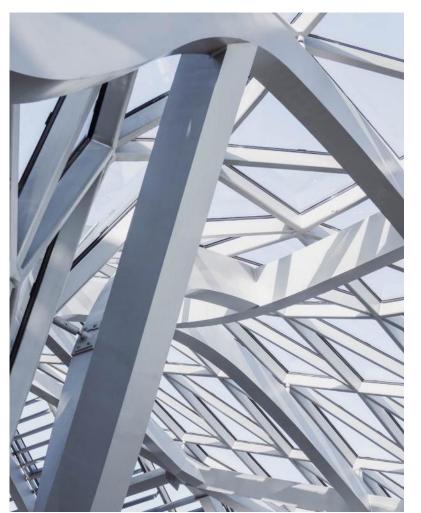


# Contributing to the UN Sustainable Development Goals RobecoSAM Global SDG Credits



Marketing materials for professional investors, not for onward distribution.

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# Robeco SDG Credit strategies: Highlights

Investing in companies that positively contribute to the UN Sustainable Development Goals

SDG universe screening enhances the risk/return of the opportunity set at the same time Consistent alpha delivery throughout the cycle

Active credit strategy focused on outperforming the index

Downside protection through superior credit selection, ESG integration and diversification

Managed using the widely recognized Robeco approach: prudently and with a quality bias

Screening for companies with positive impact on SDGs

Delivering attractive alpha throughout the cycle

 $\sim$ 

Managed prudently and with a quality bias

Source: Robeco



Why should investors care about the SDGs? Add a slide subtitle

"SDGs help select winners, avoid losers, are part of SI regulation, and are a plan for positive impact"

#### **Business opportunities**

"SDGs present USD 12 trillion in annual business opportunities"\*

#### Positive impact

Contributing to wealth, wellbeing, and a stable planet\*\*

#### **Risk mitigation**

For instance, oil majors face a real risk of stranded assets due to climate change legislation

#### Regulatory compliance

The SDGs are increasingly part of SI regulation, like the EU Sustainable Finance Action Plan

\* Business & Sustainable Development Commission. (2017). Valuing the SDG prize

\*\* Steffen, W., Richardson, K., Rockström, J., Cornell, S. E., Fetzer, I., Bennett, E. M., ... & Folke, C. (2015). Planetary boundaries: Guiding human development on a changing planet. Science, 347(6223).



# UN Sustainable Development Goals: Better return - lower downside risk

#### SDG screening process contributed positively to performance

- > Avoiding companies with a negative RobecoSAM SDG score had the strongest contribution
- > SDG screening supports our ability to screen out poor performers...
- …and does not impede our ability to generate alpha through credit selection

Performance attribution		
Total cumulative outperformance	3.14%	
Beta management	1.85%	
Credit selection process	1.71%	
Other	-0.43%	
Contribution from S	DG screening	0.55%
Avoiding r	negative SDGs	0.37%
	Neutral SDGs	-0.05%
	Positive SDGs	0.23%

The currency in which the past performance is displayed may differ from the currency of your country of residence. Due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The value of your investments may fluctuate. Past performance is no guarantee of future results. Performance 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. These numbers are internally calculated estimates, which are only intended to give a rough estimate of the attribution. The attribution figures are not GIPS compliant, and not calculated/checked by our official NAV-team, nor Performance Measurement Team, nor Compliance.

Source: Robeco. RobecoSAM Global SDG Credits IH EUR share class, gross of fees, based on gross asset value, all figures in EUR. Benchmark is the Bloomberg Global Aggregate Corporate Index. Analysis period October 2018 to December 2022. Please read our article 'How the SDG funds are performing during the Covid-19 crisis' for more information: <u>https://robecobv.sharepoint.com/sites/kb003/Documents/How%20SDG%20funds%20are%20performing%20in%20the%20Covid-19%20crisis\_final.pdf#search=sdg%20covid</u>



# Sustainability in Fixed Income

	Flagship	SDG Credits	Climate Credits	Green Bonds
Focus	Unconstrained investing	Sustainable Development	Paris Alignment	Transition to a clean economy
Sustainability	ESG integration to provide downside protection, engagement on controversial behavior	Contribution to the 17 SDGs by screening the investable universe on alignment with the SDGs	Paris aligned investing within a 1.5°C global warming scenario, at the forefront of the transition	Financing the transition of companies, by investing in bonds with dedicated use of proceeds
Universe	Global/Euro Aggregate Corp	Global/Euro Aggregate Corp	Global Aggregate Corp	Green Bonds
Sector diversification	***	***	**	*
Green Bonds	-	*	*	***
Social Bonds	-	*	-	-
Engagement	***	***	***	***
% of the universe excluded	*	***	**	**
Benchmark	Mainstream	Mainstream	Paris Aligned Benchmark	Green Bond Index
Performance target <sup>1</sup>	110/80 bps²	100/70 bps <sup>3</sup>	80 bps	60 bps
Volatility	***	**	**	*
SFDR fund classification	Article 8: E&S promoting	Article 8: E&S promoting	Article 9: Sustainable investments	Article 9: Sustainable investment

Source: Robeco

<sup>1</sup>Excess return target, gross of fees, over a full credit cycle. In reality costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

<sup>2</sup>Robeco Global Credits / Robeco Euro Credit Bonds. <sup>3</sup>RobecoSAM Global SDG Credits / RobecoSAM Euro SDG Credits. Sustainability disclosures based on October 2022 prospectus.

These indicative guidelines determined by Robeco are subject to change without prior notice. The restriction in the prospectus are at all times leading. The prospectus is available on request and free of charge from www.robeco.com



The UN Sustainable Development Goals

### Assessing a company's contribution to the UN Sustainable Development Goals SDG framework



#### Product

What do companies produce? Positive contribution examples: Medicine, water, healthcare Negative contribution examples: Shale gas, fast food, gambling

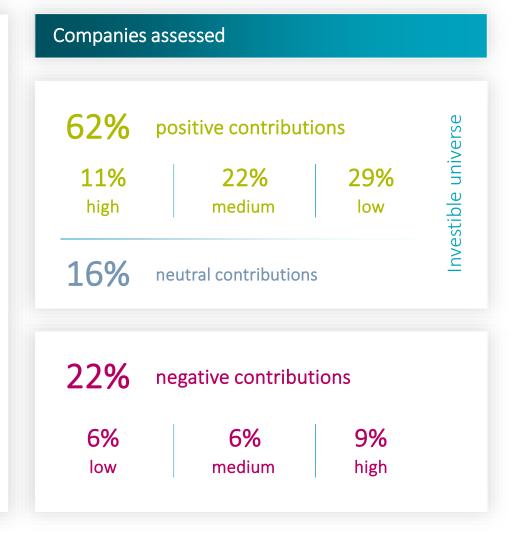
### Procedure

How do companies produce?

- > Governance factors
- > Pattern of questionable conduct?
- Differentiate between firms with highest SDG impact

Controversies Are controversies known?

Examples of controversies: Spills, Bribery and fraud, Mis-selling



Source: Robeco. Data January 2021

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### UN Sustainable Development Goals Avoiding future losers...



- Coal miners, producers of unhealthy food, coal/nuclear/oil-fired utilities, oil companies, automotive, tobacco,...
- Severe pressure on revenues, profitability, credit quality,...



- > Lack of solid framework of checks & balances raises credit risk
- European bank with primarily family members in board of directors became involved in corruption and tax avoidance cases

Controversial track records	
15 LIFE AND	

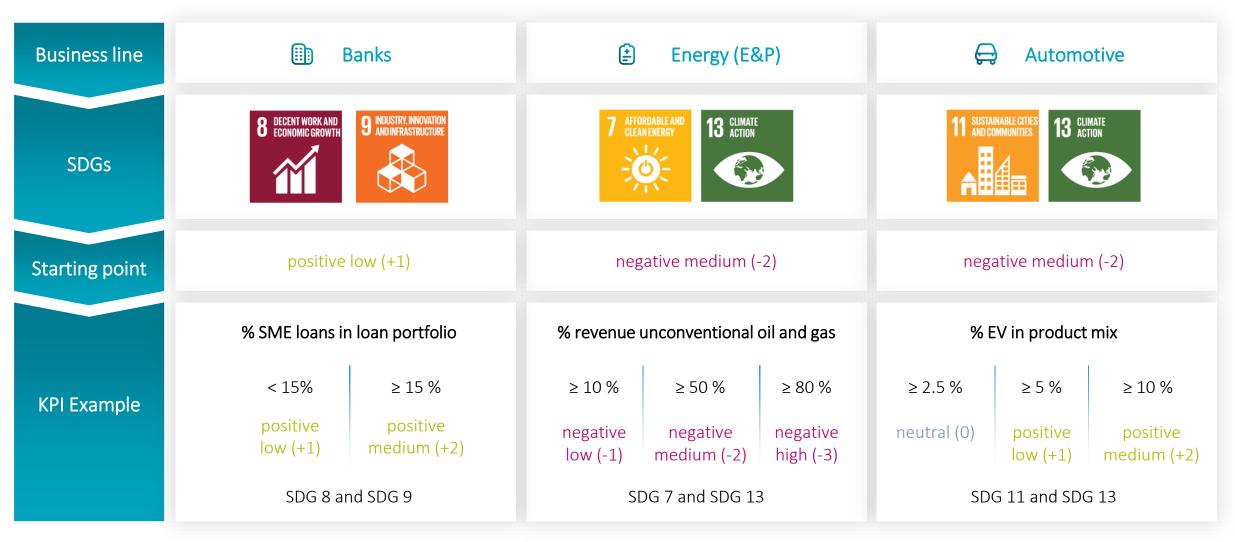
- Environmental spills, bribery, money laundering, mis-selling, ...
- Heavy fines, risk of license withdrawals

These examples are for information purposes only and not intended to be an investment advice in any way.

Use of the United Nations Sustainable Development Goals (SDG) logos, including the color wheel, and icons shall only serve explanatory and illustrative purposes and may not be interpreted as an endorsement by the United Nations of this entity, or the product(s) or service(s) mentioned in this document. The opinions or interpretations shown in this document hence do not reflect the opinion or interpretations of the United Nations.



# SDG framework: Examples of KPIs in the first step of the framework What do companies produce?



Source: Robeco, Guidebook for SDG Framework, October 2022.

Use of the United Nations Sustainable Development Goals (SDG) logos, including the color wheel, and icons shall only serve explanatory and illustrative purposes and may not be interpreted as an endorsement by the United Nations of this entity, or the product(s) or service(s) mentioned in this document. The opinions or interpretations shown in this document hence do not reflect the opinion or interpretations of the United Nations.

### Investment team

# Global Credit team: Highly experienced, diverse & stable investment team



Source: Robeco



# In-house Sustainable Investing Center of Expertise

Delivering SI expertise to our clients, our investment teams, the company and the broader market

Investments (200+ FTE) Equity research Fixed income research Quant research Portfolio management Data science

The broader company Sales Client Services & Reporting Product Development IT Operations Corporate communications Marketing



Thought leadership (10 FTE) Climate Strategist, Specialist, and Data Scientists SDG Strategist Impact Specialist SI Data Strategist, Analyst and Scientists SI Implementation Specialist

**SI Research (19 FTE)** SI Analysts with sector specializations SI Research Associates SI Country Analyst

#### Active Ownership (18 FTE) Engagement Specialists, Environmental Engagement Specialists, Social Engagement Specialists, Governance Engagement Specialist, Controversies Active Ownership Analysts, Proxy Voting

**SI Client Portfolio Management (5 FTE)** Client Portfolio Managers Investment Specialists

Investment philosophy & Process

# Markets are prone to behavioral biases causing market inefficiencies



Mandate restrictions between high yield, investment grade and EM credit cause excess spread premia to exist in cross over



Investors extrapolate recent historic trends to justify understanding events



Fear and greed cycles exacerbate because of lack of understanding global macro situation



# Market inefficiencies cause a value factor to exist in credit markets

The value factor is the driver of returns in investment grade credit		n enhanced factors tment Grade Jan94-Dec18)		
<ul> <li>&gt; This is a strong mean reversion factor of company and market risk premia</li> <li>&gt; Cheaper and shorter dated credits outperforms</li> </ul>	u 3.0% tredit return 2.5% 2.0%		• Valu	ue
We search for bonds that are too cheap due to market biases, and have strong potential to mean-revert	1.5%		Size 🔶 Momentu	m
> Fundamental research to control risk	1.0%	Low-Risk / Quality		
Research may show that a bond is actually cheap for a reason: the value trap	0.5%		Market	
	0.0%	2%	4% credit return v	6% volatility

Sources: Robeco, Bloomberg. Decile portfolios constructed using Robeco factor definitions. Credit returns measured over duration-matched government bonds. Above chart is for illustrative purposes and does not represent the performance of any specific Robeco investment strategy.

# A truly global unconstrained philosophy finds value at any time of the business cycle

#### Understanding the fear and greed cycle via top-down macro analysis helps

- > **Country value;** strong corporates in crisis countries often offer value...
- > Sector value; strong corporates in weak sectors offer value...
- > Company value; geopolitical events like elections or political turmoil offer value...

#### Usually the stronger companies mean revert in spread terms

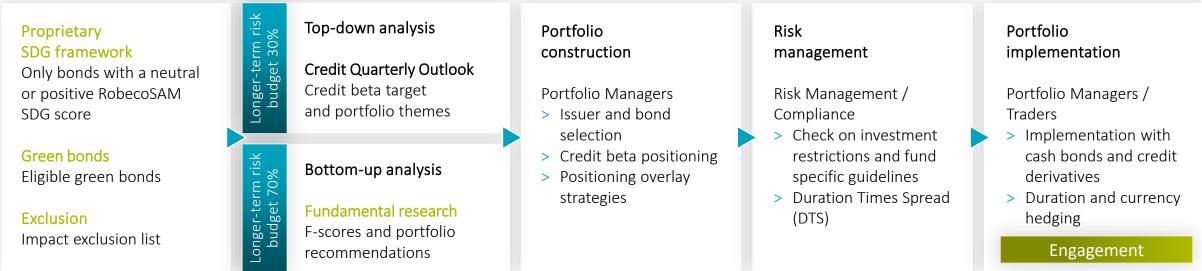


Source: Robeco. These examples are for information purposes only and not intended to be an investment advice in any way



### Investment process: Well-structured and disciplined approach Combining top-down and bottom-up research





Source: Robeco

# Credit Quarterly Outlook: Building a top-down view

### Quarterly outlook approach focused on broader perspective

- Position in the market cycle most important >
- How to position the portfolio given the current phase in the market cycle? >

#### Assessing the credit markets from three different perspectives:

- **Fundamentals** >
- Valuation >
- Psychology, technical and liquidity >

### Output used to position portfolios in terms of:

- Credit Beta >
- Thematic strategies >





### From rates to ratings fears

- The market focus will shift from inflation to growth
- Spreads have not yet peaked (except for EUR swap spreads)
- We're long quality as dispersion is set to increase

#### As our Global Macro team explained in their September

ends in recession, rates typically peak before credit spreads do. In particular, rates usually peak around the second-tolast Fed hike. We believe we are now in the valley between the two peaks. Rates have started to come down and may have peaked in some markets, while inflation is now easing. Credit spreads have also rallied a lot since mid-October but are set to rewiden when markets start

default rates have peaked.

2022 outlook, 'Twin Peaks', in a hiking cycle that ultimately With increased supply of European government bonds we expect Euro swap spreads to tighten further. Since swap spreads are a large part of the total credit spread for Euro investment grade, we are comfortable with a modest long position in Euro investment grade markets while being

anticipating a recession that would hit corporate health. Outlook As the probability of a recession rises and becomes part of the consensus view, market dispersion will increase. The lower-quality end of the credit spectrum is likely to see an increased default rate while the higher end of the market

could benefit from lower rates and a flight to quality. Once recession is fully priced in and spreads reach their own peak, that would be the time to go outright long, even in high yield. Typically, that point is reached well before



# Fundamental credit analysis: In-depth & comprehensive

Taking the extra step to research all relevant company characteristics





#### The Fundamental score

Robeco's proprietary method to assess the pure credit quality of the company, independent from the relative value

### Credit analysts

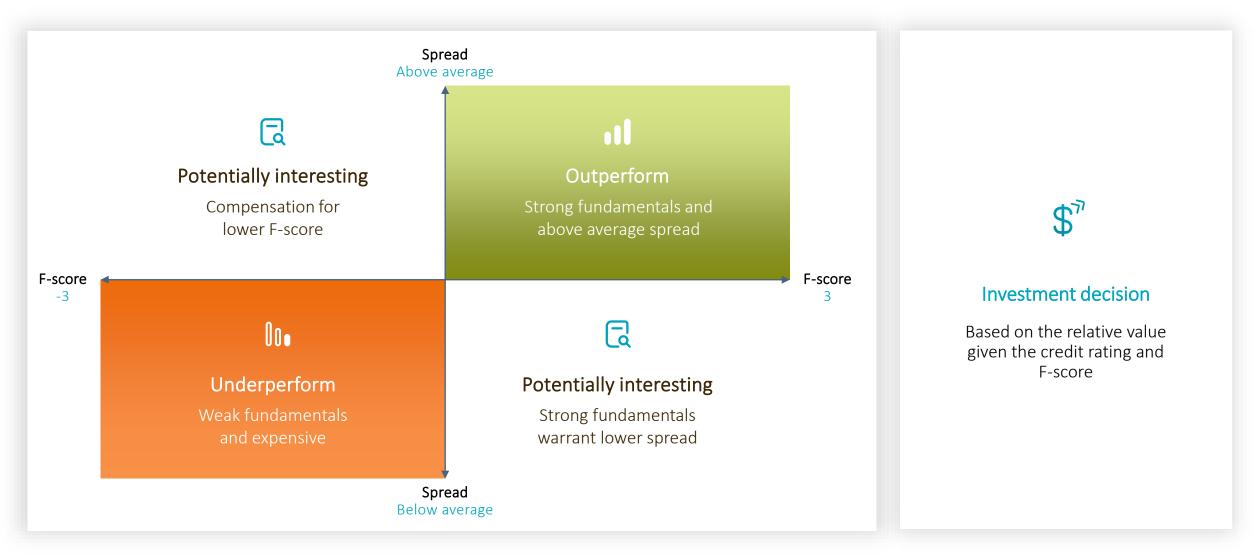
Assign the Fundamental score [-3 to +3] based on an issuer's relative credit fundamentals given its rating

Give investment recommendation (underperform, in line or outperform) based on valuation in relation to its fundamentals

> Fundamental score discussed and validated in around 500 credit committees yearly

# Fundamental credit analysis: Investment recommendations

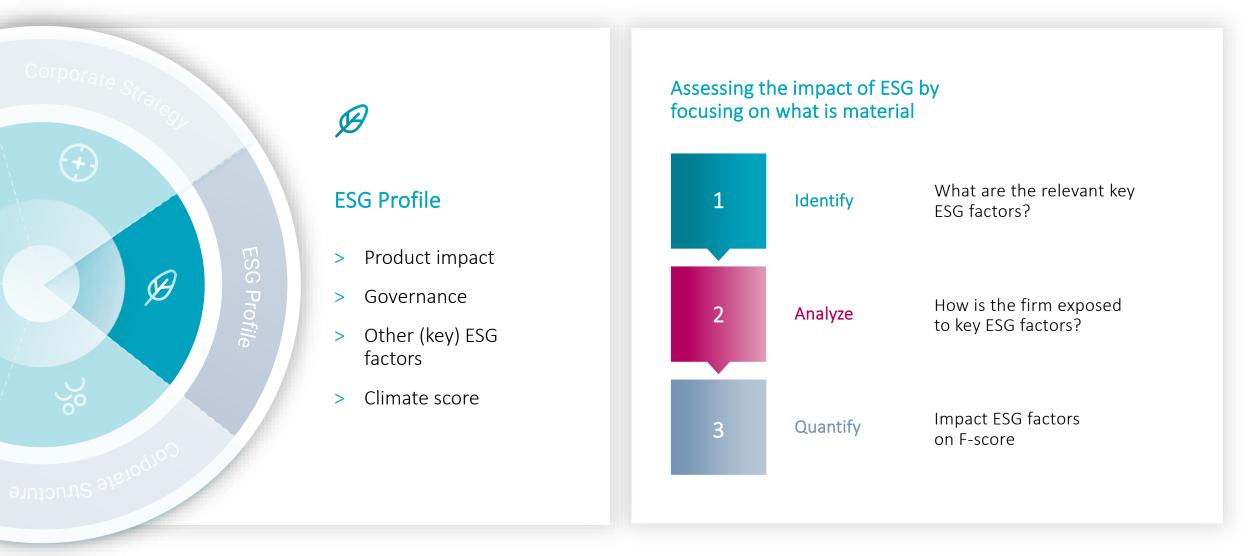
### Internal F-scores versus relative value





### Fundamental credit analysis: ESG integration

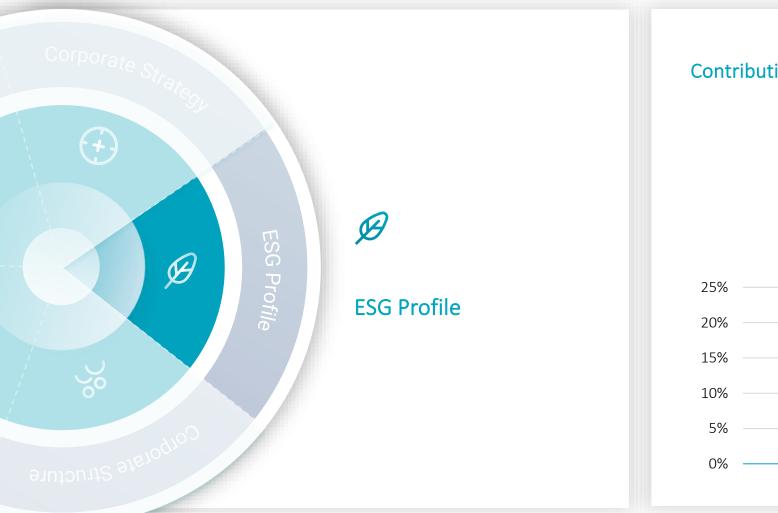
Using ESG insights to better assess downside risks in credits



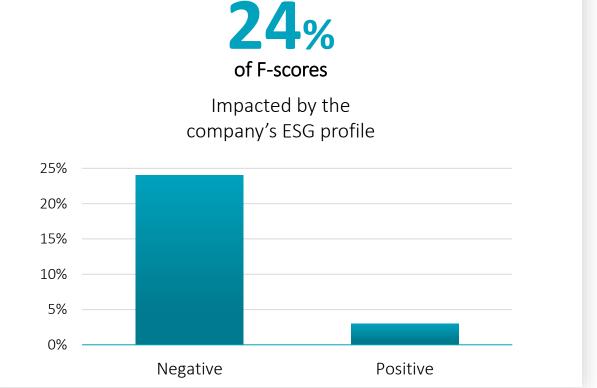


# Fundamental credit analysis: ESG integration

Assess impact of ESG factors on fundamental view



### Contribution ESG factors to Fundamental scores



Source: Robeco. Data April 2021 These examples are for information purposes only and not intended to be an investment advice in any way



# SDG Investment example: European bank

SDG score +2, positive contribution to SDG 8, 9 & 11

Midsized bank with main activities in Spain and the UK and ranks as the 4th largest bank in Spain. Well established player in the SME market

#### SDG analysis

- > The company's business contributes positively to SDG 8 (decent work & economic growth), SDG 9 (industry, innovation & infrastructure) and SDG 11 (sustainable cities & communities). Starting point is a positive low contribution to SDG 8 & 9 for the banking sector
- The company's score is upgraded to positive medium on SDG 8 because of >15% exposure to SME lending and upgraded to a positive medium score on SDG 11 as more >50% of their lending book is in mortgage lending. The bank has zero exposure to investment banking or (U) High Net Worth Wealth Management which could be a reason for a downgrade
- > No further adjustments in step 2 (how does the company operate) or step 3 (controversies) so final SDG score of +2

#### Credit analysis

- > Credit fundamentals are slightly weaker than average than the current BBB-rating implies, the F-score is -1
- > Corporate strategy, sustainability, financials and corporate structure are rated average. Weaker assessment for business position as the bank primarily operates in Spain which is a competitive market while Spanish economic outlook is deteriorating. At the same time the bank is benefiting from fiscal and funding support which has served to limit the impact from Covid
- > AT1 and Tier 2 debt issued by the bank is trading at attractive spread levels and we have exposure to this instrument in the portfolio

Source: Robeco These examples are for information purposes only and are not intended to be an investment advice in any way.

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# SDG Investment example: Telecom infrastructure company

SDG score +1, positive contribution to SDG 8, 9 and 16

This company is a Spain based European telecom infrastructure company that owns and manages wireless towers and broadcast towers

### SDG analysis

- Starting point for the telecom sector is positive low for SDG 8 (decent work and economic growth), SDG 9 (industry innovation and infrastructure) and SDG 16 (peace, justice & strong institutions). The latter contribution is derived from the contribution to target 16.10 access to information.
- > There are no further upgrades as the company does not have any exposure to emerging markets. Also no further adjustments to the SDG score in step 2 (how does the company operate) or step 3 (involvement in controversies). Final SDG score of +1.

### Credit analysis

- > Credit fundamentals are in line with current BB-rating, the F-score is 0. Credit spreads attractive given its credit rating
- > The company has a strong assessment on business position, average assessment on financial position and ESG and weaker assessment on strategy and corporate structure. The weaker assessment on strategy reflects the company's tolerance for higher level leverage compared to peers to finance acquisitions.
- > Bonds are trading at attractive spread levels compared to similar rated bonds

Source: Robeco These examples are for information purposes only and are not intended to be an investment advice in any way.

ROBECC

Portfolio construction & Risk management



# Risk management: State-of-the-art risk monitoring

Pioneer in credit risk management systems

### Proprietary Credit Risk Model to monitor issuers and model portfolios

- > Use of spreads to capture market, sector and issuer volatility
- > Model captures time-varying volatility

Fully automated daily reporting on portfolio's tracking error positioning

### Credit Risk Model: output example

		Weight (w)	)		Spread (s)	)	Sprea	ad-duratio	n (sd)	Risk po	ints (w) x (	s) x (sd)
Rating	Port	BM	Delta	Port	BM	Delta	Port	BM	Delta	Port	BM	Delta
AAA	7.4%	0.4%	7.0%	28	61	-33	3.6	7.4	-3.8	13	2	11
AA	8.5%	9.7%	-1.2%	65	66	-2	3.8	4.5	-0.7	23	32	-9
А	26.5%	38.0%	-11.6%	100	90	10	5.3	5.4	-0.1	147	205	-58
BBB	47.4%	51.6%	-4.3%	147	137	11	5.5	5.1	0.4	408	406	2
Other	2.2%	0.2%	2.0%	617	187	430	-2.2	14.8	-17.0	42	4	37
Total	92.0%	100.0%	-8.0%	113	112	1	5	5	0	632	649	-17
	'	1				1	Crec	lit Beta ≈	0.97		·	-

#### **Risk points (DTS)** Instrumental for Portfolio Managers



### DTS<sup>™</sup> (Duration Times Spread)

Arik Ben Dor, Lev Dynkin, Jay Hyman, Patrick Houweling, Erik van Leeuwen and Olaf Penninga

ROBECO

For illustrative purposes only. Source: Robeco Credit Risk Model, data as of end of June 2019. This example is for information purposes only and not intended to be an investment advice in any way https://www.robeco.com/en/insights/2019/06/duration-times-spread-a-measure-of-spread-exposure-in-credit-portfolios.html

### Risk management: Key part of our investment process Internal guidelines

Type of risk		Portfolio Implementation
Credit Risk	Highly experienced & focused analyst team	
	Diversified investment approach, focus on avoiding losers	
	Concentration limits per issuer (absolute)	AAA-A: 3%, BBB and lower 2%
Market Risk	Risk points methodology allows for sophisticated monitoring	
	Maximum ex-ante tracking error	5%
Off benchmark	Maximum non-core investment grade exposure	20% HY and 20% EM. Together max 33%
Interest Rate Risk	Deviation versus the benchmark	Approximately +/- 0.5 years duration
Liquidity Risk	Portfolio holdings	Approximately 150 issuers
	Maximum exposure single issuer	No more than 10% of outstanding issuer
	Trading costs related to fund inflows	Partial swing pricing may be applied at investment
Counterparty Risk	Interest rate swaps	Central clearing
	Credit default swaps	Central clearing where possible, otherwise traded with approved counterparty list (rated A or higher) and covered by ISDAs and CSAs (daily exchange of cash collateral)
Operational Risk	Monitoring by Group Risk Management	Independent supervision
	Compliance	Automated pre- and post-trade guideline compliance in Charles Rive Trading System
Currency Risk	Currency hedged	EUR, USD and CHF hedged share classes (or other at request)

Source: Robeco. RobecoSAM Global SDG Credits

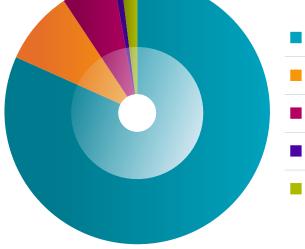
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# Portfolio positioning



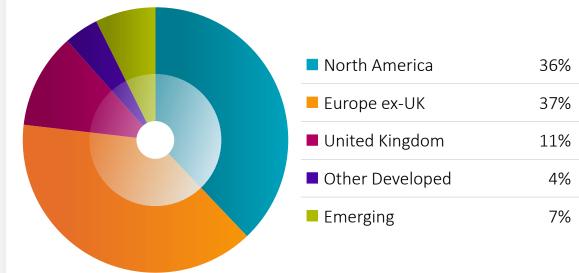
### Positioning: Segment & Region RobecoSAM Global SDG Credits

### Segment allocation (Absolute weight)



Investment Grade	78%
High Yield	9%
Emerging Markets IG	6%
Emerging Markets HY	1%
Securitized	2%

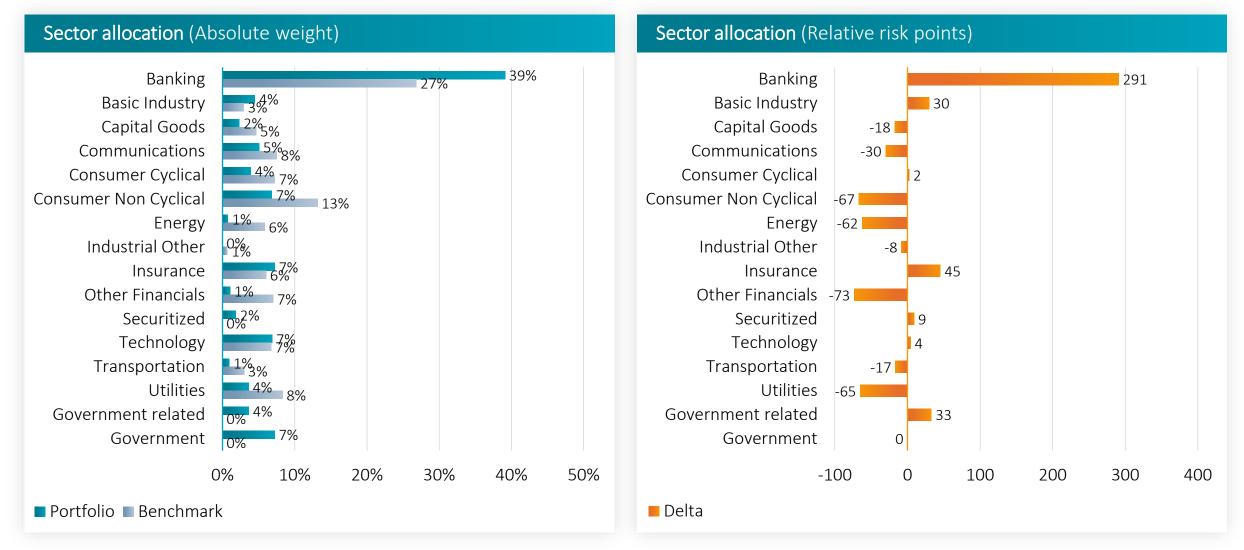
### **Region allocation** (Absolute weight)



Source: Robeco. Portfolio: RobecoSAM Global SDG Credits. Data end of December 2022.

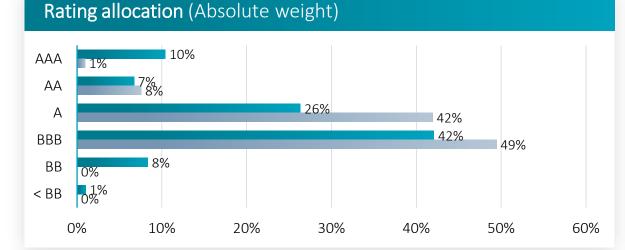
Note: Absolute weight based on market value, excluding cash. This example is for information purposes only and not intended to be an investment advice in any way.

### Positioning: Sector RobecoSAM Global SDG Credits

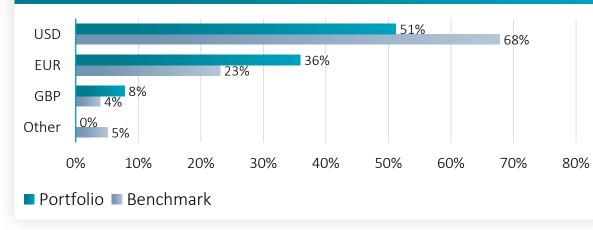


Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. Data end of December 2022. This example is for information purposes only and not intended to be an investment advice in any way.

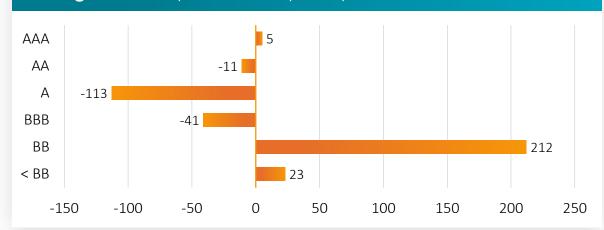
### Positioning: Rating & Currency RobecoSAM Global SDG Credits



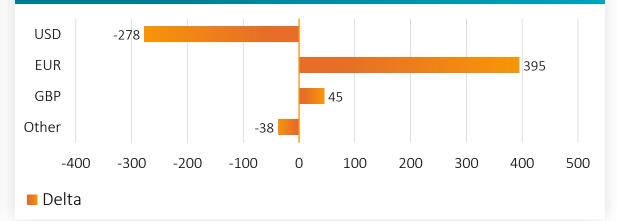
### Currency denomination (Absolute weight)



Rating allocation (Relative risk points)



Currency denomination (Relative risk points)



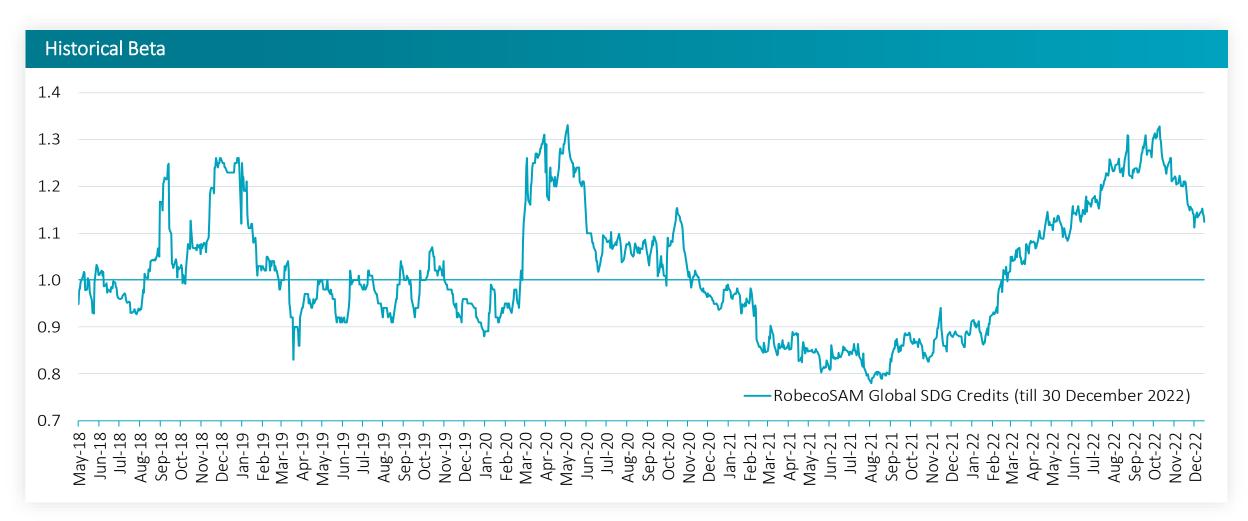
Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. Data end of December 2022. This example is for information purposes only and not intended to be an investment advice in any way



Top 10 active positions (Relative risk poir	nts)						
		Market value weight			Risk points		
lssuer	Sector	Portfolio	Benchmark	Delta	Portfolio	Benchmark	Delta
Raiffeisen Bank International AG	Banking	0.8%	0.0%	0.7%	36	1	35
Banco de Sabadell SA	Banking	1.0%	0.0%	1.0%	29	0	29
Banco Santander SA	Banking	1.6%	0.4%	1.1%	32	3	29
NatWest Group PLC	Banking	1.4%	0.3%	1.0%	30	3	27
Deutsche Bank AG	Banking	1.4%	0.4%	0.9%	31	5	26
TenneT Holding BV	Government related	1.1%	0.0%	1.1%	20	0	20
Bank of Ireland Group PLC	Banking	1.1%	0.0%	1.1%	19	0	18
Celanese US Holdings LLC	Basic Industry	1.1%	0.1%	1.0%	18	1	17
ZF Europe Finance BV	Consumer Cyclical	0.7%	0.0%	0.7%	16	0	16
Barclays PLC	Banking	1.7%	0.5%	1.2%	22	6	16

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. Data end of December 2022. This example is for information purposes only and not intended to be an investment advice in any way.

### Positioning: Beta RobecoSAM Global SDG Credits



Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. This example is for information purposes only and not intended to be an investment advice in any way.

### Positioning: Characteristics RobecoSAM Global SDG Credits

Characteristics	Portfolio	Benchmark	Difference
Yield to Worst (Unhedged)	5.4%	5.2%	0.3%
Yield to Worst (Hedged to EUR)	4.0%	3.3%	0.7%
Yield to Worst (Hedged to USD)	6.6%	5.9%	0.7%
Yield to Worst (Hedged to GBP)	5.7%	5.0%	0.7%
Interest rate duration (OAD in years)	6.1	6.1	0.0
Spread duration (OASD in years)	4.7	6.3	-1.6
Credit spread (OAS in bps)	206	147	59
Coupon	3.1%	3.2%	-0.2%
DTS beta	1.12	1.00	
Numbers of issuers	171	2,101	
Average rating	A1/A2	A3/BAA1	

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. Data end of December 2022. This example is for information purposes only and not intended to be an investment advice in any way.

# Contribution to the United Nations Sustainable Development Goals

Using eligible universe to build an SDG portfolio

#### Eligible bonds

- > Bonds with a neutral or positive RobecoSAM SDG Score
- > Green bonds with a positive RobecoSAM SDG Score

Assessment	Impact	RobecoSAM SDG Score	Global SDG Credits
	High	+3	5%
Positive	Medium	+2	38%
	Low	+1	32%
Neutral		0	12%
Green bonds			11%

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits. Benchmark: Bloomberg Global Aggregate Corporates Index. This example is for information purposes only and not intended to be an investment advice in any way.

# Contribution to the United Nations Sustainable Development Goals RobecoSAM Global SDG Credits

SDG 1 NO POVERTY	<b>8%</b> 5%	SDG 7 AFFORDABLE AND CLEAN ENERGY	-4% <b>6%</b>	SDG 13 CLIMATE ACTION	-9% <b>4%</b>	
SDG 2 ZERO HUNGER	<b>1%</b> 0%	SDG 8 DECENT WORK AND ECONOMIC GROWTH	<b>49%</b> 31%	SDG 14 LIFE BELOW WATER	<b>0%</b> -1%	
SDG 3 GOOD HEALTH & WELL-BEING	<b>8%</b> 5%	SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<b>51%</b> 34%	SDG 15 LIFE ON LAND	-1%	
SDG 4 QUALITY EDUCATION	<b>0%</b> 0%	SDG 10 REDUCED INEQUALITIES	<b>0%</b> 0%	SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<b>6%</b> 1%	
SDG 5 GENDER EQUALITY	<b>15%</b> 18%	SDG 11 SUSTAINABLE CITIES AND COMMUNITIES	<b>35%</b> 15%	<b>SDG 17</b> PARTNERSHIPS FOR THE GOALS	<b>0%</b> -1%	
SDG 6 CLEAN WATER AND SANITATION	<b>1%</b> 2%	SDG 12 RESPONSIBLE CONSUMPTION AND	-1% <b>1%</b>	Portfolio Benchmark		

Source: Robeco. Net figures for individual SDGs.

Portfolio: RobecoSAM Global SDG Credits. Index: Bloomberg Global Aggregate Corporates Index.

This example is for information purposes only and not intended to be an investment advice in any way



# SI Reporting



# Measuring investment impact

## In one year, EUR 100 million invested in the RobecoSAM Global SDG Credits is associated with...

SDG 1 NO POVERTY	SDG 6 Clean water and sanitation	SDG 11 Sustainable cities and communities
> Reaching $\sim$ 250 people with microfinance (1.4.1)	<ul> <li>Distributing ~100,000 m3 of drinking water to ~1,150 people (6.1.1)</li> <li>Treating ~65,000 m3 of wastewater (6.3.1)</li> <li>Providing ~2,300 people with hygiene products (6.2.1)</li> </ul>	<ul> <li>Issuing ~165,000 EUR mortgage financing for low- and middle-income people and/or first homes (11.1)</li> <li>Providing ~20 alternative drive vehicles (11.2)</li> <li>Constructing ~20 residential homes (11.1)</li> </ul>
SDG 2 Zero hunger	SDG 7 Affordable and clean energy	SDG 12 responsible consumption and production
<ul> <li>Providing ~4 agricultural machines (2.3.1)</li> <li>Providing ~5 people with a healthy diet (2.1.1)</li> </ul>	> Installing $\sim$ 5 MW of renewable energy capacity (7.2.1)	<ul> <li>Recycling ~230 tons of municipal waste (12.5)</li> </ul>
SDG 3 Good health and well-being	SDG 8 Decent work and economic growth	SDG 13 Climate action
<ul> <li>Treating ~4,000 patients (3.8.1)</li> <li>Providing ~10,000 people with health insurance coverage (3.8.1)</li> </ul>	> Extending $\sim$ 3 million EUR of financing to SMEs (8.3)	<ul> <li>Providing 10 clients with natural catastrophe insurance (13.1)</li> </ul>
SDG 4 Quality education	SDG 9 Industry, innovation and infrastructure	SDG 16 Peace, justice and strong institutions
> Supporting ~13 students (4.2.2 / 4.3.1)	<ul> <li>Providing ~8,300 tons of industrial inputs (9.1)</li> <li>Providing ~25 construction machines (9.1)</li> </ul>	<ul> <li>Providing ~15 people with access to online and physical security services (16.10)</li> <li>Providing ~27,000 people with access to information and/or telecommunication services (16.10)</li> </ul>

Source: Robeco. The information shown on this page is for informational purposes only. In the selection of investments, it is not a binding element. A decision to invest in the fund should take into account all the characteristics or objectives of the fund as described in its prospectus. The prospectus is available on request and free of charge from <u>www.robeco.com</u>.

**Note:** The impact of 77 companies in the portfolio representing 55% of the portfolio's market value has been aggregated, rounded and shown per 100 million EUR invested. The graphic displays an estimation of the associated impact of the companies in which the Global SDG Credit Fund is invested. It shall not be assumed that an investment in the portfolio does result in a direct or additional achievement of impact. The total investment is associated with the following ownership-adjusted impact over a 1-year period. Holdings as of end of Q3 2021, assuming that a stable proportion of companies are held. Market value of a holding is normalized by the company's enterprise value (public companies) or the total outstanding long-term and short-term debt (private companies). Based on production numbers from the latest reporting (FY 2020/2021).

Interpretation: Three factors influence the size of an impact metric: (i) the magnitude of a holding company's impacts; (ii) the number of companies in the portfolio contributing to an impact metric; and (iii) the value of the holding compared to its enterprise value. Growth in any of these three factors will, all else equal, lead to higher impact results.

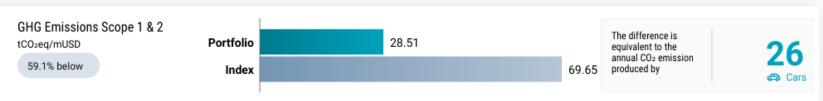


## Deep insight in the environmental footprint Footprint ownership

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. Sovereign and cash positions have no impact on the calculation. If an index is selected, its aggregate footprint is 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. Figures only include corporates.

The reported waste generation by companies in the portfolio and index can include Incinerated Waste, Landfill Waste, Nuclear Waste, Recycled Waste and Mining Tailing Waste. While these types of waste have different environmental impacts, in the comparison all types of waste are aggregated and expressed as total weight. The difference in tonnes/mUSD invested between portfolio and index is expressed as 'equivalent to the annual waste generation of # people', based on the average tonnes of household waste generated per European.



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Source: Robeco. Certain underlying data is sourced from third parties. Data end of December 2022

Portfolio: RobecoSAM Global SDG Credits. Index: Bloomberg Global Aggregate Corporates Index.

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# Performance

# Performance RobecoSAM Global SDG Credits

Annualized performance (Hedged into EUR)					
	YTD	1 Year	3 Years	4 Years	Since Jun-18
RobecoSAM Global SDG Credits	-16.57%	-16.57%	-3.38%	-0.22%	-0.31%
Benchmark	-16.31%	-16.31%	-4.24%	-1.03%	-1.16%
Relative performance	-0.25%	-0.25%	0.86%	0.81%	0.85%
Tracking error		1.25%	1.19%	1.05%	1.00%
Information ratio		-0.20	0.72	0.77	0.84
Calendar year performance (Hedged into EUR)					
		2022	2021	2020	2019
RobecoSAM Global SDG Credits		-16.57%	-1.75%	10.04%	9.87%
Benchmark		-16.31%	-1.69%	6.73%	9.24%
Relative performance		-0.25%	-0.06%	3.31%	0.63%

The currency in which the past performance is displayed may differ from the currency of your country of residence. 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. The value of your investments may fluctuate. Past performance is no guarantee of future results. 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.

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits DH-EUR Share Class. Benchmark: Bloomberg Global Aggregate Corporates Index. All figures in EUR. Data end of December 2022.



# Performance RobecoSAM Global SDG Credits

Annualized performance (Hedged into USD)					
	YTD	1 Year	3 Years	4 Years	Since Jun-18
RobecoSAM Global SDG Credits	-14.42%	-14.42%	-1.99%	1.58%	1.62%
Benchmark	-14.11%	-14.11%	-2.65%	0.93%	0.94%
Relative performance	-0.31%	-0.31%	0.67%	0.64%	0.68%
Tracking error		1.30%	1.12%	0.99%	0.95%
Information ratio		-0.24	0.59	0.65	0.72
Calendar year performance (Hedged into USD)					
		2022	2021	2020	2019
RobecoSAM Global SDG Credits		-14.42%	-0.93%	11.05%	13.07%
Benchmark		-14.11%	-0.79%	8.26%	12.51%
Relative performance		-0.31%	-0.14%	2.79%	0.55%

The currency in which the past performance is displayed may differ from the currency of your country of residence. 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. The value of your investments may fluctuate. Past performance is no guarantee of future results. 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.

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits DH-USD Share Class. Benchmark: Bloomberg Global Aggregate Corporates Index. All figures in USD. Data end of December 2022.



# Performance RobecoSAM Global SDG Credits

Annualized performance (Hedged into GBP)					
	YTD	1 Year	3 Years	4 Years	Since Sep-18
RobecoSAM Global SDG Credits	-15.67%	-15.67%	-2.80%	0.53%	0.42%
Benchmark	-15.26%	-15.26%	-3.46%	-0.12%	-0.30%
Relative performance	-0.41%	-0.41%	0.66%	0.65%	0.72%
Tracking error		1.27%	1.10%	0.98%	0.96%
Information ratio		-0.32	0.60	0.67	0.75
Calendar year performance (Hedged into GBP)					
		2022	2021	2020	2019
RobecoSAM Global SDG Credits		-15.67%	-1.10%	10.12%	11.23%
Benchmark		-15.26%	-0.98%	7.24%	10.60%
Relative performance		-0.41%	-0.12%	2.88%	0.62%

The currency in which the past performance is displayed may differ from the currency of your country of residence. 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. The value of your investments may fluctuate. Past performance is no guarantee of future results. 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.

Source: Robeco, Bloomberg. Portfolio: RobecoSAM Global SDG Credits FH-GBP Share Class. Benchmark: Bloomberg Global Aggregate Corporates Index. All figures in GBP. Data end of December 2022.



# Key takeaways



# Appendix



# Excerpt from SFDR-related disclosures (not exhaustive) RobecoSAM Global SDG Credits

### SFDR Classification

Article 8: The fund promotes environmental and/or social characteristics.

#### Sustainability Risk Profile

Corporate sustainability risk (overall) profile: medium Government sustainability risk (overall) profile: not applicable

#### **Taxonomy alignment**

The fund intends to contribute to all 6 environmental objectives under the EU Taxonomy via the investments in green bonds. The fund commits to a minimum share of 0% of Taxonomy-aligned activities.

Fund specific disclosures including PAIs considered

Please refer to prospectus and SFDR disclosures publicly available via Robeco's website

#### Sustainability policies and methodologies

All SFDR-related policies and methodologies: https://www.robeco.com/en/key-strengths/sustainableinvesting/sustainability-reports-policies.html

Good governance: <u>https://www.robeco.com/docm/docu-robeco-good-governance-policy.pdf</u>

Principal Adverse Impact Statement: https://www.robeco.com/docm/docu-robeco-principal-adverseimpact-statement.pdf

#### Binding elements to attain the environmental and/or social characteristics promoted by the fund

The fund has the following binding elements:

- 1. The fund is solely invested in companies that hold a neutral or positive SDG score.
- 2. The fund's portfolio complies with Robeco's Exclusion Policy (https://www.robeco.com/docm/docu-exclusion-policy.pdf), that is based on exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. This means that the fund has 0% exposure to excluded securities, taking into account a grace period. Information with regards to the effects of the exclusions on the fund's universe can be found at https://www.robeco.com/docm/docu-exclusion-list.pdf.
- 3. The fund avoids investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies that breach the international norms will be excluded from the investment universe.
- 4. The fund invests a minimum of 10% in green, social, sustainable, and/or sustainability-linked bonds.

For more information, refer to the sustainability-related disclosure on Robeco's website.

#### **Asset allocation**

At least 90% of the investments are aligned with the E/S characteristics of the fund. The fund plans to make a minimum of 70% sustainable investments, measured by positive scores via Robeco's SDG Framework. The investments in the category Other, estimated between 0-10%, are mostly in cash and cash equivalents. The planned asset allocation is monitored and evaluated on a yearly basis.

#### **Dedicated reference benchmark for E/S characteristics**

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

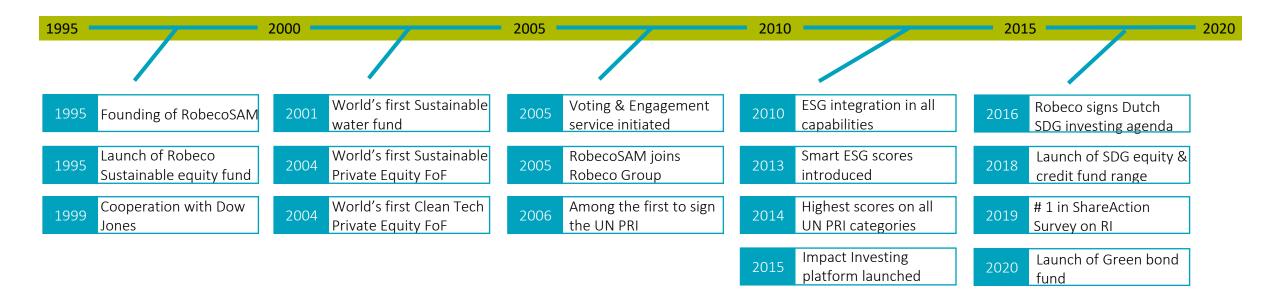
#### Source: Robeco.

Sustainability disclosures based on October 2022 prospectus. The disclosures in the prospectus are at all times leading. The prospectus is available on request and free of charge from www.robeco.com



# At Robeco we have been at the forefront of sustainable investing

A quarter of a century's experience in sustainable investing







# Background of the United Nations Sustainable Development Goals

The SDGs are a set of 17 goals aimed at ending all forms of poverty, inequalities and climate change

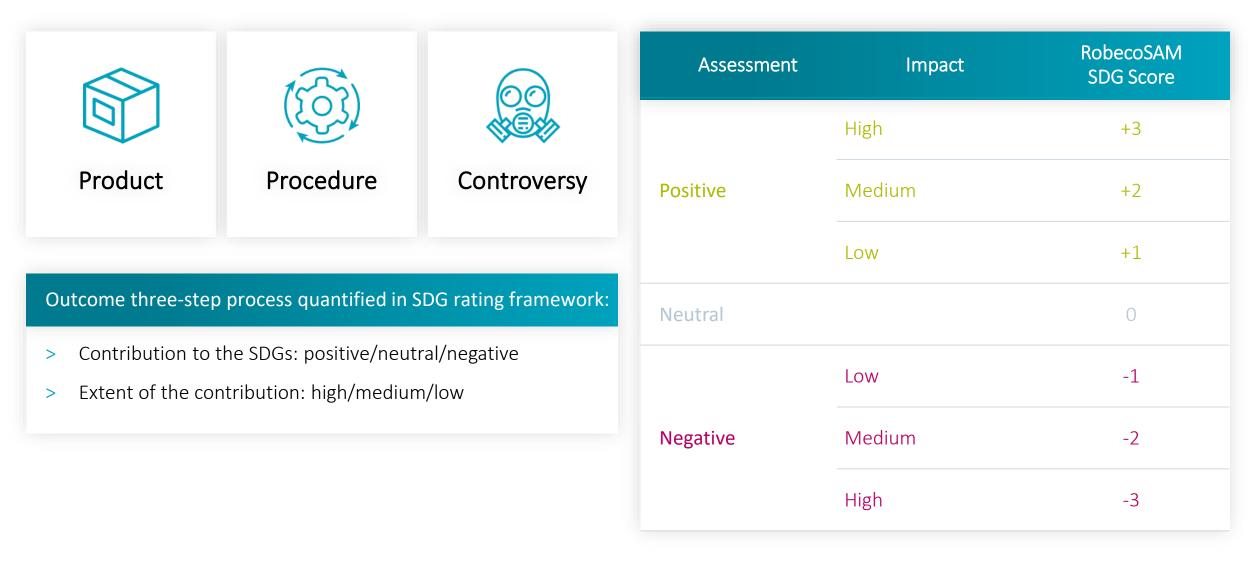
To realize the SDGs, the UN made an explicit request to the private sector to contribute. The investments required to achieve the goals are estimated at USD 5-7 trillion p.a. from 2015-2030\*

- > Adopted in September 2015 by 193 UN Member States
- > Succeeded the Millennium Development Goals which ran from 2000-2015
- > Not legally binding, countries are expected to take ownership
- > 17 goals, 169 sub goals
- > SDG progress Reports
  - > 2017: "rate of progress in many areas is far slower than needed to meet the targets by 2030"



# Our SDG rating framework

Framework used to determine Investable universe



# **Robeco's SDG Credit Strategies**

# The same SDG framework but different investment objectives

Characteristics	Euro SDG Credits	Global SDG Credits	SDG Credit Income	SDG High Yield	Sustainable Emerging Credits	Sustainable Asian Bonds
Benchmark	Bloomberg Euro Aggregate Corporates	Bloomberg Global Aggregate Corporates	No benchmark	Bloomberg Global High Yield Corporates	JPM Corporate EMBI Broad Diversified	JPM Asia Credit Index
Interest rate policy	In line with benchmark	Benchmark +/- 0.5 years	3-5 years (absolute)	In line with benchmark	In line with benchmark	In line with benchmark
Interest rate duration (OAD in years)	4.5	6.1	5.0	3.5	4.2	4.5
Yield to Worst (Hedged to EUR)	4.4%	4.0%	5.1%	5.7%	4.4%	3.8%
Yield to Worst (Hedged to USD)	7.1%	6.6%	7.7%	8.3%	7.0%	6.5%
Average rating	A2/A3	A1/A2	BAA1/BAA2	BA1/BA2	BAA1/BAA2	A3/BAA1
Off-benchmark*	Max. 20% high yield	Max. 20% securitized, 20% HY, 20% EM. Combined 33%	Not applicable	Max. 33% investment grade	Max. 33% non-EM	Not applicable
Performance target**	Outperforming benchmark +70bps	Outperforming benchmark +100bps	Optimizing yield and income	Outperforming benchmark +110bps	Outperforming benchmark +100bps	Outperforming benchmark +80bps

Source: Robeco. Data end of December 2022.

Portfolio's: RobecoSAM Euro SDG Credits; RobecoSAM Global SDG Credits; RobecoSAM SDG Credit Income; RobecoSAM SDG High Yield Bonds; Robeco Sustainable Emerging Credits; Robeco Sustainable Asian Bonds

\*These internal guidelines determined by Robeco are subject to change without prior notice. The restriction in the prospectus are at all times leading. The prospectus is available on request and free of charge from www.robeco.com. \*\*Excess return target, gross of fees, over a full credit cycle. In reality costs (such as management fees and other costs) are charged. These have a negative effect on the returns shown.

# Robeco selection process: Green bond eligibility

# In-house Green bond analysis framework to ensure bonds adhere to internationally accepted principles

- 1. Eligibility Green bond framework in line with green bond principles
  - > Review of the issuer's Green Bond Framework and verification by external party (ex-ante), if available
- 2. Allocation of proceeds project evaluation
  - > Contribution to environmental objectives, eligible with EU Taxonomy on environmental sustainability
- 3. Impact reporting lower carbon footprint
  - > At least annually, the issuer needs to report on the use of proceeds and the contribution to the environmental objective. Best practice is for this impact report to be externally audited (ex-post)



> Assessment of the wider strategy of the company, country or government related entity

- 5. Conduct Adherence to international norms
  - > Social safeguards (International Human and Labor Rights), Controversial behavior (UN Global Compact not violated), Sanctions linked to exclusion lists

Source: Robeco



# Avoiding products and business practices detrimental to society Enhanced and transparent exclusion process

		Exclusion category	Measure for screening	Level 1 'Exclusions' criteria	Level 2 'Exclusions+' criteria
		Controversial behavior	ILO, UNGP, UNGC and OECD compliance EE	Subject to engagement $^1$	Fail test
	Behavior-based	Climate standards	Engagement on Robeco's Paris Alignment assessment EE	Subject to engagement <sup>1</sup>	Fail test
	Benavior-based	Good governance	Robeco's Good Governance test EE	Subject to engagement $^1$	Fail test
		AML/CTF	Robeco's KYA assessment based on AML/CTF criteria	Fail test	Fail test
		Controversial weapons	Revenues from production, key components or services	≥0%	≥ 0% <sup>2</sup>
		Military contracting	Revenues from weapon-related products or services	Not applicable	≥ 5%
	Weapons	Fireerma	Revenues from production	Not applicable	≥ 5%
		Firearms	Revenues from retail	Not applicable	≥ 10%
			Revenues from coal extraction/mining	≥ 20%	≥ 20%
ased		Thermal coal	Revenues from coal power generation	≥ 20%	≥ 20%
Product-based	Fossil fuels <sup>2</sup>		Coal power expansion plans in MW (pro rata) EE	≥ 300 MW <sup>4</sup>	≥ 300 MW
Prod		Arctic drilling	Revenues from extraction	≥5%	≥ 5%
		Oil sands	Revenues from extraction	≥ 10%	≥ 10%
		Palm oil	RSPO-certified hectares of land at plantation EE	≤ 50%	≤ 80%
	Other products		Revenues from production	≥0%	≥ 0%
	Other products	Tobacco	Revenues from retail	≥10%	≥ 10%
			Revenues from related products/services	≥ 50%	≥ 50%

### Other exclusions

- Paris-aligned benchmarks (EU Benchmark Regulation)
- FeBelFin
   'Towards
   Sustainability'

<sup>EE</sup> Enhanced Engagement: The exclusion criteria are linked to Robeco's enhanced engagement program.

1) Companies may be subject to engagement before exclusion. In such cases, exclusion is triggered if the engagement is unsuccessful. If engagement is deemed undesired, companies will be subject to direct exclusion. The extent to which engagement is deemed desired is based on the exclusion category and factors such as engageability, relevance, and regulatory compliance.

2) The scope under the Level 2 criteria also covers companies involved in nuclear weapons from so-called 'Nuclear States' (US, UK, France, Russia and China) as defined in the Treaty on the Non-Proliferation of Nuclear Weapons (1968)

3) Investments in green bonds from issuers excluded under one of the climate-related categories remain eligible

4) Companies under climate-related enhanced engagement remain eligible.

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<sup>&</sup>gt; Sanctions

# UN PRI Scorecard: Strong scores for all modules versus our peers

- > Since the launch of the UN PRI assessments in 2014 Robeco obtained high scores in every assessment
- > Robeco's scores are often much higher than the median scores of our peers

	No.	Module	Robec	o score	Median score
	1.	Senior Leadership Statement	Not so	ored	
Sustainability is a driver of change	2.	Organisational Overview	Not so	ored	
	3.	Sustainability Outcomes	Not so	ored	
> It impacts companies' long-		Investment & Stewardship	100%		• • • •
term performance	5.	Direct - Listed Equity	Robec	o score	Median score
> For us, it leads to better-	5.1	Listed equity – Active Fundamental – Incorporation	97%	****	· 0
informed investment decisions	5.2	Listed equity – Active Fundamental – Voting	<b>74%</b> <sup>1</sup>	★★★★☆	······································
	5.3	Listed equity – Active Quantitative – Incorporation	<mark>96%</mark>	****	· ()
> For fixed income investors it is	5.4	Listed equity – Active Quantitative – Voting	<b>74%</b> <sup>1</sup>	★★★★☆	· 0
an extra 'lens' to spot downside	6.	Direct - Fixed income	Robeco	o score	Median score
risk	6.1	Fixed Income - Corporate	100%	****	· •
	6.2	Fixed Income – SSA	100%	****	· · · · · · · · · · · · · · · · · · ·

Source: PRI Assessment report 2021, showing the applicable Robeco scores. Due to methodology changes by the PRI, scores are not comparable with previous years. More information on <u>www.unpri.org</u> 1. Gap primarily related to not publishing rationales for voting against management publicly. This was implemented by Robeco shortly after submitting the PRI assessment input. More information on our <u>website</u>. About the PRI: The United Nations-supported PRI initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. In line with Principle 6, the PRI signatories must "report on their activities and progress towards implementing the Principles". Signatories are scored for each UN PRI principle and the scores are measured against those of other investment managers that have signed the PRI. Please also see the Public Transparency Report for Robeco at unpri.org.

# **Overview Credit Strategies**

	Investment Grade Credits	High Yield Credits	Buy & Maintain
Global	<ul> <li>&gt; Global Credits</li> <li>&gt; Global SDG Credits</li> <li>&gt; Climate Global Credits</li> <li>&gt; Global Credits Short Maturity</li> <li>&gt; SDG Credit Income</li> </ul>	<ul><li>&gt; High Yield Bonds</li><li>&gt; SDG High Yield</li></ul>	<ul> <li>Bespoke fixed income solutions focusing on the actual purpose of the investments</li> <li>Matching client goals and avoiding</li> </ul>
Euro	<ul> <li>&gt; Euro Credit Bonds</li> <li>&gt; Euro SDG Credits</li> <li>&gt; IG Corporate Bonds</li> </ul>	> European High Yield Bonds	unnecessary risks, turnover and costs
Specialties	<ul><li>Corporate Hybrid Bonds</li><li>Financial Institutions Bonds</li></ul>	Private debt>Dutch Private Loans	
Emerging & Asia	<ul><li>Sustainable Emerging Credits</li><li>Sustainable Asian Bonds</li></ul>		
QI	<ul> <li>&gt; Global Multi-Factor Credits</li> <li>&gt; Global SDG &amp; Climate Multi-Factor Credits</li> </ul>	<ul> <li>&gt; Dynamic High Yield</li> <li>&gt; Global Multi-Factor High Yield</li> <li>&gt; Sustainable Enhanced Index High Yield (discretionary accounts only)</li> </ul>	
	<ul> <li>Conservative Credits (discretionary accounts only)</li> </ul>	(discretionary accounts only)	

Source: Robeco.

# What is buy and maintain in credits?

### Traditional investors use capitalization-weighted indices to benchmark their investments

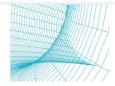
- > Portfolios are geared to these indices and transactions are required to remain in line
- > But these indices are not always in line with investor objectives

## Buy and maintain credits is an efficient alternative approach:

- > Targets a portfolio of corporate bonds that can be held until maturity
- > The investors' objectives are leading for bond selection; not a benchmark
- > Turnover is minimized and only done to remain aligned with the client objective

	Buy and maintain	Passive	Active
Objective	Client specific	Follow benchmark	Outperform benchmark
Risk focus	Limit fundamental credit risk	Limit tracking error	Actively use tracking error
Typical turnover	0-15%	20-40%	>50%
Management fee	Like passive	Like buy and maintain	Higher

Buy-and-maintain credit Creating bespoke solutions for cash flow driven investors



- Driven by the unique situation of the client, not by a benchmark
- Targets long-term capital preservation, with low turnover and costs
- Easily customized to allow for regulatory and capital requirements

Article

Asset owners such as insurance companies and pension funds face a considerable challenge: they are required to generate sufficient returns and meet unique risk, regulatory and sustainability requirements, all while operating in a world of low yields, market uncertainty and softening growth.

In addition to describing the ins and outs of this investment style, we explain the way Robeco successfully builds buy-and-maintain portfolios based on its two decades of experience. A set of case studies illustrates the adaptability of buy and maintain as a comprehensive

Jan Willem de Moor, Remmert Koekkoek

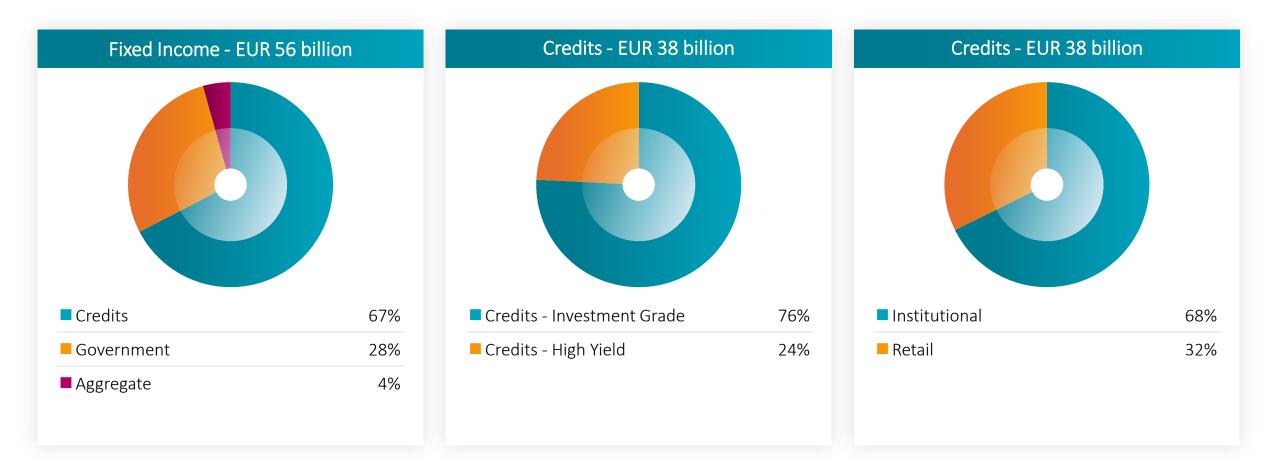
The buy-and-maintain investment style is ideally suited to creating a portfolio that can deliver such precisely defined investment outcomes. It is based on the principle that the unique situation of the client-rather than a benchmark-is the basis for investment decisions.

In this article we highlight how buy-and-maintain investment decisions are driven by the unique situation of the client – rather than by a benchmark. We describe how a buy-and-maintain investment style is ideally suited to create a low-turnover credit portfolio that is able to weather all phases of the credit cycle, that meets clientspecific regulatory criteria, that contributes to sustainable development goals and which is focused on achieving long-term investment returns.



Source: Robeco. Turnover: single counted turnover for passive based on Bloomberg Global Aggregate Corporates index in the period January 1994-June 2021

# **Credits: Asset under Management**





# Disclaimer

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This document is not directed to or intended for distribution to or for 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 which may also apply and any applicable exchange control regulations and 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 from Robeco's websites.

#### Additional Information for US investors

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#### 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 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 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. relies 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 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 their 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 fewer 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

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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 there is in any doubt about any of the contents of this document, independent professional advice should be obtained. 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 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 Italy

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#### Additional Information for investors with residence or seat in South Korea

The Management Company is not making any representation with respect to the eligibility of any recipients of the Prospectus to acquire the Shares therein under the laws of South Korea, including but not limited to the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to applicable laws and regulations of South Korea.

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#### 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 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.

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#### Additional Information for investors with residence or seat in Spain

Robeco Institutional Asset Management B.V., Sucursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-14<sup>o</sup>, 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: Leutschenbachstrasse 50, 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 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 website.

#### Additional Information relating to RobecoSAM-branded funds/services

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#### 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 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 temporarily deemed authorized and regulated by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorization, are available on the Financial Conduct Authority's website.

#### 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 under 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.