RBC BlueBay Asset Management

February 2024

BlueBay Investment Grade Global Aggregate Bond Fund

Investment objective

The fund is actively managed and targets better returns than its benchmark, the Bloomberg Global Aggregate Bond Index USD unhedged, 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 rate and floating rate fixed income bonds rated investment grade issued by sovereign and corporate entities globally (including Emerging Market Issuers).
- Up to 15% of the fund's assets may be invested in fixed income bonds rated below investment grade, provided that such bonds are not rated below B-/B3.
- 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 are available online: www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/

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

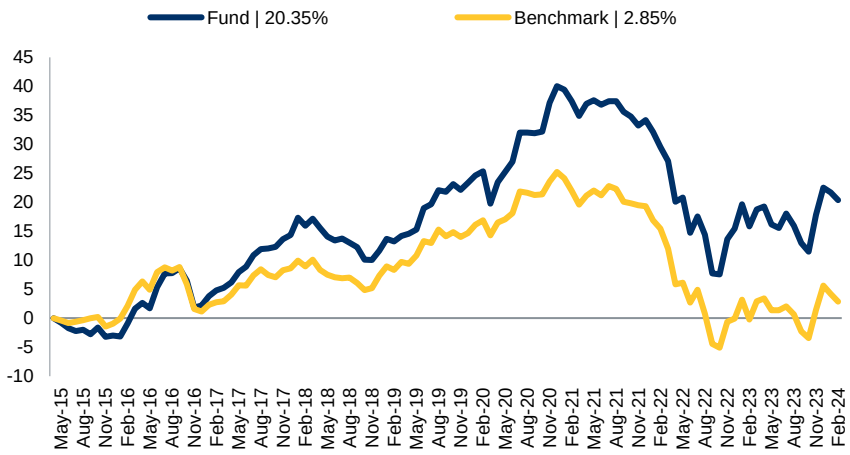
	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI*
Fund	-1.06	2.16	-1.77	3.90	-4.32	1.22	-	2.13
Benchmark	-1.26	1.43	-2.62	3.10	-5.52	-1.03	-	0.32
Relative	0.19	0.73	0.85	0.79	1.19	2.25	-	1.81

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	6.12	-13.93	-4.19	13.52	10.52	-2.39	11.92	5.36	-	-
Benchmark	5.72	-16.25	-4.71	9.20	6.84	-1.20	7.39	2.09	-	-

Bloomberg Global Aggregate - TRUSD is the benchmark for the Fund. The inception date for the Fund is 30 April 2015. *SI – Since inception.

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



Risk statistics[2]

	Fund
Standard deviation (%)	6.65
Tracking error (%)	2.35
Information ratio	0.77

Contributors

- Europe via curve flattening and the UK
- Short UK duration
- Long sovereign beta
- Long sovereign alpha: Mexico and Romania
- Long financials
- Long Ubisoft and EDF

Detractors

- Long US duration and negative carry
- Corporate beta
- Foreign exchange: long Japanese yen

Outlook

- Markets are now broadly aligned to central-bank expectation on future rate cuts.
- The path for interest rates will ultimately depend on the trajectory of inflation and growth.
- We view a soft landing in the US as the most likely outcome, while growth in Europe appears far more stagnant. We expect the European Central Bank to maintain its current policy for now.
- In March, only the Bank of Japan's meeting is considered 'live', with the potential for a hike.
- We feel there are still some upside risks to yields, with the potential for higher US inflation and the highest net issuance of US Treasuries ever in March.
- The downside risk to yields is about the labour market. While we expect some softness, we think excess savings and liquidity will prevent an abrupt slowing.
- We maintain a structural underweight in Japan and are modestly long emerging-market local rates
- We are modestly overweight sovereigns and corporate spread (beta-adjusted) duration.
- We remain overweight financials.

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, Bloomberg Indices 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)	4.80	6.51
Weighted spread duration (years)	3.78	3.41
Beta adjusted spread duration (years)	6.76	3.03
Yield to worst (%)	4.94	3.81
Yield to worst (%) excluding FX contribution	5.93	3.81
Number of issues	243	29,817
Number of issuers	124	4,531
Weighted rating	A-	AA-

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

Top sector spread duration contribution relative to benchmark

Overweights	
Sovereign	0.91
Banking	0.83
Agency fixed rate	0.30
Treasuries	0.15
Transportation	0.14

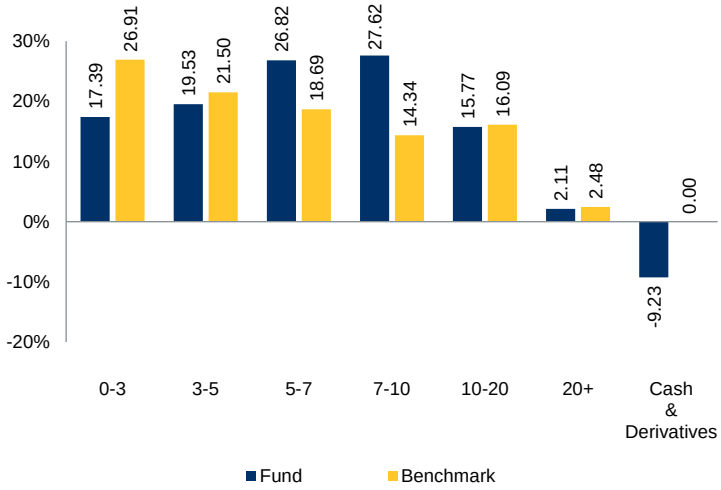
Underweights	
Owned no guarantee	-0.19
Local Authorities	-0.17
Mortgage Assets	-0.09
Government Guarantee	-0.07
Insurance	-0.05

Top country spread duration contribution relative to benchmark

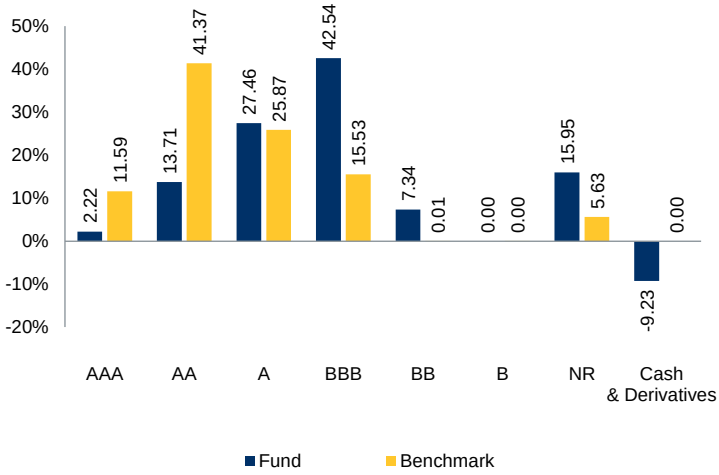
Overweights	
Romania	0.60
France	0.52
Mexico	0.30
Germany	0.22
Italy	0.18

Underweights	
China	-0.22
Canada	-0.13
Netherlands	-0.04
Finland	-0.02
Saudi Arabia	-0.02

Interest rate duration distribution by maturity (years)



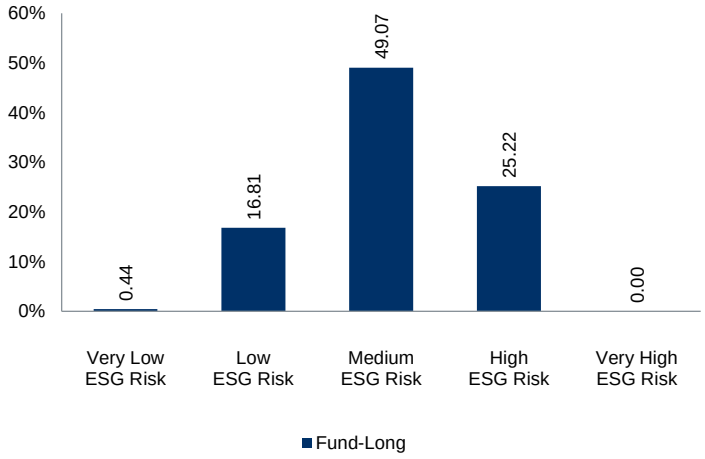
Credit quality breakdown (%, NAV)



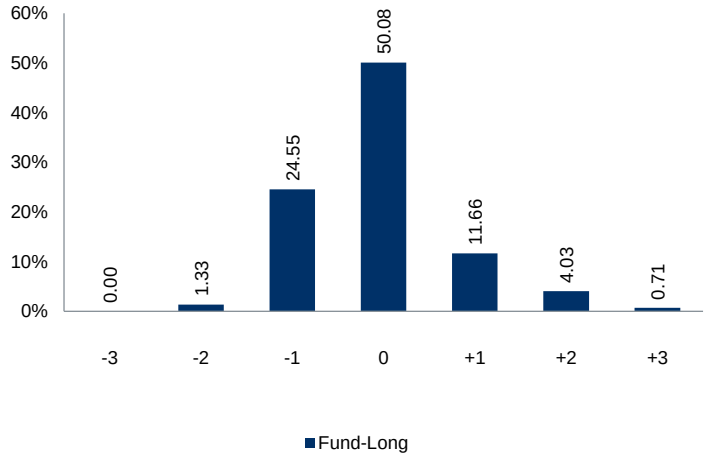
Important risk considerations

- 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	0.61	0.60	Medium	-1
Mexico Government International Bond	0.32	0.31	High	0
Spain Government Bond	0.19	0.07	Low	0

Fund information

Investment manager	RBC Global Asset Management (UK) Limited	**Fund type**	UCITS
Base currency	USD	**Fund domicile**	Luxembourg
Fund inception date	30 April 2015	**SFDR**	Article 8
Fund size (USD)	1,098 m	**Benchmark**	Bloomberg Global Aggregate - TRUSD
Portfolio Manager(s)	Kaspar Hense; Mark Dowding		

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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