

Robeco Euro Government Bonds D EUR

Robeco Euro Government Bonds is an actively managed fund that invests predominantly in euro government bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth. The fund invests in euro denominated bonds issued by the EMU-member countries. It employs an investment process combining top-down and bottom-up elements. Fundamental analysis is performed on each of the three performance drivers: country allocation, duration (interest rate sensitivity) management and yield curve positioning. Country ESG scores are part of our bottom-up analysis.



Michiel de Bruin, Stephan van IJendoorn
Fund manager since 01-09-2010

Performance

	Fund	Index
1 m	-1.75%	-1.18%
3 m	1.62%	1.92%
Ytd	-2.33%	-1.67%
1 Year	5.53%	5.30%
2 Years	-6.12%	-5.90%
3 Years	-5.62%	-5.26%
5 Years	-1.67%	-1.59%
10 Years	0.46%	0.82%
Since 04-2005	1.99%	2.49%

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
2023	6.79%	7.13%
2022	-18.25%	-18.46%
2021	-3.69%	-3.46%
2020	5.57%	4.99%
2019	6.69%	6.77%
2021-2023	-5.62%	-5.52%
2019-2023	-1.08%	-1.12%

Annualized (years)

Index

Bloomberg Euro Aggregate: Treasury

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 922,871,817
Size of share class	EUR 91,067,115
Outstanding shares	626,933
1st quotation date	01-04-2005
Close financial year	31-12
Ongoing charges	0.64%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	3.50%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

- Exclusions
- ESG Integration
- ESG Target

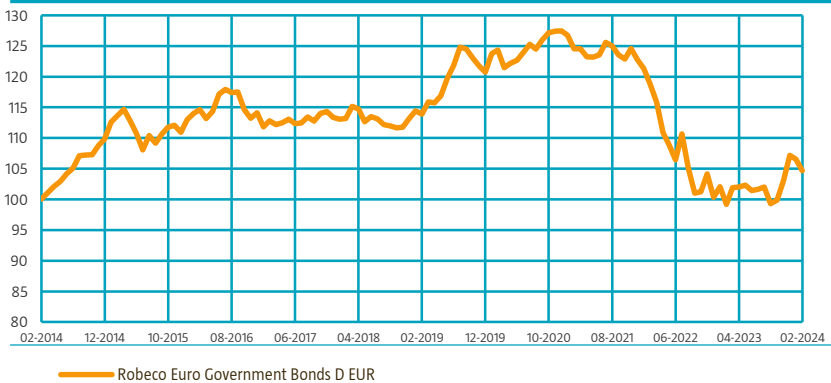
Exclusion based on negative screening
≥ 15%



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

Performance

Indexed value (until 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -1.75%.

The fund posted a negative absolute return over the month below its index. The sharp repricing in fixed income adversely impacted both duration and curve positions in the fund. In addition, the underweight position in Italy detracted from the relative performance. Nonetheless, positions in SSA paper and the overweight in swaps added to performance as spreads benefited from a constructive risk environment. The position in inflation added, as break-even inflation expectations rose. Positions in Central European markets such as Poland and Hungary held up well after the recent spread tightening in these markets.

Market development

Government bonds posted negative returns in February, with German Bunds down 2.2%. In the US 10-year yields were up 34 bps on the month, while German Bund yields rose 24 bps. For euro periphery bonds, some of the losses were cushioned by spread tightening. Italian BTPs saw their 10-year yield rise 11 bps, as spreads versus Bunds were down 13 bps to 142 bps. The broad-based sell-off was a response to stronger-than-expected data. In the US, January non-farm payrolls kicked off the negative bond market sentiment by increasing as much as 353k, the highest number since January 2023. High core US CPI numbers (0.4%) added to the sentiment, as did comments from Fed officials suggesting the Fed can be patient in cutting rates. These comments were echoed by ECB officials, which resulted in the market fully pricing out any chance of a March rate cut for both the Fed and the ECB.

Expectation of fund manager

The market has priced out any chance of a Fed or ECB rate cut at their March meetings, while their number of expected 25 bps cuts for 2024 as a whole has been reduced to 3 to 4. The re-pricing was data driven, which suggests that some of the move higher in yields is justified by fundamentals. Still, we remain of the opinion that most major central banks will start cutting rates this year. History suggests that any such policy change should result in lower front-end yields and steeper curves. We remain cautious on Italian government bonds due to expected weak growth, worsening debt dynamics and large supply needs in combination with even more (passive) QT in the second half of the year. Spreads have continued to tighten and in our view are not a proper reflection of (slowly) worsening fundamentals.

Fund price

29-02-24	EUR	145.26
High Ytd (03-01-24)	EUR	148.49
Low Ytd (28-02-24)	EUR	144.75

Fees

Management fee	0.42%
Performance fee	None
Service fee	0.16%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)	
Issue structure	Open-end
UCITS V	Yes
Share class	D EUR
This fund is a subfund of Robeco Capital Growth Funds, SICAV	

Registered in

Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Peru, Singapore, Spain, Switzerland, United Kingdom	
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Currency policy

The fund is not exposed to currency risks, as the fund invests in Euro-denominated bonds.	
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Risk management

Risk management is fully embedded in the investment process so as to ensure that the fund's positions remain within set limits at all times.	
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Dividend policy

The fund does not distribute dividend. The income earned by the fund is reflected in its share price. This means that the fund's total performance is reflected in its share price performance.	
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Derivative policy

Robeco Euro Government Bonds makes use of government bond futures. These derivatives are regarded very liquid.	
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Fund codes

ISIN	LU0213453268
Bloomberg	ROEGVBD LX
Sedol	B1HNV94
WKN	AOD9JB
Valoren	2076500

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.91	0.75
Information ratio	0.29	0.71
Sharpe ratio	-0.78	-0.23
Alpha (%)	0.43	0.57
Beta	1.02	1.02
Standard deviation	7.92	6.88
Max. monthly gain (%)	4.17	4.17
Max. monthly loss (%)	-4.95	-4.95
Above mentioned ratios are based on gross of fees returns		

Hit ratio

	3 Years	5 Years
Months outperformance	20	36
Hit ratio (%)	55.6	60.0
Months Bull market	14	29
Months outperformance Bull	8	18
Hit ratio Bull (%)	57.1	62.1
Months Bear market	22	31
Months Outperformance Bear	12	18
Hit ratio Bear (%)	54.5	58.1
Above mentioned ratios are based on gross of fees returns		

Characteristics

	Fund	Index
Rating	AA2/AA3	AA3/A1
Option Adjusted Modified Duration (years)	8.0	7.3
Maturity (years)	9.5	8.9
Yield to Worst (% , Hedged)	2.9	3.0
Green Bonds (% , Weighted)	19.1	2.6

Sector allocation

Robeco Euro Government Bonds predominantly invests in euro-denominated government and government-related bonds issued by Eurozone countries or entities related to these countries. Exposure in highly rated SSA bonds amounts to about 24%, while small allocations were made to government bonds from Norway, Poland, Hungary and Romania. ESG factors are considered when assessing the fundamental credit quality of individual issuers. At the end of February, 24% of the fund is invested in green, social and sustainable bonds.

Sector allocation		Deviation index
Treasuries	71.6%	-28.4%
Agencies	11.5%	11.5%
Supranational	6.7%	6.7%
Sovereign	3.1%	3.1%
Local Authorities	2.7%	2.7%
Cash and other instruments	4.4%	4.4%

Duration allocation

The portfolio slightly reduced its overweight duration position versus its index. The fund sold the position in Czech front-end rates after a significant outperformance versus Germany. In addition, the fund sold some of its exposure in Poland after the strong relative performance over the past months. The fund increased its steepener positions though, adding to the 5s10s position as the curve bear-flattened and thus valuations to increase the position improved. We remain of the opinion that the ECB will lower its policy rate in Q2, although market pricing currently points more towards June than April. The yield curve should normalize from its current still very inverted level when the ECB actually starts cutting rates.

Duration allocation		Deviation index
Euro	7.8	0.5
Pound Sterling	0.2	0.2
Czech Koruna	-0.1	-0.1
Norwegian Kroner	0.1	0.1
Swedish Kroner	-0.1	-0.1

Rating allocation

The fund is 37% invested in AAA bonds, comprising German and Dutch government bonds and high-quality government-related bonds such as KfW, BNG, the EU and EIB. The fund has a below index exposure to French government bonds (AA-rated), Spanish government bonds (A-rated) and Italian government bonds (BBB-rated). The fund has an overweight position of around 4% in Greek government bonds (BBB-rated), which were upgraded to investment grade in December.

Rating allocation		Deviation index
AAA	36.7%	13.6%
AA	30.7%	-5.2%
A	11.9%	-5.9%
BAA	16.4%	-6.8%
Cash and other instruments	4.4%	4.4%

Country allocation

The portfolio further increased its underweight in Italian government bonds, as spreads have continued to tighten and are now almost priced for perfection. Risk in Italian spreads is becoming very asymmetric, meaning spreads cannot tighten much more from current levels if sentiment continues to be positive, but when the market turns, there is much more room for spreads to widen significantly. The fund participated in new issues from the EU, Slovakia and Romania, benefiting from attractive new issue spreads. Positions in Poland were supported by the announcement that the EU has decided to unblock significant amounts from the NGEU program.

Country allocation		Deviation index
France	20.8%	-3.2%
Germany	16.8%	-1.7%
Netherlands	12.5%	8.1%
Italy	9.8%	-11.9%
Spain	7.3%	-6.9%
Supra-National	6.7%	6.7%
Greece	4.0%	3.0%
Belgium	3.8%	-1.4%
Austria	2.6%	-0.9%
Hungary	2.2%	2.2%
Finland	1.9%	0.4%
Other	7.2%	1.2%
Cash and other instruments	4.4%	4.4%

ESG Important information

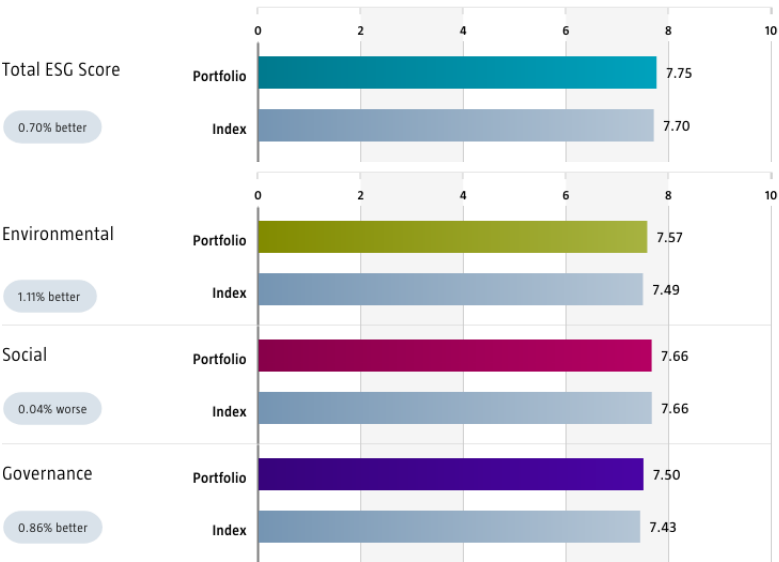
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

Sustainability

The fund incorporates sustainability in the investment process via exclusions, negative screening, ESG integration and a minimum average country sustainability ranking score as well as a minimum allocation to ESG-labeled bonds. The fund complies with Robeco's exclusion policy for countries and does not invest in countries where serious violations of human rights or a collapse of the governance structure take place, or if countries are subject to UN, EU or US sanctions. In addition, the fund excludes the 15% worst ranked countries following the World Governance Indicator 'Control of Corruption'. ESG factors of countries are integrated in the bottom-up country analysis. In the portfolio construction the fund ensures a minimum weighted average score of 6.5 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. Lastly, the fund invests in a minimum of 10% in green, social, sustainable and/or sustainability-linked bonds. The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures. The index used for all sustainability visuals is based on Bloomberg Euro Aggregate: Treasury.

Country Sustainability Ranking

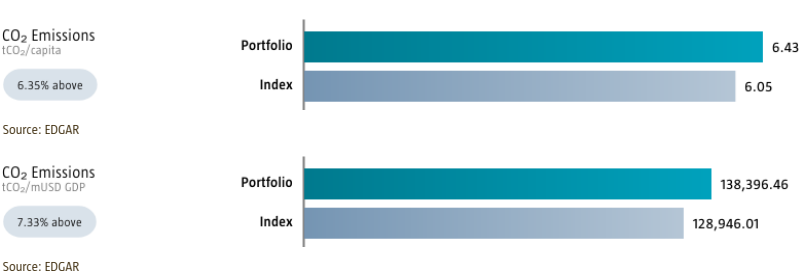
The charts displays the portfolio's Total, Environmental, Social and Governance scores following Robeco's Country Sustainability Ranking methodology. These are calculated using the portfolio components' weights and respective country's scores. The scores includes considerations of more than 50 separate indicators, each capturing a unique sustainability feature across environmental, social and governance dimensions at the country level. Index scores are provided alongside the portfolio scores, highlighting the portfolio's relative ESG performance. Only holdings mapped as sovereign bonds are included in the figures.



Source: Robeco. Certain underlying data is sourced from third parties (such as e.g. IMF, OECD and World Bank including Worldwide Governance Indicators Control of Corruption, as well as content from ISS and SanctIO).

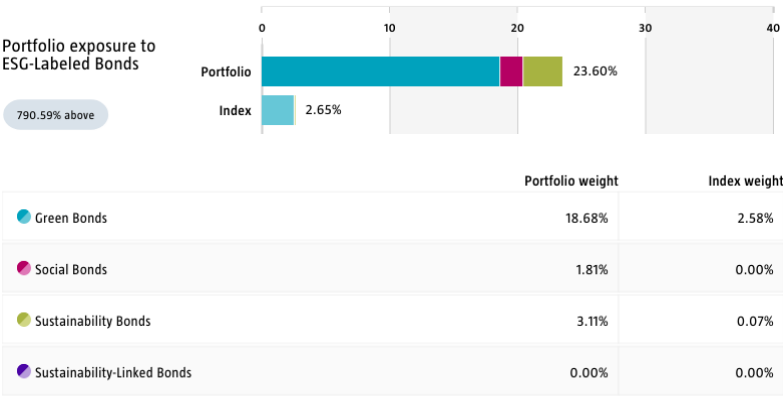
Environmental Intensity

Environmental intensity expresses a portfolio's aggregate environmental efficiency. The portfolio's aggregate carbon intensity is based on the related country emissions. We divide each country's carbon emissions, measured in tCO₂, by the population size or gross domestic product to obtain the country's carbon intensity. The portfolio's aggregate intensity figures are calculated as a weighted average by multiplying each assessed portfolio component's intensity figure with its respective position weight. Index intensities are provided alongside the portfolio intensities, highlighting the portfolio's relative carbon intensity. Only holdings mapped as sovereign bonds are included in the figures.



ESG Labeled Bonds

The ESG-labeled bond chart displays the portfolio's exposure to ESG-labeled bonds. Specifically, green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. This is calculated as a sum of weights for those bonds in the portfolio that have one of above mentioned labels. Index exposure figures are provided alongside the portfolio exposure figures, highlighting the difference with the index.



Source: Bloomberg in conjunction with data derived from internal processes. BLOOMBERG® is a trademark and service mark of Bloomberg Finance LP. and its affiliates (collectively "Bloomberg").

Investment policy

Robeco Euro Government Bonds is an actively managed fund that invests predominantly in euro government bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth. The fund invests in euro denominated bonds issued by the EMU-member countries. It employs an investment process combining top-down and bottom-up elements. Fundamental analysis is performed on each of the three performance drivers: country allocation, duration (interest rate sensitivity) management and yield curve positioning. Country ESG scores are part of our bottom-up analysis.

The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, region-based exclusions and invest partly in green, social or sustainable bonds.

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) 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

Michiel de Bruin is Head of Global Macro and Portfolio Manager. Prior to joining Robeco in 2018, Michiel was Head of Global Rates and Money Markets at BMO Global Asset Management in London. He held various other positions before that, including Head of Euro Government Bonds. Before he joined BMO in 2003, he was, among others, Head of Fixed Income Trading at Deutsche Bank in Amsterdam. Michiel started his career in the industry in 1986. He holds a post graduate diploma investment analyses from the VU University in Amsterdam and is a Certified EFFAS Analyst (CEFA) charterholder. He holds a Bachelor's in Applied Sciences from University of Applied Sciences in Amsterdam. Stephan van IJendoorn is Portfolio Manager and member of Robeco's Global Macro team. Prior to joining Robeco in 2013, Stephan was employed by F&C Investments as a Portfolio Manager Fixed Income and worked in similar functions at Allianz Global Investors and A&O Services prior to that. Stephan started his career in the Investment Industry in 2003. He holds a Bachelor's in Financial Management, a Master's in Investment Management from VU University Amsterdam and is Certified European Financial Analyst (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 0.05% 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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Febelfin disclaimer

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Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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