

Robeco Global Total Return Bond Fund DH EUR

Robeco Global Total Return Bond Fund is an actively managed fund that invests globally in developed government and corporate bonds but also has the flexibility to invest in Emerging Debt. The selection of these bonds is based on fundamental analysis. The fund's objective is to provide long term capital growth. The fund aims to deliver an attractive total return, also on a risk-adjusted basis. The fund is a well-diversified global bond portfolio, which aims to achieve attractive returns by means of a top-down asset-allocation policy. The fund will pursue an active duration policy with the objective to limit draw downs when bond yields rise and enhance returns when bond yields fall.



Jamie Stuttard, Bob Stoutjesdijk
Fund manager since 01-09-2019

Performance

| | Fund | Index |
|---------------|--------|--------|
| 1 m | 0.08% | 0.34% |
| 3 m | 0.02% | 0.47% |
| Ytd | 1.46% | 2.53% |
| 1 Year | -6.09% | -3.31% |
| 2 Years | -7.14% | -5.56% |
| 3 Years | -5.19% | -4.00% |
| 5 Years | -1.75% | -0.92% |
| 10 Years | -0.61% | 0.43% |
| Since 07-1974 | 6.00% | |

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 | -14.70% | -13.27% |
| 2021 | -2.82% | -2.23% |
| 2020 | 6.64% | 4.24% |
| 2019 | 4.80% | 5.28% |
| 2018 | -3.97% | -1.22% |
| 2020-2022 | -4.03% | -4.03% |
| 2018-2022 Annualized (years) | -2.31% | -1.67% |

Index

Bloomberg Global-Aggregate Index (hedged into EUR)

General facts

| | |
|------------------------------|--|
| Morningstar | ★★ |
| Type of fund | Bonds |
| Currency | EUR |
| Total size of fund | EUR 410,109,556 |
| Size of share class | EUR 208,239,927 |
| Outstanding shares | 3,994,557 |
| 1st quotation date | 03-07-1974 |
| Close financial year | 31-12 |
| Ongoing charges | 1.02% |
| Daily tradable | Yes |
| Dividend paid | No |
| Ex-ante tracking error limit | 8.00% |
| 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 30-04-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 0.08%.

The fund posted a positive absolute return in April as interest rates fell. The fund's steeper positions in the United States added significantly to performance, while the contribution from duration was negative. Credit and EMD detracted from performance given the tightening of corporate bond spreads versus Euro swap spreads.

Market development

Global bond yields ended the month of April at similar levels as in March. Nonetheless, bond market volatility remained very high. In the US, 10-year Treasuries traded within a 3.3% to 3.6% range, ending the month at 3.42%. US government bonds rallied at the beginning of the month, as the ISM Manufacturing Index and job openings came in below expectations. In Europe, front-end German bond yields traded in a 2.5% to 3.0% range. On the last day of the month, bonds rallied strongly, with the 2-year German yield dropping 14 bps to 2.69%. Demand for bonds was boosted by lower-than-expected Eurozone GDP growth and German inflation surprising on the downside. Even as fears around banking stress seemed to subside, the 2-year BTP-Bund spread widened 15 bps to 62 bps. Spreads widened on supply pressures and expectations that the ECB will increase its QT pace in the summer.

Expectation of fund manager

While inflation is still elevated, we have seen peak inflation levels in both the US and Europe. In addition, after a year of central bank tightening, it is expected that much higher interest rate levels will increasingly start to bite. We expect this to limit the room to hike rates further in this cycle to 25 bps for the Fed and 50 bps for the ECB. Further out, we believe that Fed and ECB policy rates will fall back to neutral levels sooner than markets currently think. Against this background, we continue to gradually scale into duration. As the ECB is expected to further increase (passive) QT by reducing reinvestment from its APP program from July onwards, we remain slightly cautious with regard to Italian and Spanish bonds, as valuations are already quite expensive on a relative basis.

Fund price

| | | |
|---------------------|-----|-------|
| 30-04-23 | EUR | 52.12 |
| High Ytd (02-02-23) | EUR | 52.57 |
| Low Ytd (08-03-23) | EUR | 50.42 |

Fees

| | |
|----------------------------|-------|
| Management fee | 0.80% |
| Performance fee | None |
| Service fee | 0.16% |
| Expected transaction costs | 0.28% |

Legal status

| |
|--|
| Investment company with variable capital incorporated under Luxembourg law (SICAV) |
| Issue structure |
| UCITS V |
| Share class |

This is a shareclass of Robeco Global Total Return Bond Fund, SICAV.

Registered in

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

Currency policy

| |
|--|
| Currency risks are hedged, however active currency positions of the fund are part of the investment strategy and will not be hedged. |
|--|

Risk management

| |
|---|
| The fund aims to deliver an attractive total return, also on a risk-adjusted basis. The fund targets an ex-ante total return volatility within the range of 2 to 6% and can adjust the duration of the portfolio between 0 and 10 years. The leverage exposure of derivatives on a fund level is restricted as described in the prospectus. |
|---|

Dividend policy

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|---|
| All income earned is accumulated and not distributed as dividend. Therefore the total return is reflected in the share price development. |
|---|

Fund codes

| | |
|-----------|--------------|
| ISIN | LU0934195610 |
| Bloomberg | RORDHEU LX |
| Sedol | BBHX246 |
| WKN | A1WZHE |
| Valoren | 21434864 |

Statistics

| | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Tracking error ex-post (%) | 0.99 | 1.31 |
| Information ratio | -0.28 | 0.02 |
| Sharpe ratio | -0.85 | -0.16 |
| Alpha (%) | -0.26 | 0.04 |
| Beta | 1.01 | 1.00 |
| Standard deviation | 5.09 | 4.64 |
| Max. monthly gain (%) | 2.79 | 2.79 |
| Max. monthly loss (%) | -3.75 | -3.75 |

Above mentioned ratios are based on gross of fees returns

Hit ratio

| | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Months outperformance | 17 | 29 |
| Hit ratio (%) | 47.2 | 48.3 |
| Months Bull market | 16 | 29 |
| Months outperformance Bull | 8 | 15 |
| Hit ratio Bull (%) | 50.0 | 51.7 |
| Months Bear market | 20 | 31 |
| Months Outperformance Bear | 9 | 14 |
| Hit ratio Bear (%) | 45.0 | 45.2 |

Above mentioned ratios are based on gross of fees returns

Characteristics

| | Fund | Index |
|---|--------|---------|
| Rating | AA3/A1 | AA2/AA3 |
| Option Adjusted Modified Duration (years) | 6.7 | 6.8 |
| Maturity (years) | 6.0 | 8.6 |
| Yield to Worst (%, Hedged) | 2.7 | 2.9 |
| Green Bonds (% Weighted) | 6.8 | 1.9 |

Changes

As of 1 July 2019 the benchmark is Bloomberg Barclays Global-Aggregate Index. Before that date the benchmark was Bloomberg Barclays Multiverse Index. The new benchmark is widely used and makes the fund better comparable to competitors. The change does not lead to changes in the investment policy or process.

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 and a minimum allocation to ESG-labeled bonds. 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 investments have 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. 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. Where issuers are flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement. Lastly, the fund invests in a minimum of 2.5% in green, social, sustainable and/or sustainability-linked bonds.

O fundo incorpora a sustentabilidade no processo de investimento através de exclusões, avaliações negativas, integração de fatores ASG, limites nos investimentos em empresas e países com base no desempenho em termos ASG, bem como no compromisso e numa atribuição mínima a obrigações rotuladas como ASG. Para obrigações do tesouro e relacionadas com o governo, o fundo cumpre a política de exclusão da Robeco relativa a países, exclui os 15% de países com pior classificação segundo o Índicador Mundial de Governação "Controlo da Corrupção" e garante que os investimentos têm uma pontuação média ponderada mínima de 6 segundo a Classificação de Sustentabilidade do País exclusiva da Robeco. A Classificação de Sustentabilidade do País avalia os países numa escala de 1 (pior) a 10 (melhor) com base em 40 indicadores ambientais, sociais e de governação. Para obrigações societárias, o fundo não investe em emissores de créditos que desrespeitem as normas internacionais ou onde as atividades tenham sido consideradas prejudiciais à sociedade na sequência da política de exclusão da Robeco. Os fatores ASG são integrados na análise de segurança da base para o topo para avaliar o impacto sobre a qualidade de crédito fundamental do emissor. Na seleção de crédito, o fundo limita a exposição a emissores com um perfil de risco de elevada sustentabilidade. Quando os emissores são denunciados por não cumprirem as normas internacionais de monitorização contínua, os mesmos ficarão sujeitos a compromisso. Por último, o fundo investe um mínimo de 2,5% em obrigações verdes, sociais, sustentáveis e/ou ligadas à sustentabilidade.

Sector allocation

At month-end, the fund held overweight positions in Germany, Finland, Sweden, France, Austria and the Netherlands versus underweights in the United States, China and Japan. The credit beta of the portfolio is equal to 1.3 and within the corporate allocation we have a clear preference for euro swap spreads and covered bonds over corporate bonds. Given the still rich valuations in the different credit spread sectors and further potential spread widening risk, the fund is still underweight some IG and EM hard currency beta.

Sector allocation

| | | Deviation index |
|----------------------------|-------|-----------------|
| Treasuries | 53.5% | 0.8% |
| Financials | 9.6% | 2.5% |
| Covered | 9.5% | 7.4% |
| Agencies | 7.1% | -1.5% |
| Industrials | 7.1% | -2.4% |
| Supranational | 3.3% | 1.1% |
| Local Authorities | 2.2% | -0.8% |
| Utilities | 1.0% | -0.6% |
| ABS | 0.4% | 0.2% |
| Sovereign | 0.2% | -0.9% |
| MBS Pass-Through | 0.0% | -11.1% |
| Other | 0.0% | -0.7% |
| Cash and other instruments | 6.1% | 6.1% |

Currency allocation

The fund is overweight in the USD, SEK and JPY versus underweight in the AUD, KRW, PLN and TWD. As global growth is cooling, we expect cyclical currencies like the KRW, TWD, and PLN to trade weaker over time. The overweight in the yen is based on very attractive long-term valuation arguments, while at the same time we expect some policy normalization to come from the BoJ, underpinning a stronger yen over the course of the next twelve months. The fund has changed its position in the USD from underweight to overweight in the past few months to capture the change in market regime after relatively strong labor market data in the United States and flight-to-quality in case of banking stress.

Currency allocation

| | | Deviation index |
|-------------------------|-------|-----------------|
| Euro | 99.6% | -0.4% |
| Japanese Yen | 1.6% | 1.6% |
| Taiwan Dollar | -1.5% | -1.5% |
| U.S. Dollar | 1.2% | 1.2% |
| Singapore Dollar | -1.0% | -1.0% |
| Poland New Zloty | -0.5% | -0.5% |
| Swedish Kroner | 0.5% | 0.5% |
| Chinese Renminbi (Yuan) | -0.2% | -0.2% |
| Romanian New Leu | 0.1% | 0.1% |
| New Zealand Dollar | -0.1% | -0.1% |
| Norwegian Kroner | 0.1% | 0.1% |
| Colombian Peso | 0.1% | 0.1% |
| Hungarian Forint | 0.1% | 0.1% |

Duration allocation

The duration of the fund is equal to the index level. Most notable is the underweight in Japan, while we have maintained our overweight duration positions in the US and Europe. In the portfolio overall, we retain our preference for German Bunds and UK Gilts over US Treasuries. Over the past few months, we have neutralized our flattener positions in Europe and have been building steepener positions in the US, New Zealand, Canada and Sweden, as we expect steepening pressure to build as recessions risks rise.

Duration allocation

| | | Deviation index |
|-------------------------|-----|-----------------|
| U.S. Dollar | 2.8 | 0.0 |
| Euro | 1.8 | 0.4 |
| Pound Sterling | 0.7 | 0.4 |
| Japanese Yen | 0.7 | -0.4 |
| Chinese Renminbi (Yuan) | 0.4 | -0.1 |
| Mexico New Peso | 0.1 | 0.1 |
| Canadian Dollar | 0.1 | -0.1 |
| Brasilian Real | 0.1 | 0.1 |
| Korean Won | 0.0 | -0.1 |
| Australian Dollar | 0.0 | -0.1 |
| Other | 0.0 | -0.2 |

Rating allocation

The fund has roughly 56% invested in AAA/AA bonds, mainly comprising US Treasuries, Austrian and German government bonds. The average rating of the fund is below that of the index: AA3/A1. The fund kept its conservative stance in corporate and emerging credit markets, while adding global corporate bonds when spreads widened following the banking stress in the United States and Switzerland. Furthermore, even though corporate spreads widened further, we think risks are tilted to even wider spreads, as economic fundamentals deteriorate, while central banks keep tightening policy. Overall exposure to HY remains low at just 2.2%.

Rating allocation

| | | Deviation index |
|----------------------------|-------|-----------------|
| AAA | 30.8% | -9.2% |
| AA | 25.5% | 11.9% |
| A | 18.9% | -13.0% |
| BAA | 16.7% | 2.3% |
| BA | 2.2% | 2.2% |
| Cash and other instruments | 6.0% | 6.0% |

Investment policy

Robeco Global Total Return Bond Fund invests in government and corporate bonds, and has the flexibility to invest in emerging debt, with the aim of capturing opportunities in fixed income classes around the globe. The investment process and bond selection is fundamentally driven, based on in-depth research. By adopting a contrarian approach to markets, with a focus on value, while utilizing tools to measure risk aversion, euphoria and value, we believe we can exploit market inefficiencies over the cycle. The fund aims to deliver an attractive total return, also on a risk-adjusted basis. 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. The duration of the fund will be managed actively and can move between 0 and 10 years. Active currency positions are part of the investment strategy. The backbone of the investment process is consistent and in-depth fundamental research on both companies and countries.

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. Bob Stoutjesdijk is Portfolio Manager of Robeco Global Total Return Bond Fund, Strategist and member of Robeco's Global Macro team. He joined Robeco in 2019. He worked at Shell Asset Management Company as Portfolio Manager Fixed Income Sovereign Credit in the period 2011-2019. Prior to that, he was Portfolio Manager Fixed Income at SNS Asset Management. He started his career as Quantitative Analyst at APG Asset Management in 2008. Bob has a Master's in Economics & Business from Erasmus University Rotterdam and is a CAIA® 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 0.05% 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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