysts. As a result of these overweight exposures, the Fund will have a corresponding underweight exposure to other stocks in the Benchmark. All decision making at portfolio level is based on the identification of under-valued and over-valued stocks which is the result of a stock's scoring on the Manager's proprietary quantitative stock-ranking model and the settings of the Manager's portfolio construction algorithm that considers risk, return and sustainability.

#### Benchmark

Not applicable.

#### Planned asset allocation

The product plans to make a minimum of 60% 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 places 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 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.