

Robeco Euro Government Bonds I 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	1.08%	1.04%
3 m	-1.24%	-0.65%
Ytd	-1.24%	-0.65%
1 Year	4.05%	3.88%
2 Years	-4.21%	-4.27%
3 Years	-5.06%	-4.98%
5 Years	-1.59%	-1.74%
10 Years	0.67%	0.83%
Since 04-2005	2.41%	2.53%

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	7.07%	7.13%
2022	-18.05%	-18.46%
2021	-3.48%	-3.46%
2020	5.78%	4.99%
2019	6.89%	6.77%
2021-2023	-5.39%	-5.52%
2019-2023	-0.86%	-1.12%

Annualized (years)

Index

Bloomberg Euro Aggregate: Treasury

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 947,733,987
Size of share class	EUR 336,462,311
Outstanding shares	2,139,523
1st quotation date	01-04-2005
Close financial year	31-12
Ongoing charges	0.39%
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

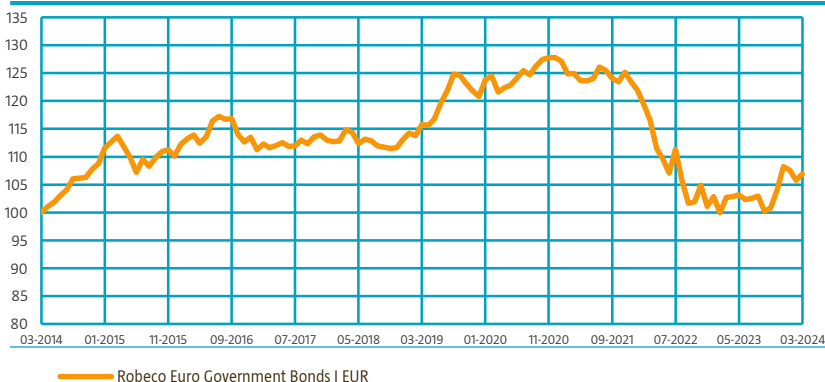
Exclusion based on negative screening
≥ 15%



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

Performance

Indexed value (until 31-03-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.08%.

The fund posted a positive absolute return over the month, also above its index. Duration contributed to relative performance, while curve positioning subtracted slightly. We expect the ECB to start cutting rates in June, which will benefit bond markets more than is currently priced. In addition, the yield curve should normalize from its very inverted level in this scenario. The main contributor to relative performance over the month was the overweight in SSA bonds, which rallied substantially over the month. Even after the recent rally we still favor SSA bonds over semi-core. The positive risk sentiment also impacted BTPs spreads, which tightened further, thus subtracting from relative performance.

Market development

March saw a rangebound moves in rates. In the first half of the month rates generally declined, while interest rates rose somewhat during the second half of the month. 10-year German Bunds ended the month 11 bps lower at 2.30%, while US 10-year Treasuries ended the month 2 bps higher at 4.20%. UK Gilts saw a strong positive performance over the month, as rates declined due to inflation coming in below expectations. March saw two notable central bank meetings. The first was from the Swiss National Bank as it became the first DM central bank to cut rates during its quarterly meeting. The second was the Bank of Japan which decided to increase the policy rate for the first time in 17 years, moving it from -0.1% to 0%.

Expectation of fund manager

There has been a growing convergence among DM central banks that official rates reached their appropriate levels, and the next step should be a reduction, the BoJ being the exception. This matters for the general direction of interest rates as it should reduce the risk of a new peak in rates in this cycle. While moving in unison toward official rates, ideas on the pace with which rates could be brought to neutral differ across economies. The US, for example, has shown a stronger resilience to the tightening of monetary conditions than the Eurozone. That is why we favor duration positions in Euro rates. The normalization of policy rates should also be accompanied by steepening yield curves, and we continue to hold/add to positions that would benefit from such a move.

Fund price

31-03-24	EUR	157.09
High Ytd (03-01-24)	EUR	158.80
Low Ytd (28-02-24)	EUR	154.87

Fees

Management fee	0.25%
Performance fee	None
Service fee	0.12%

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, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Peru, Singapore, Spain, Switzerland, United Kingdom

Currency policy

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

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.

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.

Derivative policy

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

Fund codes

ISIN	LU0210245469
Bloomberg	ROEGVBI LX
Sedol	BPYD2S1
WKN	AOD9JC
Valoren	2043422

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	0.91	0.74
Information ratio	0.32	0.74
Sharpe ratio	-0.76	-0.26
Alpha (%)	0.46	0.60
Beta	1.02	1.02
Standard deviation	7.96	6.85
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	21	37
Hit ratio (%)	58.3	61.7
Months Bull market	14	29
Months outperformance Bull	9	19
Hit ratio Bull (%)	64.3	65.5
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)	8.1	7.4
Maturity (years)	9.8	9.0
Yield to Worst (% , Hedged)	2.7	2.9
Green Bonds (% , Weighted)	19.3	2.7

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 March, 24% of the fund is invested in green, social and sustainable bonds.

Sector allocation		Deviation index
Treasuries	74.7%	-25.3%
Agencies	11.4%	11.4%
Supranational	7.1%	7.1%
Sovereign	2.8%	2.8%
Local Authorities	2.6%	2.6%
Cash and other instruments	1.4%	1.4%

Duration allocation

The duration of the portfolio is above index duration and located in EUR and the UK. Next to that we have an overweight in Norwegian bonds versus an underweight in Swedish bonds. The fund further increased its steepener position, adding to the 5s10s position as this part of the curve is flat in yield. We remain of the opinion that the ECB will lower its policy rate in June, meaning lower front end rates and a yield-curve that normalizes from its current very inverted levels.

Duration allocation		Deviation index
Euro	7.7	0.3
Norwegian Kroner	0.4	0.4
Swedish Kroner	-0.3	-0.3
Pound Sterling	0.2	0.2

Rating allocation

The fund is 40% invested in AAA bonds, comprising of 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 3% in Greek government bonds (BBB-rated), which was upgraded to investment grade in December.

Rating allocation		Deviation index
AAA	40.2%	16.9%
AA	30.4%	-5.2%
A	11.3%	-6.8%
BAA	16.7%	-6.3%
Cash and other instruments	1.4%	1.4%

Country allocation

The portfolio remains underweight in Italian government bond futures, as spreads have continued to tighten and are almost priced for perfection. Risk in Italian spreads is becoming asymmetric, especially as the country is now risking an excessive deficit procedure (EDP). Greece remains a continuing positive fundamental story, with more rating upgrades to be expected later this year. We see support in spreads from the transition that is slowly taking place in Poland, although reversing many of the laws implemented by the previous government takes time. France has underperformed due to the large budget deficit, and the challenges in reducing it, but valuations in OATs are starting to improve.

Country allocation		Deviation index
France	20.6%	-3.2%
Germany	16.5%	-2.1%
Netherlands	16.1%	11.7%
Italy	9.8%	-11.7%
Spain	7.3%	-7.1%
Supra-National	7.1%	7.1%
Greece	4.5%	3.5%
Belgium	3.7%	-1.5%
Austria	2.6%	-1.0%
Hungary	2.1%	2.1%
Finland	1.9%	0.3%
Other	6.6%	0.7%
Cash and other instruments	1.4%	1.4%

ESG Important information

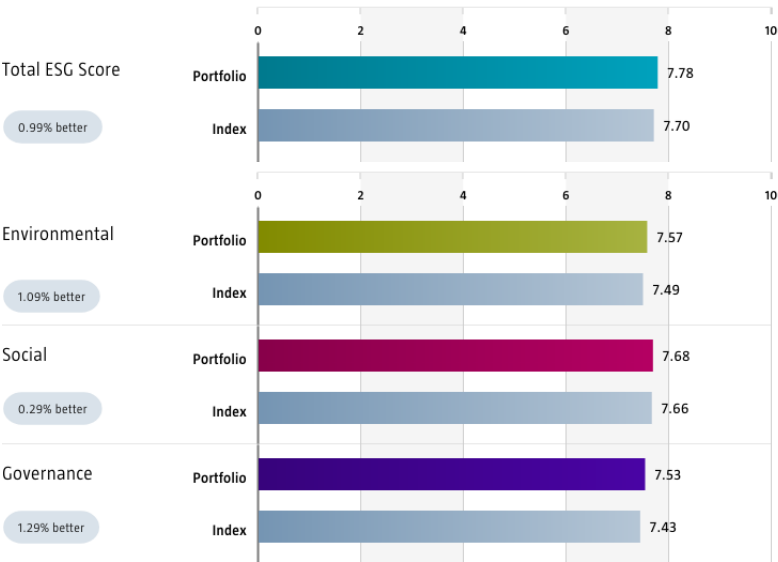
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to 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

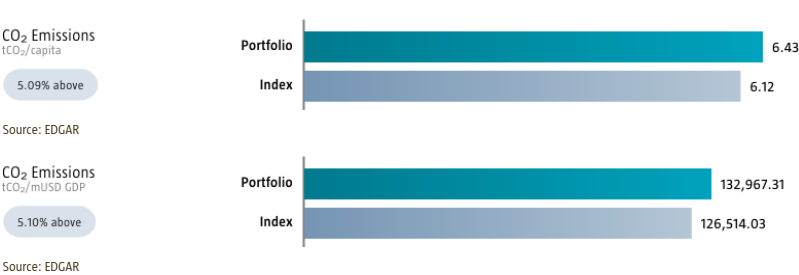
The charts displays the portfolio's Total, Environmental, Social and Governance scores following Robeco's Country Sustainability Ranking methodology. These are calculated using the portfolio components' weights and respective country's scores. The scores includes considerations of more than 50 separate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

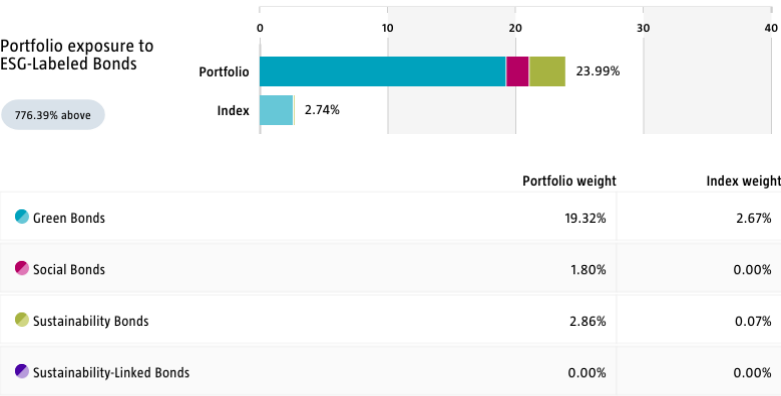
Environmental Intensity

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 0.01% 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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Febelfin disclaimer

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Sustainability images

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

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