RBC BlueBay Asset Management

February 2024

Emerging Market Investment Grade Corporate Bond Fund

Investment objective

The fund is actively managed and targets better returns than its benchmark, the JP Morgan Corporate Emerging Market Diversified High Grade Index, while taking into account Environmental, Social and Governance ("ESG") considerations

Investment strategy

- There are no restrictions on the extent to which the fund's portfolio and performance may deviate from the ones of the benchmark.
- At least two-thirds of the fund's investments will be in fixed income bonds issued by companies based in emerging market countries.
- Up to 15% of the fund's assets may be invested in bonds rated below investment grade, provided that such bonds are not rated below B-/B3 or an equivalent rating by a credit rating agency.
- The Fund meets the conditions set out in Article 8 of the Sustainable Finance Disclosure Regulation as it promotes environmental/social characteristics through binding requirements as a key feature. Full details available online: www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/

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

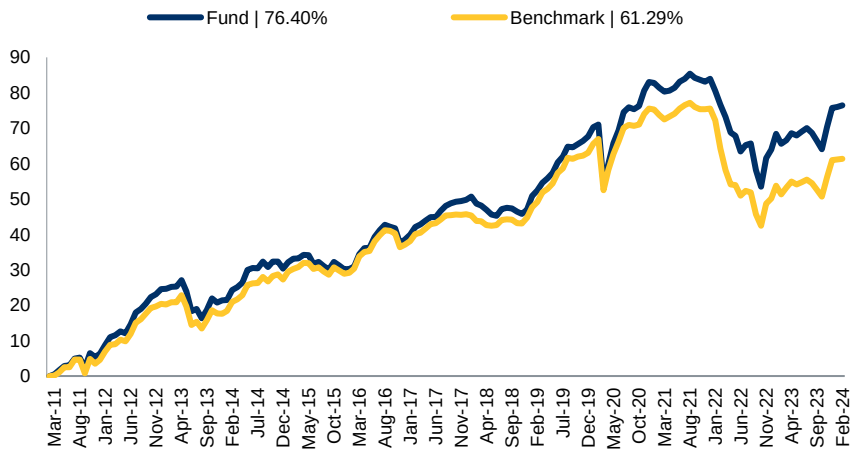
	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI*
Fund	0.27	3.61	0.43	6.56	-0.93	2.97	3.57	4.48
Benchmark	0.07	3.32	0.18	6.59	-2.45	1.58	2.92	3.76
Relative	0.20	0.30	0.25	-0.03	1.52	1.39	0.65	0.72

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	7.13	-10.85	0.50	9.13	14.12	-1.87	8.07	6.44	-0.15	7.43
Benchmark	7.24	-14.48	0.03	7.61	12.69	-0.69	6.30	6.38	1.28	8.25

J.P. Morgan CEMBI Diversified Investment Grade - TRUSD is the benchmark for the Fund. The inception date for the Fund is 15 March 2011. *SI – Since inception.

Cumulative performance Gross of fees (USD) since inception[1]



Risk statistics[2]

	Fund
Standard deviation (%)	4.62
Tracking error (%)	1.42
Information ratio	0.51

Contributors

- Overweight Brazilian and Mexican assets

Detractors

- Underweight Qatar financials
- Panamanian assets

Outlook

- The emerging-market fixed income asset class has had a relatively volatile beginning to the year. Poor returns contrast with rallies from both DM and EM equities.
- A key question for investors is whether rates volatility will continue to be a headwind.
- Given the health of the US economy rate cuts could be delayed and may be smaller this year, reinforcing the theme of "higher for even longer" than many had hoped.
- Fundamentals on both sovereign and corporate side show defaults normalising to long-term averages.
- In many stressed countries there have been material improvements in funding as well as fiscal improvements, albeit with significant differentiation.
- A strong research process will ensure the weakest credits are avoided and strong alpha can be generated from the rest of the asset class.
- Caution on local currency is important as the US dollar could strengthen as Trump gets closer to an election and central banks cut rates faster than the fall in inflation justifies.

Past performance does not predict future returns. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. Fees and other expenses will have a negative effect on investment returns. Performance shown for 1 year periods onwards are annualised figures.

This is a marketing communication. Please refer to the prospectus of the Fund before making any final investment decisions.
Source: RBC Global Asset Management, J.P. Morgan as at 29 February 2024. This report is incomplete without the Legal Disclaimer included on the last page.

Fund characteristics

	Fund	Benchmark
Weighted interest rate duration (years)	4.68	4.60
Weighted spread duration (years)	4.55	4.68
Yield to maturity (%)	6.09	5.67
Weighted spread	169	111
Number of issues	152	418
Number of issuers	114	308
Weighted rating	BBB+	BBB+
Average position (%)	0.65	0.24

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

Top sector relative to benchmark (%, NAV)

Overweights	
Government	3.26
Consumer	2.93
Utilities	2.84
Pulp & Paper	1.48
Infrastructure	0.99

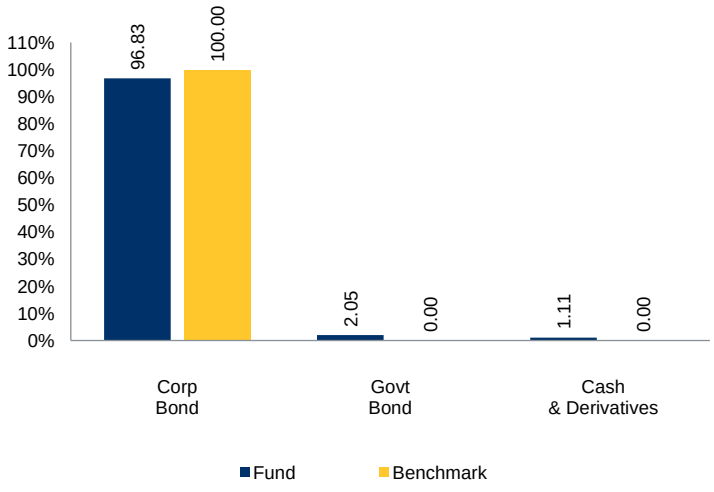
Underweights	
Financial	-4.11
TMT	-2.61
Real Estate	-2.29
Industrial	-1.69
Oil & Gas	-1.20

Top country relative to benchmark (%, NAV)

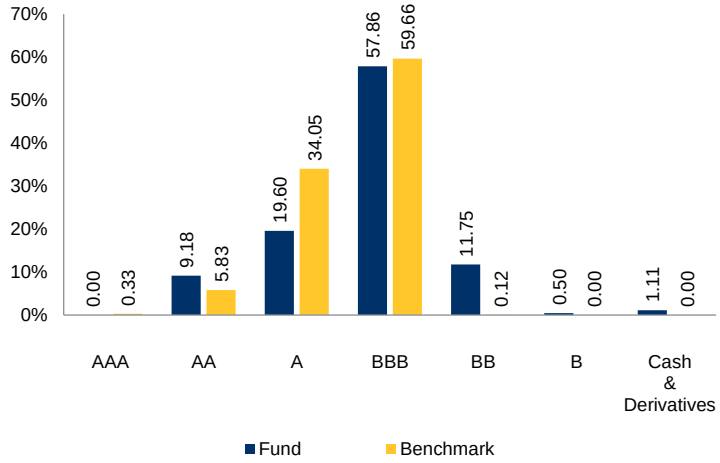
Overweights	
United Arab Emirates	5.60
Mexico	4.94
Brazil	3.84
Colombia	2.69
United States	2.52

Underweights	
China	-8.00
Singapore	-5.20
Qatar	-5.01
South Korea	-3.26
Taiwan	-2.81

Asset type breakdown (%, NAV)



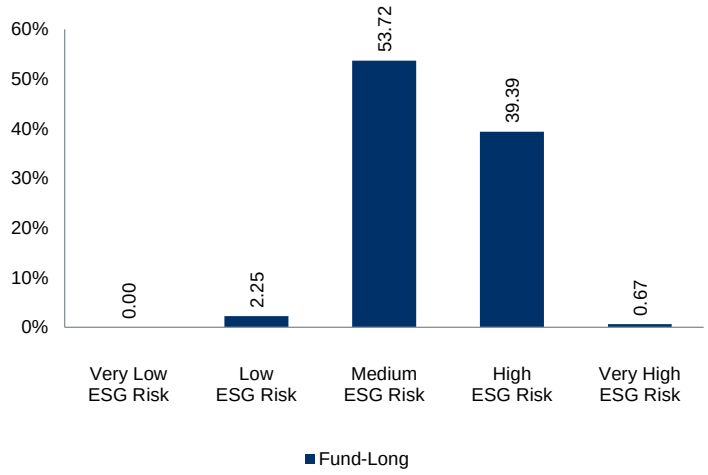
Credit quality breakdown (%, NAV)



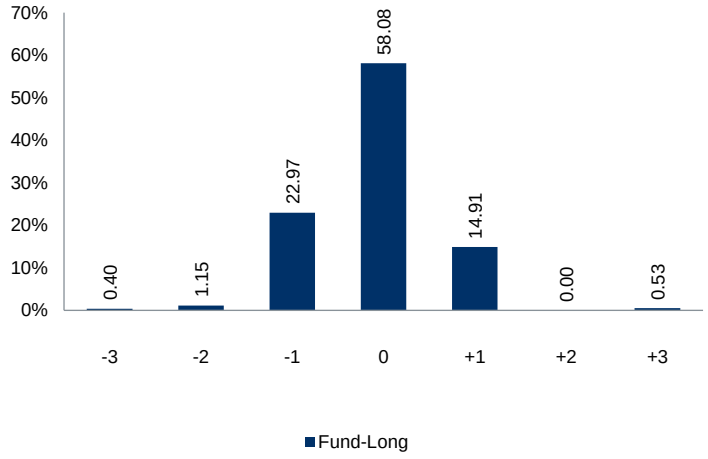
Important risk considerations

- At times, the market for emerging market bonds may dry up, which could make it difficult to sell these bonds, or the fund may only be able to sell them at a discount.
- There may be cases where an organisation with which we trade assets or derivatives (usually a financial institution such as a bank) may be unable to fulfil its obligations, which could cause losses to the fund.
- Investing in emerging market bonds offers you the chance to gain higher returns through growing your capital and generating income. Nevertheless, there is a greater risk that the organization which issued the bond will fail, which would result in a loss of income to the fund along with its initial investment.
- Emerging markets may be more volatile and it could be harder to sell or trade these bonds. There may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed trading markets. Emerging markets can be particularly sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.
- RBC BlueBay could suffer from a failure of its processes, systems and controls – or from such a failure at an organisation on which we rely in order to deliver our services – which could lead to losses for the fund.

BlueBay: Issuer fundamental ESG risk ratings[3]



BlueBay: Security investment ESG scores[4]



Top 5 holdings (%, NAV)[3, 4]

Holding	Weight (absolute)	Weight (relative)	ESG Risk Rating	ESG Score
NTBKKK 1 5/8 09/27 REGS	2.21	1.65	Medium	0
T 0 3/8 04/15/24	2.05	2.05	Medium	0
ADGLXY 2.94 09/40 REGS	1.98	1.98	Medium	0
FABUH 5 1/8 10/27 REGS	1.84	1.84	Medium	+1
BCP 3 1/8 07/30 REGS	1.61	1.11	Medium	0

Fund information

Investment manager	RBC Global Asset Management (UK) Limited	**Fund type**	UCITS
Base currency	USD	**Fund domicile**	Luxembourg
Fund inception date	15 March 2011	**SFDR**	Article 8
Fund size (USD)	113 m	**Benchmark**	J.P. Morgan CEMBI Diversified Investment Grade - TRUSD
Portfolio Manager(s)	Anthony Kettle; Polina Kurdyavko, CFA		

The Funds AUM is stated on a T+1 basis and includes non-fee earning assets. The benchmark is hedged into the Share Class currency where relevant.

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Notes

1. While gross of fees figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. An investor's returns will be reduced by the deduction of applicable fees which will vary with the rate of return on the strategy. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduced the annualised return to 9.32% (figures used are only to demonstrate the effect of charges are not an indicator of future performance). In addition the typical fees and expenses charged to a strategy will offset the strategy's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the strategy's prospectus.
2. Risk statistics are annualised and calculated using weekly data points since inception. Risk statistics will be produced once there are 3 complete months of data available; for meaningful results, a minimum sample of 36 data points is recommended and where history is less than 3 years caution should be taken with the interpretation and representation of this data. Returns for periods less than 1 year have not been annualised in accordance with current industry standard reporting practices.
3. Fundamental EGS risk rating is assigned at an issuer level by BlueBay. Categories range from 'very high' ESG risk rating to 'very low' ESG risk rating and is a function of the ESG risk profile of an issuer and how will it manages these risks.
4. Investment ESG score is assigned at an issuer level by BlueBay unless otherwise stated (i.e. assigned at the security level). Scores range from '+3" through to '-3' and indicates the extent to which ESG is considered investment materials, as well as the nature and scale of the materiality impact (i.e. positive credit impact, negative credit impact, no credit impact).

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