

BlueBay Investment Grade Euro Government Bond Fund

November 2022

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 Euro Government Bond Fund	2.74	-0.77	-12.42	-13.37	-3.83	-0.16	3.27	4.63
Bloomberg Euro Aggregate Treasury Index ⁶	2.39	-1.35	-14.54	-15.92	-4.98	-1.52	1.35	2.23
Alpha	0.35	0.58	2.13	2.55	1.15	1.36	1.92	2.40

Calendar Year Performance (%) Gross of Fees¹ (EUR)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-3.35	5.82	9.59	1.47	3.37	7.34	2.13	14.38	5.53
Benchmark	-3.46	4.99	6.77	0.98	0.17	3.23	1.65	13.13	2.24
Alpha	0.10	0.83	2.82	0.49	3.20	4.11	0.49	1.25	3.29

Review & Outlook

Contributors

- Long Romania and Mexico
- Long euro swap spreads
- Long Hungarian forint

Detractors

- Long Icelandic krona
- Short Polish zloty
- CDX emerging-market index hedge

Outlook

- The recent recovery in rates and risk has been propelled by hopes of a pivot from the Federal Reserve (Fed) and boosted by favourable underlying technicals. However, uncertainties around inflation, growth, policy and geopolitics remain.
- Upcoming employment and inflation data will be disproportionately important ahead of the next Fed meeting. The market is increasingly expecting a more dovish stance from the Fed, which has led to a material easing in financial conditions.
- The latest labour market data showed there is still some underlying strength there. Households and corporate balance sheets remain in good shape, which could lead the Fed to push back on the market's narrative.
- The challenge for markets and central banks is finding the R-star – the real short-term interest rate when an economy is at full strength and inflation is stable. This leaves us biased towards fading strength and moving short in US Treasuries in the near term.
- With EU inflation unlikely to peak until spring next year, we see the European Central Bank continuing to hike, even as recessionary fears grow.
- We could see 10-year swap rates settle around current levels, but Bund yields have room to trade higher. Weak growth across Europe could bring some fiscal fragmentation, putting upward pressure on sovereign spreads.
- We expect China to reopen over the course of next year, which could put upward pressure on global commodity prices. But we think higher commodity prices will be balanced with fewer supply-chain bottlenecks.

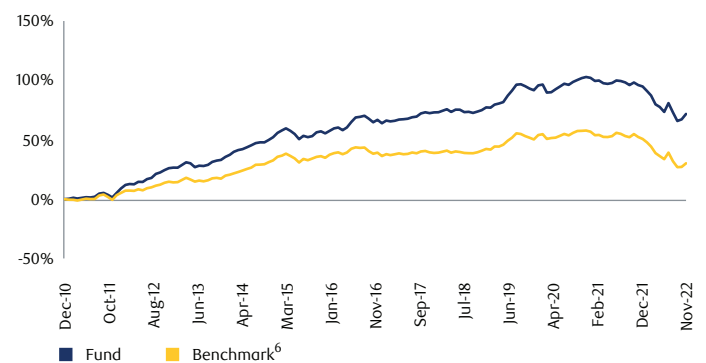
Investment Objective

The Sub-Fund is actively managed and targets better returns than its benchmark, the Bloomberg Barclays Euro Aggregate Treasury Index.

Investment Strategy

- The Fund invests predominantly in fixed income securities issued by investment grade companies domiciled in the Eurozone
- The Fund seeks to generate excess returns via superior sector and security selection; based upon high quality, proprietary research
- Portfolio duration is controlled within a narrow band relative to the benchmark
- 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/

Cumulative Relative Performance³ Gross of Fees¹ (EUR)



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

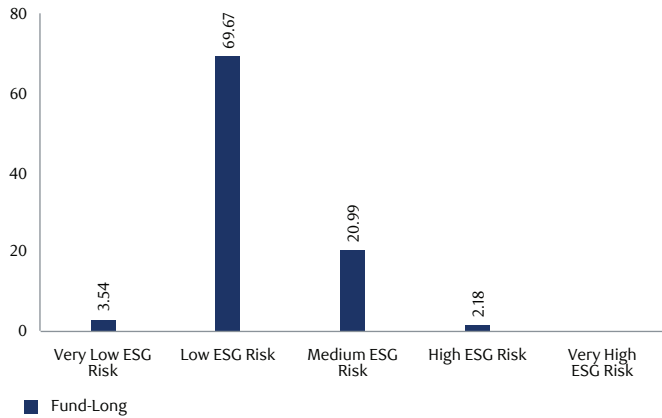
	Fund	Benchmark ⁶
Weighted interest rate duration (yrs)	7.07	7.58
Weighted spread duration (yrs)	6.25	6.15
Weighted yield to worst (%)	2.75	2.52
Total no. of issues	85	469
Total no. of issuers	17	20
Weighted rating	A+	A+
Average position (%)	1.15	0.21

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

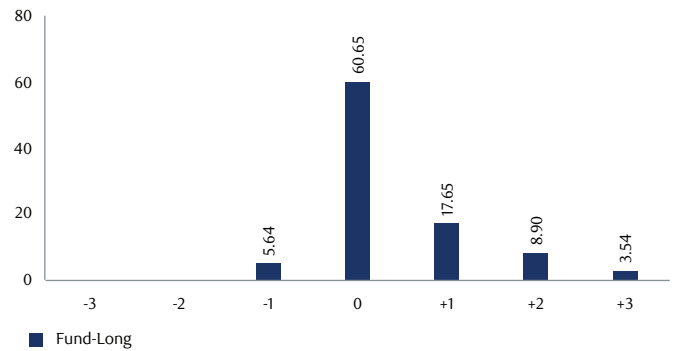
Risk Statistics⁴

Standard Deviation	5.19%
Tracking Error	1.75%
Information Ratio	1.37

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



BlueBay: Security Investment ESG Scores (% NAV)



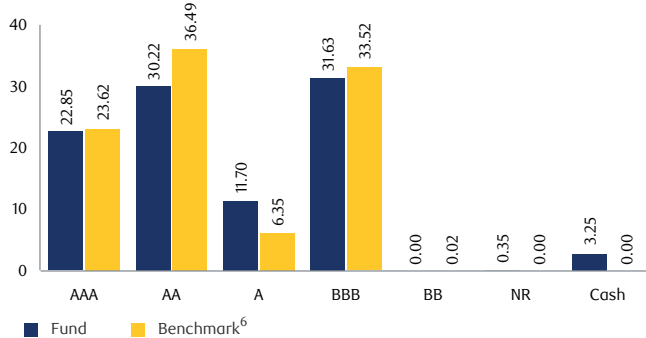
Top 5 Issuers by Spread Duration Contribution (Yrs)

Issuer	Years (absolute)	Years (relative)	BlueBay ESG Fundamental (Risk) Rating ⁷	BlueBay Investment ESG score ⁸
French Republic Government Bond OAT	1.58	-0.37	Low ESG Risk	1
Italy Buoni Poliennali Del Tesoro	1.15	-0.27	Medium ESG Risk	0
Spain Government Bond	1.03	0.00	Low ESG Risk	0
Kingdom of Belgium Government Bond	0.44	-0.05	Low ESG Risk	2
European Union	0.40	0.40	Very Low ESG Risk	3

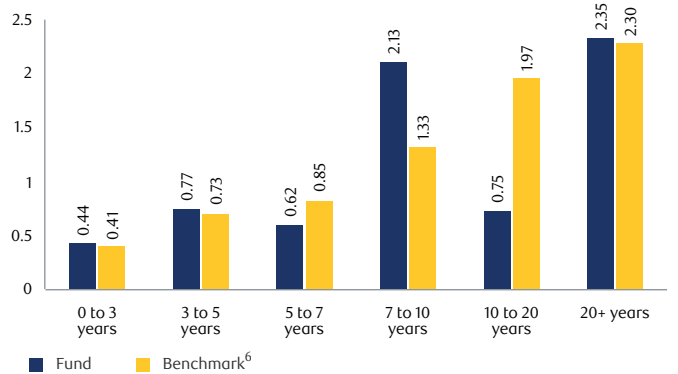
Top Country Spread Duration Contribution, Relative to Index (Yrs)

Overweights		Underweights	
Mexico	0.40	Netherlands	-0.21
Supra National	0.40	Austria	-0.15
Romania	0.37	France	-0.14
Malta	0.01	Finland	-0.12
Ireland	0.01	Belgium	-0.06

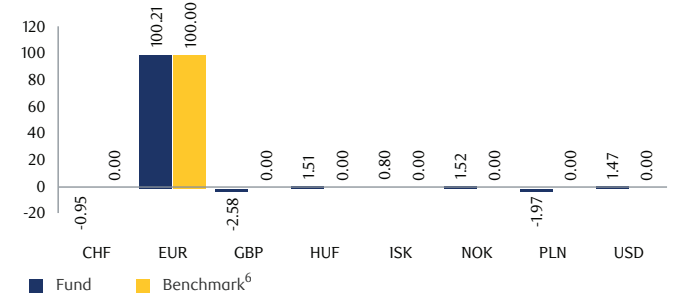
Credit Quality Breakdown (% NAV)



Interest Rate Duration Distribution by Maturity (Yrs)



Currency Breakdown (Before Hedging % NAV)



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
- BlueBay's ESG analysis can rely on input from external providers. Such data may be inaccurate or incomplete or unavailable and BlueBay could assess the ESG risks of securities held incorrectly
- 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

Fund Facts

Total fund size ⁵	EUR 2,908m
Inception date	22 December 2010
Base currency	EUR
Benchmark	Bloomberg Euro Aggregate Treasury Index
Fund legal name	BlueBay Funds - BlueBay Investment Grade Euro Government 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	29 years
Kaspar Hense	August 2014	17 years
Size of team		32 investment professionals
Average investment industry experience		19 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. 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: Bloomberg Euro Aggregate Treasury 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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