

ROBECO

Summary document

Robeco High Yield Bonds Feeder Fund zero duration

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

The Fund has the following E/S characteristics:

- The Fund promotes investment in green, social, sustainable and/or sustainability-linked bonds used to finance environmental and social projects.
- The Fund limits investing in companies with an elevated sustainability risk based on ESG risk scores whereas all such investments require separate approval of a dedicated committee that oversees that all investments are substantiated and eligible based on a Fundamental review on the sustainability risk.
- The Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies.
- The 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.

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

Investment Strategy

Robeco High Yield Bonds Feeder Fund is an actively managed Feeder Fund that invests at least 85% of its assets in class Z2H shares (hedged to USD) of Robeco Capital Growth Funds SICAV - Robeco High Yield Bonds ("the Master"). The Master invests in corporate bonds with a sub-investment grade rating, issued primarily by US and European issuers. The selection of these bonds is based on Fundamental analysis as described in the Investment policy strategy paragraph in Appendix I of this prospectus. The Feeder Fund uses interest rate derivatives to hedge the interest rate risk of the Master to nearly zero. The duration hedge will lead to intended performance differences as a result of interest rate movements between the Feeder Fund and the Master.

The strategy integrates sustainability indicators on a continuous basis as part of the bond selection process. Amongst others, the Sub-Fund through its Master Fund, the Sub-Fund applies norms-based, activity-based and regional exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the investment process.

Planned asset allocation

The fund plans to make a minimum amount of 45.0% 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 fund 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 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.