

Robeco High Yield Bonds DH EUR shares

The Fund invests worldwide in high-yield bonds issued by companies with a credit rating below BBB, which is lower than 'normal' corporate-bond issuers. In our investment process we implement our broad market-based view, as well as in-depth company-specific analysis to select bonds.

Performance

	Fund	Rel.
1 m	-0.85%	0.13%
3 m	1.02%	0.17%
Ytd	4.53%	0.33%
1 year	12.66%	1.75%
2 years*	20.47%	2.27%
3 years*	10.53%	1.73%
5 years*	6.91%	0.88%
10 years*	7.16%	0.15%
Start*	6.00%	-

*Annualized

Calendar Year Performances

	Fund	Rel.
2010	12.74%	3.16%
2009	55.38%	-1.92%
2008	-28.21%	1.37%
2007	-0.13%	0.47%
2006	7.31%	0.13%

Fund price

30/06/11	EUR	97.55
High Ytd (26/05/11)	EUR	99.69
Low Ytd (03/01/11)	EUR	93.72

Benchmark

BarCap US Corporate High Yield + Pan Euro HY ex Financials
2.5% Issuer Cap (hedged into EUR)

General facts

Morningstar (as of 30/06/11)	★★★★
Type of fund	Bonds
Currency	EUR
Total Size of fund	EUR 2,472,372,188
Size of sub fund	EUR 340,637,292
Outstanding shares	3,476,955
1st quotation date	17/04/1998
Close financial year	30/06
Daily tradable	Yes
Dividend paid	No
Management Company	Robeco Luxembourg S.A.
Ex-ante tracking error limit	5.0%

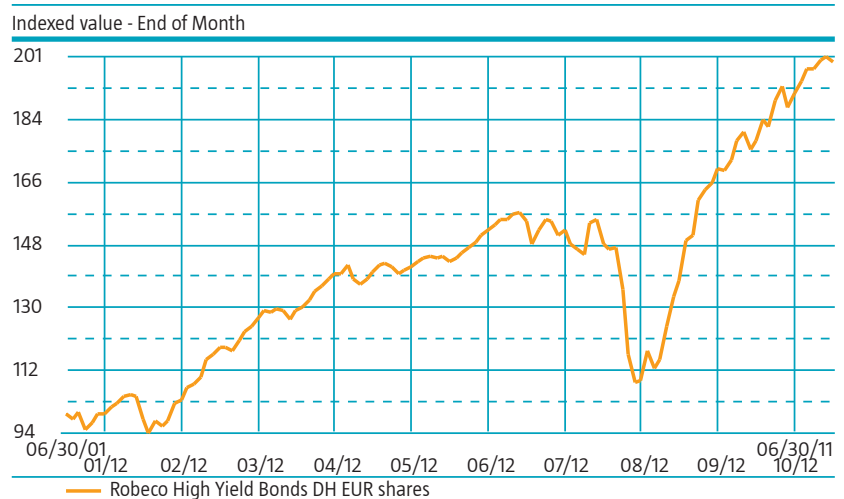
Fees

Management fee	1.00%
Service fee	0.12%
Subscription fee (max.)	3.00%
Total expense ratio	1.13%

Changes

The performance was achieved under circumstances that no longer apply. As of April 1, 2009 the benchmark of the Robeco High Yield funds changed to a benchmark ex financials. As of 01-04-2003 the fund only invests in corporate bonds and no longer in Emerging debts.

Performance



Performance

Based on transaction prices on the first business day of the month, the fund's return was -0.85%. Based on net asset value, the fund outperformed the benchmark by 0.13%. European high yield underperformed US high yield, while BBs performed better than B and CCC (all measured on a risk-adjusted basis). In terms of sectors, financials and European consumer-related bonds were underperformers, whereas utilities, technology and energy were the sectors that lost the least. In the fund, we benefited from having reduced the beta to neutral at the end of May. Positive contributions came from our preference for BB over CCC, and from our overweights in stable and low-cyclical sectors like packaging and cable companies. We lost on our allocation to financials and on our overweight in European high yield.

Market development

Spreads widened in high yield in June, while underlying government bond yields did not move much over the month. This resulted in negative returns for the asset class of around -0.9%. The main reason for concern in June was again the liquidity position of Greece, and jitters about the granting of the next EUR 12 billion of support. During the month, the chances of support improved, helped by a positive vote for restructuring measures in the Greek parliament and initiatives from European banks to roll over debt. As a result - and supported by some better US macro data towards month-end - spreads tightened again in the last week after three weeks of sell-off. Spreads ended the month around 30 bps wider and are above 500 basis points. The yield of the market is close to 7.3%, while the default rate stayed close to 1%. Issuance came to a standstill due to the sell-off and the increased market volatility.

Expectation of Fund Manager



Sander Bus
Fund Manager since 01/03/01

On 23 June, our Quarterly Outlook took place. We are not too worried about the current slowdown that is taking place in the (US) economy. We think that part of this softening can be explained by one-off factors which we think will revert. However, we are more concerned about developments in the periphery. Our relatively benign view on Spain was confirmed in the Outlook, but we do see that political risks have risen in Europe. Valuation has improved, but given that liquidity in the summer season is lower and therefore volatility at times higher, we will stay close to a neutral beta for now.

Legal status

Legal status	Investment company with variable capital incorporated under Luxembourg law (SICAV)
Issue structure	Open-end
UCITS III	Yes
Umbrella fund	Forms part of the Robeco Capital Growth Funds SICAV umbrella
Share class	DH
Registered in	Austria, Belgium, Chile, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Peru, Poland, Singapore, Spain, Switzerland, United Kingdom

Modified duration

	Fund	Benchmark
US Dollar	2.59	3.21
Euro	1.30	0.61
Pound Sterling	0.10	0.16
Australian Dollar	0.00	0.03
Canadian Dollar	0.00	0.10
Swiss Franc	0.00	0.01
Yen	0.00	0.01
New Zealand Dollar	0.00	0.01
Other currencies	0.00	0.13
Swedish Krona	0.00	0.01
Zloty	0.00	0.01
Total	3.99	

Currency policy

All currency risks are hedged into the euro. There is no active policy for duration as it is hedged to the benchmark duration. Derivatives can be used for various reasons; for example, to hedge single positions, for arbitrage, and for leverage to gain extra exposure to the credit market.

Risk management

Risk management is fully integrated in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The income earned by the fund is reflected in its share price. The fund's entire result is thus reflected in its share price development.

Fund codes

ISIN	LU0085136942
Reuters	LP60035551
Bloomberg	RGCGMNA LX
Datastream	679920
Sedol	5659634
WKN	988158
Valoren	889017

Statistics

	3 years	5 years
Tracking error ex-post (%)	3.54	2.92
Information ratio	0.49	0.30
Sharpe ratio	0.69	0.44
Alpha (%)	2.53	1.23
Beta	0.87	0.89
Standard deviation	14.87	12.35
Excess return (%)	1.73	0.88
Max. monthly gain (%)	9.40	9.40
Max. monthly loss (%)	-15.08	-15.08
Turnover rate 30/06/2010	49.00	

Hit ratio

	3 years	5 years
Months outperformance	22	34
Hit ratio (%)	61.1	56.7
Months Bull market	28	45
Months outperformance Bull	16	26
Hit ratio Bull (%)	57.1	57.8
Months Bear market	8	15
Months outperformance Bear	6	8
Hit ratio Bear (%)	75.0	53.3



Robeco advocates Responsible Investing

- **ESG integration.** ESG factors are incorporated into investment analysis and decision-making process.
- **Active ownership.** Voting rights are exercised, or actively and systematically engaged in dialogues AND a detailed policy covering specific RI-related issues is in place.
- **Exclusion policy.** Exclusion policy applied to this product concerns controversial weapons and controversial governments.

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Sector spread

The table shows the risk-weighted sector allocation instead of pure weights only - which is consistent with how we manage our positions. Large overweights are financials (off-benchmark bet), packaging companies and European cable companies. US utilities is still one of the largest underweights, as is technology.

Sector spread + deviation benchmark

Sector	Weight	Deviation
Consumer cyclical	23.0 %	2.0 %
Communications	15.0 %	-2.0 %
Capital goods	11.0 %	1.0 %
Consumer non-cyclical	11.0 %	0.0 %
Utilities	10.0 %	-1.0 %
Basic industry	9.0 %	-1.0 %
Financials	7.0 %	7.0 %
Energy	5.0 %	-3.0 %
Other industrial	4.0 %	1.0 %
Transportation	3.0 %	0.0 %
Technology	2.0 %	-4.0 %

Currency spread

Investments in other currencies are hedged into the euro for the EUR-hedged share classes, and into USD for the USD-hedged share classes.

Currency spread + deviation benchmark

Currency	Weight	Deviation
Euro	99.5 %	-0.5 %
US Dollar	0.4 %	0.4 %
Other	0.1 %	0.1 %

Duration allocation

Robeco High Yield Bonds does not pursue an active duration policy.

Duration allocation + deviation benchmark

Currency	Weight	Deviation
US Dollar	2.59	-0.62
Euro	1.30	0.69
Pound Sterling	0.10	-0.06
Australian Dollar	0.00	-0.03
Canadian Dollar	0.00	-0.10
Swiss Franc	0.00	-0.01
Yen	0.00	-0.01
New Zealand Dollar	0.00	-0.01
Other currencies	0.00	-0.13
Swedish Krona	0.00	-0.01
Zloty	0.00	-0.01

Rating allocation

The biggest investments are in BB and B bonds. The fund is underweight in CCC bonds and has positions in a number of investment-grade instruments that trade at attractive, high-yield-like spreads. Some of the investment-grade holdings have recently been upgraded by rating agencies.

Rating allocation

Rating	Weight
BB	46.0 %
B	40.0 %
BBB	8.0 %
CCC	5.0 %
Other	1.0 %

Investment policy

Robeco High Yield Bonds invests globally in corporate high-yield bonds. In our investment process we use four different performance drivers: 1. Top-down market view (beta overlay) 2. Large cap issuer selection and leveraged buyouts 3. Small cap issuer selection 4. Investing in 'opportunities' (such as new issues) Given the diversity of the high yield market we believe that the combination of these performance drivers with both fundamental and quantitative research techniques produces the best investment results. Robeco High Yield Bonds does not pursue either an active currency policy (all currency risks are hedged into the euro) or an active duration policy. Risk management is fully integrated in the investment process, to ensure that positions always meet predefined guidelines.

Fund Manager's CV

Mr. Bus is Head of the Credit team and manages our high yield portfolios. Prior to joining Robeco in 1998, Mr. Bus worked for our parent company Rabobank as a fixed income analyst for two years. Mr. Bus holds a Master's degree in Financial Economics from Erasmus University, Rotterdam. He became a CFA charter holder in 2003 and is registered with the Dutch Securities Institute. Mr. Bus has been active in the industry since 1996.

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

For private investors residing in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Participating units held by private investors who are taxpayers in the Netherlands belong in Box 3. As of 1 January 2001, investors pay a net 1.2% investment-yield tax per year on their average net assets above their tax-free allowance. Investors residing outside the Netherlands are subject to their respective national tax regime applying to foreign investment funds. We advise individual 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

Morningstar proprietary ratings on funds registered for sale in Europe reflect historical risk-adjusted performance. The ratings are subject to change every month. The calculation for the Morningstar ratings on funds registered for sale in Europe is motivated by the expected utility theory. The top 10% of the funds in a category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. The fund was rated exclusively against funds registered for sale in Europe. All copyrights relating to the Morningstar Rating are held by Morningstar. For more information on Morningstar, please refer to www.morningstar.com

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