RBC BlueBay Asset Management

BlueBay Financial Capital Bond Fund

September 2026

Fund Performance (%) Gross of Fees (USD)[1]

	1M	3M	YTD	1YR	3YR	5YR	10YR	SI[1,2]
BlueBay Financial Capital Bond Fund	-2.61	-1.90	1.54	4.15	12.33	4.26	8.56	8.21

Calendar Year Performance (%) Gross of Fees (USD)[1]

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BlueBay Financial Capital Bond Fund	11.49	14.37	8.49	-11.70	6.72	13.17	22.76	-3.54	22.08	7.27

Review

Contributors

- There were no positive contributors to performance during the period.

Detractors

- Additional Tier 1 (AT1) holdings in UBS, Barclays, and Deutsche.

Outlook

- Bank profitability has increased by +100% over the last 5 years and it is this revenue tailwind that should go some way in shielding any deterioration in asset quality should that occur in the months and quarters ahead if growth happened to deteriorate. If anything, events in the middle east have meant that rate cuts have been priced out and the market is now pricing in hikes over the coming quarters, which will further increase profit margins for the banking sector. We will have Q3 results in a matter of weeks which should confirm this tailwind. Capital levels remain close to all-time highs while the stock of non-performing loans (NPLs) are close to the lows. European Bank AT1 still offers attractive carry in an asset class with a solid fundamental outlook, somewhat shielded from higher energy costs and AI-related disruption.
- The yield of the fund is circa 7.6% as we move into October. This 7.6% yield comes from an average issuer rating of A within the fund so there is no need for investors to give up liquidity or look for yield in lower rated credit.

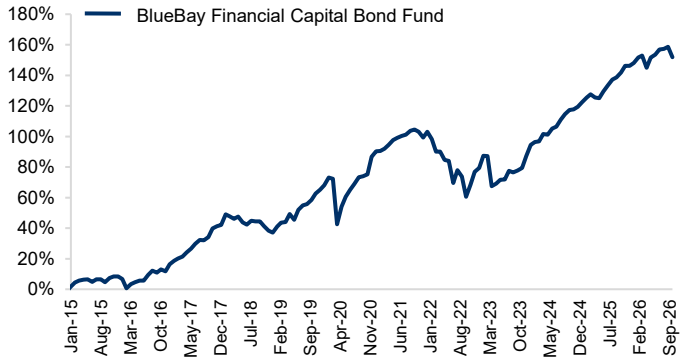
Investment Objective

- To achieve a total return from a portfolio of subordinated debt securities issued by financial institutions

Investment Strategy

- The Fund invests at least 50% of its net assets in subordinated debt securities issued by financial institutions. Subordinated debt securities include, but are not limited to, Tier 1 and Tier 2 contingent capital securities (CoCos) and US perpetual preferred stock.
- The fund may not invest more than 10% of its assets in securities of the same financial institution and up to 25% of the fund's assets may be invested in equities.

Cumulative Performance Gross of Fees (USD)[1,2]

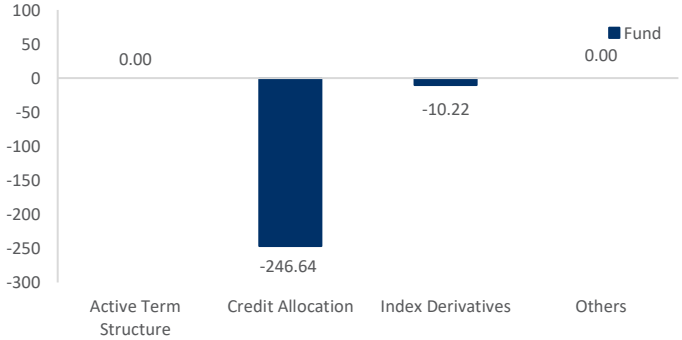


Past performance does not predict future returns. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. Fees and other expenses will have a negative effect on investment returns.

Risk Statistics[3]

	Fund
Annualised return since inception (%)[2]	8.21
Annualised volatility (%)[2]	9.99
Sharpe ratio[2]	0.58

Summary of Attribution Effects (bps)



Intended retail investor: this product is only available to qualified Institutional Investors and/or investors who are a) an informed investor or b) an advanced investor in line with MiFID II target market definition. Please see disclaimer at end of document for a full definition.

Recipients are strongly advised to obtain appropriate independent professional advice and reach their own conclusions regarding the investment merits and risks. No RBC BlueBay fund will be offered, except pursuant and subject to the offering memorandum and subscription materials for such fund. Information on fees, available Share Classes and eligibility for this Fund are detailed in the BlueBay Funds Prospectus. The Key Investor Information Document ("KIID"), the Packaged Retail and Insurance-based Investment Products - Key Information Documents (PRIIPs KID) and full prospectus must be read carefully prior to making a decision to invest. Subscriptions will only be received and shares issued based on the current KIID and full prospectus.

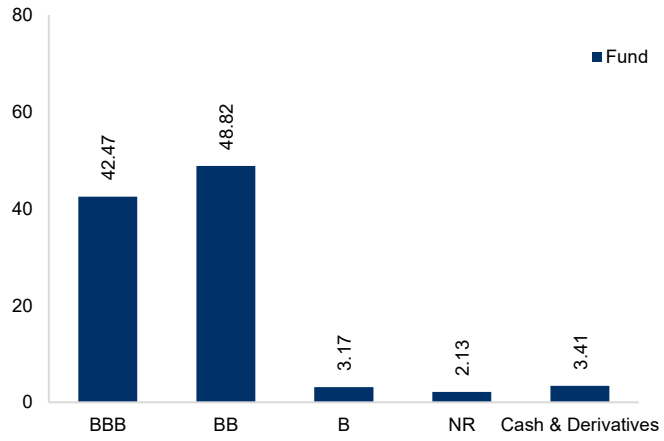
UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE.

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

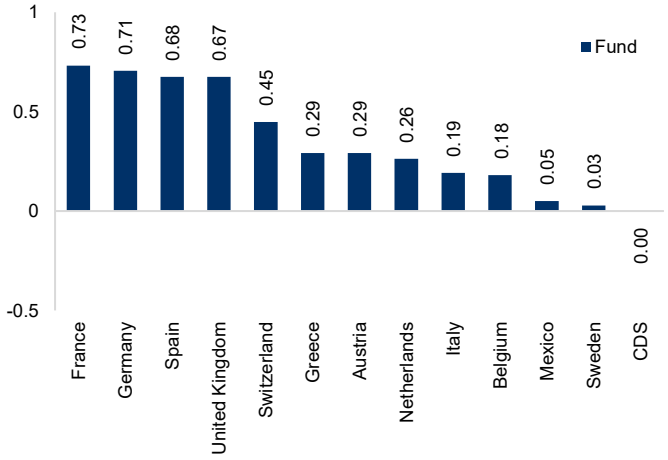
Fund Characteristics

	Fund
Weighted interest rate duration (yrs)	4.53
Weighted spread duration (yrs)	4.53
Weighted yield to worst (%)	7.54
Weighted yield to worst without hedges (%)	7.54
Yield to maturity (%)	8.53
Weighted running yield (%)	6.73
Total no. of issues	42
Total no. of issuers	24
Weighted average rating – by issue	BB+
Weighted average rating – by issuer	A
Average position (%)	2.30

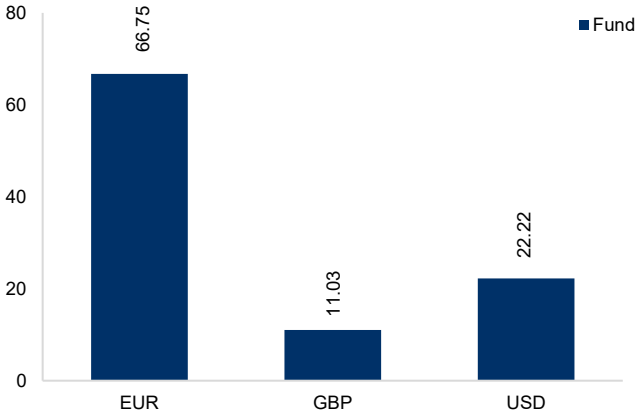
Credit Quality Breakdown (%, NAV)



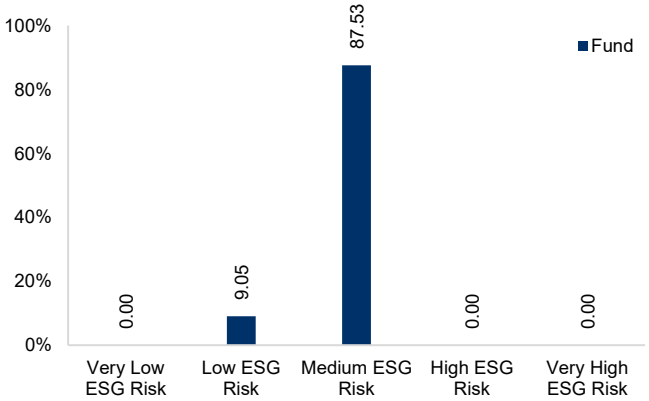
Country Spread Duration Contribution (yrs)



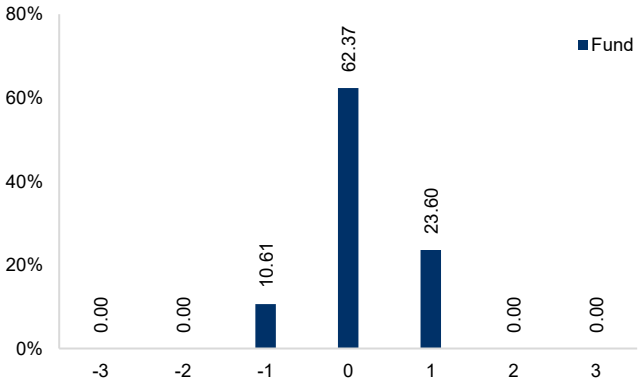
Currency Breakdown (Before Hedging %, NAV)



BlueBay: Issuer fundamental ESG (risk) ratings (ESG Risk Ratings)[6]



BlueBay: Security investment ESG scores (ESG Scores)[7]



Top 5 Issuers by Spread Duration Contribution (yrs)

Issuer	Years (absolute)	BlueBay ESG Fundamental (Risk) Rating[6]	BlueBay Investment ESG Score[7]
Deutsche Bank AG	0.49	Medium ESG Risk	0.00
UBS Group AG	0.45	Medium ESG Risk	-1.00
Barclays PLC	0.40	Medium ESG Risk	0.00
BNP Paribas Cardif SA	0.31	Medium ESG Risk	0.00
Erste Group Bank AG	0.29	Medium ESG Risk	0.00

Sector Subordination (%, NAV)

	Fund
Senior	0.00
Additional Tier 1	91.47
Upper tier 2	0.00
Lower tier 2	0.00
Subordinated insurance	5.12
Preferred Stock	0.00
Cash & Derivatives	3.41
Unclassified[5]	0.00
Total	100.00

Risk Considerations

- At times, the market for investment grade bonds or high yield 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
- Investing in subordinated bank debt, including CoCos, offers you the chance to gain higher returns through growing your capital and generating income. Nevertheless, there is a risk that CoCos may 1) be converted to equities or permanently written down 2) not be redeemed by the issuer when expected 3) defer or cancel interest payments indefinitely, which would result in a loss of income to the fund and possible loss of its initial investment. Additionally, CoCo investors may suffer losses prior to investors in the same financial institution holding equities or bonds
- RBC BlueBay's analysis of ESG/sustainability factors can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and RBC BlueBay could assess the ESG/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
Marc Stacey	September 2004	24 years
James Macdonald	September 2007	22 years

Fund Facts

Total fund size [4]	USD 1,811m
Total strategy size[8]	USD 3,761m
Inception date	14 January 2015
Base currency	USD
SFDR	Article 8
Fund legal name	BlueBlueBay Funds – BlueBay Financial Capital 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

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.

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 available online: www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/

NOTE: This Article designation is a self-classification by RBC Global Asset Management (UK) Limited and effect from 01/10/2021

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a) an informed investor who has an average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only); or has some financial industry experience; or
b) an advanced investor who has a good knowledge of relevant financial products and transactions; or has financial industry experience; or is accompanied by professional investment advice; or is included in a discretionary portfolio service

Notes

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. Since Inception
3. As at 31st May 2025, the frequency for risk statistics was changed from using weekly to monthly data points as the basis for calculation. Risk statistics are annualized and calculated using monthly 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.
4. The Fund AUM is stated on a T+1 basis and includes non-fee earning assets.
5. Unclassified includes derivatives and hedging instruments.
6. Fundamental ESG (Risk) Rating: ESG evaluations generate two ESG metrics, with both metrics are derived from a proprietary framework applied by the BlueBay fixed income platform. One being the Fundamental ESG (Risk) Rating, which is assigned at an issuer level. 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 well it manages these risks. ESG evaluations are only completed for in scope strategies, for specific issuer and security/instrument types and certain investment exposures.
7. Investment ESG Score: ESG evaluations generate two ESG metrics, with both metrics are derived from a proprietary ESG framework applied by the BlueBay fixed income platform. One being the Investment ESG Score, which refers to the extent to which the ESG risk factors the issuer is exposed to are considered to have any financial/investment relevance and materiality. Scores range from '+3' through to '-3' indicates the extent to which ESG is considered investment material, as well as the nature and likely magnitude of the investment impact. An 'Indicative' Investment ESG Score is the assigned score at the time of initial ESG analysis and is more reflective of issuer level investment materiality of the ESG risks as there is not necessarily a specific security being considered for investment. For this reason, the actual 'security' level Investment ESG Score assigned for a specific investment may be different from the indicative one assigned, as that is more reflective of the view of ESG risks at an issue/instrument level. ESG evaluations are only completed for in scope strategies, for specific issuer and security/instrument types and certain investment exposures.
8. Strategy represents the flagship fund as well as dedicated segregated mandates and sleeves of multi-asset credit funds with subordinated financial allocations

Note: All data unless otherwise specified is sourced from RBC Global Asset Management, as at 30th September 2026.

Contact information

Marketing and Client Relations Department
Tel: +44(0)20 7653 4000
marketing@bluebay.com
www.rbcbluebay.com

Key Terms

Article 6 (SFDR): Financial products, not falling into either the Article 8 or 9 category. Where such products deem sustainability risks to be relevant to the returns of the product, the regulation requires transparency of the integration of sustainability risks. Where such risks are not deemed relevant, the regulation requires an explanation of the reasons. Such products are not subject to any of the additional transparency required for Article 8 or 9 products.

Article 8 (SFDR): Financial products where sustainable investment is not the objective, but they are promoting environmental or social characteristics (or a combination of those characteristics), provided that the companies in which the investments are made follow good governance practices. The regulation requires such products to have additional transparency on the promotion of environmental or characteristics.

Article 9 (SFDR): Financial products with sustainable investment as its objective. The regulation requires such products to have additional transparency of sustainable investments.

Environmental, social & governance (ESG): A set of aspects, environmental, social and governance related, that may be considered in investment. How ESG considerations are taken into account will differ for each fund. ESG integration is the incorporation of material ESG factors into investment decision making with an aim to identify potential risks and opportunities and improve long-term, risk-adjusted returns. Note: Certain exposure and security types do not integrate ESG factors, including but not limited to certain currency or derivative instruments. Please read a fund's prospectus for further details.

SFDR: An EU regulation on sustainability-related disclosures. It sets out rules for financial market participants and financial advisers on transparency with regulation to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.

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Unless otherwise stated, performance data is unaudited and net of management, performance and other fees. Past performance is not indicative of future results.

Any indices shown are presented only to allow for comparison of the RBC BlueBay fund's performance to that of certain widely recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific fund or investor. In addition, the RBC BlueBay fund holdings may differ significantly from the securities that comprise the indices shown. Indexes are unmanaged and investors cannot invest directly in an index.

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