

Peripheral Europe Update

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- **No deal at Eurogroup**
- **ECB's Outright Monetary Transactions (OMT) program legal**

Main market events

Peripheral markets sold off significantly early in the week as negotiations on Sunday failed to bring both parties closer together. A Greek delegation walked away from the negotiation table 45 minutes after the meeting started due to creditors 'unreasonable demands'. Portuguese bonds have returned -0.3% this year, Italian bonds -1.1%, Irish bonds -1.7% and Spanish bonds -2.5%.

Greece

The Eurozone finance ministers failed to find a breakthrough in the Greek bailout crisis last Thursday. An emergency EU leader summit is now scheduled for Monday evening. For the second time this week the ECB decided to increase Greek emergency funding (ELA), which should help Greece get thru to Monday. Greek deposit outflows increased significantly in last days. Without further ELA funding Greece is likely heading for capitals controls within days. The yield on Greek 2-year bonds rose to over 30% intraday this week. This bond was launched in July 2014 at a yield of 3.4%.

European Central Bank

The European Court of Justice ruled that the ECB's Outright Monetary Transactions (OMT) program for the purchase of government bonds is in line with EU law. Announced in September 2012, the OMT program was designed to meet ECB President Draghi's famous pledge to do "whatever it takes" to save the euro. This final ruling cannot be appealed.

Spain

The Catalan ruling coalition broke up after a dispute on plans for independence. The independence camp wanted to use the regional elections as a proxy for independence.

Robeco Euro Government Bonds

We remain cautious on the periphery, as the current negotiations around Greece are in a final stage. This means more headlines, which might hurt markets further. We continue to see the ECB's QE program, the generally supportive stance of EU policy makers towards the periphery and the improvement in growth as positives for peripheral debt. In the end we expect a solution will be found, but likely only in the final hour. The fund has an overweight position in Irish bonds versus Germany and an underweight position in Italian bonds versus Germany. The fund has no exposure in Portuguese bonds anymore.

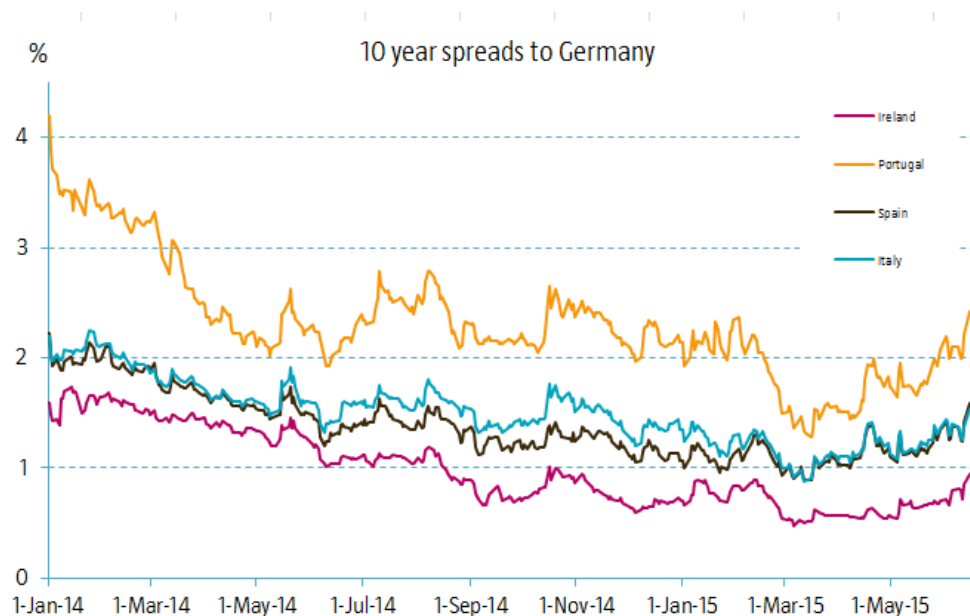
Peripheral bonds make up 38% of the fund. Year-to-date the fund's absolute performance is -1.53%*.

* Robeco Euro Government Bonds, gross of fees, based on Net Asset Value, YTD June 18, 2015.
The value of your investments may fluctuate. Past results are no guarantee of future performance.

Current spreads and the movement over time

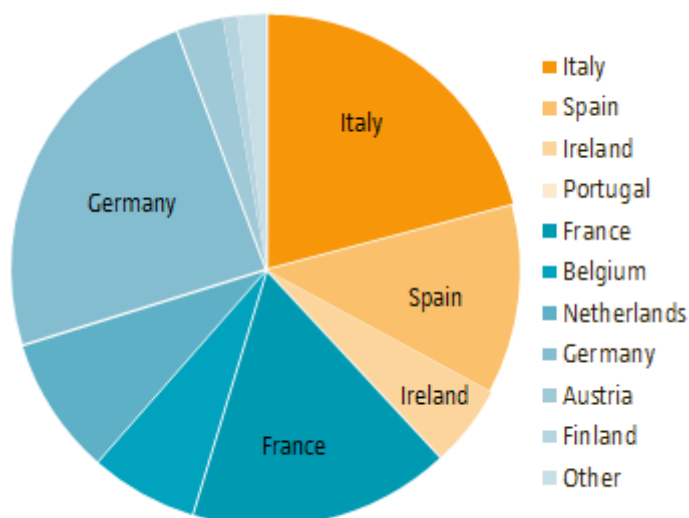
| maturity | German yields | Spreads | | | | | | | | | |
|----------|---------------|---------|-------|-------|-------------|---------|---------|--------|---------|---------|----------|
| | | France | Italy | Spain | Netherlands | Belgium | Austria | Greece | Ireland | Finland | Portugal |
| 1 | -0.21 | 0.06 | | | | | | | | | |
| 2 | -0.20 | 0.06 | 0.59 | 0.60 | 0.04 | 0.08 | 0.09 | | 0.37 | 0.02 | 0.28 |
| 3 | -0.16 | 0.15 | 0.79 | 0.80 | 0.11 | 0.18 | 0.16 | 22.5 | 0.44 | 0.14 | 0.75 |
| 4 | -0.04 | 0.20 | 1.00 | 1.05 | 0.09 | 0.27 | 0.24 | | 0.42 | 0.17 | 1.32 |
| 5 | 0.12 | 0.24 | 1.13 | 1.04 | 0.06 | 0.24 | 0.17 | 15.9 | 0.53 | 0.14 | 1.60 |
| 6 | 0.22 | 0.26 | 1.33 | 1.30 | 0.20 | 0.33 | 0.26 | | 0.53 | 0.08 | 1.89 |
| 7 | 0.35 | 0.31 | 1.44 | 1.36 | 0.24 | 0.39 | 0.34 | | 0.66 | 0.06 | 1.55 |
| 8 | 0.51 | 0.33 | 1.54 | 1.45 | 0.24 | 0.39 | 0.35 | | | 0.16 | |
| 9 | 0.63 | 0.36 | 1.61 | 1.55 | 0.24 | 0.39 | -0.52 | | 0.83 | 0.13 | 2.16 |
| 10 | 0.77 | 0.38 | 1.47 | 1.47 | 0.24 | 0.41 | 0.22 | 11.83 | 0.88 | 0.12 | 2.25 |
| 15 | 1.10 | 0.48 | 1.58 | 1.64 | | 0.29 | 0.10 | 10.21 | 0.95 | 0.16 | 2.29 |
| 20 | 1.32 | 0.43 | 1.72 | | | 0.40 | 0.21 | 8.94 | | | |
| 30 | 1.47 | 0.55 | 1.76 | 1.77 | 0.14 | 0.51 | 0.21 | 7.33 | | 0.03 | |

Source: Bloomberg



Source: Bloomberg

Country allocation Robeco Euro Government Bonds (June 19, 2015)



Source: Robeco

Important information

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