



BlueBay Impact-Aligned Bond Fund

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

For Professional Investors Only

	1 M	3 M	YTD	1YR	SI ^{2,3}
BlueBay Impact-Aligned Bond Fund	4.12	7.23	7.44	7.44	-1.39

Review

Contributors

- La Banque Postale (Theme: Achieving inclusive society)
- Eurofins Scientific (Theme: Ensuring good health, safety & wellbeing)
- Carrier Global (Theme: Building knowledge & skills)

Detractors

- Clariane (Theme: Ensuring good health, safety & wellbeing)
- Green Bidco (Theme: Promoting clean and safe energy)
- British United Provident (Theme: Ensuring good health, safety & wellbeing)

Thematic

- We took profits on Carrier Global, a manufacturer of heating, ventilation, refrigeration and fire and safety products, after solid outperformance.
- We added to our exposure in Orsted through one of its green hybrids, given we believe the environment is improving for offshore wind after a period of uncertainty and challenging fundamentals.
- We reduced our position in Trane Tech on valuation grounds after a period of outperformance.
- We continued reducing our position in Clariane, a leading European care services group for older and fragile people, which has a firm leadership position in key European markets.

Outlook

- As we enter 2024, it seems likely that we have seen the peak in rates from the main central banks, with the big questions for markets being when will rates start to come back down and by how much. Multiple rate cuts are priced in for the year ahead, but the path for rates will ultimately depend on the outlook for growth and inflation; therefore, as we start the new year, the market focus will return to incoming data. We expect US growth to remain solid early on, before slowing later in the year, and we believe that recession risks are higher for 2025 than 2024. Meanwhile, we expect inflation to remain close to 3% in the US and eurozone, perhaps frustrating current hopes for early monetary easing.
- For much of 2023 we saw a notable outperformance of US dollar credit versus euro credit; this was a source of some frustration since our exposure is more skewed to the latter, and indeed, the opportunity set in terms of sustainable solution providers with attractive spread levels is currently more prevalent in the euro market. We continue to expect this gap to close and feel positive about this performance dynamic in the coming months and quarters.
- We remain generally constructive on corporate credit, reflecting attractive yield levels and expectations of robust demand in 2024. Even with volatility in the rates environment, credit spreads have behaved in an orderly fashion and we would look for this to continue.
- While we have some caution, given the uncertain growth path, we see room for spreads to tighten on solid technicals, and see bottom-up opportunities within thematic investments, which tend to be better supported by the market due to having effectively future-proofed their business activities.

Investment Objective

- This fund is actively managed and does not reference any benchmark.
- Aims to generate capital appreciation and income by investing along sustainable themes from global issuers.

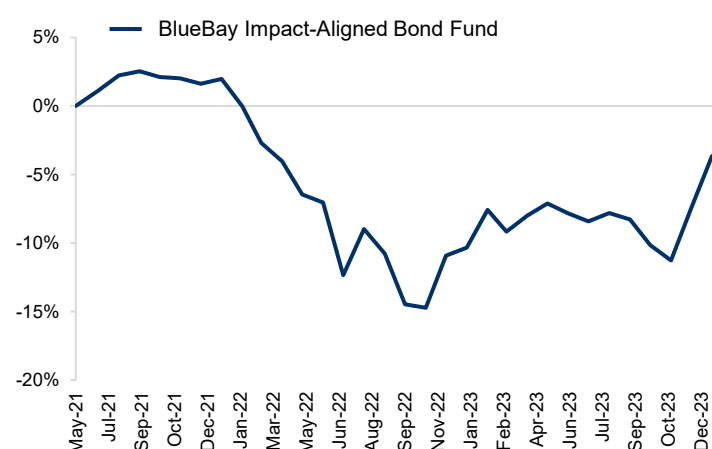
Investment Strategy

- The Fund is predominantly an Investment Grade corporate bond fund, investing globally in public markets
- The sustainability themes developed target positive contribution to people and to the planet through selecting issuers whose core economic activities offer investment opportunities and contribute to addressing environmental and social challenges.
- The Fund meets the conditions set out in Article 9 of the Sustainable Finance Disclosure Regulation as Sustainability Risks are integrated into the investment decision making process. Full details available online www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/

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

	2023	2022
BlueBay Impact-Aligned Bond Fund	7.44	-12.07

Cumulative performance Gross of fees^{1,3} (USD)



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.

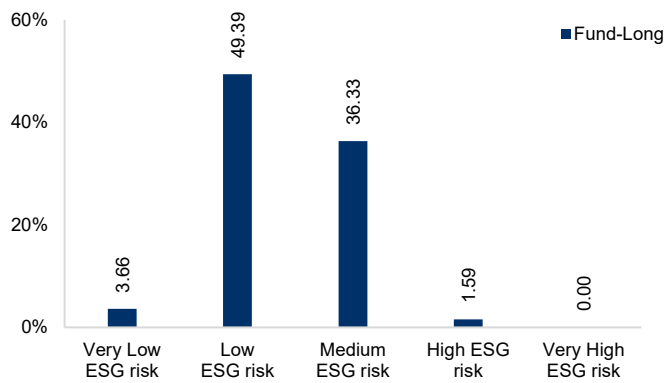
Fund Characteristics

	Fund	Reference Index ⁸
Weighted interest rate duration (yrs)	6.41	6.09
Weighted spread duration (yrs)	5.23	6.09
Weighted maturity (yrs)	7.29	8.25
Weighted yield to worst (%)	6.47	4.69
Weighted running yield (%)	4.60	3.77
Weighted coupon (%)	4.05	3.64
Weighted rating	BBB	A-
Total no. of issues	117	15,850
Fund Issuers	84	2,101
Average position	0.79	0.01
EM holdings (%)	9.35	3.86
Total HY (%)	17.79	0.02
Cash exposure (%)	7.41	n/a

Risk Statistics⁵

Annualised volatility (%) ³	5.84
Sharpe ratio	-1.19

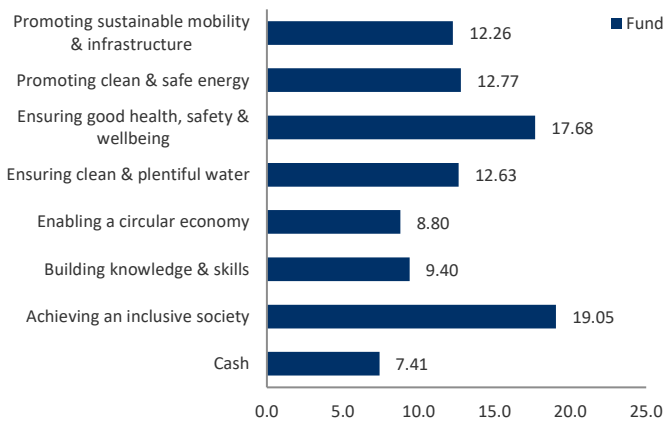
Bluebay: Issuer Fundamental ESG (Risk) Ratings (% , NAV)⁶



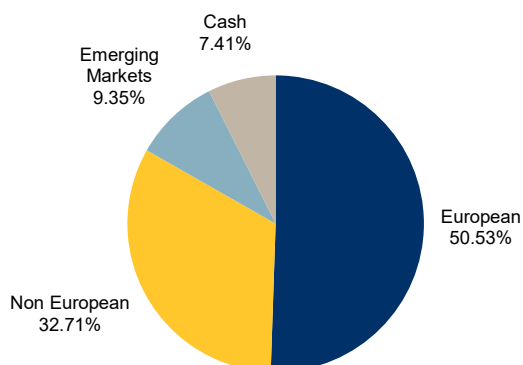
Top 5 Holdings (% , NAV)

Holding	IMPACT Theme	% of NAV
UNITE Group PLC/The	Building knowledge & skills	2.22%
Motability Operations Group PLC	Achieving an inclusive society	2.05%
NatWest Group PLC	Achieving an inclusive society	2.05%
Veralto Corp	Ensuring clean & plentiful water	2.01%
Eurofins Scientific SE	Ensuring good health, safety & wellbeing	1.99%

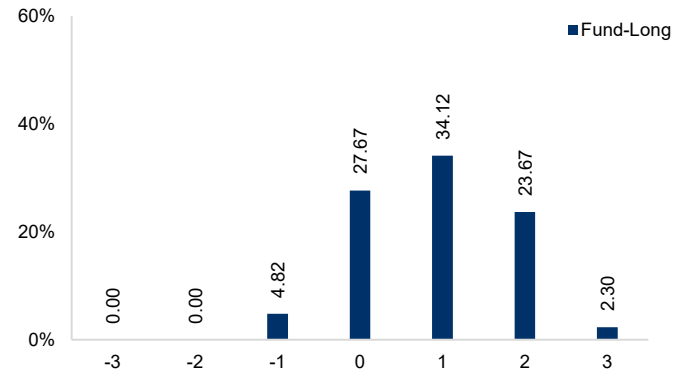
Thematic Breakdown (% ,NAV)



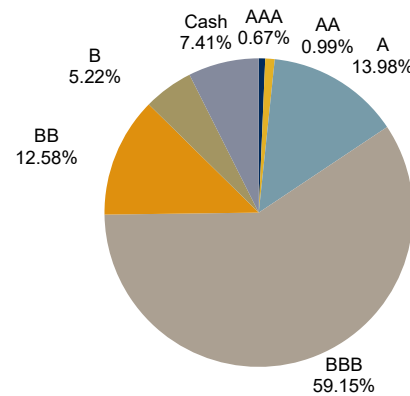
Regional Breakdown (% , NAV)



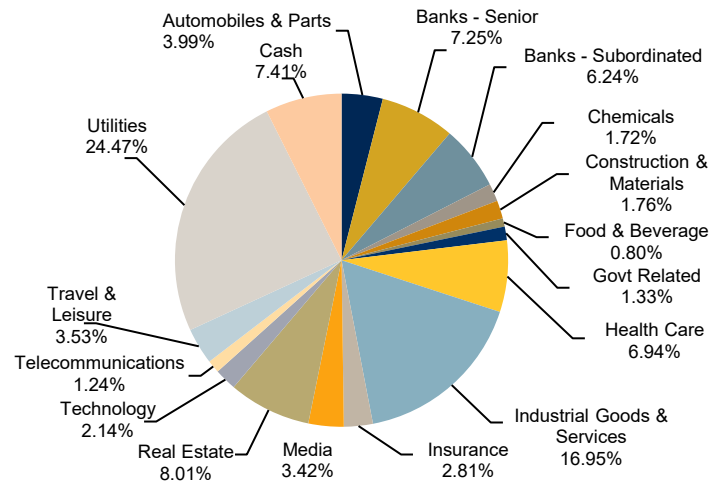
BlueBay: Security Investment ESG Scores (% , NAV)⁷



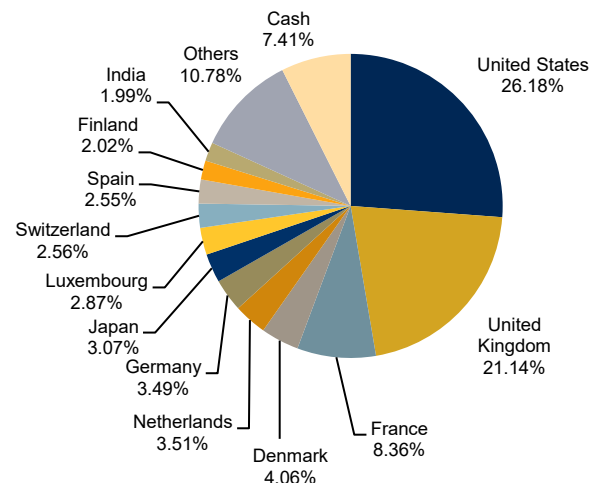
Rating Breakdown (% , NAV)



Sector Breakdown (% , NAV)



Country Breakdown (% , NAV)



Fund Facts

Total fund size ⁵	USD 164m
Inception date	04 May 2021
Base currency	USD
Fund legal name	BlueBay Funds - BlueBay Impact-Aligned 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

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 analysis of sustainability factors can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and BlueBay could assess the sustainability 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

Team

	Joined BlueBay	Investment industry experience
Thomas Moulds	December 2005	18 years
Harrison Hill	July 2015	12 years
Robert Lambert	September 2008	26 years
Size of team	36 investment professionals	
Average investment industry experience	21 Years	

Contact Information

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There are several risks associated with investing in this product. Please consult the Prospectus.

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. 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).
8. Reference is made to the Barclays Global Aggregate Corporate Index for indicative purposes, the fund itself is not benchmarked against this, or any other index.

Source: All data unless otherwise specified is sourced from RBC Global Asset Management, as at 29th December 2023

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