Multi-asset market outlook

February 2024

For professional investors

Sustainable Investing Expertise by ROBECOSAM

General overview

Risk-on sentiment continues into January

MULTI ASSET	1mo	3mo	YTD	1YR	3YR	5YR
Oil Index (USD)	6.2%	-5.5%	6.2%	3.9%	25.3%	-0.9%
GSCI Commodities (USD)	6.2%	-5.3%	6.2%	0.1%	23.5%	9.0%
MSCI World (UH, EUR)	2.9%	13.0%	2.9%	17.0%	12.2%	12.6%
MSCI World local currency	1.8%	14.8%	1.8%	17.7%	9.6%	12.0%
MSCI World (H, EUR)	1.7%	14.3%	1.7%	15.8%	7.9%	10.1%
EMD hard currency (UH, EUR)	1.0%	6.3%	1.0%	5.4%	-0.1%	1.7%
Cash (EUR)	0.4%	1.0%	0.4%	3.6%	1.1%	0.5%
Global high yield (H, EUR)	0.0%	8.3%	0.0%	7.2%	-0.7%	1.4%
EMD local currency (UH, EUR)	-0.1%	5.1%	-0.1%	4.1%	0.8%	1.5%
Global investment grade bonds (H, EUR)	-0.2%	8.0%	-0.2%	3.0%	-4.1%	0.1%
Global Gov Bonds (H, EUR)	-0.6%	5.5%	-0.6%	1.2%	-4.7%	-1.3%
Gold (USD)	-0.7%	3.0%	-0.7%	5.7%	3.0%	8.1%
Global inflation-linked bonds (H, EUR)	-1.5%	4.9%	-1.5%	-1.3%	-5.0%	-0.9%
Global real estate (UH, EUR)	-1.9%	11.8%	-1.9%	-0.6%	5.8%	1.9%
Emerging Markets (UH, EUR)	-3.0%	4.1%	-3.0%	-3.0%	-4.0%	2.1%
Emerging Markets (LC)	-3.5%	5.7%	-3.5%	-0.5%	-4.9%	3.2%

Source: Robeco, Bloomberg

Commodities finally caught up with the risk-on sentiment boosting other assets on the back of the easing of financial conditions and bumper US GDP prints in Q3 and Q4. The trigger was the escalation of tensions in the Red Sea and attacks on shipping, including a Russian cargo vessel. Oil prices rose sharply, though we believe there is plenty of excess supply from recent OPEC cuts and the US oil boom to cover the longer-term impact of supply disruptions and sanctions.

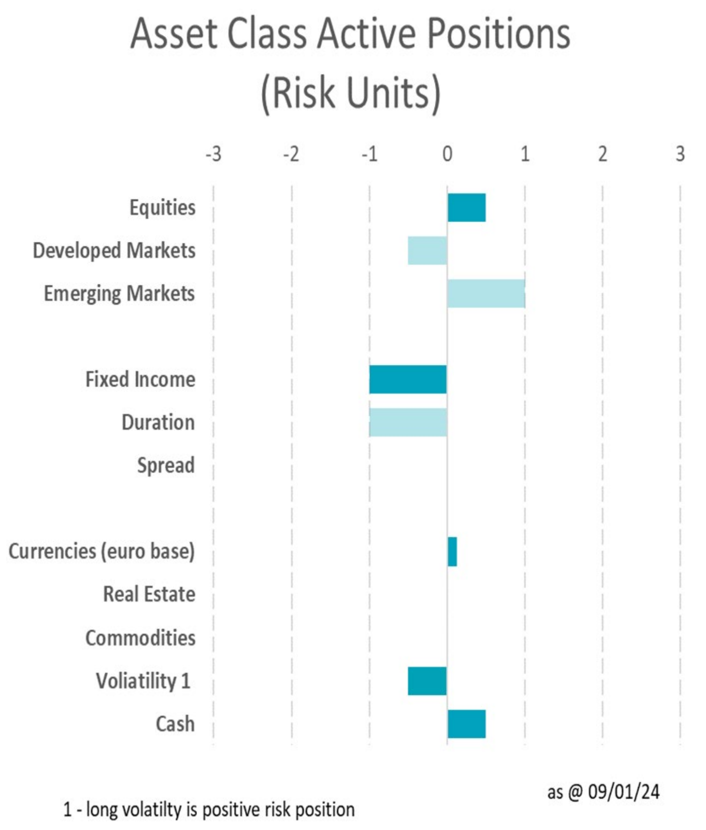
Bond yields rose as expectations about central bank pivots and the rate cutting cycle got ahead of the reality of strong economic growth and tight labor markets, which may signal that inflation is not defeated. By the end of January, yields had fallen back, as technicals did not confirm their move higher, delivering below-cash returns for the month. The US dollar was a significant beneficiary of the higher-for-longer rate outlook in the US. The trade-weighted dollar rose 2.1% over the month, according to Deutsche Bank.

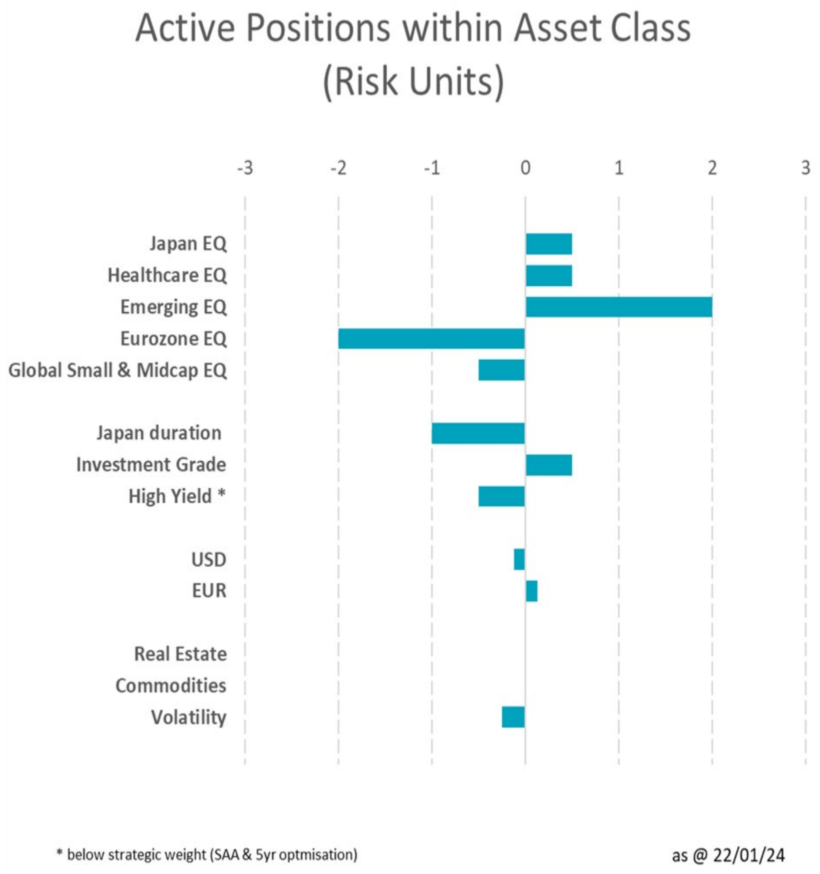
Within equities, Japanese stocks were the standout performer, returning 7.6% (in USD), while Chinese equities failed to respond to policy easing from the authorities, and sentiment remains rock bottom.

The US earnings season kicked off with banks doing ok and overall S&P 500 margins holding up, but the number of companies mentioning plans for lay-offs jumped significantly. The main course of Magnificent Seven announcements continue to beat expectations. So far, investors are rewarding the Mag7, but the field is narrowing further.

Robeco Multi-Asset views

Sustainable Multi-Asset Solutions positions





We increased our equity weights at the start of the month to mirror the momentum in the stock market. We added to Japan, whose bottom-up story continued to indicate recovery and shareholder value creation.

Towards the end of the quarter we moved into the health care sector, funding the position from small and mid-caps. Indigestion from post-Covid and weight loss lifestyle drugs dragged down health care earnings in 2023, but expectations are turning, and valuations look cheap for a defensive growth sector.

We continue to switch from high yield bonds into investment grade, as spreads have priced out any sort of slowdown this year.

Our higher-for-longer view for US interest rates will continue to support the US dollar's very expensive valuation, so we are close to home on FX. This view will put pressure on the funding models of small and mid-cap stocks, which rallied strongly as expectations of March US rate cut became consensus.

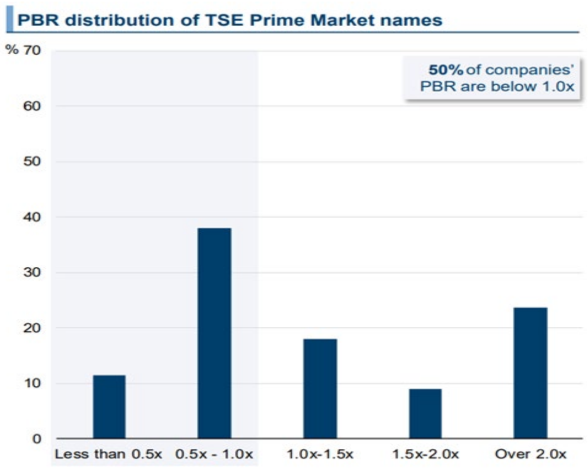
We continue to see opportunities within emerging markets from a valuation perspective, and from a contrarian view on Chinese equities.

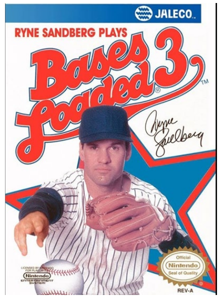
Source: Refinitiv Datastream, Robeco

ROBECO

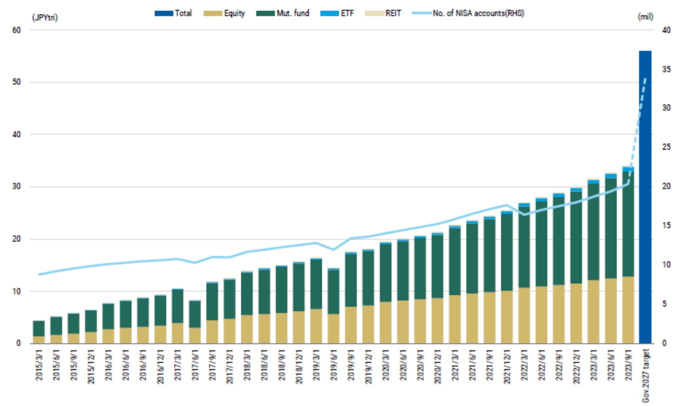
Theme of the month

Japan: All bases loaded, ready for a homerun?





The regulator forces Japanese companies trading below book to come up with a plan



The best bull markets come from within: 22 mln Japanese invest Y33 trn. Expect this to double.

Source: JPX, FSA, Morgan Stanley

Despite its US origins, baseball is the main spectator sport in Japan. With more than 21 million local fans, the average game attendance in the Nippon Professional Baseball league is nearly 25,000 – impressive for a shrinking population of 125 million. We are rooting for opportunities in Japan, where bases are loaded and the batter is getting ready to put one over the fence. The equity, bond and currency markets are all at inflection points that makes them promising for investment. Let's discuss the three bases in reverse order.

Third Base: Long Topix

We are long the equity market via Topix futures. This trade already has momentum and may be the first to complete its run around the infield. Since the 1989 bubble high returns have been dismal (1.5% p.a.), but thanks to the much friendlier shareholder return policies, 10-year local returns have been 10.1% annualized – much better than 0% on savings and 0.5% on bonds. Japanese companies are under pressure from investors, the government, and more importantly, also from the regulator. The herd took more than 15 years post-Koizumi to finally move. Listed Japanese companies have been expanding share buyback programs, which totalled JPY 9.6 trillion (USD 65 billion) in 2023, setting a new high for a second consecutive year. Yet, the percentage of Japanese companies that trades below book is still remarkably high at a ballpark number of 50% (30% in Europe, 10% in US). Local investors start to see the opportunity. The Nippon Investment Savings Account (NISA) gives them another push in a country where most people are close to retirement but have 50% of their money in a savings account. The size of the tax-exempt savings scheme is likely to grow to USD 400 billion by 2027. It would be smart to recycle the ETFs held by the BoJ (6% of market cap) via a NISA-ready, tax-exempt ETF structure.

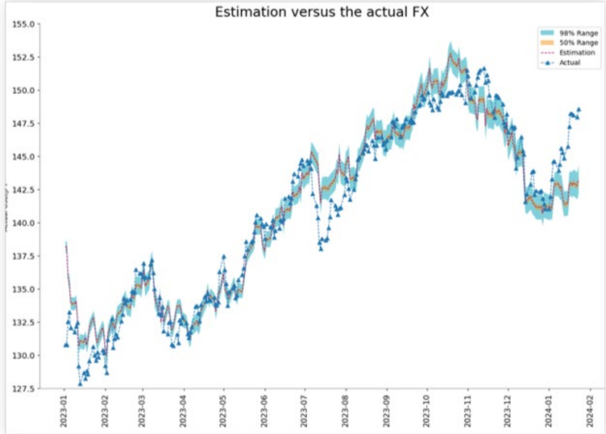
Second Base: Short JGB

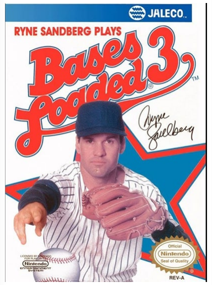
We are short the 10-year bond that trades at a yield of 0.7%. Last October the BoJ tweaked its policy by dropping the defense of the 1.0% level. This needs to be done carefully as financial repression must continue in the interest of debt sustainability. Even if inflation were to reach 2% consistently, Japan would not be able to afford paying 2% on its debts, let alone a positive real rate. Local insurers and banks must support their government at negative real rates. Be mindful also that academics will tell you that r* (the natural rate of interest) in Japan is about a negative 1%. The market is distorted with more than 50% of JGBs held by the BoJ. Still, if short-term rates bounce off zero to reach 0.25%, some term premium will need to be offered, so rates between 1-1.5% are our base case.

Theme of the month

Japan: All bases loaded, ready for a homerun?

10-year JGB yields distorted down for decades. Normalization back above1% looms.





Our yen model shows recent divergence between the price and the spreads

Source: Bloomberg, Robeco

First Base: Long JPY

We have taken a first step to go long the yen as negative momentum fades. The currency is about 30% undervalued on a real effective exchange rate basis and our model indicates that even with the current spreads, the yen has 5-7% upside. It seems counterintuitive to be long Japanese equity and be long the currency at the same time. Over the past decades, the obvious trade was to be short the currency when you want to go long the equity. Corporate profitability, however, has become far less dependent on international trade, and many companies have learned over many ‘expensive yen’ years to immunize themselves from the vagaries of the forex market. Still, the tail risk of the world's largest monetary experiment keeps us nimble with tight stop-loss levels.

Play at the plate: Ueda-san the hitman!

For any chance of a successful homerun in Japan, we need a good hitter. Here we have to rely on BoJ governor Ueda to step up to the plate. Though dovish, Ueda seems to be more open-minded than his predecessor but due to his short tenure, he is an unpredictable hitter. Could he do something unpredictable? Ueda has already hinted we should not expect many hikes, and even removing the NIRP would require a bit more insight into inflation, and especially wage inflation. The next BoJ meeting will be on 19 March – just after the Shunto wage negotiations outcome on 15 March, but before the Fed. It will take some guts to move then. The next one is on 26 April and the one thereafter is already after the June Fed meeting, when the market generally expects US dollar short rates to be cut for the first time. It would be better to at least end the NIRP with one hike, before any hike would move against the US dollar cycle.

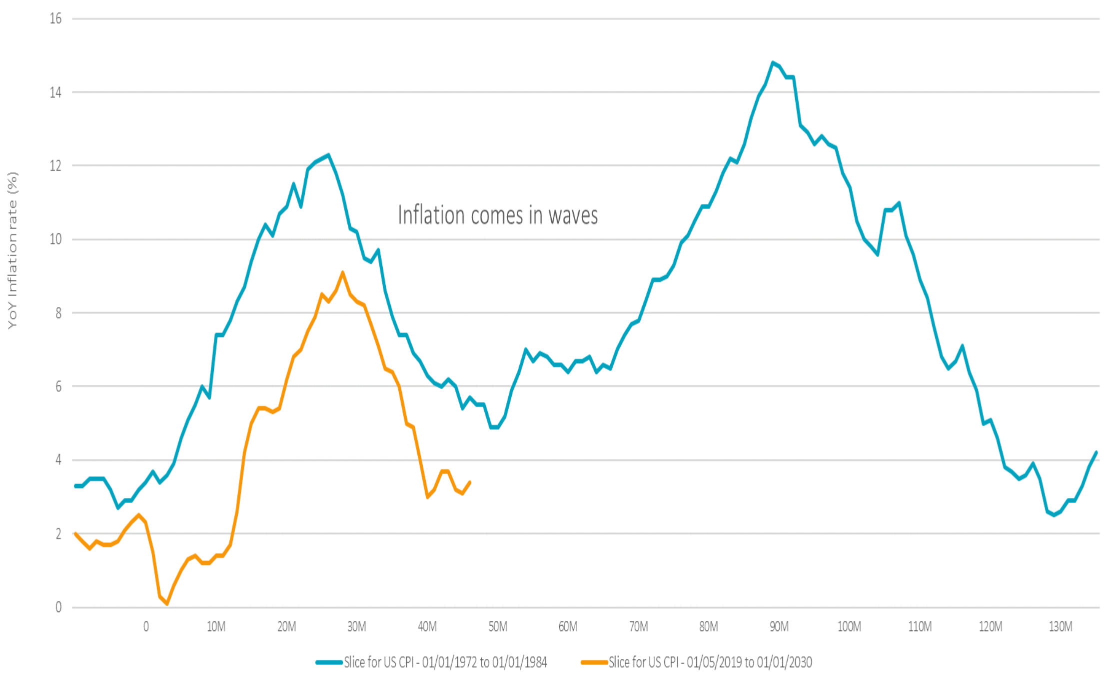
Pitcher Powell

Indeed, our friendly pitcher is Fed chairman Jerome Powell. Recently, action in all three segments of Japanese financial markets was driven by the Fed’s actions and words, not by Japan. For our Japanese bets to perform well, we need more stability in US rate and equity markets. We expect Powell to cut less than currently priced in. This will be an easy pitch for Ueda and will give him more time to hit the ball out of the stadium.

Time for a homerun!

Economy

Is the US inflation beast slain ?



Source: Refinitiv Datastream, Robeco

In general, hopes continued in January for a soft landing in the US and for Europe to avoid recession, which meant risk assets kept up their momentum from November and December. US data surprised on the upside once again, with Q4 growth at annualised rate of 3.3%, while the unemployment rate remained at 3.7% in December. That was also echoed in various surveys, with the University of Michigan's consumer sentiment index rising to a two-and-a-half year high in January. Likewise in the Eurozone, where although growth has been weaker, the single currency area unexpectedly avoided a technical recession in Q4, as GDP was unchanged, rather than contracting by 0.1% as the consensus had expected.

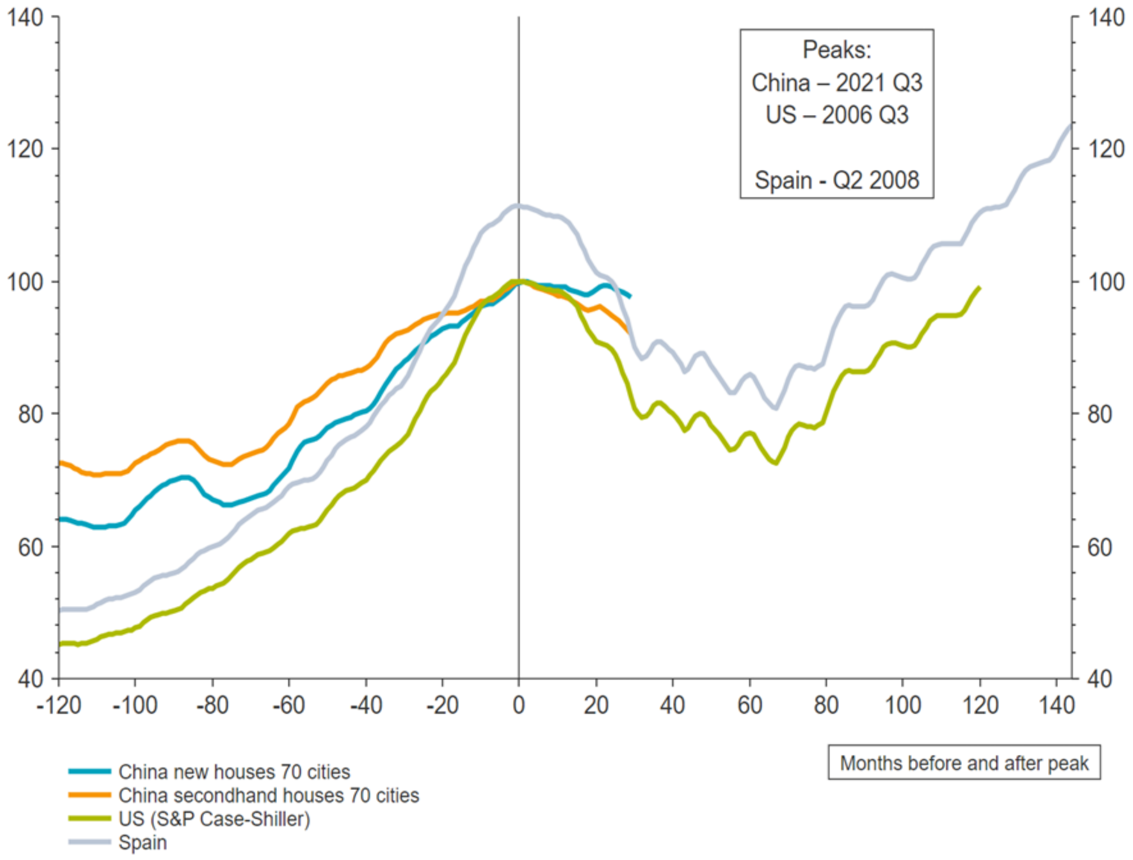
Another important story was geopolitics, as the strikes from the Houthi rebels on commercial shipping in the Red Sea led to significant supply-chain disruption. Against that backdrop, oil prices rose again in January after three monthly declines, with Brent Crude up to USD 83/barrel mid-month. Most notably, freight costs have soared, with Drewry's World Container Index up to USD 3,964 per 40ft container as of 25 January. That's almost triple its levels from late October, when costs were at a post-pandemic low. Tailwinds of supply chain improvements on goods inflation are fading.

Our 2024 outlook does expect the pace of disinflation in the US to continue, but with harder yards ahead. Moreover, the history of previous cycles (see chart) suggests that inflation does not fall in a straight line – hence the Fed pushing against expectations of rate cuts. In addition, the January employment report confirmed the strong GDP growth as the US economy has added over 1m jobs since September 2023, delivering a massive upside surprise in January.

ROBECO

Economy

China's domestic property price drawdowns have a way to go



Source: Refinitiv Datastream, Robeco

Deflationary forces in China's economy are considered structural, caused by the end of an unprecedented credit and investment expansion and China's demographic reversal, and the evidence is well documented. In the short term, the outlook is not much better. China's deleveraging efforts are slowing aggregate demand significantly and taking price indices into deflationary territory. With nominal GDP growth only 4.2% last year, the lowest since 1976 other than during Covid, and Chinese January M2 money supply growing 8.7% year on year, the slowest increase since November 2021, the spectre of a deflationary spiral is looming large.

Until there is a significant easing in fiscal policy, the economy is likely to lose momentum, and so the authorities are starting to announce policy measures. However, observers are sceptical that enough in being done, because the global manufacturing malaise and property issues are headwinds for the economy. We saw deflation for producer prices in 2023, and more recently consumer prices have also started to fall.

Concerns about the property market are front and centre, because for the Chinese consumer, housing is their largest asset. During 2023 we saw a significant rise in bank deposits as concerns about the direction of property prices drove consumers to spend less and save more.

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).

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