

Peripheral Europe Update

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- **EU grants bridge loan to Greece**
- **Catalan pro-independence parties join up**

Main market events

Peripheral markets traded more or less in line with Germany this week. Last Friday markets had already rallied significantly in anticipation of the positive outcome of the marathon EU summit last weekend. As the measures to be taken by the Greek government are very harsh, concerns around implementation remain. Portuguese bonds have returned 2.2% this year, Italian bonds 0.8%, Irish bonds -0.7% and Spanish bonds -0.8%.

Greece

The Greek Parliament approved last weekend's deal. It will reverse all measures taken by the Syriza government that did not comply with the troika program. The Eurogroup decided to start negotiations on the next 3-year ESM bailout program for Greece. The ECB decided to raise the emergency liquidity assistance to Greek banks by EUR 900mln. Although capital controls remain in place, Greek banks might be able to open next week.

European Union

The European Union finalized a EUR 7.16 billion bridge loan to Greece. The loan will have a maximum maturity of three months and will allow Greece to pay back the IMF and the ECB on Monday. Greece will repay the EU loan with money from the ESM bailout.

Spain

Catalonia's pro-independence parties CDC and ERC will run a joint candidate list in the upcoming regional elections (expected to take place on September 27). The parties noted that the regional elections will serve as a vote on Catalonia's independence from Spain.

Support for the ruling People's Party continues to rise according to most recent polls. Support for anti-austerity party Podemos fell in recent months, with current polls showing support of 13.3%.

Robeco Euro Government Bonds

We have maintained our overall neutral stance towards the periphery. The current agreement with Greece should allow for a deal on a third bailout program, but the implementation of all these measures will be more difficult. Negotiations on debt relief still have to take place. On the other hand 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. The fund has an overweight position in Irish bonds and an underweight position in Italian bonds.

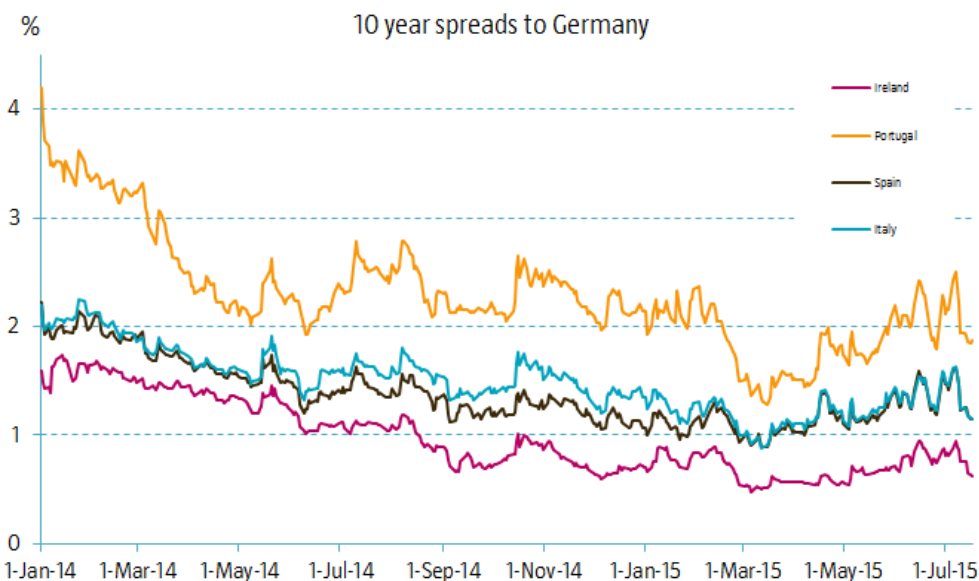
Peripheral bonds make up 38% of the fund. Year-to-date the fund's absolute performance is -0.80%*.

* Robeco Euro Government Bonds, gross of fees, based on Net Asset Value, YTD July 16, 2015.
The value of your investments may fluctuate. Past results are no guarantee of future performance.

Current spreads and the movement over time

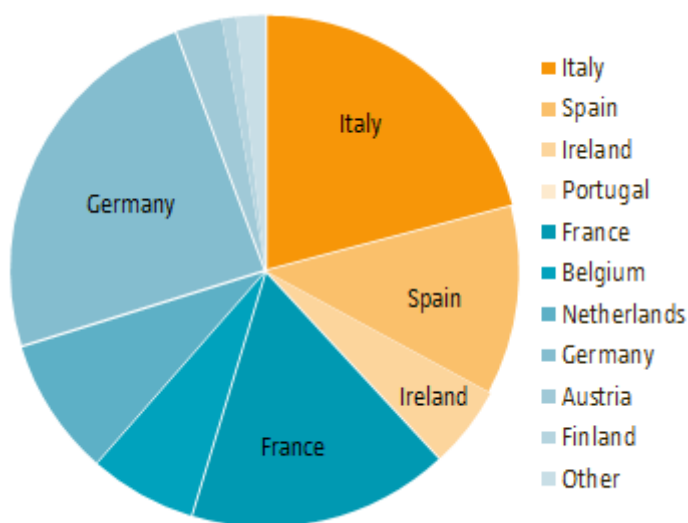
maturity	German yields	Spreads									
		France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Ireland	Finland	Portugal
1	-0.25	0.08									
2	-0.22	0.06	0.37	0.38	0.02	0.06	0.08		0.23	0.05	0.64
3	-0.16	0.08	0.56	0.53	0.05	0.07	0.09	22.5	0.27	0.10	0.84
4	-0.03	0.11	0.69	0.69	0.00	0.17	0.12		0.28	0.08	1.06
5	0.14	0.15	0.79	0.68	-0.04	0.16	0.07	15.9	0.37	0.04	1.25
6	0.24	0.17	0.98	0.97	0.12	0.23	0.15		0.34	-0.01	1.53
7	0.39	0.18	1.08	1.02	0.13	0.27	0.19		0.44	-0.06	1.51
8	0.53	0.24	1.18	1.12	0.17	0.28	0.22			0.07	
9	0.70	0.23	1.19	1.19	0.14	0.27	0.21		0.61	0.01	1.76
10	0.82	0.29	1.15	1.15	0.17	0.33	0.24	10.35	0.62	0.01	1.87
15	1.09	0.48	1.42	1.48		0.28	0.09	8.98	0.84	0.13	2.04
20	1.34	0.43	1.43			0.40	0.22	8.18			
30	1.53	0.51	1.57	1.60	0.13	0.49	0.22	7.27		0.03	

Source: Bloomberg



Source: Bloomberg

Country allocation Robeco Euro Government Bonds (July 17, 2015)



Source: Robeco

Important information

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