The Investment Engineers

WHITE PAPER

Sovereign sustainability: The two lenses applied by Robeco

Sustainable Investing Expertise by

Contents

"Robeco has actively integrated sustainability analyses in its investment decisions for sovereign bonds for more than a decade. The Country SDG Framework has recently been developed to cater to the growing interest in SDG-aligned investing. The new framework helps us to identify countries with the highest potential for promoting further sustainable development. The SDG scores complement the existing country ESG analysis which is more focused on identifying risk and opportunities from the perspective of a sovereign bond investor.

WHITE PAPER SEPTEMBER 2023

Marketing material for professional investors, not for onward distribution

Rikkert Scholten Global Macro Strategist
Jan Anton van Zanten SDG Strategist
Max Schieler Country Sustainability Ranking Specialist
Johan Duyvesteyn Portfolio Manager Quant Fixed Income
Laurens Swinkels Head Quant Strategy Sustainable Multi Asset
Paul Ruijs Impact Specialist

Introduction

Robeco has been actively incorporating sustainability analysis in its investment decisions for sovereign bonds since 2010. Over this period, the RobecoSAM Country Sustainability Ranking (CSR) has been our main sustainability analysis tool for sovereigns. The CSR helps us to avoid sustainability risks and seize opportunities. Recently we have complemented this sovereign analysis with a new instrument: the Robeco Country SDG Framework. This aims to identify which countries should be prioritized in government bond portfolios in order to further support sustainable development, along the lines of the UN Sustainable Development Goals (SDG). In this paper we briefly discuss both frameworks, show their purposes, common elements and differences.

The CSR score paints a picture of a country's current level of development and governance capacity, whereby year-on-year differences reveal changes to environmental, social and governance performance. The SDG score does not assess how countries currently are doing on sustainable development, but gauges if countries are likely to make contributions to attaining the SDGs in the future.

Table 1 – Main characteristics for the two frameworks for sovereign sustainability analysis

	Country Sustainability Ranking	Country SDG Framework
Purpose	Identifying sustainability risks and opportunities for sovereign bonds, in order to make better informed investment decisions	Identifying which countries should be in/excluded in government bond portfolios, in order to support sustainable development
Model	The model consists of three pillars, Environment (30%), Social (30%) and Governance (40%), that comprise 51 indicators related to 15 criteria	The framework consists of three steps that gauge if: (1) countries have good policies for the SDGs; (2) there is potential for investors to support a country gaining better access to capital; and (3) a country is involved in controversies that deteriorate the SDGs.
Output	Score on a 1-10 scale (two decimals)	Score on a -3 to + 3 scale (integers)
Similarities	Countries that have high levels of corruption and are involved in environmental, social, or governance controversies will receive poor scores in both assessments.	

Source: Robeco

Practical use

The Country SDG Framework is applied for portfolios that aim to be aligned with the SDGs. The scores are used at the beginning of the investment process to define the eligible universe. This can for instance consist of only countries with a neutral or positive score. Such a universe would exclude (among others) Turkey or Poland, while including India and Indonesia.

The CSR score is used for a broader set of portfolios and, at a later stage, in the investment process. After the investment universe has been identified, the CSR score is used in the fundamental analysis process. Changes in the score versus peers with a similar credit rating feed into the F-score of a country (together with Financial Health and Marco Economy). These F-scores are used to formulate an assessment on the relative attractiveness of the sovereign bonds versus peers. The CSR scores are also used in our sovereign engagement activities and as a binding element in our SFDR reporting.

ROBECO

RobecoSAM Country Sustainability Ranking

A sovereign nation's ability and willingness to honor its financial obligations is not only affected by financial and macroeconomic variables, but also by aspects such as: a country's political situation, social climate, quality of governance, and environmental factors. The CSR framework is a method for prioritizing, assessing and unlocking a country's performance on those ESG factors.

Environmental metrics are important for evaluating a country's ability to minimize waste and protect its natural resources including water, biodiversity, and climate – all factors that support sustainable economic and population development.

Social metrics are important for assessing a country's overall well-being as measured in terms of citizens' access to education, healthcare, jobs and social services as well as equality of income, opportunity and overall human rights.

The governance sphere analyzes the capacity of a nation's political, judicial and network of policymaking institutions to protect, nurture and strengthen the foundations and conditions needed for economies to innovate and grow. That means controlling corruption, protecting free speech and civil liberties, constructing supportive regulations, and facilitating R&D.

The methodology in brief

The CSR framework is broad, encompassing a comprehensive range of in-depth ESG metrics for 150 of the world's most significant countries around the globe, including 23 developed and 127 emerging markets and developing economies. At present the CSR framework includes 51 indicators aggregated into 15 criteria across the three primary ESG dimensions – four are environmental with a weight of 30%, five are social with a weight of 30% and six are governmental with a weight of 40%.

> *“ Robeco has been actively incorporating sustainability analysis in its investment decisions for sovereign bonds since 2010*

The final country score is the weighted sum of all standardized indicator scores. The weighting of the individual indicators, criteria and dimensions that determine the final country score are based on expert judgment , evidence from external research, statistical analysis and peer comparisons. The end result is a score on a 1-10 scale, unrounded, which makes it possible to detect any changes in a country's ESG performance relative to peers.

ESG data is sourced from the world's foremost institutions for researching, financing, monitoring and advocating sustainable change in developed and emerging markets around the world. These include development banks, private institutions, NGOs, think tanks, rating agencies and universities.

More information can be found in our paper “The RobecoSAM Country Sustainability Framework” docu-brochure-csr-framework.pdf (robeco.com)[1]

1 https://www.robeco.com/files/docm/docu-brochure-csr-framework.pdf

Figure 1 - Robeco Country Sustainability Ranking: Score components

Indicators		Criteria	Weight	Dimensions	Weight	Country
For each country, numerous data series on a variety of ESG features are collected and summarized in >50 indicators. Each indicator gets a predefined weight and a relative score ranging from 1 to 10.		The indicators are aggregated to 15 criteria, whereby each criterion is also assigned a predefined weight.		Each dimension weight is the sum of the criteria weights within the respective dimension.		The Country Score is the weighted sum of all standardized indicator scores.
Biodiversity Intactness Index 2030 Projection Forest Cover Net Change Natural Resources Rent Red List Index	Ecological Deficit/Reserve Marine Protected Area Ocean Health Index Terrestrial Protected Area	Biodiversity	7.5%	Environmental	30%	Country Sustainability Score
Consumption CO2 per Capita GHG Emissions per GDP Consumption CO2 5-Yr p/C Change GHG Emissions 5-Yr p/GDP Change GHG p/C Reduction 2015-30	GHG Emissions per Capita Share of Renewables GHG Emissions 5-Yr p/C Change Share of Renewables 5-Yr Change GHG Emissions p/C Target 2030	Climate & energy	10%			
Integrated Water Management Water Stress Level Water Use Efficiency Waste Management	Wastewater Treatment Water Stress 2030 Projection	Water & waste	7.5%			
Climate Risk Index ND-GAIN Index	Natural Hazard Index	Environmental risk	5%			
Labor Force Participation Rate 55-64	Old-age dependency ratio 25Y Projection	Aging	7.5%	Social	30%	
Education Human Development Index	Health	Human development	5%			
Global Rights Index	Human rights	Human & labor rights	7.5%			
Gender Inequality Index	GINI Coefficient	Inequality	5%			
Fragile States Index	Socio-economic vulnerability	Social unrest	5%			
Control of Corruption	Corruption Perception Index	Corruption	7.5%	Governance	40%	
Globalization Index	Global Innovation Index	Globalization & innovation	5%			
Government Effectiveness Rule of Law	Regulatory quality	Institutions	10%			
Freedom in the World	Voice & accountability	Personal freedom	5%			
Political Risk Rating ECR	Political Risk Rating PRS	Political risk	7.5%			
Human Hazard	Political stability/No violence	Political stability	5%			

Source: Robeco

Robeco's Country SDG Framework

Robeco's Country SDG Framework applies three steps to determine which countries should be prioritized in SDG-aligned government bond strategies. First, it assesses if a country's policies advance, or detract from, attaining the SDGs. Second, it determines if a country lacks access to capital markets, and thereby offers potential for investors to help advance countries in overcoming this barrier. Third, countries are screened for controversial behavior that conflicts with key principles for the SDGs.

Figure 2 - Robeco's Country SDG Framework: A three step process

Source: Robeco

Step 1 Policies: Do countries have good policies for the SDGs?

Achieving the SDGs requires governments to create policies that advance the goals while phasing out legislation that deteriorates progress. In aligning portfolios with the SDGs we must determine if a country indeed implements policies that support the SDGs. Ideally, we would generate such insights by analyzing governmental policy documents. Unfortunately, data on governmental policies for sustainable development is not available, at least not in standardized and comparable formats. In the first step of our framework, we tackle this challenge by assessing countries' policies for the SDGs. We use around 100 indicators that directly link to SDG targets. For each indicator we develop an assessment method.

Three types of methods are applied. First, policies for various SDG targets are indirectly scored by assessing how countries perform on an indicator in recent years. If countries show progress, they will receive a positive score in this phase. Reverse trends can lead to negative scores. For example, one indicator for SDG 3 (Good Health and Wellbeing) is a country's maternal mortality ratio. A reduction in maternal mortality will lead to positive scores, while increases lead to negative scores.. Second, some indicators are screened by looking at a country's average performance in recent years. For example, a country's average health expenditure relative to its GDP is used to gauge SDG target 3c. The third method looks at a country's most recent performance on an indicator. For SDG 8 (Decent Work and Economic Growth), for instance, we assess children's rights in the workplace in the most recent year available. Combinations of these methods may apply, whereby both absolute levels and trends are assessed for a particular indicator. Together, these methods enable us to approximate the degree to which countries' policies are consistent with the SDGs.

> *"Our Country ESG scores and SDG framework helps us deepen our knowledge on the countries in which we invest*
>
> Michiel de Bruin, portfolio manager with Robeco's Global Macro team

Step 2 Potential: Do countries require additional capital to realize the SDGs?

The second step evaluates whether investors can help countries get better access to the financing needed to progress on the SDGs. This assessment consists of two dimensions: (1) a country's income classification according to the World Bank, and (2) country corruption. Countries that are rated as low, lower-middle, and upper-middle income (following dimension one) and have low levels of corruption (following dimensions two) get a +1 score in step 2 of the framework. These low- and middle-income countries can be considered in need of additional capital (Gaspar et al., 2019). Since they do not exhibit high levels of corruption, the risk that funds are misallocated is considered low or moderate.

Step 3 Controversies: Are countries involved in controversies that conflict with the SDGs?

Attaining the SDGs require countries to follow key principles for the SDGs. Governments that show controversial behavior that conflicts with the 'integrated and indivisible' nature of the SDGs (cf. UN, 2015) are unlikely to attain all SDGs. The third step of our framework screens for controversies. First, countries with very very poor governance are given a -1 score, whereby we use the RobecoSAM Country Sustainability Ranking's composite governance metric to survey the quality of governance in countries. Second, we assess whether countries are dictatorships. Using the BTI Transformation Index, countries that are classified as 'hard-line autocracies' are given a -2 score. Finally, countries on our exclusion list, for which we look amongst others at civil liberties and failed states, receive a -3 score.

The scoring process: Creating country SDG scores

Through this framework, countries are assigned a score in each of the three steps. Next, these are converted into an overall SDG score. To do this, we first check if a country has a negative score in any of the individual steps. If so, the lowest score will become the country's total SDG score. This is because we recognize that countries with poor policies for the SDGs (step 1) or those displaying behavior that strongly conflicts with the SDGs (step 3) cannot be considered to have a neutral or positive alignment with the SDGs. Countries that have a neutral score in step 1 (and no negative score in step 3), will receive a total score of 0. For those with a positive score in step 1, we add the country's scores in step 2. This is to reward countries with good policies for the SDGs that are in need of additional financing.

More details on our sovereign SDG methodology can be found in this report How to integrate SDGs into government bond portfolios (robeco.com)[2].

> *" Through the UN SDGs Robeco has a consistent, measurable and actionable framework to assess sustainability in all parts of a multi-asset portfolio. For so long, achieving sustainable outcomes meant excluding investible elements such as government bonds. We believe that our clients' capital can invest in government bonds, which will enable countries that are implementing a sustainable and credible policy framework to benefit from lower borrowing costs*
>
> Colin Graham, Head of Multi Asset Strategies at Robeco

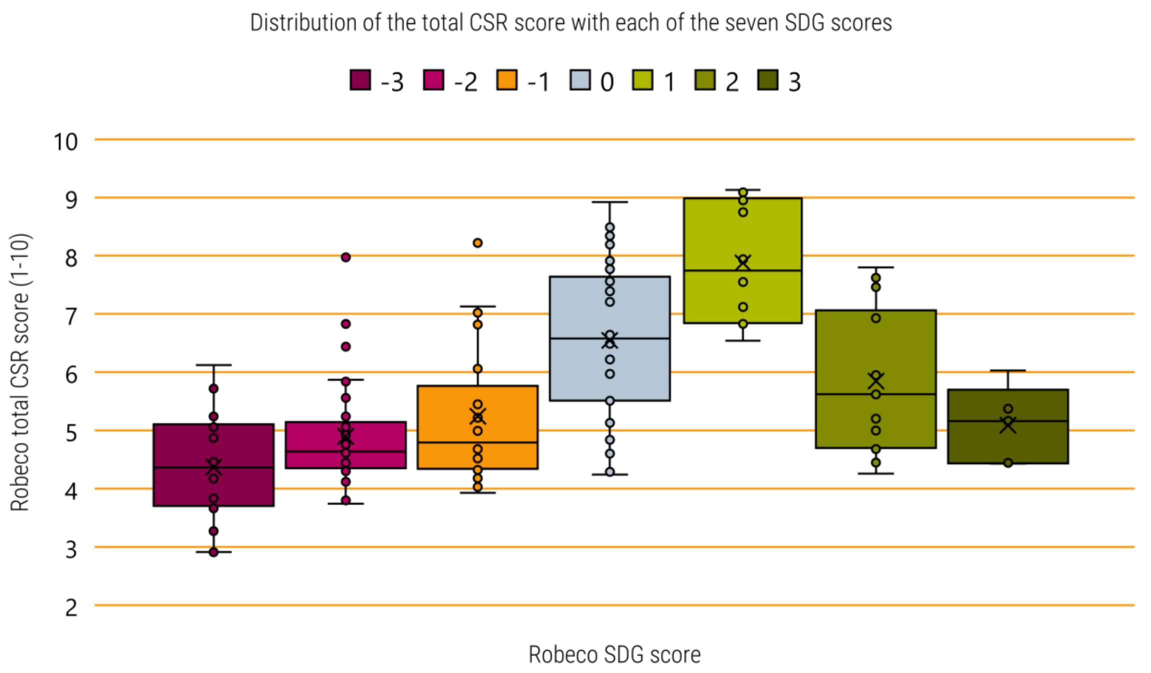
2 https://www.robeco.com/en-int/insights/2023/08/how-to-integrate-sdgs-into-government-bond-portfolios

Comparing the results of both lenses

There is no overall clear positive or negative correlation between the scores from both analysis methods. This can can be seen in figure 3. The chart shows the scores on both the SDG and the CSR framework for 150 countries. What can be observed is a cluster of countries that score either a 0 or +1 in the SDG framework and have an above average CSR score. These are typically (relatively more) advanced economies with a smaller sustainability risk, but also less potential progress on the SDGs.

The red boxes in the chart include countries that score poorly on both the SDGs as well as sustainability risks measured via the CSR. Zooming in on these countries we can conclude that most of them combine SDG-related controversies with a poorer score on governance risk, such as Egypt and Turkey. The dark green boxes comprise countries with SDG promoting polices in place and potential for further progress, while sustainability-related risks in these countries are still relatively high (for example Ghana).

Figure 3 - Both scores compared per country



Source: Robeco

Sustainability-related risks tend to be lower for higher-income countries. That is one of our observations from working with the CSR framework. Wealthier countries have more opportunities to allocate capital to amongst others education, health care, or a social security system. In practice this correlation does not hamper working with the CSR tool, as we compare countries with their rating peers and look at score changes as well as levels. Still, we do appreciate that the SDG framework does not exhibit this correlation to income levels. High and low scoring counties can be found in any place of the per capita income spectrum. This is illustrated in Figure 4.

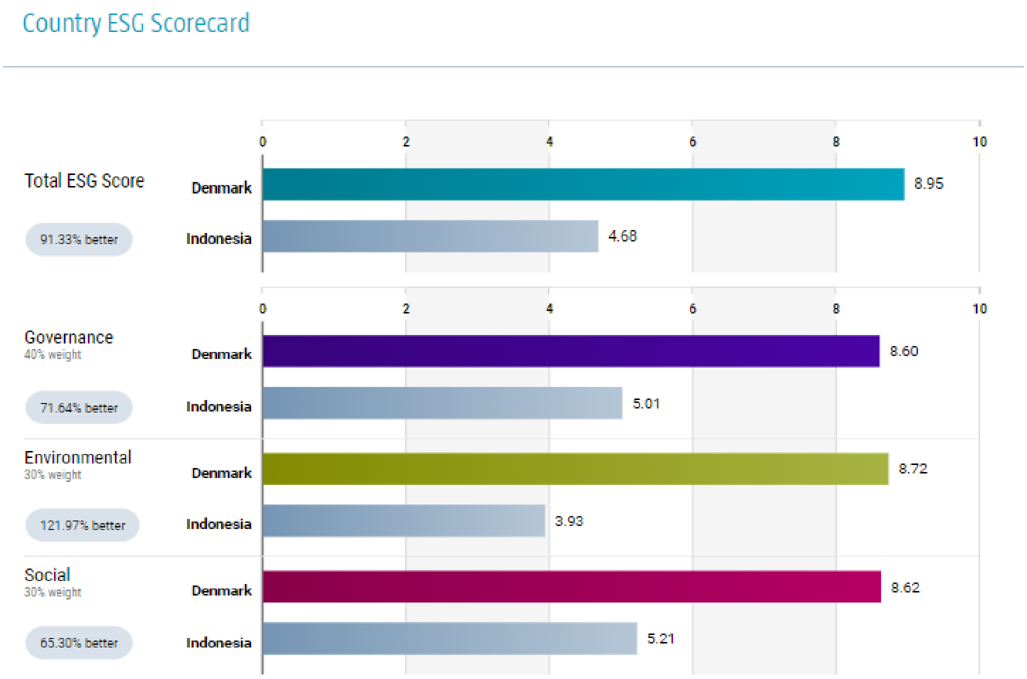
Figure 4 - Both scores plotted versus income levels

Source: Robeco

Example: Denmark and Indonesia seen through two lenses

To illustrate how the two methodologies work in practice we look into more detail at Denmark and Indonesia. The Country Sustainability Ranking gives Denmark a score of 8.95, while Indonesia scores 4.78. Denmark's sustainability risk profile gets higher marks on all three ESG dimensions. Notable differences can be found in categories such as political stability, water and waste, and human and labor rights.

Figure 5 - Robeco Country Sustainability Ranking: ESG scorecard for Denmark and Indonesia



Source: Robeco

In the Country SDG Framework, both Indonesia and Denmark score a +1 for their policies for the SDGs in step 1 of the framework. Denmark's total score is a +1 while Indonesia ends up with a +2 final score. What explains these scores?

Both countries score positively on policies for the SDGs. Despite its high level of economic development, Denmark has continued to make progress on among others: affordable and clean energy (SDG 7), industry, innovation, and infrastructure (SDG 9), climate action (SDG 13), life below water (SDG 14), peace, justice and strong institutions (SDG 16) and partnerships for the goals (SDG 17). However, on sustainable cities and communities (SDG 11) and responsible consumption and production (SDG 12) the country is demonstrating poorer policies.

Indonesia shows progress on: no poverty (SDG 1), good health and well-being (SDG 3), quality of education (SDG 4) and life below water (SDG 14), suggesting that the country has good policies for advancing these SDGs. While the country also scores negatively on SDGs, mainly related to water (SDG 6), clean energy (SDG 7), life on land (SDG 15) and institutions (SDG 16), its total rating in step 1 is positive-low (+1).

High per capita income does mean that Denmark will not receive an additional point for its sustainable development potential. Indonesia is entitled to such an additional point, because of its low level of income per capita. Its score on corruption is sufficient, and therefore it gets a +1 score in step 2, where we look at the potential for investors to support countries in gaining better access to capital. Neither of the two countries is subject of severe controversies, which leads Denmark to score +1 and Indonesia to receive a +2 score.

Figure 6 - Robeco's Country SDG Framework: Selected scores

Country	Total SDG score	Scores per step of the framework			Scores per SDG in Step 1 - Policies																
		Step 1 Policies	Step 2 Potential	Step 3 Contro-versies	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Ghana	3	2	1	-	2	-	2	2	1	1	1	-	-	-	1	-1	-	-	-	1	-
Indonesia	2	1	1	-	3	-	3	2	-	-1	-1	-	-	-	-	-	-	1	-3	-1	-
Denmark	1	1	-	-	-	-	-	-	-	-	2	-	1	-	-2	-1	1	1	-	1	1
Netherlands	-	-	-	-	-	-	-	2	-	1	-	-	1	-	-	-	-1	1	-1	1	-1
Poland	-1	-1	-	-	2	-	-	-	-	1	-1	-	-	-2	-1	1	-1	1	-1	-1	-
Israel	-2	-	-	-2	-	-	-	2	-	1	-1	-	3	-1	-	-1	-	-	-2	-1	-
Russia	-3	-1	-	-3	2	2	-1	-	-	-	-1	-	1	2	-	-1	-2	1	-1	-3	-

Source: Robeco

Both analysis frameworks will be used alongside each other in a different phase of the investment process. With the help of both instruments we feel well equipped to manage sustainable investments in sovereign bonds, taking account of both opportunities for development, as well as investment risks and opportunities.

Important information

Robeco Institutional Asset Management B.V. has a license as manager of Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) ("Fund(s)") from the Netherlands Authority for the Financial Markets in Amsterdam. This marketing document is intended solely for professional investors, defined as investors qualifying as professional clients, who have requested to be treated as professional clients or are authorized to receive such information under any applicable laws. Robeco Institutional Asset Management B.V. and/or its related, affiliated and subsidiary companies, ("Robeco"), will not be liable for any damages arising out of the use of this document. Users of this information who provide investment services in the European Union have their own responsibility to assess whether they are allowed to receive the information in accordance with MiFID II regulations. To the extent this information qualifies as a reasonable and appropriate minor non-monetary benefit under MiFID II, users that provide investment services in the European Union are responsible for complying with applicable recordkeeping and disclosure requirements. The content of this document is based upon sources of information believed to be reliable and comes without warranties of any kind. Without further explanation this document cannot be considered complete. Any opinions, estimates or forecasts may be changed at any time without prior warning. If in doubt, please seek independent advice. This document is intended to provide the professional investor with general information about Robeco's specific capabilities but has not been prepared by Robeco as investment research and does not constitute an investment recommendation or advice to buy or sell certain securities or investment products or to adopt any investment strategy or legal, accounting or tax advice. All rights relating to the information in this document are and will remain the property of Robeco. This material may not be copied or shared with the public. No part of this document may be reproduced or published in any form or by any means without Robeco's prior written permission. Investment involves risks. Before investing, please note the initial capital is not guaranteed. Investors should ensure they fully understand the risk associated with any Robeco product or service offered in their country of domicile. Investors should also consider their own investment objective and risk tolerance level. Historical returns are provided for illustrative purposes only. The price of units may go down as well as up and past performance is no guarantee of future results. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The performance data do not take account of the commissions and costs incurred when trading securities in client portfolios or for the issue and redemption of units. Unless otherwise stated, performances are i) net of fees based on transaction prices and ii) with dividends reinvested. Please refer to the prospectus of the Funds for further details. Performance is quoted net of investment management fees. The ongoing charges mentioned in this document are the ones stated in the Fund's latest annual report at closing date of the last calendar year. This document is not directed to or intended for distribution to or 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 Information Document (PRIIP) for the Robeco Funds can all be obtained free of charge from Robeco's websites.

Additional information for US investors

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

Additional information for US Offshore investors – Reg S

The Robeco Capital Growth Funds have not been registered under the United States Investment Company Act of 1940, as amended, nor the United States Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly in the United States or to any US Person. A US Person is defined as (a) any individual who is a citizen or resident of the United States for federal income tax purposes; (b) a corporation, partnership or other entity created or organized under the laws of or existing in the United States; (c) an estate or trust the income of which is subject to United States federal income tax regardless of whether such income is effectively connected with a United States trade or business. In the United States, this material may be distributed only to a person who is a "distributor", or who is not a "US person", as defined by Regulation S under the U.S. Securities Act of 1933 (as amended).

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

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

Additional information for investors with residence or seat in Austria

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

Additional information for investors with residence or seat in Brazil

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

Additional information for investors with residence or seat in 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 less than one hundred specifically identified investors. The fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. The information contained in this Prospectus is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile

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

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

Additional information for investors with residence or seat in France

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

Additional information for investors with residence or seat in Germany

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

Additional information for investors with residence or seat in Hong Kong

The contents of this document have not been reviewed by the Securities and Futures Commission ("SFC") in Hong Kong. If there is 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
This document is considered for use solely by qualified investors and private professional clients (as defined in Article 26 (1) (b) and (d) of Consob Regulation No. 16190 dated 29 October 2007). If made available to Distributors and individuals authorized by Distributors to conduct promotion and marketing activity, it may only be used for the purpose for which it was conceived. The data and information contained in this document may not be used for communications with Supervisory Authorities. This document does not include any information to determine, in concrete terms, the investment inclination and, therefore, this document cannot and should not be the basis for making any investment decisions.
Additional information for investors with residence or seat in Japan
This document is considered for use solely by qualified investors and is distributed by Robeco Japan Company Limited, registered in Japan as a Financial Instruments Business Operator, [registered No. the Director of Kanto Local Financial Bureau (Financial Instruments Business Operator), No.2780, Member of Japan Investment Advisors Association].
Additional information for investors with residence or seat in 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.
Additional information for investors with residence or seat in Liechtenstein
This document is exclusively distributed to Liechtenstein-based, duly licensed financial intermediaries (such as banks, discretionary portfolio managers, insurance companies, fund of funds) which do not intend to invest on their own account into Fund(s) displayed in the document. This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich, Switzerland. LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, Liechtenstein acts as the representative and paying agent in Liechtenstein. The prospectus, the Key Information Documents (PRIIP)the articles of association, the annual and semi-annual reports of the Fund(s) may be obtained from the representative or via the website.
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 or 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 Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. The information the Fund provides to its investors and the other services it provides to them are the sole responsibility of the Administrator. This Prospectus is not for public distribution.
Additional information for investors with residence or seat in Singapore
This document has not been registered with the Monetary Authority of Singapore ("MAS"). Accordingly, this document may not be circulated or distributed directly or indirectly to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. The contents of this document have not been reviewed by the MAS. Any decision to participate in the Fund should be made only after reviewing the sections regarding investment considerations, conflicts of interest, risk factors and the relevant Singapore selling restrictions (as described in the section entitled "Important information for Singapore Investors") contained in the prospectus. Investors should consult their professional adviser if you are in doubt about the stringent restrictions applicable to the use of this document, regulatory status of the Fund, applicable regulatory protection, associated risks and suitability of the Fund to your objectives. Investors should note that only the Sub-Funds listed in the appendix to the section entitled "Important information for Singapore Investors" of the prospectus ("Sub-Funds") are available to Singapore investors. The Sub-Funds are notified as restricted foreign schemes under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and invoke the exemptions from compliance with prospectus registration requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Sub-Funds are not authorized or recognized by the MAS and shares in the Sub-Funds are not allowed to be offered to the retail public in Singapore. The prospectus of the Fund is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The Sub-Funds may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304, Section 305 or any other applicable provision of the SFA and the subsidiary legislation enacted thereunder. You should consider carefully whether the investment is suitable for you. Robeco Singapore Private Limited holds a capital markets services license for fund management issued by the MAS and is subject to certain clientele restrictions under such license.
Additional information for investors with residence or seat in Spain
Robeco Institutional Asset Management B.V., Sucursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-14º, 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 Information Documents (PRIIP), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the office of the Swiss representative ACOLIN Fund Services AG. The prospectuses are also available via the website.
Additional information relating to RobecoSAM-branded funds/services
Robeco Switzerland Ltd, postal address Josefstrasse 218, 8005 Zurich, Switzerland has a license as asset manager of collective assets from the Swiss Financial Market Supervisory Authority FINMA. The RobecoSAM brand is a registered trademark of Robeco Holding B.V. The brand RobecoSAM is used to market services and products which entail Robeco's expertise on Sustainable Investing (SI). The brand RobecoSAM is not to be considered as a separate legal entity.
Additional information for investors with residence or seat in Taiwan
The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document has been distributed by Robeco Hong Kong Limited ("Robeco"). Robeco is regulated by the Securities and Futures Commission in Hong Kong.
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 deemed authorized and regulated by the Financial Conduct Authority.
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 27 September 1996, as amended.