ROBECO

Factsheet | Figures as of 28-02-2022

Robeco All Strategy Euro Bonds I EUR

Robeco All Strategy Euro Bonds is an actively managed fund that invests mainly in euro-denominated government and corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund is an active bond fund looking to optimize returns on a risk-adjusted basis. It applies a flexible approach to investing and is not fully constrained by its underlying benchmark.

Jamie Stuttard, Stephan van IJzendoorn
Fund manager since 01-01-2019

Performance

	Fund	Index
1 m	-2.10%	-2.21%
3 m	-4.22%	-4.47%
Ytd	-3.00%	-3.31%
1 Year	-4.07%	-4.15%
2 Years	-0.78%	-2.28%
3 Years	1.99%	0.89%
5 Years	1.37%	1.02%
10 Years	2.99%	2.90%
Since 03-1999	3.76%	3.86%

Annualized (for periods longer than one year)
Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see last page.

Calendar year performance

	Fund	Index
2021	-2.92%	-2.85%
2020	7.34%	4.05%
2019	5.86%	5.98%
2018	-0.51%	0.41%
2017	0.01%	0.68%
2019-2021	3.32%	2.32%
2017-2021	1.88%	1.61%

Annualized (years)

Index

Bloomberg Euro Aggregate

General facts

Morningstar	★★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 358,593,697
Size of share class	EUR 53,307,883
Outstanding shares	323,261
1st quotation date	25-05-2007
Close financial year	31-12
Ongoing charges	0.48%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	3.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

Exclusions

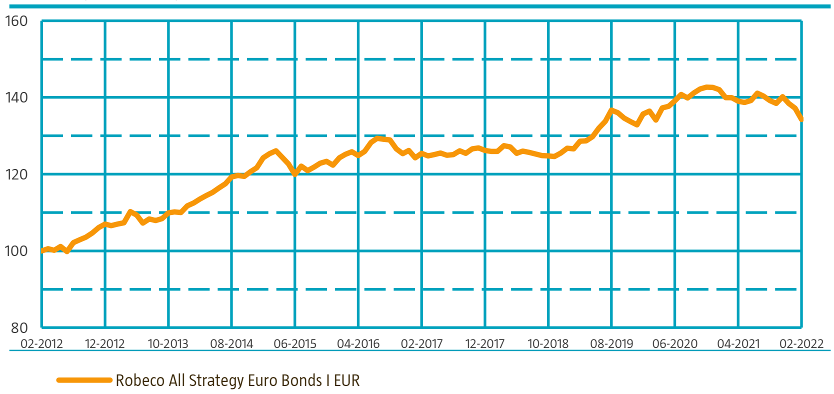
ESG Integration

Engagement

For more information on exclusions see https://www.robeco.com/exclusions/

Performance

Indexed value (until 28-02-2022) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -2.10%.
The fund posted a negative absolute return over the month, as interest rates increased, as did credit spreads. The underweight duration position, the EUR curve flattener position and the underweight in peripheral and corporate bonds all added to performance, while the overweight in SSA bonds and swap spreads detracted from performance. Credit spreads widened due to a combination of expected central bank withdrawal of stimulus and an escalation in the Russia-Ukraine conflict. The invasion of Ukraine means even more pressure on inflationary forces, and markets might even start to price in chances of a recession in 12 months' time. As the ECB will need to respond to the sharp rise in prices, we expect that they will be forced to hike rates at the end of the year, which would mean that the curve could flatten further.

Market development

February was a month of two halves with significant volatility in bond markets. At the start of the month, the ECB stunned markets, as President Lagarde highlighted that inflation might remain more elevated than previously predicted and refrained from reiterating that a rate hike this year is highly unlikely. 10-year Bund yields spiked sharply higher on this news, breaking into positive territory for the first time since H1 2019. 2-year German yields also spiked higher, from -0.53% at the start of February to a high of -0.24% just after the ECB meeting. However, in the second half of February, as the unprecedented Ukraine crisis started to unfold, government bond yields steadily declined again. Liquidity became much thinner and bond yields found support from increasing uncertainty around the geopolitical situation. 2-year bonds rallied all the way back, closing the month unchanged at 0.53%. The 10-year BTP-Bund spread initially widened 40 basis points, as markets started to discount an earlier withdrawal of ECB stimulus, but towards the end of the month, the spread started to decline again as the ECB indicated that it would take all necessary measures to avoid market fragmentation.

Expectation of fund manager

Uncertainty about the war in Ukraine will likely continue to dominate bond market sentiment. However, the impact on central bank policy is expected to differ per region. We expect the Fed to start hiking rates in March, followed by further rate increases. We believe that for now, the ECB will take a very cautious approach and will refrain from taking large policy steps. Macro uncertainty will continue to dominate. Higher inflation, as energy prices rise, could lead to slower growth. In this narrative, ECB policy will likely be focused on avoiding market fragmentation. In this environment, it is likely that euro government bond yields and country spreads will find strong support, at least for the next weeks to come. In the more medium term, the likely prolonged high inflation prints will mean more pressure on the ECB to start hiking rates in the latter part of this year.

Fund price

28-02-22	EUR	165.35
High Ytd (13-01-22)	EUR	170.21
Low Ytd (15-02-22)	EUR	164.04

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.21%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

Issue structure	Open-end
UCITS V	Yes
Share class	I EUR

This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Austria, Chile, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Switzerland, United Kingdom

Currency policy

Relatively small positions in currencies other than the euro are permitted. Derivatives can be used for various reasons such as hedging single positions and arbitrage, or for leverage to gain extra exposure.

Risk management

Risk management is fully embedded in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend but retains all income in the portfolio, so total performance is reflected in the price.

Derivative policy

Robeco All Strategy Euro Bonds make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are regarded very liquid.

Fund codes

ISIN	LU0210247085
Bloomberg	RCGASIE LX
WKN	A0MY6H
Valoren	3249308

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.20	1.02
Information ratio	1.30	0.80
Sharpe ratio	0.74	0.69
Alpha (%)	1.68	0.93
Beta	0.90	0.92
Standard deviation	3.98	3.32
Max. monthly gain (%)	2.34	2.34
Max. monthly loss (%)	-2.02	-2.02

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	21	34
Hit ratio (%)	58.3	56.7
Months Bull market	20	32
Months outperformance Bull	11	17
Hit ratio Bull (%)	55.0	53.1
Months Bear market	16	28
Months Outperformance Bear	10	17
Hit ratio Bear (%)	62.5	60.7

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	AA3/A1	AA3/A1
Option Adjusted Modified Duration (years)	7.5	7.5
Maturity (years)	7.1	8.5
Yield to Worst (%, Hedged)	0.6	0.7
Green Bonds (%, Weighted)	7.7	3.9

Sustainability

The fund incorporates sustainability in the investment process via exclusions, negative screening, ESG integration, limits on investments in companies and countries based on ESG performance as well as engagement. For government and government-related bonds, the fund complies with Robeco's exclusion policy for countries, excludes the 15% worst ranked countries following the World Governance Indicator 'Control of Corruption', and ensures the fund has a minimum weighted average score of at least 6 following Robeco's proprietary Country Sustainability Ranking. The Country Sustainability Ranking scores countries on a scale from 1 (worst) to 10 (best) based on 40 environmental, social, and governance indicators. For corporate bonds, the fund does not invest in credit issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the bottom-up security analysis to assess the impact on the issuer's fundamental credit quality. In the credit selection the fund limits exposure to issuers with an elevated sustainability risk profile. Lastly, where issuers are flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement.

Sector allocation

The fund's overall exposure to EUR investment grade corporate bonds was reduced at the start of the month by around 6%, anticipating wider spreads, as the ECB will withdraw from net asset purchases in the coming quarters. In the latter part of the month, we reduced or closed the hedges in CDX EM, iTraxx Asia and iTraxx sub-financials to lock in profits after a severe spread widening due to the Russian invasion. Next to that we added to EUR swap spreads, as they had widened to levels not seen since 2013 during the Eurozone crisis. We expect this spread to mean revert later in the year. The credit beta of the portfolio increased to around 1.2 at the end of the month. We continue to hold hedges in US high yield, China sovereign CDS and several banks with exposure to the Chinese real estate sector.

Sector allocation		Deviation index
Treasuries	46.1%	-10.9%
Industrials	14.6%	5.0%
Supranational	9.3%	3.5%
Financials	8.4%	0.3%
Agencies	7.3%	0.6%
Local Authorities	7.0%	2.9%
Covered	4.3%	-1.6%
ABS	0.8%	0.8%
Utilities	0.4%	-1.0%
Sovereign	0.1%	-1.2%
Cash and other instruments	1.7%	1.7%

Currency allocation

The fund increased its cautious FX risk profile by increasing its long position in the USD versus various EM currencies, given the tapering and potential tightening by the Fed that we expect due to the very strong inflationary backdrop from the pandemic and Ukraine-Russia war. The fund put on two additional shorts in the HUF and PLN based on the rising tensions between Ukraine and Russia earlier in the month. After the Russian invasion of Ukraine, the fund moderated the underweight in HUF and closed the underweight in PLN, given their sharp depreciation following the invasion.

Currency allocation		Deviation index
Euro	100.0%	0.0%
U.S. Dollar	1.7%	1.7%
Indonesian Rupiah	-1.2%	-1.2%
South African Rand	-0.6%	-0.6%
Norwegian Kroner	0.5%	0.5%
Hungarian Forint	-0.5%	-0.5%
Pound Sterling	-0.2%	-0.2%
Japanese Yen	0.1%	0.1%

Duration allocation

The duration of the fund was increased to index level during the month. In the current environment, we see more value in curve positions. Curve flattening positions should work in both a continued risk-off environment and in one where the central bank is forced to act as inflation is getting out of hand. Outside of Europe, we continue to favor Chinese government bonds, while we think that Japanese bonds are still most exposed to inflationary forces. While we have a neutral duration position in US Treasuries overall, we hold longs in 30s, while we have short positions in bond futures with 2-year and 5-year maturities.

Duration allocation		Deviation index
Euro	7.6	0.1
Japanese Yen	-0.6	-0.6
Chinese Renminbi (Yuan)	0.5	0.5

Rating allocation

The fund is 32% invested in AAA bonds, comprising mainly German and Dutch government bonds, and high-quality government-related bonds. Exposure to below investment grade bonds, before hedges, has remained around 6%. During the month the fund closed its overweight positions in Austria (AA-rated) and Finland (AA-rated) given the risks around the Russian invasion and Eastern-European banks, and we also closed the underweight positions in Spain (A-rated) and Italy (BBB-rated), as peripheral bond spreads had widened significantly. The fund has a 13% allocation to green, social and sustainable bonds, predominantly consisting of government-related issuers.

Rating allocation		Deviation index
AAA	32.5%	6.7%
AA	26.5%	-3.7%
A	14.4%	-3.2%
BAA	18.5%	-7.9%
BA	4.5%	4.5%
B	1.6%	1.6%
CAA	0.3%	0.3%
Cash and other instruments	1.7%	1.7%

Investment policy

Robeco All Strategy Euro Bonds is an actively managed fund that invests mainly in euro-denominated government and corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund promotes certain ESG (environmental, social and corporate governance) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, and integrates ESG and sustainability risks in the investment process. In addition, the fund applies an exclusion list based on controversial behavior, products (including controversial weapons, tobacco, palm oil and fossil fuel) and countries, alongside engagement. The fund is an active bond fund that aims to optimize returns on a risk-adjusted basis. It applies a flexible approach to investing and is not fully constrained by its underlying benchmark. The majority of bonds selected will be components of the benchmark, but bonds outside the benchmark may be selected too. The fund can deviate substantially from the weightings of the benchmark. The fund aims to outperform the benchmark over the long run, while still controlling relative risk through the application of limits (on currencies and issuers) to the extent of the deviation from the benchmark. This will consequently limit the deviation of the performance relative to the benchmark. The benchmark is a broad market-weighted index that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

Jamie Stuttard is Lead Portfolio Manager of Robeco Global Total Return Bond Fund and Robeco All Strategy Euro Bonds. He started at Robeco in 2018. In the period 2014-2018 Jamie worked at HSBC Bank in London,where was Head of European and US Credit Strategy. Prior to that he held a number of senior fixed income positions atFidelity Management & Research, Schroder Investment Management and PIMCO Europe. He started his career at Dresdner Kleinwort Benson in London in 1998. Jamie has aMaster's in History from University of Cambridge. Mr. van IJzendoorn is a Portfolio Manager in Robeco's Global Fixed Income Macro team. Prior to joining Robeco in 2013, Stephan was employed by F&C Investments as a Senior Portfolio Manager Fixed Income. Before his move to F&C Investments he worked in similar functions at Allianz Global Investors and A&O Services. Stephan started his career in the Investment Industry in 2003. He holds a Bachelor's degree in Financial Management, a Master's degree in Investment Management from the VU University Amsterdam and is CEFA charterholder.

Fiscal product treatment

The fund is established in Luxembourg and is subject to the Luxembourg tax laws and regulations. The fund is not liable to pay any corporation, income, dividend or capital gains tax in Luxembourg. The fund is subject to an annual subscription tax ('tax d'abonnement') in Luxembourg, which amounts to 0.01% of the net asset value of the fund. This tax is included in the net asset value of the fund. The fund can in principle use the Luxembourg treaty network to partially recover any withholding tax on its income.

Morningstar

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