

## Robeco QI Emerging Markets Dynamic Duration D USD

Robeco QI Emerging Markets Dynamic Duration combines investments in government bonds from emerging countries (in Latin America, Emerging Europe, Asia and Africa) with active management of the portfolio's interest-rate sensitivity to generate excess return relative to the JP Morgan GBI EM benchmark.



**Johan Duyvesteyn**  
Fund manager since 01-10-2015

### Performance

|               | Fund   | Index  |
|---------------|--------|--------|
| 1 m           | -0.29% | 1.68%  |
| 3 m           | -3.38% | -1.52% |
| Ytd           | 8.52%  | 12.93% |
| 1 Year        | 10.09% | 15.04% |
| 2 Years       | 6.07%  | 10.18% |
| 3 Years       | -3.66% | -0.21% |
| Since 12-2012 | -4.82% | -1.77% |

Annualized (for periods longer than one year)

### Calendar year performance

|           | Fund    | Index   |
|-----------|---------|---------|
| 2016      | 7.53%   | 9.94%   |
| 2015      | -18.11% | -14.92% |
| 2014      | -6.53%  | -5.72%  |
| 2013      | -12.66% | -8.98%  |
| 2014-2016 | -6.28%  | -4.10%  |

Annualized (years)

### Fund price

|                     |     |       |
|---------------------|-----|-------|
| 30-11-17            | USD | 78.53 |
| High Ytd (12-09-17) | USD | 82.58 |
| Low Ytd (12-01-17)  | USD | 71.33 |

### Benchmark

JPM GBI-EM Global Diversified TR (USD)

### General facts

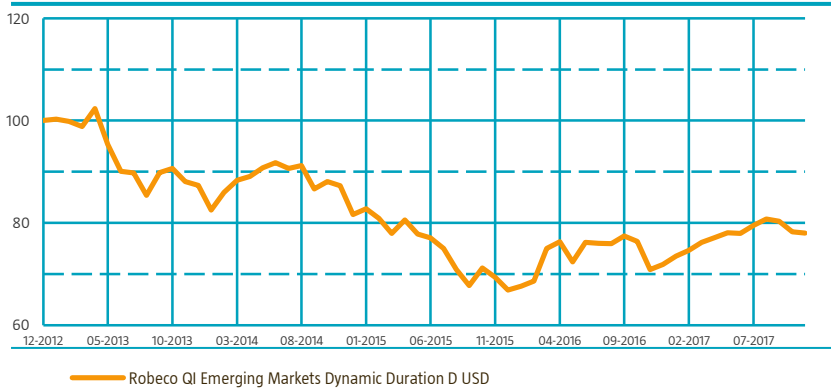
|                              |                        |
|------------------------------|------------------------|
| Morningstar                  | ★                      |
| Type of fund                 | Bonds                  |
| Currency                     | USD                    |
| Total size of fund           | USD 1,221,823          |
| Size of share class          | USD 30,896             |
| Outstanding shares           | 395                    |
| 1st quotation date           | 12-12-2012             |
| Close financial year         | 31-12                  |
| Ongoing charges              | 1.45%                  |
| Daily tradable               | Yes                    |
| Dividend paid                | No                     |
| Ex-ante tracking error limit | 5.00%                  |
| Management company           | Robeco Luxembourg S.A. |

### Fees

|                 |       |
|-----------------|-------|
| Management fee  | 1.20% |
| Performance fee | None  |
| Service fee     | 0.12% |

### Performance

Indexed value (until 30-11-2017) - Source: Robeco



### Performance

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

The underweight positions in Turkey, South Africa and India were the main positive contributors. The overweight positions in Indonesia and South Korea were negative contributors. Overall, the fund underperformed the benchmark.

### Market development

The performance of the emerging local bond index in euro terms was a small negative but this reflected the euro's strong performance against all currencies rather than any weakness in specific emerging local bonds or exchange rates. In fact, when compared to the USD, which is the convention for most emerging currencies, they performed well during November. On the other hand, local emerging bond market returns were much more mixed. There was hardly any movement in advanced-country bond yields, and without this impulse emerging bond yields were left with no overall direction. In broad terms, most emerging economies are expanding but not enough to threaten inflation, leaving most central banks either loosening monetary policy or sitting on their hands. This backdrop make emerging market bonds look attractive and so the asset class continues to experience inflows.

### Expectation of fund manager

The Board of Directors of Robeco Capital Growth Funds has decided to liquidate the fund on 20 December 2017.

### SI fund classification

|                 | Yes                                 | No                                  | N/A                      |
|-----------------|-------------------------------------|-------------------------------------|--------------------------|
| Engagement      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ESG Integration | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Exclusion       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |

### Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)  
 Issue structure Open-end  
 UCITS V No  
 Share class D USD  
 This fund is a subfund of Robeco Capital Growth Funds, SICAV

### Registered in

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

### Currency policy

The fund invests in local currency debt, offering exposure to local interest rates and currencies. Financial derivative instruments can be used for hedging or to gain extra exposure to a certain currency market. In Robeco QI Global Dynamic Duration D EUR all currency positions related to the US Dollar are hedged.

### Risk management

Risk management is fully integrated into the investment process by monitoring the deviations from the benchmark and to ensure that positions always meet predefined guidelines. The leverage which may arise by using futures to implement the duration adjustments is managed within the predefined guidelines.

### Dividend policy

The fund does not distribute dividend; it retains any income that is earned and so its entire performance is reflected in its share price.

### Fund codes

|           |              |
|-----------|--------------|
| ISIN      | LU0862488243 |
| Bloomberg | ROQEMEU LX   |
| Valoren   | 20167856     |

### ESG integration policy

The investment strategy of Robeco QI Emerging Markets Dynamic Duration is driven by a quantitative duration model and does not take ESG factors in to account in the bond selection or the duration management of the fund.

### Statistics

|                            | 3 Years |
|----------------------------|---------|
| Tracking error ex-post (%) | 1.99    |
| Information ratio          | -1.03   |
| Sharpe ratio               | -0.25   |
| Alpha (%)                  | -2.00   |
| Beta                       | 1.02    |
| Standard deviation         | 11.97   |
| Max. monthly gain (%)      | 9.46    |
| Max. monthly loss (%)      | -7.43   |

Above mentioned ratios are based on gross of fees returns.

### Hit ratio

|                            | 3 Years |
|----------------------------|---------|
| Months outperformance      | 12      |
| Hit ratio (%)              | 33.3    |
| Months Bull market         | 21      |
| Months outperformance Bull | 8       |
| Hit ratio Bull (%)         | 38.1    |
| Months Bear market         | 15      |
| Months Outperformance Bear | 4       |
| Hit ratio Bear (%)         | 26.7    |

Above mentioned ratios are based on gross of fees returns.

### Characteristics

|   | Fund    | Index     |
|---|---------|-----------|
| Rating                                    | A3/BAA1 | BAA2/BAA3 |
| Option Adjusted Modified Duration (years) | 2.6     | 5.0       |
| Maturity (years)                          | 3.9     | 7.3       |
| Yield to Worst (%)                        | 6.9     | 6.2       |

### Sector allocation

The fund is invested in bonds issued by governments.

| Sector allocation         |       | Deviation benchmark |
|---------------------------|-------|---------------------|
| Treasuries                | 70.8% | -29.2%              |
| Sovereign                 | 14.1% | 14.1%               |
| Government Related        | 3.9%  | 3.9%                |
| Cash and Cash Equivalents | 11.2% | 11.2%               |

### Currency allocation

The currency exposure is in line with that of the benchmark. Emerging currency exposure remains largely unhedged.

| Currency allocation |        | Deviation benchmark |
|---------------------|--------|---------------------|
| US Dollar           | -18.9% | -18.9%              |
| European Euro       | 12.1%  | 12.1%               |
| Mexican Peso        | 10.3%  | 0.0%                |
| Brazil Real         | 10.0%  | -0.3%               |
| Indonesian Rupiah   | 9.8%   | -0.1%               |
| Polish Zloty        | 9.3%   | 0.0%                |
| South African Rand  | 8.2%   | 0.2%                |
| Thai Baht           | 8.1%   | -0.2%               |
| Russian Ruble       | 7.6%   | -0.2%               |
| Colombian Peso      | 7.0%   | -0.1%               |
| New Turkish Lira    | 6.9%   | -0.3%               |
| Malaysian Ringgit   | 5.8%   | 0.0%                |
| Other               | 23.8%  | 7.8%                |

### Duration allocation

At the end of November, the fund was positioned for higher bond yields in most emerging markets.

| Duration allocation |     | Deviation benchmark |
|---------------------|-----|---------------------|
| Mexican Peso        | 0.4 | -0.2                |
| South African Rand  | 0.4 | -0.2                |
| Brazil Real         | 0.4 | 0.1                 |
| Peruvian Nuevo Sol  | 0.3 | 0.1                 |
| Czech Koruna        | 0.3 | 0.1                 |
| Chilean Peso        | 0.3 | 0.3                 |
| New Romanian Leu    | 0.2 | 0.1                 |
| New Turkish Lira    | 0.1 | -0.2                |
| Polish Zloty        | 0.1 | -0.3                |
| Argentine Peso      | 0.1 | 0.1                 |
| Indonesian Rupiah   | 0.0 | -0.6                |
| Russian Ruble       | 0.0 | -0.4                |
| Other               | 0.0 | -1.4                |

### Rating allocation

The rating allocation is largely in line with that of the benchmark.

| Rating allocation         |       | Deviation benchmark |
|---------------------------|-------|---------------------|
| AAA                       | 8.0%  | 8.0%                |
| AA                        | 3.9%  | 3.8%                |
| A                         | 31.1% | -0.8%               |
| BAA                       | 17.6% | -23.9%              |
| BA                        | 26.7% | 1.3%                |
| B                         | 1.4%  | 0.3%                |
| Cash and Cash Equivalents | 11.2% | 11.2%               |

## Investment policy

Robeco QI Emerging Markets Dynamic Duration combines investments in mainly government bonds (and similar fixed income securities) from emerging countries (in Latin America, Emerging Europe, Asia and Africa) with active management of the portfolio's interest-rate sensitivity to generate excess return relative to the JP Morgan GBI EM benchmark. The fund uses swaps and bond futures to adjust the duration (interest-rate sensitivity) of the portfolio. Duration positioning is fully based on our proprietary duration model. This duration model predicts the direction of main bond markets of emerging countries (such as Mexico, Brazil, Poland, South Africa, Malaysia and South Korea). As the outcomes of the model are leading for adjustments of the interest rate sensitivity, emotions have been taken out of this disciplined investment process. The duration is managed dynamically, to benefit from changes in market conditions. The duration can currently fluctuate between approximately 1.5 years when the duration model forecasts a broad-based rise in yields to 7.5 years when the duration model forecasts declining yields. The fund invests in local currency debt, offering exposure to local interest rates and currencies. Financial derivative instruments can be used for hedging or to gain extra exposure to a certain currency market. In Robeco Emerging Lux-o-rente B/C/D EUR all currency positions related to the US Dollar are hedged.

## Fund manager's CV

Mr. Johan Duyvesteyn is Portfolio Manager and Quantitative Researcher with Robeco. Johan has been active in the industry and with Robeco since 1999. He started his career as researcher. His areas of expertise are government bond market timing, country sustainability and emerging debt. Johan has published several articles in the academic finance literature, including the Journal of Empirical Finance, the Journal of Banking and Finance and the Journal of Fixed Income. Johan holds a Ph.D. in Finance as well as a Master's degree in Financial Econometrics from the Erasmus University Rotterdam. He became a CFA charter holder in 2005 and is registered with the Dutch Securities Institute.

## 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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