ROBECO
The Investment Engineers

Multi-asset market outlook

China: Restarting engine three

June 2022

For professional investors

Sustainable Investing Expertise by
ROBECOSAM

General overview

Real yield sensitive assets took a beating

MULTI ASSET	1mo	3mo	YTD	1YR	3YR	5YR
Oil Index (USD)	11.2%	26.2%	64.3%	93.1%	6.8%	6.5%
GSCI Commodities (USD)	3.5%	27.0%	56.1%	85.9%	21.1%	14.1%
Global investment grade bonds (H, EUR)	0.1%	-6.7%	-11.2%	-10.6%	-1.1%	-0.2%
Cash (EUR)	0.0%	-0.1%	-0.2%	-0.5%	-0.5%	-0.4%
EMD local currency (UH, EUR)	-0.2%	-2.3%	-3.2%	-1.6%	0.0%	0.8%
Emerging Markets (LC)	-0.2%	-5.7%	-9.6%	-15.7%	6.5%	5.7%
MSCI World local currency	-0.2%	-4.2%	-11.4%	-1.4%	13.0%	10.0%
MSCI World (H, EUR)	-0.3%	-4.8%	-12.0%	-2.6%	11.4%	8.2%
Global high yield (H, EUR)	-0.5%	-5.0%	-9.5%	-9.5%	-0.1%	0.2%
Global Gov Bonds (H, EUR)	-0.6%	-5.7%	-8.2%	-7.9%	-1.8%	-0.6%
Emerging Markets (UH, EUR)	-1.1%	-2.8%	-6.3%	-8.5%	6.4%	4.8%
MSCI World (UH, EUR)	-1.4%	-1.1%	-7.6%	8.6%	14.1%	10.8%
EMD hard currency (UH, EUR)	-1.5%	-2.8%	-9.0%	-3.4%	-0.4%	1.1%
Gold (USD)	-3.6%	-3.1%	0.6%	-3.4%	10.5%	6.5%
Global inflation-linked bonds (H, EUR)	-3.8%	-8.3%	-9.9%	-5.3%	0.7%	0.9%
Global real estate (UH, EUR)	-7.5%	-1.4%	-9.0%	11.8%	4.2%	5.1%

The rise in commodity prices has been relentless this year, with oil prices again adding a double-digit monthly return of 11.2% (in US dollars) in May, bringing the year-to-date return to 64.3%. Although oil fundamentals have worsened since the lockdowns in China, commodity hoarding behavior against a backdrop of structural scarcity has sustained current pricing.

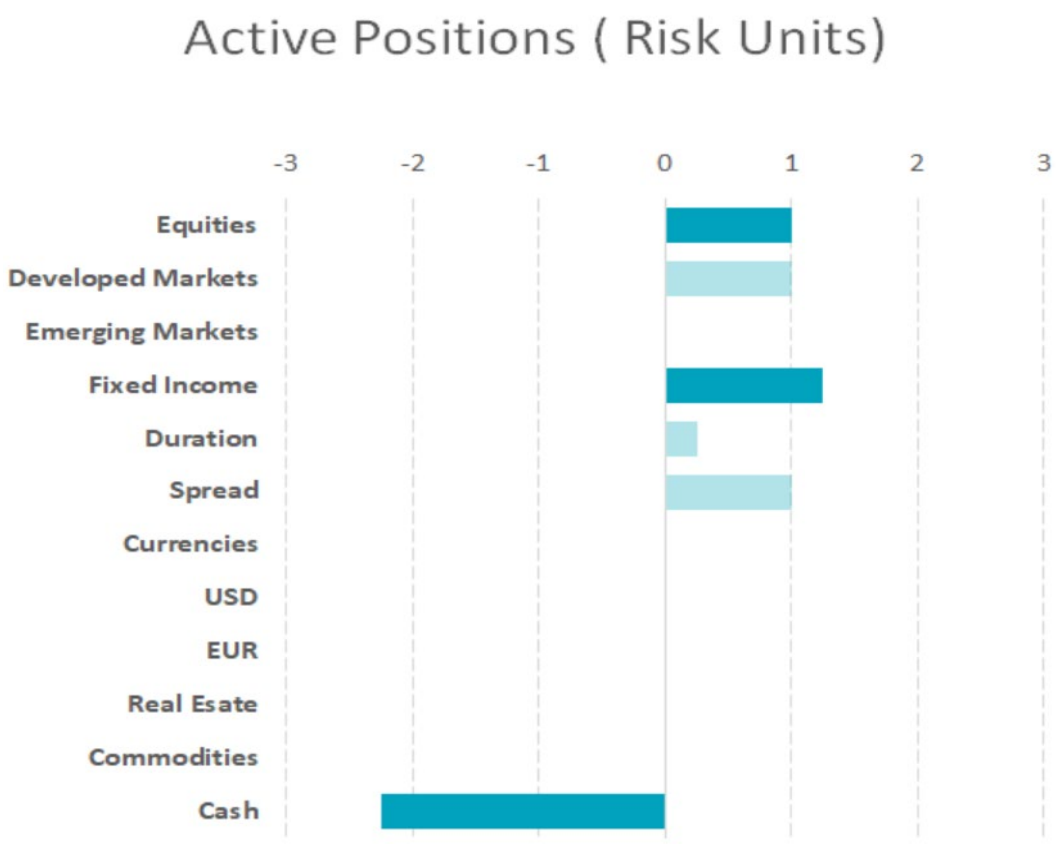
As 10-year real yields in the US rose another 10 bps, investor's fears have continued tilting towards growth concerns instead of inflation. Reflecting this, assets that are the most sensitive to real yield increases declined the most last month. Gold fell by 3.6% and global inflation-linked bonds by 3.8%, while global REITS slumped by 7.5%. Within the fixed income spectrum, US credits and high yield saw the best returns as spreads in the latter compressed below the 500 bp mark again. As the ECB adopted a more hawkish stance, indicating that APP net purchases will end "very early" in the third quarter, peripheral Eurozone spreads widened, with Italian government bonds losing 2% in value. Within equities, cheap regions that are net commodity exporters continue to outperform this year, as shown by Brazil, which outperformed the global benchmark last month by 3.4%, lifting its year-to-date return to 6.2%.

Source: **Robeco**

2 All market data to 31 May unless mentioned otherwise

Multi Asset views

Sustainable Multi Asset Views



Source: Refinitiv Datastream, Robeco

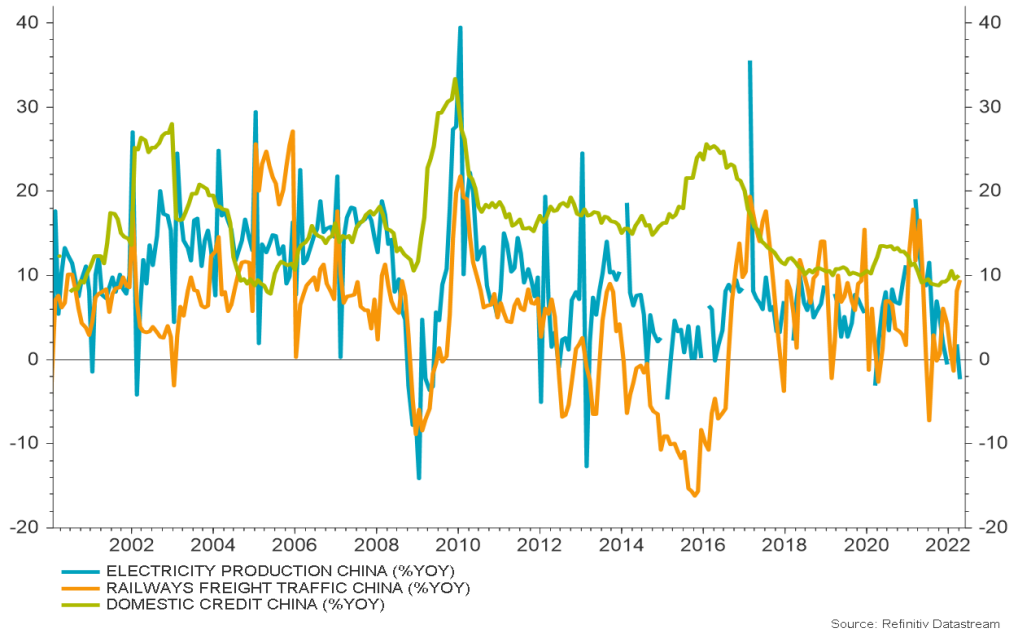
The current global macro landscape remains highly complex given a lagged impetus from Covid-related restrictions on supply chains, new supply risks emerging from the Russia-Ukraine conflict, tightening central banks and geopolitical upheaval. While we feel near-term downside risks are largely discounted while upside risks are less appreciated by the market, we still stick to a cautious risk-on positioning as markets tend to overshoot in either direction. In this respect we like to point out that while market sentiment is downbeat, it is not yet despondent. Also, rising real rates and declining earnings revisions could lead to a further derating in developed equity markets.

In this environment we prefer assets with defensive characteristics. Companies with pricing power, decent pay-out ratios, low leverage and cost controls will offer some inflation protection to equity investors. We stick to a modest overweight in equities during potentially choppy summer trading as we think the earnings cycle could extend somewhat further and outweigh continuing contraction in equity multiples.

In fixed income we have increased our high yield exposure from neutral to overweight as we thought mid-May spread levels exaggerated near-term US recession risk while high yield leads a potential rebound in equities at this juncture. We have a modest overweight duration position in sovereigns as risks have become more symmetrical as we are gradually moving closer to an inflection point in the tightening cycle where the Fed ought to pause or adopt a more measured pace of rate hikes.

Theme of the month

China's activity indicators – not all bad news



Source: Refinitiv Datastream, Robeco as @30 May 2021

China: Restarting engine three

The latest Covid threat to China's population's well-being and prosperity has led the authorities to implement severe lockdowns in Shanghai and other regions, while less draconian measures were implemented in Beijing. The economic outlook has been decimated, as happens with lockdowns everywhere, and consumers have been driven into hibernation (the Services PMI registered below 40), resulting in a desynchronization of domestic economy and monetary policy with the rest of the world.

Where other central banks have been raising rates and tightening financial conditions, the People's Bank of China (PBOC) has been cutting rates and easing reserve requirements. In addition, recent announcements on increasing infrastructure (USD 45 billion), airline industry support (USD 52 billion) and tax rebates (USD 20 billion) for the middle classes appear to be at the right time in the cycle to kickstart growth, unlike the US, which poured more money into an already overheated economy. Although using these previous levers to stimulate are subject to the law of diminishing returns, the package of measures will kickstart the economy coming out of lockdowns.

In the near term, the economy will trump the ideology and President Xi's vice-premier and prime minister are likely to step down at the 20th Party Conference, allowing the leadership to distance itself from recent dubious Covid-related policy decisions. We continue to believe that China is investible either through commodity and raw material demand proxies such as Latin America and Asia, or directly in Chinese companies. From our vantage point, we can see that these proxies have priced in a much better outlook for the Chinese economy – in fact, the factories kept running during lockdown. The consumer will exit the doldrums with 'revenge spending', helping the domestically focussed internet and consumer stocks to recover from historically low valuations levels. More broadly, we are experiencing a desynchronised economic cycle, so as China reopens, this should be a shot in the arm to global growth and unlock the value in the unloved assets that are pricing in a too-pessimistic outlook

 All market data to 31 May unless mentioned otherwise. Source: Reuters

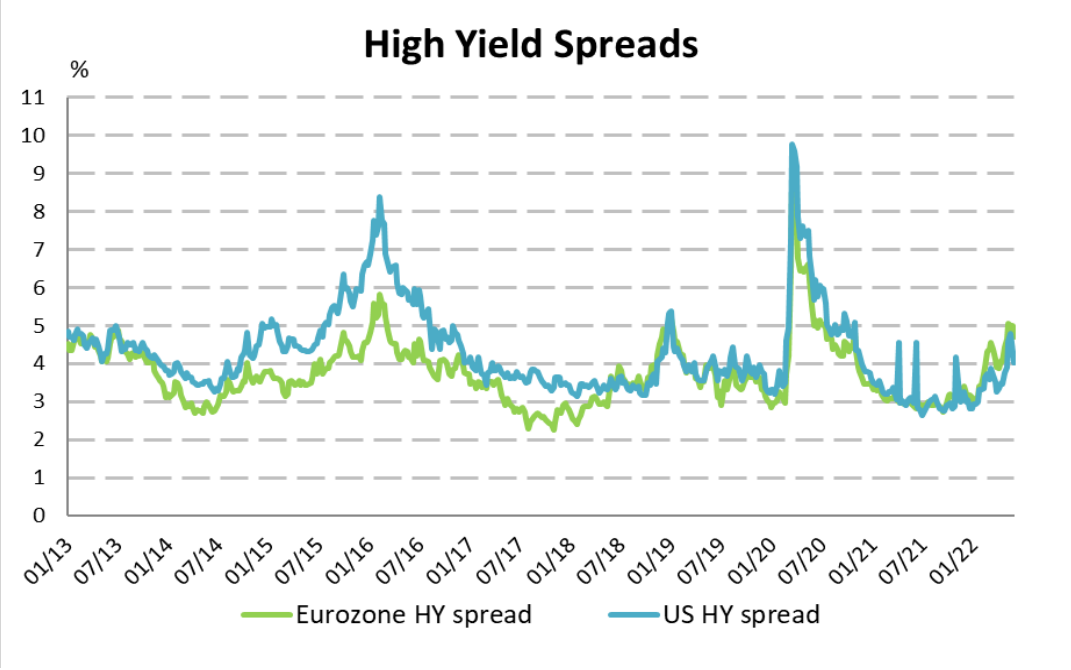
Theme of the month

Is US high yield sending a recessionary signal? Or is it just too pessimistic?

Recent macroeconomic data releases in developing economies have indicated slowing growth, and the inflationary scare is morphing into a growth scare, so we are watching the US high yield market with interest. Fears that the US Federal Reserve cannot engineer a soft landing are well founded in history, given current levels of inflation and employment, and we have some sympathy with that view. The counter argument is that the FOMC has leeway for some cooling of excess tightness in the jobs market without immediately endangering the cycle, so a small rise in unemployment could be positive to extending the cycle, and allow them to pause rate hikes.

The US high yield market composition has changed significantly, with consumer discretionary being the largest borrower below investment grade at 20%. Energy is still high at around 14%. So, high yield remains a very cyclical asset, although employment and consumer spending will be key drivers. High yield is the only major asset class that has seen net outflows over the last 12 months and in the year to date, while in equities only small cap companies have done this. These flows turned positive in the last week of May.

The recent spike in US high yield spreads reflects the growth scare



Source: Robeco, Bloomberg

Outside a recession, the current levels of high yield look attractive, and the growth scare is being priced in. If we look at our core investment scenario, the balance sheets of both consumers and corporates are in good shape, and the excesses that we have seen in previous recessions are missing from the obvious places (except maybe government balance sheets), which leads us to think that recession risk is not elevated on a 12-month horizon. We assess that high yield risks are more symmetric than the recessionary skew reflected in current spreads; the default risks are still low; and the Federal Reserve will pause later this year.

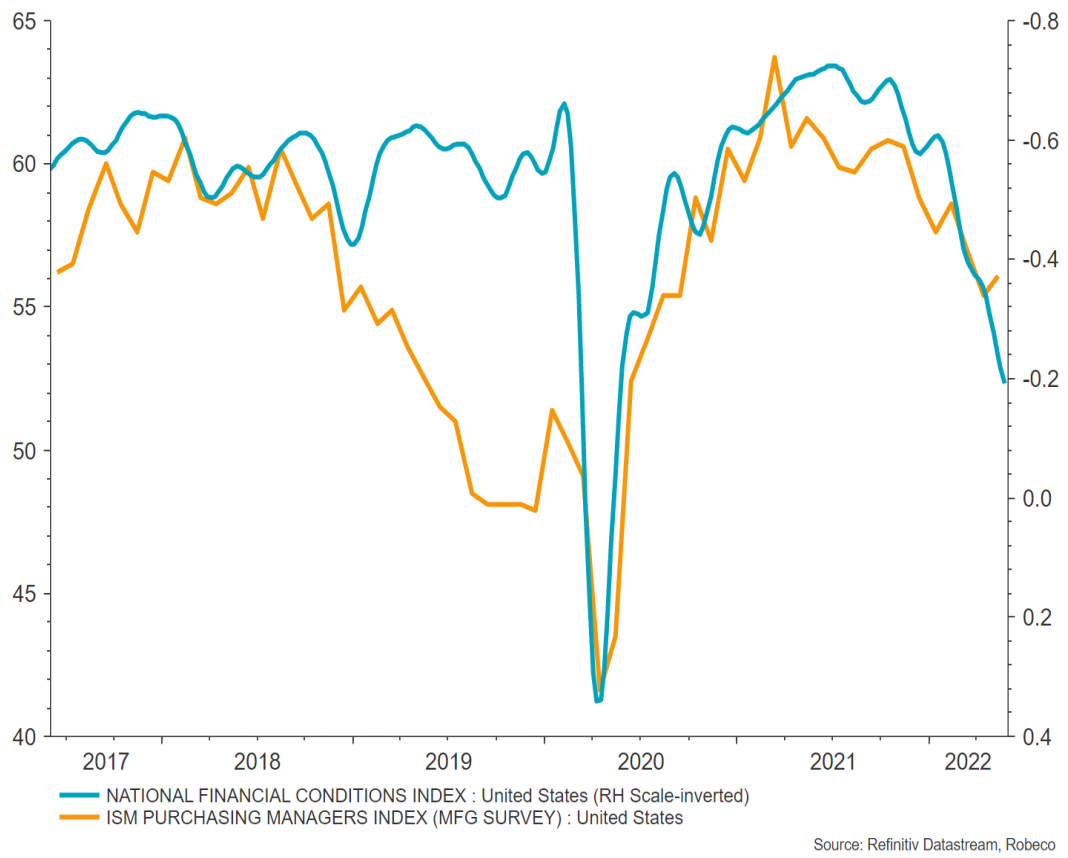
 All market data to 31 May unless mentioned otherwise

Economy (I)

May saw macroeconomic data releases increasingly surprise to the downside, with the notable exception of Japan, where macro surprises remained positive overall. Although leading indicators point to a continuing, broad-based expansion of economic activity, the general pace has been slowing for almost a year now. Our business cycle indicator signals that we have entered the slowdown phase of the business cycle. While headline inflation numbers in some developed markets like the US declined in May, the deceleration in inflation is far from synchronized, and underlying inflation pressures remain highly elevated.

The global economy is coping with several challenges that inhibit economic growth momentum, while the presence of a growth locomotive that offsets downside risks is lacking momentarily. First, one of the largest growth engines of the global economy is still sputtering. Although the official manufacturing PMI rebounded in May to 49.6 from 47.4 in April, Chinese growth is obviously contracting on the back of China's strict Covid lockdown policy, with the latest retail sales numbers down 11.1% y-o-y. Although lockdown restrictions in Beijing and Shanghai have been largely lifted, and more monetary stimulus is getting underway, an inflection point has not been reached because President Xi has prioritized his zero-tolerance Covid policy over reinvigorating economic momentum with local policymakers.

Tightening financial conditions point to a further deceleration of real activity



Source: Refinitiv Datastream & Robeco

ROBECO

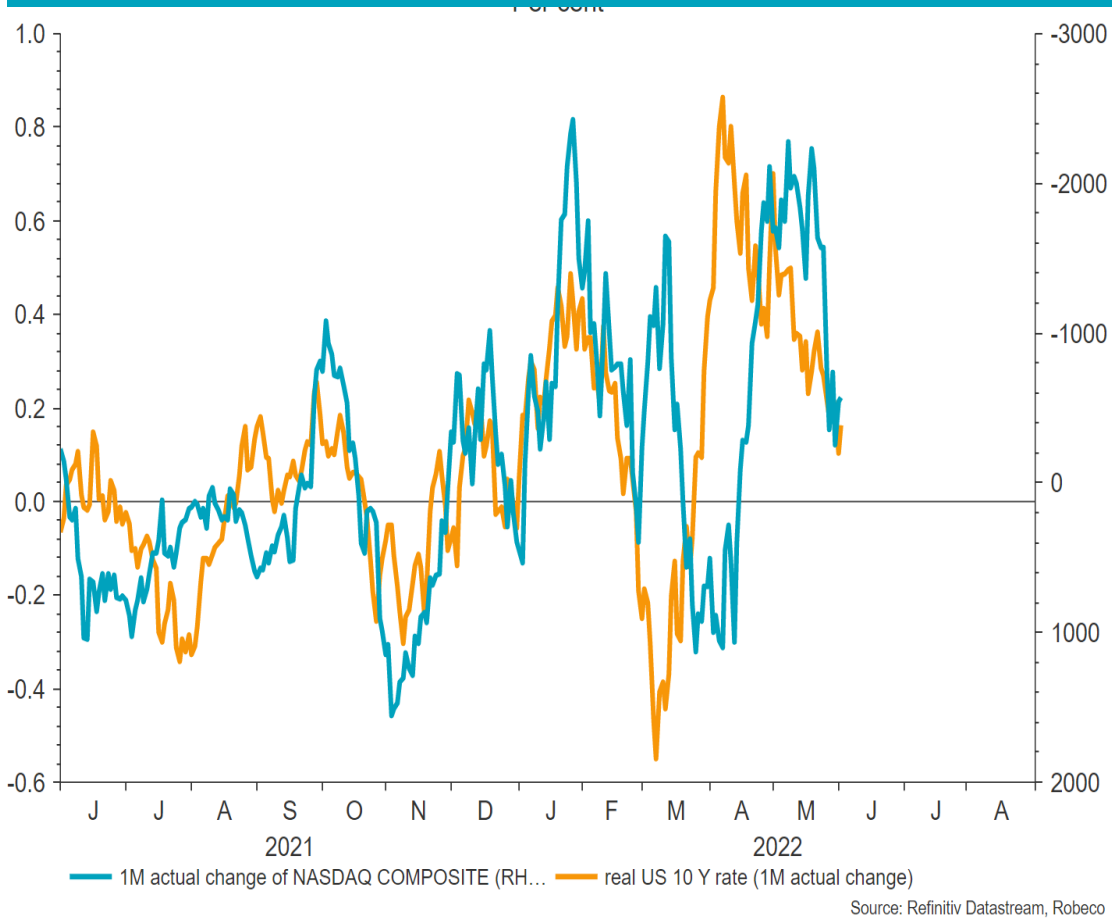
Economy (II)

Second, the first cracks are appearing in the US housing market, as 30-year mortgage rates have surged above 5%, and new home sales plummeted last month (-26.9% y-o-y). Rising gasoline prices (now above USD 5 per gallon) are starting to constrain future purchasing power. This slows extended discretionary goods consumption, although services consumption is still benefitting from a re-opening effect, with demand converging to the pre-Covid trend in the US. Also in the Eurozone, services activity is rebounding, despite the earlier plunge in consumer sentiment. Yet, German retail sales slumped 5.4% m-o-m in May.

Third, the Russia-Ukraine conflict slows economic momentum as consumers (especially those in the lower income cohort) feel the pinch of high commodity prices. Fourth, rising real interest rates as central banks try to catch up with inflation pressures stymies growth momentum on the back of a stronger dollar, though the latter started to weaken in May. As inflation in the US declined in April (8.2%) compared to March (8.5%), expectations that inflation has peaked has led the Fed funds futures curve to flatten. Market participants now expect a more measured tightening pace by the Fed after September. The Fed funds futures curve now reflects market participants expectations for a peak in the policy rate in 12 months' time at 3.0%.

Source: Refinitiv Datastream & Robeco

The direction of travel for real yields matters for growth stocks



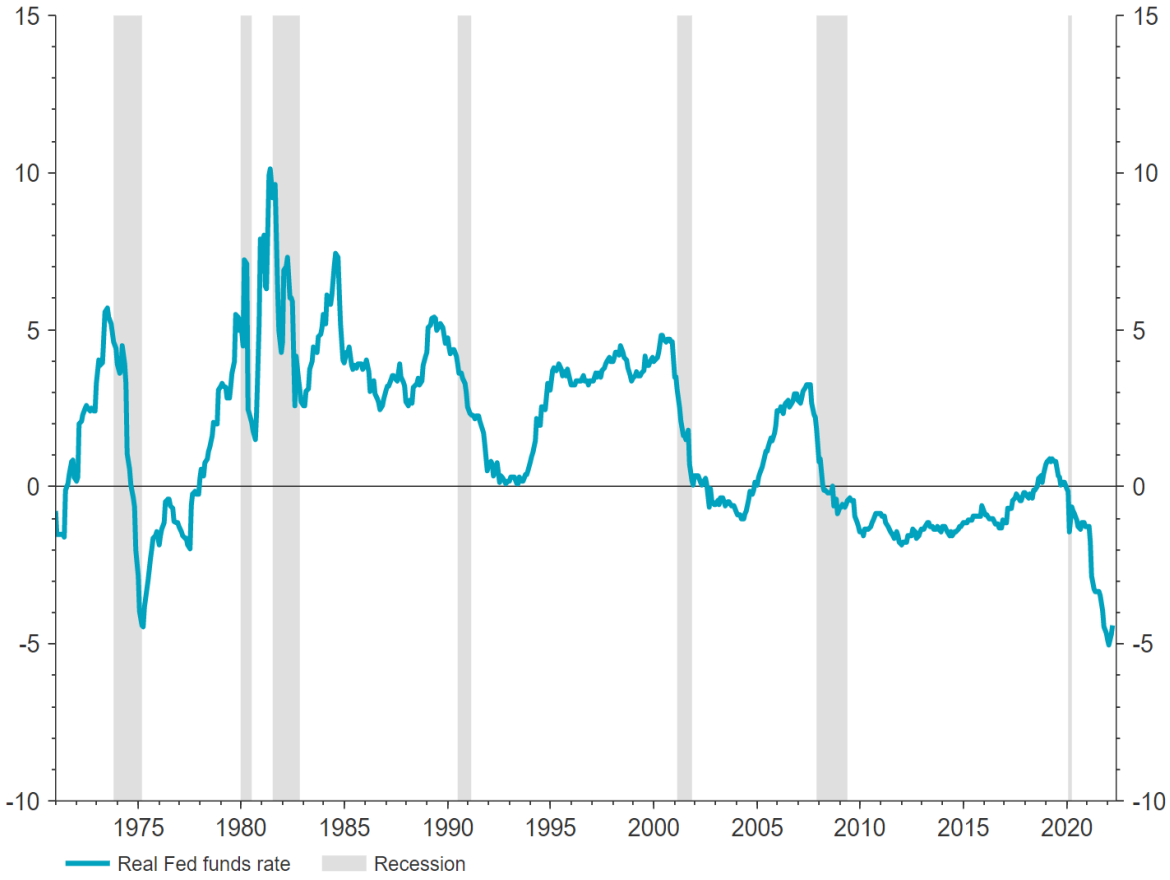
Source: Refinitiv Datastream & Robeco

 All market data to 31 May unless mentioned otherwise

ROBECO

Economy (III)

The level of real Fed funds is still broadly accommodative



Source: Refinitiv Datastream, Robeco

Source: Refinitiv, Robeco

Last month, we lowered the odds of our bull case to 10%, as we see fewer productivity gains materializing on the 6-12-month horizon. We increased our bear case probability of a US recession materializing in the next 6-12 months to 30%. A recession on a 6-12-month horizon is not our central investment case. We think the current growth pessimism among investors (US high yields spreads reflected a 45% recession probability in mid-May) to be somewhat overdone, as financial conditions have clearly tightened, but do not signal an outright contraction of the US economy in the near term. We also think the Fed will show some sensitivity to a further deterioration in financial conditions as the composition of FOMC voting members will become more dovish in the course of the year, and as inflation starts to decelerate in the third quarter.

In our view, the two necessary conditions for immediate recession risk are not flashing red yet; excess Fed tightening, and corporates and household running out of cash to spend. The real Fed funds rate typically enters positive territory before triggering a recession; it is still deeply negative at -4.4%. That said, the risks to our base case are clearly tilted to the downside given the growth challenges discussed in the previous section. Yet, there are upside risks as well, mainly stemming from China reprioritizing its objectives from a zero-Covid policy to boosting economic activity. Verbal guidance from policymakers like Li Keqiang and recent easing actions (lowering the 5-year loan prime rate for instance) suggest that Beijing is now willing to shift to a more forceful stimulus mode.

ROBECO

Important information

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 solely intended for professional investors, defined as investors qualifying as professional clients, 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 to comply 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. It is intended to provide the professional investor with general information on 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 and/or to adopt any investment strategy and/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 used 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 that 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 the past performance is not indicative of future performance. 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 on trading securities in client portfolios or on the issue and redemption of units. Unless otherwise stated, the prices used for the performance figures of the Luxembourg-based Funds are the end-of-month transaction prices net of fees up to 4 August 2010. From 4 August 2010, the transaction prices net of fees will be those of the first business day of the month. Return figures versus the benchmark show the investment management result before management and/or performance fees; the Fund returns are with dividends reinvested and based on net asset values with prices and exchange rates of the valuation moment of the benchmark. 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 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 also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. The Fund information, if any, contained in this document is qualified in its entirety by reference to the prospectus, and this document should, at all times, be read in conjunction with the prospectus. Detailed information on the Fund and associated risks is contained in the prospectus. The prospectus and the Key Investor Information Document for the Robeco Funds can all be obtained free of charge at www.robeco.com.

Additional Information for US investors

Robeco is considered "participating affiliated" 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 situation 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 wholly owned subsidiary of ORIX Corporation Europe N.V. and offers investment advisory services to institutional clients in the US.

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) ("Robeco"), 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 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 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 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. is relying 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 the issuer nor the Funds have been registered with the Superintendencia de Valores y Seguros 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 his 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.

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

This material is being 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 is at liberty to provide services in France. Robeco France (only authorized to offer investment advice service to professional investors) has been approved under registry number 10683 by the French prudential control and resolution authority (formerly ACP, now the ACPR) as an investment firm since 28 September 2012.

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 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 SFC in Hong Kong.

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 documents are considered for use solely by qualified investors and are being 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 Peru

The Fund has not been registered with the Superintendencia del Mercado de Valores (SMV) and is being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Additional Information for investors with residence or seat in Shanghai

This material is prepared by Robeco Overseas Investment Fund Management (Shanghai) Limited Company (“Robeco Shanghai”) and is only provided to the specific objects under the premise of confidentiality. Robeco Shanghai has not yet been registered as a private fund manager with the Asset Management Association of China. Robeco Shanghai is a wholly foreign-owned enterprise established in accordance with the PRC laws, which enjoys independent civil rights and civil obligations. The statements of the shareholders or affiliates in the material shall not be deemed to a promise or guarantee of the shareholders or affiliates of Robeco Shanghai, or be deemed to any obligations or liabilities imposed to the shareholders or affiliates of Robeco Shanghai.

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. You should consult your 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 are invoking 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 would 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 BV, Branch in Spain is registered in Spain in the Commercial Registry of Madrid, in v.19.957, page 190, section 8, page M-351927 and in the Official Register of the National Securities Market Commission of branches of companies of services of investment of the European Economic Space, with the number 24. It has address in Street Serrano 47, Madrid and CIF W0032687F. 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: Affolternstrasse 56, 8050 Zürich, acts as the Swiss representative of the Fund(s). UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Europastrasse 2, P.O. Box, CH-8152

Opfikon, acts as the Swiss paying agent. The prospectus, the Key Investor Information Documents (KIIDs), the articles of association, the annual 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 www.robeco.ch.

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. RobecoSAM-branded financial instruments and investment strategies referring to such financial instruments are generally managed by Robeco Switzerland Ltd. The RobecoSAM brand is a registered trademark of Robeco Holding B.V. The brand RobecoSAM is used to market services and products which do 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 Liechtenstein

This document is exclusively distributed to Liechtenstein-based duly licensed financial intermediaries (such as e.g. banks, discretionary portfolio managers, insurance companies, fund of funds, etc.) 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 Investor Information Documents (KIIDs), the articles of association, the annual and semi-annual reports of the Fund(s) may be obtained from the representative or via the website wwww.robeco.ch

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 subject to limited regulation in the UK by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.

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 in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Fund is not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The Fund corresponds to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.