

BlueBay Impact-Aligned Bond Fund

March 2024

Fund performance (%) Gross of fees (USD)¹

	1 M	3 M	YTD	1YR	SI ^{2,3}
BlueBay Impact-Aligned Bond Fund	1.47	1.12	1.12	5.88	-0.89

Review

Contributors

- Green Bidco (Theme: Promoting clean and safe energy)
- Bupa Finance (Theme: Ensuring good health, safety & wellbeing)
- Cooperative Rabobank (Theme: Achieving inclusive society)

Detractors

- African Development Bank (Theme: Achieving inclusive society)
- Progroup (Theme: Enabling circular economy)
- Sociedad de Transmision Austral (Theme: Promoting clean & safe energy)

Thematic

- We opened a position in Progroup, a leading European manufacturer of corrugated board and containerboard, through the primary market with a 7-year eurobond (Theme: Enabling circular economy).
- We initiated a position in Humana, one of the largest managed care organisations in the US, through a 30-year US dollar bond (Theme: Ensuring good health, safety & wellbeing).
- We invested in Smurfit Kappa, a global leader in corrugated and paper-based packaging, through 10-year and 30-year US dollar bonds in the primary market (Theme: Enabling circular economy).
- We opened a position in UCB, a biopharmaceutical company, through the primary market with a 6-year eurobond (Theme: Ensuring good health, safety & wellbeing).

Outlook

- The first quarter saw markets benefit from robust economic data and earnings, at a time when rate cuts appeared imminent. This risk-friendly environment may continue for now but markets are vulnerable to any deviation from a 'goldilocks' path as we head into the second half of the year. The reality is that the macroeconomic outlook remains uncertain and dependent on the path of both growth and inflation.
- With regard to central-bank expectations: we sense the Fed Reserve (Fed) is keen to cut rates if data allows, but we still believe we are likely to see only one or two US rate cuts this year, unless the pace of economic activity cools materially. Slower growth and inflation in Europe may well mean that the European Central Bank starts cutting before the Fed. However, we would highlight that the trajectory of rates could prove to be more important to markets than the timing of the first cut.
- We maintain a modestly constructive view on investment-grade corporates, reflecting solid underlying technicals as demand is boosted by end investors looking to allocate cash to take advantage of high yield levels in the knowledge that rates have likely peaked; corporate bond supply may even be net negative this year on both sides of the Atlantic.
- On fundamentals, slowing growth remains a risk to spreads but, on average, companies look in good shape to weather any economic slowdown, although generic corporate spreads are already largely pricing this.
- Last year saw a difficult period for sustainable issuers, and therefore sustainably focused products, but we are seeing signs of this improving as we move further into 2024. We remain confident that issuers solving the most pressing sustainable problems will attract solid investor demand and deliver positive investor returns in the coming quarters.

Investment Objective

- This fund is actively managed and does not reference any benchmark.
- Aims to generate capital appreciation and income by investing along sustainable themes from global issuers.

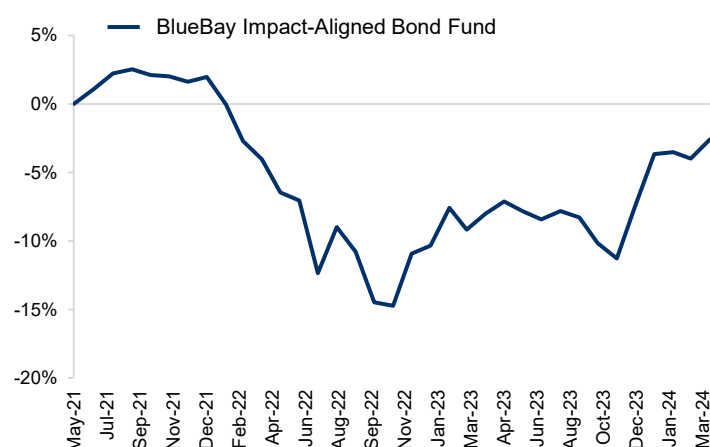
Investment Strategy

- The Fund is predominantly an Investment Grade corporate bond fund, investing globally in public markets
- The sustainability themes developed target positive contribution to people and to the planet through selecting issuers whose core economic activities offer investment opportunities and contribute to addressing environmental and social challenges.
- The Fund meets the conditions set out in Article 9 of the Sustainable Finance Disclosure Regulation as Sustainability Risks are integrated into the investment decision making process. Full details available online www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/

Calendar year performance (%) Gross of fees (USD)¹

	2023	2022
BlueBay Impact-Aligned Bond Fund	7.44	-12.07

Cumulative performance Gross of fees^{1,3} (USD)



Past performance does not predict future returns. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. Fees and other expenses will have a negative effect on investment returns.

Fund Characteristics

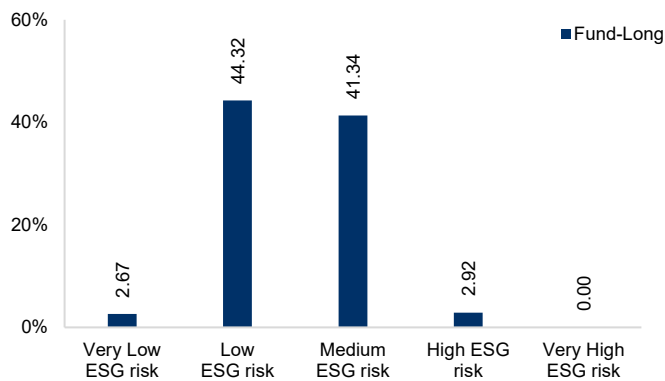
	Fund	Reference Index ⁸
Weighted interest rate duration (yrs)	6.12	6.06
Weighted spread duration (yrs)	5.98	6.06
Weighted maturity (yrs)	8.97	8.21
Weighted yield to worst (%)	6.29	4.88
Weighted running yield (%)	4.93	3.92
Weighted coupon (%)	4.35	3.75
Weighted rating	BBB	A-
Total no. of issues	119	16,280
Fund Issuers	85	2,126
Average position	0.85	0.01
EM holdings (%)	9.25	3.84
Total HY (%)	15.56	0.01
Cash exposure (%)	4.22	n/a

We have updated our yield calculations for derivatives to reflect the higher rate environment better.

Risk Statistics⁵

Annualised volatility (%) ³	5.69
Sharpe ratio	-1.00

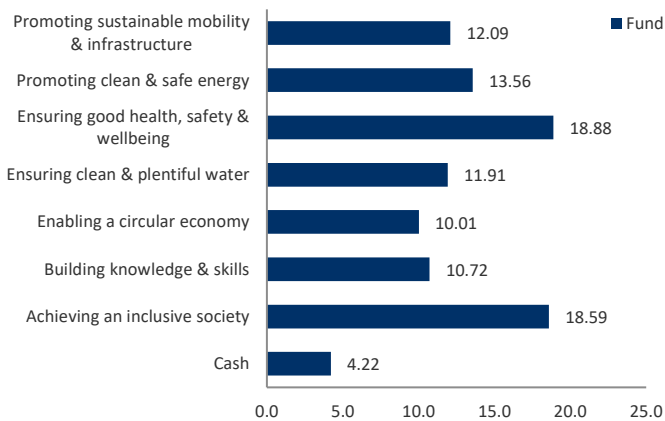
Bluebay: Issuer Fundamental ESG (Risk) Ratings (% , NAV)⁶



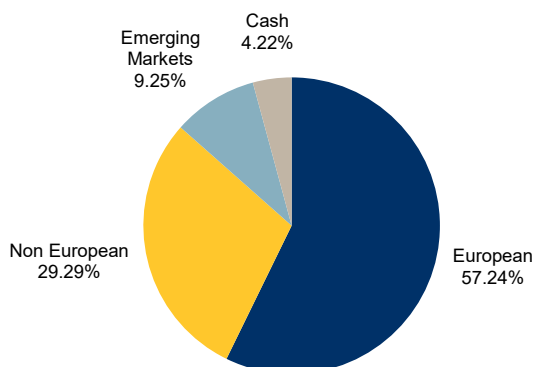
Top 5 Holdings (% , NAV)

Holding	IMPACT Theme	% of NAV
Severn Trent Utilities Finance PLC	Ensuring clean & plentiful water	2.17%
NatWest Group PLC	Achieving an inclusive society	2.05%
ProGroup AG	Enabling a circular economy	2.02%
UCB SA	Ensuring good health, safety & wellbeing	1.91%
BUPA Finance PLC	Ensuring good health, safety & wellbeing	1.82%

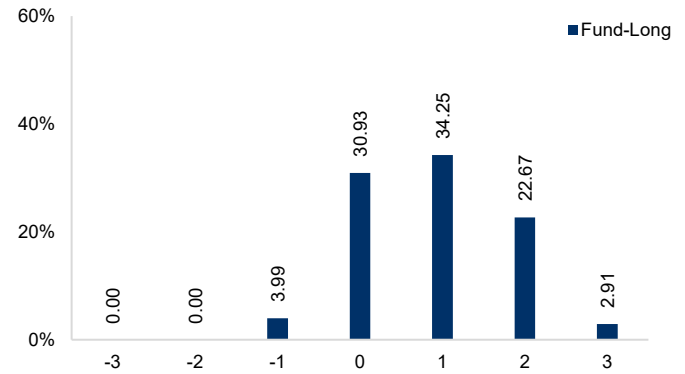
Thematic Breakdown (% ,NAV)



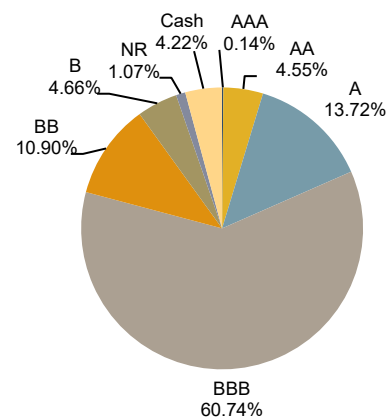
Regional Breakdown (% , NAV)



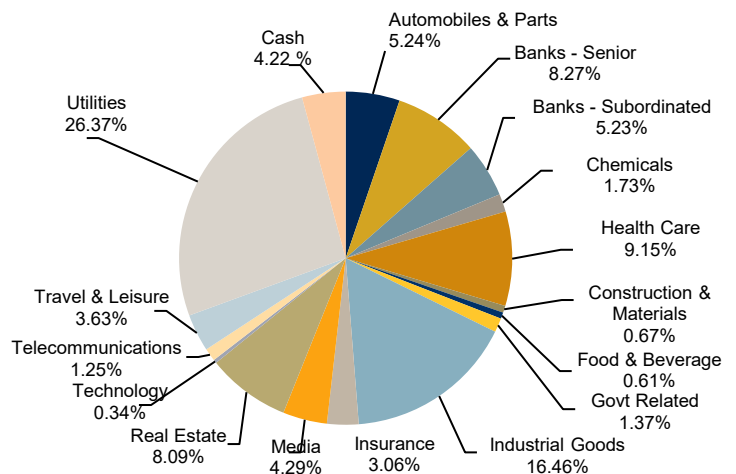
BlueBay: Security Investment ESG Scores (% , NAV)⁷



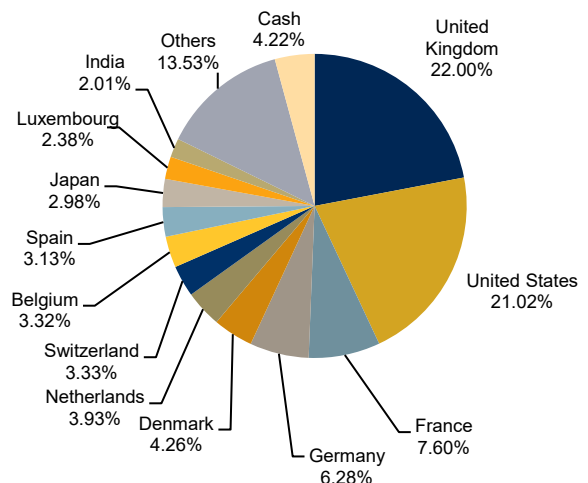
Rating Breakdown (% , NAV)



Sector Breakdown (% , NAV)



Country Breakdown (% , NAV)



Fund Facts

Total fund size ⁵	USD 160m
Inception date	04 May 2021
Base currency	USD
Fund legal name	BlueBay Funds - BlueBay Impact-Aligned Bond Fund
Share classes	Information on available Share Classes and eligibility for this Fund are detailed in the BlueBay Funds Prospectus and Application Form
Fund type	UCITS
Domicile	Luxembourg
Investment manager	RBC Global Asset Management (UK) Limited

Risk Considerations

- At times, the market for investment grade bonds may dry up, which could make it difficult to sell these bonds, or the fund may only be able to sell them at a discount
- There may be cases where an organisation with which we trade assets or derivatives (usually a financial institution such as a bank) may be unable to fulfil its obligations, which could cause losses to the fund
- RBC BlueBay's analysis of sustainability factors can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and BlueBay could assess the sustainability risks of securities held incorrectly
- RBC BlueBay could suffer from a failure of its processes, systems and controls – or from such a failure at an organisation on which we rely in order to deliver our services – which could lead to losses for the fund

Team

	Joined BlueBay	Investment industry experience
Thomas Moulds	December 2005	18 years
Harrison Hill	July 2015	12 years
Robert Lambert	September 2008	26 years
Size of team	36 investment professionals	
Average investment industry experience	21 Years	

Contact Information

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There are several risks associated with investing in this product. Please consult the Prospectus.

1. While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance). In addition, the typical fees and expenses charged to a strategy will offset the strategy's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the strategy's prospectus.
2. Performance shown for 1yr periods onwards are annualised figures.
3. Since inception.
4. Risk statistics are annualized and calculated using weekly data points since inception. Risk statistics will be produced once there are 3 complete months of data available; for meaningful results a minimum sample of 36 data points is recommended and where history is less than 3 years caution should be taken with the interpretation and representation of this data. Returns for periods of less than 1 year have not been annualised in accordance with current industry standard reporting practices.
5. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
6. Fundamental ESG (Risk) Rating is assigned at an issuer level by BlueBay. Categories range from 'very high' to 'very low' ESG (Risk) Rating and is a function of the ESG risk profile of an issuer and how well it manages these risks.
7. Investment ESG Score is assigned at an issuer level by BlueBay unless otherwise stated (i.e. assigned at the security level). Scores ranges from '+3' through to '-3' and indicates the extent to which ESG is considered investment material, as well as the nature and scale of the materiality impact (i.e. positive credit impact, negative credit impact, no impact).
8. Reference is made to the Barclays Global Aggregate Corporate Index for indicative purposes, the fund itself is not benchmarked against this, or any other index.

Source: All data unless otherwise specified is sourced from RBC Global Asset Management, as at 28th March 2024

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