



# BlueBay Investment Grade Global Government Bond Fund

March 2024

## Fund performance (%) Gross of Fees (USD)<sup>1,2</sup>

	1 M	3 M	YTD	1 Yr <sup>2</sup>	SI <sup>2,3</sup>
BlueBay Investment Grade Global Government Bond Fund	0.48	-0.07	-0.07	4.08	3.63
Bloomberg Global Treasury Return US\$ Hedged	0.75	-0.01	-0.01	3.48	1.59
Alpha	-0.27	-0.06	-0.06	0.60	2.04

## Review & Outlook

### Contributors

- Long sovereign beta
- Long sovereign alpha: Romania and Mexico

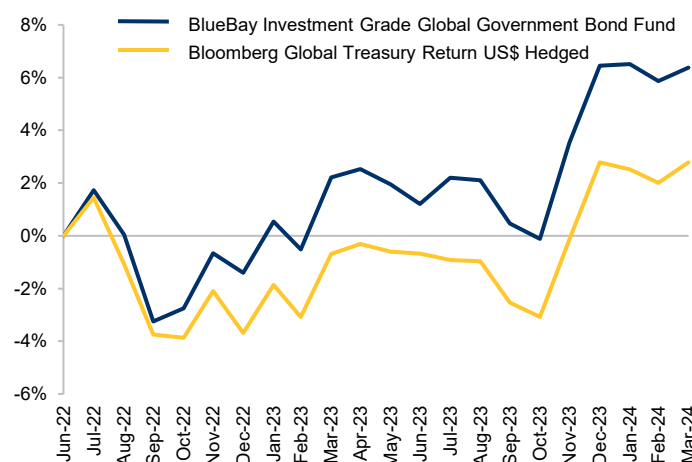
### Detractors

- Duration: short UK and Japan, and long South Africa
- Sovereign credit index hedges
- Emerging-market (EM) and developed-market foreign exchange

### Outlook

- We feel the Federal Reserve (Fed) is keen to cut rates if data allows, but still believe we are likely to see only one or two US rate cuts this year, unless the pace of economic activity cools notably.
- Slower growth and inflation in Europe may mean the European Central Bank starts cutting before the Fed. We believe the rates trajectory could be more important to markets than the timing of the first cut.
- Bund and US Treasury yields look fair for now, but shifting expectations on the path for rates will likely see periods of volatility so our risk-taking here will probably be more tactical and two-way in nature.
- We retain a short duration bias in both the UK and Japan.
- We retain modest exposure to Mexico and South Africa, and added Brazil.
- In sovereign credit, we currently have no firm views on the European periphery. In EM sovereigns, we are constructive on select stable BBB names.

## Cumulative Performance Gross of Fees (USD)<sup>1,3</sup>



**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.

## Investment Objective

- The Sub-Fund is actively managed and targets better returns than its benchmark, the Bloomberg Global Treasury Total Return Index, USD hedged.

## Investment Strategy

- The fund aims to make a return for you through a mixture of generating income and growing the amount you originally invested. It mainly invests in bonds that pay a fixed interest.
- At least two-thirds the fund's investments will be in fixed income bonds rated investment grade issued by governments, banks and corporates globally (including Emerging Market Issuers) with a sovereign investment grade rating.
- 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 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/](http://www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/)

## Fund characteristics

	Fund	Index
Weighted interest rate duration (yrs)	5.66	7.25
Weighted spread duration (yrs)	1.81	1.39
Weighted yield to worst (%)	4.54	3.16
Total no. of issues	81	1,890
Total no. of issuers	41	61
Weighted rating	A+	AA-
Average position (%)	1.14	0.05

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

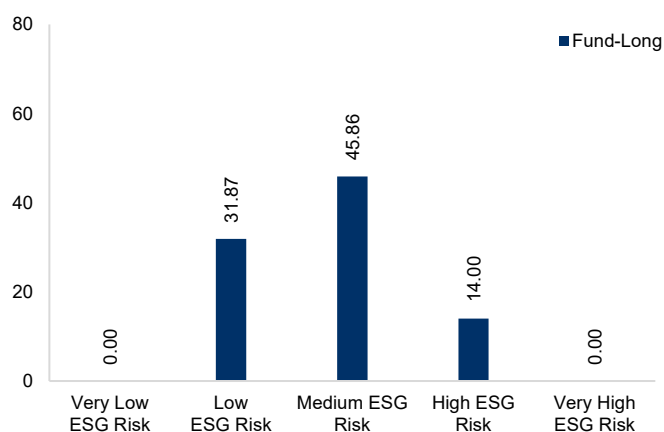
## Risk Statistics<sup>4</sup>

Standard deviation (%)	4.97
Tracking error (%)	2.15
Information ratio	1.05

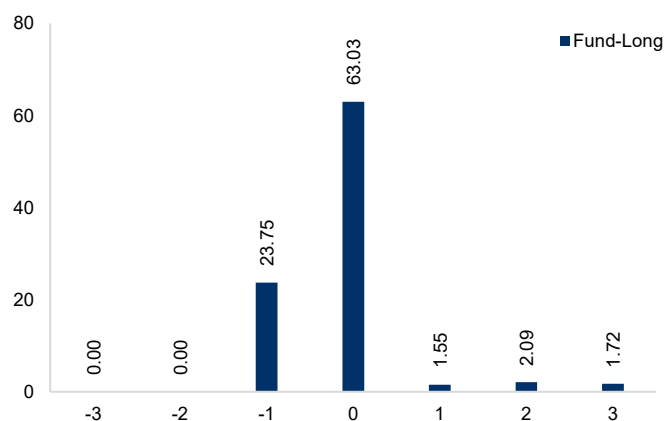
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**This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions.**

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



## BlueBay: Security Investment ESG Scores (%, NAV)



## Top 5 Issuers by Spread Duration Contribution (Yrs)

Issuer	Years (absolute)	Years (relative)	BlueBay ESG Fundamental (Risk) Rating <sup>6</sup>	BlueBay Investment ESG Score <sup>7</sup>
Romanian Government International Bond	0.56	0.56	Medium	-1.00
Spain Government Bond	0.38	0.15	Low	0.00
Mexico Government International Bond	0.19	0.19	High	0.00
French Republic Government Bond OAT	0.13	-0.29	Low	1.00
Slovakia Government Bond	0.11	0.10	Medium	0.00

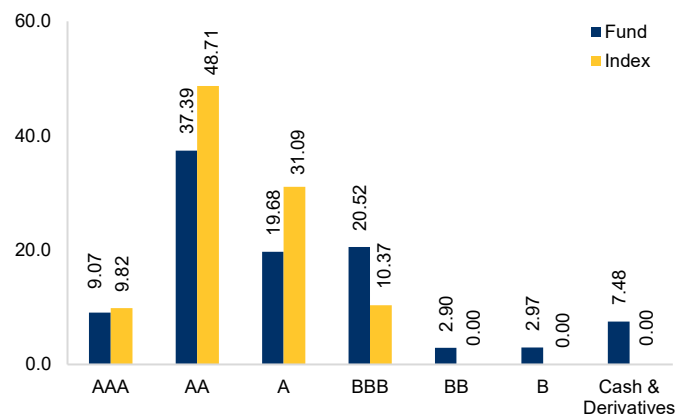
## Top Country Spread Duration Contribution, Relative to Index (Yrs)

Overweights		Underweights	
Romania	0.56	France	-0.34
Mexico	0.19	Netherlands	-0.08
Spain	0.15	Portugal	-0.03
Slovakia	0.10	Finland	-0.03
Slovenia	0.05	Italy	-0.02

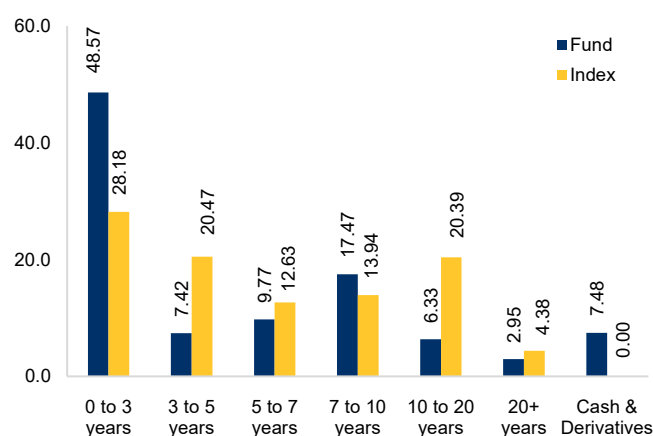
## Risk Considerations

- At times, the market for investment grade 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
- RBC BlueBay's ESG analysis can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and RBC 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.

## Credit Quality Breakdown (%, NAV)



## Interest Rate Duration Distribution by Maturity (%, NAV)



Fund Facts

Total fund size <sup>5</sup>	USD 276m
Inception date	05/07/2022
Base currency	USD
Benchmark	Bloomberg Global Treasury Return US\$ Hedged
Fund legal name	BlueBay Funds - BlueBay Investment Grade Global Government 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	RBC Global Asset Management (UK) Limited

Team

	Joined BlueBay	Investment industry experience
Mark Dowding	February 2005	30 years
Kaspar Hense	August 2014	19 years
Malin Rosengren	July 2016	7 years
Size of team	33 investment professionals	
Average investment industry experience	20 Years	

Contact Information

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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. Performance shown for 1yr periods onwards are annualised figures.
3. Since inception.
4. 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.
5. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
6. 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.
7. 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).

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