



BlueBay Global High Yield ESG Bond Fund

March 2022

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Fund Performance (%) Gross of Fees (USD)^{1,2}

	1 M	3 M	YTD	1YR	3YR ²	5YR ²	SI ^{2,3}
BlueBay Global High Yield ESG Bond Fund	-0.28	-3.67	-3.67	-0.69	5.75	5.64	5.57
ICE BofA Global High Yield Investment Grade Country Constrained Index (HWIC)	-1.20	-5.66	-5.66	-3.63	3.34	4.23	4.08
Alpha	0.92	1.99	1.99	2.94	2.41	1.64	1.33

Review

Contributors

- Underweight exposure to cyclical sectors was a contributor to fund returns, as the sector was the most impacted by the geopolitical environment, as well as by rising inflation.
- The underweight allocation to BB rated credits was beneficial to fund performance, as the rating category underperformed due to the higher interest-rate sensitivity. Additionally, solid credit selection in B rated credits – in which the fund is overweight – was additive to fund performance.
- From a regional perspective, underweight allocation to emerging markets (EM) was a contributor of relative performance, driven by absolute underweight positioning to Chinese and Russian corporate credits.

Detractors

- Due to the environmental, social and governance credentials of the fund, underweight exposure to oil exploration and production companies was a detractor from fund returns.

Outlook

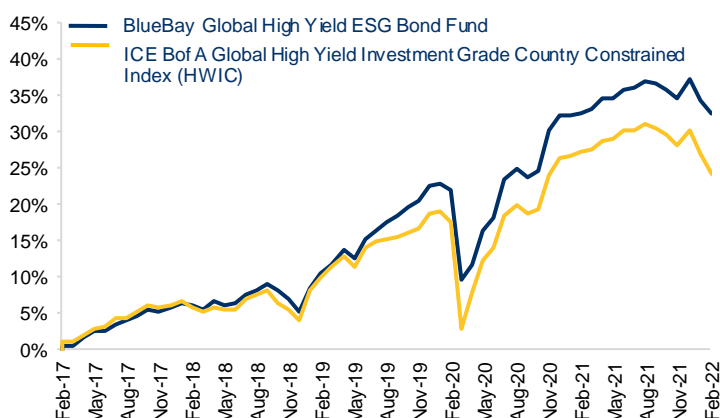
- Risk markets seem to have accepted the status quo of no quick resolution to the Ukraine crisis and that the vast majority of economic sanctions on Russia will remain as long as President Vladimir Putin stays in power.
- From a cautious approach to risk from the beginning of the year, we are now inclined to be more positive on the beta and alpha return opportunities over the next 3-6 months.
- The main macroeconomic focus for credit markets has turned back to central-bank policy, and even though the federal reserve was more hawkish than expected at its March meeting, the greater clarity was received positively, with credit spreads continuing to tighten.
- Corporates are still benefiting from a pick-up in economic activity, though they have to deal with higher inflation and raw material shortages across a broader range of commodities.
- With the yields of global high-yield (HY) markets above 6%, the standalone valuations of the asset class appear attractive, considering the default expectations across US and European HY.
- We are biased to reduce the preference for B and CCC & below rated credits relative to BBs as we re-engage selectively with secondary-market opportunities.
- In terms of regional exposure, we are overweight core US and European credit markets, relative to an underweight bias to EM.

Investment Strategy

- An actively-managed, long-only strategy investing across global markets with a focus on the US and Europe
- Employing a range of ESG strategies including negative and norms based screening, as well as integration and engagement.
- 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 of the Fund's ESG framework are available online www.bluebay.com/en/investment-expertise/esg/approach/

Please refer to the notes on leaf for important information regarding the gross performance shown above

Cumulative Performance Gross of Fees (USD)^{1,3}



Note: Past performance is not indicative of future results.

Fund Characteristics

	Fund	Index
Weighted interest rate duration (yrs)	3.90	4.24
Weighted yield to worst (%)	5.91	6.07
Weighted yield to worst non-cash diluted (%)	6.30	6.07
Weighted spread	411.00	402.00
Weighted spread duration (yrs)	3.38	4.02
Weighted coupon (%)	5.47	5.21
Weighted coupon non-cash diluted (%)	5.83	5.21
Weighted rating	BB-	BB-
Total no. of issuers	151	1,496
Average position (%)	0.48	0.03
FRNS and loans (%)	0.43	n/a

Note: Defaulted securities are excluded from Spread and Yield calculations

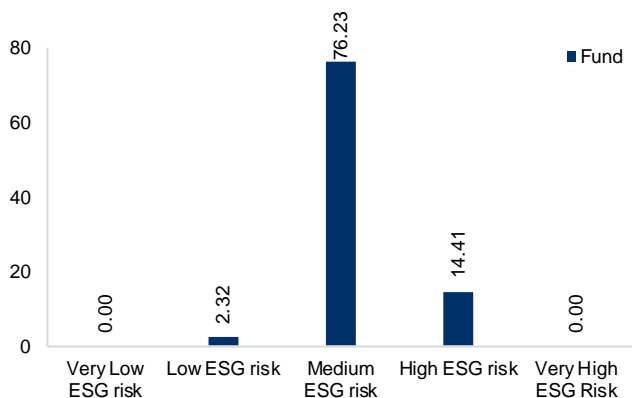
Risk Statistics⁵

Standard deviation	6.98%
Tracking error	1.51%
Information ratio	0.98

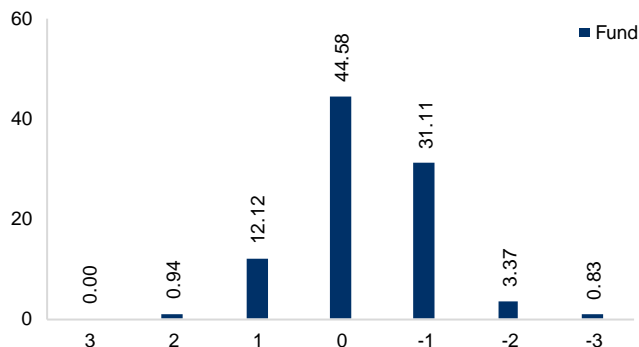
Investment Objective

The fund is actively managed and targets better returns than its benchmark, the ICE BofA Merrill Lynch Global High Yield Investment Grade Countries Index, while taking into account Environmental, Social and Governance ("ESG") considerations.

BlueBay: Issuers Fundamental ESG (Risk) Ratings (% NAV)



BlueBay: Security Investment ESG Scores (% NAV)



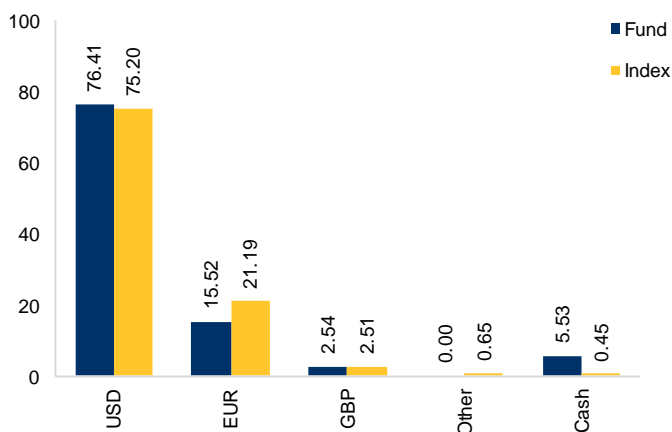
Top 5 Issuers (% NAV)

Issuer	Weight (absolute)	Weight (relative)	BlueBay ESG Fundamental (Risk) Rating ⁶	BlueBay Investment ESG Score ⁷
Banijay Group SAS	1.52	1.46	Medium ESG Risk	0
Tenet Healthcare Corp	1.39	0.73	Medium ESG Risk	0
Sinclair Television Group Inc	1.34	1.25	Medium ESG Risk	-1
Ferrellgas LP / Ferrellgas Finance Corp	1.25	1.19	High ESG Risk	-1
Baffinland Iron Mines Corp / Baffinland Iron Mines LP	1.24	1.22	Medium ESG Risk	0

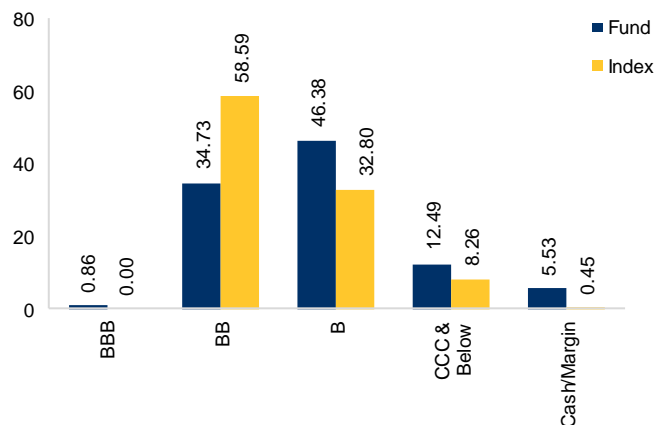
Top Sector Relative Weights (%)

Overweights		Underweights	
Media	5.41	Energy	-8.38
Retail	5.10	Leisure	-4.22
Services	4.77	Real Estate	-2.83
Banking	3.29	Financial Services	-2.35
Basic Industry	3.25	Transportation	-2.19

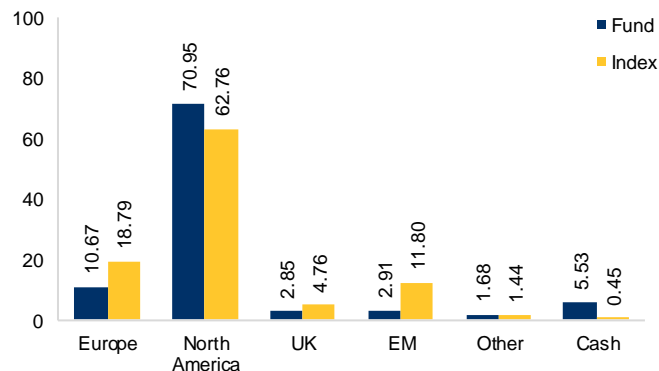
Currency Breakdown (before hedging % NAV)



Credit Quality Breakdown (% NAV)



Regional Breakdown by Domicile (% NAV)



Fund Facts

Total fund size ⁶	USD 393m
Inception date	08 February 2017
Base currency	USD
Benchmark	(ICE BofA Global High Yield Investment Grade Country Constrained Index
Fund legal name	BlueBay Funds - BlueBay Global High Yield ESG 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	BlueBay Asset Management LLP

	Joined BlueBay	Investment industry experience
Justin Jewell	April 2009	20 years
Tim Leary	January 2012	16 years
Andrzej Skiba	February 2005	20 years
Size of team	34 investment professionals	
Average investment industry experience	16 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. All weighted calculations since February 2017 exclude non-interest rate bearing assets and non-debt related instruments.
5. 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.
6. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
7. 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.
8. 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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