BlueBay Asset Management

BlueBay Funds
Prospectus

April 2012

Investment Fund under Luxembourg Law
Société d'Investissement à Capital Variable

RBC Global Asset Management

Contents

BlueBay Funds

1. Notice to Investors

1. Notice to Investors

BlueBay Funds (the "Fund") is authorised under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (loi concernant les organismes de placement collectif) (the "Law of 2010"). The Fund has appointed BlueBay Funds Management Company S.A. (the "Management Company") to serve as its designated management company in accordance with the Law of 2010. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Article 1, paragraph 2, points a) and b) of the Directive 2009/65/EC, and may therefore be offered for sale in the European Union ("EU") Member States (subject to registration in countries other than Luxembourg). In addition, applications to register the Fund may be made in other countries.

The registration of the Fund pursuant to Part I of the Law of 2010 constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various sub-funds of the Fund (individually a "Sub-Fund", collectively the "Sub-Funds"). Any representations to the contrary are unauthorised and unlawful.

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "United States"), and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. Certain restrictions also apply to the subsequent transfer of Shares in the United States or to or for the account of any US Person (as defined in Regulation S under the 1933 Act) which includes any resident of the United States, or any corporation, partnership or other entity created or organised in or under the laws of the United States (including any estate of any such person created or organised in the United States). The attention of investors is drawn to certain compulsory redemption provisions applicable to US Persons described in Section 7.6 "Redemption of Shares". The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

The distribution of this Prospectus in other jurisdictions may also be restricted; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

A Key Investor Information Document ("KIID") for each available Class of each Sub-Fund shall be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class and Sub-Fund in which they intend to invest. Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisors in relation to: (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Before consent to distribute this Prospectus is granted, certain jurisdictions require it to be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

Unless stated to the contrary, all references herein to times and hours refer to Luxembourg local time. Certain Shares are or will be listed on the Luxembourg Stock Exchange. Details may be obtained from the Listing Agent.

2. Directory

MANAGEMENT COMPANY

BlueBay Funds Management Company S.A.
24, rue Beaumont
L-1219 Luxembourg

BOARD OF DIRECTORS OF THE FUND AND THE MANAGEMENT COMPANY

Henry Kelly
Managing Director
KellyConsult S.à.r.l.
4, rue Jean-Pierre Lanter
L-5943 Itzig
Luxembourg

Nicholas Williams
BlueBay Asset Management LLP
77 Grosvenor Street
London W1K 3JR
England

Claude Niedner
Partner
Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg

Jordan Kitson
BlueBay Asset Management LLP
77 Grosvenor Street
London W1K 3JR
England

Robert Raymond
5, rue de Beaujolais
75001 Paris
France

CONDUCTING PERSONS OF THE MANAGEMENT COMPANY

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BlueBay Asset Management LLP
77 Grosvenor Street
London W1K 3JR
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Robert de Normandie
MDO Services
19, rue de Bitbourg
L-1273 Luxembourg

INVESTMENT MANAGER AND ADVISOR (the "Investment Manager")

BlueBay Asset Management LLP
77 Grosvenor Street
London W1K 3JR
England

GLOBAL DISTRIBUTOR

BlueBay Asset Management LLP
77 Grosvenor Street
London W1K 3JR
England

CUSTODIAN, ADMINISTRATIVE AGENT, DOMICILIARY AGENT, PAYING AGENT, REGISTRAR, TRANSFER AGENT AND LISTING AGENT

Brown Brothers Harriman (Luxembourg) S.C.A.
2-8, avenue Charles de Gaulle
L-1653 Luxembourg

AUDITORS OF THE FUND

Deloitte S.A.
560, rue du Neudorf
L-2220 Luxembourg

AUDITORS OF THE MANAGEMENT COMPANY

Deloitte S.A.
560, rue du Neudorf
L-2220 Luxembourg

LEGAL ADVISORS

Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg

3. Definitions

The following words shall have the following meanings in this Prospectus:

"Annual General Meeting"	means the annual general meeting of the Shareholders.
"Appendix"	means the relevant Appendix of the Prospectus.
"Articles of Incorporation"	means the articles of incorporation of the Fund.
"AUD"	means Australian Dollar.
"Board of Directors"	means the Board of Directors of the Fund.
"Business Day"	means any day in which banks in Luxembourg and London are open for normal banking business (excluding Saturdays and Sundays as well as 24 December).
"CAD"	means Canadian Dollar.
"CET"	means Central European Time.
"CHF"	means Swiss Franc.
"Class"	means a class of Shares of a Sub-Fund.
"CSSF"	means Commission de Surveillance du Secteur Financier, the financial regulatory authority in Luxembourg in charge of the supervision of UCIs in Luxembourg.
"CSSF Circular 08/356"	means the CSSF circular 08/356 of 4 June 2008 determining the rules applicable to undertakings for collective investment (UCIs) when they employ certain techniques and instruments relating to transferable securities and money market instruments.
"CSSF Circular 11/512"	means the CSSF circular 11/512 of 30 May 2011 determining the (i) presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF.
"Dilution Levy"	means a charge which may be applied with respect to a Sub-Fund, at the sole discretion of the Board of Directors.
"Directive 2009/65/EC"	means the EC Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended from time to time.
"EU"	means the European Union.
"EUR", "Euro" or "€"	means the European single currency.
"Extraordinary Expenses"	means any extraordinary expenses of the Fund, including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund or its assets that would not be considered as ordinary expenses.
"GBP"	means United Kingdom Pounds Sterling.
"Group of Companies"	means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended.
"Institutional Investors"	means institutional investors as defined from time to time by the Luxembourg supervisory authority.
"ISDA"	means the International Swap and Derivatives Association.
"KIID"	means the Key Investor Information Document(s) of each Class of each Sub-Fund.
"Law of 2010"	means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time.

"Management and Advisory Fees"	means the fees paid by the Fund to the Management Company calculated as a percentage of the average net assets of each Sub-Fund or Class.
"Member State"	means a member state of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU.
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
"NOK"	means Norwegian Krone.
"OECD"	means Organisation for Economic Cooperation and Development.
"Operating and Administrative Expenses"	means all ordinary operating expenses of the Fund as set out in Section 9.5 of this Prospectus.
"Other Regulated Market"	means a market which is regulated, operates regulatory and is recognised and open to the public, namely a market: (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public.
"Other State"	any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.
"Performance Fees"	means the fees paid by the relevant Shareholders to the Management Company calculated on a Shareholder-by-Shareholder basis so that each Shareholder is charged a Performance Fee which equates precisely with the performance of that Shareholder's holding.
"Prospectus"	means this prospectus of the Fund as amended from time to time.
"Reference Currency"	means the currency in which all the underlying assets of the relevant Sub-Fund are valued and reported. The Reference Currency for each Sub-Fund is set out in Appendix 1.
"Regulated Market"	means a regulated market as defined in the EC Parliament and Council Directive 2004/39/EC dated 21 April 2004 on markets on financial instruments, as amended from time to time.
"SEK"	means Swedish Krone.
"Shareholders"	means shareholders of the Fund.
"Shares"	means the shares of the Fund.
"Sub-Fund"	means a sub-fund of the Fund.
"Transaction Fees"	means in respect of each Sub-Fund the costs and expenses of buying and selling its portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction-related expenses.
"Transferable Securities"	means shares and other securities equivalent to shares, bonds and other debt instruments, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.
"UCI(s)"	means undertaking(s) for collective investment.
"UCITS"	means undertaking(s) for collective investment in transferable securities pursuant to Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC.

“UK”	means the United Kingdom.
“United States”	means the United States of America.
“USD”	means United States Dollars.
“Valuation Day”	means the Business Day on which the net asset value per Share of a Sub-Fund is determined, as set out in Appendix 1.
“VaR”	means Value at Risk, which is a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.

4. General Information

4.1. Organisation

The Fund is an investment company organised as a société anonyme under the laws of the Grand-Duchy of Luxembourg and qualifies as a SICAV, incorporated under the Law of 2010 and listed on the official list of UCITS, authorised under Part I of the Law of 2010. The Fund's registered office is at 2-8, avenue Charles de Gaulle, L-1653 Luxembourg. The Fund was incorporated in Luxembourg on 3 July 2002 for an unlimited period. The Articles of Incorporation were published in the Mémorial, Recueil des Sociétés et Associations (the "Mémorial") on 29 July 2002. They were amended most recently on 21 November 2011. Such amendment was published in the Mémorial on 13 December 2011. The Fund is registered with the Registre de Commerce et des Sociétés, Luxembourg, under number B. 88 020.

The Articles of Incorporation are on file with the Chancery of the District Court of Luxembourg (Greffe du Tribunal d'Arrondissement).

4.2. Structure of the Fund

The Fund comprises several Sub-Funds. The Fund offers investors within the same investment vehicle a choice of investment in one or more Sub-Funds, which are distinguished mainly by their specific investment policy and objective and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in Appendices 1 and 2. The Board of Directors may, at any time, decide to create additional Sub-Funds and, in such case, this Prospectus will be updated by adding the details of such Sub-Fund(s) to Appendices 1 and 2.

Each Sub-Fund may decide to issue separate Classes whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum subscription amount, dividend policy or such other distinctive feature as decided from time to time by the Board of Directors may be applied. Where different Classes are issued within a Sub-Fund, the details of each type of Class are described in Appendix 2.

4.3. Meetings and Announcements

Unless otherwise stated in the notice of convocation, the Annual General Meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the last Tuesday of the month of October of each year at 11.00 CET or, if any such day is not a Business Day, on the next following Business Day. Notices of all general meetings will be sent to registered Shareholders by post at least eight calendar days prior to the meeting at the addresses shown on the register of Shareholders. Such notices will include the meeting agenda and will specify the time and place of the meeting and the conditions of admission. Notices of meetings will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 67 and 67-1 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and the Articles of Incorporation.

Each whole Share confers the right to one vote. The vote on the payment of a dividend (if any) on a particular Sub-Fund or Class requires a separate majority vote from the meeting of Shareholders of the Sub-Fund or Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund or Class must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund or Class concerned.

Dividend announcements are described in Section 8.3 "Dividend Declaration".

4.4. Reports and Accounts

Audited annual reports shall be published within four months following the end of each accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. Annual reports shall be sent to each registered Shareholder by electronic means or, if so requested by a Shareholder, in hard copy form to the address shown on the register of Shareholders and the annual and semi-annual reports shall be made available at the registered offices of the Fund and the Custodian during ordinary office hours, and online at www.bluebayinvest.com. The Fund's accounting year ends on 30 June each year.

The reference currency of the Fund is the Euro. The aforesaid reports will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

4.5. Allocation of Assets and Liabilities among Sub-Funds

Each Sub-Fund constitutes a separate portfolio. The assets and liabilities relating to each Sub-Fund are segregated from each other. No Sub-Fund will be liable for obligations incurred in relation to any other Sub-Fund.

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

(a) the proceeds from the issue of each Share of each Sub-Fund are applied in the books of the Fund to the pool of assets established for that Sub-Fund and to the assets/liabilities and income/expenditure attributable;

(b) where any asset is derived from another asset, such financial derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value is applied to the relevant pool;

(c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool, provided that all liabilities, whichever Sub-Fund they are attributable to, are, unless otherwise agreed upon with the creditors, only binding upon the relevant Sub-Fund;

(d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;

(e) upon the payment of dividends to the Shareholders in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.

Under the Articles of Incorporation, the Board of Directors may decide to create within each Sub-Fund one or more Classes whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but where a specific sales or redemption charge structure, fee structure, minimum subscription amount or dividend policy may be applied to each Class. A separate net asset value, which will differ as a consequence of these variable factors, will be calculated for each Class. If one or more Classes have been created within the same Sub-Fund, the allocation rules set out above shall apply, as appropriate, to such Classes. The Board of Directors reserves the right to apply additional criteria as appropriate.

4.6. Determination of the Net Asset Value of Shares

The net asset value per Share of each Sub-Fund is typically determined on each day which is a Business Day, although for certain Sub-Funds the net asset value per Share certain is determined on a less frequent basis. The frequency of the valuation applicable to each Sub-Fund is set out in Appendix 1.

The net asset value of the Shares of each Class is determined in such Class's Reference Currency on each Valuation Day by dividing the net assets attributable to each Class by the number of Shares of such Class then outstanding. For the avoidance of doubt, the unit of a Reference Currency is the smallest unit of that currency (e.g. if the Reference Currency is Euro, the unit is the cent). Fractions of units, calculated to three decimal places, may be allocated as required.

The net assets of each Class are made up of the value of all the assets attributable to such Class less the total liabilities attributable to such Class calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets of the Fund is determined as at the end of the relevant Valuation Day. The actual calculation of the value of the assets will take place on the following Business Day and is determined in the following manner:

(a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

(b) the value of Transferable Securities and Money Market Instruments and any other assets which are quoted or dealt in on any stock exchange shall be based on the latest available closing price, and Transferable Securities and Money Market Instruments and any other assets traded on any Other Regulated Market shall be valued in a manner as similar as possible to that provided for quoted securities;

(c) the value of Money Market Instruments not listed or dealt in on any Regulated Market, stock exchange, or any Other Regulated Market and with remaining maturity of less than 12 months may be valued by the amortised cost method, which approximates market value;

(d) for non-quoted assets or assets not traded or dealt in on any stock exchange or Other Regulated Market, as well as quoted or non-quoted assets on such other market for which no valuation price is available, or assets for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Board of Directors on the basis of foreseeable purchase and sale prices;

(e) the Board of Directors may authorise the use of the amortised cost method of valuation for short-term Transferable Debt Securities in certain Sub-Funds. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security or other instrument. While this method provides certainty in valuation, it may result in periods during which value as determined by amortised cost, is higher or lower than the price the Sub-Fund would receive if it sold the securities. This method of valuation will only be used in accordance with Committee of European Securities Regulators (CESR) (now ESMA) guidelines concerning eligible assets for investments by UCITS and only with respect to securities with a maturity at issuance or residual term to maturity of 397 days or less or securities that undergo regular yield adjustments at least every 397 days;

(f) shares or units in underlying open-ended UCIs shall be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of closed-ended UCIs will be valued at their last available stock market value;

(g) Money Market Instruments with a remaining maturity of less than 90 days at the time of purchase or securities whose applicable interest rate or reference interest rate is adjusted at least every 90 days on the basis of market conditions shall be valued at cost plus accrued interest from its date of acquisition, adjusted by an amount equal to the sum of: (i) any accrued interest paid on its acquisition; and (ii) any premium or discount from its face amount paid or credited at the time of its acquisition, multiplied by a fraction the numerator, which is the number of days elapsed from its date of acquisition to the relevant Valuation Day and the denominator, which is the number of days between such acquisition date and the maturity date of such instruments;

(h) Money Market Instruments with a remaining maturity of more than 90 days at the time of purchase shall be valued at their market price. When their remaining maturity falls under 90 days, the Board of Directors may decide to value them as stipulated above;

(i) liquid assets may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner;

(j) the liquidating value of futures, forward and options contracts not traded on exchanges or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on Other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and/or Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;

(k) the value of a credit default swap shall be determined by comparing it to the prevailing par market swap. A par market swap is one which can be initiated in the market today for no exchange of principal, and its deal spread is such that it results in the swap’s market value being equal to zero. The spread between the initial default swap and the par market swap is then discounted as an annuity using relevant risk-adjusted discount rates. Par market swap rates will be obtained from a cross-section of market counterparties. Any other swaps shall be valued at their market value.

The Fund is authorised to apply other appropriate valuation principles for the assets of the Fund and/or the assets of a given Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events, in order to reflect better the probable realisation value established with prudence and good faith.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the net asset value.

The net asset value per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Fund.

4.7. Temporary Suspension of Issues, Redemptions and Conversions

The determination of the net asset value of Shares of one or more Classes may be suspended during: (a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable; (c) any breakdown in the means of communication or computation normally employed in determining the price or value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; (e) any other circumstance or circumstances beyond the control and responsibility of the Board of Directors where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Fund or its Shareholders might not otherwise have suffered.

The Board of Directors has the power to suspend the issue, redemption and conversion of Shares in one or more Classes for any period during which the determination of the net asset value per Share of the Sub-Fund(s) concerned is suspended by the Fund by virtue of the powers described above. Any subscription/redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected the Shares in question shall be subscribed/redeemed/converted on the first Valuation Day following the termination of the suspension period. Investors who have requested the subscription, redemption or conversion of

Shares shall be informed of such suspension when such request is made. In the event where a suspension period exceeds a certain period determined by the Board of Directors, all Shareholders of the Class concerned shall be informed.

4.8. Liquidation of the Fund

The Fund is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such meeting will be convened in compliance with Luxembourg law.

If the net assets of the Fund fall below two-thirds of the minimum capital as required by law (€1,250,000), the decision will be taken by a simple majority of the Shares represented at the meeting. If the net assets of the Fund fall below one-quarter of the minimum capital as required by law, the decision will be taken by the Shareholders present at the meeting holding one-quarter of the Shares.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law of 2010 which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the Caisse de Consignation in Luxembourg of any amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of each Class of the relevant Sub-Fund in proportion to their respective holdings of such Class.

The liquidation of the last remaining Sub-Fund will result in the liquidation of the Fund as referred to in Article 145(1) of the Law of 2010.

4.9. Liquidation of Sub-Funds

The Board of Directors may decide to liquidate any Sub-Fund if the net assets of such Sub-Fund fall below €10,000,000 or if a change in the economic or political situation relating to the Sub-Fund concerned would justify such liquidation. If such circumstances do not apply, a decision to liquidate a Sub-Fund may only be taken at an extraordinary general meeting of the Shareholders of the Sub-Fund concerned. Such extraordinary meeting may decide to liquidate the Sub-Fund without quorum conditions and with a simple majority of the Shareholders present or represented. Registered Shareholders will be notified by letter of the decision to liquidate prior to the effective date of the liquidation and the letter will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge.

Assets which are not distributed on completion of the liquidation of a Sub-Fund will be deposited with the Caisse de Consignation in Luxembourg on behalf of the beneficial owners.

4.10. Merger of the Fund

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of the Fund, either as the receiving or the merging UCITS, and, as appropriate, to redesignate the Shares as shares of the new UCITS, or of the relevant sub-fund thereof, as applicable.

If the Fund is the receiving UCITS (within the meaning of the Law of 2010), the decision as to the effective date of the merger rests solely with the Board of Directors.

If the Fund is the merging UCITS (within the meaning of the Law of 2010), and hence will cease to exist, the effective date of the merger must be decided by a general meeting of the Shareholders, by a resolution adopted by a simple majority of the votes validly cast at such meeting, which shall have no quorum requirement. Such a merger shall be subject to the conditions and procedures imposed by the Law of 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the Law of 2010.

4.11. Merger of Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of any Sub-Fund, either as a receiving or a merging Sub-Fund, and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as shares of the new UCITS, or shares of the new sub-fund as applicable. Such a merger shall be subject to the conditions and procedures imposed by the Law of 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders in a Sub-Fund involved in such merger will be entitled to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the Law of 2010.

4.12. Material Contracts

The following material contracts have been entered into:

(a) A Management Company Services Agreement effective from 1 July 2011 between the Fund and the Management Company pursuant to which the latter acts as the management company of the Fund. Under this agreement, the Management Company provides management, administrative, marketing, global distribution, compliance and risk management to the Fund, subject to the overall supervision and control of the Board of Directors. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(b) An Expense Agreement effective from 1 July 2011 between the Fund and the Management Company pursuant to which the Fund and the Management Company agree to fix the expense ratio of each Class of each Sub-Fund. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(c) An Investment Management and Advisory, Risk Management and Compliance Services Agreement dated [2 April 2012] between the Management Company and BlueBay Asset Management LLP pursuant to which the latter acts as Investment Manager and Advisor, Compliance Officer and Risk Manager to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(d) A Global Distribution Agreement dated [2 April 2012] between the Management Company and BlueBay Asset Management LLP pursuant to which the latter acts as Global Distributor to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(e) A Custody Agreement effective from 30 November 2010 between the Fund and Brown Brothers Harriman (Luxembourg) S.C.A. pursuant to which the latter is appointed as Custodian of the assets of the Fund. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(f) An Administration Agreement effective from 1 July 2011 between the Management Company and Brown Brothers Harriman (Luxembourg) S.C.A., pursuant to which the latter is appointed as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent of the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

4.13. Documents Available for Inspection

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest periodical reports may be obtained free of charge during normal office hours at the registered office of the Fund. Such reports form an integral part of this Prospectus. Copies of this Prospectus, the KIIDs and the latest periodical reports are also available online at www.bluebayinvest.com, along with certain other practical information (including the strategy for the exercise of voting rights attached to the instruments held by the Fund). Details of the procedures in respect of complaints handling are available free of charge on request during normal office hours at the registered office of the Fund.

4.14. Management and Administration

The Management Company is responsible for the management and control of the Fund.

BlueBay Asset Management LLP has been appointed as Investment Manager and Advisor, Risk Manager and Compliance Officer. Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed to act as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent.

4.15. The Management Company

BlueBay Funds Management Company S.A. is a société anonyme incorporated under Luxembourg law on 1st August 2002 for an unlimited period of time. The Management Company is a wholly owned subsidiary of BlueBay Asset Management International Ltd. The articles of incorporation of the Management Company were published in the Mémorial of 23 August 2002 and filed with the Chancery of the District Court of Luxembourg (Greffe du Tribunal d'Arrondissement). They were amended most recently on 30 June 2011 and have been published in the Mémorial of 22 July 2011 and filed with the Chancery of the District Court of Luxembourg. As at the date of this Prospectus, the capital of the Management Company is €250,000 and has been fully paid, and the own funds of the Management Company comply with the requirements of the Law of 2010.

The Management Company is registered on the official list of Luxembourg management companies governed by Chapter 15 of the Law of 2010.

Mr. Jordan Kitson and Mr. Robert de Normandie are responsible for the Management Company's daily business and operations. Mr. Robert de Normandie will receive from the assets of the Fund a fee for acting as a Conducting Person. Mr. Jordan Kitson has waived any fee for acting as a Conducting Person.

The Management Company is responsible for the day-to-day operations of the Fund. In fulfilling its responsibilities set for by the Law of 2010 and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Fund and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management, transfer agency, administration, listing, marketing and distribution.

The Management Company also acts as management company for other funds, in addition to the Fund. As at the date of this Prospectus, the other funds managed by the Management Company are BlueBay Funds International, BlueBay Specialised Funds, BlueBay Feeder Funds and BlueBay Structured Funds. The list of funds managed by the Management Company will be set out in the Management Company's annual reports.

4.16. Investment Manager and Global Distributor

The investment management of the Fund is effected under the control and the responsibility of the Management Company.

In order to implement the investment policy of each Sub-Fund, the Management Company has delegated, under its permanent supervision and responsibility, the management of the assets of the Sub-Funds to the Investment Manager.

Pursuant to the Investment Management and Advisory, Risk Management and Compliance Services Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Management Company, to purchase and sell securities and otherwise to manage the Sub-Funds' portfolios.

The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for the compliance of the Sub-Funds with their investment policies and restrictions.

The Investment Manager is a limited liability partnership incorporated in the United Kingdom and regulated by the Financial Services Authority. Its primary activity involves the provision of investment management services to various investment vehicles. Prior to [2 April 2012] the Fund's investment manager and advisor was BlueBay Asset Management Ltd, on [2 April 2012] BlueBay Asset Management Ltd transferred its entire asset management business to BlueBay Asset Management LLP. The Investment Manager is a wholly owned subsidiary of Royal Bank of Canada.

BlueBay Asset Management LLP also acts as global distributor of the Fund and provides other services to the Management Company in respect of the distribution of the Fund.

4.17. Custodian

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as Custodian of all of the Fund's assets, comprising Transferable Securities, Money Market Instruments, cash and other assets. It may entrust the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions for their transactions, to such institutions or to one or more of its banking correspondents.

The Custodian must:

(a) ensure that the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Fund are carried out in accordance with all applicable laws and the Articles of Incorporation;

(b) ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits; and

(c) ensure that the income of the Fund is applied in accordance with its Articles of Incorporation.

4.18. Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Listing Agent and Transfer Agent

Brown Brothers Harriman (Luxembourg) S.C.A. is also in charge of the day to day administration of the Fund and is responsible for processing the issue, redemption and conversion of Shares and maintaining the register of Shareholders. In that respect it acts as Registrar, Administrative, Domiciliary, Paying, Transfer and Listing Agent, calculates the net asset value of the Shares and maintains the accounts of the Fund and lists the Shares of certain Sub-Funds on the Luxembourg Stock Exchange. Brown Brothers Harriman (Luxembourg) S.C.A. is a société en commandite par actions organised under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on 9 February 1989 and its registered office is 2-8, avenue Charles de Gaulle, L-1653 Luxembourg.

Brown Brothers Harriman (Luxembourg) S.C.A. is a wholly owned subsidiary of Brown Brothers Harriman & Co. ("BBH & Co."). Founded in 1818, BBH & Co. is a commercial bank organised as a partnership under the private banking laws of the states of New York, Massachusetts and Pennsylvania.

5. Investment Policies

5.1. Investment Policy of each Sub-Fund

The Sub-Funds will seek to achieve their objectives, in accordance with the specific investment policies established for each Sub-Fund by the Board of Directors, by investing primarily in fixed income Transferable Securities that are considered by the Investment Manager to have the potential to provide a high level of total return. The Board of Directors has determined the investment objective and policy of each Sub-Fund, as described in Appendix 1. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policy of each Sub-Fund must be in compliance with the limits and restrictions set forth in Section 10.1 “Investment Restrictions”.

5.2. Financial Techniques and Instruments

Each Sub-Fund may utilise financial techniques and instruments for investment purposes, hedging purposes and efficient portfolio management. Such portfolio strategies include transactions in financial futures contracts and options thereon. The Sub-Funds may also engage in transactions in options, on bond and stock indices and on portfolios of indices. The Sub-Funds may seek to hedge their investments against currency fluctuations which are adverse to the respective currencies in which these Sub-Funds are denominated by utilising currency options, futures contracts and forward foreign exchange contracts.

The Sub-Funds may sell interest rate futures contracts, write call options or purchase put options on interest rates or enter into swap agreements for the purpose of hedging against interest rate fluctuations. The Sub-Funds may hold such ancillary liquid assets as the Investment Manager considers appropriate including, without limitation, cash, cash equivalents and assets linked to repurchase agreements as part of a treasury management strategy. Each Sub-Fund may also engage in securities lending and enter into repurchase and reverse repurchase agreements in compliance with the provisions set out in the CSSF circular 08/356.

A Sub-Fund will only enter into the aforementioned transactions with financial institutions specialised in such transactions and deemed appropriate by the Investment Manager in accordance with its internal approval policies (and subject to its ongoing review). Such transactions shall be entered into only in accordance with the standard terms laid down by the ISDA. The ISDA has produced standardised documentation for such transactions under the umbrella of its ISDA Master Agreement. Any legal restrictions will be applied to the issuer of the derivative instrument as well as to the underlying thereof.

When using the techniques and instruments described in the preceding paragraphs, the Sub-Funds must comply with the limits and restrictions set forth in Section 10.1 “Investment Restrictions”. Such techniques and instruments shall be used only to the extent that they do not affect the Sub-Funds’ investment objectives and policies.

Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Each Sub-Fund may further invest, within the 10% limit in relation to other Transferable Securities and Money Market Instruments pursuant to Article 41(2) (a) of the Law of 2010 as set out in Section 10.1.2(a), up to 10% of its net assets in loan participations and/or loan assignments provided such instruments constitute Money Market Instruments normally dealt in the money market, are liquid and have a value that may be accurately determined at any time.

Such loans are deemed to constitute Money Market Instruments (within the meaning of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010) normally dealt in on the money market where they fulfil one or more of the following criteria:

(a) they have a maturity at issuance of up to and including 397 days;

(b) they have a residual maturity of up to and including 397 days;

(c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; or

(d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in items (a) or (b) above, or are subject to a yield adjustment as referred to in item (c) above.

Such loans are deemed to be liquid where they can be sold at limited cost in an adequately short time frame, taking into account the obligation of the relevant Sub-Fund to repurchase its Shares at the request of any Shareholder.

Such loans are deemed to have a value which can be accurately determined at any time where such loans are subject to accurate and reliable valuations systems, which fulfil the following criteria:

(a) they enable the relevant Sub-Fund to calculate the net asset value in accordance with the value at which the loan held in the portfolio could be exchanged between knowledgeable willing parties in an arm’s length transaction; and

(b) they are based either on market data or on valuation models including systems based on amortised costs.

5.3. Global Exposure

The global exposure of the Sub-Funds is measured by the Value at Risk (VaR) methodology.

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Funds is subject to periodic stress tests.

The exposure of a Sub-Fund may further be increased by transitory borrowings not exceeding 10% of the assets of a Sub-Fund.

The method used to calculate the global exposure and the expected level of leverage as calculated in accordance with the applicable regulations for each Sub-Fund are set out in Appendix 1.

6. Risk Factors

6.1. General

This Section 6 explains some of the risks that apply to the Sub-Funds. It does not purport to be a complete explanation and other risks may also be relevant from time to time.

The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Fund. Past performance is not indicative of future performance. There is no assurance that the investment objective of any Sub-Fund will actually be achieved.

The risks which a prospective investor should take into account includes risks which are general to all Sub-Funds and those which are specific to certain Sub-Funds and arise in respect of the investment objective, policy and strategy which is adopted in relation to a specific Sub-Fund. Appendix 1 sets out which of the risk factors set out below are particularly relevant to each Sub-Fund.

General Risks

6.2. Interest Rate Risk

As nominal interest rates rise, the value of fixed income securities held by a Sub-Fund is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Inflation-indexed securities decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar durations.

6.3. Counterparty Credit Risk

A Sub-Fund may be exposed to companies which act as a service provider, counterparty or guarantor when entering into over-the-counter markets in contracts. Their inability or unwillingness to honour obligations can subject a Sub-Fund to credit risk of losses incurred from late payments, failed payments and default.

6.4. Economic Risk

The value of a Sub-Fund may decline due to factors affecting market conditions generally or particular industries represented in the markets. The value of a security held by a Sub-Fund may decline due to an actual or perceived change in general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict due to speculation in inflationary, fiscal and monetary factors.

6.5. Issuer Risk

An issuer of securities' inability or unwillingness to honour obligations can subject a Sub-Fund to the risk of losses. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing.

6.6. Liquidity Risk

Certain investment positions in which the Sub-Funds will have an interest may be illiquid. The Sub-Funds may invest in non–transferable securities, non-publicly traded securities or securities with a lack of trading volume. These investments could prevent the Sub-Fund from liquidating unfavourable positions promptly and subject the Sub-Fund to substantial losses. Such investments could also impair the ability of Shareholders to collect redemption proceeds in a timely manner and Shareholders may incur a dilution adjustment.

During extreme market conditions securities that would normally be liquid may become more illiquid and it may be difficult for Shareholders to collect redemption proceeds in a timely manner or Shareholders may incur a dilution adjustment.

6.7. Currency Risk

A Sub-Fund may be exposed to currency exchange risk where the assets and income are denominated in currencies other than the Reference Currency of the Sub-Fund. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's investments to decline or increase. Currency exchange rates may fluctuate significantly over short periods of time. They are generally determined by supply and demand in the currency exchange markets and the relative merits of investment in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention (or failure to intervene) by governments or central banks, or by currency controls or political developments.

A Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in a country's currency exchange rates. A Sub-Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Reference Currency of that Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Reference Currency of the Sub-Fund.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. Therefore the successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

6.8. Currency Risk – Hedged Share Class

A Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of a Class denominated in a currency other than the Reference Currency of the Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the Reference Currency of the Sub-Fund in exchange for the currency in which the Class is denominated.

While the Sub-Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Sub-Fund and the hedged Class.

The hedging strategies may be entered into whether the Reference Currency of a Sub-Fund is declining or increasing in value relative to the relevant currency of the hedged Class and so, where such hedging is undertaken it may substantially protect investors in the relevant hedged Class against a decrease in the value of the Reference Currency relative to the hedged Class currency, but it may also preclude investors from benefiting from an increase in the value of the Reference Currency.

6.9. Custodial Risk

A Sub-Fund may invest in markets where custodian and/or settlement systems are not fully developed. The assets of the Sub-Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the custodian will have no liability.

6.10. Valuation Risk

A Sub-Fund's assets comprise mainly of quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, there is a risk that where the Sub-Fund invests in unquoted and/or illiquid investments the values at which these investments are realised may be significantly different to the estimated fair values of these investments.

6.11. Credit spread risk

A Sub-Fund's investments may be adversely affected if any of the issuers it is invested in are subject to an actual or perceived deterioration to their credit quality. Any actual or perceived deterioration may lead to an increase in the credit spreads of the issuer's securities.

6.12. Operational Risk

A Sub-Fund's investments may be adversely affected due to the operational process of the Sub-Fund. A Sub-Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events.

6.13. Regulatory, Business, Legal and Tax

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Sub-Funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and may be changed with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from region to region.

6.14. Conflicts of Interest

The Management Company and the various third parties to which the Management Company has delegated its functions may have conflicts of interest in relation to their duties to the Fund. The Management Company will, however, ensure that all such potential conflicts of interest are resolved fairly and in the best interests of the Shareholders in so far as it is possible to do so.

6.15. Emerging Markets

A Sub-Fund may invest in less developed or emerging markets. These markets may be volatile and illiquid and the investments of the Sub-Fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Company will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a Sub-Fund investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of Shares of that Sub-Fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure.

There may be less government supervision and legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

Securities, Derivative and Investment Techniques

6.16. Fixed Income Securities – General

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower rated securities will usually offer higher yields than higher rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry.

Investors should note that credit ratings may not necessarily reflect the true risk of an investment and that the Investment Manager may use its own set of credit rating criteria to perform its credit analysis, which may differ from the criteria used by the credit rating agencies.

6.17. Sovereign Bonds

A Sub-Fund may invest in debt obligations issued or guaranteed by governments or their agencies (sovereign bonds). The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds.

Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

6.18. Corporate Bonds

A Sub-Fund may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

6.19. Investment Grade Rated Securities

A Sub-Fund may invest in investment grade rated securities. Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and may subsequently downgrade the rating if economic circumstances impact the relevant bond issues.

6.20. Sub-Investment Grade/High Yield

A Sub-Fund may invest in sub-investment grade/high yield securities. These fixed income securities (rated BB+ or lower by Standard & Poor's, Ba1 or lower by Moody's or an equivalent rating from any other recognised rating agency) typically are subject to greater market fluctuations and to greater risk of loss of income and principal, due to default by the issuer, than are higher rated fixed income securities. Lower rated fixed income securities' values tend to reflect short term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher rated fixed income securities' values. In addition, it may be more difficult to dispose of, or to determine the value of, high yield fixed income securities. There are fewer investors in lower rated securities, and it may be harder to buy and sell securities at an optimum time. Fixed income securities rated BB+ or Ba1 or lower, or an equivalent rating from any other recognised rating agency, are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

6.21. Distressed Debt Securities

A Sub-Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Sub-Fund adequately for the risks assumed.

Investing in distressed debt can also impose duties on the Investment Manager which may conflict with duties which it owes to a Sub-Fund. A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Sub-Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Sub-Fund's assets in the company or taking an active role in managing or advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Sub-Fund. In such cases, the Investment Manager may also have discretion to exercise any rights attaching to the Sub-Fund's investments in such a company. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

6.22. Convertible Bonds

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

6.23. Securitised Bonds

Certain Sub-Funds may have exposure to a wide range of asset backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Asset backed securities and mortgage backed securities are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. Asset backed securities and mortgage backed securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

6.24. Local Currency Securities

A Sub-Fund may invest in local currency securities. Such investments will be subject to the risks related to investing in emerging market securities as described above. In addition, when purchasing local Currency securities, exchange rate fluctuations may occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement demands.

6.25. Subordinated Debts

A Sub-Fund may invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been re-paid, the chance of receiving any repayment on insolvency is reduced and therefore subordinated debt represents a greater risk to the investor.

6.26. Equities

A Sub-Fund may invest in equity or equity-related investments. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

6.27. Loans

A Sub-Fund may invest in fixed and floating rate loans from one or more financial institutions ("lender(s)") to a borrower ("borrower") by way of (i) assignment/transfer of; or (ii) participation in the whole or part of the loan amount outstanding. The Sub-Funds will invest only in loans that qualify as Money Market Instruments for the purposes of the Law of 2010.

In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Participations typically will result in the Sub-Fund having a contractual relationship only with a lender as grantor of the participation but not with the borrower. The Sub-Fund acquires a participation interest only if the lender(s) interpositioned between the Sub-Fund and the borrower is determined by the Investment Manager to be creditworthy. When purchasing loan participations, a Sub-Fund assumes the economic risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary. Loan assignments typically involve a transfer of debt from a lender to a third party. When purchasing loan assignments, a Sub-Fund assumes the credit risk associated with the corporate borrower only.

Such loans may be secured or unsecured. Loans that are fully secured offer a Sub-Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates.

A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of the loan or other indebtedness, a Sub-Fund has direct recourse against the corporate borrower, the Sub-Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower.

The loan participations or assignments in which a Sub-Fund invests may not be rated by any internationally recognised rating service.

6.28. Unlisted Securities

A Sub-Fund may invest in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Sub-Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. Additional risks in relation to unlisted financial derivatives are set out below.

6.29. Derivatives – General

A portion of a Sub-Fund's investments may consist of financial derivative instruments, to reduce risks or costs or to generate additional capital or income. Specific Sub-Funds may use more complex derivative investment instruments. The use of derivatives by each Sub-Fund is set out in more detail in Appendix 1.

Generally, derivative instruments are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, leveraged loans, high yield debt securities, interest rates, currencies or currency exchange rates and related indexes. Examples of derivative instruments which a Sub-Fund may use include options contracts, futures contracts, options on futures contracts, swap agreements (including credit swaps, credit default swaps, options on swap agreements, straddles, forward currency exchange contracts and structured notes).

A Sub-Fund's use of derivative instruments involves risks different from, or possibly greater than, the risk associated with investing directly in the underlying asset. The following sets out important risk factors investors should understand and consider in relation to derivative instruments.

Management Risk

Derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with securities. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without the benefit of observing the performance of the derivative instrument under all possible market conditions.

Liquidity risk

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Market and Other Risks

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to a Sub-Fund's interest. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Sub-Fund investments.

Unlisted instruments

For unlisted instruments, or over-the-counter derivative instruments, where two parties contract directly rather than through an exchange, a Sub-Fund will usually have a contractual relationship only with the counterparty of such unlisted instrument and not the reference obligor on the reference obligation. The Sub-Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation.

The Sub-Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the Sub-Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, the Sub-Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of over-the-counter derivative instruments entered into with any one counterparty will subject the Sub-Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor. Additionally, while the Investment Manager expects that the returns on an over-the-counter derivative instrument will generally reflect those of the related reference obligation, as a result of the terms of the over-the-counter derivative instrument and the assumption of the credit risk of the over-the-counter derivative instrument counterparty, an over-the-counter derivative instrument may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default.

Additionally, when compared to the reference obligation, the terms of an over-the-counter derivative instrument may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the over-the-counter derivative instrument, the terms of the over-the-counter derivative instrument may permit or require the issuer of such over-the-counter derivative instrument to satisfy its obligations under the over-the-counter derivative instrument by delivering to the relevant Sub-Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

6.30. Credit Linked Notes

Credit linked notes and similar structured notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. In the event that the counterparty (structurer of the note) defaults, the risk to the Sub-Fund is to that of the counterparty, irrespective of the value of the underlying security within the note. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a credit linked note or similar notes can be less than that for the underlying security, a regular bond or debt instrument, and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

6.31. Repurchase Agreements

Repurchase agreements involve additional risks to financial derivative instruments in that: (i) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and (ii) locking cash in transactions of excessive size or duration, delays in recovering cash placed out or difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment.

6.32. Eurozone Breakup / Failure of Euro

Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Eurozone by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Fund's investments as well as on the ability of the Fund's counterparties to fulfil their obligations. In addition, countries may impose capital control which could impact the Fund's ability to repatriate proceeds. Legal uncertainty may render hedging arrangements ineffectual.

7. The Shares

7.1. General

The Shares of each Sub-Fund will be offered in registered form and will be issued without certificates. Fractions of Shares will be issued up to three decimal places. All Shares are of no par value and must be fully paid upon issue.

Subject to the restrictions described below, Shares of each Class of each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to that Class. The rules governing such allocation are set forth below.

The Shares carry no preferential or pre-emptive rights, and each Share entitles its registered holder to one vote at all general meetings of Shareholders and at all meetings of the Sub-Fund in which such Share is held. Shares redeemed by the Fund become null and void.

The Board of Directors may restrict or prevent the ownership of Shares by any person, firm or corporation if the ownership is such that it may be contrary to the interests of the Fund or of the majority of its Shareholders or of any Sub-Fund or Class therein. Where it appears to the Board of Directors that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Fund may proceed to compulsorily redeem all Shares so owned.

The Board of Directors may fix minimum subscription amounts for each Class, which, if applicable, are detailed below in Section 7.3 “Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts”.

Unless otherwise specified in Appendix 1 in relation to a specific Sub-Fund, applications for subscriptions can be submitted up to 12:00 CET on any Valuation Day, provided the application is received in good order. Applications for subscriptions received after such time will be dealt with on the following Valuation Day. Applications for redemptions and conversions from any Sub-Fund with the exception of BlueBay High Yield Bond Fund, BlueBay High Yield Corporate Bond Fund and BlueBay Global High Yield Bond Fund (together, the “High Yield Sub-Funds”) must be received in good order no later than 12:00 CET on the relevant Valuation Day. Redemption and conversion applications received after such time will be dealt with on the following Valuation Day. Applications for redemptions and conversions from any High Yield Sub-Fund must be received in good order no later than 12:00 CET four Business Days prior to the relevant Valuation Day. Redemption and conversion applications received after such time will be dealt with on the following Valuation Day.

Further information in relation to the subscription, conversion and redemption of Shares is set out below.

7.2. Subscription for Shares

Applications for subscriptions for Shares can be made on any Valuation Day for the relevant Sub-Fund prior to 12:00 CET. Applications for Shares should be sent to the Registrar and Transfer Agent at the address set out in Section 2 “Directory” of this Prospectus.

Shares of each Class shall be allotted at the net asset value per Share of such Class determined on the applicable Valuation Day, plus any applicable sales charge. A sales charge of up to 5% of the subscription amount may be applied, or may be waived in whole or in part at the discretion of the Management Company. The sales charge (if any) will be paid to, and retained by, the intermediary acting in relation to the distribution of Shares or may be credited to the relevant Sub-Fund for the benefit of its existing Shareholders. A Dilution Levy may be charged on net investments over a threshold amount as described in detail in Section 9 “Management and Fund Charges”. The Dilution Levy (if any) will be credited to the relevant Sub-Fund for the benefit of its existing Shareholders.

Payment for Shares must be received by the Custodian in the Reference Currency of the relevant Class not later than three Business Days after the relevant Valuation Day.

The Board of Directors reserves the right to accept or refuse any application in whole or in part and for any reason. The Fund may also limit the distribution of Shares of a given Class or Sub-Fund to specific countries. The issue of Shares of a given Class shall be suspended whenever the determination of the net asset value per Share of such Class is suspended by the Fund (see Section 4.7 “Temporary Suspension of Issues, Redemptions and Conversions”).

The Fund, the Management Company and the Registrar and Transfer Agent will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering, as they may be amended or revised from time to time, and will furthermore adopt procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking. As a result, the Registrar and Transfer Agent has to ensure that the identity of subscribers who are individuals (demonstrated by a certified copy of their passport or identification card) or of subscribers who are not individuals (demonstrated by a certified copy of their articles of incorporation or equivalent documentation) or the status of financial intermediaries (demonstrated by a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorisation delivered by the competent local authorities) are disclosed to the Fund. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

Confirmation of completed subscriptions will be mailed, at the risk of the Shareholder, to the address indicated in the Shareholder's application, within 10 Business Days following the issue of Shares.

The Global Distributor may enter into agreements with certain distributors pursuant to which they agree to act as, or appoint nominees for, investors subscribing for Shares through their facilities (distribution and nominee agreements). In such capacity the distributor may effect subscriptions, conversions and redemptions of Shares in a nominee name on behalf of individual investors and request the registration of such operations on the register of Shareholders of the Fund in such nominee name. The nominee/distributor maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Fund.

7.3. Class Descriptions, Eligibility for Shares, Minimum Subscription and Holding Amounts

Classes of Shares

The Board of Directors may from time to time decide to create within each Sub-Fund different Classes which may have any combination of the following features:

- Each Sub-Fund may contain one or more of the following Classes: B, D, I, IN, M, R (and/or any of the aforementioned, followed by "R") X and/or XF. These Classes may differ in their minimum initial and additional subscription amounts, minimum holding amount, eligibility requirements, and applicable fees and expenses, as detailed in Appendix 2.
- Each Class, where available, may be offered in the Reference Currency of the relevant Sub-Fund, or may be denominated in any other currency as determined from time to time by the Board of Directors. The currency denomination of each Class will be represented in the name of the Class by a short form reference to such currency. Classes not denominated in the Reference Currency of the relevant Sub-Fund are hedged on a periodic basis against the Reference Currency of such Sub-Fund.
- Classes which are intended to distribute dividends are denoted by "(Div)" or "(CDiv)" in the name of the Class. Specific dividend policies for different distributing Classes are described in Section 8 "Dividend Policy".
- Each Class, where available, may charge a Performance Fee, as described in Section 9 "Management and Fund Charges". Classes which charge a Performance Fee are denoted by "(Perf)" in the name of the Class. The applicable Performance Fee Rate for each Class is set out in Appendix 2.

The availability of any Class detailed above may differ from Sub-Fund to Sub-Fund. A complete list of Classes offered within each Sub-Fund may be obtained online at www.bluebayinvest.com, from the registered office of the Fund or from the Registrar and Transfer Agent upon request.

Eligibility Requirements

- **Class B and Class R Shares** (except in instances where "R" is a suffix to another Class described below, in which case the eligibility requirements in respect of such Class shall prevail) are open to all investors.
- **Class D Shares** are intended for investors who are resident or ordinarily resident in the United Kingdom for tax purposes.
- **Class I Shares and Class IN Shares** are not intended to be placed with the public and may only be acquired by qualified Institutional Investors.
- **Class M Shares** may only be acquired by investors who are clients of the Investment Manager and meet the minimum account maintenance or qualification requirements established from time to time for the Investment Manager's client accounts.
- **Class X Shares and Class XF Shares** may only be acquired by (a) investors who are clients of the Investment Manager and (i) meet the minimum account maintenance or qualification requirements established from time to time for the Investment Manager's client accounts and/or (ii) whose Class X Shares will be held in a client account of the Investment Manager subject to separate advisory fees payable to the Investment Manager; or (b) the Directors, the Investment Manager, directors or employees of the Investment Manager and their connected persons (including without limitation a trustee of a trust established by or for such person), or any nominee of the foregoing.

Where subscription proceeds are received from investors subscribing for Classes which are denominated in a currency other than the Reference Currency of the relevant Sub-Fund, the costs for the conversion of currencies into the Reference Currency of the relevant Sub-Fund are borne by the relevant Class, provided always that all Shareholders of the relevant Class are treated equally.

Hedged Currency Classes

A Sub-Fund does not hold a separate portfolio of assets relating to each Class of the same Sub-Fund. The assets and liabilities of each Class are allocated on a percentage basis. In the case of hedged currency Classes, a Sub-Fund may incur liabilities in connection with currency hedging transactions carried out in relation to and for the benefit of a single Class.

With respect to Sub-Funds with different currency Classes, currency hedging transactions for one Class may in extreme cases adversely affect the net asset value of other Classes within the same Sub-Fund.

Initial Offering Price

The initial offering price for the respective currencies of each Class of each Sub-Fund can be obtained online at www.bluebayinvest.com, from the registered office of the Fund or from the Registrar and Transfer Agent upon request.

Minimum Subscription and Holding Amount and Minimum Additional Subscription Amount

The minimum subscription amount, minimum holding amount and minimum additional subscription amount requirements set out below in relation to the relevant Class type apply to all variations of such Class type, unless specifically stated otherwise below or in Appendix 2. For Classes available in any currency not listed below, the minimum subscription amount, minimum holding amount and minimum additional subscription amount can be obtained online at www.bluebayinvest.com, from the registered office of the Fund or from the Registrar and Transfer Agent upon request (and will be approximately equivalent to the respective amounts listed below). Where no minimum amount is specified for a particular Class, no minimum amount is applicable. The availability of any Class described below may differ from Sub-Fund to Sub-Fund. A complete list of Classes offered by each Sub-Fund, together with the current minima in all available currencies, may be obtained online at www.bluebayinvest.com, from the registered office of the Fund or from the Registrar and Transfer Agent upon request.

Minimum Subscription and Holding Amount and Minimum Additional Subscription Amount			
Class	Currencies Offered	Minimum Subscription and Holding Amount	Minimum Additional Subscription Amount
B	EUR	EUR 100,000	EUR 5,000
	USD	USD 100,000	USD 5,000
	GBP	GBP 50,000	GBP 2,500
	CHF	CHF 100,000	CHF 5,000
D	GBP	GBP 50,000	GBP 2,500
DR	GBP	GBP 5,000	GBP 2,500
I	EUR	EUR 500,000	EUR 25,000
	USD	USD 500,000	USD 25,000
	GBP	GBP 300,000	GBP 15,000
	AUD	AUD 500,000	AUD 25,000
	CAD	CAD 500,000	CAD 25,000
	CHF	CHF 500,000	CHF 25,000
IN	EUR	EUR 500,000	EUR 25,000
	USD	USD 500,000	USD 25,000
	GBP	GBP 300,000	GBP 15,000
	CAD	CAD 500,000	CAD 25,000
M	EUR	-	-
	USD	-	-
	GBP	-	-
	NOK	-	-
	SEK	-	-
R	EUR	EUR 10,000	EUR 5,000
	USD	USD 10,000	USD 5,000
	GBP	GBP 5,000	GBP 2,500
	CHF	CHF 10,000	CHF 5,000
	NOK	NOK 100,000	NOK 50,000
	SEK	SEK 100,000	SEK 50,000
X and XF	EUR	-	-
	USD	-	-
	GBP	-	-

Where a Shareholder wishes to add to its holding in a given Class, the additional subscription amount must be at least the amount set out above (or specified online at bluebayinvest.com and available upon request from the registered office of the Fund or the Registrar and Transfer Agent), unless otherwise specified in Appendix 2. The Board of Directors is not obliged to accept additional subscriptions falling below the specified amount.

The Board of Directors has the discretion, from time to time, to waive any applicable minimum subscription amounts.

The Board of Directors may, at any time, decide to compulsorily redeem all Shares from Shareholders whose holdings would, as a result of application for partial redemption of its Shares, be less than the minimum subscription amount or who consequently fail to satisfy any other applicable eligibility requirements set out above or stated in Appendix 2. In such case, the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

7.4. Listing of Shares

At the discretion of the Management Company, Shares of certain Classes (excluding Class X Shares and Class XF Shares) of all Sub-Funds are, or will be, listed on the Luxembourg Stock Exchange. More specific details may be obtained from the Listing Agent.

For so long as the Shares of any Sub-Fund are listed on the Luxembourg Stock Exchange, the Fund shall comply with the requirements of the Luxembourg Stock Exchange relating to those Shares.

7.5. Conversion of Shares

Subject to any suspension of the determination of the net asset values concerned, Shareholders have the right to convert all or part of their Shares of any Class into Shares of the same Class in another Sub-Fund or into Shares of another existing Class of the same or another Sub-Fund by applying for conversion in the same manner as for the issue of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription amounts) applicable to the Class into which the conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum subscription amount (specified above in Section 7.3 "Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts", or in Appendix 2, where appropriate), the Management Company may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum subscription amount, the Shareholder may be deemed (if the Management Company so decides) to have requested the conversion of all of its Shares.

The number of Shares issued upon conversion will be based upon the respective net asset values of the two Classes concerned on the Valuation Day in respect of which the conversion request is processed.

Requests for Conversion between Classes in the same Sub-Fund

For Conversions between different Classes in the same Sub-Fund, conversion requests received in good order prior to 12:00 CET on any Valuation Day will be processed on that Valuation Day. Requests received after 12:00 CET on any Valuation Day will be deferred to the next Valuation Day in the same manner as for the issue and redemption of Shares.

Requests for Conversion between Classes in different Sub-Funds

For Conversions between Classes in different Sub-Funds, conversion requests received in good order prior to 12:00 CET on any common Valuation Day will be processed on such common Valuation Day, provided the request does not relate to a conversion from any High Yield Sub-Fund. Requests received after 12:00 CET on any common Valuation Day will be deferred to the following common Valuation Day in the same manner as for the issue and redemption of Shares.

For Conversions from any High Yield Sub-Fund to any Class in a different Sub-Fund, conversion requests received in good order prior to 12:00 CET four Business Days prior to any common Valuation Day will be processed on such common Valuation Day. Requests received after 12:00 CET four Business Days prior to any common Valuation Day will be deferred to the following common Valuation Day in the same manner as for the issue and redemption of Shares.

For the avoidance of doubt, for conversions between Classes in different Sub-Funds, the notification period for conversion requests shall be the same as the notification period for redemptions applicable to the Sub-Fund from which conversion is requested.

The number of Shares issued upon conversion will be based upon the respective net asset value of the Shares of the relevant Sub-Funds on the Valuation Day in respect of which the conversion request is accepted and will be calculated as follows:

A is the number of Shares to be allocated in the new Sub-Fund/Class

B is the number of Shares to be converted in the original Sub-Fund/Class

C is the net asset value on the applicable Valuation Day of the Shares to be converted in the initial Sub-Fund/Class

D is the exchange rate applicable on the effective transaction day for the currencies of the two Sub-Funds/Classes

E is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

After the conversion, the Registrar and Transfer Agent will inform the Shareholder(s) as to the number of new Shares obtained as a result of the conversion, as well as the net asset value.

A Dilution Levy may (at the discretion of the Board of Directors) be applied on conversions into or out of any relevant Sub-Fund.

In exceptional circumstances, a conversion charge of up to 1% of the net asset value of the Shares to be converted may be applied at the discretion of the Board of Directors provided however that equal treatment of the Shareholders is observed by applying the same percentage to all conversion orders received for the same Valuation Day. The conversion charge (if any) will be applied for the benefit of the Classes or Sub-Funds between which the conversion is effected as appropriate to cover the costs of transactions arising from the conversion.

Additionally, if requests for conversions of more than 10% of the total number of Shares in issue of any Sub-Fund are received in respect of any Valuation Day, the Board of Directors may decide that conversions shall be postponed until the next Valuation Day following that in respect of which the relevant conversion requests were received. Conversion requests which have not been dealt with because of such postponement will be given priority as if the request had been made for the next following Valuation Day until completion of full settlement of the original requests.

Conversions of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund (see Section 4.7 “Temporary Suspension of Issues, Redemptions and Conversions”).

7.6. Redemption of Shares

Any Shareholder may apply for redemption of its Shares in part or in whole on any Valuation Day. For redemptions from any Sub-Fund with the exception of the High Yield Sub-Funds, valid written redemption applications should be received in good order by the Registrar and Transfer Agent no later than 12:00 CET on the relevant Valuation Day. For redemptions from any High Yield Sub-Fund, valid written redemption applications should be received in good order by the Registrar and Transfer Agent no later than four Business Days prior to the relevant Valuation Day.

Redemptions shall be effected at the net asset value per Share of the relevant Class determined on the applicable Valuation Day, minus any applicable Dilution Levy. A Dilution Levy may be charged on net redemptions over a threshold amount. The Dilution Levy (if any) will be credited to the relevant Sub-Fund for the benefit of the remaining Shareholders.

Redemption payments will be made in the Reference Currency of the relevant Class and the Custodian will issue payment instructions to its correspondent bank for payment normally no later than three Business Days after the relevant Valuation Day. The Board of Directors reserves the right to extend the period for payment of redemption proceeds to such period, not exceeding 10 Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the market in which a substantial part of the assets of a Sub-Fund are invested or in exceptional circumstances where a Sub-Fund is unable to meet a redemption request within three Business Days after the relevant Valuation Day.

If, as a result of a redemption, the value of a Shareholder’s holding falls below the relevant minimum subscription amount, that Shareholder may be deemed (if the Board of Directors so decides) to have requested redemption of all of its Shares.

Shareholders are required to notify the Registrar and Transfer Agent immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or which may otherwise be detrimental to the interests of the Fund. If the Board of Directors becomes aware that a Shareholder (a) is a US Person or is holding Shares for the account of a US Person, (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or which may otherwise be detrimental to the interests of the Fund, the Board of Directors may redeem the Shares in accordance with the provisions of the Articles of Incorporation.

Additionally, if requests for redemption of more than 10% of the total number of Shares in issue of any Sub-Fund are received, subject to the restrictions specified above, the Board of Directors may decide that such redemption requests be deferred for a period not exceeding 14 calendar days from the date the relevant redemption requests were received to allow for the disposal of assets by the relevant Sub-Fund in order to realise the proceeds required to meet such requests. Redemption requests which have not been dealt with because of such deferral will be given priority as if the request had been made for the next following Valuation Day until completion of full settlement of the original requests.

Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Fund (see Section 4.7 “Temporary Suspension of Issues, Redemptions and Conversions”).

From time to time it may be necessary for the Fund to borrow on a temporary basis to fund redemptions. For restrictions applicable to the Fund’s ability to borrow, see Section 10.1 “Investment Restrictions”.

7.7. Transfer of Shares

The transfer of registered Shares may normally be effected by delivery to the Registrar and Transfer Agent of an instrument of transfer in appropriate form. On receipt of the transfer request, the Registrar and Transfer Agent may, after reviewing the endorsement(s), require that the signature(s) be guaranteed by an approved bank, stockbroker or public notary.

Shareholders are advised to contact the Registrar and Transfer Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

7.8. Late Trading and Market Timing

The Fund, the Management Company and the Registrar and Transfer Agent ensure that the practices of late trading and market timing will be eliminated in relation to the distribution of Shares. The cut-off times mentioned in this Section 7 will be observed rigidly. Investors do not know the net asset value per Share at the time of their request for subscription, redemption, or conversion.

Subscriptions, redemptions and conversions of Shares should be made for investment purposes only. The Fund and the Management Company do not permit market-timing or other excessive trading practices. Excessive, short-term trading practices may disrupt portfolio management strategies and harm the Fund’s performance. To minimise harm to the Fund and the Shareholders, the Management Company or the Registrar and Transfer Agent on its behalf has the right to reject any subscription or conversion order, or levy a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is believed to engage in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Management Company, has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Management Company may consider trading done in multiple accounts under common ownership or control. The Management Company also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. Neither the Management Company nor the Fund will be held liable for any loss resulting from rejected orders or mandatory redemptions.

7.9. Data Protection

The Fund collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

The data processed includes the name, address and invested amount of each Shareholder (the “Personal Data”).

The investor may, at its discretion, refuse to communicate the Personal Data to the Fund. In this event however the Fund may reject the request for subscription for Shares.

In particular, the Personal Data supplied by Shareholders is processed for the purpose of: (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders; (iii) maintaining controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules; and (v) marketing.

Each Shareholder has a right to object to the use of its Personal Data for marketing purposes. Such an objection can be made in writing to the Fund.

The Fund may delegate the processing of the Personal Data to one or several entities (the “Processors”) which are located in the European Union (such as the Administrative Agent, the Registrar and Transfer Agent and the Investment Manager).

The Fund undertakes not to transfer the Personal Data to any third parties other than the Processors, except if required by law or with the prior consent of the relevant Shareholder.

Each Shareholder has a right to access its Personal Data and may ask for a rectification thereof in cases where such Personal Data is inaccurate and incomplete. The Shareholder may contact Brown Brothers Harriman (Luxembourg) S.C.A. in this regard, on telephone number +352 474 066 1.

Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by law.

7.10. Investors rights

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

8. Dividend Policy

8.1. General

Except as set out below, it is the policy of each Sub-Fund to reinvest all revenues and capital gains and not to pay any dividends. The Board of Directors shall nevertheless in each accounting year have the option, if it deems appropriate, to propose to the Shareholders of any Sub-Fund or Class at the Annual General Meeting the payment of a dividend out of all or part of the net investment income of such Sub-Fund or Class. The Board of Directors may only propose the payment of a dividend if, after the deduction of such distribution, the Fund's capital will exceed the minimum capital required by Luxembourg law.

8.2. Distributing Classes

Annual Distribution

The Board of Directors expects to recommend distribution of substantially all of the net interest income of the following Classes for each year:

- I – (Div); and
- R – (Div).

For Class I – (CDiv), the Board of Directors expects to recommend an annual distribution of all the net investment income and all the net realised capital gains earned in each year.

Quarterly Distribution - Class D Shares (UK Investors)

It is the intention of the Fund to apply for UK Reporting Fund status for Class D Shares (other than for the BlueBay Emerging Market Inflation-Linked Bond Fund). It is intended that dividends will typically be distributed on a quarterly basis to so far as possible reflect, at the dividend declaration date, equalised reportable income as defined under such regime. However the Board of Directors reserves the right to report instead of distribute such income. Broadly, investors will be taxed on the higher of the reportable income and any cash distribution received. Please refer to Section 11.8 for information regarding the Reporting Fund regime.

UK Reporting Fund Status – Other Classes

The Board of Directors may choose to apply for UK Reporting Fund status in respect of other Classes. However, no guarantee can be given that Reporting Fund status will be obtained. Such Classes with Reporting Fund status may either report or distribute income, at the sole discretion of the Board of Directors.

A list of Classes which currently have UK Reporting Fund status may be obtained from the registered office of the Fund or from the Registrar and Transfer Agent upon request. Please refer to Section 11.8 for information regarding the Reporting Fund regime.

8.3. Dividend Declaration

For Classes in respect of which an annual distribution is intended, dividends will typically be declared on the last Business Day of September of each year.

Dividends in respect of Class D Shares will typically be declared on a quarterly basis on the last Business Day of March, June, September and December each year. At the sole discretion of the Board of Directors, an additional dividend may be declared annually.

8.4. Dividend Payment

Dividends will normally be paid within 10 Business Days following the dividend declaration date or as soon as practicable thereafter.

Dividend payments will normally be made by electronic bank transfer. Shareholders should expect to receive the dividend payment within two Business Days following the payment date. Payment will be made in the Reference Currency of the relevant Shares.

Dividends not cashed within five years will lapse and the unclaimed dividend will revert to the relevant Class in accordance with Luxembourg law.

8.5. Reinvestment

Dividends may be reinvested at the prior written request of the Shareholder provided the request is received by the Custodian at least 10 Business Days prior to the dividend declaration date. Dividends to be reinvested are credited to the Custodian on the dividend declaration date. The Custodian invests the amount of the dividends in additional Shares of the same Class ("Reinvestment Shares") in the account of the Shareholder on such dividend declaration date if it is a Valuation Day, or if such date is not a Valuation Day, on the next following Valuation Day.

Reinvestment Shares are issued at the net asset value of the relevant Class as determined on the dividend declaration date if it is a Valuation Day, or if such date is not a Valuation Day, on the next following Valuation Day.

No sales charge is payable on Reinvestment Shares. Reinvestment Shares are held in the registered account for the Shareholder and are calculated to three decimal places.

8.6. Dividend Income Equalisation

For the purposes of calculating dividend income, income is equalised with a view to ensuring that the level of income per Share is not affected by the issue and redemption of Shares. The subscription price of Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Shares, and the first distribution in respect of such Shares will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Shares up to the date of redemption.

9. Management and Fund Charges

9.1. Management and Advisory Fees

The Fund pays to the Management Company a Management and Advisory Fee calculated as a percentage of the daily net assets of each Class under its management. Management and Advisory Fees are accrued on each Valuation Day and payable monthly in arrears at the rate specified in Appendix 2.

No Management and Advisory Fees are payable in respect of Class X Shares and Class XF Shares denominated in any currency.

Subject to the investment restrictions described in this Prospectus, Sub-Funds may invest in other collective investment schemes managed by the Investment Manager and/or the Management Company. Where such collective investment schemes are managed directly or indirectly by the Investment Manager or the Management Company, or by a company to which the Investment Manager or the Management Company (as applicable) is linked by joint management or control or by a direct or indirect participation exceeding 10% of the capital or voting rights ("Related Funds"), no Management and Advisory Fee will be charged to the relevant Sub-Fund in relation to such investments. Furthermore, no subscription, redemption and/or conversion fees may be charged to the relevant Sub-Fund in connection with Related Funds.

9.2. Performance Fees

Where Shareholders have subscribed for Shares in the Performance Fee-paying Classes, the Management Company will also be entitled to receive a Performance Fee calculated on a Shareholder-by-Shareholder basis so that each Shareholder is charged a Performance Fee which equates precisely with the performance of that Shareholder's holding, using performance fee equalisation. This method of calculation ensures that: (i) any Performance Fee paid to the Management Company is charged only to those shareholdings which have appreciated in relative value (as measured by the "Cumulative Relative Performance" which is the extent that the cumulative return per Share exceeds the cumulative return of the benchmark or the hurdle rate, if any, or the cumulative return per Share exceeds zero in case of Sub-Funds without a benchmark or hurdle rate); (ii) all Shareholders have the same amount of capital per Share at risk in the Fund; and (iii) all Shares have the same net asset value per Share.

The Performance Fee in respect of each Performance Fee-paying Class of each Sub-Fund will be calculated in respect of each period of 12 months ending on the last Valuation Day in June in respect of the relevant Class of the relevant Sub-Fund (a "Calculation Period"). For each Sub-Fund, the first Calculation Period in relation to each Class is the period commencing on the date on which the relevant Class of the relevant Sub-Fund first becomes invested if it is a Valuation Day, or if such date is not a Valuation Day on the next following Valuation Day, and ending on the last Valuation Day in the next following June. Notwithstanding the foregoing, the Management Company may in its sole discretion delay the commencement of the first Calculation Period for a period not exceeding one month following the date on which the relevant Class first becomes invested, taking into account factors such as, but not limited to, the size of the initial investment, the liquidity of the underlying portfolio and the trading capacity of the Sub-Fund. In the event that a Class of any Sub-Fund subsequently becomes disinvested, the then current Calculation Period for such Class will terminate on the date of such disinvestment and a new Calculation Period will restart as at the date on which such Class subsequently becomes reinvested if it is a Valuation Day, of if such date is not a Valuation Day on the next following Valuation Day. The Performance Fee will be deemed to accrue as at each Valuation Day.

For each Calculation Period, the Performance Fee in respect of each shareholding will be equal to a percentage as set out in Appendix 2 ("Performance Fee Rate") of the appreciation in the Cumulative Relative Performance per Share during that Calculation Period above the Peak Cumulative Relative Performance per Share (as defined below). The Performance Fee will be calculated at the Class level and will be paid by the Sub-Fund to the Management Company.

The Performance Fee will normally be payable to the Management Company in arrears after the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable after the date of redemption. In the event of a partial redemption, whether during or at the end of a Calculation Period, Shares will be treated as redeemed out of the Shareholder's pool of Shares.

If the Management Company Services Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

Adjustments

If a Shareholder subscribes for Shares at a time when the Cumulative Relative Performance per Share is other than the Peak Cumulative Relative Performance per Share, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Management Company. The Peak Cumulative Relative Performance per Share is the greater of: (i) zero; and (ii) the Cumulative Relative Performance per Share in effect at the point at which a Performance Fee (other than a Performance Fee Redemption, as defined below) was last charged for a Calculation Period.

If Shares are subscribed for at a time when the Cumulative Relative Performance per Share is less than the Peak Cumulative Relative Performance per Share, the Shareholder will be required to pay an additional Performance Fee with respect to any subsequent increase in the Cumulative Relative Performance of those Shares up to the Peak Cumulative Relative Performance (an "Equalisation

Debit”). With respect to any appreciation in the relative value of those Shares from the Cumulative Relative Performance per Share at the date of subscription up to the Peak Cumulative Relative Performance per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at net asset value such number of the Shareholder’s Shares as have an aggregate net asset value (after accrual for any Performance Fee) equal to the Performance Fee Rate of any such relative appreciation (a “Performance Fee Redemption”). An amount equal to the aggregate net asset value of the Shares so redeemed will be paid by the Sub-Fund to the Management Company as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform net asset value per Share. As regards the Shareholder’s remaining Shares, any appreciation in the Cumulative Relative Performance per Share of those Shares above the Peak Cumulative Relative Performance per Share will be charged a Performance Fee in the normal manner described above.

If Shares are subscribed for at a time when the Cumulative Relative Performance per Share is greater than the Peak Cumulative Relative Performance per Share, the Shareholder will be required to pay an amount in excess of the then current net asset value per Share equal to the Performance Fee Rate of the difference between the then current Cumulative Relative Performance per Share (before accrual for the Performance Fee) and the Peak Cumulative Relative Performance per Share (an “Equalisation Credit”). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares in the Fund (the “Maximum Equalisation Credit”). The Equalisation Credit is payable to account for the fact that the net asset value per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Cumulative Relative Performance per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to the Performance Fee Rate of the difference between the Cumulative Relative Performance per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Cumulative Relative Performance per Share will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Cumulative Relative Performance per Share (before accrual for the Performance Fee) exceeds the prior Peak Cumulative Relative Performance per Share, that portion of the Equalisation Credit equal to the Performance Fee Rate of the excess, multiplied by the number of Shares held by the Shareholder at that time, will be applied to subscribe for additional Shares for the Shareholder. Additional Shares will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares was made, has been fully applied. If the Shareholder redeems its Shares before the Equalisation Credit has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Net Equalisation Credit balance then remaining multiplied by a fraction, the numerator of which is the number of Shares being redeemed and the denominator of which is the number of Shares held by the Shareholder immediately prior to the redemption.

Where a Shareholder has made multiple subscriptions for Shares which have given rise to both Equalisation Debits and Equalisation Credits, in the first instance these will be netted off against each other at the time when the Shares in question crystallise the Performance Fees pertaining to them (either at the end of a performance period or at the time of the redemption of such Shares) and the remaining net Equalisation Credit or Equalisation Debit balance will be treated as described above.

9.3. Fees of the Investment Manager

The Management Company will be responsible, out of the fees it receives under Sections 9.1 and 9.2 above, for the fees of the Investment Manager.

9.4. Fees of the Custodian, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent

The Custodian, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee calculated in accordance with customary banking practice in Luxembourg.

In addition, the Custodian, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents.

9.5. Operating and Administrative Expenses

The Fund bears all its Operating and Administrative Expenses including but not limited to: formation expenses such as organisation and registration costs; the Luxembourg asset-based taxe d’abonnement (up to the maximum rate referred to in Section 11 “Taxation”); attendance fees and reasonable out-of-pocket expenses incurred by the Board of Directors; expenses incurred by the Management Company on behalf of the Fund; legal and auditing fees and expenses; ongoing registration and listing fees (including translation expenses); and the costs and expenses of preparing, printing, and distributing the Prospectus, the KIIDs, financial reports and other documents made available to Shareholders.

Operating and Administrative Expenses do not include Transaction Fees and Extraordinary Expenses. Directors who are not directors, officers or employees of the Investment Manager will be entitled to receive remuneration from the Fund as disclosed in the annual financial statements of the Fund.

The Fund's final formation expenses of approximately €150,000 were capitalised and amortised over a period of five years, as permitted by Luxembourg law. The expenses relating to the creation of new Sub-Funds may be capitalised and amortised over a period not exceeding five years, as permitted by Luxembourg law.

9.6. Extraordinary Expenses

The Fund bears any Extraordinary Expenses. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Funds to which they are attributable.

9.7. Transaction Fees

Each Sub-Fund bears its own Transaction Fees. Transaction Fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Fund to which they are attributable.

The Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with whom it has "soft commission" arrangements. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment services to the Fund. Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as the broker agrees to provide "best execution" to the Fund and, in the good faith judgement of the Investment Manager, the amount of the commissions is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research services, quotation services, news wire services, portfolio and trade analysis software systems, special execution and clearance capabilities, may be used by the Investment Manager in connection with transactions in which the Fund will not participate.

The soft commission arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interests of the Fund when entering into soft commission arrangements; (ii) the services provided will be directly to the Investment Manager; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the Investment Manager to brokers that are entities and not to individuals; and (iv) the Investment Manager will provide reports to the Management Company with respect to soft commission arrangements including the nature of the services it receives.

9.8. Dilution Levy

A Dilution Levy may apply for certain Sub-Funds. Appendix 2 sets out the Sub-Funds in respect of which a Dilution Levy may apply.

The Dilution Levy is a charge which may be applied to a relevant Sub-Fund, at the sole discretion of the Board of Directors, with respect to subscriptions, redemptions and conversions of Shares of such Sub-Fund on any Valuation Day. The effect of the Dilution Levy is that the estimated bid/offer spread and transaction costs that arise when the Investment Manager has to trade assets of the relevant Sub-Fund as a result of capital activity will not be incurred by the existing or remaining Shareholders of the relevant Sub-Fund, but by the subscribing investors and converting or redeeming Shareholders only. The purpose of the Dilution Levy is to protect existing or remaining Shareholders in the Sub-Fund. The Dilution Levy will be added as a premium to, or deducted as a discount from, the net asset value per Share. The Dilution Levy will be credited to the Sub-Fund for the benefit of the existing or remaining Shareholders.

With respect to subscriptions, redemptions and conversions of Shares of a relevant Sub-Fund, a Dilution Levy to the net asset value per Share may be applied to the net subscriptions, redemptions and conversions of the relevant Shareholder exceeding a threshold of USD 2,000,000 for Sub-Funds with USD as Reference Currency, or €2,000,000 for Sub-Funds with EUR as Reference Currency. The rate of the Dilution Levy will be determined by the Board of Directors and will be varied from time to time at the Board's discretion to reflect the current market conditions, so as to best protect existing or remaining Shareholders. The Dilution Levy will not exceed 1% of the net amount subscribed, redeemed or converted by an investor, as the case may be, and further details are available on request from the Registrar and Transfer Agent. The current rates applicable are available on request from the Registrar and Transfer Agent.

9.9. Fixed Fees and Expenses

The aggregate amount charged for fees and expenses incurred for the services detailed in Sections 9.4 and 9.5 above in relation to each Class of each Sub-Fund shall be fixed at a certain percentage rate of the assets of the relevant Class, as determined by the Management Company and the Fund pursuant to an Expense Agreement dated 1 July 2011. The fixed rate of fees and expenses for each of the Classes of each Sub-Fund is set out in Appendix 2, and shall be subject to annual review. Any fees and expenses that exceed such fixed rate shall be borne by the Management Company.

9.10. Rebate Arrangements

Subject to applicable law and regulations, the Management Company may at its discretion, on a negotiated basis, enter into private arrangements with a distributor pursuant to which the Management Company makes payments to or for the benefit of such distributor which represent a rebate of all or part of the fees paid by the Fund to the Management Company. In addition, subject to applicable law and regulations, the Management Company or a distributor may at their discretion, on a negotiated basis, enter into private arrangements with a holder or prospective holder of Shares pursuant to which the Management Company or distributor is entitled to make payments to such holder of Shares of part or all of such fees.

Consequently, the effective net fees payable by a Shareholder who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Fund, and for the avoidance of doubt, the Fund cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

10. Investment Restrictions and Financial Techniques and Instruments

10.1. Investment Restrictions

10.1.1 The assets of the Sub-Funds shall comprise only one or more of the following:

(a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

(b) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;

(d) recently issued Transferable Securities and Money Market Instruments, provided that:

i) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under items (a), (b) or (c) above of this Section 10.1.1; and

ii) such admission is secured within one year of issue;

(e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph 2, points a) and b) of Directive 2009/65/EC, whether or not established in a Member State or in an Other State, provided that:

i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway, the Isle of Man, Jersey and Guernsey);

ii) the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;

iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

iv) no more than 10% of the assets of such UCITS or of the other UCIs, whose acquisition is contemplated can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;

(g) financial derivative instruments, i.e. in particular credit default swaps, options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in item (a), (b) or (c) above of this Section 10.1.1, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

i) the underlying consists of instruments covered by this Section 10.1.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to its investment objectives;

ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and

iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Funds' initiative.

Under no circumstances shall such operations cause the Sub-Funds to diverge from its investment objectives.

(h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

i) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;

ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in items (a), (b) or (c) above of this Section 10.1.1;

iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or

iv) issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in any other sub-paragraph of this item (h) provided that the issuer is a company whose capital and reserves amount to at €10,000,000 and which presents and publishes its annual accounts in accordance with EC Directive 78/660/EEC as amended, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

10.1.2 Each Sub-Fund may however:

(i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under items (a) to (d) and (h) of Section 10.1.2;

(j) hold cash and cash equivalents on an ancillary basis (such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders);

(k) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis (collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction); and

(l) acquire foreign currency by means of a back-to-back loan.

10.1.3 In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

10.1.3.1 Risk Diversification Rules

For the purpose of calculating the restrictions described under items (a) to (e) and (h) of this Section 10.1.3, companies which are included in the same Group of Companies are regarded as a single issuer.

Transferable Securities and Money Market Instruments

(a) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or

ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(b) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(c) The limit of 10% set forth above under item (a) i) of this Section 10.1.3 is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(d) The limit of 10% set forth above under item (a) i) of this Section 10.1.3 is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(e) The securities specified above under items c) and d) above of this Section 10.1.3 are not to be included for purposes of computing the limit of 40% set forth above under item (a) ii) of this Section 10.1.3.

(f) Notwithstanding the limits set forth above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other country which is a member of the OECD or by a public international body of which one or more Member State(s) are member(s), provided that: (i) such securities are part of at least six different issues; and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.

(g) Without prejudice to the limits set forth under Section 10.1.3.2, the limits set forth under item (a) above of this Section 10.1.3 are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

i) the composition of the index is sufficiently diversified;

ii) the index represents an adequate benchmark for the market to which it refers; and

iii) the index is published in an appropriate manner.

The limit of 20% is raised to 35% where justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. Investment up to such limit is only permitted for a single issuer.

Bank Deposits

(h) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

Financial Derivative Instruments

(i) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in item (f) of Section 10.1.1 above or 5% of its net assets in other cases.

(j) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3.

(k) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of item (a) of this Section 10.1.3 and item (g) of Section 10.1.1 and above as well as with the risk exposure and information requirements laid down in this Prospectus.

Units of Open-Ended Funds

(l) Except as otherwise stated in Appendix 1 with respect to a specific Sub Fund, no Sub-Fund may invest more than 20% of its net assets in the units of other single UCITS or other UCIs.

Combined limits

(m) Notwithstanding the individual limits laid down in items (a), (h) and (i) above, a Sub-Fund may not combine:

i) investments in Transferable Securities or Money Market Instruments issued by;

ii) deposits made with; and/or

iii) exposures arising from OTC derivative transactions undertaken with

iv) a single body in excess of 20% of its net assets.

(n) The limits set out in items (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3 may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3 may not exceed a total of 35% of the net assets of a Sub-Fund.

10.1.3.2 Limitations on Control

(o) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(p) No Sub-Fund may acquire:

i) more than 10% of the outstanding non-voting shares of any one issuer;

ii) more than 10% of the outstanding debt securities of any one issuer;

iii) more than 10% of the Money Market Instruments of any one issuer; or

iv) more than 25% of the outstanding shares or units of any one UCI.

The limits set forth in sub-paragraphs ii) to iv) above of this item (p) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the securities in issue cannot be calculated.

(q) The limits set forth above under items (o) and (p) of this Section 10.1.3 do not apply in respect of:

i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

iii) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);

iv) shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that: (i) such company invests its assets principally in securities issued by issuers of that State; (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and (iii) such company observes in its investments policy the restrictions set forth in items (a) to (e), (h), (j) and (l) to (p) of this Section 10.1.3; or

v) shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

10.1.4 Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(a) No Sub-Fund may acquire precious metals or certificates representative thereof.

(b) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(c) No Sub-Fund may use its assets to underwrite any securities.

(d) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.

(e) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as detailed in items (e), (g) and (h) of Section 10.1.1.

(f) No Sub-Fund may enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in items (e), (g) and (h) of Section 10.1.1.

10.1.5 Notwithstanding anything to the contrary herein contained:

(a) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such Sub-Fund's portfolio.

(b) If such limits are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

(c) The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares Fund are offered or sold.

10.2. Investment Techniques and Instruments

Each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for investment purpose and efficient portfolio management as set forth in detail in Section 5 "Investment Policies" and in Appendix 1.

Financial Derivative Instruments

When operations concern the use of financial derivative instruments, the relevant techniques and instruments shall conform to the provisions laid down in Section 10.1 "Investment Restrictions". In addition, the provisions laid down in Section 10.3 "Risk Management Process" must be complied with.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment policies and objectives as laid down in Section 5 "Investment Policies" and in Appendix 1.

A Sub-Fund may invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, currency swaps, options, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes.

Non deliverable forwards is a generic term for a set of financial derivative instruments which cover notional currency transactions, including FX forward swaps, cross currency swaps and coupon swaps in non-convertible or highly restricted securities. Non deliverable forwards calculate the implied interest rates of the non-deliverable currency, given the settlement currency interest rates and either the current spot exchange rate and forward points, or the outright forwards.

Total return swaps are any swaps in which the non-floating rate side is based on the total return of a currency or fixed income instrument with a life longer than the swap. Total return swaps are most common in equity or physical commodity markets, but they can be used in fixed income markets where the non-domestic holder of a fixed income security would be subject to a withholding tax, but where the withholding tax may be avoided if the debt instrument is held by a domestic investor who pays the total return to a foreign investor by way of a total return swap. Total return swaps are also used to transfer credit exposure.

Interest rate swaps provide for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets.

Currency swaps are bilateral financial contracts to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk.

Swaptions are options on an interest rate swap. The buyer of a swaption has the right to enter into an interest rate swap agreement by some specified date in the future. The swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer. The writer of the swaption becomes the counterparty if the buyer exercises.

Credit default swaps are bilateral financial contracts in which one counterparty (the "protection buyer") pays a periodic fee in return for a contingent payment by the other counterparty (the "protection seller") following a credit event of a reference issuer. The protection buyer acquires the right to exchange particular bonds or loans issued by the reference issuer with the protection seller for its or their par value, in an aggregate amount up to the notional value of the contract, when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

Credit linked notes are structured notes that enable access to local or external assets which are otherwise inaccessible to the Sub-Fund. Credit linked notes are issued by highly rated financial institutions; where credit linked notes are not listed or dealt in on a Regulated Market, the investment in credit linked notes shall always be within the limit of 10% laid down in item (a) of Section 10.1.2; the legal restrictions are applied to the issuer of the credit linked notes as well as to the underlying thereof. In those cases where credit linked notes are listed or dealt in on a Regulated Market, the aforementioned limit of 10% shall not apply and the investment restrictions applicable to credit linked notes shall be those laid down in Section 10.1.3.

Securities Lending and Borrowing, and Repurchase and Reverse Repurchase Agreement Transactions

Each Sub-Fund may, for efficient portfolio management purposes, enter into securities lending and borrowing and repurchase and reverse repurchase agreement transactions in compliance with the provisions of the CSSF circular 08/356.

Securities Lending

(a) Sub-Funds may enter into securities lending or borrowing transactions, provided that such transactions are carried out in accordance with the following guidelines and the provisions set out in the CSSF circular 08/356.

i) Sub-Funds may only lend or borrow securities through a standardised system operated by a recognised securities clearing institution, such as Clearstream and Euroclear, through a lending program organised by a financial institution or through a first-class financial institution specialised in this type of transactions subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU Law.

ii) When engaging in lending transactions, the relevant Sub-Fund must receive collateral of a value which, during the lifetime of the lending agreement, must be at any time at least equal to 90% of the value of the securities lent. This collateral must be provided in the form of (i) liquid assets; (ii) sovereign OECD bonds; (iii) shares or units issued by specific money market UCIs; (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity; (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a member state of the OECD provided they are included in a main index; and/or (vi) direct investment in bonds or shares with the characteristics detailed in (iv) and (v) of this item. The collateral must be valued on a daily basis. The collateral may be reinvested within the limits and conditions of the CSSF regulations.

iii) The net exposures (i.e. the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law of 2010.

iv) Securities lending or borrowing transactions may not extend beyond a period of 30 days.

v) The restriction set out in item iv) above of this item (a) of Section 10.2 shall not apply if the Sub-Fund involved has the right to terminate the securities lending agreement at any time and request the restitution of the securities lent.

vi) No securities borrowed by any individual Sub-Fund may be disposed of at any time during which they are held by the Sub-Fund, unless such securities are covered by sufficient financial instruments so as to enable the Sub-Fund to return the securities borrowed at the end of the contract term.

(b) Sub-Funds may borrow transferable securities under the following circumstances in connection with the settlement of a securities transaction: (i) at any time in which the securities have been sent for re-registration; (ii) where securities have been lent and not returned on time; or (iii) to prevent failed settlement when the custodian bank fails to discharge its delivery obligation.

Repurchase and reverse repurchase agreements

(a) A repurchase (or repo) agreement is a contract by which the holder of securities sells the securities at a specified price to a counterparty with a commitment to repurchase the same or similar securities at a specified price from the same counterparty at a later date. A reverse repurchase (or reverse repo) agreement is a contract for the purchase of securities from a counterparty with an agreement to resell the same or similar securities at a specified price to the same counterparty at a later date.

(b) Sub-Funds may, on an ancillary or a principal basis, as specified for each Sub-Fund in Appendix 1, enter into repurchase or reverse repurchase agreement transactions consisting of the purchase and sale of transferable securities, subject to the terms of any such agreement containing a clause providing that the seller has the right or is under an obligation to repurchase the securities from the buyer at an agreed date in the future and at an agreed price on terms specified by the two parties under the agreement. Sub-Funds may act as buyer or seller under a repurchase agreement or series of repurchase agreement transactions. However, Sub-Funds may only engage in such transactions subject to the following conditions:

i) Sub-Funds may not buy or sell securities under a repurchase agreement unless the counterparty to such transaction is a first-class financial institution specialised in transactions of such type subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU Law;

ii) during the term of the repurchase agreement, Sub-Funds may not sell any securities forming the object of such agreement either before the right to repurchase such securities has been exercised by the counterparty, or before the repurchase term has expired, except to the extent such Sub-Funds have other means of coverage; and

iii) since the Sub-Funds are open-ended and redeem Shares on demand, they must ensure that the level of their exposure to repurchase agreement transactions is such that they are able, at all times, to meet their redemption obligations.

(c) The net exposures (i.e. the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from reverse repurchase / repurchase agreement transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law of 2010.

It is not anticipated that repurchase agreements shall be entered into other than on an occasional basis.

10.3. Risk Management Process

In accordance with the Law of 2010 and other applicable regulations, in particular CSSF Circular 11/512, the Fund uses a risk management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.

In relation to financial derivative instruments the Fund employs a process for accurate and independent assessment of the value of OTC derivatives and the Fund ensures for each of its Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the limits as set out in Appendix 1.

The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Section 10.1 "Investment Restrictions", in financial derivative instruments provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 10.1 "Investment Restrictions".

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 10.1 "Investment Restrictions".

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section 10.3.

11. Taxation

11.1. General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of, and when appropriate, consult their professional advisors with regards to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that Shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with a Shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Investors should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu). Shareholders may further be subject to net wealth tax (impôt sur la fortune), a temporary crisis contribution (contribution de crise) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

German investors should inform themselves at the registered office of the Fund which Classes are certified for German tax purposes.

The Fund is intended to be managed and controlled in such a manner that it should not be treated as a resident in the UK for UK tax purposes.

11.2. The Fund

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. However, in relation to all Classes of Shares (except Class I Shares), the Fund is liable in Luxembourg to a subscription tax (taxe d'abonnement) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the net asset value of the respective Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Class I Shares which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Class at the end of the relevant quarter.

The aforementioned tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund except a one-off tax of €1,250 which was paid upon incorporation. Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of €75.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short term or long term, are not expected to become taxable in another country, Shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

11.3. Shareholders

Luxembourg Tax Residency

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

Income Tax - Luxembourg Residents

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Fund.

Luxembourg Resident Individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Fund or (ii) the Shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Luxembourg Resident Corporations

Luxembourg resident corporate Shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Luxembourg Residents Benefiting from a Special Tax Regime

Luxembourg resident Shareholders which benefit from a special tax regime, such as (i) UCI governed by the Law of 2010, (ii) specialised investment funds governed by the law of 13 February 2007, as amended, and (iii) family wealth management companies governed by the law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

Income Tax - Luxembourg Non-residents

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any income, withholding, estate, inheritance, capital gains or other taxes in Luxembourg.

Corporate Shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

11.4. EU Savings Directive

Non-resident investors should also note that under Council Directive 2003/48/EC regarding the taxation of savings income (the "EU Savings Directive"), interest payments made by the Fund or its Paying Agent to individuals and residual entities (i.e. entities: (a) without legal personality (save for (i) a Finnish avoin yhtiö and kommandiittiyhtiö/öppet bolag and kommanditbolag and (ii) a Swedish handelsbolag and kommanditbolag); (b) whose profits are not taxed under the general arrangements for the business taxation; and (c) that are not, or have not opted to be considered as, UCITS recognised in accordance with Council Directive 2009/65/EC) resident or established in the EU or an associated or dependent territory (i.e. Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat as well as the former Netherlands Antilles, i.e. Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten) may be subject to a withholding tax in Luxembourg unless the beneficiary opts for an exchange of information whereby the tax authorities of the state of residence are informed of the payment thereof. As at the date of this Prospectus, the rate of such withholding tax is 35%. This withholding tax applies to (i) distributions of profits by the Fund derived from interest payments (unless the Fund's investment in debt claims does not exceed 15%) and (ii) income realised upon the sale, refund or redemption of Shares if the Fund invests directly or indirectly more than 25% of its net assets in debt claims and to the extent such income corresponds to gains directly or indirectly derived from interest payments. The current revision draft of the EU Savings Directive extends the provisions of the EU Savings Directive to interest payments made under certain innovative financial products. Investors should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive, once amended, on their investment.

11.5. Net Wealth Tax

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the Law of 2010, (iii) a securitisation company governed by the law of 22 March 2004 on securitisation, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the law of 13 February 2007, as amended, or (vi) a family wealth management company governed by the law of 11 May 2007.

11.6. Value Added Tax

The Fund is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg so as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent that such payments are linked to their subscription for Shares and do not constitute the consideration received for any taxable services supplied.

11.7. Other Taxes

No estate or inheritance tax is levied on the transfer of Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

11.8. UK Reporting Funds

On 1 December 2009, the UK Government enacted the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) which replaced the UK Distributor Status regime. Funds which have opted to enter this new regime are referred to as 'Reporting Funds'.

Under the new regime, investors in Reporting Funds are subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax.

The new UK Reporting Funds regime applies to the Fund with effect from 1 July 2011.

11.9. US Foreign Account Tax Compliance Requirements ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these provisions is that details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service, as a safeguard against US tax evasion. As a result of the Hire Act, and to discourage non- US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime will be effective in phases between 1 July 2013 and 1 January 2015.

The basic terms of the Hire Act currently appear to include the Fund as a 'Financial Institution', such that in order to comply, the Fund may require all Shareholders to provide mandatory documentary evidence of their tax residence. However, the Hire Act grants the US Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of US tax evasion. The detailed regulations that are expected to define how widely those powers will in fact be exercised have not yet been published, and accordingly the Fund cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

The Board of Directors may therefore resolve, once further clarity about the implementation and impact of FATCA becomes available, that it is in the interests of the Fund to widen the class of investors prohibited from further investing in the Fund and to make proposals regarding existing investor holdings that fall within the wider FATCA definition.

Appendix 1: Investment Objectives, Policies and Additional Information for Sub-Funds

The information set out below in relation to each Sub-Fund should be read in conjunction with the full text of this Prospectus. Any investment policy will always be subject to the restrictions set out in Section 10 "Investment Restrictions and Financial Techniques and Instruments".

The specific risk factors for each Sub-Fund are set out below by reference to Section 6 "Risk Factors" which sets out the relevant risk factors for each Sub-Fund in more detail.

For the purpose of all credit ratings, in instances where two different credit ratings are published by independent credit rating agencies for a specific security, the lower of these ratings shall be decisive. Where three or more ratings are published by independent credit rating agencies for a specific security, the lower of the top two ratings shall be decisive.

Ancillary liquid assets are excluded from net assets for the purposes of calculating all minimum investment thresholds detailed below. Ancillary liquid assets are included within net assets for the purposes of calculating all maximum investment thresholds detailed below. Ancillary liquid assets are those assets invested outside the main investment strategy of a Sub-Fund including, but not limited to, cash, cash equivalents and assets linked to repurchase agreements as part of a treasury management strategy.

The Sub-Funds may invest in unrated securities whose creditworthiness is, in the opinion of the Investment Manager, of comparable quality to other securities eligible for inclusion in the relevant Sub-Fund's portfolio and/or the constituents of the relevant benchmark index of such Sub-Fund. The internal rating assigned to such securities by the Investment Manager will be used for the purpose of calculating the specified thresholds within each Sub-Fund's investment policy.

For each investment policy detailed below, all references to investment shall include both direct and indirect investment, unless otherwise stated.

For each investment policy detailed below, an entity's country of domicile may be determined by the Investment Manager to be the country in which, in the Investment Manager's reasonable opinion, such entity carries out its significant business operations.

Where valuation of the net asset value per Share occurs weekly, the Valuation Day shall be each Tuesday which is a Business Day or, for each Tuesday which is not a Business Day, the following Business Day. Where valuation of the net asset value per Share occurs daily, each Business Day shall be a Valuation Day.

The Investment Manager may manage the currency allocation of each Sub-Fund.

The method used for the determination of the level of leverage of each Sub-Fund is the 'commitment approach'.

Investment in the Sub-Funds may not be suitable for all investors. Investors should review this Prospectus in its entirety, and consult with their professional advisors, before making an application for Shares.

Definitions

In this Appendix, the following terms shall have the following meanings:

"B-/B3"	means rated B- by Standards & Poor's, B3 by Moody's, or the equivalent rating of any other recognised ratings agency.
"investment grade"	means rated BBB- or above by Standard & Poor's, Baa3 or above by Moody's, or an equivalent rating from any other recognised rating agency.
"Emerging Market Countries"	means all countries in the following regions: Asia (excluding Japan), Eastern Europe, Middle East, Africa and Latin America, or such countries as reasonably determined by the Investment Manager from time to time.
"Emerging Market Issuer"	means an entity domiciled in an Emerging Market Country.
"Local Currencies"	means currencies of Emerging Market Countries
"Hard Currencies"	means G7 country currencies, i.e. USD, Canadian Dollars, EUR, GBP or Japanese Yen

1. BLUEBAY EMERGING MARKET BOND FUND

Reference Currency: USD

Benchmark: JP Morgan Emerging Market Bond Index Global Diversified

Investment Objective: To achieve a total rate of return in excess of the JP Morgan Emerging Market Bond Index Global Diversified from a portfolio of fixed income securities of issuers based in Emerging Market Countries.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities of any rating issued by Emerging Market Issuers.

The Sub-Fund invests in USD and non-USD denominated securities, including securities denominated in the Local Currencies of the Emerging Market Countries in which the Sub-Fund invests. The percentage of non-USD denominated securities may increase over time to reflect market opportunities as well as the composition of the benchmark index.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Instruments: The Sub-Fund may: (i) hold credit default swaps; (ii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; and (iii) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets).

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.24 and 6.26 to 6.31.

Investor Profile: Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities of Emerging Market Issuers.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Daily

2. BLUEBAY HIGH YIELD BOND FUND

Reference Currency: EUR

Benchmark: Merrill Lynch European Currency High Yield Constrained Index

Investment Objective: To achieve a total return in excess of the Merrill Lynch European Currency High Yield Constrained Index from a portfolio of fixed income securities.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated below investment grade. The Sub-Fund may invest up to one-third of its net assets in fixed income securities rated investment grade.

Typically at least 50% of its net assets will be invested in fixed income securities* issued by entities domiciled within European countries whose sovereign long term debt rating is investment grade or by entities domiciled elsewhere provided the issuer has a parent undertaking that is domiciled within a European country whose sovereign long term debt rating is investment grade, and in distressed debt securities.

At least two-thirds of the net assets of the Sub-Fund will be denominated in the currencies of European Union countries. The Sub-Fund may invest up to one-third of its net assets in securities denominated in currencies of other countries whose sovereign long term debt rating is investment grade.

* including fixed income securities convertible into equity or having attached warrants.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments issued by issuers worldwide,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative and equity instruments (these are typically created by using financial derivative instruments on currencies, interest rates, equities, bonds and/or debt instruments issued by corporate and sovereign issuers globally); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund’s exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16, 6.18, 6.20, 6.21, 6.25 to 6.29 and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of fixed income securities predominantly of high yield issuers.

Global Exposure: A relative VaR approach is applied. The Sub-Fund’s VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Weekly

Sub-Fund Subsidiary The BlueBay High Yield Bond Fund is structured with a subsidiary company. The Sub-Fund may invest in loans qualifying as Money Market Instruments and such other assets as the Management Company shall determine that are in the best interests of Shareholders from time to time through BlueBay High Yield Bond Investments (Luxembourg) S.A. (the “Subsidiary”) which was incorporated under the Luxembourg law on 28 July 2009 and is registered with the Registre de Commerce et des Sociétés, Luxembourg, under number B. 147 945. The Subsidiary is wholly-owned by the Sub-Fund. The sole object of the Subsidiary is to carry out investment activities exclusively on behalf of the Sub-Fund.

The directors of the Subsidiary are: Henry Kelly (Luxembourg), Claude Niedner (Luxembourg), William Jones (Luxembourg), Nicholas Williams (United Kingdom), Jordan Kitson (United Kingdom) and Robert Raymond (France).

The directors of the Subsidiary are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary and for monitoring the Subsidiary's investments and performance.

The Subsidiary has appointed: (i) the Fund's Administrative Agent, Registrar and Transfer Agent, Brown Brothers Harriman (Luxembourg) S.C.A. to provide administrative, registration and company secretarial services to the Subsidiary, including maintenance of its accounts, books and records and the preparation of the Subsidiary's annual financial statements (which shall include the Subsidiary's various net asset values) (ii) the Auditors of the Fund, PricewaterhouseCoopers S. à r. l. as auditors of the Subsidiary; and (iii) the Investment Manager as its investment manager. The Investment Manager charges a quarterly fee of €15,000 to the Subsidiary for its services. The Sub-Fund and the Subsidiary shall issue consolidated accounts.

As of the date of this Prospectus the Subsidiary is dormant and has not been used by the Sub-Fund.

3. BLUEBAY INVESTMENT GRADE BOND FUND

Reference Currency: EUR

Benchmark: iBoxx Euro Corporates Index

Investment Objective: To achieve a total return in excess of the iBoxx Euro Corporates Index from a portfolio of investment grade-rated fixed income securities.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated investment grade and issued by entities domiciled within European countries whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to one-third of its net assets in investment grade rated fixed income securities issued by entities domiciled in non-European countries whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.

At least two-thirds of the net assets of the Sub-Fund will be denominated in the currencies of European Union countries. The Sub-Fund may invest up to one-third of its net assets in securities denominated in currencies of other countries whose sovereign long term debt rating is investment grade.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010, of debtors not rated below B-/B3 on their debt securities (to the extent that they are rated);
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets and fixed income assets rated below investment grade does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, bonds and/or debt instruments issued by European countries' governments and their agencies); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and

	(v) use repurchase and reverse repurchase agreements to borrow or lend out assets.
Specific Risk Factors:	When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16 to 6.21, 6.25 to 6.29 and 6.31.
Investor Profile:	Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of investment grade-rated fixed income securities.
Global Exposure:	A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above. The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.
Valuation:	Daily

4. BLUEBAY EMERGING MARKET LOCAL CURRENCY BOND FUND

Reference Currency: USD

Benchmark: JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged

Investment Objective: To achieve a total rate of return in excess of the JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged from a portfolio of fixed income government securities of issuers based in Emerging Market Countries and mainly denominated in Local Currencies.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income government securities of any rating issued by governments of Emerging Market Countries and which are denominated in a Local Currency, and in distressed debt securities issued by governments of Emerging Market Countries and which are denominated in a Local Currency.

Investments may include bonds issued by sovereign entities which are traded in Local Currencies, as well as bonds and notes issued by banks and corporations which are traded in local markets. It is expected that investments will principally be made in bonds of government issuers.

The Sub-Fund may invest up to one-third of its net assets in fixed income securities of Emerging Market Issuers denominated in currencies other than Local Currencies and in fixed income securities issued by sovereign entities of non-Emerging Market Countries.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets and fixed income assets not denominated in Local Currencies of an Emerging Market Country does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments for the purpose of efficient portfolio management, mainly in those markets which it cannot access directly; (ii) invest in financial derivative instruments such as foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, options and swaptions for either investment purposes to gain exposure to Local Currencies and local interest rates or for hedging purposes; (iii) buy protection in countries where the Sub-Fund has an existing Local Currency position (the Sub-Fund may buy protection by using all financial derivative instruments described above and/or credit default swap); and (iv) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk

Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.24 and 6.26 to 6.31.

Investor Profile: Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income government securities of Emerging Market Issuers denominated in Local Currencies.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 150% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Currency Hedging: The Sub-Fund may hedge Local Currency exposure at the discretion of the Investment Manager.

Valuation: Daily

5. BLUEBAY EMERGING MARKET SELECT BOND FUND

Reference Currency: USD

Benchmark: Composite index comprised 50% of JP Morgan Emerging Markets Bond Index Global Diversified and 50% JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged

Investment Objective: To achieve a total rate of return in excess of a composite index comprised 50% of JP Morgan Emerging Markets Bond Index Global Diversified and 50% JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged.

Investment Policy: The Sub-Fund invests in fixed income securities of Emerging Market Issuers denominated in any currency.

The Sub-Fund invests at least two-thirds of its net assets in fixed income securities of any rating issued by Emerging Market Issuers, which may be denominated in any currency, and in distressed debt securities of Emerging Market Issuers.

The Sub-Fund takes active exposure to Hard Currency and Local Currency investments. The Sub-Fund will vary the proportion invested in Hard Currency instruments and Local Currency instruments according to the investment view of the Investment Manager in relation to the relevant instruments, taking into consideration in particular the credit rating, the currency (in the case of Local Currency instruments only) and the interest rate of such instruments.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments for the purpose of efficient portfolio management, varying Hard Currency and Local Currency instruments according to the investment view of the Investment Manager in relation to the relevant instruments, and mainly in those markets which it cannot access directly; (ii) invest in financial derivative instruments such as foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, options and swaptions for either investment purposes to gain exposure to Local Currency and local interest rates or for hedging purposes; (iii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; and (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets).

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.24 and 6.26 to 6.31.

Investor Profile: Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities of Emerging Market Issuers denominated in any currency.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Currency Hedging: The Sub-Fund may at any time have a significant proportion of its total exposure denominated in Local Currencies. The Sub-Fund may hedge Local Currency exposure at the discretion of the Investment Manager.

Valuation: Daily

6. BLUEBAY EMERGING MARKET CORPORATE BOND FUND

Reference Currency: USD

Benchmark: JP Morgan Corporate Emerging Market Bond Index (CEMBI) Diversified

Investment Objective: To achieve a total rate of return in excess of the JP Morgan Corporate Emerging Market Bond Index (CEMBI) Diversified from a portfolio of fixed income securities of corporate issuers based in Emerging Market Countries.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities of any rating issued by corporate issuers domiciled within an Emerging Market Country, in unrated debt securities and in distressed debt securities.

The Sub-Fund invests in USD and non-USD denominated securities, including securities denominated in the Local Currencies of the Emerging Market Countries in which the Sub-Fund invests. The percentage of non-USD denominated securities may increase over time to reflect market opportunities as well as the composition of the benchmark index.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
  up to 10% of its net assets in eligible derivative instruments (including but not limited to total returns swaps) relating to commodity indices subject to Article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2002;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in total return swaps and credit default swaps; (ii) invest in currency swaps and currency forwards for currency hedging and other purposes; (iii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; and (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets).

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.16, 6.18 to 6.21, 6.24 and 6.26 to 6.31.

Investor Profile: Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities of Emerging Market Issuers.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Weekly

7. BLUEBAY INVESTMENT GRADE LIBOR FUND

Reference Currency: EUR

Benchmark: Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index

Investment Objective: To achieve a total return in excess of the Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index from a portfolio of investment grade-rated fixed income securities.

Investment Policy: The Sub-Fund invests at least 50% of its net assets in fixed income securities rated investment grade and issued by entities domiciled within European countries whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to 50% of its net assets in investment grade rated fixed income securities issued by entities domiciled in non-European countries whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade.

At least two-thirds of the net assets of the Sub-Fund are denominated in the currencies of European Union countries. The Sub-Fund may invest up to one-third of its net assets in securities denominated in currencies of other countries whose sovereign long term debt rating is investment grade.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in money market instruments,
- provided that investment in such financial assets and fixed income assets rated below investment grade does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, bonds and/or debt instruments issued by European countries' governments and their agencies); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such

	transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.
Specific Risk Factors:	When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16 to 6.21, 6.25 to 6.29 and 6.31.
Investor Profile:	Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of investment grade-rated fixed income securities.
Global Exposure:	An absolute VaR approach is applied. The Sub-Fund's VaR is limited internally, subject to change, and may not exceed 20% of the Sub-Fund's net asset value. The expected level of leverage of the Sub-Fund typically does not exceed 150% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.
Currency Hedging:	All non-Euro denominated exposure will be hedged back to Euro.
Valuation:	Daily

8. BLUEBAY GLOBAL CONVERTIBLE BOND FUND

Reference Currency:	USD
Benchmark:	UBS Global Convertible Focus Index USD
Investment Objective:	To achieve a total return in excess of the UBS Global Convertible Focus Index USD from a portfolio of convertible securities.
Investment Policy:	The Sub-Fund invests at least two-thirds of its net assets in convertible bonds, warrant-linked bonds and similar convertible instruments issued by domestic or international issuers. The Sub-Fund may invest up to one-third of its net assets in fixed interest and variable-interest securities (excluding conversion rights) and in equities, equity warrants and participation certificates. The Sub-Fund invests at least 50% of its net assets in securities issued by entities domiciled within the European Union, Japan or the United States. The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.
Financial Techniques and Instruments:	The Sub-Fund may: (i) invest in derivative instruments including, but not limited to, credit default swaps, equity index futures, equity index options, equity options and total return swaps; (ii) hold credit default swaps; (iii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection (the Sub-Fund may also use credit default swaps on a basket or index of issuers in order to manage the overall credit risk of the portfolio by buying protection); (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the convertible bond cash markets); and (v) use a range of derivative instruments to establish positive and negative exposure to security issuers (negative exposure may be established through derivative products without the Sub-Fund holding the underlying asset).
Specific Risk Factors:	When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.16, 6.18 to 6.22, 6.26 and 6.28 to 6.31.
Investor Profile:	The Sub-Fund is designed for investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of convertible securities.
Global Exposure:	A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above. The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.
Valuation:	Daily

9. BLUEBAY HIGH YIELD CORPORATE BOND FUND

Reference Currency: EUR

Benchmark: Merrill Lynch European Currencies High Yield Constrained Ex. Sub-Financials Index

Investment Objective: To achieve a total return in excess of the Merrill Lynch European Currencies High Yield Constrained Ex. Sub-Financials Index from a portfolio of fixed income securities.

Investment Policy: The Sub-Fund invests at least 50% of its net assets in debt obligations of companies rated below investment grade and domiciled within the European Union. The Sub-Fund may invest up to 50% of its net assets in debt obligations of companies rated investment grade.

Typically, the Sub-Fund will invest at least 50% of its net assets in fixed income securities* issued by entities domiciled within European countries whose sovereign long term debt rating is investment grade or by entities domiciled elsewhere provided the issuer has a parent undertaking that is domiciled within a European country whose sovereign long term debt rating is investment grade, and in distressed debt securities.

At least 50% of the net assets of the Sub-Fund will be denominated in the currencies of European Union countries. The Sub-Fund may invest up to 50% of its net assets in securities denominated in currencies of other countries whose sovereign long term debt rating is investment grade.

* including fixed income securities convertible into equity or having attached warrants

Investment Restrictions: The Sub-Fund may invest:

- up to 5% of its net assets in subordinated financial debt issued by banks;
- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
  up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in bonds of any rating and in Money Market Instruments issued by issuers worldwide,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, equities, bonds and/or debt instruments issued by corporate and sovereign issuers globally); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16, 6.18, 6.20, 6.21, 6.25 to 6.29 and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of fixed income securities predominantly of high yield issuers.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Weekly

10. BLUEBAY EMERGING MARKET ABSOLUTE RETURN BOND FUND

Reference Currency: USD

Benchmark: N/A

Investment Objective: To provide an absolute return by using a strategy of combined long positions and short positions (via the use of financial derivative instruments) in a portfolio of fixed income securities predominantly issued by Emerging Market Issuers and denominated in any currency, as well as making investments linked directly or indirectly to currencies and/or interest rates of Emerging Market Countries.

Investment Policy: The Sub-Fund may invest in fixed income securities of any rating. Typically, the Sub-Fund invests at least 50% of its net assets in fixed income securities issued by Emerging Market Issuers, fixed income securities issued by non-Emerging Market Issuers with substantial exposure to emerging markets and which can be denominated in any currency, and in distressed debt securities of Emerging Market Issuers.

At least 50% of the Sub-Fund's net assets will be exposed to bonds and/or debt instruments issued by sovereign Emerging Market Issuers as well as currencies and interest rates. The Sub-Fund may hold these investments directly or will gain exposure to them through financial instruments.

The Sub-Fund takes active exposure to Hard Currency and Local Currency investments. The Sub-Fund will vary the proportion of exposure to Hard Currency instruments and Local Currency instruments according to the investment view of the Investment Manager in relation to the relevant instruments, taking into consideration in particular the credit quality, the currency (in the case of Local Currency instruments only) and the interest rate of such instruments.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may from time to time, if deemed appropriate by the Investment Manager, hold up to 50% of its net assets in cash and cash equivalents.

The Sub-Fund will not invest more than 50% of its net assets in bonds, qualifying loans (as described above) and/or other debt instruments issued by corporate issuers held directly in the Sub-Fund or through total return swaps, repurchase agreements, credit linked notes or credit default swaps (acting as protection seller) on bonds and/or other debt instruments issued by corporate issuers.

The Sub-Fund will not invest more than 30% of its net assets in distressed debt instruments (which shall include up to 10% loans qualifying as Money Market Instruments) of issuers from Emerging Market Countries.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, bonds and/or debt instruments issued by sovereign issuers of Emerging Market Countries and/or corporate issuers with substantial exposure to emerging markets); (iii) invest in financial derivative instruments for the purpose of efficient portfolio management and for investment purposes, varying Hard Currency and Local Currency instruments according to the investment view of the Investment Manager in relation to the relevant instruments, typically in those markets which it cannot access directly; (iv) enter into credit default swaps; (v) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; (vi) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (vii) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.21, 6.24 and 6.26 to 6.31.

Investor Profile: Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities and other debt instruments issued by or referencing Emerging Market Issuers denominated in any currency, and investments linked directly or indirectly to Local Currencies and interest rates of Emerging Market Countries.

Currency Hedging: The Sub-Fund may at any time have a significant proportion of its total exposure denominated in Local Currencies. The Sub-Fund may hedge Local Currency exposure at the discretion of the Investment Manager.

Global Exposure: An absolute VaR approach is applied. The Sub-Fund's VaR is limited internally, subject to change, and may not exceed 20% of the Sub-Fund's net asset value.

The expected level of leverage of the Sub-Fund typically does not exceed 200% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Weekly

11. BLUEBAY INVESTMENT GRADE EURO GOVERNMENT BOND FUND

Reference Currency: EUR

Benchmark: Barclays Capital Euro Aggregate Treasury Index

Investment Objective: To achieve a total return in excess of the Barclays Capital Euro Aggregate Treasury Index from a portfolio of investment grade-rated fixed income securities.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated investment grade issued by entities domiciled in countries within the European Union whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to one-third of its net assets in fixed income securities rated investment grade issued by entities domiciled in countries outside the European Union whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.

At least two-thirds of the net assets of the Sub-Fund will be denominated in the currencies of European countries.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010, of debtors not rated below B-/B3 on their debt securities (to the extent that they are rated);
- up to 10% of its net assets in money market funds;

- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, bonds and/or debt instruments issued by European countries' governments and their agencies); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16 to 6.21, 6.26, 6.28, 6.29, and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of investment grade-rated fixed income securities.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Daily

12. BLUEBAY INVESTMENT GRADE EURO AGGREGATE BOND FUND

Reference Currency: EUR

Benchmark: Barclays Capital Euro Aggregate Index

Investment Objective: To achieve a total return in excess of the Barclays Capital Euro Aggregate Index from a portfolio of investment grade-rated fixed income securities.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated investment grade issued by entities domiciled in countries within the European Union whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to one-third of its net assets in fixed income securities rated investment grade issued by entities domiciled in countries outside the European Union whose sovereign long term debt rating is investment grade.

The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.

At least two-thirds of the net assets of the Sub-Fund will be denominated in the currencies of European countries.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010, of debtors not rated below B-/B3

on their debt securities (to the extent that they are rated);

- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, bonds and/or debt instruments issued by European countries' governments and their agencies); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16 to 6.19 to 6.21, 6.23, 6.25 to 6.29 and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of investment grade-rated fixed income securities.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Daily

13. BLUEBAY GLOBAL HIGH YIELD BOND FUND

Reference Currency: USD

Benchmark: Merrill Lynch Global High Yield Constrained Index

Investment Objective: To achieve a total return in excess of the Merrill Lynch Global High Yield Constrained Index from a global portfolio of fixed income securities.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in the debt obligations of companies rated below investment grade.

At least 50% of the Sub-Fund's net assets are invested in securities issued by entities domiciled in the United States.

The Sub-Fund may also invest (i) up to 10% of its net assets in securities issued by entities domiciled in Latin America (Mexico, Central America, South America and the islands of the Caribbean, including Puerto Rico); and (ii) up to 10% of its net assets in securities issued by entities domiciled in Asia (the Asian continent and the surrounding Pacific islands including Australia and New Zealand).

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8

February 2008 relating to certain definitions of the Law of 2010; and
- up to 10% of its net assets in convertible bonds or bonds with warrants attached,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, equities, bonds and/or debt instruments issued by corporate issuers globally); (iii) use credit default swaps in order to hedge the specific credit risk of some of its issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap purchase transactions without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets); and (v) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16, 6.18, 6.20, 6.21, 6.25 to 6.29 and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of fixed income securities predominantly of high yield issuers.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Weekly

14. BLUEBAY EMERGING MARKET INVESTMENT GRADE CORPORATE BOND FUND

Reference Currency: USD

Benchmark: JP Morgan Corporate Emerging Market Diversified High Grade Index

Investment Objective: To achieve a total return in excess of the JP Morgan Corporate Emerging Market Diversified High Grade Index.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated investment grade and issued by corporate issuers which are domiciled in an Emerging Market Country.

The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade, provided that such securities are not rated below B-/B3.

Investment Restrictions: The Sub-Fund may invest:
- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund and that no such financial assets (to the extent they are rated) are rated below B-/B3.

The Sub-Fund may not invest in securities rated below B-/B3. In the event that the rating of any security held by the Sub-Fund is downgraded to below B-/B3 subsequent to the Sub-Fund acquiring such security, the Investment Manager will reduce the relevant position over time in line with market conditions, provided that it must dispose of the relevant security within a maximum period of six months following a downgrading. Under such circumstances the Sub-Fund may however maintain a maximum exposure of 3% to securities rated below B-/B3.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in total return swaps and credit default swaps; (ii) invest in currency swaps and currency forwards for currency hedging and other purposes; (iii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets).

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.16, 6.18, 6.19, 6.28, 6.29 and 6.31.

Investor Profile: Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of investment grade-rated fixed income securities who are prepared to tolerate price fluctuations.

Global Exposure: A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above.

The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Daily

15. BLUEBAY EMERGING MARKET INFLATION-LINKED BOND FUND

Reference Currency: USD

Benchmark: Barclays Capital Emerging Markets Government Inflation-Linked Bond Constrained Index, USD unhedged

Investment Objective: To achieve a total return in excess of the Barclays Capital Emerging Markets Government Inflation-Linked Bond Constrained Index, USD unhedged from a portfolio of inflation-linked emerging markets securities and Local Currencies.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in inflation-linked securities (including inflation-linked derivatives) of any rating issued by Emerging Market Issuers, and in local currency investments.

The Sub-Fund securities are mainly denominated in the Local Currencies of the Emerging Market Countries in which the Sub-Fund invests.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
- up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may invest up to 30% of its net assets in securities of issuers domiciled in any single country.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments:	In addition to investing in inflation-linked derivatives, the Sub-Fund may: (i) invest in financial derivative instruments for the purpose of efficient portfolio management, mainly in those markets which it cannot access directly; (ii) invest in financial derivative instruments such as foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, options and swaptions for either investment purposes to gain exposure to local currencies and local interest rates or for hedging purposes; (iii) buy protection in countries where the Sub-Fund has an existing local currency position (the Sub-Fund may buy protection by using all financial derivative instruments described above and/or credit default swap); and (iv) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.
Specific Risk Factors:	When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.17, 6.19, 6.20, 6.24 and 6.29 to 6.31. Investors should be specifically aware that in a deflationary environment, in particular in the countries in which the Sub-Fund invests, the performance of the Sub-Fund may be adversely affected.
Investor Profile:	Investors with a medium to long-term horizon (three to five years) looking for an actively managed portfolio of inflation-linked emerging market securities.
Global Exposure:	A relative VaR approach is applied. The Sub-Fund's VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above. The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.
Valuation:	Weekly

16. BLUEBAY INVESTMENT GRADE ABSOLUTE RETURN BOND FUND

Reference Currency:	EUR
Benchmark:	Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index
Investment Objective:	To achieve a total return in excess of the Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index from a portfolio of investment grade-rated fixed income securities.
Investment Policy:	The Sub-Fund invests at least 50% of its net assets in fixed income securities rated investment grade.
Investment Restrictions:	The Sub-Fund may invest: • up to 10% of its net assets in equity securities; • up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010; • up to 10% of its net assets in money market funds; • up to 25% of its net assets in convertible bonds or bonds with warrants attached; and • up to one-third of its net assets in Money Market Instruments, • provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund and that no such financial assets (to the extent they are rated) are rated below B-/B3. The Sub-Fund may invest up to 25% of its net assets in fixed income securities rated below investment grade, provided that such securities are not rated below B3/B-. The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.
Financial Techniques and Instruments:	The Sub-Fund may: (i) invest in financial derivative instruments including but not limited to foreign exchange forwards, non deliverable forwards, total return swaps, interest rate swaps, cross currency swaps, inflation swaps, options, futures and swaptions, for either investment or hedging purposes; (ii) create both long and short positions via the use of financial derivative instruments (these are typically created by using financial derivative instruments on currencies, interest rates, equities, bonds and/or debt instruments issued by corporate and sovereign issuers globally); (iii) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or

buy protection by entering into credit default swap purchase transactions; and (iv) use repurchase and reverse repurchase agreements to borrow or lend out assets.

Specific Risk Factors: When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.14, 6.16 to 6.19, 6.23, 6.25, 6.29 and 6.31.

Investors should be specifically aware that the Sub-Fund uses derivatives in order to obtain economic leverage, and that as a result the impact of adverse market movements may be magnified and result in losses that are greater than for comparable funds that do not use leverage. Offsetting long and short exposures may be used to reduce directional market risk, but there is a risk that losses can occur on long and short exposures simultaneously since established correlations can break down during periods of stress. Investors should also be aware that short positions are in theory exposed to unlimited losses. If losses occur on derivative instruments, the Sub-Fund may have to make margin payments to its counterparties. In the event that the Sub-Fund does not hold sufficient cash, it may be forced to liquidate assets in order to meet margin calls, and in the event that there is insufficient liquidity in the market this may result in further losses.

Investor Profile: Investors with a medium to long-term horizon (3 to 5 years) looking for an actively managed portfolio of investment grade-rated fixed income securities.

Global Exposure: An absolute VaR approach is applied. The Sub-Fund's VaR is limited internally, subject to change, and may not exceed 20% of the Sub-Fund's net asset value.

The expected level of leverage of the Sub-Fund typically does not exceed 300% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.

Valuation: Daily

17. BLUEBAY EMERGING MARKET HIGH YIELD CORPORATE BOND FUND

Reference Currency: USD

Benchmark: JP Morgan Corporate Emerging Market Diversified High Yield Index

Investment Objective: To achieve a total rate of return in excess of the JP Morgan Corporate Emerging Market Diversified High Yield Index.

Investment Policy: The Sub-Fund invests at least two-thirds of its net assets in fixed income securities rated below investment grade issued by corporate issuers domiciled within an Emerging Market Country.

Investment Restrictions: The Sub-Fund may invest:

- up to 10% of its net assets in equity securities;
- up to 10% of its net assets in loans qualifying as Money Market Instruments for the purposes of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010;
  up to 10% of its net assets in money market funds;
- up to 25% of its net assets in convertible bonds or bonds with warrants attached; and
- up to one-third of its net assets in Money Market Instruments,
- provided that investment in such financial assets does not in aggregate exceed one-third of the net assets of the Sub-Fund.

The Sub-Fund may not invest more than 10% of its net assets in the units of other single UCITS or other UCIs.

Financial Techniques and Instruments: The Sub-Fund may: (i) invest in total return swaps and credit default swaps; (ii) invest in currency swaps and currency forwards for currency hedging and other purposes; (iii) use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection; (iv) sell protection by entering into credit default swap sale transactions in order to acquire a specific credit exposure and/or buy protection by entering into credit default swap without holding the underlying assets (provided it is in the exclusive interest of the Sub-Fund - the entering into such transactions is in particular in the Sub-Fund's exclusive interest when the prevailing rates offered by the credit default swap market are more favourable than those offered by the cash bond markets).

Specific Risk Factors:	When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2 to 6.22, 6.24 and 6.26 to 6.31.
Investor Profile:	Investors with a medium to long term time horizon (three to five years) looking for an actively managed portfolio of fixed income securities of Emerging Market Issuers.
Global Exposure:	A relative VaR approach is applied. The Sub-Fund’s VaR is limited by twice the VaR of a reference portfolio, being the benchmark of the Sub-Fund as set out above. The expected level of leverage of the Sub-Fund typically does not exceed 120% of the net asset value of the Sub-Fund. However, under certain circumstances the level of leverage might exceed the aforementioned level.
Valuation:	Weekly

Appendix 2: Summary of Fees and Expenses for Sub-Funds

The tables below set out:

(a) the relevant Management and Advisory Fees, Performance Fees and fixed fees and expenses for each Sub-Fund;

(b) the relevant benchmarks or hurdle rates, where applicable, for the purposes of calculating the performance and Performance Fee (where applicable) for each Sub-Fund; *

(c) whether the Management Company has the discretion to charge a Dilution Levy for each Sub-Fund; and

(d) the minimum subscription and holding amounts, and minimum additional subscription amount for each Sub-Fund, if different to those specified in Section 7 "The Shares".

* The benchmark or hurdle rate set out in each table below is the benchmark or hurdle rate (as applicable) for the Class offered in the Reference Currency of the relevant Sub-Fund. The benchmark or hurdle rate (as applicable) for Classes offered in currencies different to the Reference Currency of any given Sub-Fund will be fully hedged against the currency in which the relevant Class is denominated.

Detailed information about the various fund charges is set out in Section 9 "Management and Fund Charges".

1. BlueBay Emerging Market Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	100	Nil	20
B (Perf)	60	20.0	20
D	100	Nil	20
DR	150	Nil	20
I	100	Nil	16
I (Perf)	60	20.0	16
M	100	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	*JP Morgan Emerging Market Bond Index Global Diversified*		
Dilution Levy	*No*		

2. BlueBay High Yield Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	120	Nil	16
B – EUR	80	20.0	16
D	120	Nil	16
DR	150	Nil	16
I	120	Nil	12
I (Perf)	80	20.0	12
M	120	Nil	30
MR	175	Nil	30
R	150	Nil	16
X	Nil	Nil	16
XF	Nil	Nil	16
Benchmark	*Merrill Lynch European Currency High Yield Constrained Index, fully hedged against EUR*		
Dilution Levy	*No*		

3. BlueBay Investment Grade Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	50	Nil	16
B (Perf)	30	20.0	16
D	50	Nil	16
DR	75	Nil	16
I	50	Nil	7
I (Perf)	30	20.0	7
M	50	Nil	30
MR	100	Nil	30
R	75	Nil	16
X	Nil	Nil	16
XF	Nil	Nil	16
Benchmark	*iBoxx Euro Corporates Index*		
Dilution Levy	*No*		

4. BlueBay Emerging Market Local Currency Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	125	Nil	20
B (Perf)	80	20.0	20
D	125	Nil	20
DR	175	Nil	20
I	125	Nil	16
I (Perf)	80	20.0	16
M	125	Nil	30
MR	175	Nil	30
R	175	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged		
Dilution Levy	No		

5. BlueBay Emerging Market Select Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	125	Nil	20
B (Perf)	80	20.0	20
D	125	Nil	20
DR	175	Nil	20
I	125	Nil	16
I (Perf)	80	20.0	16
M	125	Nil	30
MR	175	Nil	30
R - USD	175	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	A composite index comprised 50% of the JP Morgan Emerging Markets Bond Index Global Diversified and 50% JP Morgan Government Bond Index – Emerging Markets Broad Diversified (GBI-EM Broad Diversified), USD unhedged		
Dilution Levy	No		

6. BlueBay Emerging Market Corporate Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	120	Nil	20
B (Perf)	80	20.0	20
D	120	Nil	20
DR	150	Nil	20
I	120	Nil	16
I (Perf)	80	20.0	16
M	120	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	JP Morgan Corporate Emerging Market Bond Index (CEMBI) Diversified		
Dilution Levy	No		

7. BlueBay Investment Grade Libor Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	50	Nil	20
B (Perf)	30	20.0	20
D	50	Nil	20
DR	75	Nil	20
I	50	Nil	7
I (Perf)	30	20.0	7
M	50	Nil	30
MR	100	Nil	30
R	75	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index		
Dilution Levy	No		

8. BlueBay Global Convertible Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	100	Nil	20
B (Perf)	60	20.0	20
D	100	Nil	20
DR	150	Nil	20
I	100	Nil	16
I (Perf)	60	20.0	16
M	100	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	UBS Global Convertible Focus Index USD		
Dilution Levy	Yes		

9. BlueBay High Yield Corporate Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	120	Nil	20
B (Perf)	80	20.0	20
D	120	Nil	20
DR	150	Nil	20
I	120	Nil	16
I (Perf)	80	20.0	16
M	120	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Merrill Lynch European Currency High Yield Constrained Ex. Sub-Financials Index, fully hedged against EUR		
Dilution Levy	Yes		

10. BlueBay Emerging Market Absolute Return Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
I (Perf)†	150	15.0	16
IN (Perf)	200	20.0	16
M (Perf)	200	20.0	30
R (Perf)	250	20.0	20
X	Nil	Nil	20
XF	Nil	Nil	20
† Class I is exclusively available for subscription by existing holders of Class I Shares and is closed to subscription by any party who is not an existing holder of Class I Shares.			
Hurdle rate (for Class I Only)**	Merrill Lynch US Dollar LIBOR 1-month Constant Maturity Index plus 2%		
** There is no hurdle rate for Class IN, Class M and Class R.			
Dilution Levy	No		
Notwithstanding the provisions in Section 7.3 of this Prospectus, the minimum subscription amount, minimum holding amount and minimum additional subscription amount requirements for Class R of the Sub-Fund is set out below and will be the approximate equivalent for any alternative currency to the ones listed.			

Class	Minimum Subscription and Holding Amount	Minimum Additional Subscription Amount
R - USD (Perf)	USD 10,000	USD 5,000
R - EUR (Perf)	EUR 10,000	EUR 5,000
R - GBP (Perf)	GBP 10,000	GBP 5,000

11. BlueBay Investment Grade Euro Government Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	50	Nil	20
B (Perf)	30	20.0	20
D	50	Nil	20
DR	75	Nil	20
I	50	Nil	7
I (Perf)	30	20.0	7
M	50	Nil	30
MR	100	Nil	30
R	75	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Barclays Capital Euro Aggregate Treasury Index, in Euro		
Dilution Levy	No		

12. BlueBay Investment Grade Euro Aggregate Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	50	Nil	20
B (Perf)	30	20.0	20
D	50	Nil	20
DR	75	Nil	20
I	50	Nil	7
I (Perf)	30	20.0	7
M	50	Nil	30
MR	100	Nil	30
R	75	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Barclays Capital Euro Aggregate Bond Index, in Euro		
Dilution Levy	No		

13. BlueBay Global High Yield Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	100	Nil	20
B (Perf)	60	20.0	20
D	100	Nil	20
DR	150	Nil	20
I	100	Nil	16
I (Perf)	60	20.0	16
M	100	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Merrill Lynch Global High Yield Constrained Index, fully hedged against USD		
Dilution Levy	Yes		

14. BlueBay Emerging Market Investment Grade Corporate Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	100	Nil	20
B (Perf)	60	20.0	20
D	100	Nil	20
DR	150	Nil	20
I	100	Nil	20
I (Perf)	60	20.0	20
M	100	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	JP Morgan Corporate Emerging Market Diversified High Grade Index, USD unhedged		
Dilution Levy	No		

15. BlueBay Emerging Market Inflation-Linked Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	125	Nil	20
B (Perf)	80	20.0	20
D	125	Nil	20
DR	175	Nil	20
I	125	Nil	16
I (Perf)	80	20.0	16
M	125	Nil	30
MR	175	Nil	30
R	175	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Barclays Capital Emerging Markets Government Inflation-Linked Bond Constrained Index, USD unhedged		
Dilution Levy	No		

16. BlueBay Investment Grade Absolute Return Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	100	Nil	20
B (Perf)	60	20.0	20
D	100	Nil	20
DR	150	Nil	20
I	100	Nil	10
I (Perf)	60	20.0	10
M	100	Nil	30
MR	175	Nil	30
R	150	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	Merrill Lynch Euro Currency Libor 3-Month Constant Maturity Index		
Dilution Levy	No		

17. BlueBay Emerging Market High Yield Corporate Bond Fund			
Class	Management and Advisory Fee (basis points)	Performance Fee Rate (%)	Fees and Expenses (basis points)
B	150	Nil	20
B (Perf)	110	20.0	20
D	150	Nil	20
DR	200	Nil	20
I	150	Nil	20
I (Perf)	110	20.0	20
M	150	Nil	30
MR	200	Nil	30
R	200	Nil	20
X	Nil	Nil	20
XF	Nil	Nil	20
Benchmark	JP Morgan Corporate Emerging Market Diversified High Yield Index, USD unhedged		
Dilution Levy	Yes		