

Robeco QI Long/Short Dynamic Duration E 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	0.29%	0.23%
3 m	0.14%	0.62%
Ytd	0.75%	0.79%
1 Year	-1.51%	0.96%
2 Years	-1.46%	0.19%
3 Years	-1.27%	-0.05%
5 Years	-1.25%	-0.19%
10 Years	-0.72%	-0.17%
Since 10-2005	-0.02%	0.89%

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.

Rolling 12 month returns

	Fund
05-2022 - 04-2023	-1.51%
05-2021 - 04-2022	-1.41%
05-2020 - 04-2021	-0.91%
05-2019 - 04-2020	-2.72%
05-2018 - 04-2019	0.34%

Initial charges or eventual custody charges which intermediaries might apply are not included.

Index

ICE BofA ESTR Overnight Rate Index

General facts

Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 56,771,650
Size of share class	EUR 70,120
Outstanding shares	844
1st quotation date	03-10-2005
Close financial year	31-12
Ongoing charges	0.91%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.
Management company	Robeco Institutional Asset Management B.V.

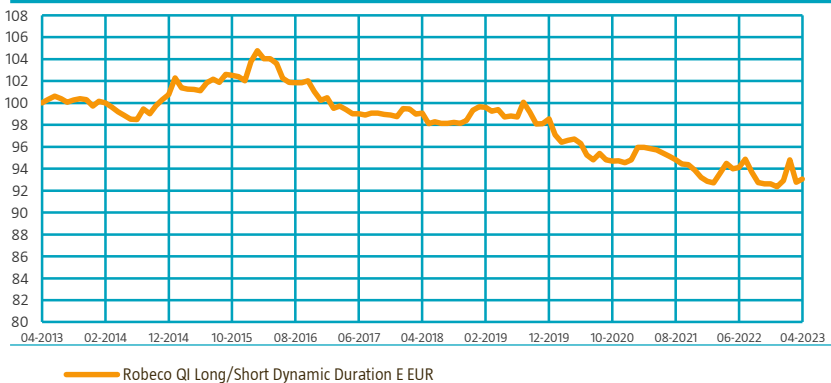
Sustainability profile

- Exclusions
- ESG Integration
- Engagement

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

Performance

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



Performance

Based on transaction prices, the fund's return was 0.29%.

The fund outperformed in April thanks to its short duration position in Germany and its long duration position in Japan. The German short duration position was opened at the start of April and closed in late April, partly avoiding the renewed decline in yields at the end of the month. The US long duration position that was closed in April detracted somewhat from performance. Year-to-date, the fund has benefited from lower yields in the first weeks of the year and later in Japan, and from higher yields in February and in April (in Germany). All active duration positions are based on the outcomes of our quantitative duration model.

Market development

After declining on weak US data in early April, bond yields rose for most of the month as banking fears subsided, the ECB still sounded fairly hawkish and UK inflation surprised to the upside. Bonds recovered in late April as Eurozone data weakened and banking fears returned with the failure of First Republic. The Bank of Japan did not adjust its Yield Curve Control policy; it announced a broad review of its monetary policy that will take at least a year. Japanese government bonds returned 0.6% in April, US Treasuries 0.3% and German Bunds 0.03% (all returns hedged to euro).

Expectation of fund manager

The fund's duration policy is driven by the outcomes of our proprietary quantitative duration model. At the end of April, the model is positive for Japanese bonds, driven mainly by the inflation, valuation and monetary policy variables. The model has turned neutral on US bonds in early April and on German bonds by the end of April.

Fund price

30-04-23	EUR	83.14
High Ytd (02-03-23)	EUR	85.32
Low Ytd (17-01-23)	EUR	82.54

Fees

Management fee	0.70%
Performance fee	None
Service fee	0.16%
Expected transaction costs	0.09%

Legal status

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

Registered in

Austria, Belgium, France, Germany, Ireland, 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, Robeco QI Long/Short Dynamic Duration (EUR) E-shares distributes dividend annually.

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	LU0230834854
Bloomberg	ROBFLXE LX
Sedol	BONMZK7
WKN	A0HGD5
Valoren	2283607

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	2.61	2.44
Information ratio	-0.13	-0.07
Sharpe ratio	-0.17	-0.10
Alpha (%)	-0.25	-0.07
Beta	1.51	2.44
Standard deviation	2.61	2.44
Max. monthly gain (%)	2.14	2.14
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	14	31
Hit ratio (%)	38.9	51.7
Months Bull market	8	8
Months outperformance Bull	3	3
Hit ratio Bull (%)	37.5	37.5
Months Bear market	28	52
Months Outperformance Bear	11	28
Hit ratio Bear (%)	39.3	53.8

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund
Rating	AA3/A1
Option Adjusted Modified Duration (years)	2.0
Maturity (years)	2.0
Yield to Worst (% , Hedged)	3.2

Changes

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

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.

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 agencies, governments and supranational institutions and short-dated covered bonds.

Sector allocation		Deviation index
Covered	27.1%	27.1%
Local Authorities	24.6%	24.6%
Agencies	19.9%	19.9%
Treasuries	17.1%	17.1%
Supranational	8.2%	8.2%
Sovereign	1.8%	1.8%
Not Classified	0.0%	-100.0%
Cash and other instruments	1.3%	1.3%

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	99.8%	-0.2%
Japanese Yen	0.1%	0.1%
Swiss Franc	0.1%	0.1%

Duration allocation

By the end of April, the fund had a long duration position in Japan and neutral duration positions in Germany and the US. All active duration positions are based on the outcomes of our quantitative duration model.

Duration allocation		Deviation index
Japanese Yen	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	40.0%	40.0%
AA	39.2%	39.2%
A	11.3%	11.3%
NR	8.2%	-91.8%
Cash and other instruments	1.3%	1.3%

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. 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. 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 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 Economist 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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