



BlueBay Financial Capital Bond Fund

December 2021

For professional investors only

Fund Performance (%) Gross of Fees (USD)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.13	0.76	1.32	1.52	0.78	0.65	0.41	1.30	0.37	-0.68	-1.93	1.95	6.72
2020	2.96	-0.56	-17.18	8.01	4.22	2.94	2.21	2.68	0.25	0.72	6.69	1.87	13.17
2019	3.01	1.80	0.29	3.65	-2.57	4.49	1.94	0.49	1.80	2.55	1.61	1.80	22.76
2018	4.91	-0.87	-1.06	0.93	-2.58	-0.95	1.79	-0.29	-0.04	-2.22	-1.94	-1.04	-3.54
2017	1.99	1.26	0.98	2.37	1.96	2.46	1.98	-0.19	1.64	4.18	0.98	0.58	22.08
2016	-1.57	-5.64	2.72	1.15	1.03	-0.08	3.64	2.35	-1.09	1.92	-1.13	4.15	7.27
2015	1.78	2.52	1.16	0.65	0.15	-1.48	1.66	-0.03	-1.77	2.58	0.91	0.10	8.45

Review

Contributors

- Intesa Sanpaolo
- Rabobank member certificates
- Monte dei Paschi
- Deutsche Bank
- UniCredit

Detractors

- There were no detractors from performance.

Outlook

- The coming weeks should give us more news with respect to Omicron and its likely impact on societies, economies and financial markets. As described in last month's bullets, we are hoping that analysis continues to confirm that many of the fears expressed around Omicron have been largely overplayed and we believe the data should continue to confirm this view. Consequently, we would conclude that the impact of Omicron should be more temporary and less severe than was the case with the Delta wave and should prove to be good news in terms of the evolution of the pandemic as it becomes less dangerous. If this is correct and if we are also right in our views that US data will remain firm, then we think it is right to expect the US Federal Reserve to continue on a more hawkish path into 2022. When it comes to the European Central Bank (ECB), we believe it has the cover to remain accommodative for now – even if the hawks we are hearing from on the Governing Council are highlighting overshooting inflation. We think that it could be premature for the ECB to surprise on the hawkish side at this particular juncture.
- As we look forward to economic activity normalising, we are struck that the landscape will expose some clear winners and losers – especially as central-bank accommodation eventually starts to unwind. We believe this will be true on a corporate and sectoral basis, and also seems likely on a country basis as well. We continue to believe that banks in the US and Europe are likely to be the clear winners in terms of the sector that will likely benefit from both the economic recovery and somewhat higher yields that follow the improvement in data.

Investment Objective

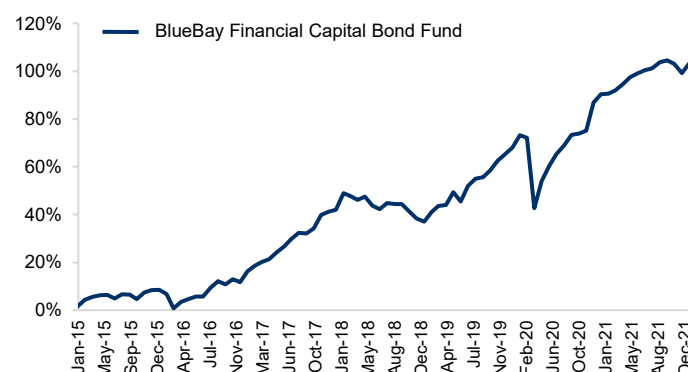
- To achieve a total return from a portfolio of subordinated debt securities issued by financial institutions

Investment Strategy

- The Fund invests at least 50% of its net assets in subordinated debt securities issued by financial institutions
- Subordinated debt securities include, but are not limited to, Tier 1 and Tier 2 contingent capital securities (CoCos) and US perpetual preferred stock
- The Fund may invest in fixed income securities of any rating in addition to unrated debt securities
- 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 of the Fund's ESG framework are available online www.bluebay.com/en/investment-expertise/esg/approach/

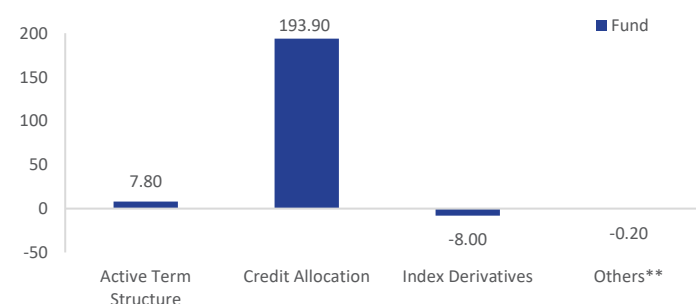
Please refer to the notes overleaf for important information regarding the gross performance shown above

Cumulative Performance Gross of Fees (USD)^{1,2}



Note: Past performance is not indicative of future results.

Summary of Attribution Effects (bps)



Fund Characteristics⁴

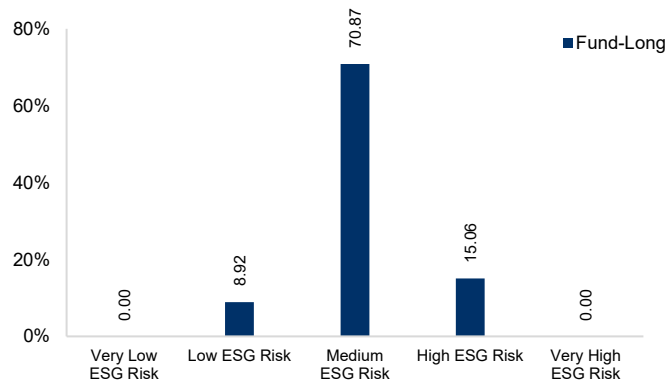
	Fund
Weighted interest rate duration (yrs)	5.27
Weighted spread duration (yrs)	6.26
Weighted yield to worst (%) ⁶	4.01
Weighted yield to worst without hedges (%)	4.41
Yield to Maturity ⁶	4.91
Total no. of issues	64
Total no. of issuers	28
Weighted average rating – by issue	BB
Weighted average rating – by issuer	A-
Average position (%)	1.44
Weighted running yield (%)	4.98

Note: Defaulted securities are excluded from spread and yield calculations

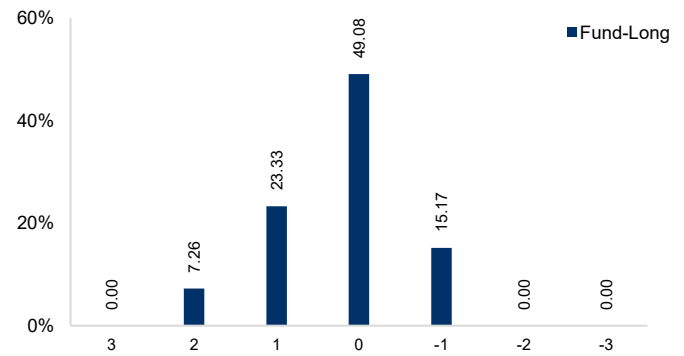
Risk Statistics³

Annualised return since inception (%) ²	10.71%
Annualised volatility (%) ²	10.05%
Sharpe ratio ²	0.97

BlueBay: Issuer Fundamental ESG (Risk) Ratings (% , NAV)



BlueBay: Security Investment ESG Scores (% , NAV)



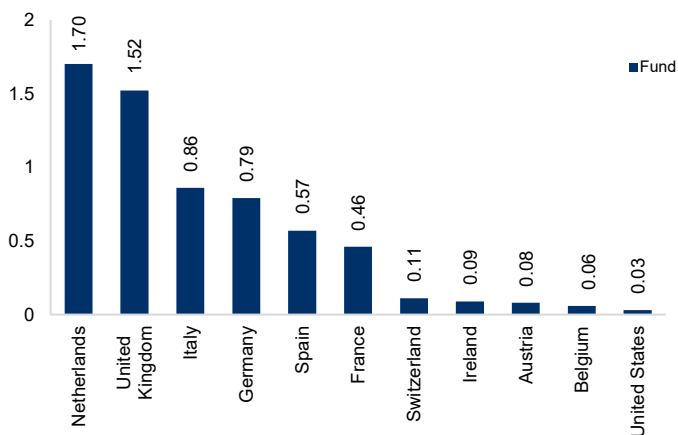
Top 5 Issuers by Spread Duration Contribution (yrs)

	Years (absolute)	BlueBay ESG Fundamental (Risk) Rating ⁷	BlueBay Investment ESG Score ⁸
Stichting AK Rabobank Certificaten	1.46	Medium ESG Risk	1
Nationwide Building Society	1.00	Low ESG Risk	2
Intesa Sanpaolo SpA	0.56	Medium ESG Risk	1
Deutsche Bank AG	0.38	High ESG Risk	1
Societe Generale SA	0.26	Medium ESG Risk	0

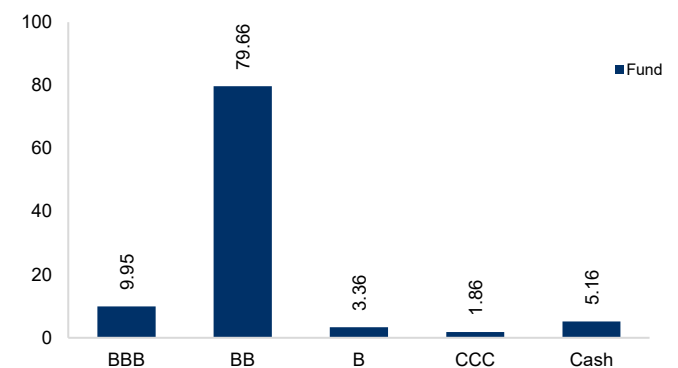
Sector Subordination (% , NAV)

	Fund
Senior	0.00
Lower tier ²	2.65
Upper tier ²	0.00
Tier ¹	86.30
Subordinated insurance	5.07
Preferred Stock	0.82
Cash	5.16
Unclassified ⁵	0.00
Total	100.00

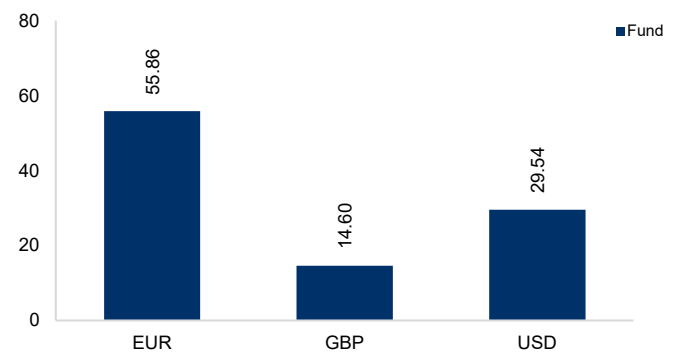
Country Spread Duration Contribution (yrs)



Credit Quality Breakdown (% , NAV)



Currency Breakdown (Before Hedging % , NAV)



Fund Facts

Total fund size ⁴	USD 3,122m
Total strategy size ⁶	USD 4,365m
Inception date	14 January 2015
Base currency	USD
Fund legal name	BlueBlueBay Funds – BlueBay Financial Capital Bond Fund
Share classes	Information on available Share Classes and eligibility for this Fund are detailed in the BlueBay Funds Prospectus and Application Form
Fund type	UCITS
Domicile	Luxembourg
Investment manager	BlueBay Asset Management LLP

Team

	Joined BlueBay	Investment industry experience
Marc Stacey	September 2004	19 years
James Macdonald	September 2007	17 years
Justin Jewell	April 2009	20 years

Contact information

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Due to the complexity of the loss absorbing mechanisms and the absence of harmonized terms from issuer to issuer and from issue to issue of Contingent Convertibles, the BlueBay Financial Capital Bond Fund is only suitable for Financially Sophisticated Investors who can bear the economic risk of the loss of their investment in the fund. Financially Sophisticated Investor for this purpose means an investor who:

- (a) has knowledge of, and investment experience in, financial markets generally and financial products which invest in securities and/or derivatives with complex features; and
(b) understands and can evaluate the strategy, characteristics and risks of the strategy in order to make an informed investment decision

Notes

1. While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. An investor's return 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 reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance). In addition, the typical fees and expenses charged to a strategy will offset the strategy's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the strategy's prospectus.
2. Since Inception
3. Risk statistics are annualized and calculated using weekly data points since inception. Risk statistics will be produced once there are 3 complete months of data available; for meaningful results a minimum sample of 36 data points is recommended and where history is less than 3 years caution should be taken with the interpretation and representation of this data. Returns for periods of less than 1 year have not been annualised in accordance with current industry standard reporting practices.
4. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
5. Unclassified includes derivatives and hedging instruments.
6. Following a review of calculation methodologies for Yield to Maturity and Yield to Worst, BlueBay has introduced modifications to its calculations. This change is reflected in this report for the first time and will be used going forward
7. Fundamental ESG (Risk) Rating is assigned at an issuer level by BlueBay. Categories range from 'very high' to 'very low' ESG (Risk) Rating and is a function of the ESG risk profile of an issuer and how well it manages these risks.
8. Investment ESG Score is assigned at an issuer level by BlueBay unless otherwise stated (i.e. assigned at the security level). Scores ranges from '+3' through to '-3' and indicates the extent to which ESG is considered investment material, as well as the nature and scale of the materiality impact (i.e. positive credit impact, negative credit impact, no impact).

Note: All data unless otherwise specified is sourced from BlueBay Asset Management LLP, as at 31st December 2021.

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Any indices shown are presented only to allow for comparison of the BlueBay fund's performance to that of certain widely recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific fund or investor. In addition, the BlueBay fund holdings may differ significantly from the securities that comprise the indices shown. Investors cannot invest directly in an index.

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