

Robeco All Strategy Euro Bonds C EUR

Robeco All Strategy Euro Bonds is an actively managed fund that invests mainly in euro-denominated government and corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. The fund is an active bond fund looking to optimize returns on a risk-adjusted basis. It applies a flexible approach to investing and is not fully constrained by its underlying benchmark.



Jamie Stuttard, Stephan van IJzendoorn
Fund manager since 01-01-2019

Performance

	Fund	Index
1 m	1.41%	2.21%
3 m	0.74%	0.87%
Ytd	1.41%	2.21%
1 Year	-15.14%	-14.38%
2 Years	-9.51%	-9.10%
3 Years	-5.03%	-5.68%
5 Years	-1.63%	-1.77%
10 Years	0.80%	0.90%
Since 04-1998	2.56%	

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
2022	-17.09%	-17.17%
2021	-2.99%	-2.85%
2020	7.26%	4.05%
2019	5.76%	5.98%
2018	-0.60%	0.41%
2020-2022	-4.80%	-5.75%
2018-2022	-1.93%	-2.28%

Annualized (years)

Index

Bloomberg Euro Aggregate

General facts

Morningstar	★★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 270,896,462
Size of share class	EUR 141,508,386
Outstanding shares	1,626,218
1st quotation date	03-09-2013
Close financial year	31-12
Ongoing charges	0.56%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	7.00%
Management company	Robeco Institutional Asset Management B.V.
Management company	Robeco Institutional Asset Management B.V.

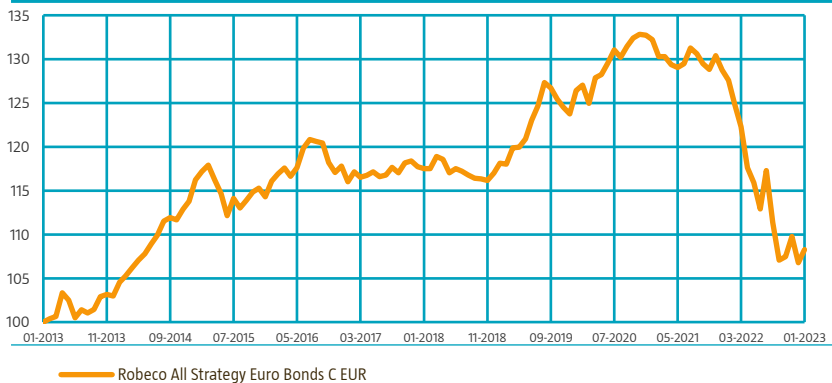
Sustainability profile

- Exclusions
- ESG Integration
- Engagement

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

Performance

Indexed value (until 31-01-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.41%.

The fund posted a positive absolute return over the month, slightly below its index. Bond yields declined sharply in the first half of the month. The OW duration position, especially in Europe and the UK, benefited the portfolio, while the UW in Japan detracted. Curve positioning also detracted as the US curve inverted further. The fund implemented a EUR 2s10s steepener position at a spread of -40 bps. We see a normalization of the curve once the ECB ends hiking rates. We remain underweight positioned in Italian, Spanish and Portuguese government bonds, which detracted somewhat from performance.

Market development

Government bond markets had a strong start of the year, with the vast majority of markets showing returns of 2% or more. The strongest European figures were posted in Italy (2.8%), as BTPs traded in line with Bunds, but with a higher beta, over the month. The strong returns were driven by more favorable inflation figures, mainly reflecting lower energy price inflation. This creates room for some central banks, such as the Fed, to sound less hawkish on upcoming policy steps. The BoJ has been lagging other central banks in tightening monetary policy, but took a first step in December by widening the yield curve control band. Euro periphery markets benefited from the broader, more constructive mood towards risk, which in Europe was also due to easing recession concerns.

Expectation of fund manager

If our macroeconomic and policy outlook proves to be correct, there should soon be more clarity on the level at which policy rates will peak this cycle. This should imply a more favorable environment for long duration positions as well as a prompt re-steepening of yield curves. We have a cautious stance on Euro periphery bonds. The Q1 supply calendar will be huge across countries in Europe. Moreover, the ECB is set to reduce its support to EGB markets by embarking on quantitative tightening from March on. With the biggest buyer of the past years now gradually stepping back, we think prices need to adjust to attract a new marginal buyer.

Fund price

31-01-23	EUR	86.99
High Ytd (18-01-23)	EUR	88.73
Low Ytd (03-01-23)	EUR	86.15

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.16%
Expected transaction costs	0.21%

Legal status

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

Registered in

Belgium, Luxembourg, Netherlands, Spain, Switzerland

Currency policy

Relatively small positions in currencies other than the euro are permitted. Derivatives can be used for various reasons such as hedging single positions and arbitrage, or for leverage to gain extra exposure.

Risk management

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

Dividend policy

The fund distributes dividend on a quarterly basis. The dividends referred to are target dividends and may be subject to change as a result of market conditions.

Derivative policy

Robeco All Strategy Euro Bonds make use of derivatives for hedging purposes as well as for investment purposes. These derivatives are regarded very liquid.

Fund codes

ISIN	LU0940005050
Bloomberg	ROACHEU LX
WKN	A1XCTM
Valoren	21528168

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.31	1.08
Information ratio	0.90	0.63
Sharpe ratio	-0.66	-0.14
Alpha (%)	1.01	0.63
Beta	0.96	0.96
Standard deviation	6.49	5.56
Max. monthly gain (%)	3.92	3.92
Max. monthly loss (%)	-4.97	-4.97

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	20	32
Hit ratio (%)	55.6	53.3
Months Bull market	17	30
Months outperformance Bull	9	15
Hit ratio Bull (%)	52.9	50.0
Months Bear market	19	30
Months Outperformance Bear	11	17
Hit ratio Bear (%)	57.9	56.7

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	AA2/AA3	AA3/A1
Option Adjusted Modified Duration (years)	6.8	6.5
Maturity (years)	5.1	7.7
Yield to Worst (% , Hedged)	3.0	3.2
Green Bonds (% , Weighted)	14.3	5.2

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 at least 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 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

The fund's overall exposure to European investment grade corporate bonds and to European high yield bonds has remained close to index level. During the month, primary issuance was used to increase the allocation to EUR agencies and EUR covered bonds. The overall beta of the portfolio including swap spreads is slightly above 1, while corporate beta is slightly below 1. The fund has protection in US HY and EUR IG via CDX/iTraxx, and holds hedges in China sovereign CDS and several banks with exposure to the Chinese real estate sector.

Sector allocation		Deviation index
Treasuries	39.8%	-15.5%
Agencies	16.8%	10.1%
Financials	12.7%	3.8%
Industrials	7.2%	-2.3%
Covered	6.6%	0.0%
Local Authorities	5.7%	1.7%
Supranational	4.4%	-1.8%
Utilities	2.3%	0.8%
ABS	0.6%	0.6%
Sovereign	0.1%	-1.2%
Cash and other instruments	3.8%	3.8%

Currency allocation

The fund has long positions in the JPY and the SEK versus underweights in the KRW, zloty and the USD, but positions are small. We are getting closer to the peak in the USD in our view, as the Fed is nearing the end of its tightening cycle. The JPY has weakened significantly over the past months, and we think the recent adjustment of the yield curve cap by the BoJ is only the start of a series of interventions to restrengthen the currency. Many Asian countries rely on food and energy imports, which is pushing up inflation. Hence, we remain underweight Asia FX via the KRW.

Currency allocation		Deviation index
Euro	99.8%	-0.2%
Japanese Yen	1.5%	1.5%
U.S. Dollar	-1.0%	-1.0%
Korean Won	-0.5%	-0.5%
Swedish Kroner	0.5%	0.5%
Poland New Zloty	-0.5%	-0.5%
Norwegian Kroner	0.1%	0.1%
Australian Dollar	0.1%	0.1%
Canadian Dollar	0.1%	0.1%
Mexico New Peso	-0.1%	-0.1%

Duration allocation

The overall duration of the fund is above index level, with long positions in Europe, the US and the UK, versus shorts in Japan and Australia. We expect the Fed to end its tightening cycle at the end of Q1, meaning we are probably not too far off the peak in interest rates. In Europe, we expect the fight against inflation is not won yet. The ECB will probably hike another 75 bps from here, which means that we probably have not yet seen the peak in rates. We continue to like ultra-long bonds in Japan, and expect more intervention from the BoJ at shorter maturities. We still have a small remaining position in Chinese government bonds, as we think the current reopening will also have sizeable downside effects, like higher hospitalizations and travel limits.

Duration allocation		Deviation index
Euro	6.8	0.3
Japanese Yen	-0.5	-0.5
Pound Sterling	0.4	0.4
Australian Dollar	-0.2	-0.2
Mexico New Peso	0.1	0.1
U.S. Dollar	0.1	0.1

Rating allocation

The fund is 28% invested in AAA bonds, comprising mainly German and Dutch government bonds, and high-quality government-related and covered bonds. Exposure to below investment grade bonds, before hedges, has remained low at around 1%, anticipating wider spreads in the coming months, as recessionary risks are expected to rise. Within peripheral bonds, the fund has a below index exposure to both Italian government bonds (BBB-rated), Spanish government bonds (A-rated) and Portuguese government bonds (BBB-rated). The fund has a 21% allocation to green, social and sustainable bonds, predominantly consisting of government-related issuers.

Rating allocation		Deviation index
AAA	27.8%	1.1%
AA	30.0%	0.7%
A	15.8%	-2.5%
BAA	21.5%	-4.1%
BA	1.2%	1.2%
Cash and other instruments	3.7%	3.7%

Investment policy

Robeco All Strategy Euro Bonds is an actively managed fund that invests mainly in euro-denominated government and corporate bonds. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long-term capital growth. 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. The fund is an active bond fund that aims to optimize returns on a risk-adjusted basis. It applies a flexible approach to investing and is not fully constrained by its underlying benchmark. 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 and issuers) 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

Jamie Stuttard is Head of the Global Macro team and Portfolio Manager of Robeco Global Total Return Bond Fund and of Robeco All Strategy Euro Bonds. He started at Robeco in 2018. In 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. On the buy-side, he has been awarded the Plan Sponsor Europe Fund Manager of the Year award, was twice named as a Financial News Rising Star, won several Lipper Fund awards as well as helping earn Morningstar's Best Large Fixed Interest House. He started his career at Dresdner Kleinwort Benson in London in 1998. Jamie has a Master's in History from the University of Cambridge. Stephan van IJendoorn is Portfolio Manager in Robeco's Global Macro team. Prior to joining Robeco in 2013, Stephan was employed by F&C Investments as a Portfolio Manager Fixed Income. Before his move to F&C Investments he worked in similar functions at Allianz Global Investors and A&O Services. 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

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.

Fiscal treatment of investor

The fiscal consequences of investing in this fund depend on the investor's personal situation. For private investors in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Each year investors pay income tax on the value of their net assets as at 1 January if and inasmuch as such net assets exceed the investor's tax-free allowance. Any amount invested in the fund forms part of the investor's net assets. Private investors who are resident outside the Netherlands will not be taxed in the Netherlands on their investments in the fund. However, such investors may be taxed in their country of residence on any income from an investment in this fund based on the applicable national fiscal laws. Other fiscal rules apply to legal entities or professional investors. We advise investors to consult their financial or tax adviser about the tax consequences of an investment in this fund in their specific circumstances before deciding to invest in the fund.

Morningstar

Copyright © Morningstar Benelux. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more information on Morningstar, please refer to www.morningstar.com

Sustainalytics disclaimer

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or third parties, intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; (4) are not a substitute for a professional advice; (5) past performance is no guarantee of future results. These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. Insofar as applicable, researched companies referred herein may have a relationship with different Sustainalytics' business units. Sustainalytics has put in place adequate measures to safeguard the objectivity and independence of its opinions. For more information, contact compliance@sustainalytics.com.

Disclaimer

This document has been carefully prepared by Robeco Institutional Asset Management B.V. (Robeco). The information contained in this publication is based upon sources of information believed to be reliable. Robeco is not answerable for the accuracy or completeness of the facts, opinions, expectations and results referred to therein. Whilst every care has been taken in the preparation of this document, we do not accept any responsibility for damage of any kind resulting from incorrect or incomplete information. This document is subject to change without notice. The value of the investments may fluctuate. Past performance is no guarantee of future results. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Unless otherwise stated, performances are i) net of fees based on transaction prices and ii) with dividends reinvested. Please refer to the prospectus and the Key Information Document of the funds for further details. These are available at the Robeco offices or via the www.robeco.com website. The ongoing charges mentioned in this publication express the operational costs including management fee, service fee, taxe d'abonnement, depositary fee and bank charges and is the one stated in the fund's latest annual report at closing date. The information contained in this document is solely intended for professional investors under the Dutch Act on the Financial Supervision (Wet financieel toezicht) or persons who are authorized to receive such information under any other applicable laws. Robeco Institutional Asset Management B.V. has a license as manager of UCITS and AIFs from the Netherlands Authority for the Financial Markets in Amsterdam.