



RBC BlueBay
Asset Management

BlueBay Asset Management LLP

MIFIDPRU 8 Public Disclosure Document

As at March-2023

For the period 01-November-2021 to 31-October-2022

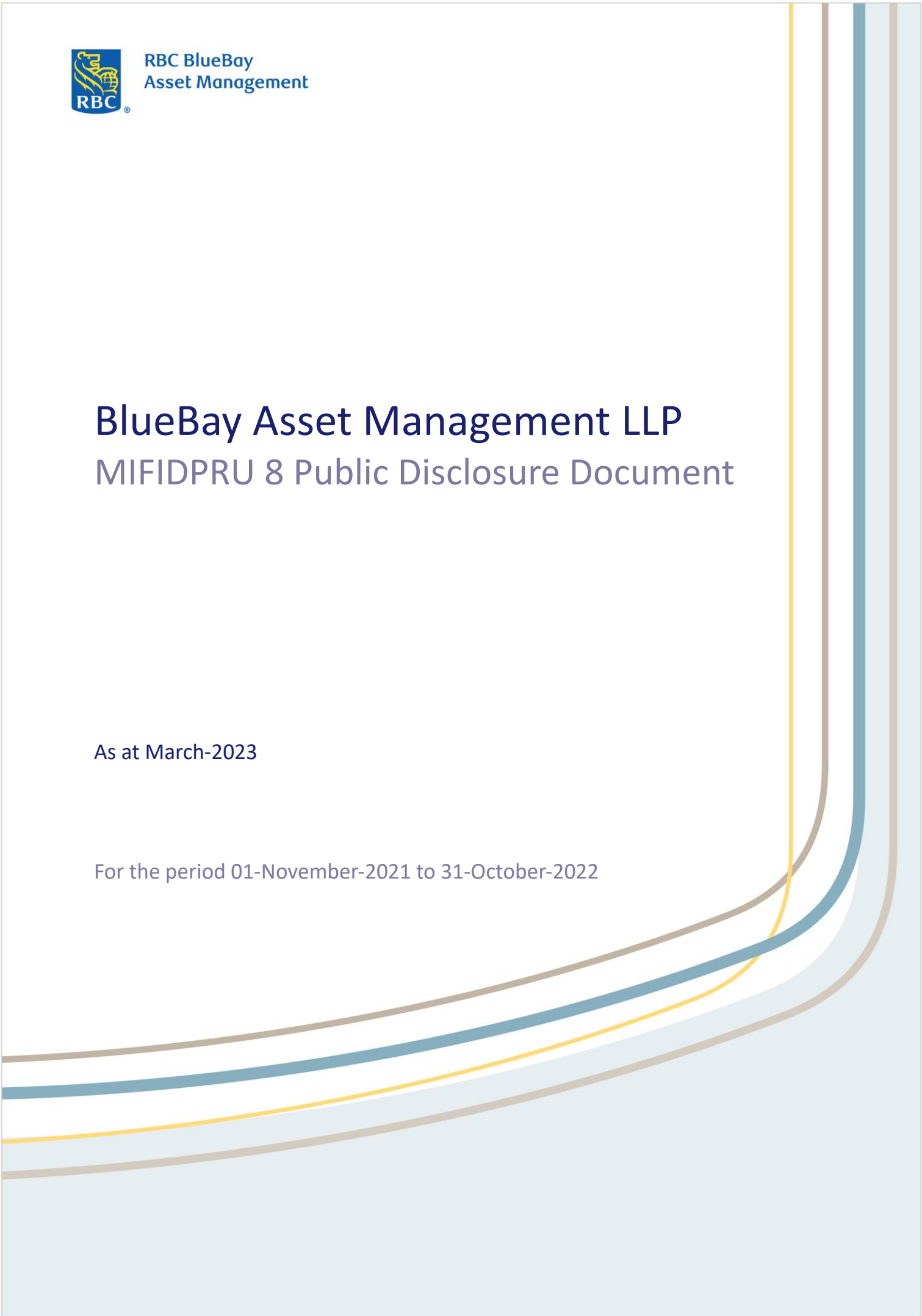




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1 Overview and summary

BlueBay Asset Management LLP (“the LLP”) is regulated by the Financial Conduct Authority (“FCA”) as a full scope UK Alternative Investment Fund Manager (“AIFM”) and is categorised by the FCA for Prudential Regulatory purposes as a Collective Portfolio Management Investment Firm (“CPMI”). Therefore are per the definitions of the FCA, the LLP is treated as a Markets in Financial Instruments (“MiFID”) firm and subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“MIFIDPRU”) handbook.

For the purposes of MIFIDPRU, the LLP has been classified as a non-small non-interconnected (“SNI”) firm, therefore a non-SNI firm. The LLP has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to non-SNI firms. This Public Disclosure Document has been prepared based on the audited financials as at 31 October 2022, covering the financial period 01 November 2021 to 31 October 2022.

The LLP’s is a UK limited liability partnership, which main business activity is to invest for clients across the fixed income spectrum, from active long-only 'benchmark aware' portfolios to hedge funds. The LLP also blends investment styles and uses a range of sophisticated tools in order to exploit all factors of return. The LLP is also the manager and risk retention holder of three Collateralised Loan Obligations (‘CLOs’).

The LLP is a Subsidiary of BlueBay Asset Management (Services) Ltd (“BBAMS”). BBAMS is the Parent Company of six directly and indirectly owned Subsidiaries (referred to as “BlueBay” or the “BlueBay Group”). BBAMS is 100% owned by the Royal Bank of Canada (“RBC”).

On 1 April 2023 as part of the transition to the UK GAM Target Operating Model, the LLP will sell its asset management business (net assets and contracts) to RBC Global Asset Management (UK) Limited (“GAM UK”). The LLP will continue to be the risk retention holder of the three CLO funds, which will remain on the LLP balance sheet until they are liquidated.

2 Governance arrangements

The LLP’s ultimate decision making and oversight body is the Board of BlueBay Asset Management LLP (“the Board”).

The Board is responsible for setting the LLP’s business objectives, strategy and annual budgets. The Board is governed by its Terms of References, which include all responsibilities and requirements as per SYSC 4.3A.1 and the LLP has accordingly implemented segregation of duties between its business functions and control functions.

The LLP has a Conflicts of Policy and procedures in place and potential conflicts of interests are continually monitored and assessed by Compliance as an independent control function, as well as being reported to the Board on a regular basis.

In line with MIFIDPRU 7.3.1 the LLP has established a Risk Committee. The roles and members of the LLP’s Risk Committee are as follows:

The Board receives regular reporting and management information on the LLP’s operations, specifically reporting and escalation of any compliance, financial, legal and risk matters. The



Board receives independent reporting for internal control functions as well as external independently appointed auditors and consultants on the effectiveness of the LLP's operations, systems and control arrangements.

2.1 External Directorships

In line with MIFIDPRU 8.3.1 (2), the LLP has detailed below the number of external appointments, both as executive and non-executive roles of its Board members:

Name / role	# of external executive roles	# of external non-executive roles
Dan Chornous	0	1
Doug Guzman	0	2
Damon Williams	0	2
Erich Gerth	0	0
Jayne Fieldhouse	0	1
Jim Pettigrew	0	3
Maria Bentley	0	3
Mark Dowding	0	0
Sandra Aversa	0	3

2.2 Promoting diversity and inclusion

Diversity is a key focus within the BlueBay Group, with the Diversity, Equity, and Inclusion ("DE&I") Forum having its own Vision and Strategy. The BlueBay Group has in place an established, employee-led DE&I Forum. The Forum works with several external charities, organisations and think tanks to help drive our DEI work including City Hive, Reboot. and EMpower.

For the last two years, we have partnered with three organisations to run our summer internship programme: 10,000 Black Interns, Girls are Investors and Sponsors for Educational Opportunity, with the aim of promoting a more diverse generation of future investment professionals.

We believe in engagement and that nurturing and supporting a diverse, equitable and inclusive workplace results in better team dynamics and decision making. We believe this leads to superior outcomes for our clients and our business. As part of our broader approach to diversity, equity, and inclusion, we continue to attract talented individuals at all levels and pay our employees fairly for their roles.

Understanding our diverse employees, we have ensured that our communications to employees reflect workforce, with communications being sent to employees on a variety of different religious holidays, including Diwali and a variety of cultural events e.g., Black History Month, ensuring that employees feel represented

In line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Group publishes a Gender Pay Gap Report annually, which covers the employees of the BlueBay



Group. BlueBay Group takes equality very seriously and continues to take action to achieve our objectives in relation to such and our approach is based on the following principles of attract, retain, and promote. Some initiatives to help us achieve our objectives in addressing the pay gap disparity include recruitment training, internships, leadership commitment, compensation review process, learning and development, mentoring programmes and forums supporting diversity.

3 Risk management objectives and policies

The LLP has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the LLP. The Board sets the business strategy and risk appetite statement of the LLP, which flows through to the risk management framework of the LLP.

In line with the LLP's business strategy, risk appetite and risk management framework the LLP identifies and further assesses key risks within the LLP's Internal Capital and Risk Assessment ("ICARA") process.

The LLP maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the Board at each meeting.

3.1 Own funds requirements – MIFIDPRU 4

The first K-factor applicable to the LLP is K-AUM, which covers the average assets under management that the business manages. Secondly the LLP is subject to a K-COH requirement, which is a calculation of the average value of the client order handled for the predominantly Luxembourg domiciled funds, that BlueBay Funds Management Company S.A has delegated the investment management to the LLP. On completion of the sale of its asset management business to GAMUK on 1 April 2023, the LLP will no longer have the K-COH requirement.

The LLP's investments risks are captured within its K-AUM calculation and operational risks are predominantly captured within its Fixed Overhead Requirement ("FOR") calculation. The LLP has further assessed any operational risks within its ICARA and quantified additional own funds and liquidity, where required.

3.2 Concentration risk – MIFIDPRU 5

The LLP does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The LLP therefore does not have any concentration risks on or off-balance sheet and does not operate a trading book.

3.3 Liquidity – MIFIDPRU 6

The LLP maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR. The LLP does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.



As part of the ICARA, the LLP also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the LLP.

4 Own funds

4.1 Own funds resources

In line with MIFIDPRU 8.4 the LLP has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows:

Composition of regulatory own funds			
#	Item	Amount (GBP thousands)	Source
1	OWN FUNDS	48,100	
2	TIER 1 CAPITAL	48,100	
3	COMMON EQUITY TIER 1 CAPITAL	48,100	
4	Fully paid up capital instruments	48,100	
5	Share premium	0	
6	Retained earnings	0	
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-) TOTAL DEDUCTIONS FRO COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	



Composition of regulatory own funds			
#	Item	Amount (GBP thousands)	Source
28	(-) TOTAL DEDUCTION FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statement				
GBP (thousands)				
	Item	a	b	c
		Balance sheet as in audited financial statement	Under regulatory scope of consolidation	Cross reference to own funds table
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Financial assets - FVTPL	49,705		
2	Trade and other receivables	36,424		
3	Amounts due from former Members	5,948		
4	Cash and cash equivalents	34,846		
	Total Assets	126,923		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Amounts due to Members	10,000		
2	Trade and other payables	13,141		
3	Amounts due to Members and former Members	36,527		
	Total Liabilities	59,668		
Shareholders' Equity				
1	Members' capital classified as equity	48,100		
2	Other reserves	19,155		
	Total Shareholders' equity	67,255		



4.2 Own funds requirements

The LLP calculates its own funds requirements as a non-SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for non-SNI firms.

LLP Own Funds Requirement	£000s
Permanent Minimum Capital Requirement (A)	75
Fixed Overheads Requirement (B)	25,474
K-AUM Requirement	7,085
K-COH (cash trades) Requirement	107
K-COH (derivative trades) Requirement	180
K-Factor Requirement (C)	7,372
Total Capital Requirement (highest of A, B, C above)	25,474
Own Funds	48,100
Surplus over Own Funds	22,626

In addition, the LLP has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The LLP's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Board reviews, challenges and approves the ICARA and conclusions of own funds requirements.

5 Remuneration arrangements

Remuneration arrangements for the LLP, can be found on BlueBay's website [BlueBay Remuneration Policy](#) and [FCA Remuneration Code Remuneration Policy Statement](#).

6 Investment policy

The LLP is making use of the transitional provisions in MIFIDPRU TP 12.7 whereby it is not required to disclose information on its investment policy as the period of this Public Disclosure Document falls before 30 December 2022.