

# BlueBay High Income Loan Fund

February 2022

## Fund Performance (%) Gross of Fees (EUR)<sup>1</sup>

For Professional Investors Only

	1M	3M	YTD	1YR	3YR <sup>2</sup>	5YR <sup>2</sup>	10YR <sup>2</sup>	SI <sup>2,3</sup>
BlueBay High Income Loan Fund	-1.21	-0.77	-1.15	1.61	3.41	3.06	4.48	7.60
Credit Suisse Western European Leverage Loan Index non USD denominated loans (Euro hedged) <sup>5</sup>	-1.04	-0.29	-0.70	2.38	3.29	2.97	4.44	6.70
Alpha	-0.17	-0.48	-0.45	-0.77	0.12	0.09	0.04	0.90

## Review & Outlook

### Contributors

- The absence of exposure to issuer Upfield, which operates as a plant-based consumer product company, was the top single-name relative contributor.

### Detractors

- The top detractor to fund returns came from healthcare issuer STADA, which traded weaker due to the company's exposure to Ukraine and Russia. The company, which specialises in medicines, is currently out of remit for the trade sanctions and has not faced any major supply-chain issues as a result of the conflict.
- Off-benchmark allocation to high-yield bonds was a source of underperformance, as bonds underperformed loans over the month.

### Outlook

- It has been an eventful period for risk assets and the full ramifications of Russian military action in Ukraine is still to be determined.
- From a risk perspective, we have thus far benefited from the cautiousness that we entered 2022 with. Our initial response across active portfolios has been to adjust our existing range of interest-rate and credit-derivative hedges.
- Our main concern for broader portfolios is that higher prices in oil, gas and broader commodities will have an impact on both inflation and growth.
- So far, corporates in our investment universe have generally been successful on increasing prices to customers, but concerns about stagflation in Europe is quite possible.
- We are biased to reduce the preference for B and CCC & below rated credits relative to BBs, though are being patient in terms of portfolio adjustment via physical bonds.
- In terms of regional exposure, we are overweight core US and European credit markets relative to an underweight bias to emerging markets.

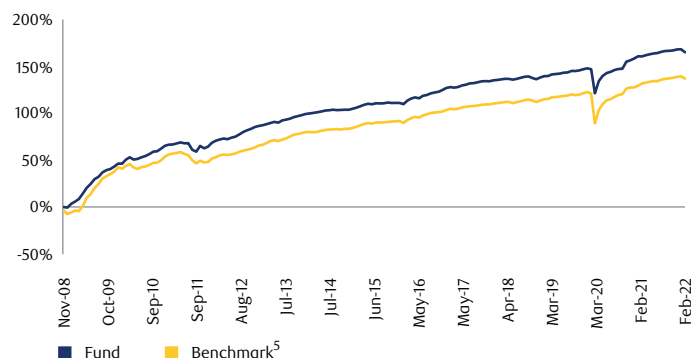
## Investment Objective

To achieve a total return in excess of the Credit Suisse Western European Leverage Loan Index non USD denominated loans (Euro hedged) from a portfolio of fixed income securities

## Investment Strategy

- The Fund invests predominantly in fixed income securities issued by sub-investment grade companies domiciled in Europe
- The Fund seeks to generate excess returns primarily via security selection; based upon high quality, proprietary research
- The Fund meets the conditions set out in Article 6 of the Sustainable Finance Disclosure Regulation as Sustainability Risks are integrated into the investment decision making process. Full details of the Fund's ESG framework are available online [www.bluebay.com/en/investment-expertise/esg/approach/](http://www.bluebay.com/en/investment-expertise/esg/approach/)

## Cumulative Relative Performance<sup>3</sup> Gross of Fees<sup>1</sup> (EUR)



Past performance is not indicative of future results.

## Fund Characteristics

	Fund
Weighted interest rate duration (yrs)	0.39
Weighted yield to worst (%) <sup>6</sup>	4.69
Weighted yield to worst non-cash diluted (%)	4.71
Weighted coupon (%)	3.90
Weighted coupon non-cash diluted (%)	3.92
Total no. of issuers	128
Weighted rating	B
Average position (%)	0.78
Loans with floors (%)	82.80
No. of loans with floors	108.00

## Risk Profile

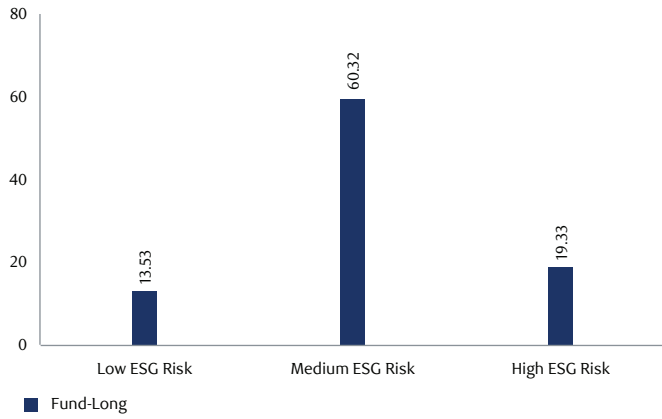
Credit spread duration (yrs)	4.52
Equity sensitivity (+1%) (% NAV)	-
FX exposure (% NAV)	0.11
Interest rate duration (yrs)	0.97
VAR (95%, 1day) (bps) <sup>9</sup>	34.26
Vega	-0.21

## AIFMD Regulatory Disclosure

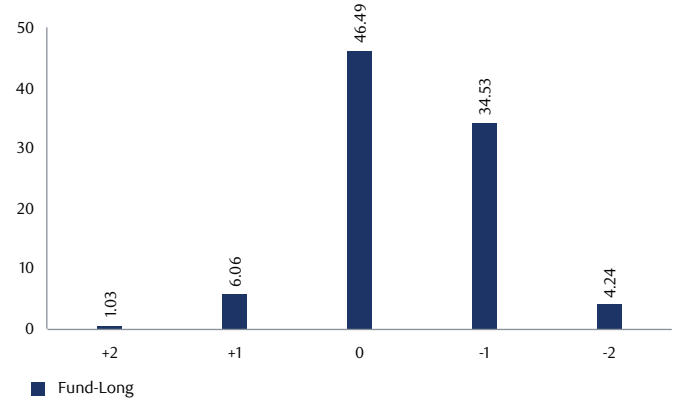
AIFMD <sup>7</sup> leverage gross notional (% NAV) <sup>10</sup>	112%
AIFMD <sup>7</sup> leverage commitment (% NAV) <sup>11</sup>	105%
Limited liquidity (% NAV) <sup>12</sup>	0.00%
Changes to max leverage	No
Changes to liquidity management	No

\*AIFMD Leverage: The Sum of Gross Notional and Commitment leverage are methodologies required under AIFMD regulation. Specifically, the Sum of Gross Notional methodology does not allow for netting and offsetting arrangements; consequently, the reported level of leverage may exceed, at times considerably, the economic leverage assumed by the Fund.

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



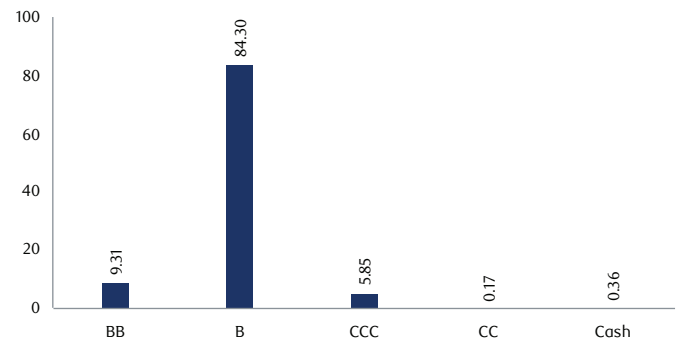
### BlueBay: Security Investment ESG Scores (% , NAV)



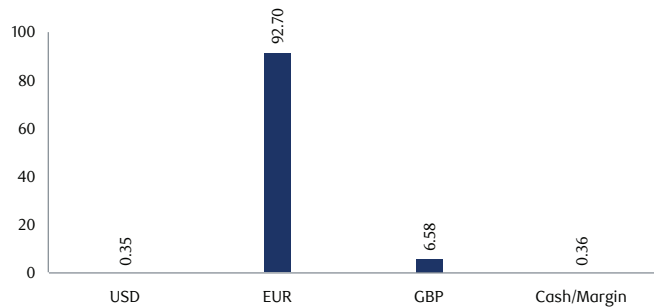
### Top 5 Issuers (%)

Issuer	Weight (absolute)	Weight (relative)	BlueBay ESG Fundamental (Risk) Rating <sup>13</sup>	BlueBay Investment ESG score <sup>14</sup>
Dorna Sports SL	2.21	1.92	Medium ESG Risk	0
Aragon Bidco GmbH	1.75	1.49	High ESG Risk	-1
Nidda Healthcare Holding GmbH	1.75	0.79	High ESG Risk	-1
Affidea BV	1.69	1.53	Medium ESG Risk	0
Sigma Holdco B.V.	1.46	0.37	Medium ESG Risk	-1

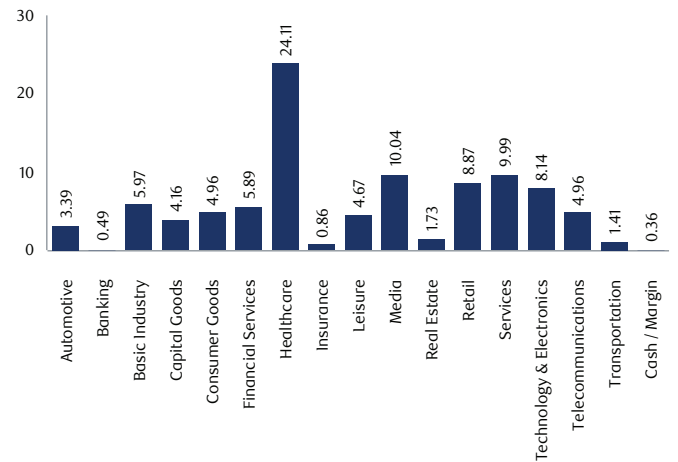
### Credit Quality Breakdown (% , NAV)



### Currency Breakdown (Before Hedging % , NAV)



### Sector Breakdown (% , NAV)



### Seniority (% , Nav)

1st Lien	82.56
Bonds	16.80
2nd Lien	0.24

Fund Facts

Total fund size <sup>4</sup>	EUR 175m
Inception date	11 November 2008
Base currency	EUR
Benchmark	Credit Suisse Western European Leverage Loan Index non USD denominated loans (Euro hedged)
Fund legal name	BlueBay Structured Funds - High Income Loan 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	SICAV-SIF
Domicile	Luxembourg
Investment manager	BlueBay Asset Management LLP

Team

	Joined BlueBay	Investment industry experience
Justin Jewell	April 2009	20 years
Rajat Mittal	March 2007	18 years
Size of team		36 investment professionals
Average investment industry experience		17 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. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
5. Benchmark:Credit Suisse Western European Leverage Loan Index non USD denominated loans (Euro hedged)
6. Yield to worst calculations assumes all tranches priced as a bullet to maturity.
7. CDv01 represents the exposure of the portfolio in base currency to a decrease in credit spreads in the relevant currency of one basis point across all maturities.
8. Dv01 represents the exposure of the portfolio in base currency to a decrease in risk free interest rates in the relevant currency of one basis point across all maturities.
9. VaR is calculated using Monte Carlo simulations. The reported figure is the 95% confidence loss amount at a one day horizon. VAR by currency is the contribution to the overall VAR from assets denominated in each currency. Results presented as basis points of the NAV.
10. AIFMD methodology taking the market value for cash instruments and the sum of Gross Notional for all derivatives.
11. AIFMD methodology taking the market value for cash instruments but allows for netting and offsetting arrangements for derivatives.
12. Percentage of net asset value which comprises investments with limited liquidity, as prescribed by AIFMD regulation.
13. 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.
14. 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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