

BlueBay Investment Grade Absolute Return Bond Fund*

April 2021

FUND PERFORMANCE (%) GROSS OF FEES (EUR)¹

For Professional Investors Only

	1M	3M	YTD	1YR	3YR ²	5YR ²	10YR ²	SI ^{2,3}
BlueBay Investment Grade Absolute Return Bond Fund	-0.14	0.61	1.34	10.57	2.57	3.52	-	3.47
The ICE BofA Merrill Lynch Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index ⁶	-0.05	-0.14	-0.18	-0.43	-0.38	-0.35	-	0.05
Alpha	-0.09	0.75	1.52	11.00	2.95	3.87	-	3.42

REVIEW & OUTLOOK

Contributors

- Long corporate credit risk (beta-adjusted)
- Long subordinated bank and corporate hybrids
- Long Covid-sensitive cyclical corporates
- Long Mexican and Romanian sovereigns

Detractors

- Short US duration
- Long US dollar

Outlook

- With vaccine rollouts promising better times ahead and ongoing fiscal and monetary policy support, risk assets look well supported. However, the outlook could become more complex as markets focus on the impact of rising yields on equities and credit.
- We believe the key to understanding market direction will be identifying the moment at which the narrative with respect to policy accommodation starts to change, and part of this will be making the correct calls on inflation.
- Geographical divergence in vaccine rollout success and the speed and magnitude of the rebound in growth are likely to create further relative-value opportunities across fixed income.
- On duration and curve positioning, all eyes are on US Treasuries. We do see scope for inflation to surprise on the upside later this year, which could keep upward pressure on government bond yields.
- Policy should continue to be supportive of European sovereign credit, but valuations keep us from being too positive, given political risk is never far away.
- We do see some value in emerging-market sovereign names, but remain selective as a resumption of a move upwards in US yields could see the dollar firm.
- Investment-grade corporates seem well supported by policy, with demand boosted by ongoing central-bank purchase programmes and a general need for yield. We remain modestly constructive on corporate spreads, despite valuations looking somewhat less attractive.
- From a bottom-up perspective, the areas that look best value to 'yield-hungry' investors are those Covid-impacted areas of the market, as well as subordinated financials and non-financials.

INVESTMENT OBJECTIVE

To achieve a total return in excess of The ICE BofA Merrill Lynch Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index from a portfolio of investment grade-rated fixed income securities.

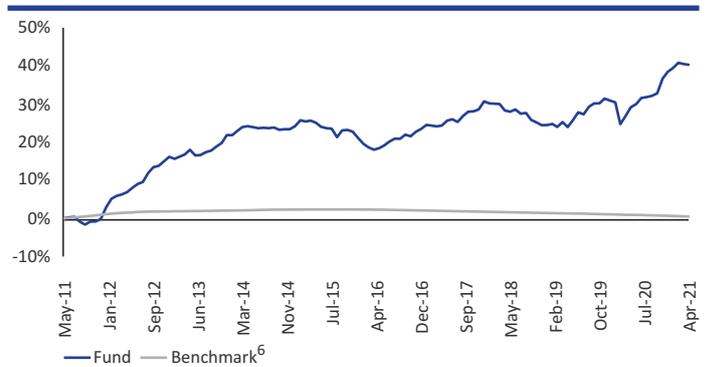
INVESTMENT STRATEGY

- The Fund seeks to exploit a range of alpha sources in order to generate an annual return in excess of its benchmark.
- Invests across global interest rates, sovereign and non-sovereign credit and across currencies, utilising the full range of available cash and derivatives securities.
- Active long and short risk positions will be taken within permitted exposure limits. The Fund may employ leverage through the use of derivative instruments within limits set by the UCITS framework.
- 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/

CALENDAR YEAR PERFORMANCE (%) GROSS OF FEES¹ (EUR)

	2020	2019	2018	2017
Fund	5.33	5.61	-3.22	4.80
Benchmark	-0.39	-0.34	-0.33	-0.33
Alpha	5.73	5.95	-2.89	5.13

CUMULATIVE RELATIVE PERFORMANCE³ GROSS OF FEES¹ (EUR)



Past performance is not indicative of future results.

FUND CHARACTERISTICS

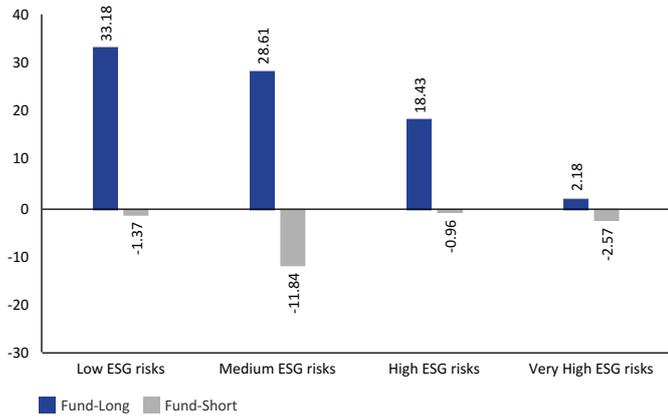
	Fund	Benchmark ⁶
Weighted interest rate duration (yrs)	-1.07	0.25
Weighted spread duration (yrs)	0.89	N/A
Weighted yield to worst (%)	0.15	-0.33
Weighted coupon (%)	1.91	-0.33
Weighted running yield (%)	1.76	N/A
Total no. of issues	111	N/A
Total no. of issuers	71	N/A
Weighted rating	BBB	AAA
Average position (%)	0.89	N/A

Note: Defaulted securities are excluded from Spread and Yield calculations.

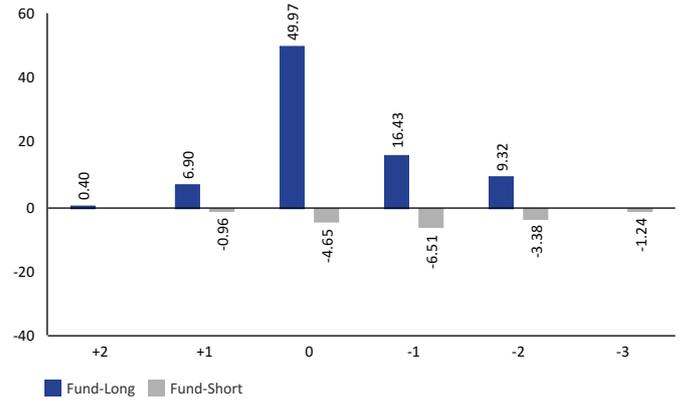
RISK STATISTICS⁴

Standard Deviation	3.25%
Tracking Error	3.25%
Information Ratio	1.05

BLUEBAY: ISSUER FUNDAMENTAL ESG (RISK) RATINGS (% NAV)



BLUEBAY: SECURITY INVESTMENT ESG SCORES (% NAV)



TOP 3 LONG ISSUERS BY SPREAD DURATION CONTRIBUTION (YRS)

Issuer	Years (absolute)	Years (relative)	BlueBay ESG Fundamental (Risk) Rating ⁷	BlueBay Investment ESG score ⁸
Mexico Government International Bond	0.72	0.72	Medium	-2
Altria Group Inc	0.30	0.30	High	-2
Romanian Government International Bond	0.26	0.26	Medium	-2

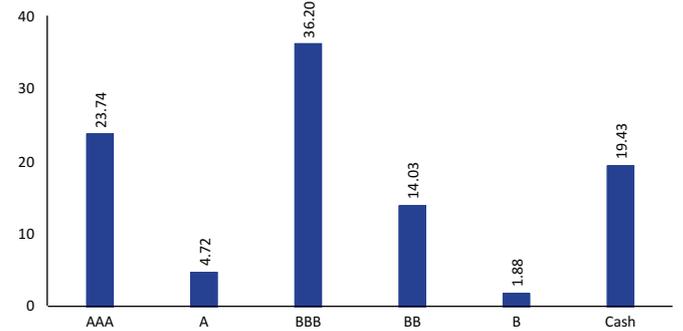
TOP SECTOR SPREAD DURATION CONTRIBUTION, RELATIVE TO INDEX (YRS)

Overweights	Value	Underweights	Value
Sovereign	0.98	Insurance	-0.54
Technology	0.23	Chemicals	-0.29
Telecommunications	0.23	Retail	-0.15
Financial Services	0.18	Automobiles & Parts	-0.12
Treasuries	0.15	Food & Beverage	-0.09

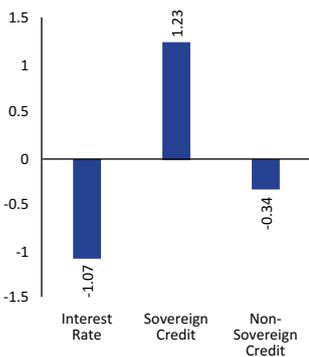
TOP 3 SHORT ISSUERS BY SPREAD DURATION CONTRIBUTION (YRS)

Issuer	Years (absolute)	Years (relative)	BlueBay ESG Fundamental (Risk) Rating ⁷	BlueBay Investment ESG score ⁸
BMW Finance NV	-0.13	-0.13	Medium	-1
Daimler AG	-0.10	-0.10	Medium	-1
Quest Diagnostics Inc	-0.10	-0.10	Medium	0

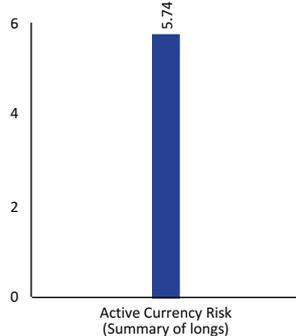
CREDIT QUALITY BREAKDOWN (% NAV)



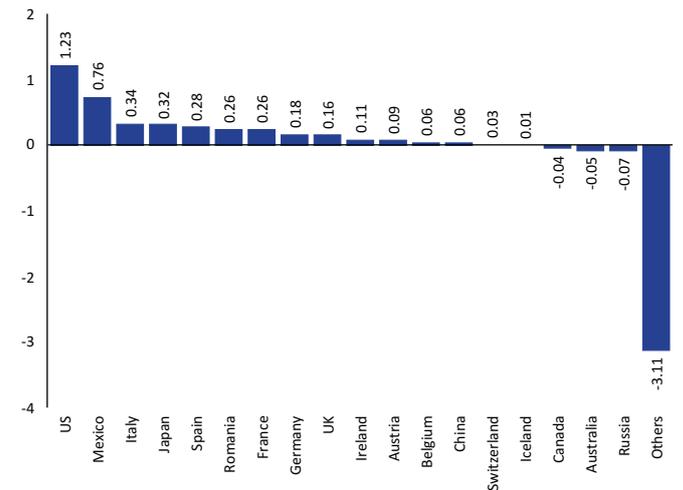
PRODUCT BREAKDOWN DURATION (YRS)



CURRENCY EXPOSURE (%)



COUNTRY BREAKDOWN BY SPREAD DURATION (YRS)



FUND FACTS

Total fund size ⁵	EUR 1,468m
Inception date	24 May 2011
Base currency	EUR
Benchmark	The ICE BofA Merrill Lynch Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index
Fund legal name	BlueBay Funds - BlueBay Investment Grade Absolute Return 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

TEAM

	Joined BlueBay	Investment industry experience
Mark Dowding	August 2010	27 years
Andrzej Skiba	February 2005	19 years
Vinit Patel	June 2011	15 years
Size of team	28 investment professionals	
Average investment industry experience	18 years	

CONTACT INFORMATION

Marketing and Client Relations Department

77 Grosvenor Street
London W1K 3JR

tel: +44(0)20 7389 3775
marketing@bluebay.com
www.bluebay.com

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. 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. Benchmark: The ICE BofA Merrill Lynch Euro Currency 3-Month Deposit Offered Rate Constant Maturity Index
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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