

BlueBay Global High Yield Bond Fund

December 2020

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

	1M	3M	YTD	1YR	3YR ²	5YR ²	10YR ²	SI ^{2,3}
BlueBay Global High Yield Bond Fund	2.04	7.87	11.15	11.15	8.56	8.73	7.66	7.57
ICE BofA Merrill Lynch Global High Yield Constrained Index ⁴	1.86	6.52	6.47	6.47	6.16	8.47	7.08	6.96
Alpha	0.18	1.35	4.68	4.68	2.40	0.26	0.58	0.61

REVIEW & OUTLOOK

Contributors

- The real-estate sector was the largest contributor to relative returns over the month, mostly driven by the overweight to China Evergrande Group. Evergrande's bonds rallied as the market became more confident in the company's ability to meet its heavy upcoming maturity profile.
- Basic industry was the other cyclical sector that outperformed. Notable contributors included a new issue from chemical manufacturer Rayonier AM and building and construction issuers, such as Brookfield and PowerTeam Services.
- A modest overweight and solid name selection within the banking sector contributed to excess returns. Top contributors included Mexican issuer Banco Mercantil del Norte and European banks such as Intesa Sanpaolo, Santander and UniCredit.
- From a rating perspective, the fund generated a significant proportion of relative returns from positive credit selection and overweight positioning in B-rated credits.

Detractors

- Conservative name selection within the energy sector detracted from relative performance as lower-rated energy credits performed over the month.
- Overweight positioning in CCC- and below-rated credits moderately detracted from relative performance.

Outlook

- We remain constructive on the outlook for the high-yield (HY) asset class, due to the combination of recovering credit quality and the dearth of options available to asset allocators.
- Valuations are in a tighter range, although (in our view) still appealing due to positive technical factors. Highly accommodative monetary policy – on top of investors' need for income – is maintaining a high level of investor demand for short-duration HY credit.
- Spreads are slightly above where they were a year ago, although we feel they are still attractive, as the underlying asset quality of the investment universe has meaningfully improved, with a greater tilt towards BB-rated credits.
- The rise in the number of cases of Covid-19 and the logistical issues surrounding the rollout of the vaccine are our key macroeconomic concerns; however, for now, these are counterbalanced by accommodative financial conditions, given existing policy measures.
- The fund is positioned to be overweight risk, and we continue to rotate into issuers from more cyclical and moderately Covid-exposed sectors. At the same time, we remain disciplined in reducing exposure in names that are trading below our spread targets.

INVESTMENT OBJECTIVE

To achieve a total return in excess of the ICE BAML Global High Yield Constrained Index from a global portfolio of fixed income securities

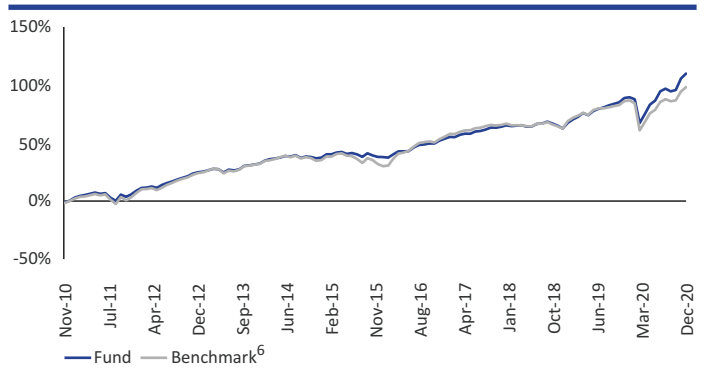
INVESTMENT STRATEGY

- The Fund invests predominantly in fixed income securities issued by sub-investment grade companies globally with at least 50% in US domiciled entities
- The Fund seeks to generate excess returns primarily via security selection; based upon high quality, proprietary research

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

	2019	2018	2017	2016
Fund	16.13	-0.89	7.84	10.15
Benchmark	14.54	-1.88	7.97	16.22
Alpha	1.60	1.00	-0.12	-6.07

CUMULATIVE RELATIVE PERFORMANCE³ GROSS OF FEES¹ (USD)



Past performance is not indicative of future results.

FUND CHARACTERISTICS⁷

	Fund	Benchmark ⁶
Weighted interest rate duration (yrs)	3.45	3.40
Weighted spread duration (yrs)	3.63	3.60
Weighted yield to worst (%)	4.85	4.24
Weighted yield to worst non-cash diluted (%)	5.15	4.24
Weighted spread	464.00	407.00
Weighted coupon (%)	6.25	5.63
Weighted coupon non-cash diluted (%)	6.62	5.63
Total no. of issuers	144	1,555
Weighted rating	BB-	BB-
Average position (%)	0.45	0.03
FRNS and loans (%)	0.00	N/A

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

RISK STATISTICS⁴

Standard Deviation	6.23%
Tracking Error	1.89%
Information Ratio	0.32

FUND FACTS

Total fund size ⁵	USD 2,077m
Inception date	02 November 2010
Base currency	USD
Benchmark	ICE BofA Merrill Lynch Global High Yield Constrained Index
Fund legal name	BlueBay Funds - BlueBay Global High Yield 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

TOP 5 ISSUERS (%)

Petroleos Mexicanos	2.72
Evergrande Real Estate	2.06
Occidental Petroleum Corp	1.66
SFR Group	1.57
Ford Motor Credit	1.53

TOP SECTOR RELATIVE WEIGHTS (%)

Overweights		Underweights	
Media	5.02	Consumer Goods	-3.28
Banking	1.24	Technology & Electronics	-1.75
Real Estate	0.22	Automotive	-1.75
Basic Industry	0.14	Capital Goods	-1.65
Retail	0.12	Transportation	-1.63

TEAM

	Joined BlueBay	Investment industry experience
Andrzej Skiba	February 2005	19 years
Justin Jewell	April 2009	19 years
Tim Leary	January 2012	15 years

Size of team	27 investment professionals
Average investment industry experience	16 years

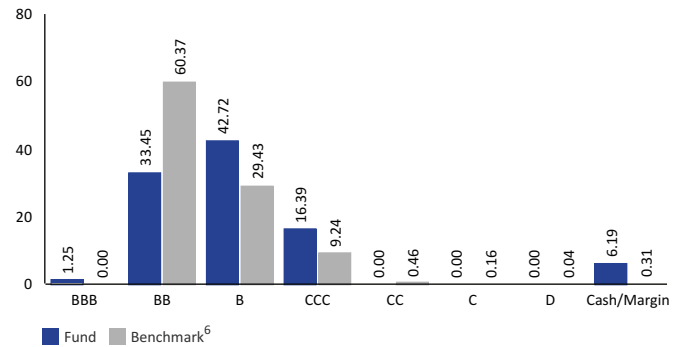
CONTACT INFORMATION

Marketing and Client Relations Department

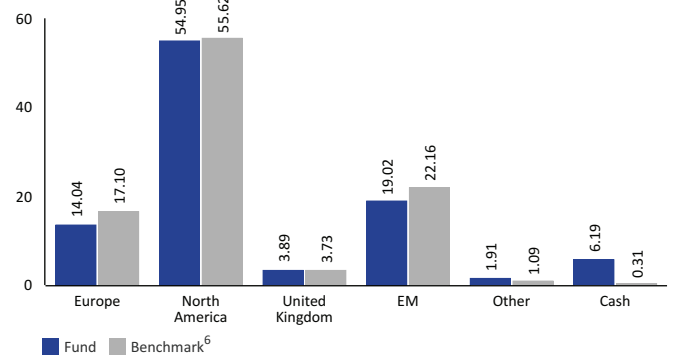
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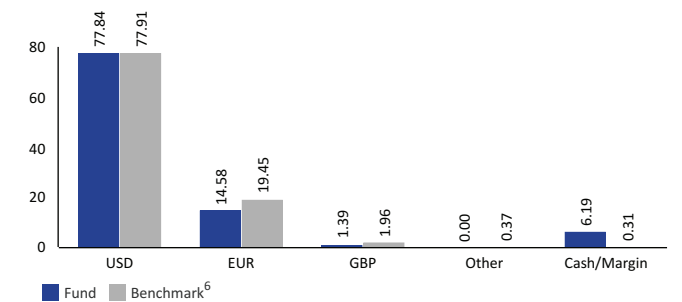
CREDIT QUALITY BREAKDOWN (% NAV)



REGIONAL BREAKDOWN BY DOMICILE (% NAV)



CURRENCY BREAKDOWN (BEFORE HEDGING % NAV)



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: ICE BofA Merrill Lynch Global High Yield Constrained Index

7. All weighted calculations since April 2008 exclude non-interest rate bearing assets and non-debt related instruments.

Source: All data unless otherwise specified is sourced from BlueBay Asset Management as at 31 December 2020

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