

BlueBay Capital Income Fund

November 2022

Fund Performance (%) Gross of Fees (EUR)^{1,2}

For Professional Investors Only

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-2.01	-4.68	0.58	-2.09	-1.67	-9.93	5.15	-1.35	-5.51	1.83	3.45		-15.89
2021	-0.01	-0.22	1.58	1.08	0.06	1.63	0.36	1.04	0.34	-0.95	-1.01	1.24	5.22
2020	2.15	-0.56	-12.81	6.18	3.48	2.32	2.33	2.05	-0.04	0.71	6.25	1.58	12.97
2019												0.18	0.18

Review

Contributors

- Electricite de France
- Commerzbank
- Deutsche Bank AT1
- Nationwide
- Rabobank member certificates

Detractors

- Credit Suisse
- Rakuten

Outlook

- Looking ahead, we continue to be encouraged by the banking sector's underlying fundamental strength, particularly as European banks remain well provisioned and should continue to benefit from the rate-raising environment.
- In our view, the fundamental resilience of banks is not being reflected in valuations, which continues to be a frustration, but one we are confident should correct over time. Even in the light of an upcoming recession, the sector will be coming into the economic downturn from a position of strength, and perhaps the best position it has ever been in at this point in the cycle.
- What is somewhat different in this recession is central banks are raising rates to fight inflation, which is helpful from a bank's earnings perspective and should go some way in shielding any deterioration in asset quality. Capital levels remain close to all-time highs, while the stock of nonperforming loans is close to the low. Although we are conscious that these factors are often overlooked in times of crisis or stress, fundamentals always reassert themselves eventually, and we believe European Bank AT1 is likely to offer investors upside, as and when the macroeconomic environment turns.

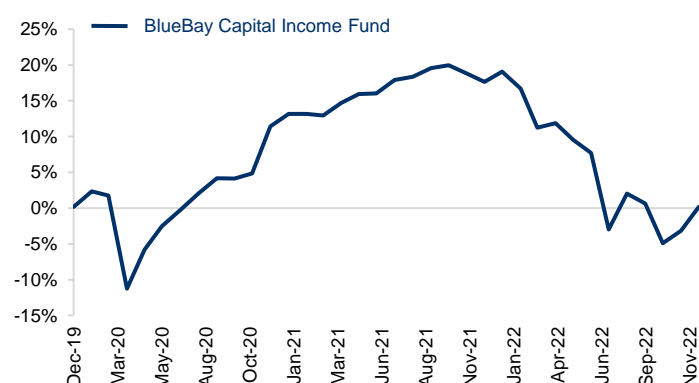
Investment objective

- To achieve a total return from a portfolio of subordinated debt securities.

Investment strategy

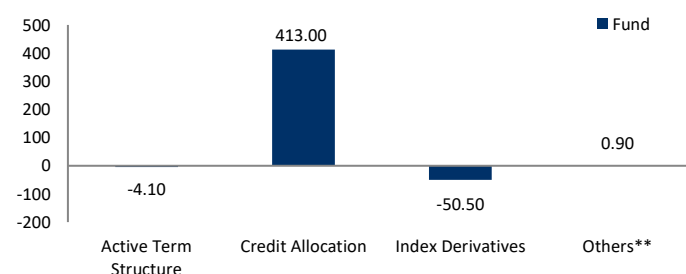
- The Sub-Fund invests at least 50% of its net assets in subordinated debt securities issued by corporate issuers, including financial institutions. Subordinated debt securities include, but are not limited to, corporate hybrid bonds, Tier 1 and Tier 2 contingent convertibles ("CoCos") and US perpetual preferred stock.
- 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/

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



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.

Summary of Attribution Effects (BPS)



Fund Characteristics⁴

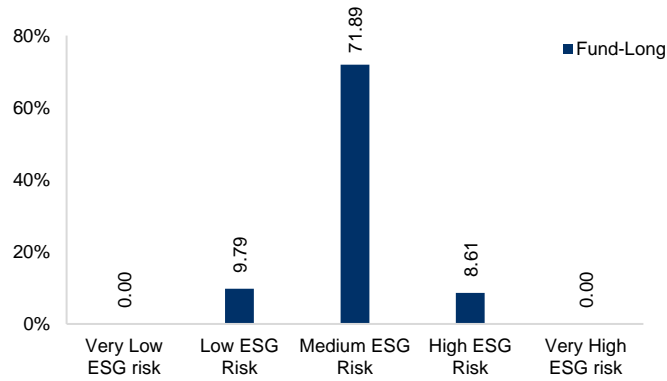
	Fund
Weighted interest rate duration (yrs)	3.32
Weighted spread duration (yrs)	4.09
Weighted yield to worst (%) ⁵	5.80
Weighted yield to worst without hedges (%)	6.63
Weighted maturity (yrs)	14.61
Yield to Maturity ⁵	6.45
Total no. of issues	39
Total no. of issuers	27
Weighted average rating – by issue	BB
Weighted average rating – by issuer	BBB
Average position (%)	2.53

Note: Defaulted securities are excluded from spread and yield calculations

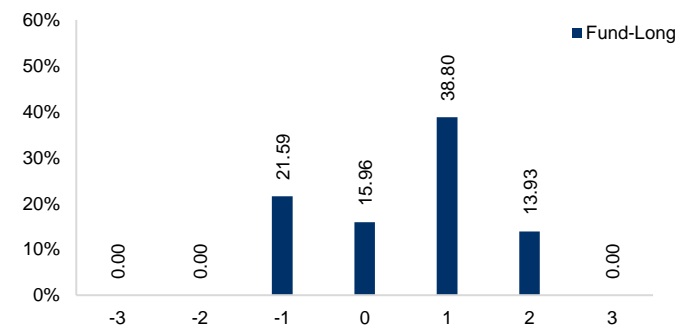
Risk Statistics⁵

Annualised return since inception (%) ²	0.06%
Annualised volatility (%) ³	12.64%
Sharpe ratio ³	0.03

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
Electricite de France SA	0.44	Medium ESG Risk	1.00
Nationwide Building Society	0.42	Low ESG Risk	2.00
Stichting AK Rabobank Certificaten	0.42	Medium ESG Risk	2.00
Deutsche Bank AG	0.35	Medium ESG Risk	1.00
Vodafone Group PLC	0.26	Medium ESG Risk	-1.00

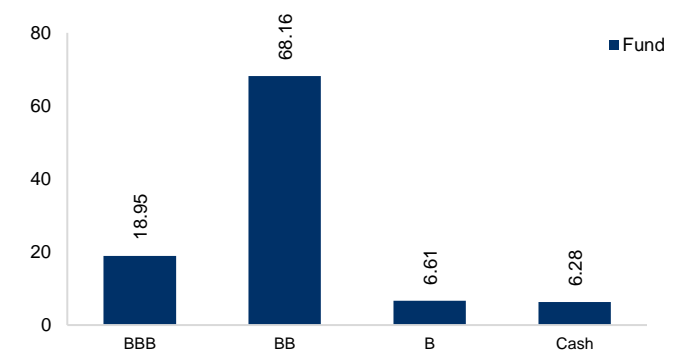
Sector Subordination (% NAV)

	Fund
Corp Hybrid	33.53
Subordinated insurance	0.00
Lower Tier	0.00
Senior	1.16
Tier 1	59.03
Preferred Equities	0.00
Cash	6.28
Total	100.00

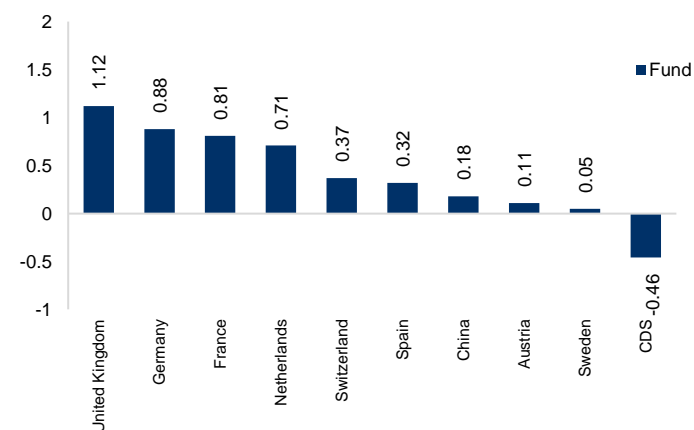
Sector Spread Duration Contribution (yrs)

Top 5		Bottom 5	
Banking	2.45	Index	-0.46
Owned No Guarantee	0.86	Utility	0.00
Communications	0.64	Financial	0.05
Consumer Non Cyclical	0.22	Basic Industry	0.05
Energy	0.18	Technology	0.11

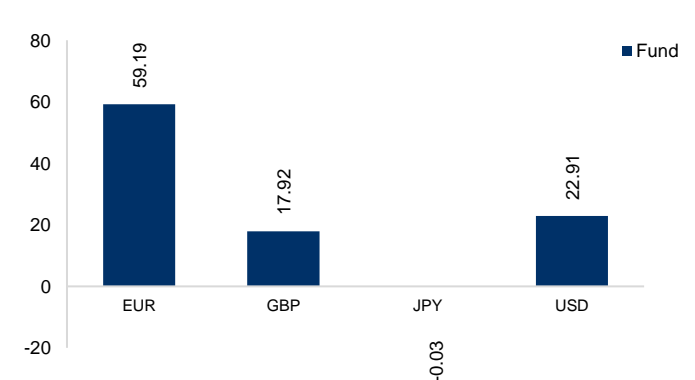
Credit Quality Breakdown (% NAV)



Country Spread Duration Contribution (yrs)



Currency Breakdown (before hedging % NAV)



Fund Facts

Total fund size ⁴	EUR 21m
Inception date	18 December 2019
Base currency	EUR
Fund legal name	BlueBay Funds – BlueBay Capital Income 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

Risk Considerations

- At times, the market for investment grade bonds or high yield 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 subordinated debt, including CoCos, offers you the chance to gain higher returns through growing your capital and generating income. Nevertheless, these securities rank below other debt in relation to repayments in case of insolvency of an issuer. Furthermore, there is a risk that securities 1) may not be redeemed by the issuer when expected and 2) defer or cancel interest payments indefinitely, which would result in a loss of income to the fund. Additionally, CoCo investors may 1) be converted to equities or permanently written down and 2) suffer losses prior to investors in the same financial institution holding equities or bonds, which would result in a possible loss of investors' initial investment
- 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
- BlueBay could suffer from a failure of its processes, systems and controls – or from such a failure at an organisation on which we rely in order to deliver our services – which could lead to losses for the fund

Team

	Joined BlueBay	Investment industry experience
Marc Stacey	September 2004	20 years
Thomas Moulds	December 2005	17 years
Russell Vincett	June 2007	19 years
Size of team	32 investment professionals	
Average investment industry experience	19 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

- While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance). In addition, the typical fees and expenses charged to a strategy will offset the strategy's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the strategy's prospectus.
- Since Inception
- 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.
- The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
- 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
- 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.
- 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).

A summary of investor rights can be obtained in English on www.bluebay.com/investorrights. It is important to note that the Fund Management Company may terminate arrangements for marketing under new Cross-border Distribution Directive denotification process. Recipients are strongly advised to make an independent review with their own advisors and reach their own conclusions regarding the investment merits and risks, legal, credit, tax and accounting aspects of all transactions.

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