

Robeco QI Long/Short Dynamic Duration D EUR

Robeco QI Long/Short Dynamic Duration is an actively managed fund that invests mainly in bonds and similar fixed income securities with a short duration and takes active positive or negative duration (interest-rate sensitivity) positions. The duration positioning of the fund is fully based on a quantitative model. The fund's objective is to provide long term capital growth. Active duration management is the sole performance driver for this fund. Robeco's quantitative duration model generates forecasts for the direction of bond yields in the main developed bond markets (United States, Germany and Japan). The duration overlay is implemented using bond futures.



Olaf Penninga, Lodewijk van der Linden, Johan Duyvesteyn
Fund manager since 03-10-2005

Performance

	Fund	Index
1 m	1.55%	0.32%
3 m	1.96%	0.99%
Ytd	1.43%	0.67%
1 Year	5.46%	3.62%
2 Years	3.84%	2.00%
3 Years	1.38%	1.14%
5 Years	0.07%	0.49%
10 Years	-0.01%	0.13%
Since 10-2005	0.37%	1.02%

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	6.72%	3.28%
2022	-0.89%	-0.03%
2021	-1.43%	-0.57%
2020	-4.07%	-0.49%
2019	-0.79%	-0.40%
2021-2023	1.40%	0.88%
2019-2023	-0.16%	0.35%

Annualized (years)

Index

ICE BofA ESTR Overnight Rate Index

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 59,194,799
Size of share class	EUR 4,423,737
Outstanding shares	41,352
1st quotation date	03-10-2005
Close financial year	31-12
Ongoing charges	0.92%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

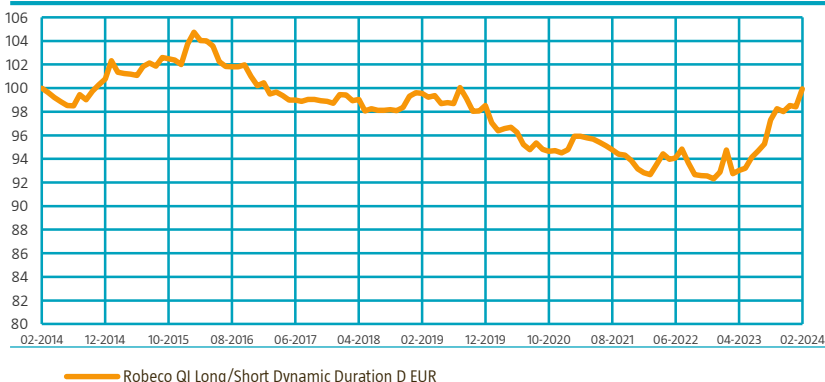
- Exclusions
- ESG Integration
- Engagement
- ESG Target

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 1.55%.

The fund strongly outperformed cash, its benchmark, in February. It benefited from the rise in yields with the short duration positions in German and US bond futures that were opened at the start of the month. The long duration position in Japanese bond futures that was closed early in the month also contributed positively to performance. All active duration positions are based on the outcomes of our quantitative duration model.

Market development

Government bond yields rose in February as strong data resulted in a repricing of central bank expectations. Markets moved from discounting nearly 6 rate cuts this year to just 3 or 4 cuts (of 25 basis points each) for both the Fed and the ECB. This was driven by strong US payrolls, higher-than-expected inflation in both the Eurozone and the US and by Fed and ECB officials cautioning that more evidence of lower inflation is required before rates can be cut. Two-year yields rose by about 0.4% in the US and Germany, resulting in bear-flattening of the yield curve. In Japan the curve also flattened; two-year yields rose 10 basis points as expectations built for an imminent first rate hike, while yields on longer-dated bonds declined somewhat. Japanese government bonds thus gained 0.7% in February, while US Treasuries declined 1.4% and German Bunds declined 1.6% (all returns hedged to EUR).

Expectation of fund manager

The fund's duration policy is driven by the outcomes of our proprietary quantitative duration model. At the end of February, the model was negative on US, German and Japanese bonds, driven by the economic growth, low-risk, trend and season variables. For US and German bonds the valuation variable is negative as well, and for Japanese bonds the monetary policy variable.

Fund price

29-02-24	EUR	106.98
High Ytd (27-02-24)	EUR	107.14
Low Ytd (24-01-24)	EUR	104.95

Fees

Management fee	0.70%
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 the Robeco (LU) Funds III, SICAV	

Registered in

Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Singapore, Spain, Switzerland, United Kingdom

Currency policy

All currency risks are hedged.

Risk management

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

Dividend policy

In principle the fund does not intend to distribute dividend. The income earned by the fund is reflected in its share price. The fund's entire result is thus reflected in its share price development.

Derivative policy

Robeco QI Long/Short Dynamic Duration makes use of derivatives in order to implement the duration overlay. In addition, derivatives are used to hedge the currency risks of the portfolio. These derivatives are very liquid.

Fund codes

ISIN	LU0230242504
Bloomberg	ROBFLXD LX
Sedol	BONMZG3
WKN	A0HGD3
Valoren	2274966

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	2.83	2.64
Information ratio	0.41	0.18
Sharpe ratio	0.37	0.16
Alpha (%)	1.31	0.51
Beta	2.43	1.14
Standard deviation	3.00	2.77
Max. monthly gain (%)	2.23	2.23
Max. monthly loss (%)	-2.11	-2.11

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	18	30
Hit ratio (%)	50.0	50.0
Months Bull market	18	18
Months outperformance Bull	11	11
Hit ratio Bull (%)	61.1	61.1
Months Bear market	18	42
Months Outperformance Bear	7	19
Hit ratio Bear (%)	38.9	45.2

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund
Rating	AA3/A1
Option Adjusted Modified Duration (years)	-6.0
Maturity (years)	-6.6
Yield to Worst (% , Hedged)	3.6

Changes

Up to 31 December 2009, the benchmark was Euribor 3M.

Sector allocation

This is the sector distribution of the underlying portfolio. The fund uses government bond futures to implement the active duration positions. The fund's assets are mainly invested in short-dated bonds and floaters issued by governments, local authorities (e.g. German states), agencies and supranational institutions, and short-dated covered bonds.

Sector allocation		Deviation index
Covered	26.3%	26.3%
Treasuries	25.4%	25.4%
Agencies	15.3%	15.3%
Supranational	12.9%	12.9%
Local Authorities	11.9%	11.9%
Sovereign	3.3%	3.3%
Not Classified	0.0%	-100.0%
Cash and other instruments	4.9%	4.9%

Currency allocation

All positions are hedged to the base currency of the fund class. There is no active currency policy. Small temporary deviations from the benchmark may arise due to market movements.

Currency allocation		Deviation index
Euro	100.0%	0.0%
Japanese Yen	0.1%	0.1%
U.S. Dollar	-0.1%	-0.1%

Duration allocation

At the end of February, the fund had short duration positions in all three regions: the US, Germany and Japan. All active duration positions are based on the outcomes of our quantitative duration model.

Duration allocation		Deviation index
Japanese Yen	-2.0	-2.0
U.S. Dollar	-2.0	-2.0
Euro	-2.0	-2.0

Rating allocation

This is the rating distribution of the underlying portfolio. The fund is mainly invested in highly rated instruments. The fund uses government bond futures to implement the active duration positions (not included in this table). The category 'not rated' refers to bills that have no bond rating; these do have high short-term ratings.

Rating allocation		Deviation index
AAA	34.4%	34.4%
AA	42.7%	42.7%
A	4.6%	4.6%
BAA	5.1%	5.1%
NR	8.4%	-91.6%
Cash and other instruments	4.9%	4.9%

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, 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 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 portfolio construction to ensure 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. 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 ICE BofA ESTR Overnight Rate Index.

Country Sustainability Ranking

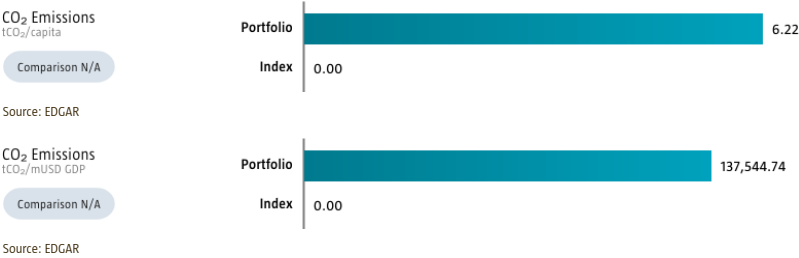
The charts displays the portfolio's Total, Environmental, Social and Governance scores following Robeco's Country Sustainability Ranking methodology. These are calculated using the portfolio components' weights and respective country's scores. The scores includes considerations of more than 50 separate 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).

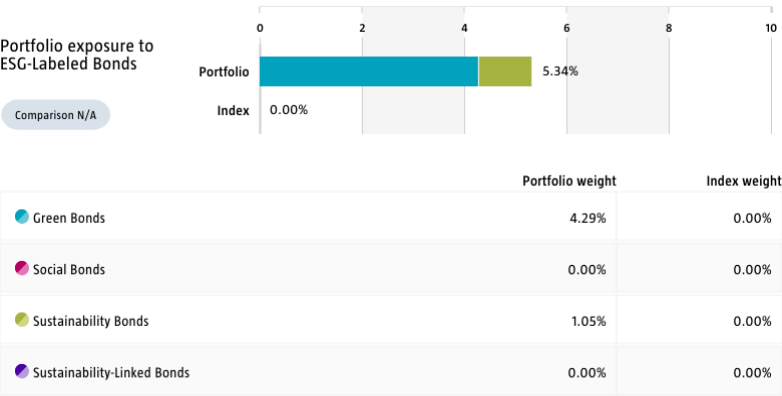
Environmental Intensity

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 L.P. and its affiliates (collectively "Bloomberg").

Investment policy

Robeco QI Long/Short Dynamic Duration is an actively managed fund that invests mainly in bonds and similar fixed income securities with a short duration and takes active positive or negative duration (interest-rate sensitivity) positions. The duration positioning of the fund is fully based on a quantitative model. The fund's objective is to provide long term capital growth. Active duration management is the sole performance driver for this fund. Robeco's quantitative duration model generates forecasts for the direction of bond yields in the main developed bond markets (United States, Germany and Japan). The duration overlay is implemented using bond futures.

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, normative, activity-based and region-based exclusions, and engagement.

The Benchmark of the fund is a cash benchmark. The fund aims to outperform the Benchmark over the long run, whilst still controlling relative risk through the application of a tracking error limit. This will consequently limit the deviation of the performance relative to the Benchmark. The Benchmark is an overnight index or 'money market index' that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

Olaf Penninga is Portfolio Manager Quant Fixed Income. He has been Portfolio Manager for the Dynamic Duration strategy since 2005 and Lead Portfolio Manager since 2011. These are all quantitative fixed income strategies. His previous positions with Robeco include that of Lead Portfolio Manager for Robeco's fundamentally-managed Euro Government Bonds strategy and Researcher with responsibility for fixed income allocation research. Olaf was employed by Interpolis as Investment Econometrician for one year before returning to Robeco in 2003. He started his career in 1998 at Robeco. He holds a Master's in Mathematics (cum laude) from Leiden University. Lodewijk van der Linden is Portfolio Manager Quant Fixed Income. He joined Robeco in August 2018. In the period 2015-2018 Lodewijk worked at Aegon Asset Management where he was Risk associate and Team Manager Client Reporting. Lodewijk started his career at PwC as an actuarial consultant in 2013. He holds a Master's in Actuarial Science from the University of Amsterdam and a Master's in Econometrics and Management Science from Erasmus University Rotterdam. Johan Duyvesteyn is Portfolio Manager Quant Fixed Income. His areas of expertise include government bond market timing, credit beta market timing, country sustainability and emerging-market debt. He has published in the Financial Analysts Journal, the Journal of Empirical Finance, the Journal of Banking and Finance, and the Journal of Fixed Income. Johan started his career in the industry in 1999 at Robeco. He holds a PhD in Finance, a Master's in Financial Econometrics from Erasmus University Rotterdam and he is a CFA® charterholder.

Team info

Robeco QI Long/Short Dynamic Duration is managed within Robeco's Rates team, which consists of four portfolio managers. The team is focused on government bond strategies including quantitative duration strategies. The team works closely together with four dedicated quantitative researchers and four fixed income traders. On average, the members of the rates team have an experience in the asset management industry of sixteen years, of which ten years with Robeco.

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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Sustainability images

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

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