ROBECO

Factsheet | Figures as of 30-04-2023

Robeco QI Dynamic High Yield IH USD

Robeco QI Dynamic High Yield is an actively managed fund that aims to provide long-term capital growth and offers diversified exposure to global high yield corporates, by investing primarily in CDS index derivatives. The selection of these instruments is based on a quantitative model. The performance is model-driven by taking active beta positions to decrease or increase the exposure towards the high-yield market within pre-defined risk limits.

Johan Duyvesteyn, Patrick Houweling
Fund manager since 28-03-2014

Performance

	Fund	Index
1 m	1.16%	0.83%
3 m	1.24%	0.44%
Ytd	6.66%	4.17%
1 Year	5.63%	1.02%
2 Years	-0.76%	-2.75%
3 Years	3.76%	4.05%
5 Years	3.51%	2.94%
Since 08-2014	4.64%	3.62%

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	-9.50%	-10.73%
2021	3.92%	3.75%
2020	5.08%	6.69%
2019	12.38%	14.31%
2018	-0.56%	-1.90%
2020-2022	-0.39%	-0.40%
2018-2022	2.00%	2.07%

Annualized (years)

Index

Bloomberg Global HY Corporate

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	USD
Total size of fund	USD 192,680,778
Size of share class	USD 218,895
Outstanding shares	1,484
1st quotation date	28-08-2014
Close financial year	31-12
Ongoing charges	0.54%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	5.00%
Management company	Robeco Institutional Asset Management B.V.
Management company	Robeco Institutional Asset Management B.V.

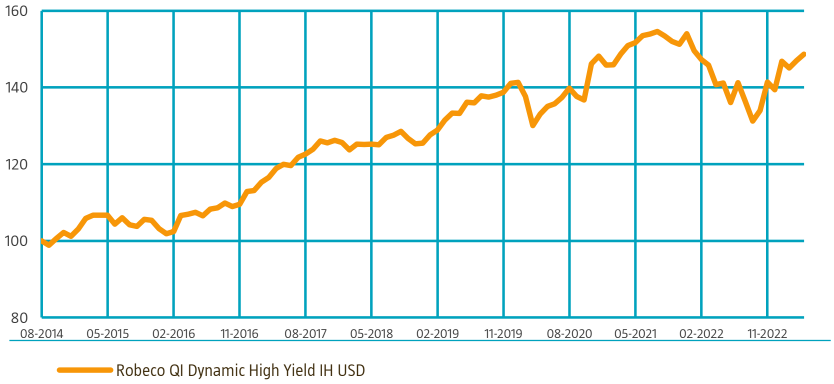
Sustainability profile

Exclusions

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

Performance

Indexed value (until 30-04-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 1.16%.
The fund's gross return outperformed the high yield cash bond market index by 0.36%. The largest positive contribution was due to the overweight credit beta position, while a smaller positive contribution came from the duration underweight in Germany. The region allocation contributed neutrally. The combined return of investing in CDS indices and government bonds slightly outperformed high yield cash bonds and thus contributed positively. In the long run, we do not expect structural return differences between CDS indices and bonds.

Portfolio changes

The positions of the fund are fully determined by the outcome of our proprietary credit beta and duration models. The fund opened a new overweight credit beta position, as the momentum variable switched from negative to positive and the valuation variable turned more positive. The credit overweight in Europe versus the US was maintained throughout the month. During the month, the fund opened and closed an underweight duration position in Germany.

Market development

The global high yield bond spread widened marginally by 1 bp, and high yield CDS indices also did not change much: the European iTraxx Crossover remained at the same level and the US CDX High Yield widened slightly by 3 bps. Therefore, the returns for the US and Europe were similar. The global CDS index return was 0.43% and the underlying government bonds contributed 0.29% due to declining yields. Therefore, the combined return of investing in CDS indices and government bonds was 0.72% this month, somewhat outperforming the 0.66% return of the high yield cash bond index. In April, financial markets were relatively quiet, credit spreads traded in a narrow range and broad measures of volatility, like the VIX and MOVE indices, declined. Problems in the US regional banking sector continued to pop up. First Republic Bank faced similar issues as other US regional banks and was acquired by JPMorgan in a transaction orchestrated by the US government. Inflation remains above target levels in both Europe and the US, while tighter bank lending standards led to questions about the number of rate hikes to come.

Expectation of fund manager

The positions of the fund are fully determined by the outcomes of our proprietary models. At the end of the month, the fund had an overweight credit beta position, driven by positive valuation, momentum and season variables. The region allocation had an overweight position in Europe and an underweight position in the US, based on relative valuation. The fund had no active duration positions.

Fund price

30-04-23	USD	148.34
High Ytd (02-02-23)	USD	149.84
Low Ytd (03-01-23)	USD	140.20

Fees

Management fee	0.40%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.01%

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

Issue structure	Open-end
UCITS V	Yes
Share class	IH USD

This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Luxembourg, Singapore, Switzerland, United Kingdom

Currency policy

Currency risks are hedged.

Risk management

The investment strategy of the fund aims to outperform its 100% exposure to high yield corporates by taking active beta positions based on Robeco's quantitative market timing model. These active positions are set to always meet the predefined guidelines. As the investment exposure of the fund is obtained to a material degree through derivatives, it is important to manage counterparty risk. Therefore the credit quality of the counterparties is monitored and collateral is exchanged on a daily basis to reflect market movements in the value of the instruments. The predefined guidelines also restrict the leverage exposure of derivatives on a fund level and the currency exposure as described in the prospectus.

Dividend policy

All income earned will be accumulated and not be distributed as dividend. Therefore the entire return is reflected in the share price development.

Fund codes

ISIN	LU1102563613
Bloomberg	RQHYIHU LX
Sedol	BQXKF69
Valoren	25259702

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	4.50	4.98
Information ratio	0.06	0.21
Sharpe ratio	0.34	0.31
Alpha (%)	0.58	1.42
Beta	0.90	0.70
Standard deviation	8.66	7.63
Max. monthly gain (%)	6.97	6.97
Max. monthly loss (%)	-3.69	-5.47

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	22	39
Months outperformance Bull	13	20
Hit ratio Bull (%)	59.1	51.3
Months Bear market	14	21
Months Outperformance Bear	5	10
Hit ratio Bear (%)	35.7	47.6

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	BA3/B1	BA3/B1
Option Adjusted Modified Duration (years)	3.5	3.5
Maturity (years)	3.7	4.7
Yield to Worst (%, Hedged)	9.4	9.0

Sustainability

The fund is classified as falling under Article 6 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

Sector allocation

For its credit exposures, the fund only invests in US and European CDS High Yield indices (CDX High Yield and iTraxx Crossover). The sector allocation of the fund is therefore identical to those of the CDS indices.

Sector allocation	
Consumer Cyclical	24.1%
Communications	14.7%
Consumer Non Cyclical	11.7%
Capital Goods	11.1%
Basic Industry	7.3%
Transportation	6.8%
Energy	5.2%
Technology	5.0%
Electric	2.8%
Financial Other	1.7%
REITS	1.4%
Other	5.7%
Cash and other instruments	2.5%

Currency allocation

There is no currency exposure, as all foreign currencies are hedged to the base currency of the share class.

Currency allocation	
Euro	56.1%
U.S. Dollar	43.9%

Duration allocation

At the end of the month, the fund had no active duration positions. All active duration positions are based on the outcomes of our quantitative duration model.

Duration allocation	
U.S. Dollar	2.8
Euro	0.7
Pound Sterling	0.1

Rating allocation

For its credit exposures, the fund only invests in US and European CDS indices (CDX High Yield and iTraxx Crossover). The rating allocation of the fund is therefore identical to those of the CDS indices.

Rating allocation	
BAA	7.3%
BA	47.6%
B	28.9%
CAA	9.8%
CA	0.6%
C	0.4%
NR	5.3%

Country allocation

For its credit exposures, the fund only invests in US and European CDS indices (CDX High Yield and iTraxx Crossover). The country allocation of the fund is therefore identical to those of the CDS indices. The country exposure to developed markets is 100%. The region allocation determines the relative weights to the CDX High Yield and iTraxx Crossover indices. The fund is currently overweight iTraxx Crossover and underweight CDX High Yield.

Country allocation	
United States	43.4%
United Kingdom	11.0%
Germany	10.9%
France	9.1%
Spain	4.2%
Sweden	4.1%
Italy	4.0%
Luxembourg	2.8%
Netherlands	2.4%
Switzerland	2.3%
Finland	1.8%
Other	4.1%

Investment policy

Robeco QI Dynamic High Yield offers well-diversified exposure to US and European high yield corporates by investing in highly liquid CDS indices. These indices are much more liquid than direct investments in high yield bonds. Because of their high liquidity, investors can use these CDS indices to efficiently get high yield exposure with much lower transaction costs than through high yield bonds. The performance of Robeco QI Dynamic High Yield is driven by a unique quantitative market-timing model. This proprietary model has a track record of over 10 years. The model is based on academic research and uses a variety of factors, amongst others from credit and equity markets, to forecast credit returns. Based on this forecast, the exposure of the fund to the high yield corporate bond market will be decreased or increased. As a result, the beta of the portfolio varies between 0.5 and 1.5, to reduce risk in declining markets and to benefit more in rising markets. Robeco QI Dynamic High Yield Fund aims to offer a better return than the Bloomberg Barclays Global High Yield Corporate index. The index is used to express the benefits of the strategy as an alternative to passive or direct investments in high yield bonds.
Weekly positioning updates are available upon request.

Fund manager's CV

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. Patrick Houweling is Co-Head of Quant Fixed Income and Lead Portfolio Manager of Robeco's quantitative credit strategies. Patrick has published seminal articles on Duration Times Spread, factor investing in credit markets, corporate bond liquidity and credit default swaps in various academic journals, including the Journal of Banking and Finance, the Journal of Empirical Finance and the Financial Analysts Journal. The article 'Factor Investing in the Corporate Bond Market' he co-authored received a Graham and Dodd Scroll Award of Excellence for 2017. Patrick is a guest lecturer at several universities. Prior to joining Robeco in 2003, he was Researcher in the Risk Management department at Rabobank International where he started his career in 1998. He holds a PhD in Finance and a Master's (cum laude) in Financial Econometrics from Erasmus University Rotterdam.

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

Sustainalytics disclaimer

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