



RBC BlueBay
Asset Management

BlueBay Global Investment Grade

Our capabilities



About RBC BlueBay

RBC BlueBay represents RBC Global Asset Management (the asset management division of the Royal Bank of Canada (RBC)) outside North America. Our investment expertise is characterised by our specialist fixed income credentials and broad-based equity capabilities, plus integrated ESG approach and impact investing strategies. We design investment strategies, provide insights and focus on partnership, transparency and engagement to meet clients' needs.

BlueBay Investment Grade team

What makes us different?

1. Alternatives heritage

Established in 2001, offering a blend of traditional and alternative investment strategies, RBC BlueBay was one of Europe's first specialist alternative credit managers, focused on investment grade since 2002. An innovative mindset allows us to identify long and short opportunities across a universe of alpha sources, over economic cycles, and consistently add value for clients.

2. A stable 'one-team' approach

The wider BlueBay fixed income team is one of the most stable in the industry, reflecting a strong culture. The team is structured to deliver outcomes tailored to meet clients' needs and operates according to a single investment process. Within investment grade, 25 specialists cover the broad universe.

3. Size geared for alpha generation

When seeking strong consistent returns, being active and nimble is critical. We benefit from being small and flexible enough to have good access to liquidity but large and active enough to be a top-tier client with market makers. RBC BlueBay also has the security of being owned by RBC, one of the top 15 banks globally¹, based on market capitalisation..

4. Policy and politics research edge

We acutely understand how policy and politics impact the market, integrating both into the research framework. We put a strong focus on synthesising traditional research with these factors and building the best possible understanding of global economies and markets. These insights inform our top-down macro and credit investment decisions, helping deliver better client returns.

5. Disciplined risk control

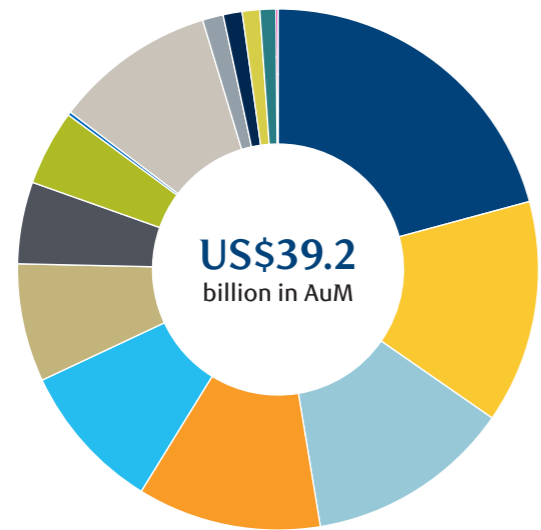
We seek to generate optimal risk-adjusted returns across the fixed income spectrum – emphasising quality, safety and liquidity throughout. Our technology and quantitative tools support excellent, high-quality decision making, prioritising risk control at every stage of the process to construct portfolios and generate returns effectively.

6. A thoughtful approach to ESG

Our ESG approach focuses on active engagement, analysis and portfolio construction. Therefore, ensuring our investment risk management approach provides holistic oversight of risks, by integrating ESG factors alongside conventional credit analysis, is not only prudent but also in line with our fiduciary duty.

¹ Source: S&P Global, FactSet, as at 31 July 2023.

Investment grade strategies AuM



Benchmark relative

- Global Corporate – US\$8,223m
- Buy & Maintain – US\$5,479m
- Euro Aggregate – US\$5,042m
- European Sovereign – US\$4,507m
- European Corporate – US\$3,648m
- Global Aggregate – US\$2,899m
- Global Sovereign – US\$2,008m
- Subordinated Financial Debt – US\$1,851m
- European Corporate ESG – US\$86m

Absolute return

- Absolute Return – US\$3,955m
- Global Sovereign Opportunities – US\$510m
- Global Credit Alpha Long Short – US\$465m

Total return

- Capital Income – US\$431m
- Impact Investing – US\$97m
- Financials Plus – US\$10m

Capital at risk.

The BlueBay fixed income investment platform

Our BlueBay fixed income team operates a globally integrated investment platform², offering a unique blend of traditional and alternative investment strategies. This ensures that investors can benefit from investment opportunities across dynamic market environments, sub-asset classes, geographical regions and opportunity sets.

AuM by Strategy
US\$108,336m³ in total

39,211
Investment Grade

10,257
Leveraged Finance

9,911
Emerging Markets

593
Covertibles

37,812
US Fixed Income

6,910
Multi-Asset Credit

3,642
Securitized Credit

Over
US\$108
billion in AuM

49
Specialist
strategies

135⁴
Investment
professionals

Investment grade is an important asset class in our BlueBay fixed income platform and currently comprises over 35% of total assets under management. Generating alpha from sovereign and corporate debt positioning globally is one of our core strengths.



² The BlueBay fixed income investment platform is part of RBC Global Asset Management (represented by RBC BlueBay Asset Management outside North America) and supports a global client base.

³ AuM shown incorporates funds managed by BlueBay Asset Management and RBC GAM US which are managed within the BlueBay investment platform. A small proportion of the AuM are provisional figures and may have a non-material difference with the finalised AuM. Figures are as at 30 September 2023.

⁴ The number of investment professionals includes BlueBay and RBC GAM US FI investment professionals. Leveraged Finance consists of High Yield, Leveraged Loans and Distressed Credit; Multi-asset Credit AuM includes US\$1.79 billion of Leveraged Finance assets and US\$460 million of Securitized Credit assets. Securitized Credit AuM reflects fee earning BlueBay managed CLOs including those in warehouse stage in the US.

Our investment edge is in our approach and talent

BlueBay’s fixed income investment philosophy is based on the belief that financial markets are inefficient and can be exploited through active management based on high-quality proprietary research. Our investment philosophy defines our investment process.

- One investment team built around a single investment process.
- Our investment process is structured to deliver solutions for clients.
- A heritage in managing absolute and benchmark relative strategies.
- Focus on long/short investing with an underlying capital preservation mindset.
- Proprietary technology supports a high-touch investment process.
- Risk management is central to our approach and is essential to delivering successful outcomes.

Highly resourced team of investment specialists with a forensic approach to research



Macro
Ongoing discussions with global policymakers in developed and emerging markets.



Responsible investment
ESG is integrated⁵ into research, decision making and portfolio construction.



Credit
Frequent meetings with company management teams and regulators.

⁵ Certain investment strategies, asset classes, exposure and security types do not integrate ESG factors, including but not limited to money market, buy-and-maintain, passive, and certain third-party sub-advised strategies or certain currency or derivative instruments. Different strategies that integrate ESG factors will be at varying stages of implementation.



BlueBay’s fixed income team’s ESG investment approach⁴ places a strong emphasis on downside risk management, with in-depth proprietary credit research driving the security selection process and ESG research acting as a risk management filter. This approach is rooted in our belief that ESG factors can potentially impact an issuer’s long-term financial performance.

Views from our experts



“Our success over the last 20 years stems from our highly-skilled investment team and disciplined investment process. Our investment specialists undertake proprietary research and analysis to propose ideas or ‘alpha sources’. Alpha sources are used as the basis for portfolio construction, to drive investment performance across our investment grade strategy.”

Mark Dowding, Chief Investment Officer for BlueBay fixed income



“The macro group is passionate about generating performance in any market environment, and we are agnostic whether it is risk-on, risk-off yields up, yields down, high vol or low vol. We extract performance from markets through analysis of policy, politics and macroeconomics and only take risk where we identify material asymmetry in upside versus downside and where our research has stacked the odds of successful outcomes heavily in our favour.”

Russel Matthews, BlueBay Senior Portfolio Manager, Global Macro



“Our proven track record investing in IG corporates has evolved over the past 20 years to combine sound bottom-up fundamental analysis with market-leading macro, regulatory and policy analysis. Leveraging these four pillars in our investment process has allowed us to generate market-leading performance through multiple cycles and is a clear differentiator versus peers.”

Marc Stacey, BlueBay Senior Portfolio Manager, Investment Grade



“Our primary focus is on achieving the outcomes our clients expect. This means not only do we need to understand the macroeconomic trends unfolding, but we need to time them right. Our stringent investment process is a reminder to us that risk management is a key evaluator of true performance.”

Kaspar Hense, BlueBay Senior Portfolio Manager, Investment Grade



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