



EXPECTED RETURNS

2022
2026

THE ROASTING TWENTIES

THINGS ARE
HEATING UP

Sustainable Investing Expertise by
ROBECOSAM

ROBECO
The Investment Engineers

Executive summary

The Roasting Twenties

Things are
heating up

It's easy to understand Elon Musk's fascination with Nikola Tesla, the inventor of the alternating current (AC) technology that serves as the backbone of the company's electric vehicles. Talking to *Collier's* magazine back in 1926, in the midst of what came to be known as the Roaring Twenties, Tesla essentially predicted the wireless age, stating: "When wireless is perfectly applied the whole earth will be converted into a huge brain, which in fact it is, all things being particles of a real and rhythmic whole. We shall be able to communicate with one another instantly, irrespective of distance."

Thanks to technologies such as Zoom we are clearly now in the era that Tesla envisioned, in which we indeed “see and hear one another as perfectly as though we were face to face, despite intervening distances of thousands of miles”. Like many of his peers in the Roaring Twenties, Tesla was a techno optimist, inspired by the breathtaking pace of technological advances in the early part of the 20th century.

Looking ahead to 2026 – the end of our five-year horizon in this publication – it’s not difficult to envisage similarities between the Roaring Twenties and what we believe the 2020s may bring. Much like in the 1920s, we have just emerged from a major global crisis during (and thanks to) a period of rapid technological change. US labor productivity growth averaged 2.4% between 1919-29, 60 bps higher than during the war- and pandemic-plagued second decade of the 20th century. We think there could be a similar improvement this time around, and have grown more optimistic about a supply-side boost for the global economy compared with last year. We expect an investment-led pick-up in productivity growth that beats the subdued GDP per capita growth during the 2009-19 Great Expansion – not unlike the jump we saw in the Roaring Twenties.

And we’re also excited about the prospects for technological breakthroughs. If Elon Musk is interviewed by Forbes or a similar magazine in 2026, it’s likely that he’ll have even more reason to exude his optimism about technology than his source of inspiration had exactly a century previously.

Introducing the Roasting Twenties

However, we see some crucial differences between what we now call the Roaring Twenties and the world we live in today. In our view, we are not now in the roaring 2020s, but the Roasting Twenties instead.

First, the reason for optimism linked to technological and economic growth in the coming decade (and so the coming five years as covered by our outlook) rests on a paradox: the optimism is intertwined with that sinking feeling that climate catastrophe is closing in. Back in the 1920s, people could object to the cheap, reliable cars made by Henry Ford by asking what’s wrong with the horse? Today it is obvious what’s wrong with fossil fuel-powered cars and why they need to be replaced. Therefore, the productivity boost that we expect will be the result of the urgency to extend the existing technological frontier to help us face the increasingly complex demands of an aging society, health and climate risks, and economic polarization.

The world is heating up: a recent Intergovernmental Panel on Climate Change report shows that the average global temperature will increase to 1.5°C above pre-industrial levels in the next two decades, even in the most optimistic emissions-reduction scenario. This

temperature increase will be accompanied by more extreme weather events, such as floods, heatwaves and hurricanes, while sea levels are forecast to rise by up to 50 cm by 2100. Developed economies are now facing increased physical climate risks, as we have seen with the recent wildfires in California, Greece and Italy and the flooding in Germany and Belgium. There is no longer any doubt among scientists whether climate change has been caused by human activity: the changes in recent decades are unprecedented in the last 2,000 years.¹ Although carbon futures prices have been surging lately and 86% of investors believe climate risk will be a key theme in their portfolios by 2023,² regional equity valuations do not yet reflect the different climate hazard risks that the various regions are exposed to.

1. For example, between 1800-2006, sea levels rose by around 1.7 mm per year. Since 2006, they have risen by around 3.7 mm per year.

2. Source: 2021 Robeco Global Climate Survey.

We expect investors to increasingly incorporate a consideration of climate risk into their asset allocation decisions in the coming five years. To help them do so, this year we have enriched our existing Expected Returns framework by introducing an analysis of how climate factors could affect asset class valuations in addition to valuation and macroeconomic factors. We also discuss the prospective climate-related risks and opportunities for the various asset classes in our new 'Climate' chapter.

Second, we expect the 2020s to see lots of literal roasting in the metallurgic sense: meeting the Paris climate goals requires an acceleration of the green energy transition, which in turn will mean a lot of ore smelting needs to be carried out. That's because, according to the International Energy Agency, constructing an offshore wind plant requires nine times more mineral resources (in weight terms) than a gas-fired plant, while a typical electric car requires six times more mineral inputs than a conventional vehicle. Electrification of transport will require huge amounts of copper and aluminum in particular.

Third, we envisage that there will be a degree of roasting taking place in the post-Covid corporate landscape due to creative destruction and economic scarring. New forms of hybrid working and labor-saving technological innovations resulting from the pandemic could act as a powerful catalyst for productivity gains, while the heat of new competition (there has been a notable rise in the number of start-ups post-Covid) will eliminate industry laggards. Certain sectors will probably experience a structural fall in demand in the post-Covid expansion, while zombie companies are likely to start feeling the heat of structural economic change.

This brings us to our macroeconomic projections. The global economy has been experiencing an atypical stop-start dynamic in 2020-21. The result is that macroeconomic uncertainty has hit its highest level in recent history, exceeding the levels it reached in the Volcker disinflation period in the early 1980s and the 2008 global financial crisis. This means investors should keep an open mind as to how the economic landscape could unfurl over the coming five years.

Today, the market narrative is dominated by the question of whether inflation will be transitory or longer-term in nature. For now, it's too early to tell. However, we believe that four key factors will play an important role in shaping the macroeconomic landscape in the medium term, and they should also shed some light on the inflation debate.

First is the debt legacy of the Covid shock, as there has been no cleansing of corporate balance sheets of the kind we see in a normal recession. Second, the evolution of the policy trilemma between ending the pandemic, keeping the economy functioning and maintaining personal freedoms. Third comes the interplay between central banks and governments. Finally, geopolitics will be important as tensions between the world's superpowers are on the rise.

Let's now consider our three main scenarios

In our base case scenario, the **Roasting Twenties**, the world transitions towards a more durable economic expansion after a very early-cycle peak in growth momentum in 2021. There is still no clear exit from the Covid-19 pandemic, although governments, consumers and producers have adopted an effective way of dealing with what has become a known enemy.

Negative real interest rates drive above-trend consumption and investment growth in developed economies, while the link between corporate and public capex and the productivity growth that ensues remains intact, with positive real returns on capex benefitting real wages and consumption growth. Workers' bargaining power increases due to more early retirements by members of the baby boomer generation after the pandemic – not only in developed economies, but also in China. Central banks want their economies to grow, but not too much, and in this scenario they have luck on their side.

What about the debate about whether inflation is transitory or on a secular uptrend? It remains largely unresolved, reflecting a stalemate between rising cyclical and falling non-cyclical inflation forces. This creates leeway for the Fed and other developed market central banks to gradually tighten monetary conditions, with a first Fed rate hike of 25 bps in 2023 followed by another 175 bps of tightening over the following three years.

We call our bull case the **Silver Twenties** because in it we see a silver lining for the global economy emerging from the pandemic. Shocks like pandemics have the power to change the fabric of society for the better. In this bullish scenario, effective vaccines lead to herd immunity across the globe and Covid-19 gradually falls by the wayside without the need for an active approach to battle it. There is enormous relief and as such 'animal spirits' are released: "the spontaneous urge to action rather than inaction", as Keynes described this emotional mindset in 1936. The USD 2.5 trillion of excess household savings that have been built up during the pandemic flow into the real economy, while elsewhere, stretched savings rates fall below historical averages.

The global economy is able to maintain above-trend productivity growth for longer as the dislocations in goods and labor markets that have forced companies to adapt are resolved more quickly than in our base case. This means non-cyclical inflation pressures fall in 2022, while cyclical inflation remains in check due to more sizable labor productivity gains on the back of greater technology dispersion across sectors. And with the pandemic out of the way, there is a more constructive dialogue between the US and China on a broad range of topics.

But it's not all good news, so we can't refer to this scenario as the Golden Twenties: outcome-oriented central banks start tightening sooner than in our base case due to the earlier-than-expected progress towards their full employment and inflation targets.

Finally we come to our bear case: the **Stag Twenties**. Here, a slowdown in economic growth momentum in 2022 is reinforced by stubbornly high input costs resulting from persistent dislocations in the capital and labor markets. There is no resolution to the policy trilemma as the pandemic spins out of control as vaccines lose their effectiveness against new mutations. As a result, there are renewed strict lockdowns across the globe, followed by a repeat of the supply shock the world experienced in 2020. The subsequent output losses feed through into lower income growth. With inflation in developed economies in the 3-4% range by 2023, fiscal and monetary policy is constrained and stagflation rears its ugly head.

And now the issues that have been the focus of our Expected Returns publication in recent years come to the fore: excess corporate leverage, high income inequality, the sustainability of the euro experiment and zombification. A new, longer, but shallower recession than the first Covid-19 downturn ensues. After the burst of stagflation, disinflation emerges due to lower consumption growth, higher taxes, forced deleveraging, rising corporate and household defaults, and a depleted wealth effect as financial markets were dealt a severe blow in the preceding episode of stagflation.

Frigid bond markets, torrid equity markets

What does this all mean for investors looking to put their money to work in markets that are already back to – and in some cases above – their pre-pandemic levels?

Current asset valuations, especially those of risky assets, appear out of sync with the business cycle, and are more akin to where they should be late in the cycle. The dominant role central banks have taken on in the fixed income markets has forced yields well below the levels warranted by the macroeconomic and inflation outlook. Torrid valuations are suggestive of below-average returns in the medium term across asset classes, and especially for US equities. This is reason enough to keep an eye on downside risk at a time that many investors have a fear-of-missing-out, buy-the-dip mentality.

And yet ex-ante valuations have historically typically only explained around 25% of subsequent variations in returns. The remaining 75% has been generated by other, mainly macro-related, factors. From a macro point of view, the lack of synchronicity between the business cycle and valuations should not be a problem given our expectations for above-trend medium-term growth, which bode well for margins and top-line growth. In our base case, we expect low-double-digit growth in earnings per share for the global equity markets to make up for sizable multiple compression. Previous regimes in which inflation has mildly overshot its target – something else we expect in our base case – have historically seen equities outperform bonds by 4.4 percentage points per year. A world in which inflation is below 3% should also see the bond-equity correlation remain negative.

Negative real interest rates are here to stay for longer, even though we expect real rates to become less negative towards 2026. That implies some parts of the multi-asset universe could heat up further. With 24% of the world's outstanding debt providing a negative yield in nominal terms, investing in the bond markets is a frigid proposition from a return perspective as it is hard to find ways of generating a positive return. Sources of carry within fixed income are becoming scarcer, and are only to be found in the riskier segments of the market, such as high yield credit and emerging market debt.

With excess liquidity still sloshing around and implied equity risk premiums still attractive, the TINA (There is No Alternative) phenomenon persists as alternatives for equities are hard to find. Overall, we expect risk-taking to be rewarded in the next five years, but judge the risk-return distribution to have a diminishing upside skew. The possibility of outsized gains for the equity markets is still there, but the window of opportunity is shrinking.

Nikola Tesla predicted that the world's temperate zones would become "frigid or torrid". We now know the two extremes co-exist.³ Likewise, asset allocators should ponder how their portfolio could weather a frigid bond market and a torrid equity market at the same time over the next five years.

3. In Greece alone temperatures have ranged from -19°C to +48°C in 2021.

Expected returns 2022-2026

	5-year annualized return	
	EUR	USD
Bonds		
Domestic AAA government bonds	-1.50%	1.00%
Developed global government bonds (hedged)	-0.50%	0.75%
Global investment grade credits (hedged)	0.25%	1.50%
Global corporate high yield (hedged)	1.50%	2.75%
Emerging government debt (local)	2.75%	3.75%
Cash		
	-0.25%	1.00%
Equity		
Developed market equities	4.25%	5.25%
Emerging market equities	4.00%	5.00%
Listed real estate	3.75%	4.75%
Commodities	5.00%	6.00%
Consumer prices		
Inflation	2.00%	2.25%

Source: Robeco, September 2021. The value of your investments may fluctuate and estimated performance is no guarantee of future results.

Important Information

Robeco Institutional Asset Management B.V. has a license as manager of Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) ("Fund(s)") from The Netherlands Authority for the Financial Markets in Amsterdam.

This marketing document is solely intended for professional investors, defined as investors qualifying as professional clients, have requested to be treated as professional clients or are authorized to receive such information under any applicable laws. Robeco Institutional Asset Management B.V. and/or its related, affiliated and subsidiary companies, ("Robeco"), will not be liable for any damages arising out of the use of this document. Users of this information who provide investment services in the European Union have their own responsibility to assess whether they are allowed to receive the information in accordance with MiFID II regulations. To the extent this information qualifies as a reasonable and appropriate minor non-monetary benefit under MiFID II, users that provide investment services in the European Union are responsible to comply with applicable recordkeeping and disclosure requirements.

The content of this document is based upon sources of information believed to be reliable and comes without warranties of any kind. Without further explanation this document cannot be considered complete. Any opinions, estimates or forecasts may be changed at any time without prior warning. If in doubt, please seek independent advice. It is intended to provide the professional investor with general information on Robeco's specific capabilities, but has not been prepared by Robeco as investment research and does not constitute an investment recommendation or advice to buy or sell certain securities or investment products and/or to adopt any investment strategy and/or legal, accounting or tax advice. All rights relating to the information in this document are and will remain the property of Robeco. This material may not be copied or used with the public. No part of this document may be reproduced, or published in any form or by any means without Robeco's prior written permission.

Investment involves risks. Before investing, please note the initial capital is not guaranteed. Investors should ensure that they fully understand the risk associated with any Robeco product or service offered in their country of domicile. Investors should also consider their own investment objective and risk tolerance level. Historical returns are provided for illustrative purposes only. The price of units may go down as well as up and the past performance is not indicative of future performance. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The performance data do not take account of the commissions and costs incurred on trading securities in client portfolios or on the issue and redemption of units. Unless otherwise stated, the prices used for the performance figures of the Luxembourg-based Funds are the end-of-month transaction prices net of fees up to 4 August 2010. From 4 August 2010, the transaction prices net of fees will be those of the first business day of the month. Return figures versus the benchmark show the investment management result before management and/or performance fees; the Fund returns are with dividends reinvested and based on net asset values with prices and exchange rates of the valuation moment of the benchmark. Please refer to the prospectus of the Funds for further details. Performance is quoted net of investment management fees. The ongoing charges mentioned in this document are the ones stated in the Fund's latest annual report at closing date of the last calendar year.

This document is not directed to, or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, document, availability or use would be contrary to law or regulation or which would subject any Fund or Robeco Institutional Asset Management B.V. to any registration or licensing requirement within such jurisdiction. Any decision to subscribe for interests in a Fund offered in a particular jurisdiction must be made solely on the basis of information contained in the prospectus, which information may be different from the information contained in this document. Prospective applicants for shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

The Fund information, if any, contained in this document is qualified in its entirety by reference to the prospectus, and this document should, at all times, be read in conjunction with the prospectus. Detailed information on the Fund and associated risks is contained in the prospectus. The prospectus and the Key Investor Information Document for the Robeco Funds can all be obtained free of charge at Robeco website.

Additional Information for US investors

Robeco is considered "participating affiliated" and some of their employees are "associated persons" of Robeco Institutional Asset Management US Inc. ("RIAM US") as per relevant SEC no-action guidance. Employees identified as associated persons of RIAM US perform activities directly or indirectly related to the investment advisory services provided by RIAM US. In those situation these individuals are deemed to be acting on behalf of RIAM US, a US SEC registered investment adviser. SEC regulations are applicable only to clients, prospects and investors of RIAM US. RIAM US is wholly owned subsidiary of ORIX Corporation Europe N.V. and offers investment advisory services to institutional clients in the US.

Additional Information for investors with residence or seat in Australia and New Zealand

This document is distributed in Australia by Robeco Hong Kong Limited (ARBN 156 512 659) ("Robeco"), which is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order 03/1103. Robeco is regulated by the Securities and Futures Commission under the laws of Hong Kong and those laws may differ from Australian laws. This document is distributed only to "wholesale clients" as that term is defined under the Corporations Act 2001 (Cth). This document is not for distribution or dissemination, directly or indirectly, to any other class of persons. In New Zealand, this document is only available to wholesale investors within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA"). This document is not for public distribution in Australia and New Zealand.

Additional Information for investors with residence or seat in Austria

This information is solely intended for professional investors or eligible counterparties in the meaning of the Austrian Securities Oversight Act.

Additional Information for investors with residence or seat in Brazil

The Fund may not be offered or sold to the public in Brazil. Accordingly, the Fund has not been nor will be registered with the Brazilian Securities Commission – CVM, nor has it been submitted to the foregoing agency for approval. Documents relating to the Fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Fund is not a public offering of securities in Brazil, nor may they be used in connection with any offer for subscription or sale of securities to the public in Brazil.

Additional Information for investors with residence or seat in Canada

No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence. Robeco Institutional Asset Management B.V. is relying on the international dealer and international adviser exemption in Quebec and has appointed McCarthy Tétrault LLP as its agent for service in Quebec.

Additional information for investors with residence or seat in the Republic of Chile

Neither Robeco nor the Robeco funds have been registered with the Comisión para el Mercado Financiero pursuant to law no. 18.045, the Ley de Mercado de Valores and regulations thereunder. This document does not constitute an offer of, or an invitation to subscribe for or purchase, shares of the Funds in the Republic of Chile, other than to the specific person who individually requested this information on his own initiative. This may therefore be treated as a "private offering" within the meaning of article 4 of the Ley de Mercado de Valores (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

Additional Information for investors with residence or seat in Colombia

This document does not constitute a public offer in the Republic of Colombia. The offer of the Fund is addressed to less than one hundred specifically identified investors. The Fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign Funds in Colombia.

Additional Information for investors with residence or seat in the Dubai International Financial Centre (DIFC), United Arab Emirates

This material is being distributed by Robeco Institutional Asset Management B.V. (DIFC Branch) located at Office 209, Level 2, Gate Village Building 7, Dubai International Financial Centre, Dubai, PO Box 482060, UAE. Robeco Institutional Asset Management B.V. (DIFC Branch) is regulated by the Dubai Financial Services Authority ("DFSA") and only deals with Professional Clients or Market Counterparties and does not deal with Retail Clients as defined by the DFSA.

Additional Information for investors with residence or seat in France

Robeco Institutional Asset Management B.V. is at liberty to provide services in France. Robeco France is a subsidiary of Robeco whose business is based on the promotion and distribution of the group's funds to professional investors in France.

Additional Information for investors with residence or seat in Germany

This information is solely intended for professional investors or eligible counterparties in the meaning of the German Securities Trading Act.

Additional Information for investors with residence or seat in Hong Kong

The contents of this document have not been reviewed by the Securities and Futures Commission ("SFC") in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document has been distributed by Robeco Hong Kong Limited ("Robeco"). Robeco is regulated by the SFC in Hong Kong.

Additional Information for investors with residence or seat in Italy

This document is considered for use solely by qualified investors and private professional clients (as defined in Article 26 (1) (b) and (d) of Consob Regulation No. 16190 dated 29 October 2007). If made available to Distributors and individuals authorized by Distributors to conduct promotion and marketing activity, it may only be used for the purpose for which it was conceived. The data and information contained in this document may not be used for communications with Supervisory Authorities. This document does not include any information to determine, in concrete terms, the investment inclination and, therefore, this document cannot and should not be the basis for making any investment decisions.

Additional Information for investors with residence or seat in Japan

This document is considered for use solely by qualified investors and are being distributed by Robeco Japan Company Limited, registered in Japan as a Financial Instruments Business Operator, [registered No. the Director of Kanto Local Financial Bureau (Financial Instruments Business Operator), No. 2780, Member of Japan Investment Advisors Association].

Additional Information for investors with residence or seat in Mexico

The funds have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking and Securities Commission and, as a result, may not be offered or sold publicly in Mexico. Robeco and any underwriter or purchaser may offer and sell the funds in Mexico on a private placement basis to Institutional and Accredited Investors, pursuant to Article 8 of the Mexican Securities Market Law.

Additional Information for investors with residence or seat in Peru

The Fund has not been registered with the Superintendencia del Mercado de Valores (SMV) and is being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Additional Information for investors with residence or seat in Shanghai

This material is prepared by Robeco Overseas Investment Fund Management (Shanghai) Limited Company ("Robeco Shanghai") and is only provided to the specific objects under the premise of confidentiality. Robeco Shanghai was registered as a private fund manager with the Asset Management Association of China in September 2018. Robeco Shanghai is a wholly foreign-owned enterprise established in accordance with the PRC laws, which enjoys independent civil rights and civil obligations. The statements of the shareholders or affiliates in the material shall not be deemed to a promise or guarantee of the shareholders or affiliates of Robeco Shanghai, or be deemed to any obligations or liabilities imposed to the shareholders or affiliates of Robeco Shanghai.

Additional Information for investors with residence or seat in Singapore

This document has not been registered with the Monetary Authority of Singapore ("MAS"). Accordingly, this document may not be circulated or distributed directly or indirectly to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. The contents of this document have not been reviewed by the MAS. Any decision to participate in the Fund should be made only after reviewing the sections regarding investment considerations, conflicts of interest, risk factors and the relevant Singapore selling restrictions (as described in the section entitled "Important Information for Singapore Investors") contained in the prospectus. You should consult your professional adviser if you are in doubt about the stringent restrictions applicable to the use of this document, regulatory status of the Fund, applicable regulatory protection, associated risks and suitability of the Fund to your objectives. Investors should note that only the sub-Funds listed in the appendix to the section entitled "Important Information for Singapore Investors" of the prospectus ("Sub-Funds") are available to Singapore investors. The Sub-Funds are notified as restricted foreign schemes under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and are invoking the exemptions from compliance with prospectus registration requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Sub-Funds are not authorized or recognized by the MAS and shares in the Sub-Funds are not allowed to be offered to the retail public in Singapore. The prospectus of the Fund is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Sub-Funds may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304, Section 305 or any other applicable provision of the SFA and the subsidiary legislation enacted thereunder. You should consider carefully whether the investment is suitable for you. Robeco Singapore Private Limited holds a capital markets services license for fund management issued by the MAS and is subject to certain clientele restrictions under such license.

Additional Information for investors with residence or seat in Malaysia

Generally, no offer or sale of the Shares is permitted in Malaysia unless where a Recognition Exemption or the Prospectus Exemption applies: NO ACTION HAS BEEN, OR WILL BE, TAKEN TO COMPLY WITH MALAYSIAN LAWS FOR MAKING AVAILABLE, OFFERING FOR SUBSCRIPTION OR PURCHASE, OR ISSUING ANY INVITATION TO SUBSCRIBE FOR OR PURCHASE OR SALE OF THE SHARES IN MALAYSIA OR TO PERSONS IN MALAYSIA AS THE SHARES ARE NOT INTENDED BY THE ISSUER TO BE MADE AVAILABLE, OR MADE THE SUBJECT OF ANY OFFER OR INVITATION TO SUBSCRIBE OR PURCHASE, IN MALAYSIA. NEITHER THIS DOCUMENT NOR ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION WITH THE SHARES SHOULD BE DISTRIBUTED, CAUSED TO BE DISTRIBUTED OR CIRCULATED IN MALAYSIA. NO PERSON SHOULD MAKE AVAILABLE OR MAKE ANY INVITATION OR OFFER OR INVITATION TO SELL OR PURCHASE THE SHARES IN MALAYSIA UNLESS SUCH PERSON TAKES THE NECESSARY ACTION TO COMPLY WITH MALAYSIAN LAWS.

Additional Information for investors with residence or seat in Thailand

The Prospectus has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and the Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Additional Information for investors with residence or seat in Brunei

The Prospectus relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). The Prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2013, and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved the Prospectus or any other associated documents nor taken any steps to verify the information set out in the Prospectus and has no responsibility for it. The units to which the Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the units offered should conduct their own due diligence on the units.

Additional Information for investors with residence or seat in Indonesia

The Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

Additional Information for investors with residence or seat in Spain

Robeco Institutional Asset Management BV, Sucursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-14^º, is registered with the Spanish Commercial Registry in Madrid, in volume 19.957, page 190, section 8, sheet M-351927 and with the National Securities Market Commission (CNMV) in the Official Register of branches of European investment services companies, under number 24. The investment funds or SICAV mentioned in this document are regulated by the corresponding authorities of their country of origin and are registered in the Special Registry of the CNMV of Foreign Collective Investment Institutions marketed in Spain.

Additional Information for investors with residence or seat in South Africa

Robeco Institutional Asset Management B.V is registered and regulated by the Financial Sector Conduct Authority in South Africa.

Additional Information for investors with residence or seat in Switzerland

The Fund(s) are domiciled in Luxembourg. This document is exclusively distributed in Switzerland to qualified investors as defined in the Swiss Collective Investment Schemes Act (CISA). This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich. ACOLIN Fund Services AG, postal address: Affolternstrasse 56, 8050 Zürich, acts as the Swiss representative of the Fund(s). UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Europastrasse 2, P.O. Box, CH-8152 Opfikon, acts as the Swiss paying agent. The prospectus, the Key Investor Information Documents (KIIDs), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the office of the Swiss representative ACOLIN Fund Services AG. The prospectuses are also available via the Robeco website.

Additional Information relating to RobecoSAM-branded funds / services

Robeco Switzerland Ltd, postal address Josefstrasse 218, 8005 Zurich, Switzerland has a license as asset manager of collective assets from the Swiss Financial Market Supervisory Authority FINMA.

RobecoSAM-branded financial instruments and investment strategies referring to such financial instruments are generally managed by Robeco Switzerland Ltd. The RobecoSAM brand is a registered trademark of Robeco Holding B.V. The brand RobecoSAM is used to market services and products which do entail Robeco's expertise on Sustainable Investing (SI). The brand RobecoSAM is not to be considered as a separate legal entity.

Additional Information for investors with residence or seat in Liechtenstein

This document is exclusively distributed to Liechtenstein-based duly licensed financial intermediaries (such as e.g. banks, discretionary portfolio managers, insurance companies, fund of funds, etc.) which do not intend to invest on their own account into Fund(s) displayed in the document. This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich, Switzerland. LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, Liechtenstein acts as the representative and paying agent in Liechtenstein. The prospectus, the Key Investor Information Documents (KIIDs), the articles of association, the annual and semi-annual reports of the Fund(s) may be obtained from the representative or via the Robeco website. Additional Information for investors with residence or seat in the United Arab Emirates

Some Funds referred to in this marketing material have been registered with the UAE Securities and Commodities Authority (the Authority). Details of all Registered Funds can be found on the Authority's website. The Authority assumes no liability for the accuracy of the information set out in this material/document, nor for the failure of any persons engaged in the investment Fund in performing their duties and responsibilities.

Additional Information for investors with residence or seat in the United Kingdom

Robeco is subject to limited regulation in the UK by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.

Additional Information for investors with residence or seat in Uruguay

The sale of the Fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The Fund must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Fund is not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The Fund corresponds to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

ROBECO
The Investment Engineers

