ROBECO

Factsheet | Figures as of 28-02-2022

Robeco Global Total Return Bond Fund IH USD

Robeco Global Total Return Bond Fund is an actively managed fund that invests globally in developed government and corporate bonds but also has the flexibility to invest in Emerging Debt. The selection of these bonds is based on fundamental analysis. The fund aims to deliver an attractive total return, also on a risk-adjusted basis. The fund will pursue an active duration policy with the objective to limit draw downs when bond yields rise and enhance returns when bond yields fall. Active currency positions are part of the investment strategy.

Jamie Stuttard, Bob Stoutjesdijk
Fund manager since 01-09-2019

Performance

	Fund	Index
1 m	-1.24%	-1.33%
3 m	-3.02%	-3.27%
Ytd	-2.50%	-2.88%
1 Year	-2.02%	-2.19%
2 Years	0.43%	-0.94%
3 Years	3.58%	2.63%
5 Years	2.56%	2.73%
Since 08-2013	2.91%	3.32%

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	-1.39%	-1.39%
2020	8.34%	5.58%
2019	8.22%	8.41%
2018	-0.84%	1.58%
2017	2.41%	3.40%
2019-2021	4.96%	4.12%
2017-2021	3.26%	3.46%

Annualized (years)

Index

Bloomberg Global-Aggregate Index (hedged into USD)

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	USD
Total size of fund	USD 708,612,773
Size of share class	USD 1,865,839
Outstanding shares	14,603
1st quotation date	19-08-2013
Close financial year	31-12
Ongoing charges	0.53%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

Exclusions

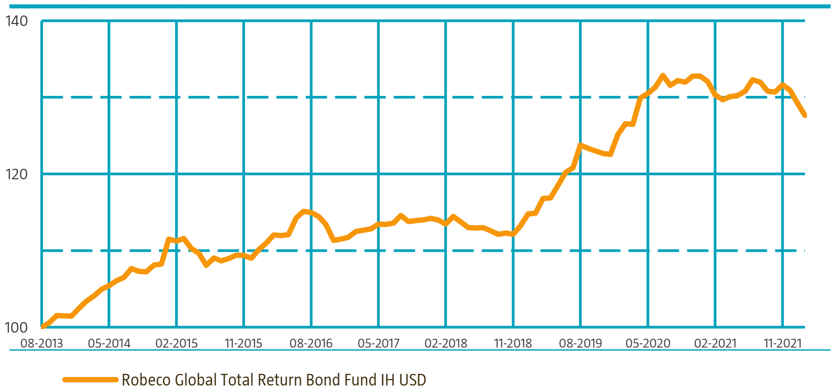
ESG Integration

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 -1.24%.
The fund posted a negative absolute return in February, as interest rates increased in tandem with credit spreads. The fund's underweight curve positions in Germany and the United States added to performance, as did the fund's positions in country spreads and SSA. FX added to performance, mainly given the strong underperformance of HUF and PLN. Credit also added to performance, given the underweight in Asian credit and sub-financials due to spread widening.

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 Christine Lagarde highlighted that inflation might remain more elevated than previously predicted and refrained from reiterating that a rate hike this year is highly unlikely. Yields spiked sharply higher on this news. 10-year German Bunds broke into positive territory for the first time since H1 2019 and 10-year US yields rose above 2%. The rise in yields was driven by increased policy rate expectations in the wake of persistently elevated headline inflation prints and reduced concerns about the economic impact of Omicron. Nonetheless, in the second half of February, as the unprecedented Ukraine crisis started to unfold, government bond yields consolidated and steadily started to decline again. Liquidity became much thinner and bonds found support from increasing uncertainty around the geopolitical situation.

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. For the ECB we believe that for now, the ECB will take a cautious approach and will refrain from taking large policy steps. Macro uncertainty is expected to weigh on sentiment and the jump in energy prices could lead to slower growth. In this narrative, ECB policy is likely to be focused on preserving market liquidity.

Fund price

28-02-22	USD	127.77
High Ytd (04-01-22)	USD	130.38
Low Ytd (15-02-22)	USD	126.80

Fees

Management fee	0.40%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.31%

Legal status

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

Issue structure	Open-end
UCITS V	Yes
Share class	IH USD

This is a shareclass of Robeco Global Total Return Bond Fund, SICAV.

Registered in

Italy, Luxembourg, Singapore, Spain, Switzerland

Currency policy

Currency risks are hedged, however active currency positions of the fund are part of the investment strategy and will not be hedged.

Risk management

The fund aims to deliver an attractive total return, also on a risk-adjusted basis. The fund targets an ex-ante total return volatility within the range of 2 to 6% and can adjust the duration of the portfolio between 0 and 10 years. The leverage exposure of derivatives on a fund level is restricted as described in the prospectus.

Dividend policy

All income earned is accumulated and not distributed as dividend. Therefore the total return is reflected in the share price development.

Fund codes

ISIN	LU0955120620
Bloomberg	RORIHUS LX
Valoren	21937905

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.15	1.17
Information ratio	1.28	0.25
Sharpe ratio	0.95	0.62
Alpha (%)	1.52	0.37
Beta	0.95	0.94
Standard deviation	3.47	2.92
Max. monthly gain (%)	2.69	2.69
Max. monthly loss (%)	-1.34	-1.34

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	23	30
Hit ratio (%)	63.9	50.0
Months Bull market	21	37
Months outperformance Bull	13	16
Hit ratio Bull (%)	61.9	43.2
Months Bear market	15	23
Months Outperformance Bear	10	14
Hit ratio Bear (%)	66.7	60.9

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	AA2/AA3	AA3/A1
Option Adjusted Modified Duration (years)	7.0	7.2
Maturity (years)	6.8	8.9
Yield to Worst (%, Hedged)	1.5	1.9
Green Bonds (%, Weighted)	3.1	1.4

Changes

As of 1 July 2019 the benchmark is Bloomberg Barclays Global-Aggregate Index. Before that date the benchmark was Bloomberg Barclays Multiverse Index. The new benchmark is widely used and makes the fund better comparable to competitors. The change does not lead to changes in the investment policy or process.

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 investments have a minimum weighted average score of 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. 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

At month-end, the fund held overweight positions in Germany, China and the Netherlands versus underweights in the United States, Italy, Spain, France and Japan. The underweights in Italy and France are based on higher political risks given the election schedule. The credit beta of the portfolio is below 1. Within the corporate allocation, we have a clear preference for high-grade senior financials and industrials, but we note our conservative stance. The fund is also overweight in supranational bonds and swap spreads given their attractive valuations. With the spread widening in Asian IG and subordinated financials, we took some profits in our index protection positions. Given the still rich valuations in the different credit spread sectors and further potential spread widening risk, the fund continues to be underweight IG and EM hard currency beta. We continue to use iTraxx and CDX indices to adjust the credit beta of the fund to below benchmark level.

Sector allocation		Deviation index
Treasuries	66.5%	15.2%
Industrials	7.5%	-4.4%
Financials	6.5%	-0.5%
Supranational	6.1%	4.0%
Agencies	4.2%	-4.1%
Local Authorities	1.8%	-1.2%
ABS	1.0%	0.9%
CMBS	0.6%	-0.2%
Utilities	0.6%	-0.9%
Sovereign	0.4%	-1.4%
Covered	0.3%	-1.6%
Other	0.0%	-10.3%
Cash and other instruments	4.5%	4.5%

Currency allocation

The fund kept its FX risk profile in February by increasing its long USD position versus various EM currencies. The fund kept its structural short in the ZAR based on negative structural trends in social inequality, rising government debt and political pressures. The fund also kept its underweight in the IDR versus the USD, because we expect some erosion to come in the independence of the central bank, as its role has been changing more towards that of a fiscal financier. 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 underweights in HUF and PLN, given their sharp depreciation following the invasion. Overall, we also have a long USD position, 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. As a result, the fund is short EM currencies versus USD.

Currency allocation		Deviation index
U.S. Dollar	101.3%	1.3%
Indonesian Rupiah	-1.1%	-1.1%
Norwegian Kroner	0.6%	0.6%
South African Rand	-0.5%	-0.5%
Hungarian Forint	-0.4%	-0.4%
Euro	-0.3%	-0.3%
Thailand Baht	0.3%	0.3%
Colombian Peso	0.1%	0.1%
Chinese Renminbi (Yuan)	-0.1%	-0.1%
Poland New Zloty	-0.1%	-0.1%
Chilean Peso	0.1%	0.1%
Romanian New Leu	0.1%	0.1%

Duration allocation

The duration of the fund remained below the index level during the month. Most notable are the underweights in Japan and Europe, while we have maintained our overweight duration position in China. The underweight positions are mainly in intermediate maturities like 5s and front-end maturities like 2-years in the US and Europe. In the portfolio overall, we retain our preference for US Treasuries over German Bunds and markets that still have scope for a rally in interest rates, such as China. We have an underweight duration position in US Treasuries overall, but we hold longs in 30s, while we have short positions in bond futures with 2-year and 5-year maturities.

Duration allocation		Deviation index
U.S. Dollar	2.7	-0.1
Euro	1.8	0.2
Chinese Renminbi (Yuan)	0.9	0.5
Japanese Yen	0.6	-0.6
Pound Sterling	0.5	0.0
Canadian Dollar	0.2	0.0
Australian Dollar	0.1	0.0
Korean Won	0.1	0.0
Other	0.0	-0.2

Rating allocation

The fund has roughly 46% invested in AAA bonds, mainly comprising US Treasuries and German government bonds. The fund closed its position in Austrian government bonds versus German government bonds, given the Ukraine-Russia war and the exposure Austrian banks have in Russia. The fund kept its conservative stance in corporate and emerging credit markets, as spreads are very tight by historical standards, while we see a lingering risk of tapering or earlier policy rate lift-off by the Fed and other central banks later this year, which should lead to higher spreads in our view. Furthermore, corporate spreads are now so tight that the upside is much smaller than the downside of such investments (asymmetric payoff). During the month, our small HY underweight remained in place. Similarly, exposure to below investment grade bonds, before hedges, has seen a small increase this quarter by 1% to roughly 5%.

Rating allocation		Deviation index
AAA	45.0%	8.5%
AA	17.2%	3.2%
A	19.0%	-11.3%
BAA	9.5%	-5.0%
BA	3.5%	0.7%
B	1.1%	-0.4%
CAA	0.2%	-0.2%
Cash and other instruments	4.5%	4.5%

Investment policy

Robeco Global Total Return Bond Fund invests in government and corporate bonds, and has the flexibility to invest in emerging debt, with the aim of capturing opportunities in fixed income classes around the globe. The investment process and bond selection is fundamentally driven, based on in-depth research. By adopting a contrarian approach to markets, with a focus on value, while utilizing tools to measure risk aversion, euphoria and value, we believe we can exploit market inefficiencies over the cycle. The fund aims to deliver an attractive total return, also on a risk-adjusted basis. The duration of the fund will be managed actively and can move between 0 and 10 years. Active currency positions are part of the investment strategy. The backbone of the investment process is consistent and in-depth fundamental research on both companies and countries. An important element in this analysis is the assessment of environmental, social and governance (ESG) factors.

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 at Fidelity Management & Research, Schroder Investment Management and PIMCO Europe. He started his career at Dresdner Kleinwort Benson in London in 1998. Jamie has a Master's in History from University of Cambridge. Bob Stoutjesdijk is a portfolio manager and strategist on Robeco's Global Macro team. Bob worked at Shell Asset Management Company as Portfolio Manager Fixed Income Sovereign Credit from 2011 to 2019. Prior to that, he was Portfolio Manager Fixed Income at SNS Asset Management. He started his career as Quantitative Analyst at APG Asset Management in 2008. Bob has a Master's in Economics & Business from Erasmus University Rotterdam and is a CAIA® 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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