

GLOBAL CONTRARIAN CREDIT STRATEGIES

Building alpha with high-quality credit

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investors only, not for onward distribution.
July 2025

At Robeco we help you target opportunities
by not following the crowd

Why credit,
why now?

Unlocking income
potential

Turning overlooked
opportunities into
alpha

Why Robeco?

1. Why credit, why now?

In today's volatile market, high-quality credit stands out. As geopolitical and economic uncertainties continue, global diversification becomes essential for managing risk. Instead of following the crowd, we take a selective approach to uncovering overlooked opportunities across global credit markets.

While quality credit offers compelling opportunities, it is not without risks. Credit investments are subject to market, interest rate, and credit risk, which can impact returns. Past performance is not a guarantee of future results.

FIVE REASONS TO INVEST IN QUALITY CREDIT

1. BENEFITS IN A RATE-CUTTING ENVIRONMENT

Investment grade credit has historically tended to outperform cash when interest rates decline.

2. HIGHER YIELDS WITH INCOME POTENTIAL

Elevated yields can contribute to income generation, particularly in the current market environment.

3. A DIVERSIFIER AS INFLATION STABILIZES

Bonds may reclaim their role in cushioning portfolios during market stress.

4. ATTRACTIVE RISK-ADJUSTED RETURNS

Investment grade credit offers steady income with lower risk than equities or high yield bonds.

5. FAVORABLE MACRO TAILWINDS

Slowing inflation, falling rates, and solid corporate fundamentals may support credit markets.

OUTYIELDING CASH

As policy rates come down, the case for staying in cash weakens. Investment grade credit remains one of the few places where investors can still earn a real yield.

“ High-quality credit helps lower portfolio volatility and has historically been less volatile than Treasuries

Evert Giesen,
Portfolio Manager Credit Income strategy

As central banks begin to cut rates, yields on cash have declined, leaving investors seeking more rewarding sources of income. Investment grade credit continues to offer an attractive yield premium.



Past performance is no guarantee of future results. The value of your investments may fluctuate.
Global investment grade credit yield = Yield to worst, Bloomberg Global Aggregate Corporate Total Return Index.
Source: Bloomberg, Robeco, June 2025.

2. Unlocking income potential

With yields at elevated levels, investment grade credit offers the potential for strong, stable income while maintaining quality exposure.

“ Valuations may be tight, but the underlying credit story remains intact

Jan Willem Knoll,
Portfolio Manager, Euro Credit Bonds strategy

US and European investment grade corporate bond yields have risen significantly in recent years, now sitting above historical averages*.



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 * Historical average yields: ~ 5.27% (US BBB corporates), ~ 4.56% (US A corporates), ~ 1.41% (European IG).
 Source: Bloomberg, Robeco, June 2025

3. Turning overlooked opportunities into alpha¹

Being contrarian means investing in assets that are now undervalued or out of favor, a core part of our approach.

Our Global Credits strategies actively manage risk, increasing exposure when markets fall and reducing it when markets stabilize.

The examples show how this approach has supported performance, especially during tough times like 2023 and 2025.²

1. Alpha refers to the excess return of an investment relative to a benchmark index and is a measure of performance.
2. Past performance is no guarantee of future results.
3. AT1 CoCos are hybrid securities issued by banks to meet regulatory capital requirements

US REGIONAL BANK TURMOIL BNP PARIBAS

During the period of Credit Suisse volatility in 2023, we identified a compelling opportunity in the market. We invested in AT1 CoCo debt³ issued by BNP Paribas, ABN AMRO, Barclays, BBVA, and Deutsche Bank. Following a robust recovery, we took profits in Q4 2023 and Q1 2024.

AFTER TRUMP'S RE-ELECTION

In November 2024, spreads on European automotive bonds widened as markets feared new US tariffs on the sector. We took the opportunity to add exposure to German names such as Volkswagen, BMW, and several automotive suppliers, believing the spread widening was overdone. As these concerns eased, spreads began to tighten in Q1 2025, allowing us to take profits toward the end of the quarter.

LIBERATION DAY SELL-OFF

After US President Trump announced reciprocal tariffs on countries with large trade surpluses, Asian USD credit spreads widened in response. In April, we increased exposure to Asian utilities and renewable operators, which are not directly affected by the tariffs. These names performed well in the subsequent market rally across April and May.

The companies shown are for illustrative purposes only in order to demonstrate the investment strategy on the date stated. The companies are not necessarily held by a strategy/fund. No inference can be made on the future development of the company.

4. Why Robeco?

“ For investors seeking safety and opportunity, a truly global investment approach can uncover many possibilities

Erik Keller,
Client Portfolio Manager



GLOBAL SCALE

With over 40 credit professionals across Europe, Asia, and emerging markets, we take a global approach to capturing alpha through the cycle.



CONTRARIAN APPROACH FOR OUTPERFORMANCE

We target undervalued opportunities that others may overlook.



ACTIVE MANAGEMENT

We apply research-driven insights to identify opportunities and manage risk.



50 YEARS OF EXPERTISE

With five decades in fixed income, we combine experience and innovation in managing over EUR 44 billion.



ESG INTEGRATION

Considering ESG factors in the investment process enhances decision-making by providing deeper insights into risks and opportunities.

Source: Robeco, March 2025

Robeco Credit Income strategy

A multi-asset credit strategy that seeks to deliver attractive yield and income by investing across global investment grade, high yield, and emerging markets. The strategy primarily invests in short-dated bonds, with a typical duration of 3-5 years. The strategy primarily invests in crossover credit (BBB- and BB-rated bonds) and avoids exposure to lower-quality credit.

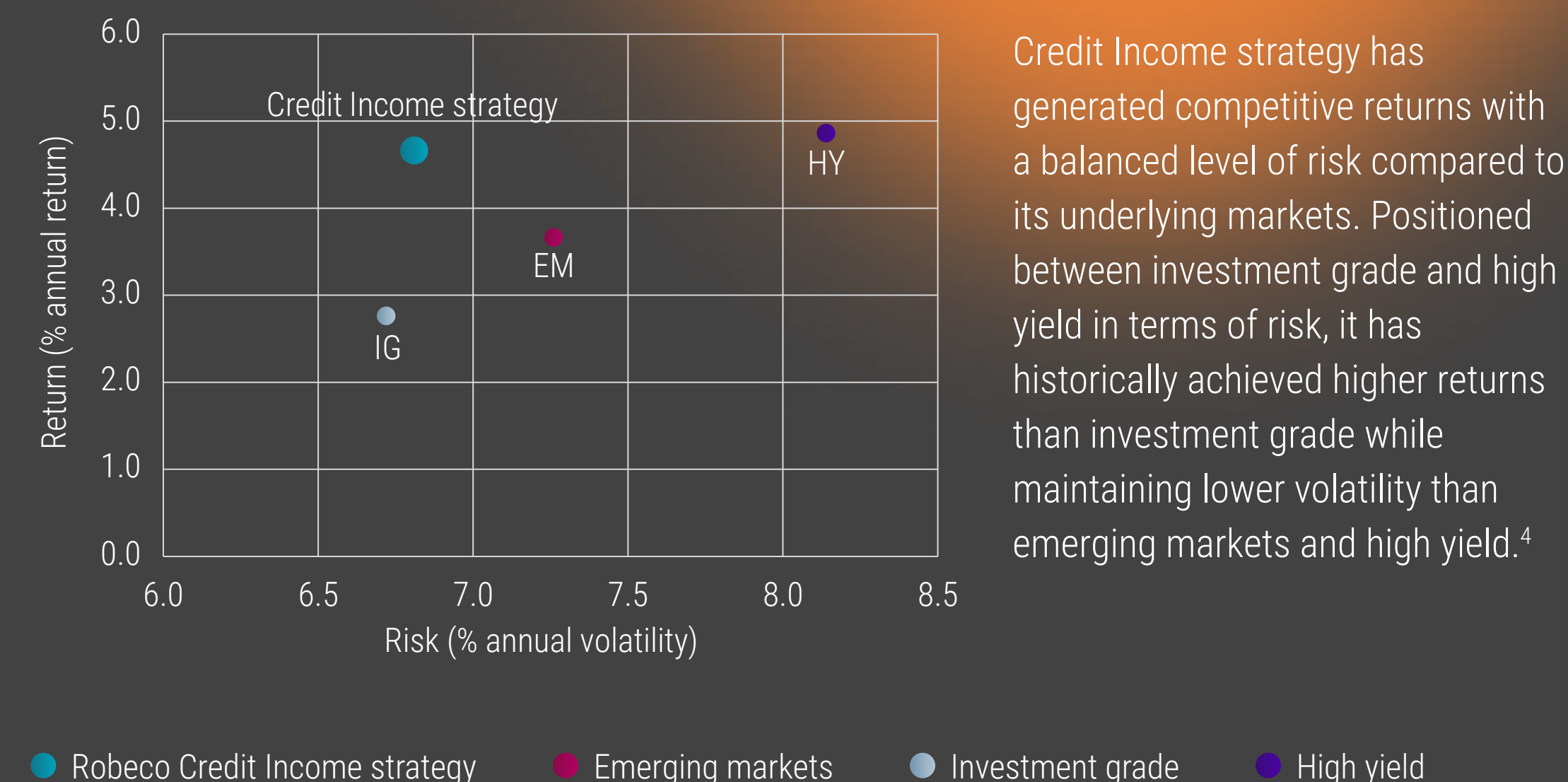
Annualized performance	1-year	3-year	5-year	Since inception
Robeco Credit Income strategy	6.59%	2.01%	3.04%	4.33%

Benchmark	No benchmark constraints
Total size of entire strategy including mandates	USD 2.6 billion
Inception date of strategy	June 2018

Past performance is no guarantee of future results. The value of your investments may fluctuate.

Source: Robeco. Illustrative strategy: Robeco Credit Income (hedged into USD) strategy, is based on a combination of multiple portfolios and mandates. All figures in USD. Data as of 31 December 2024. 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. Performance since inception is as of the first full month. Returns gross of fees, based on gross asset value. In reality, costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

5-year annualized risk-return vs underlying markets



Source: Robeco, Bloomberg, JPM. Illustrative strategy: Robeco Credit Income, IG: Bloomberg Global Aggregate Index (USD Hedged), HY: Bloomberg US Corporate High Yield + Pan Euro HY ex Financials 2.5% Issuer Cap (USD Hedged), EM: JPM CEMBI Broad Diversified (USD Hedged). All figures in USD. Data period: May 2018-April 2025. **4. The value of your investments may fluctuate. Results obtained in the past are no guarantee for the future.**

“ The great thing about managing credit is that you have many thousands of issuers – we have multiple routes to alpha

Matthew Jackson, Portfolio Manager Global Credits strategy

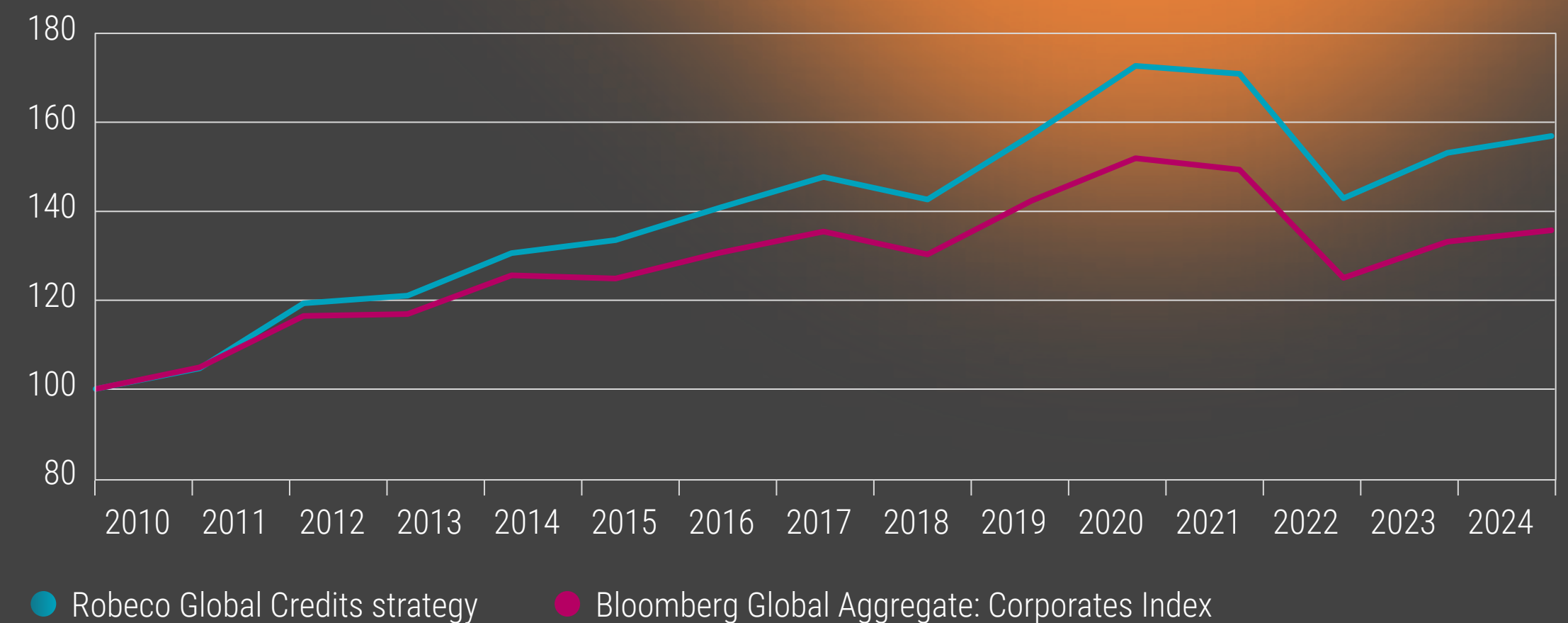
Robeco Global Credits strategy

An actively managed global investment grade credit strategy with flexibility to invest in high yield (primarily BB-rated credit) and emerging markets. The strategy is a pure-play credit strategy, and performance is primarily a result of credit selection and top-down credit beta management. ESG has been integrated into the strategy since 2010.

Annualized performance	1-year	2-year	3-year	4-year	5-year	10-year	Since inception
Robeco Global Credits strategy	2.47%	4.78%	-2.81%	-2.37%	-0.02%	1.85%	3.04%
Benchmark	1.94%	4.20%	-3.14%	-2.78%	-0.95%	0.78%	2.05%
Relative return	0.53%	0.58%	0.34%	0.41%	0.93%	1.07%	0.98%

Benchmark	Bloomberg Global Aggregate: Corporates Index (hedged into EUR)
Total size of entire strategy including mandates	EUR 8.3 billion
Inception date of strategy	November 2010

Global Credits strategy’s relative performance versus the benchmark



Source: Robeco, illustrative strategy: Robeco Global Credits (hedged into EUR) strategy versus benchmark: Bloomberg Global Aggregate: Corporates Index (hedged into EUR).

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Source: Robeco. Illustrative strategy: Robeco Global Credits strategy, is based on a combination of multiple portfolios and mandates. Current benchmark: Bloomberg Global Aggregate Corporates Index (hedged into EUR). All figures in EUR. Data as of end of December 2024. 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. Periods shorter than one year are not annualized. Returns gross of fees, based on gross asset value. In reality, costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

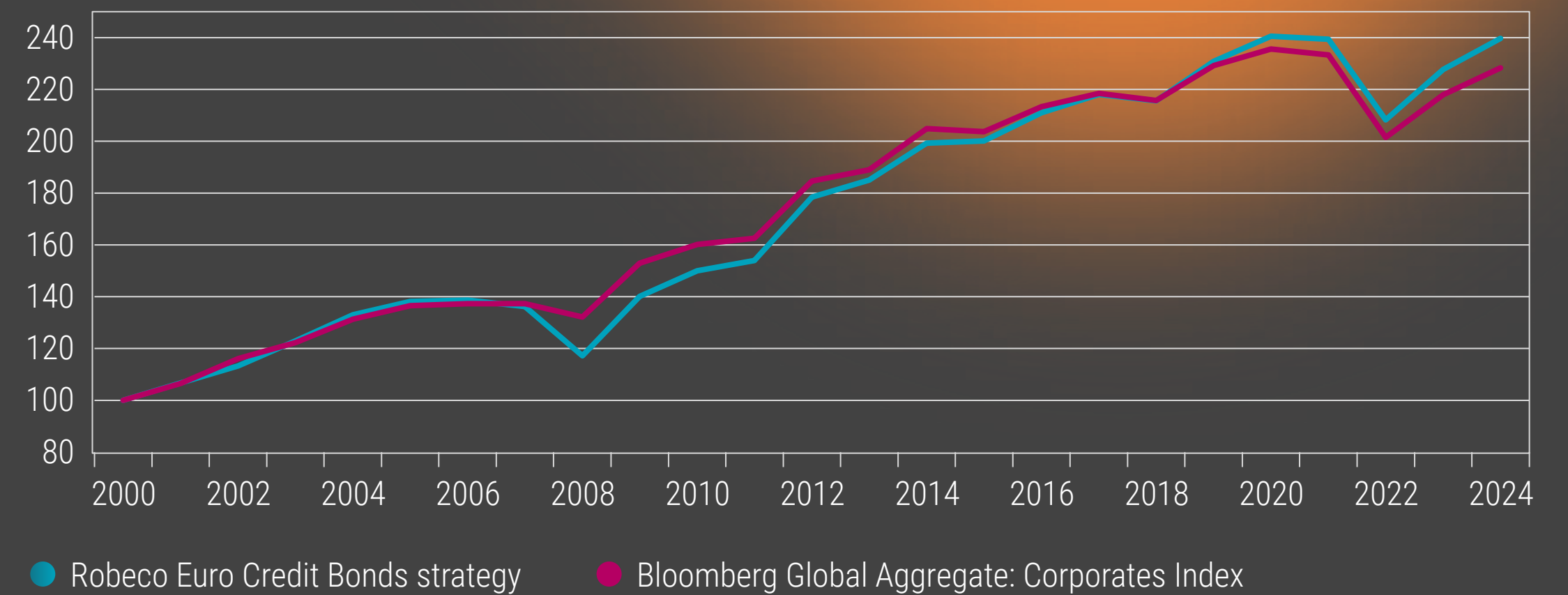
Robeco Euro Credit Bonds strategy

An actively managed core euro investment grade credit strategy with some flexibility to invest in high yield markets (primarily BB-rated bonds). The strategy is a pure-play credit strategy, and performance is primarily a result of credit selection and top-down credit beta management. ESG has been integrated into the strategy since 2010.

Annualized performance	1-year	2-year	3-year	4-year	5-year	10-year	Since inception
Robeco Euro Credit Bonds strategy	5.28%	7.29%	0.05%	-0.09%	0.75%	1.86%	3.76%
Benchmark	4.74%	6.45%	-0.72%	-0.78%	-0.08%	1.09%	3.60%
Relative return	0.54%	0.84%	0.77%	0.70%	0.84%	0.78%	0.16%

Benchmark	Bloomberg Global Aggregate: Corporates Index
Total size of entire strategy including mandates	EUR 5.6 billion
Inception date of strategy	October 2000

Euro Credit Bonds strategy's relative performance versus the benchmark



Source: Robeco, illustrative strategy: Euro Credit Bonds strategy versus benchmark: Bloomberg Euro Aggregate: Corporates Index.

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Source: Robeco. Illustrative strategy, Robeco Euro Credit Bonds strategy, is based on a combination of multiple portfolios and mandates. Benchmark: Bloomberg Euro Aggregate Corporates. All figures in EUR. Data as of end of December 2024. 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. Periods shorter than one year are not annualized. Returns gross of fees, based on gross asset value. In reality, costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

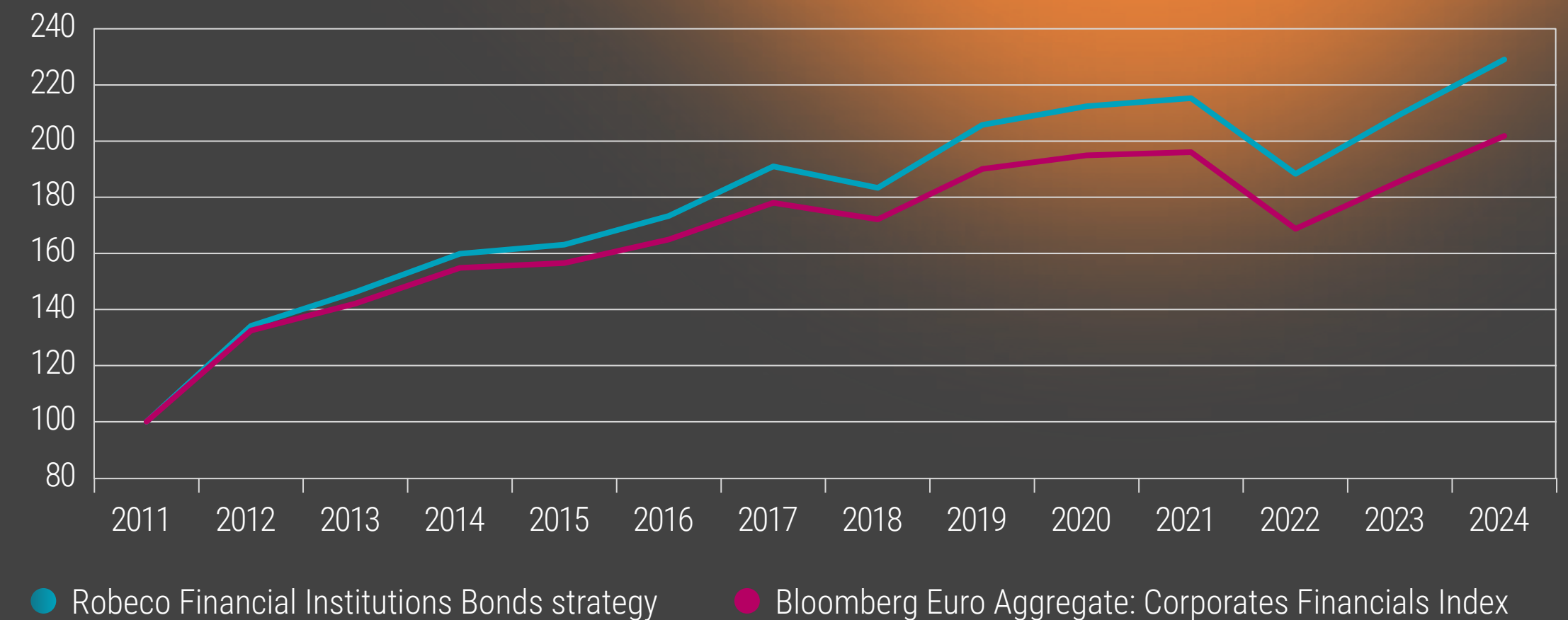
Robeco Financial Institutions Bonds strategy

Investing in a diversified portfolio of high-quality bank and insurance debt, the strategy seeks to generate strong income while maintaining robust credit quality. Its flexible approach allows it to capitalize on opportunities across financial sectors.

Annualized performance	1-year	2-year	3-year	4-year	5-year	10-year	Since inception
Robeco Financial Institutions Bonds strategy	9.33%	10.28%	2.09%	1.90%	2.17%	3.66%	5.54%
Benchmark	8.67%	9.38%	0.97%	0.87%	1.21%	2.69%	4.34%
Relative return	0.67%	0.90%	1.11%	1.03%	0.96%	0.97%	1.20%

Benchmark	Bloomberg Euro Aggregate: Corporates Financials Index
Total size of entire strategy including mandates	EUR 2.3 billion
Inception date of strategy	July 2011

Financial Institutions Bonds strategy's relative performance versus the benchmark



Source: Robeco, illustrative strategy: Robeco Financial Institutions Bonds strategy versus benchmark: Bloomberg Euro Aggregate: Corporates Financials Index Subordinated 2% Issuer Cap.

Past performance is no guarantee of future results. The value of your investments may fluctuate.

Source: Robeco. Illustrative strategy, Robeco Financial Institutions Bonds strategy, is based on a combination of multiple portfolios. Benchmark: Bloomberg Euro Aggregate: Corporates Financials Subordinated 2% Issuer Cap. All figures in EUR. Data as of end of December 2024. 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. Performance since inception is as of the first full month. Returns gross of fees, based on gross asset value. In reality, costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

Take the next step

Now is an opportune time to explore the full potential of credit investing. By taking a contrarian approach, we identify opportunities that others may overlook, aiming to generate alpha. With deep expertise, sustainability leadership, and innovative tools, we seek to build stronger, more resilient portfolios by uncovering value across credit markets.

Discover Robeco's credit strategies – contact us today.



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