

# BlueBay Global Investment Grade Corporate Bond Fund

## Investment objective

The fund is actively managed and targets better returns than its benchmark, the Bloomberg Global Aggregate Corporates Bond Index USD Hedged, by investing in a portfolio of investment grade-rated fixed income securities while taking into account 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 65% of the fund's investments will be in fixed income bonds rated investment grade.
- 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 are 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 performance (%) Gross of fees (USD)<sup>1</sup>

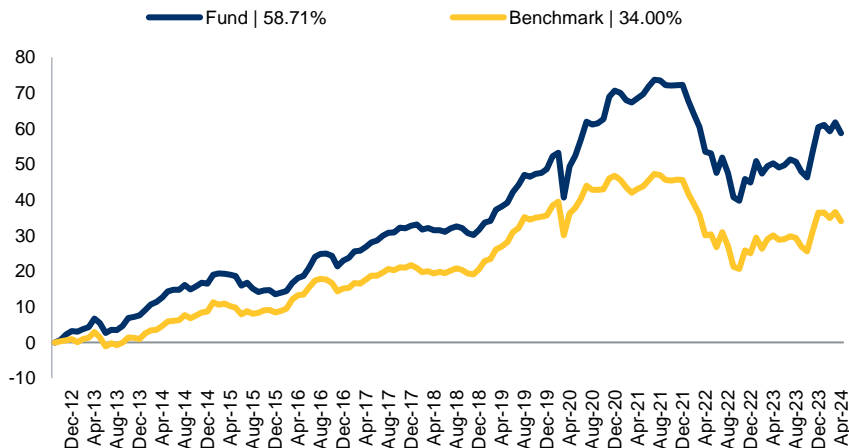
|           | 1 M   | 3 M   | YTD   | 1 Y  | 3 Y   | 5 Y  | 10 Y | SI*  |
|-----------|-------|-------|-------|------|-------|------|------|------|
| Fund      | -1.87 | -1.45 | -1.03 | 5.65 | -1.97 | 2.82 | 3.49 | 4.09 |
| Benchmark | -1.89 | -1.74 | -1.79 | 3.06 | -2.17 | 1.10 | 2.50 | 2.57 |
| Relative  | 0.01  | 0.29  | 0.76  | 2.59 | 0.19  | 1.72 | 0.98 | 1.52 |

## Calendar year performance (%) Gross of fees (USD)<sup>1</sup>

|           | 2023  | 2022   | 2021  | 2020  | 2019  | 2018  | 2017 | 2016 | 2015  | 2014 |
|-----------|-------|--------|-------|-------|-------|-------|------|------|-------|------|
| Fund      | 10.67 | -15.88 | 0.92  | 14.81 | 13.02 | -0.91 | 8.00 | 8.28 | -2.57 | 8.29 |
| Benchmark | 9.10  | -14.11 | -0.79 | 8.26  | 12.51 | -1.00 | 5.70 | 6.22 | -0.24 | 7.60 |

**Bloomberg Global Aggregate Corporate Bond Index (Hedged to USD) is the benchmark for the Fund.** The inception date for the Fund is 22 October 2012. \*SI – Since inception.

## Cumulative performance Gross of fees (USD) since inception<sup>1</sup>



## Risk statistics<sup>2</sup>

|                        | Fund |
|------------------------|------|
| Standard deviation (%) | 5.59 |
| Tracking error (%)     | 1.59 |
| Information ratio      | 0.96 |

## Contributors

- Long corporate risk (beta)
- Overweight banks

## Detractors

- Issuer underweights
- Long US duration

## Outlook

- Economic activity remains healthy in the US and has picked up in Europe. We think inflation data is more important for the direction of policy and markets than activity data for now.
- The Federal Reserve is keen to cut rates but needs better inflation data to justify it. The European Central Bank is guiding to a June cut, but rate cuts may be limited.
- On rates, we expect periods of volatility and so our risk-taking will probably be more tactical and two-way in nature. We like to be short Japanese rates.
- In corporates, we have seen signs that the rally is running out of steam. We maintain a modestly constructive view on investment grade, reflecting solid underlying technicals.
- We see pockets of value and vulnerabilities within corporates, which should lead to elevated performance dispersion, highlighting the importance of active sector and issuer selection.

**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 30 April 2024. This report is incomplete without the Legal Disclaimer included on the last page.

## Fund characteristics

|   | Fund | Benchmark |
|---|------|-----------|
| Weighted interest rate duration (years) | 6.10 | 5.85      |
| Weighted spread duration (years)        | 4.07 | 5.85      |
| Beta adjusted spread duration (years)   | 8.59 | 5.83      |
| Yield to worst (%)                      | 5.73 | 5.25      |
| Number of issues                        | 216  | 16,280    |
| Number of issuers                       | 138  | 2,894     |
| Weighted rating                         | BBB  | A-        |

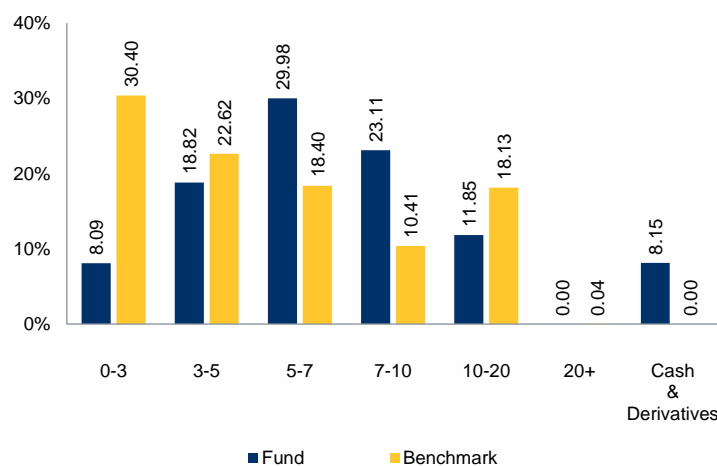
## Top sector spread duration contribution relative to benchmark

| Overweights        |      | Underweights          |       |
|--------------------|------|-----------------------|-------|
| Banking            | 0.97 | Insurance             | -0.29 |
| Consumer Cyclical  | 0.22 | Consumer Non Cyclical | -0.25 |
| Owned no guarantee | 0.20 | Electric              | -0.21 |
| Energy             | 0.20 | Capital goods         | -0.19 |
| Finance Companies  | 0.06 | Communications        | -0.15 |

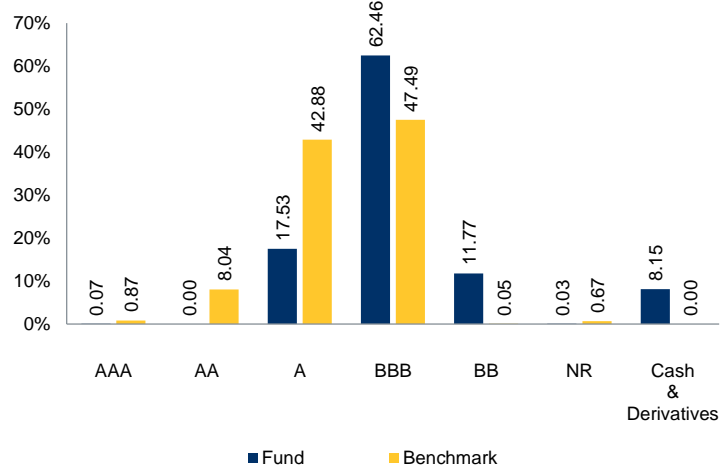
## Top country spread duration contribution relative to benchmark

| Overweights |      | Underweights   |       |
|-------------|------|----------------|-------|
| Germany     | 0.29 | United States  | -0.69 |
| France      | 0.24 | United Kingdom | -0.24 |
| Spain       | 0.17 | Canada         | -0.12 |
| Italy       | 0.17 | Netherlands    | -0.05 |
| Chile       | 0.16 | China          | -0.04 |

## Interest rate duration distribution by maturity (years)

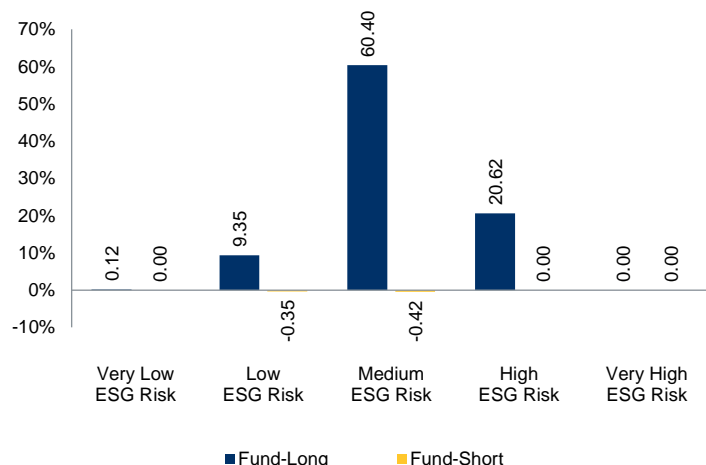
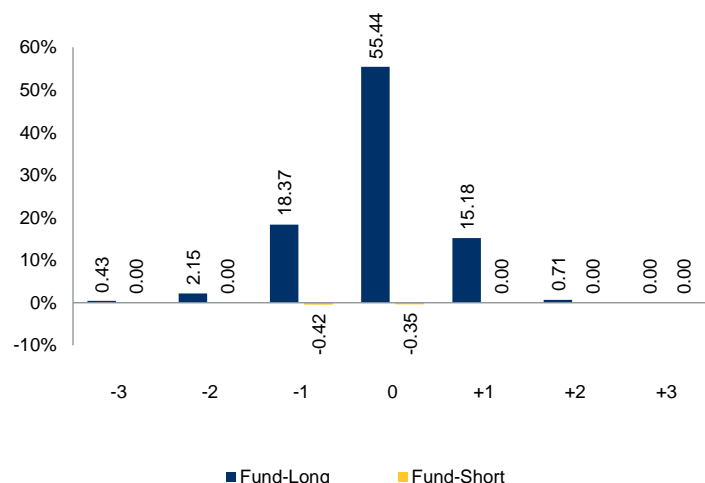


## Credit quality breakdown (% NAV)



## 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<sup>3</sup>BlueBay: Security investment ESG scores<sup>4</sup>Top 3 long issuers by spread duration contribution<sup>3, 4</sup>

| Issuer                   | Years (absolute) | Years (relative) | ESG Risk Rating | ESG Score |
|--------------------------|------------------|------------------|-----------------|-----------|
| Warnermedia Holdings Inc | 0.16             | 0.14             | Medium          | -1        |
| Solventum Corp           | 0.13             | 0.13             | High            | -1        |
| BPCE SA                  | 0.13             | 0.11             | Low             | 0         |

Top 3 short issuers by spread duration contribution<sup>3, 4</sup>

| Issuer              | Years (absolute) | Years (relative) | ESG Risk Rating | ESG Score |
|---------------------|------------------|------------------|-----------------|-----------|
| Eastman Chemical Co | -0.02            | -0.02            | Medium          | -1        |
| Avnet Inc           | -0.01            | -0.01            | Low             | 0         |

## Fund information

|                             |   |                      |   |
|-----------------------------|---|----------------------|---|
| <b>Investment manager</b>   | RBC Global Asset Management (UK) Limited    | <b>Fund type</b>     | UCITS   |
| <b>Base currency</b>        | USD   | <b>Fund domicile</b> | Luxembourg  |
| <b>Fund inception date</b>  | 22 October 2012                             | <b>SFDR</b>          | Article 8   |
| <b>Fund size (USD)</b>      | 1,862 m                                     | <b>Benchmark</b>     | Bloomberg Global Aggregate Corporate Bond Index (Hedged to USD) |
| <b>Portfolio Manager(s)</b> | Andrzej Skiba, CFA; Marc Stacey; 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.

## Contact information

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## Notes

- 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.
- 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.
- Fundamental ESG 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.
- 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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