

BlueBay High Grade Short Duration Asset-Backed Credit Fund¹ *

March 2024

Fund Performance (%) Gross of Fees (EUR)²

For Professional Investors Only

	1 M	3 M	YTD	1YR	3YR ³	SI ^{3,4}
BlueBay High Grade Short Duration Asset-Backed Credit Fund	0.42	1.55	1.55	5.86	2.55	2.44
ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index	0.35	0.99	0.99	3.64	1.09	0.92
Alpha	0.08	0.56	0.56	2.23	1.46	1.53

Calendar Year Performance (%) Gross of Fees (EUR)²

	2023	2022	2021	2020 ⁵
Fund	5.89	-0.28	0.96	0.17
Benchmark	3.06	-0.32	-0.55	-0.06
Alpha	2.83	0.05	1.51	0.23

Review & Outlook

Review

- Fixed income markets saw strong returns over March, driven by rallying core government yields and tighter corporate spreads. Within the US, we continue to see a backdrop of growth holding up better than expected, supported by strong labour markets, while inflation remains sticky and slightly above target. In Europe, economic growth continues to bump around 0%, however there was a modest upturn in PMIs although divergence in performance between Southern and Northern Europe. In the corporate space, we have seen a resurgence in idiosyncratic risks with names such as Altice, Ardagh Packaging, and Intrum all experiencing price drops on their bonds.
- Securitized credit performed strongly in March driven by healthy technicals across markets. The primary market remains active with deals printing at attractive levels versus prior deals, and versus corporate credit, which has increased investor demand. Secondary markets have also remained buoyant on both investment-grade risk as well as increased demand further down the capital structure. Spreads were modestly tighter across ratings and security types, though the pace of secondary market tightening has eased given the discount on offer in primary markets.

Performance

- The fund returned +0.42% in March, ending the first quarter at +1.55%. Performance over the month was driven by the carry across securities, with CLO and residential mortgage-backed securities (RMBS) the primary contributors. Spread tightening over the month was flat, as asset types only saw modest tightening across the most senior bonds. In terms of portfolio activity, we reduced UK RMBS exposure while increasing both CLO and asset-backed securities (ABS) exposure. The yield on the fund ended the month at 4.4% (in euros, hedged) with an overall AAA average rating.

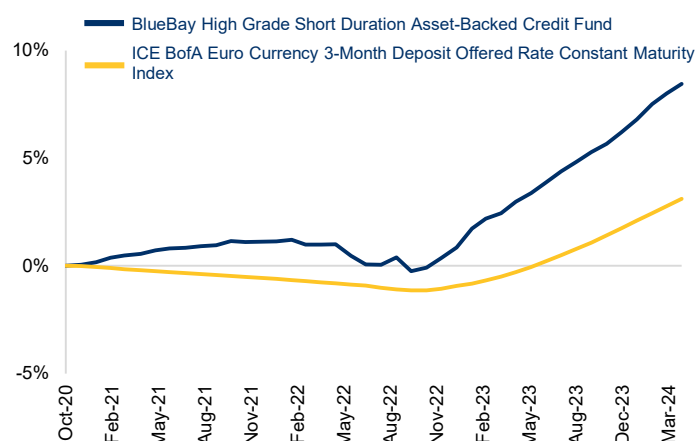
Outlook

- The first quarter of 2024 in securitized credit markets has been extremely active with higher-than-expected issuance across RMBS, ABS, and CLO sub-sectors, with future issuance not expected to slow down. Credit events within European high yield, where Altice France, Ardagh Packaging, and Intrum all experienced pricing pressure, once again highlights securitized credit's significant margin of safety. Additionally, with the strength of economic data in the US, future rate cut expectations have been pared back which could result in a period of higher for longer, benefitting future return potentials.
- Whilst pressures on both consumers and corporates will remain elevated with higher rates, securitized credit remains well placed for any pickup in stress due to the dual margin of safety; structures provide protection from rising defaults and delinquencies, while entry yields remain wide of the tight in 2021. We continue to source attractive value within securitized credit markets although remain cognisant of any weak supply technicals in primary or secondary markets. Investments in our funds are well isolated from an increase in idiosyncratic defaults, and as well as protecting investors from defaults, securitized credit offers outsized yields.

Investment Objective

- To achieve a total return in excess of the ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index from a portfolio of Structured Credit Securities.

Cumulative Performance Gross of Fees^{2,4} (EUR)



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.

Fund Characteristics

	Fund
Weighted discount margin EUR (bps) ⁷	108
Weighted average life (yrs)	1.36
Weighted yield EUR (%)	4.38
Weighted average rating	AAA

* Analytics for CLO securities calculated to 2 years after the end of reinvestment period

Risk Statistics

	Fund
CDV01	1.65
DV01	0.08

Investment Strategy

- Mainly invests in High Grade Structured Credit Securities, which are debt instruments that typically pay a floating rate of interest and which are backed by specific pools of financial assets including, but not limited to, leveraged loans, credit card loans, auto loans, residential and commercial mortgages.

***Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of non-financial criteria in its investment policy.**

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

Fund Facts

Total Strategy size ⁶	EUR 146m
Inception date	19 November 2020
Base currency	EUR
Benchmark	ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index
Fund legal name	BlueBay Funds – BlueBay High Grade Short Duration Asset-Backed Credit 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
Sid Chhabra	June 2018	20 years
Tom Mowl	April 2021	16 years
Size of team	17 investment professionals	

Contact Information

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Risk Considerations

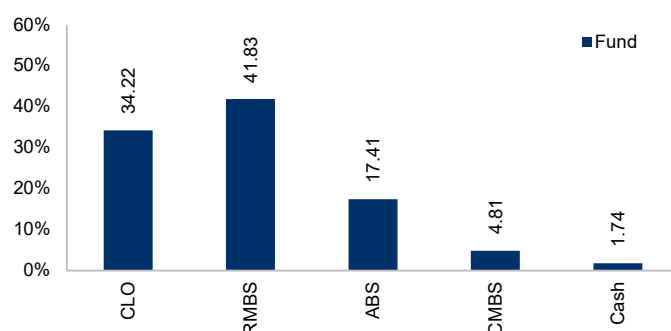
- At times, the market for Structured Credit Securities may dry up, which could make it difficult to sell these securities or the fund may only be able to sell them at a discount
- There may be cases where an organisation with which we trade assets or derivatives (usually a financial institution such as a bank) may be unable to fulfil its obligations, which could cause losses to the fund
- Structured Credit Securities in which the fund may invest may not be at the most senior level of the debt issued by the relevant issuer and, accordingly, the fund may be exposed to the risk that its claims on the asset pool of any such note are subordinated to other creditors in the event of an insolvency of any such issuer, meaning in turn that the fund could sustain losses in such circumstances if it were unable to recover its original investment
- Structured Credit Securities are often exposed to prepayment and extension risks that may have a substantial impact on the timing and size of the cash flows paid by the underlying pool of financial assets. In the case of prepayments, this may negatively impact the return of the fund as the income generated will have to be reinvested at the prevailing interest rates which may be lower. Conversely, extension risk tends to increase when interest rates rise as the prepayment rate decreases causing the duration of Structured Credit Securities to lengthen and expose investors to higher interest rate risk
- 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

Notes:

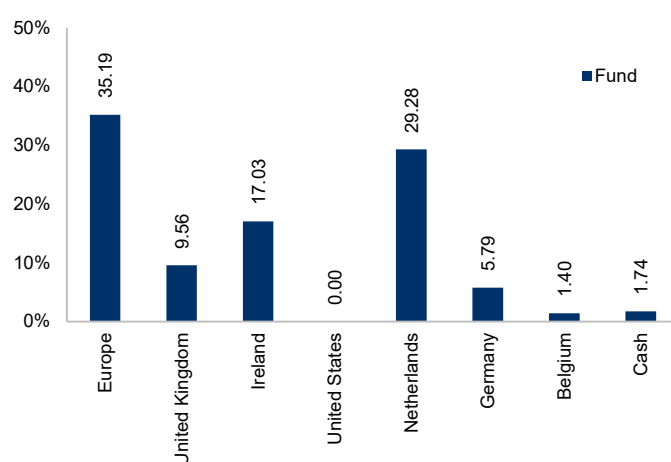
- As of 1 February 2024, the BlueBay High Grade Structured Credit Short Duration Fund has been renamed to BlueBay High Grade Short Duration Asset-Backed Credit Fund.
- While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment 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.
- Performance shown for 1yr periods onwards are annualised figures.
- Since inception.
- Launch date of the Fund was 19th November 2020 and the 2020 performance figure reflects a partial period
- The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
- The Weighted Discount Margin is calculated versus the relevant 3m cash rate.

Source: All data unless otherwise specified is sourced from RBC Global Asset Management, as at 31 March 2024

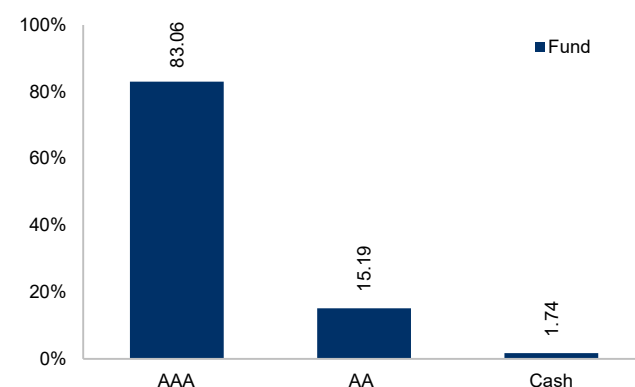
Collateral Breakdown (% NAV)



Regional breakdown (% NAV)



Credit Quality Breakdown (% NAV)



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