

RobecoSAM SDG Credit Income Bx USD

RobecoSAM SDG Credit Income is an actively managed fund that invests in companies that contribute to realizing the UN Sustainable Development Goals (SDGs). The selection of these bonds is based on fundamental analysis. The fund will invest in a broad array of fixed income sectors and utilize income efficient implementation strategies. The fund takes into account the contribution of a company to the UN SDGs. The portfolio is built on the basis of the eligible investment universe and the relevant SDGs using an internally developed framework about which more information can be obtained via the website www.robeco.com/si. The fund's objective is to maximize current income.



Evert Giesen, Reinout Schapers, Jan Willem Knoll
Fund manager since 20-04-2018

Performance

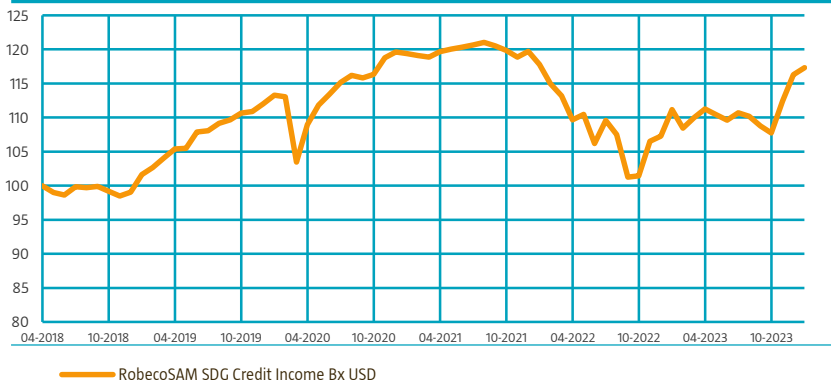
	Fund
1 m	0.89%
3 m	8.89%
Ytd	0.89%
1 Year	5.53%
2 Years	-0.20%
3 Years	-0.58%
5 Years	2.91%
Since 04-2018	2.68%

Annualized (for periods longer than one year)

Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see last page.

Performance

Indexed value (until 31-01-2024) - Source: Robeco



Calendar year performance

	Fund
2023	8.39%
2022	-10.39%
2021	0.08%
2020	6.77%
2019	13.07%
2021-2023	-0.94%
2019-2023	3.25%

Annualized (years)

Performance

Based on transaction prices, the fund's return was 0.89%.

Total return was positive in January. Credit contributed positively to the total return over the month, while duration made a neutral contribution. First Quantum bonds recovered after the bid from Barrick Gold. CoCo bonds from NIBC and Raiffeisen Bank showed a strong performance, as call likelihood is increasing. Braskem bonds, which we added in December, also performed strongly, as the market got more comfortable on the impact of litigation. Charter was among the weaker contributors, as US cable companies traded wider on concerns of fiber competition.

Market development

Economic data in the US continued to be strong, with US fourth-quarter growth at 3.3% and unemployment staying low. Also, more forward looking indicators like consumer confidence indices continued to be strong. In Europe, growth surprised slightly on the upside and the region avoided a technical recession. Central banks played down expectations of a rate cut in March. Five year Treasury yields ended the month unchanged at 3.84%. Although economic data in the US remains robust, there are areas of the economy where higher rates have impact. US regional bank NY Community Bancorp reported a large loss on commercial real estate, and Japanese bank Aozora also reported large losses on US real estate loans. The attacks in the Red Sea by the Houthis are having an impact on trade flows, will lead to trade disruptions and could be inflationary, as container prices tripled over the past months. Oil prices rose in January due to the unrest in the Middle East. The Global High Yield Index rose 9 bps to 4.32% and spreads on the Bloomberg Global Aggregate-Corporates Index declined 4 bps to 1.11%. In emerging markets, the CEMBI spread was unchanged at 3.12%.

Reference index

Bloomberg Customized BBB-BB rated Global Corporate index

Expectation of fund manager

We argue that it remains wise to stay cautious in this environment. Markets seem to have fully embraced a goldilocks scenario. However, in our view, risks have not abated. History tells us that tightening cycles by central banks almost always lead to a recession. The early 90s were the exception when economies continued to do well in the years thereafter. Markets might simply be fooled by the long time lag before rate hikes impact the economy. The market is currently pricing in an optimistic scenario and for longer-dated credits, valuations are approaching historically tight valuations. However, there are still some pockets of value in the market. Valuations in shorter-dated credits are still relatively attractive and are around historical median levels. Bonds in the banking sector also still look attractive. A recession could lead to wider spreads, but the impact on the total return is manageable given the low spread duration. We also expect that in a recession scenario Treasury yields will drop, whereby the fund's 5-year duration position will support total returns.

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	USD
Total size of fund	USD 1,211,723,548
Size of share class	USD 156,178,695
Outstanding shares	1,641,265
1st quotation date	20-04-2018
Close financial year	31-12
Ongoing charges	1.22%
Daily tradable	Yes
Dividend paid	Yes
ex-ante RatioVaR limit	-
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

- Exclusions+
- ESG Integration
- Target Universe

For more information on exclusions see <https://www.robeco.com/exclusions/>
For more information on target universe methodology see <https://www.robeco.com/si>

Top 10 largest positions

The top ten positions mostly consist of high yield-rated corporates and holdings in subordinated financials. Our subordinated financials positions are mainly in Tier-2 securities. Our high yield holdings are to a large extent in subordinated financials.

Fund price

31-01-24	USD	95.16
High Ytd (12-01-24)	USD	95.27
Low Ytd (18-01-24)	USD	94.02

Fees

Management fee	1.00%
Performance fee	None
Service fee	0.16%

Legal status

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

Registered in

Luxembourg, Portugal, Singapore, Spain, Switzerland, United Kingdom

Currency policy

All currency risks are hedged.

Risk management

Risk management is fully embedded in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

This share class of the fund will distribute dividend.

Derivative policy

The fund make use of derivatives for hedging purposes as well as for investment purposes.

Fund codes

ISIN	LU1806346737
Bloomberg	ROCBXHU LX
Valoren	41363967

Top 10 largest positions

Holdings

Deutsche Bank AG
Barclays PLC
Volkswagen Financial Services NV
Banco de Sabadell SA
Nationwide Building Society
Rothesay Life PLC
Santander UK Group Holdings PLC
NIBC Bank NV
INEOS Finance PLC
Societe Generale SA
Total

Sector	%
Financials	1.61
Financials	1.55
Industrials	1.41
Financials	1.41
Financials	1.40
Financials	1.40
Financials	1.38
Financials	1.35
Industrials	1.32
Financials	1.27
Total	14.09

Statistics

	3 Years	5 Years
Information ratio	0.45	0.46
Sharpe ratio	-0.27	0.26
Alpha (%)	0.98	0.93
Beta	1.03	0.94
Standard deviation	7.53	7.67
Max. monthly gain (%)	4.99	5.21
Max. monthly loss (%)	-5.78	-8.22

Above mentioned ratios are based on gross of fees returns

Characteristics

	Fund
Rating	BAA1/BAA2
Option Adjusted Modified Duration (years)	5.0
Maturity (years)	5.7
Yield to Worst (% , Hedged)	6.5
Green Bonds (% , Weighted)	8.3

Sector allocation

The fund invests in investment grade credit, high yield and emerging markets. In our view, the most attractive value can be found in the financial sector. During January, we added exposure to for example OTP, Banca Transilvania and Eurobank. We reduced exposure to Banco Comercial, which had tightened substantially. Also, in other sectors we added some exposure via new deals for SK hynix and Ineos Group.

Sector allocation	
Financials	46.7%
Industrials	29.6%
Treasuries	4.9%
Agencies	4.8%
Utilities	3.6%
Covered	2.7%
ABS	1.3%
Supranational	0.8%
Cash and other instruments	5.5%

Currency denomination allocation

The currency exposure is hedged back to the fund's base currency.

Currency denomination allocation	
Euro	47.9%
U.S. Dollar	35.4%
Pound Sterling	11.1%

Duration allocation

The portfolio interest rate duration is 5 years.

Duration allocation	
U.S. Dollar	5.0
Euro	0.0
Pound Sterling	0.0

Rating allocation

The majority of the fund is invested in the BBB-BB space.

Rating allocation	
AAA	6.4%
AA	3.8%
A	7.1%
BAA	40.6%
BA	32.4%
B	2.9%
CAA	0.3%
NR	1.1%
Cash and other instruments	5.5%

Subordination allocation

The fund holds a significant allocation to banking and insurance, mainly via subordinated bonds. In the CoCo space there are still opportunities and we added in Barclays and Van Lanschot. We reduced CoCo exposure in Raiffeisen Bank.

Subordination type allocation	
Senior	57.2%
Tier 2	15.8%
Tier 1	12.4%
Hybrid	8.6%
Subordinated	0.5%
Cash and other instruments	5.5%

ESG Important information

The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

Sustainability

Sustainability is incorporated in the investment process by the means of a target universe, exclusions, ESG integration, and a minimum allocation to ESG-labeled bonds. The fund solely invests in credits issued by companies with a positive or neutral impact on the SDGs. The impact of issuers on the SDGs is determined by applying Robeco's internally developed three-step SDG Framework. The outcome is a quantified contribution expressed as an SDG score, considering both the contribution to the SDGs (positive, neutral or negative) and the extent of this contribution (high, medium or low). In addition, the fund does not invest in credit issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. ESG factors are integrated in the bottom-up security analysis to assess the impact of financially material ESG risk on the issuer's fundamental credit quality. Furthermore, the fund invests at least 5% in green, social, sustainable, and/or sustainability-linked bonds. Lastly, where a credit issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to exclusion.

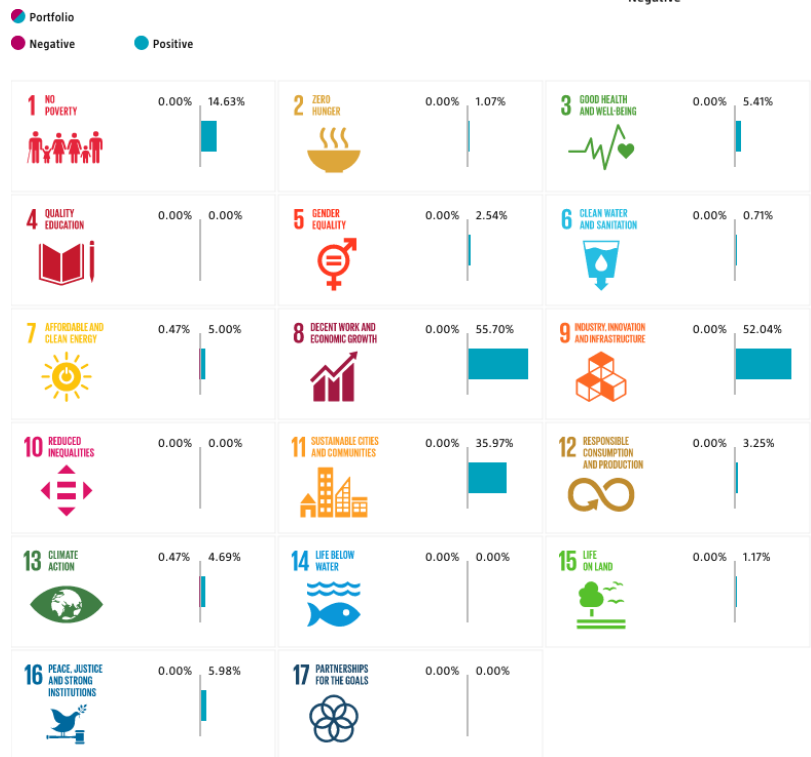
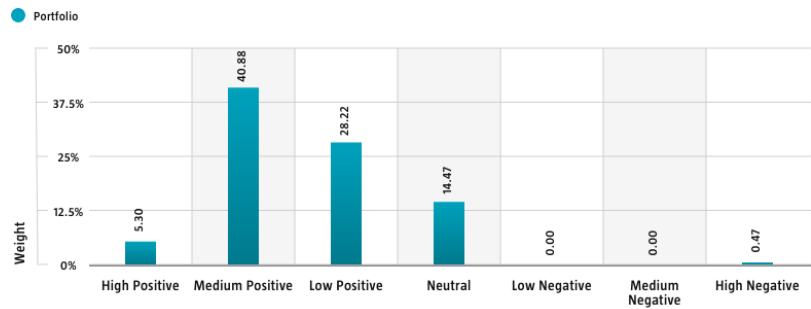
The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures.

The index used for all sustainability visuals is based on Bloomberg Customized BBB-BB rated Global Corporate index, 1-7 years.

SDG Impact Alignment

This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment with the relevant SDGs and assign a total SDG score. The score ranges from positive to negative impact alignment with levels from high, medium or low impact alignment. This results in a 7-step scale from -3 to +3. For comparison, index figures are provided alongside that of the portfolio. Only holdings mapped as corporates are included in the figures.

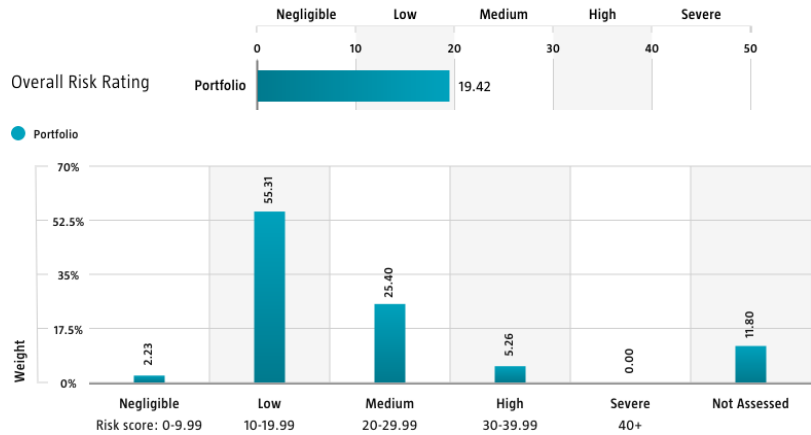
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Source: Robeco. Data derived from internal processes.

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. 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. Index scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index. Only holdings mapped as corporates are included in the figures.



Source: Copyright ©2024 Sustainalytics. All rights reserved.

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. For comparison, index footprints are 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. Only holdings mapped as corporates are included in the figures.

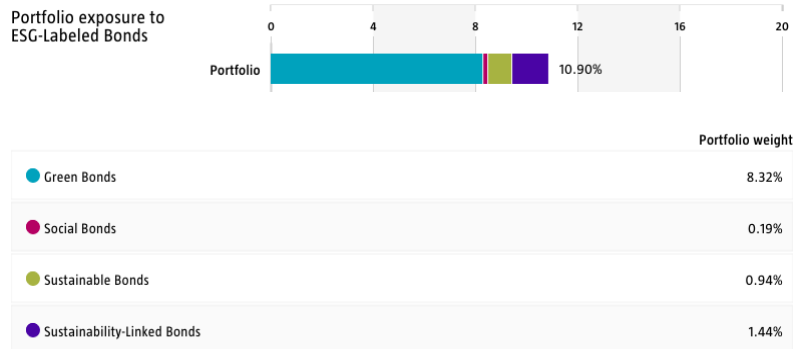


Source: Robeco data based on Trucost data. *

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ESG Labeled Bonds

The ESG-labeled bond chart displays the portfolio's exposure to ESG-labeled bonds. Specifically, green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. This is calculated as a sum of weights for those bonds in the portfolio that have one of above mentioned labels. Index exposure figures are provided alongside the portfolio exposure figures, highlighting the difference with the index.



Source: Bloomberg in conjunction with data derived from internal processes. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg").

Engagement

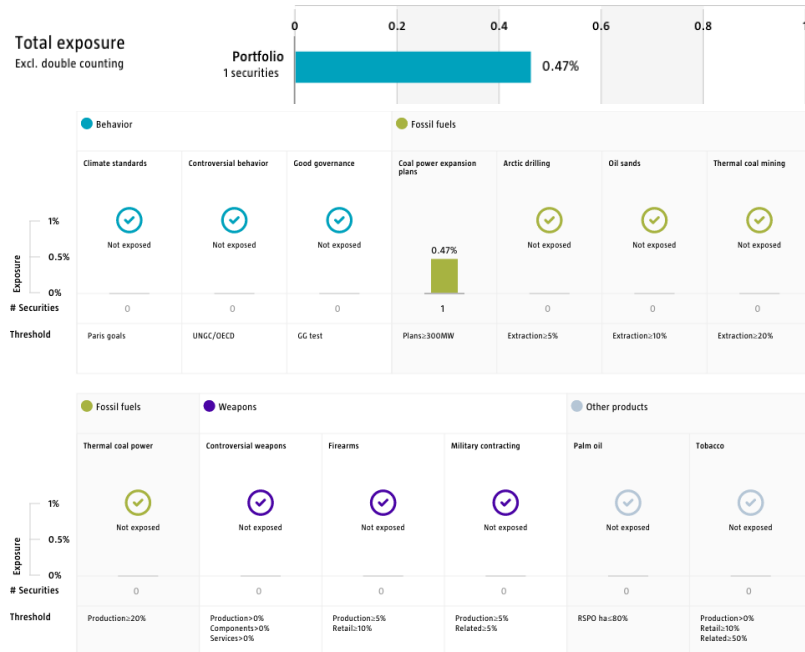
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching international standards. The report is based on all companies in the portfolio for which engagement activities have taken place during the past 12 months. Note that companies may be under engagement in multiple categories simultaneously. While the total portfolio exposure excludes double counting, it may not equal the sum of individual category exposures.

	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	9.40%	17	55
Environmental	3.91%	6	26
Social	1.39%	5	14
Governance	0.94%	1	5
Sustainable Development Goals	1.32%	2	7
Voting Related	1.84%	3	3
Enhanced	0.00%	0	0

Source: Robeco. Data derived from internal processes.

Exclusions

The Exclusions charts display the degree of adherence to exclusion applied by Robeco. For reference, index exposures are shown beside that of the portfolio. Thresholds are based on revenues unless otherwise indicated. For more information about the exclusion policy and which level applies, please refer to the Exclusion Policy and Exclusion List available on Robeco.com.



Source: We use several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, Freedom House, Fund for Peace and International Sanctions; further policy document available [Exclusion Policy](#)

Investment policy

RobecoSAM SDG Credit Income is an actively managed fund that invests in companies that contribute to realizing the UN Sustainable Development Goals (SDGs). The selection of these bonds is based on fundamental analysis. The fund will invest in a broad array of fixed income sectors and utilize income efficient implementation strategies. The fund takes into account the contribution of a company to the UN SDGs. The portfolio is built on the basis of the eligible investment universe and the relevant SDGs using an internally developed framework about which more information can be obtained via the website www.robeco.com/si. The fund's objective is to maximize current income.

The fund has sustainable investment as its objective within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation. The fund advances the UN Sustainable Development Goals (SDGs) by investing in companies whose business models and operational practices are aligned with targets defined by the 17 UN SDGs. The fund integrates ESG (Environmental, Social and Governance) factors in the investment process, applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to normative, activity-based and region-based exclusions.

The investment policy of the fund is not constrained by a benchmark.

Fund manager's CV

Evert Giesen is Portfolio Manager Investment Grade in the Credit team. Previously, he was an Analyst, responsible for covering the Automotive sector within the Credit team. Prior to joining Robeco in 2001, Evert worked at AEGON Asset Management for four years as a Fixed Income Portfolio Manager. He has been active in the industry since 1997 and holds a Master's in Econometrics from Tilburg University. Reinout Schapers is Portfolio Manager Investment Grade in the Credit team. Prior to joining Robeco in 2011, Reinout worked at Aegon Asset Management where he was a Head of European High Yield. Before that, he worked at Rabo Securities as an M&A Associate and at Credit Suisse First Boston as an Analyst Corporate Finance. Reinout has been active in the industry since 2003. He holds a Master's in Architecture from the Delft University of Technology. Jan Willem Knoll is Portfolio Manager Investment Grade in the Credit team. He joined the Credit team in 2016. Previously, Jan Willem headed the Financials Equity sell-side research team at ABN AMRO. He started his career in the industry in 1999 at APG, where he held several positions including Portfolio Manager of a global insurance portfolio and subsequently a pan-European financials portfolio. Jan Willem holds a Master's in Business Economics from the University of Groningen 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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Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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