RBC BlueBay Asset Management

February 2024

BlueBay Investment Grade Absolute Return Bond Fund

Investment objective

The fund is actively managed and targets better returns than its benchmark, the ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity 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 half of the fund's investments will be in fixed income bonds rated investment grade by a credit rating agency.
- The fund may invest up to 20% of its net assets in mainland China.
- 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 (EUR)[1]

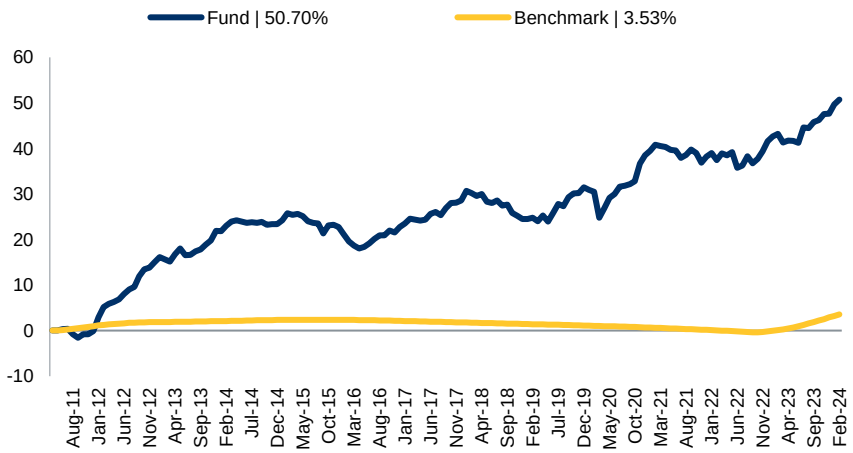
	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI*
Fund	0.70	2.13	2.09	5.27	2.29	3.85	2.05	3.26
Benchmark	0.31	1.00	0.64	3.46	0.96	0.42	0.14	0.27
Relative	0.40	1.13	1.45	1.81	1.32	3.43	1.91	2.99

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	4.27	2.45	-0.18	5.33	5.61	-3.22	4.80	-0.03	-0.53	1.27
Benchmark	3.06	-0.32	-0.55	-0.39	-0.34	-0.33	-0.33	-0.22	0.03	0.27

ICE BofA EUR 3-Month Deposit Offered Rate Constant Mat Index is the benchmark for the Fund. The inception date for the Fund is 24 May 2011. *SI – Since inception.

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



Risk statistics[2]

	Fund
Standard deviation (%)	3.20
Tracking error (%)	3.20
Information ratio	0.93

Contributors

- Short UK rates
- Long BB emerging-market (EM) sovereigns
- Long Greece
- Long corporate risk (beta)
- Long bank issuers
- Short Swiss franc and Hungarian forint

Detractors

- CDS index hedges
- Long Japanese yen and Icelandic krona

Outlook

- The macroeconomic outlook remains uncertain. Multiple rate cuts are priced in for the year, although this will depend on the path for inflation and growth.
- We think the next big call on rates is their destination, rather than the timing of the first cut.
- US growth remains relatively robust, and a soft landing seems likely. Growth in Europe looks more stagnant and the European Central Bank may be the first to cut rates.
- In rates, our risk-taking will likely be more tactical and two-way in nature. We have a short bias in the UK and Japan.
- In sovereign credit, we have no firm views on the European periphery. We remain constructive on select stable EM sovereigns, where appropriate.
- In corporates, the recent rally may be running out of steam. We maintain a modestly constructive view on investment-grade corporates
- We see pockets of value across the corporate universe, which should lead to elevated performance dispersion. Active sector and issuer selection is key.

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, ICE Data Services as at 29 February 2024. This report is incomplete without the Legal Disclaimer included on the last page.

Fund characteristics

	Fund
Weighted interest rate duration (years)	-2.14
Weighted spread duration (years)	0.90
Yield to worst (%)	4.58
Coupon (%)	4.78
Number of issues	174
Number of issuers	88
Weighted rating	BBB

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

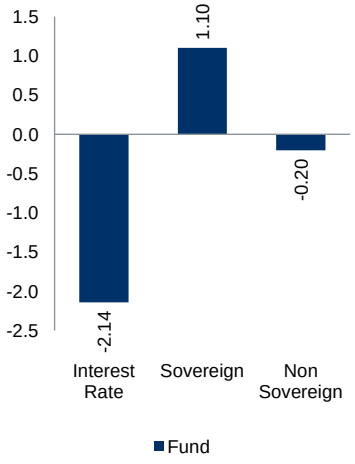
Top sector breakdown by spread duration contribution (years)

	Fund
Banks	1.51
Sovereign	1.05
Utilities	0.41
Health Care	0.35
Technology	0.23

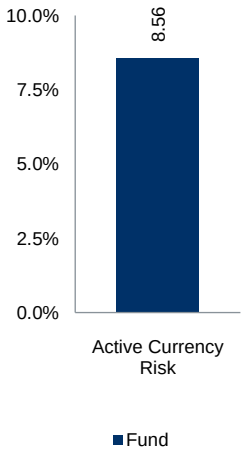
Top country breakdown by spread duration contribution (years)

	Fund
France	0.86
United States	0.67
Romania	0.57
Germany	0.50
Mexico	0.43

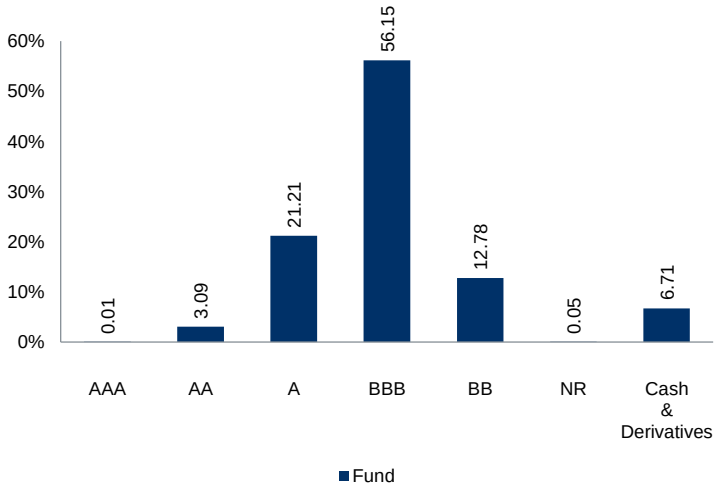
Product breakdown duration (years)



Currency exposure (%)



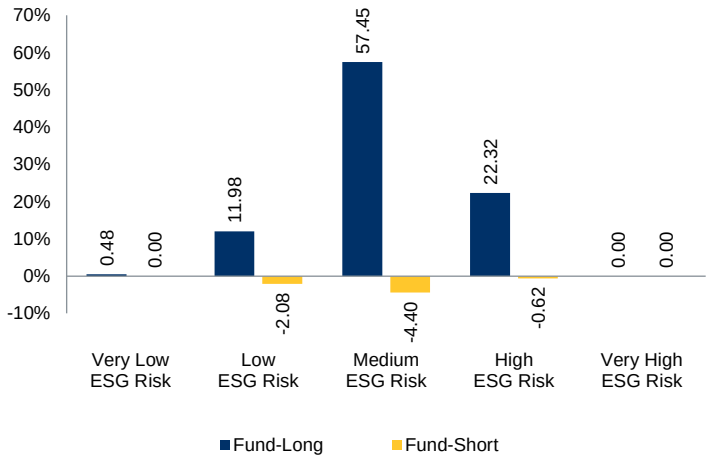
Credit quality breakdown (%, NAV)



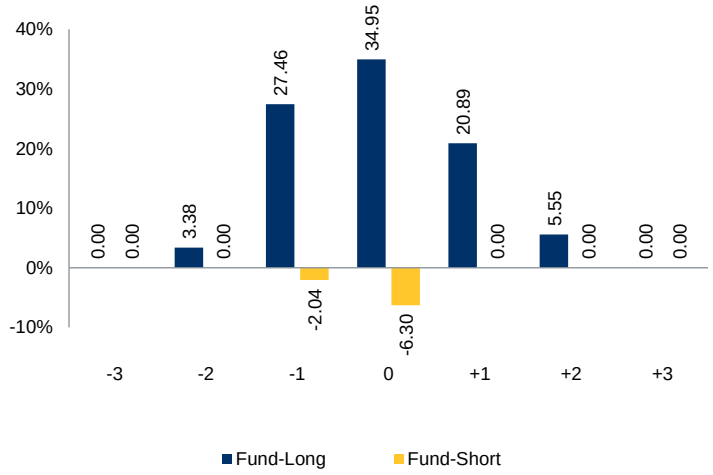
Important risk considerations

- At times, the market for investment grade bonds may dry up, which could make it difficult to see 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 fulfill its obligations, which could cause losses to the fund.
- RBC BlueBay's ESG analysis can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and BlueBay could assess the ESG risks of securities held incorrectly.
- RBC BlueBay could suffer from a failure of its processes, systems, and controls - or from such a failure at an organisation on which we rely in order to deliver our services - which could lead to losses for the fund.

BlueBay: Issuer fundamental ESG risk ratings[3]



BlueBay: Security investment ESG scores[4]



Top 3 long issuers by spread duration contribution[3, 4]

Issuer	Years (absolute)	Years (relative)	ESG Risk Rating	ESG Score
Romanian Government International Bond	0.57	0.57	Medium	-1
Mexico Government International Bond	0.43	0.43	High	0
BPCE SA	0.18	0.18	Low	0

Top 3 short issuers by spread duration contribution[3, 4]

Issuer	Years (absolute)	Years (relative)	ESG Risk Rating	ESG Score
Eastman Chemical Co	-0.08	-0.08	Medium	-1
Bertelsmann SE & Co KGaA	-0.06	-0.06	Low	0
British Telecommunications PLC	-0.06	-0.06	Medium	0

Fund information

Investment manager	RBC Global Asset Management (UK) Limited	**Fund type**	UCITS
Base currency	EUR	**Fund domicile**	Luxembourg
Fund inception date	24 May 2011	**SFDR**	Article 8
Fund size (EUR)	802 m	**Benchmark**	ICE BofA EUR 3-Month Deposit Offered Rate Constant Mat Index
Portfolio Manager(s)	Andrzej Skiba, CFA; Marc Stacey; Mark Dowding; Tom Moulds		

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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