

MARCH 2026

Halo, is it me you're looking for?

In a market shaped by AI disruption and energy shocks, we favor hard assets with low obsolescence risk.

🔑 KEY INFORMATION

- 🔑 **The Gulf War and AI disruption are reshaping the macro backdrop**, with higher energy prices weighing on growth and adding renewed inflation pressure.
- 🔑 **Private credit is showing clear signs of strain**, particularly in AI-exposed software, while public markets remain resilient despite rising underlying risks.
- 🔑 **With spreads still offering limited compensation, we favor selectivity**, and a focus on hard assets with low obsolescence risk in an increasingly uncertain environment.

🎯 OPPORTUNITIES

Hard asset sectors offer resilience. Metals & mining, paper and infrastructure companies benefit from solid asset bases and less exposure to AI.

European credit remains relatively well supported. More attractive valuations and lower exposure to private credit and AI risks support the case.

Financials continue to stand out on fundamentals. They have limited exposure to private credit vulnerabilities with stable earnings.

🎯 RISKS

Longer duration of conflict in the Middle East, which could further push up inflation and weaken global growth.

Private credit and BDC stress spilling over in the leveraged loan and high yield market. This could lead to further tightening of financial conditions and move spreads meaningfully wider.

AI disruption is creating winners and losers. Business model pressure in vulnerable sectors could drive further spread dispersion.

PORTFOLIO POSITIONING



STAY BALANCED AND SELECTIVE ACROSS REGIONS: US-specific risks are rising, but uncertainty around the energy shock keeps us cautious on outright regional tilts.



STAY UP IN QUALITY AND AVOID PRIVATE CREDIT EXPOSURE: We favor BBs and resilient financials, while avoiding BDCs and vulnerable AI-driven sectors.



FOCUS ON HALO SECTORS IN HIGH YIELD: We prefer hard asset businesses with low obsolescence risk, where cash flows are more stable and less exposed.

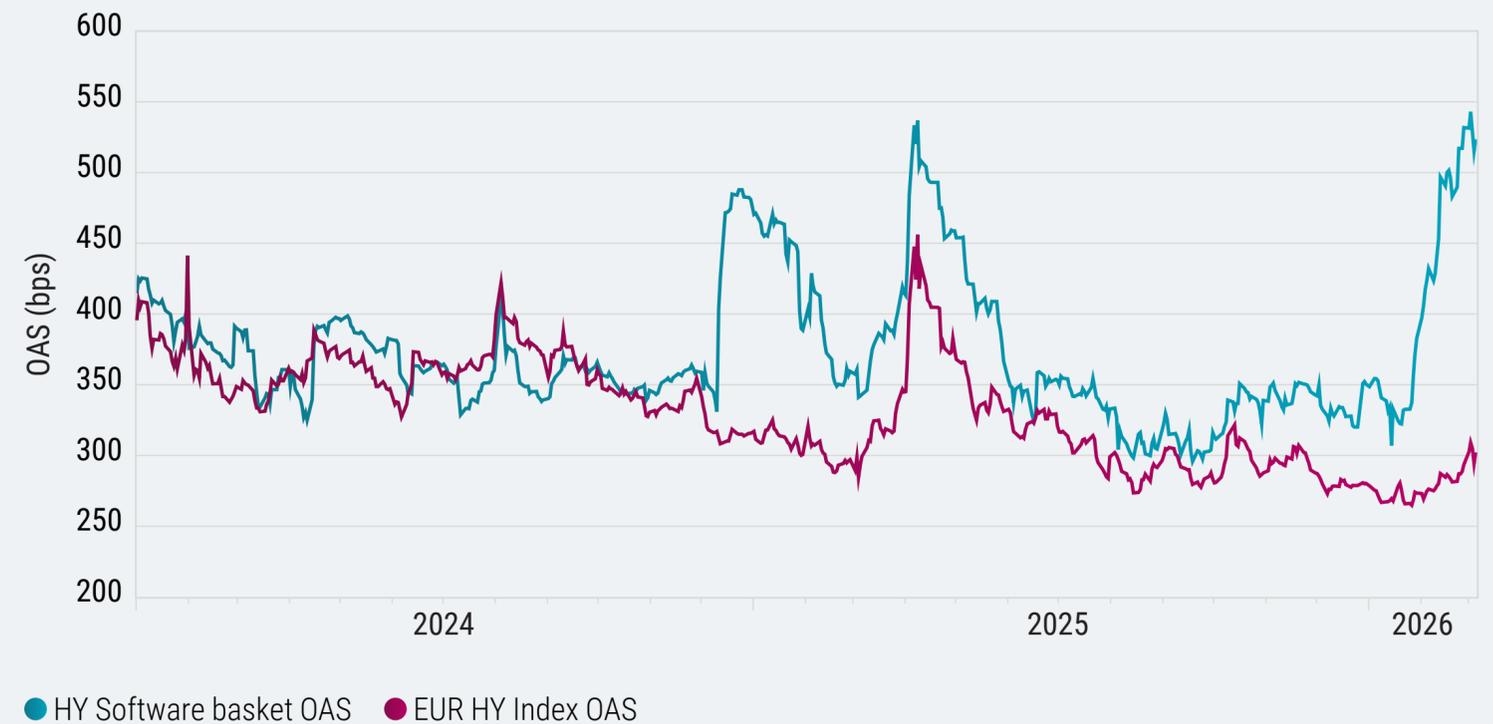


PARTICIPATE SELECTIVELY IN NEW ISSUE OPPORTUNITIES: New deals, particularly in investment grade, are offering attractive entry points.

CHART OF THE QUARTER

Spreads in high yield software have widened significantly, diverging from the broader high yield market. This highlights growing pressure in AI-exposed sectors and the increasing dispersion beneath the surface of credit markets.

High yield software basket spread vs EUR HY spread



Past performance is no guarantee of future results. The value of your investments may fluctuate.
Source: Robeco, Bloomberg, March 2026.

STRATEGY INSIGHTS

How the outlook influences our strategies



CREDIT INCOME

Maintain low spread duration (3.8 years) to limit rate and spread volatility. Favor short-dated BB high yield and EM corporates, with a tilt to Latin America. Prefer bank debt, while staying cautious on European industrials given energy dependence.



EURO CREDIT BONDS

The portfolio stays close to index risk, overweight European banks on supportive fundamentals, and underweight cyclicals where valuations are less appealing. It also holds some European securitized debt, adding a defensive element.



GLOBAL CREDITS

Keeps overall risk close to the index, with a reduced overweight to Europe in favor of US credit. The strategy remains overweight financials but is cautious on BDCs and US insurers, and maintains an underweight in spread duration.

Active credit strategies

Aims to generate income by adapting quickly to change, seeking the most attractive yield opportunities across global investment grade, high yield and emerging markets through the credit cycle.

This strategy focuses on the European investment grade credit market, identifying opportunities in corporate and financial bonds. It has the flexibility to move beyond the standard index when opportunities emerge.

A global corporate bond portfolio with the flexibility to invest across investment grade, high yield, and emerging markets. The strategy captures regional and economic value, aiming to balance stability and growth.

[Please visit the Robeco Credit strategy page for more information.](#)



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