

Robeco QI Dynamic High Yield EH EUR

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, Lodewijk van der Linden
Fund manager since 28-03-2014

Performance

	Fund	Index
1 m	0.96%	0.33%
3 m	6.35%	3.90%
Ytd	0.77%	0.58%
1 Year	13.64%	8.83%
2 Years	3.93%	0.50%
3 Years	2.57%	-0.42%
5 Years	3.01%	1.91%
Since 12-2014	3.51%	2.95%

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
2023	16.52%	10.48%
2022	-12.24%	-12.97%
2021	2.95%	2.81%
2020	2.76%	4.91%
2019	8.67%	10.91%
2021-2023	1.73%	-0.39%
2019-2023	3.29%	2.84%

Annualized (years)

Index

Bloomberg Global HY Corporate

General facts

Morningstar	★★★★★
Type of fund	Bonds
Currency	EUR
Total size of fund	EUR 227,580,684
Size of share class	EUR 11,838,817
Outstanding shares	132,404
1st quotation date	18-12-2014
Close financial year	31-12
Ongoing charges	1.02%
Daily tradable	Yes
Dividend paid	Yes
Ex-ante tracking error limit	5.00%
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 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 0.96%.

The fund's gross return outperformed the high yield cash bond market index by 0.84%. The largest positive contributor was the credit beta overweight position. The duration underweight positions also contributed positively; region allocation contributed neutrally. The combined return of investing in CDS indices and government bonds lagged the return of high yield cash bonds. 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 outcomes of our proprietary credit beta and duration models. The fund remained beta overweight in February driven by the positive momentum, value and season variables. The underweight duration positions in the US and Germany were also maintained during the month. The credit overweight in Europe versus the US was closed and the region allocation ended the month with a neutral position.

Market development

The global high yield bond spread tightened by 35 bps. The high yield CDS indices tightened as well: the European iTraxx Crossover by 20 bps and the US CDX High Yield by 21 bps: Europe and the US posted similar returns. The global CDS index return was 0.96% and the underlying government bonds contributed -0.94%. Therefore, the combined return of investing in CDS indices and government bonds was 0.02% this month, lagging the 0.33% return of the high yield cash bond index. Investment grade credit markets continued the rally into February before finally widening out during the last week into March as near-term Fed rate cut expectations were priced out. US consumer spending and wage growth remained strong, and both headline and core PCE were in line with expectations. There are some areas of stress, however, as auto and credit card delinquencies have been increasing and home-buying demand remains weak. Euro-denominated bonds outperformed dollar-denominated bonds and on a risk-adjusted basis, high yield markets outperformed investment grade. Primary market debt issuance continued to be robust.

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. The region allocation position was neutral and the fund had underweight duration positions in the US and Germany.

Fund price

29-02-24	EUR	89.41
High Ytd (23-02-24)	EUR	89.50
Low Ytd (04-01-24)	EUR	87.08

Fees

Management fee	0.80%
Performance fee	None
Service fee	0.16%

Legal status

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

Registered in

Austria, Belgium, Germany, Luxembourg, Singapore, Switzerland	
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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

The fund distributes a dividend on an annual basis.

Fund codes

ISIN	LU1152268865
Bloomberg	RQHYEHE LX
WKN	A14NY4
Valoren	26339363

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	3.53	5.06
Information ratio	1.16	0.42
Sharpe ratio	0.28	0.42
Alpha (%)	4.21	2.44
Beta	1.02	0.75
Standard deviation	8.78	8.28
Max. monthly gain (%)	5.61	6.73
Max. monthly loss (%)	-3.99	-5.56

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	22	30
Hit ratio (%)	61.1	50.0
Months Bull market	19	38
Months outperformance Bull	15	20
Hit ratio Bull (%)	78.9	52.6
Months Bear market	17	22
Months Outperformance Bear	7	10
Hit ratio Bear (%)	41.2	45.5

Above mentioned ratios are based on gross of fees returns.

Characteristics

	Fund	Index
Rating	BA3/B1	BA3/B1
Option Adjusted Modified Duration (years)	2.2	3.1
Maturity (years)	2.0	4.2
Yield to Worst (% , Hedged)	6.8	6.6

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

Treasuries	85.7%
Consumer Cyclical	2.5%
Consumer Non Cyclical	1.3%
Capital Goods	1.1%
Transportation	0.9%
Basic Industry	0.9%
Communications	0.8%
Electric	0.5%
Energy	0.5%
Financial Other	0.5%
Technology	-0.3%
Other	0.8%
Cash and other instruments	4.8%

Currency allocation

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

Currency allocation

Euro	99.7%
U.S. Dollar	0.3%

Duration allocation

At the end of the month, the fund had underweight duration positions in the US and Germany. All active duration positions are based on the outcomes of our quantitative duration model.

Duration allocation

U.S. Dollar	2.0
Euro	0.1
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

AAA	17.9%
AA	67.8%
BAA	0.5%
BA	6.5%
B	3.4%
CAA	-0.5%
CA	0.0%
C	
D	
NR	1.2%
Cash and other instruments	3.3%

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 and was neutrally positioned at month-end.

Country allocation

United States	72.2%
Germany	12.9%
Netherlands	6.8%
United Kingdom	1.5%
France	0.9%
Sweden	0.6%
Italy	0.5%
Spain	0.5%
Canada	0.3%
Finland	0.3%
Luxembourg	0.2%
Other	0.2%
Cash and other instruments	3.3%

Investment policy

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.

The majority of bonds selected through this approach will be components of the benchmark, but bonds outside the benchmark index may be selected too. The fund can deviate from the weightings of the benchmark. The fund aims to outperform the benchmark over the long run, whilst still controlling relative risk through the applications of limits (on currencies) to the extent of deviation from the benchmark. This will consequently limit the deviation of the performance relative to the benchmark.

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 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. 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.

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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