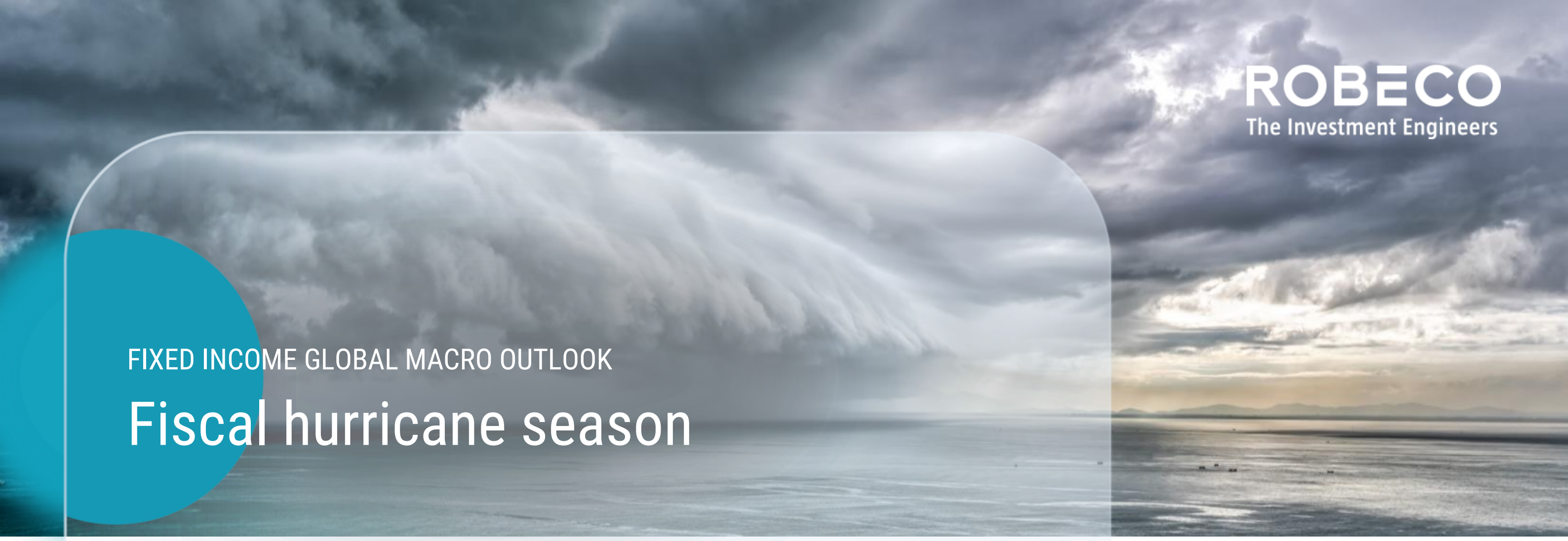


FIXED INCOME GLOBAL MACRO OUTLOOK

Fiscal hurricane season

- Political risks gain prominence after surprise French snap election
- Rate cuts pushed out as Fed and ECB await slower services inflation
- Remain constructive on intermediate tenors and high-rated SSA and covered bonds

The events in Europe following the European elections underscore how political developments can suddenly take center stage.

Euro government bond spreads ground tighter with relatively low volatility over the past 12 months, benefiting from the constructive risk mood in markets. However, sentiment changed overnight after French President Emmanuel Macron's party suffered a major defeat in the European elections. Mr. Macron's surprise announcement of parliamentary elections was seen by markets as adding fuel to the fire. A victory for parties with a fiscally expansive agenda increases the risk of deteriorating French public finances, which are already under market scrutiny.

Bond market volatility surged once again as Euro country spreads widened sharply, fueling a flight-to-quality into Bunds. The 10-year OAT-Bund spread widened by approximately 30 bps to just under 80 bps – levels not seen since the run-up to the 2017 French presidential elections and during the 2011 euro crisis. This widening affected spreads across all euro countries and spilled over into the broader euro credit complex. Additionally, European bank stocks experienced significant pain, with a sharp (8%) decline in the Euro Stoxx Bank Index over five days. These developments highlighted that valuations in spread markets had become stretched, as noted in our Q2 outlook (Risk-on, but not gone).

This demonstrated that while markets were focused on inflation and central bank meeting outcomes, geopolitical developments can have sudden and significant impacts on on markets. With elections coming up in the United Kingdom and later this year in the United States, where fiscal uncertainties are also elevated (see Figure 1), we could be in for a tempestuous summer and perhaps an equally stormy autumn.

Meanwhile, most developed markets' central banks have maintained a restrictive policy stance for an extended period. The impact on inflation varies across economies. While rate cuts have occurred in Switzerland, Sweden, Canada and the Eurozone, the timing of expected reductions is not synchronous. The Fed has signaled that the next rate move will likely be a cut, but it seeks further confirmation that inflation is moving toward its 2% goal, even as unemployment ticks up. The September FOMC meeting appears to be the first feasible time for implementing this cut.

Despite the long period of 2s10s yield curve inversion in UST– a once-reliable predictor of recessions – higher rates have had surprisingly subdued contractionary effects thus far. However, leading indicators for the US economy suggest a potential slowdown in the second half of the year, as the strong recovery in manufacturing priced in by equity markets fails to materialize. Economic growth in Europe seems to have bottomed out but remains feeble. The feed-through of higher rates is more pronounced in Europe though, where demand for business loans remains depressed.

FIXED INCOME OUTLOOK JUNE 2024

Marketing material for professional investors, not for onward distribution

Robeco Global Macro Team

Consequently, we anticipate the ECB will cut rates twice more this year. While the boader trend among DM central banks remains tilted toward easing, Japan is an exception. The BoJ grapples with a weak yen and we expect an additional rate hike there this summer.

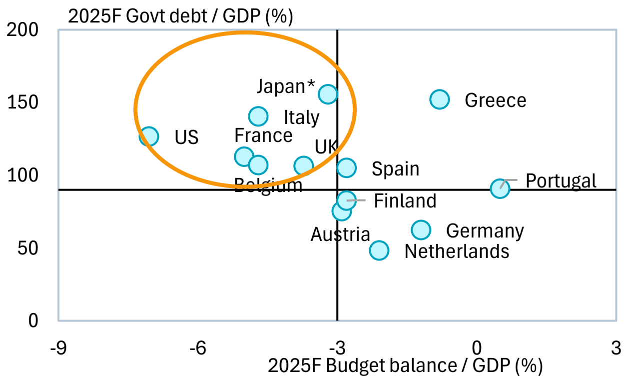
> *“The impact on inflation varies across economies*

After the decline in yields that recently took place, we are becoming more critical of the levels at which to add duration. Our maturity preference has remained quite stable. We continue to like the 5-year point of the curve in both US Treasuries and German Bunds. Cross-market we prefer being overweight in the US, versus Canada, amongst others. In Japan we continue to run an underweight duration position. Additionally, we've retained curve steepener positions across DM markets, albeit in segments beyond the front-end (e.g. in 10s30s and 5s10s).

We maintain a cautious view of Italian BTPs given deteriorating fiscal metrics. Ahead of the European elections, we significantly lowered exposure to France, being concerned about how the outcome of the election could adversely affect French paper.

Within the corporate allocation we have a clear preference for euro swap spreads, supranational bonds and covered bonds over corporate bonds. Furthermore, as corporate spreads tightened further over the past months we think risks are tilted to wider spreads. Economic prospects will likely struggle to improve (further) and central banks keep their policy restrictive.

Figure 1 – 2025 government debt balance



Source: Bloomberg, Robeco, IMF, Euroepan Commission, June 2024
* Net government debt/GDP

Macroeconomic and policy outlook

- Hard to see growth outlook improving further
- Central banks cautious to cut rates, pending slower services inflation and weaker jobs growth
- (Geo)politics poses downside risks demonstrated by French EU elections

Growth outlook: as constructive as it gets?

The speakers at our Quarterly Outlook presented a relatively upbeat view on the US economy. While the fiscal boost that helped push growth above 3% in H2 2023 has faded, the underlying pace of expansion is expected to remain on trend for the remainder of this year. Strong jobs and income growth would boost consumer spending, even though the catching-up of services consumption to its pre-pandemic levels is now complete.

Our own assessment agrees that a sharp economic downturn does not seem imminent. But we do see signs that US growth may slow to below trend in H2. We are closely monitoring areas of weakness such as the rise in delinquencies in credit card and auto debt, especially among lower income cohorts. It seems the rise in interest rates is starting to seriously bite, particularly among small companies. These have become less optimistic on the economic outlook, certainly compared to CFOs of larger peers, while scaling back hiring plans. Bankruptcies among small companies are also on the rise.

Although the pickup in global trade should help US industry growth recover, we don't think it will bounce as strongly as cyclical stocks are discounting. This is because of the remaining 'excess' of goods spending and the lingering property weakness in China.

As for China's outlook, we do see signs that manufacturing growth has picked up. Moreover, the latest bout of property easing measures is starting to have some positive effects on home sales in Tier 1 cities. But, the still-subdued money supply and credit growth data suggest a meaningful cyclical rebound is unlikely to materialize before 2025.

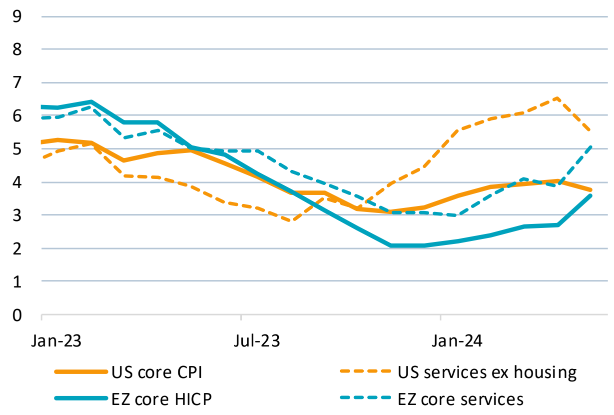
Meanwhile in the Eurozone, leading economic indicators point to modest positive growth after the prolonged stagnation of 2023. Still-substantial wage growth and low unemployment is supporting consumer spending, while export-oriented economies are benefiting from the pick-up in global trade growth. However, judging from the bank lending data, monetary policy is still having a restrictive effect on domestic demand. Moreover, fiscal policy is less supportive, as energy support has been partially unwound or, in the case of Italy, fiscal support for housing investment is fading.

So far, recent political developments across Europe and specifically in France have not severely dented the real economy (but merely sentiment in bond markets). However, (geo)political events, including the US elections, clearly have the potential to adversely affect animal spirits of consumers and businesses.

Inflation outlook: all about services

While consumer goods inflation across many DM and EM economies has subsided, helped by low China export price inflation (and despite increased shipping rates), inflation in the services sector is far from subdued – as the six-month annualized rate of change shows (see Figure 2).

Figure 2 – Six-month annualized rate of change (%)



Source: Bloomberg, Robeco, June 2024

This seems partly related to the still-substantial pace of wage growth. As well as the persistent pricing power of service companies amidst the post-pandemic shift from goods to services spending.

Leading indicators of wage growth, including job openings, the voluntary quit rate and the Indeed wage trackers, all indicate a further slowdown of wage growth in the US and the Eurozone in the upcoming quarters. This, coupled with a softening in services spending, should translate into slower services inflation. The latest CPI data in the US are encouraging in this respect.

That said, the risk of prolonged sticky wage and services inflation is real, as one of our external speakers argued. Not just in the US and Eurozone, but also in parts of EM such as in Central and Eastern Europe. Regarding regional variations, it is also worth reiterating that we believe that service inflation could still prove stickier for longer in the UK.

Monetary policy: a growing group of cautious rate cutters

Fiscal support played a crucial role in preventing recessions in many economies in late 2022 and 2023. But, as said earlier, fiscal stances generally have become less supportive this year, except in China. Looking ahead, restoring sound public finances will be a huge challenge in many countries in the context of increased nationalist populism and rising spending needs due to climate change and aging. Hence, we are prepared for (more occasional) bouts of unrest in sovereign debt markets in coming years.

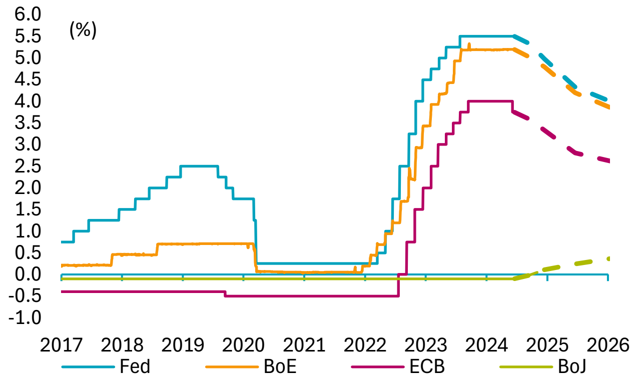
Regarding monetary policy, we anticipate that the group of central banks that is reducing policy rates will grow, albeit gradually, after the SNB, Riksbank, the ECB and BoC have now delivered their first rate cuts. In the case of the ECB, given signs of services price re-acceleration, it is probably not in a hurry to cut rates aggressively further, certainly now that the Eurozone economy has exited stagnation. That said, the recent unrest in the EGB market, if it worsens, will put pressure on the ECB to apply more flexibility in reinvesting redemptions coming due in the PEPP portfolio. Note that reinvestments are set to discontinue at the end of this year.

By September, further progress on disinflation, quite possibly reinforced by signs of weaker jobs growth, should prompt the Fed to also start cutting policy rates. However, given the bumpy nature of disinflation there is a significant likelihood that the onset of easing will be delayed until after the US presidential elections in November.

With the Fed on hold, many central banks in EM countries have either paused or delayed their cutting cycle. Especially in Brazil and Mexico where little to no (further) monetary easing is priced.

As for the terminal policy rates for the US and Eurozone priced in by financial markets, these are above where we would currently pitch neutral territory — i.e. 3.0-3.5% for the Fed funds rate and 1.75-2.25% for the ECB depo rate. Notwithstanding the precise trajectory of rates over the remainder of this year, there is room for markets to discount a somewhat faster return to neutrality in our view. But this requires signs of economic weakness, in addition to disinflation.

Figure 3 - Market-implied path for policy rates



Source: Bloomberg, Robeco, June 2024

Separately, China's PBoC is still following its own trajectory. Although it has been standing pat on official rates since implementing cuts in June and August of 2023, it has engineered further reductions in lending rates. However, the primary impetus for monetary stimulus comes from the PBoC's balance sheet expansion, achieved through reductions in banks' required reserves (as seen in February) or increased lending to commercial banks. This trend is expected to persist.

As for the BoJ, which has ended its negative rates and yield curve control policy, we expect the announcement of further reductions in bond purchases and at least one further rate hike in H2 2024. Still, the BoJ might deliver less than is currently priced by markets.

Rates strategy

- Yield levels expected to be rangebound
- Curves set to steepen
- Underweights in Japan, Canada and Sweden

Bunds and Treasuries acting as safe havens

In the first risk-off period for bond markets in many months, German Bunds and US Treasuries acted as the safe havens they are supposed to be. The rally in these markets has brought yields back to the levels seen in February. The recent moves beg the question: What has the recent rally done to rate perspectives for the next 3-6 months?

Once the safe-haven buying has reached its conclusion, rates in the belly of the curve will probably revert to expectations for central bank rates over a 12-24-month period for direction. The economic and policy outlook described in the previous paragraph suggests there is some room for the Fed and BoE to start and for the ECB to continue easing, but at a modest pace. This creates an environment where the yield levels of last September, when central banks were still talking about hiking rates, can act as a natural upper end to any trading range for Bunds, Treasuries, and Gilts.

Meanwhile the lower end of such a range is set by the expected amount of easing over this two-year window. As rate cuts have been postponed and any easing beyond 'neutral' territory seems unlikely for now, we would expect yields in the belly of the UST and Bunds curve to remain in a relatively limited range. For 5-year US Treasuries we expect to see a range of 4.25-4.75%, with the possibility to reach 4% if growth were to fall below trend. For 5-year German OBL yields we would place this range at 2.25-2.75%.

Preference for five-year point

For long positions we continue to prefer the five-year maturities. This part of the curve will respond to any medium-term expectations on central bank rates, as well as safe-haven buying, without suffering from the drag of negative carry prevalent in the two-year area. We do like the short end when cuts are seen as imminent and aggressive, like in some CEE countries up until recently, but this is not yet the case in the US, the Euro area and the UK.

> *" We like steepeners from the five-year point onwards*

We remain reluctant with long positions in bonds from the 10-year point on, as the current loose fiscal climate and higher inflation uncertainty suggests that term premia are still very low. For example, the ACM model gives a term premium for 10-year US Treasuries of -0.2%. This is off the lows, but still 80 bps below the average since 1995.

Summarizing our views on Treasuries, Bunds and Gilts, we prefer overweight duration positions, but are becoming more critical on levels after the recent drop in yields. We continue to like steepeners from the five-year point onwards.

Reducing exposure in the early cutters

Elsewhere in G10 rates markets we have seen early rate cuts by the Swedish Riksbank and the Bank of Canada reflected in relative curve steepening and outperformance of these markets versus German Bunds and US Treasuries. As we see limited room for continued divergence in these markets we have closed steepening positions and sold duration in the spread vs peers. We continue to hold overweight positions in the UK, Norway and New Zealand on the back of high yield spreads versus historical levels and the prospect of monetary easing. Remaining in the dollar bloc we are also underweight duration in Australia, as market pricing of rate cuts in AUD rates seems premature in our opinion.

In Japan we continue to run underweight duration and curve flattening positions, reflecting the view that BoJ monetary policy remains on a tightening path. We are looking more critically at levels, though, after the recent rise in yields.

ROBECO

Fixed income asset allocation

- Up or out in high yield
- Political risks back due to fiscal worries
- Local factors can defend against king dollar

Credit markets: a bifurcated market

Since our last Quarterly Outlook, spread markets have tightened marginally, while volatility in spreads has also dropped significantly. To us this indicates that the market is likely close to finding the cycle tights in spreads. Yet looking at overall index level spreads does not show the full picture.

In high yield (HY) a significant portion of the market is still trading at distressed[1] spreads. When excluding these names the USD and EUR HY market is actually already at spread levels last seen pre-2007. Another distortion is occurring in USD investment grade (IG) corporates. Corporate bonds which have a long maturity (longer than 10 years) are exceptionally tight and explain why the overall index spread is so low. Even though shorter maturities still offer some tightening potential from a relative perspective.

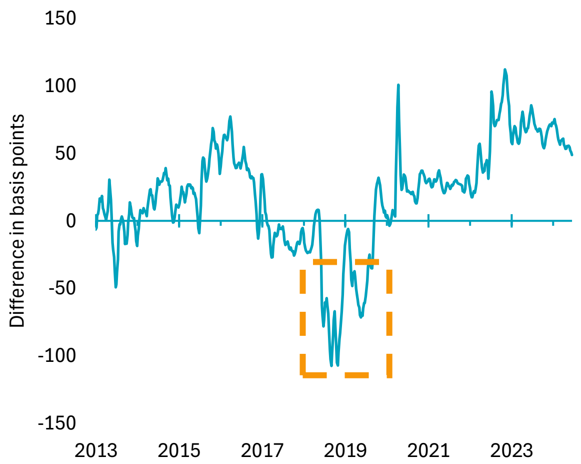
As discussed in our previous Quarterly Outlook, the HY market remains split: those that have access to capital markets trade at a very tight spread, while a significant portion of the lower-rated segments of the credit market trades distressed. In USD HY roughly 7% of the market is distressed, in EUR this is around 5%. Markets have been at these levels for over two years which is uncommon. Additionally, more issuers are transitioning from HY rating to IG (rising stars), than there are issuers falling into the HY segment (fallen angels). Yet, for issuers that stay within the HY universe, there are more rating downgrades than upgrades. It is rare that these two metrics move conversely to one another, which suggests a deterioration in quality within the HY market.

During this Quarterly Outlook we examined how many months the percentage of the market that trades distressed tends to lead the actual rise in default rates. We concluded that this tended to be around 3-6 months, leading us to believe that the default rate will likely remain elevated at the current level of about 2% for both EUR and USD markets over the next quarters.

High all-in-yields in EUR and USD credit are used by some to justify tighter spreads relative to history. However, we are wary of these arguments since the spread component remains the compensation for additional risk taken by holding corporate bonds versus government bonds. In our view, liquidity, default and downgrade risks have not materially changed compared to previous cycle lows. Furthermore, from current levels it does not take a lot of spread widening to erase carry returns.

At the time of writing, European election results are causing high volatility in French OATs and Italian BTPs. French corporates have issued around 20% of the total European corporate debt market, making them the largest country weight in the Euro IG market. Historically these corporate spreads have tended to tighten through their sovereign bond curve. See Figure 4 for an example of Italian corporate bond yields versus Italian government bonds. In 2018 when the Italian Five-Star movement came to power, Italian government bonds sold off significantly, leading Italian corporates to trade through the sovereign.

Figure 4 – Italian corporates spread to Italian government bonds



Source: Bloomberg, Robeco calculations

For our unconstrained strategies that invest in *both* sovereign and corporate bonds, these moves create opportunities. Our positioning remains mostly up-in-quality, favoring much of the SSA market above IG and HY, although we have reduced the spread duration risk in SSA's by shifting to shorter maturities for some strategies. This improves the carry and roll profile while limiting the sensitivity to risk-off moves in markets. If valuations were to improve we still look to add risk in the crossover region between IG (BBBs) and HY (BBs), as historically this offers the best risk-reward trade-off.

Peripheral bonds: election risk is back

Peripheral bond spreads continued their gradual tightening phase almost throughout the second quarter, in line with the

[1] With distressed we mean trading at an OAS >1,000.

generally positive market sentiment. Most economic data in the Eurozone came out above expectations, as the labor markets remained strong and consumers continued spending, especially on services. PMI's mostly bounced from a low level, and GDP projections in for example Spain were revised upwards. Low, but positive economic growth in combination with gradual declining inflation allows the ECB to gradually cut interest rates, which seemed like the 'goldilocks' scenario for risk in the Eurozone.

However, as is quite often the case, just when there are no dark clouds to be found, something unexpected pops up that shakes the markets. In this case it was not the European election in itself, but the announcement of a snap election in France. While initially predominantly French OATs widened sharply, this quickly started to spread toward other Eurozone government bonds. Especially Italian BTPs suffered in sympathy, with the spread versus Bunds widening with circa 30 bps. In addition, spreads of covered and government-related bonds came under pressure. In yield terms the impact was more limited. Due to the flight-to-safety flow 10yr German Bund yields fell by about 26 bps that week.

In the week prior to the European elections, exposure in French OATs was reduced in favor of German Bunds, as we felt spread risks had become asymmetric. Next to that we remain cautious regarding Italian BTPs. Overweight positions in Greece have remained in place. Greek government bonds also widened, but we think, when markets turn, spreads of countries with improving fundamentals could tighten back to pre-election levels. For France, every electoral outcome will likely mean a further increase in the deficit, while the country is likely to face an 'excessive deficit procedure' from the EU, meaning further potential pressure on the credit rating in coming quarters. For now we aim to be patient in reversing the underweight OATs position, as clarity around the outcome of the elections will not increase prior to the first round, but we will carefully look at opportunities in fundamentally strong 'victims' of the current upheaval.

Emerging market debt: idiosyncrasies to dominate

In aggregate, emerging market debt (EMD) has struggled both in outright yield and as a spread to Treasuries, reflecting changes to market expectations of the Fed policy rate path. Yet, that is not the whole story. Larger issuers appear untroubled, with IG spreads largely rangebound. Meanwhile, a few troubled frontier issuers show progress toward resolution, bolstering sentiment. As a result, issuer idiosyncrasies remain a critical focus.

Like-for-like comparisons, especially in Asia, suggest hard currency sovereign issuance is, at the margin, more attractive than local currency. While the inverted US Treasury curve undoubtedly plays a role in this, the trend for local currency issuance and the more than USD 1.7 trillion of excess foreign currency deposits sitting in Asian banking systems point to spreads grinding ever tighter. 5-year CDS remains extremely tight across the EM complex, with very few issuers trading above their 5-, 10- and even 15-year averages. Yet, even markets that are under stress, such as Colombia, appear to experience only a modest re-pricing of risk premia.

Local currency markets in several EMs have already begun to turn away from expectations of easing. While this is a consequence of the market's re-assessment of the Fed's policy path, it is hard to ignore that favorable base effects have begun to wash out of inflation gauges. Moreover, a combination of extreme weather events and logistics strains has further complicated central bank policy formulation. Revival of domestic policy concerns, most notably in Mexico, has been added to the mix, causing markets to temper the aggressive easing cycles that were priced in three months ago.

> *"Economic data in the Eurozone came out above expectations*

Food inflation risks remain underpriced in markets like India. Rice and wheat prices continue to rise at a double-digit pace. Moreover, with Modi running a coalition for the first time ever, policy roadblocks are likely to rise, suggesting term premiums need to increase. Elsewhere in Asia, duration risk is favored in Thailand and Indonesia, as underwhelming fiscal policy execution counters expectations of spending splurges. For both, nominal growth is lackluster, thanks in part to terms of trade shocks, and needed fiscal and monetary support is likely to be withheld. This should contain upside risks to inflation, keeping real yields enticing. Moreover, offshore investor allocations remain below historical norms, hinting both should benefit in the event of a broader EM portfolio rotation. In South Korea weak domestic demand is bringing inflation down and as the market is priced for unchanged policy rates until 2025, this could open the door for dovish surprises. Hence, we see value in front-end rates and, with low 10-year yields, scope for a steeper curve.

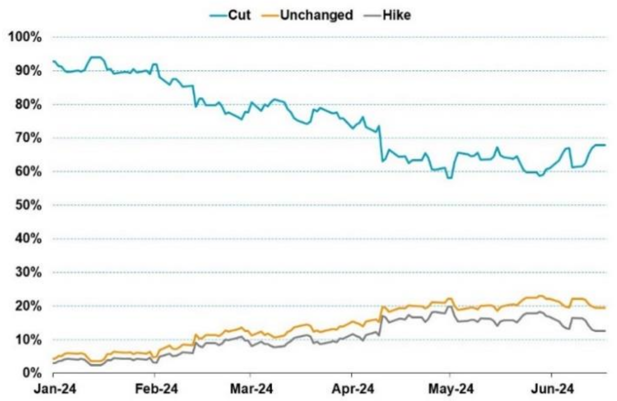
In CEEMEA, the hawkish monetary policy stance of the Polish central bank should pare back the elevated risk premium in longer-end yields, while keeping the front-end stable and flattening the curve. This contrasts with the dynamics at play in Hungary and should present cross-market opportunities. Lastly, the formation of a unity government in South Africa between the African National Congress and other major parties supports a reduction in term risk premia. Yet, with extensive reform needed, fiscal and broader macro risks remain a concern, leaving us wary of persisting ZAR and local rates underperformance relative to the broader EM landscape.

FX: adjusting in the USD's favor

Gyrating bond trader expectations of the Fed's policy path held a vice-like grip on FX markets. Diverging growth and inflation outlooks, led by still elevated nominal US economic growth and persisting labor market tightness, has humbled many investors. As one might expect, the trade-weighted USD gained 4.5% in nominal terms and 5% on an inflation-adjusted basis.

For the coming months there remains a risk of further disruptive adjustments to the Fed's rate path. Notably, the Atlanta Fed's Market Probability Tracker suggests the options market assigns a 2-in-3 chance of a cut by end-2024. While odds are lower than the February highs, scope remains for the higher-for-longer narrative to gain further traction and cause USD strength to extend further still.

Figure 5 – EM debt in 2024



Source: Bloomberg, Robeco, June 2024

This contrasts with several other G10 countries where, except for Australia, inflation and domestic macro conditions warrant policy easing that may drive underperformance, especially in Europe and Canada where rate cuts have already started. Australian exceptionalism stems largely from a less aggressive initial tightening cycle, robust immigration, tight labor and housing markets, expansionary Federal and State fiscal policy and a market that, by our estimates, assigns a negligible chance of a rate hike by end-2024.

Despite strong union wage gains, the yen also looks vulnerable. Smaller firms have not followed suit, weighing heavily on inflation-adjusted aggregate wage measures. This poor passthrough as well as signs of underlying headline and core inflation momentum rolling-over helps explain BoJ's reluctance to adopt a more aggressive tightening stance. Nonetheless, front-end rates are priced for at least one more hike before year-end.

In the face of a continuing USD bull market, EM currencies should, by and large, weaken further. Lower yielding markets (Northeast Asia, Thailand) and those with large easing cycles priced (CEEMEA) may face the most pressure. Markets with a weaker balance of payments positions, such as Indonesia and parts of LatAm, are also vulnerable and may opt to hikes policy rates to alleviate the pressure. Interestingly, some EM central banks are preferring to support their currencies via FX forwards. This leaves gross FX reserves relatively unscathed, offering investors false comfort now while creating risk of large reserve drains and explosive weakness later. Turkey previously used this tactic, with Malaysia and India doing so now. Mexico and South Africa are at the other end of the spectrum as elevated political risk premiums could fade quickly, causing rapid gains against the dollar. Yet, as the catalysts are sentiment based and thus hard to predict, caution appears the best policy.

Table 1 - Asset class preferences

	Constructive	Neutral	Cautious
Bunds	✓		
US Treasuries	✓		
JGBs			✓
Euro periphery			✓
EM local		✓	
IG credit			✓
HY credit			✓
SSA	✓		
Swap spreads	✓		

Source: Bloomberg, Robeco, June 2024

We wish to thank Dr. Ralph Solveen, Michael Leister (Commerzbank), Marc Giannoni, Anshul Pradhan (Barclays) and David Mericle (Goldman Sachs) for contributing to our quarterly outlook meetings.

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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.

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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

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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

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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

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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.

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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 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.
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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 Institutional Asset Management B.V (FRN: 977582) is 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.