

# Single Manager Fund : ABN AMRO BlueBay Euro Aggregate ESG Bonds

A subfund of the ABN AMRO Funds

Morningstar Category : EUR Diversified Bond ★★★

Morningstar Sustainability Rating : 

## Key information

▶ Net Asset Value	EUR 94.582
▶ AUM	EUR 567 million
▶ ISIN code	LU2054453076
▶ Duration	3.58
▶ Fund's average rating	A+
▶ Average YTM	3.07
▶ Total number of holdings	158
▶ SFDR classification	Art. 8 – ESG Investment Product

## Fund profile

- ▶ A Single Manager Fund will delegate all its portfolio management activities to one manager, selected in accordance with severe qualitative and quantitative criteria. The Single Manager Fund is actively managed and having an opportunistic approach. ABN AMRO Investment Solutions has full daily transparency and risk control over the fund.
- ▶ ABN AMRO Investment Solutions has selected BlueBay Asset Management to manage an aggregate bonds strategy.



- ▶ The Fund seeks to increase the value of its assets over the medium term, with a 3% target tracking error, by investing predominantly in euro denominated investment grade corporate bonds issued by companies being domiciled in the Countries being part of the euro zone, and in euro denominated investment grade bonds and securities treated as equivalent to bonds issued or guaranteed by a member state of the European Union being part of the euro zone such as fixed income and floating rate bonds. The sub-fund will use a selection of securities complying with Environmental, Social and Governance (ESG) responsibility criteria. The portfolio will be composed of issuers that are either leading in ESG best-practice or attractive due to their progression in ESG.

## Fund facts

Share Class	Class A
Inception date	04/06/2020
Registered legal form	Luxembourg SICAV
Income's allocation	Accumulation
Benchmark	Bloomberg Barclays Euro Aggregate 1-10 Years Index
Currency	EUR
Liquidity	Daily
Custodian	State Street Bank Luxembourg
Fund Administrator	State Street Bank Luxembourg
Max management fee	0.70%
Ongoing charges	0.87%
Max. Subscription fee	5.00%
Max. Redemption fee	1.00%
Minimum investment	EUR 100
Subscription/Redemptions	10:00 CET, D-1
Bloomberg ticker	ABEABAE LX

## Performances\*



	Fund	Benchmark	Performance gap
1 month	0.76%	0.85%	-0.10%
3 months	0.23%	-0.22%	0.46%
Year to date	0.23%	-0.22%	0.46%
1 year	4.57%	4.40%	0.17%
3 years	-7.69%	-7.35%	-0.35%
5 years	-	-	-
10 years	-	-	-
Since Inception	-5.42%	-5.78%	0.36%
2023	5.50%	6.38%	-0.88%
2022	-11.12%	-12.06%	0.93%
2021	-2.65%	-1.40%	-1.25%
2020	-	-	-
2019	-	-	-

\* Past performance is not an indication of future performance. Performance is calculated net of fees except subscription fees.

## Risk ratios

	Fund		Benchmark	
	1 year	3 years	1 year	3 years
Volatility	3.67%	4.92%	3.68%	4.91%
Tracking error	0.91%	1.30%	-	-
Sharpe Ratio	0.21	-0.80	0.16	-0.78

**Volatility** is a statistical measure of the dispersion of returns for a portfolio or market index. In most cases, the higher the volatility, the riskier.

**Tracking Error** is the standard deviation of the difference between the portfolio return and the desired investment benchmark return.

**Sharpe Ratio** is a ratio used to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.



## Quarterly comment

Markets effectively closed out 2023 expecting twice the number of interest-rate cuts in 2024 expected by both the US Federal Reserve and the European Central Bank (ECB). There was early pushback from both central banks, with the rise in bond yields gathering pace during February as economic data and inflation surprised on the upside, particularly in the US, where there seems to be a theme of growth exceptionalism. In Europe, there does appear to be something of a north/south divide at present, with Germany struggling to recover from the slowdown in its manufacturing sector; in contrast, southern European countries have been boosted by fiscal measures and their lower exposure to manufacturing. The ECB should be encouraged by the latest eurozone consumer price index inflation, making a June interest-rate cut increasingly likely. Absolute performance was notably positive, even though the benchmark return was negative due to the rise in government bond yields. Term structure (duration) was a positive contributor, with negative views expressed in both Europe and the UK responsible for the outperformance. Solid investor demand for investment-grade assets led the manager to be overweight credit spreads, which proved to be a positive contributor. There was positive performance from Romania – the portfolio's largest sovereign credit risk – followed by smaller gains from Slovakia, Poland, Latvia and Spain, while an underweight to France relative to the benchmark was additive. The manager continues to favour national champion banks that have positive balance sheets and operate under a rigorous regulatory framework; consequently, banking was the top contributor within corporate sectors. The weakest sector was other financials, but this was a small detractor by comparison. The manager continues to express a negative view on interest-rate duration relative to the benchmark, expecting bond yields to move higher as several rate cuts continue to get priced out. That said, levels are beginning to look better value across some markets and the manager will be looking to take advantage of better valuation to move overweight to certain markets. In Japan, the manager is short Japanese government bonds; here, monetary policy is only just beginning its tightening cycle and further interest-rates increases are expected in order to curtail inflation. The manager is marginally overweight sovereign credit spreads (the additional yield paid over core rates, ie German Bunds) as credit spreads are towards the tighter end of the range. However, the composition is more significant in that they have a preference to be overweight Romania at the expense of being underweight western Europe, where valuations (spreads) offer less value.

## Rating breakdown

	Fund	Benchmark
AAA	32.77%	26.16%
AA	12.19%	25.73%
A	12.89%	12.06%
BBB	23.94%	23.39%
Below BBB	16.16%	12.66%
Liquidity	2.06%	0.00%

## Top holdings

Name	Sector	%
EURO-BOBL FUT JUN14 20140606	Other Bonds	9.43%
EURO-SCHATZ FUT JUN14 201406	Other Bonds	9.32%
US 10YR ULTRA FUT JUN24 XCB...	Other Bonds	6.24%
BONOS Y OBLIG DEL ESTADO O....	Treasury Bonds	4.64%
BUNDESREPUB. DEUTSCHLAND 4....	Treasury Bonds	4.40%
FRANCE GOVERNMENT BOND OAT ...	Treasury Bonds	4.09%
GERMANY (FEDERAL REPUBLIC)	Treasury Bonds	3.87%
EURO-BTP FUT JUN14 20140606	Other Bonds	3.77%
FRANCE (REPUBLIC OF)	Treasury Bonds	3.51%
EUROPEAN ECONOMIC COMMUNITY...	Other Bonds	3.25%
Total of 10 first positions		52.51%

## Main movements

Label	Operation
EURO-BUND FUT JUN14 20140606	Sell
EURO-BUND FUT JUN14 20140606	Sell
EURO-BUND FUTURE MAR14 XEUR 20140306 EXPO CASH	Buy
EURO-BUND FUTURE MAR14 XEUR 20140306 EXPO	Buy

## Geographic breakdown

	Fund	Benchmark
Germany	27.26%	19.26%
France	20.07%	21.75%
Spain	12.91%	9.84%
Italy	8.24%	13.08%
Supra National	6.15%	4.79%
Romania	4.90%	0.32%
United Kingdom	3.02%	1.94%
Belgium	2.55%	3.01%
Iceland	1.94%	0.04%
Netherlands	1.94%	5.22%
Other	8.95%	20.73%
Liquidity	2.06%	0.00%

## Sector breakdown

	Fund	Benchmark
Treasury Bonds	59.30%	50.28%
Financial Institutions	15.75%	10.72%
Other Bonds	13.05%	7.45%
Government related Bonds	6.55%	10.72%
Industrial	4.07%	10.96%
Utility	1.28%	1.78%
Securitized Bonds	0.00%	8.09%

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