

Robeco QI Global Dynamic Duration FH EUR

Robeco QI Global Dynamic Duration is an actively managed fund that invests worldwide in government bonds with investment grade quality. The duration positioning is based on our proprietary duration model, which predicts the direction of the bond markets using financial market data. The fund uses derivatives to dynamically adjust the duration (interest-rate sensitivity) of the portfolio. The aim of the fund is to protect against rising yields and to benefit from rallying bond markets.



Olaf Penninga
Fund manager since 01-01-2011

Performance

	Fund	Index
1 m	-0.52%	-0.95%
3 m	-0.52%	-0.80%
Ytd	-0.52%	-0.95%
1 Year	-0.21%	1.71%
2 Years	1.97%	3.95%
3 Years	2.10%	3.05%
5 Years	0.61%	1.75%
10 Years	2.66%	3.10%
Since 07-1994	4.65%	

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 page 4.

Calendar year performance

	Fund	Index
2020	1.09%	4.88%
2019	4.56%	4.63%
2018	0.99%	-0.27%
2017	-0.15%	0.40%
2016	1.16%	2.25%
2018-2020	2.20%	3.05%
2016-2020	1.52%	2.36%

Annualized (years)

Fund price

31-01-21	EUR	119.44
High Ytd (04-01-21)	EUR	120.03
Low Ytd (22-01-21)	EUR	119.36

Index

JPM GBI Global Investment Grade Index (hedged into EUR)

General facts

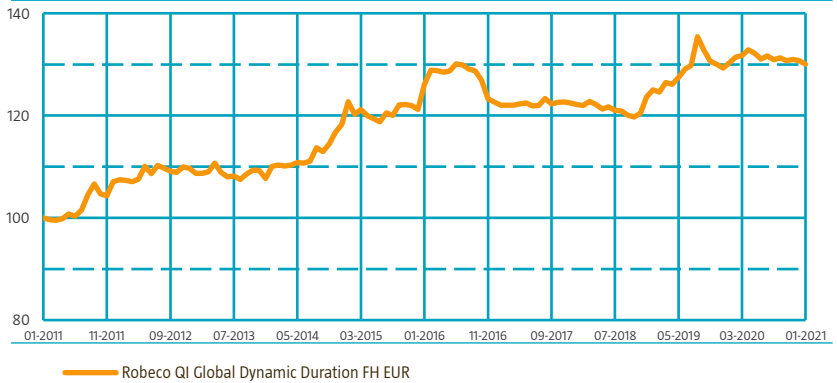
Morningstar	★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 2,304,400,187
Size of share class	EUR 474,445,816
Outstanding shares	3,968,987
1st quotation date	04-07-2012
Close financial year	31-12
Ongoing charges	0.56%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	4.50%
Management company	Robeco Institutional Asset Management B.V.

Fees

Management fee	0.35%
Performance fee	None
Service fee	0.16%
Expected transaction costs	0.09%

Performance

Indexed value (until 31-01-2021) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -0.52%.

The dynamic duration strategy limited the impact of rising yields on the fund's return. The portfolio had its maximum underweight duration of six years below index level throughout the month. The underweight duration position contributed positively to the return of the portfolio, as yields increased in all three markets with active duration positions: Germany, the US and Japan. The tilts in the underlying portfolio detracted slightly from performance. All active duration positions are based on the outcomes of our quantitative duration model.




Market development

Government bond yields rose in January, especially in the US and the UK. US Treasuries returned -1.3%, German Bunds -0.5% and Japanese government bonds -0.3% (all hedged to euros). The rise in US yields can be explained by heightened inflation expectations, anticipation of sizable fiscal stimulus with a Democrat majority in Congress and speculation on a tapering of Fed bond purchases. UK Gilts reversed their December gains, when Brexit negotiations had spurred a flight to safety. The ECB stated after its January meeting that "the PEPP envelope need not be used in full", i.e. it could buy fewer bonds than previously announced. The Bank of Japan minutes revealed that its board discussed widening the bandwidth within which it allows 10-year yields to move.

Expectation of fund manager

The fund's duration policy is fully driven by the outcomes of our proprietary quantitative duration model. By the end of the month, the strategy was positioned for higher bond yields in the US, Germany and Japan. The positions are driven by the growth, inflation, low-risk, season and trend variables.

Sustainability profile

-  Exclusions
-  Full ESG Integration
-  Engagement

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

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)
 Issue structure Open-end
 UCITS V Yes
 Share class FH EUR
 This is a share class of Robeco QI Global Dynamic Duration, Sicav

Registered in

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

Currency policy

All currency risks are hedged.

Risk management

Risk management systems continuously monitor the extent to which the portfolio differs from the benchmark. Extreme discrepancies are prevented in this way. The duration model makes use of futures, which can lead to leverage.

Dividend policy

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

Derivative policy

Robeco QI Global 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	LU0792901570
Bloomberg	RLORFHE LX
Sedol	BJOWZK3
WKN	A116QN
Valoren	18787388

ESG integration policy

For Robeco QI Global Dynamic Duration the ESG analysis is systematically incorporated in the highly disciplined investment process by using the RobecoSAM Country Sustainability Ranking. In the portfolio construction we ensure that more sustainable countries are more likely to be included in the portfolio and that the ESG profile of the fund is more sustainable than that of the benchmark.

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	2.06	1.92
Information ratio	-0.22	-0.32
Sharpe ratio	0.76	0.41
Alpha (%)	-0.53	-0.54
Beta	1.03	0.98
Standard deviation	3.97	3.71
Max. monthly gain (%)	4.43	4.43
Max. monthly loss (%)	-1.92	-2.96

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	19	32
Hit ratio (%)	52.8	53.3
Months Bull market	20	33
Months outperformance Bull	9	14
Hit ratio Bull (%)	45.0	42.4
Months Bear market	16	27
Months Outperformance Bear	10	18
Hit ratio Bear (%)	62.5	66.7

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	AA1/AA2	AA2/AA3
Option Adjusted Modified Duration (years)	2.9	8.8
Maturity (years)	3.5	10.3
Yield to Worst (% , Hedged)	-0.1	0.0

Changes

Up to 28 February 2013, the benchmark was the JPM GBI Global Index.

Sector allocation

The portfolio is invested in government bonds.

Sector allocation		Deviation index	
Treasuries	97.1%	-2.9%	
Cash and other instruments	2.9%	2.9%	

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	
European Euro	100.5%	0.5%	
Swiss Franc	0.3%	0.3%	
Australian Dollar	-0.2%	-0.2%	
Japanese Yen	-0.2%	-0.2%	
Danish Kroner	-0.2%	-0.2%	
United Kingdom Pound Sterling	-0.2%	-0.2%	
Canadian Dollar	0.1%	0.1%	
US Dollar	-0.1%	-0.1%	

Duration allocation

By the end of the month, the fund had underweight duration positions in the US, Germany and Japan. The active duration positions are fully driven by the outcomes of our quantitative duration model. The underlying portfolio was tilted to Australian and Canadian bonds and tilted away from German Bunds and Japanese bonds. Within the UK and the US, the portfolio is tilted towards shorter-dated bonds and away from the longest-dated bonds.

Duration allocation		Deviation index	
US Dollar	1.1	-2.0	
United Kingdom Pound Sterling	0.9	-0.1	
Australian Dollar	0.6	0.5	
Canadian Dollar	0.5	0.4	
Japanese Yen	-0.2	-2.3	
European Euro	-0.1	-2.4	

Rating allocation

The rating allocation follows from the rating allocation of the benchmark and the active duration positions. The largest weight is in AAA-rated securities.

Rating allocation		Deviation index	
AAA	52.9%	0.4%	
AA	20.4%	3.3%	
A	16.2%	-7.4%	
BAA	7.5%	0.8%	
Other	0.0%	-0.1%	
Cash and other instruments	2.9%	2.9%	

Investment policy

Robeco QI Global Dynamic Duration invests worldwide in government bonds with investment grade quality. The fund uses bond futures to adjust the duration (interest-rate sensitivity) of the portfolio. The aim of the fund is to protect against rising yields and to benefit from rallying bond markets. Duration positioning is based on our proprietary quantitative duration model, which predicts the direction of the bond markets using financial market data. The model uses market expectations for variables such as economic growth, inflation and monetary policy, as well as valuation and technical variables such as trend to predict the direction of bond markets. Depending on the outcome of the model, the duration of the basis portfolio is increased or decreased by maximum 6 years. The model has shown a solid track record since its inception in 1994. The quantitative duration strategy has proven to have forecasting ability in periods with rising yields as well as in periods with declining yields. Therefore Robeco QI Global Dynamic Duration serves as a very good diversifier in a fixed income portfolio and can function as an airbag during adverse markets. Weekly positioning updates are available upon request.

Fund manager's CV

Olaf Penninga is Lead Portfolio Manager for the Dynamic Duration strategy and Portfolio Manager for the Dynamic High Yield strategy. He has been Portfolio Manager for the Dynamic Duration strategy since 2005 and Lead Portfolio Manager since 2011. One of his previous positions within Robeco was that of Researcher with responsibility for fixed income allocation research, including the research underlying the Dynamic Duration strategy. Olaf was employed by Interpolis as Investment Econometrician for one year before returning to Robeco in 2003. He started his career in the industry in 1998 at Robeco. He holds a Master's in Mathematics (cum laude) from Leiden University.

Team info

Robeco QI Global Dynamic Duration is managed within Robeco's Quant Allocation team, which consists of six portfolio managers. The team is focused on quantitative allocation strategies including quantitative duration strategies. The team works closely together with fundamental portfolio management teams and with seven dedicated quant allocation researchers. On average, the members of the quant allocation team have an experience in the asset management industry of eighteen years, of which fourteen 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.

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

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