RBC BlueBay
Asset Management

BlueBay Investment Funds ICAV

A qualifying investor alternative investment fund

An umbrella Irish collective asset-management vehicle with segregated liability between sub-funds formed in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "**Act**") and authorised by the Central Bank as a qualifying investor alternative investment fund

Supplement

BlueBay Leveraged Finance Total Return Fund

BlueBay Funds Management Company S.A.

AIFM

Dated 18 December 2024

This Supplement contains information relating specifically to BlueBay Leveraged Finance Total Return Fund (the "**Sub-Fund**"), an open-ended Sub-Fund of BlueBay Investment Funds ICAV (the "**ICAV**"), an umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a Qualifying Investor AIF pursuant to the Act and chapter 2 of the AIF Rulebook. The name of any additional sub-funds of the ICAV established from time to time (with the prior approval of the Central Bank) will be available to investors on request.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 18 December 2024 (the "Prospectus").

As the price of Shares in each Sub-Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment.

The difference at any one time between the sale and repurchase price of shares in the Sub-Fund means that the investment should be viewed as medium to long term. Investors should read and consider section 7 of this Supplement (entitled "Risk Factors") and Appendix I to the Prospectus (entitled "Risk Factors") before investing in the Sub-Fund.

1 Interpretation

In this Supplement, the following terms shall have the following meanings:

"Environmentally Sustainable Economic Activity" means that, in accordance with the Taxonomy Regulation, an underlying investment of the Sub-Fund shall be considered as environmentally sustainable where its economic activity:

(a) contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "Environmental Objectives");

(b) does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;

(c) is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and

(d) complies with technical screening criteria established by the European Commission in accordance with the Taxonomy Regulation.

"Emerging Market Countries" means all countries in the following regions: Asia (excluding Japan), Eastern Europe, Middle East, Africa and Latin America, or such countries as reasonably determined by the AIFM from time to time.

"Emerging Market Issuer" means an entity domiciled in an Emerging Market Country. An entity's country of domicile may be determined by the AIFM to be the country in which, in the AIFM's reasonable opinion, such entity carries out its significant business operations.

"Investment Grade" means rated BBB- or above by Standard & Poor's or Fitch, or Baa3 or above by Moody's, or the equivalent rating of any other recognised ratings agency as reasonably determined by the AIFM from time to time.

"Minimum Sub-Fund Size" means $10,000,000 or such other amount as the Directors may in their absolute discretion determine

"**Non-Investment Grade"** means rated BB+ or below by Standard & Poor's or Fitch, or Ba1 or below by Moody's, or the equivalent rating of any other recognised ratings agency as reasonably determined by the AIFM from time to time, or unrated securities deemed comparable by the AIFM.

"**Reference Index**" means 25% ICE BofA European Currency HY Constrained Index, 25% ICE BofA US HY Index, 25% CS Leveraged Loan Index and 25% CS Western European Non USD Leveraged Loan Index.

"Securitisation Position" means an instrument held by the Sub-Fund that meets the criteria of a "Securitisation" contained in Article 2 of the Securitisation Regulation so as to bring such instruments into the scope of the Securitisation Regulation and trigger obligations which must be met by the Sub-Fund (as an "institutional investor" under the Securitisation Regulation). Without prejudice to the precise definition in Article 2 of the Securitisation Regulation, this generally covers transactions or schemes, whereby (i) the credit risk associated with an exposure or a pool of exposures is divided into classes or tranches; (ii) payments are dependent upon the performance of the exposure or of the pool of exposures; and (iii) the subordination of classes or tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

"Securitisation Regulation" means the Securitisation Regulation (EU) 2017/2402, as may be amended from time to time.

"Securitized Credit Security/Securities" as used in this Supplement includes but are not limited to the following instruments: cash or synthetic collateralised loan obligations, collateralised bond obligations, collateralised debt obligations, residential mortgage-backed securities, commercial mortgage-backed securities and asset-backed securities (including, but not limited to, securities backed by receivables or other assets), TBAs, credit risk transfer securities, agency mortgage pass-through securities and covered bonds.

All other defined terms that are used but not defined in this Supplement shall have the same meaning as in the Prospectus.

"**Weighted Carbon Intensity**" **(WACI)** means the Sub-Fund's or Reference Index's exposure to carbon intensive companies. The metric is in terms of tons of CO2e/$m sales. This is determined by calculating the carbon intensity (scope 1 + 2 emissions / $m sales) for each issuer held by the Sub-Fund and Reference Index and calculating the weighted average of the Sub-Fund and Reference Index using the respective issuer weights for issuers where carbon data is available.

For the purpose of all credit ratings and unless stated otherwise, in instances where 1) two different credit ratings are published by Standards & Poor's, Fitch or Moody's for a specific security, the lower of these ratings shall be decisive, and 2) where three ratings are published by Standards & Poor's, Fitch or Moody's for a specific security, the lower of the top two ratings shall be decisive.

All references in the investment policy detailed below to investment or exposure shall include both direct and indirect investment, unless otherwise stated.

Additionally, an entity's country of domicile may be determined by the AIFM to be the country in which, in the AIFM's reasonable opinion, such entity carries out its significant business operations.

2 Base Currency

USD

3 Investment Objective

The investment objective of the Sub-Fund is to seek to maximise total return.

Investors should be aware that there is no guarantee that the Sub-Fund will achieve its investment objective.

4 Investment Policies

The Sub-Fund invests in fixed and floating rate, senior and subordinated fixed income securities issued by corporate and sovereign issuers. The Sub-Fund may also invest in Securitized Credit Securities.

Assets of the Sub-Fund may be invested in securities denominated in any currency. Any resulting currency exposure may be hedged at the discretion of the AIFM.

The Sub-Fund may also hold up to 33.33% of its net assets in cash and cash equivalents, and other securities as may be deemed appropriate by the AIFM in respect of uninvested cash balances in order to support the Sub-Fund's investment objective and/or policy including to provide security, collateral or margin in respect of the investments of the Sub-Fund and its investment strategy.

The Sub-Fund may use derivatives, which may be exchange-traded or over-the-counter ("OTC"), for both investment and risk management purposes. Such derivatives may include, but is not limited to, credit default swaps where a single issuer is the underlying asset.

In addition to any leverage inherent in the instruments in which the Sub-Fund may invest, the Sub-Fund may borrow funds from brokerage firms, banks and other financial institutions in order to enhance the Sub-Fund's returns and/or to provide short term liquidity for the general operation of the Sub-Fund. This may involve an increase in the leverage of the Sub-Fund.

The AIFM will aim to provide sufficient diversification when investing. However, the Sub-Fund may hold Securitized Credit Securities issued, originated or managed by the same entity, including those managed by the AIFM.

In accordance with Article 8 of SFDR, the Sub-Fund promotes environmental and social characteristics and investments which follow good governance practices. The environmental and social characteristics promoted by the Sub-Fund consist in favouring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG. Further information on the environment and social characteristics promoted by the Sub-Fund is available in the SFDR Appendix of this Supplement.

The Sub-Fund aims to maintain a WACI at least 25% lower than the Reference Index by 2030. There is no guarantee that this level will be achieved by the Sub-Fund. This level aimed by the Sub-Fund is also subject to change depending on market conditions and data availability, in which case it would be revised in a future version of this Supplement. The WACI calculation for both the Sub-Fund and Reference Index only covers securities in scope for which carbon data is available from the third party ESG vendor used by the Investment Manager (which may include reported as well as estimated data). Although data coverage of issuers held by the Sub-Fund and included in the Reference Index is expected to evolve over time, a material portion of issuers may not be captured in the WACI calculation. Furthermore, no proxy WACI data will be generated/used for the portion of securities held for which there is no carbon data.

The Sub-Fund's aim to constrain its carbon intensity relative to the Reference Index is not performed with a view to achieving a Sustainable Investment objective.

Impact of EU Securitisation Rules

It is anticipated that in many cases, subject to certain exemptions and transitional provisions, the Securitized Credit Securities held by the Sub-Fund may constitute Securitisation Positions within the scope of the Securitisation Regulation. In such cases, the Sub-Fund will be characterised as an "institutional investor" for the purposes of the Securitisation Regulation and as such shall be directly subject to obligations outlined in the Securitisation Regulation with respect to the relevant Securitisation Positions it holds or intends to purchase. This includes a range of specific due diligence measures that must be considered by the Sub-Fund in advance of holding a Securitisation Position. In particular, the Sub-Fund will be required to verify that the originator, sponsor or original lender of the Securitisation Position that it intends to purchase is complying with the requirement to retain on an ongoing basis a material net economic interest in the relevant securitisation (the "Risk Retention Requirement"). Additionally, where the Sub-Fund is exposed to a Securitisation Position that no longer meets the requirements provided for in the Securitisation Regulation, the AIFM shall, in the best interests of the investors in the Sub-Fund, act and take corrective action, if appropriate.

It is noted that the Securitisation Regulation also imposes obligations directly on originators/sponsors/original lenders of Securitisation Positions established in the EU, including applying the Risk Retention Requirement to those parties as a direct obligation – thereby aligning with the pre-investment verification obligation that will apply to the Sub-Fund as an institutional investor in such instruments. This is expected to facilitate the verification process by the Sub-Fund that the Securitisation Positions meet the Risk Retention Requirement. Conversely, in practice it may be more difficult for the Sub-Fund to verify that the Risk Retention Requirement is being met for originators/sponsors/original lenders of Securitisation Positions established outside the EU. Indeed, there may be instances where instruments the Sub-Fund would seek to invest in, that are structured by parties established outside the EU, are not compliant with the Risk Retention Requirement (or other requirements of the Securitisation Regulation). As a result the universe of Securitized Credit Securities the Sub-Fund may consider investing in may be narrower than would otherwise be the case.

5 Investment Restrictions

The investment restrictions as detailed in Section 3.6 of the Prospectus entitled "Investment Restrictions" are applicable to the Sub-Fund. These are Irish regulatory requirements applicable to Qualifying Investor AIFs pursuant to the Act and chapter 2 of the AIF Rulebook.

In addition, the following investment restrictions apply to the Sub-Fund:

- The Sub-Fund will not invest more than 20% of its net assets in securities rated below B-.
- The Sub-Fund will not invest more than 25% of its net assets in Securitized Credit Securities.
- The Sub-Fund will not invest more than 10% of its net assets in Emerging Market Issuers.
- The Sub-Fund will not invest in any Securitisation Position that does not meet the requirements provided for in the Securitisation Regulation.

6 Borrowing and Leverage

Leverage may be generated at the Sub-Fund level in order to pursue the Sub-Fund's investment objective and policy by using a variety of strategies, including but not limited to investing in the derivative instruments referred to in the Investment Policies section above.

The maximum level of leverage which the AIFM may employ on behalf of the Sub-Fund is equal to 10 and 3 times the Net Asset Value of the Sub-Fund when calculated in accordance with the “gross” and “commitment” methods respectively, as set out in the Level 2 Regulation and other applicable regulatory guidance.

This maximum level has been set by the AIFM in order to satisfy its obligations under AIFMD and the Level 2 Regulation. The AIFM expects that under normal market conditions the typical level of leverage will be substantially lower than the maximums stated above. In addition, the gross leverage methodology does not allow for offsets of hedging transactions and other risk mitigation strategies involving derivatives, such as hedging and duration management. Although the AIFM may change the maximum level of leverage from time to time, any changes will be disclosed to Shareholders to the extent required by, and in accordance with, AIFMD.

Leverage may also be achieved through borrowing.

Borrowing made on behalf of the Sub-Fund may be used on a short-term basis to fund investments and to fund redemptions. Such borrowing will not exceed 50% of its net assets. A charge may be given over the assets of the Sub-Fund to secure borrowing incurred for the Sub-Fund.

Borrowing or leverage presents the potential for a higher rate of total return but also increases the volatility of a Sub-Fund, including the risk of a total loss of the amount invested. Leverage may cause increased volatility by magnifying gains or losses.

7 Risk Factors

Investors should read and consider Appendix I to the Prospectus (entitled "Risk Factors") before investing in the Sub-Fund.

The risks described in the Prospectus and this Supplement should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Sub-Fund. Potential investors should be aware that an investment in the Sub-Fund may be exposed to other risks from time to time.

Investment in Loans Risk

The Sub-Fund’s returns derived from investments in loans, whether directly or indirectly, are potentially subject to withholding tax in certain jurisdictions, either currently or in the future, with a possible resulting adverse impact. There can be no assurance that the contemplated structure for the investments in loans will not be subject to return leakage and/or challenge, either in the current environment or as a result of future tax, regulatory or other changes.

Securitized Credit Securities Risk

The Sub-Fund may have exposure to a wide range of **Securitized** Credit Securities. **Securitized** Credit Securities are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of underlying debt obligations. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. **Securitized** Credit Securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the **Securitized** Credit Securities and may negatively impact the returns of the **Securitized** Credit Securities. The average life of each individual **Securitized** Credit Security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. Prepayment risk is typically greater when interest rates are declining as mortgages and loans are prepaid. This may negatively impact the return of the Sub-Fund investing in such **Securitized** Credit Security as the income generated will have to be reinvested at the lower prevailing interest rates. Conversely, extension risk tends to increase when interest rates rise as the prepayment rate decreases causing the duration of asset-backed securities to lengthen and expose investors to higher interest rate risk.

Securitized Credit Securities generally issue multiple notes or tranches, each having different characteristics in terms of interest rate paid, priority of claim on distributions and exposure to risk of loss on underlying pool of assets. The Sub-Fund may invest in senior and subordinated notes or tranches which may expose investors to varying levels of credit risk. Additionally, recovery rates are generally lower for **Securitized** Credit Securities where the underlying pool of assets includes unsecured debt.

In regards to **Securitized** Credit Securities such as collateralised loan and debt obligations, the underlying asset pool generally consists of Non-Investment Grade loans, interests in Non-Investment Grade loans, high yield debt securities and other debt instruments, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. The underlying assets will generally be subject to greater risks than investment-grade rated debt securities. The underlying assets are typically actively managed by a third party or by the AIFM (if the Sub-Fund invests in a tranche of a collateralised loan or debt obligation issued by the AIFM) according to rating agency requirements and other constraints. The aggregate return on the underlying assets will depend in part upon the ability of the relevant third-party or the AIFM to actively manage the related portfolio of underlying assets within the set constraints. Investing in these instruments is subject to fees charged to the Sub-Fund by the manager of the collateralised loan or debt obligation which may impact the return achieved by the Sub-Fund.

The Sub-Fund may gain exposure to mortgage backed securities by purchasing “To Be Announced” securities (“TBAs”). TBAs are forward settling contracts on mortgage pass-through securities issued by government agencies. At the time of purchase, the exact securities are not known, but their main characteristics are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing TBAs involves a risk of loss if the value of the securities to be purchased declines prior to the settlement date. Investing in TBAs may expose the Sub-Fund to various risks as listed under the Appendix I to the Prospectus under section “2.5 – Derivatives Risk”.

8 Subscriptions and Redemptions

Valuation Day	Daily. Valuation Day will be each Business Day.

Initial Issue Price[1] (per Share with respect to the applicable Class denominated in the specified currency)	USD Class – USD100 EUR Class – EUR100 GBP Class – GBP100 CHF Class – CHF100 CAD Class – CAD100
Initial offer period	The Initial Offer Period for Class K GBP, Class I USD, Class X GBP and Class X USD shares is now closed. For all other unlaunched Classes the initial offer period is 9.00 am (Irish time) on 19 December 2024 to 5.00pm on 17 June 2025. The Initial Offer Period may be shortened or extended at the discretion of the Directors and subject to the requirements of the Central Bank.
Subscription Day	Each Valuation Day.
Cut-Off Time for subscriptions	12:00 CET on the relevant Subscription Day.
Redemption Day	Each Valuation Day.
Cut-Off Time for redemptions	12:00 CET on relevant Redemption Day.
Timing of redemption payment	Payment of redemption proceeds will normally be made by electronic transfer within 30 Business Days of the Redemption Day, or at such other times and on such other terms as the Board of Directors, in their sole discretion, may approve and notify to Shareholders.

Note
1 For any other denominated currencies: details available on request from the registered office of the ICAV.

No Subscription or Redemption Charge will be payable in respect of any Class of Shares in the Sub-Fund.

9 Information on Share Classes

Class	Eligibility Requirements[1]	Currency[2]	Minimum Initial Investment Amount[3] / Minimum Shareholding[3]	Minimum Additional Investment Amount
K[4] I X	Open to all Qualifying Investors	USD	EUR Class: €100,000; USD Class: The higher of (i) USD100,000; or (ii) the USD equivalent of €100,000 GBP Class: The higher of (i) GBP100,000; or (ii) the GBP equivalent of €100,000; CHF Class: The higher of (i) CHF100,000; or (ii) the CHF equivalent of €100,000; CAD Class: The higher of (i) CAD100,000; or (ii) the CAD equivalent of €100,000;	Nil

	For any other denominated currencies: details available on request from the registered office of the ICAV.

Note

1 Notwithstanding any other provisions regarding eligibility of investors, the Sub-Fund will only be offered in the EU to "professional clients" within the meaning of the definition in the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU).

2 Each Class, where available, may be denominated in the Base Currency of the relevant Sub-Fund, and/or may be denominated in any other currency as determined from time to time by the Board of Directors. The currency denominations of each Class will be set out in the Application Form. All Classes not denominated in the Base Currency are hedged, in accordance with the provisions of the section entitled "Hedged Classes" in the Prospectus, against the Base Currency of the Sub-Fund, with the aim to mitigate currency risk between the currency in which the Class is denominated and the Base Currency of the Sub-Fund.

3 Subscription monies are payable in the denominated currency of the relevant Class. The Minimum Initial Investment Amount and the Minimum Shareholding is subject to the discretion of the Directors in each case to allow lesser amounts provided that the Directors shall not accept applications for Shares from any Qualifying Investor unless the applicant's initial subscription to the ICAV as a whole is equal to or greater than the minimum amount required by the Central Bank for the ICAV to obtain QIAIF status (which at the date of this Supplement is €100,000 or its foreign currency equivalent).

4 Class K Shares are available for subscription for a limited period after the Sub-Fund launches, as determined by the Directors from time to time, after which the Directors, in their sole discretion, may determine to close the Class K Shares to new and / or additional subscriptions. The Directors may determine to reopen such Class K Shares at their sole discretion. Shareholders may ascertain the closed or open status of Class K Shares or any other applicable Class and if those Share Classes are open to existing and/or new Shareholders by contacting the Administrator.

10 Dividend Policy

The Sub-Fund is an accumulating Sub-Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of the Shares will be accumulated and reinvested on behalf of Shareholders.

11 Fees and Expenses

The following fees and expenses (denoted as percentages of Net Asset Value) will be incurred by the ICAV on behalf of the Sub-Fund and will affect the Net Asset Value of the relevant Share Class of the Sub-Fund.

Class	Management Fee (basis points)	Expense cap (basis points)
K	Up to 200	30
I	70	30
X	Nil	30

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

12 Sub-Investment Manager

The Investment Manager has appointed RBC Global Asset Management (US) Inc to act on its behalf as sub-investment manager and advisor of the Sub-Fund.

SFDR Appendix - Disclosures Related to the Environmental or Social Characteristics Promoted by the Sub-Fund

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: BlueBay Leveraged Finance Total Return Fund

Legal entity identifier: 549300XTLJPSHI4SFS13

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the Sub-Fund consist in favouring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG. On the environmental front, this can include, but is not limited to, appropriate and responsible management of climate change, pollution and waste. The social characteristics promoted by the Sub-Fund can include, but are not limited to, appropriate and responsible management of employee, supplier and community relations.

The Sub-Fund aims to achieve a reduction of harmful impact on the environment and/or society by:

- Conducting an ESG evaluation of issuers in scope based on a proprietary framework and setting a minimum ESG risk rating for a security to be considered an eligible investment.
- Conducting engagement with issuers on ESG matters, by prioritising those with scope to improve management of key ESG issues, including but not limited to, ethical business conduct, labour and human rights as well as environmental issues such as climate change.
- Excluding in-scope fixed income securities and issuers involved in selected controversial activities (including but not limited to exposure to controversial weapons and tobacco).

The Sub-Fund does not have a reference benchmark either for the purpose of implementing ESG considerations nor for performance comparison.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund aims to invest in fixed income securities in scope of an ESG evaluation, which include 1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as Securitised Credit Securities, and 2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted by the Sub-Fund. The sustainability indicators used to assess, measure and monitor the ESG characteristics of the Sub-Fund are as follows:

I. The share of in scope fixed income securities held by the Sub-Fund which are covered by the Investment Manager’s ESG evaluation.
II. The share of in scope fixed income securities which are compliant and not in active breach of any ESG Exclusion / Negative screening (product based) and ESG Norms Based Screening (conduct based) screening applicable to the Sub-Fund.
III. The share of in scope fixed income securities which are in compliant and not in active breach of the ESG Integration screening which excludes issuers with a ‘very high’ Fundamental ESG (Risk) Rating (either at an overall ESG level, or on the ‘governance’ pillar specifically) as per the Investment Manager’s proprietary ESG evaluation detailed thereafter.
IV. The WACI of the Sub-Fund, which the Investment Manager aims to maintain below that of the Reference Index by at least 25% by 2030. The WACI calculation only applies to those securities for which carbon data is available.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The Sub-Fund does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The Sub-Fund does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

X Yes, the environmental and social impacts of the activities of all in scope fixed income securities held by the Sub-Fund are assessed on an ongoing basis through the ESG Integration process of the Investment Manager. The consideration of PAI indicators provides additional input to the Environment and Social pillar of the ESG evaluation of issuers and may, in some cases, lead to exclusions or conditional inclusions of fixed income securities predicated on certain conditions being met. The Investment Manager monitors and evaluates a range of PAI indicators, but as the reporting of many of these metrics by investee entities are currently voluntary, the availability of data on some indicators is limited. As such, the integration of PAI indicators is conducted on a best-efforts basis, reflecting the availability of such information. However, as data availability improves, it is expected that PAI indicators will cover a greater portion of the Investment Manager's investable universe and therefore allow for better insight in the adverse impacts caused by investee entities. Further information on the consideration of PAI by the Sub-Fund will be provided a future version of this Supplement.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund invests in a portfolio of fixed income securities rated below investment grade in combination with ESG criteria.

The Investment Manager conducts ESG analysis on corporate and sovereign issuers, using its own proprietary issuer ESG evaluation framework, which results in two complementary ESG metrics: a Fundamental ESG (Risk) Rating (which refers to the assessment of ESG factors/risks), and an Investment ESG Score (which denotes the extent to which the ESG factors/risks are investment relevant/material). The key metric which can lead to additional restrictions on investment is the Fundamental ESG (Risk) Rating. The credit analysts conduct the initial ESG evaluation assigning the ESG metrics. These are then reviewed and finalised by the ESG investment team, prioritised depending on the assigned ESG risk. The process operates by consensus. There is a formal review of the ESG evaluations every two years, although it can be initiated sooner where the analysts have sufficient cause to question the ongoing validity of the assigned ESG metrics (particularly the Fundamental ESG (Risk) Rating). A new issuer cannot be invested without prior ESG analysis to ensure it is suitable. Given potential timing challenges in completing the standard ESG evaluation, a preliminary ESG analysis can be undertaken as a minimum. A more concise version of the standard ESG evaluation, the analysis is based on third party ESG metrics. It is possible that upon replacing the preliminary ESG analysis with a standard ESG evaluation, subsequent information comes to light which results in an issuer being assigned a Fundamental ESG (Risk) Rating which breaches the ESG requirements by the Sub-Fund. In such instance, the issuer would be disposed of as soon as possible and / or practicable and in the best interest of investors.

The ESG profile of an issuer is assessed through different lenses including:

- How the issuer is perceived from third party ESG information providers.
- How the issuer performs across a range of core ESG Factors of concern, irrespective of its specific industry/economic peer group and profile. These include areas such as:

- The business footprint including, but not limited to, the presence of the issuer in countries with high corruption, the extent to which the business model is sensitive to bribery & corruption risks, exposure to dealings with the public sector and government officials and the inherent sustainability footprint of the business on the planet and society;
- Governance and management by considering the nature of the business growth strategy, legal ownership structure, management quality & culture and accounting practices;
- The environment and the existence of environmental management practices, climate/carbon management efforts and regulatory compliance track record; and
- Social matters such as the existence of formal internal and external stakeholder engagement practices and the regulatory compliance track record.

- How it compares relative to its industry for corporates / economic peer group for sovereigns on the most material ESG Factors, and whether its practices are improving or not.

The Investment Manager's ESG evaluation in respect to Securitised Credit Securities accounts for the varying characteristics of instruments belonging to this asset class. For CLOs, the Investment Manager conducts an analysis of the manager and of the collateral pool of such securities. For other types of Securitised Credit Securities, including but not limited to asset-backed securities, the Investment Manager's ESG evaluation depends on a number of factors. For a security that is directly issued by a corporate issuer and its collateral pool is part of the issuer's economic activity, the Investment Manager's ESG evaluation will follow the same approach as that of fixed income securities and will assess the ESG risk of the corporate issuer. For securities issued by special purpose vehicles not directly part of the economic activity of a corporate issuer, such as securities backed by a pool of mortgages or auto loans, the Investment Manager carries out its ESG evaluation by assessing the originator, the servicer and the collateral pool. ESG Exclusion/Negative Screening applicable to the Sub-Fund may only apply to the underlying pool of assets of Securitised Credit Securities if the Investment Manager is the issuer of such securities.

The issuer ESG evaluation utilizes a range of data and insights from across a number of resources, including a mix of external and internal (credit and ESG) insights such as: third party ESG information providers, company management contact/communications, sell-side brokers with ESG capabilities, stakeholders such as regulators, non-governmental organisations, industry groups, media channels specialising in ESG news flow, as well as the in-house sector credit analyst's knowledge of issuer, sector and region. Input from external ESG information providers may define the specific issuers excluded as part of the ESG Exclusion / Screening and ESG Norms Based Screening approaches. However, with respect to the Investment Manager's ESG evaluation of issuers, data from external ESG information providers is only used as an input and it does not define the Fundamental ESG (Risk) Rating ultimately assigned to each issuer.

Key ESG outputs from the ESG analysis are documented in the Investment Manager's investment IT platforms. There is ongoing monitoring and engagement of portfolio holdings and issuers of interest, with dialogue held with issuers to further develop insights, and/or to promote change either to mitigate investment risks or protect the ESG characteristics. Insights gained from this process further inform on investment views and decisions and can potentially result in changes to the assigned ESG metrics.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding ESG requirements result from (i) ESG Exclusions / Screening; (ii) Norms-Based Screening; (iii) ESG Integration which exclude issuers depending on the outcome of the ESG evaluation where an issuer is deemed to have a 'very high' Fundamental ESG (Risk) rating according to the Investment Manager's ESG evaluation process. Of the two ESG metrics generated, the Fundamental ESG (Risk) Rating is the binding element as this explicitly relates to the ESG factors and risks. The Investment ESG Score, is not binding, as this refers to the investment materiality of the ESG factors and risks. For full details of the ESG requirements applicable to the Sub-Fund, please refer to https://www.bluebay.com/en/institutional/what-we-do/funds/sustainability-related-disclosures/

Additionally, the Sub-Fund aims to maintain a WACI at least 25% lower than the Reference Index by 2030. There is no guarantee that this level will be achieved by the Sub-Fund. This level aimed by the Sub-Fund is also subject to change depending on market conditions and data availability, in which case it would be revised in a future version of this Supplement. The WACI calculation for both the Sub-Fund and Reference Index only applies to those securities for which carbon data is available from the third party ESG vendor used by the manager (which may include reported as well as estimated data). Although the data coverage of issuers held by the Sub-Fund and included in the Reference Index is expected to evolve over time, a material portion of issuers may not be captured in the WACI calculation.

Furthermore, no proxy carbon data will be generated/used for the portion of securities held for which there is no carbon data supplied by the third party ESG vendor used by the manager.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

As part of the Investment Manager's proprietary ESG evaluation framework, any issuer deemed to have 'very high' ESG risks on the governance pillar is automatically assigned a 'very high' Fundamental ESG (Risk) Rating overall, and consequently systematically excluded from investment. In assessing issuers on governance, considerations take account of conventional corporate governance, as well as broader governance related matters. These include, but are not limited to, factors such as: ownership structures, board independence and accountability, management quality, incentives and remuneration, accounting practices, business growth strategy, as well as broader issues of culture and ethical conduct.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Sub-Fund is expected to invest 100% of its net assets in fixed income securities in scope which are aligned with the E/S characteristics promoted by the Sub-Fund (#1). In line with the Sub-Fund's investment policy, at least two-thirds (66.67%) of the Sub-Fund's net assets will be invested in fixed income securities in scope which are aligned with the E/S characteristics promoted by the Sub-Fund (#1), subject to any security which the Investment Manager is in the process of selling because it no longer meets the ESG considerations applied by the Sub-Fund.

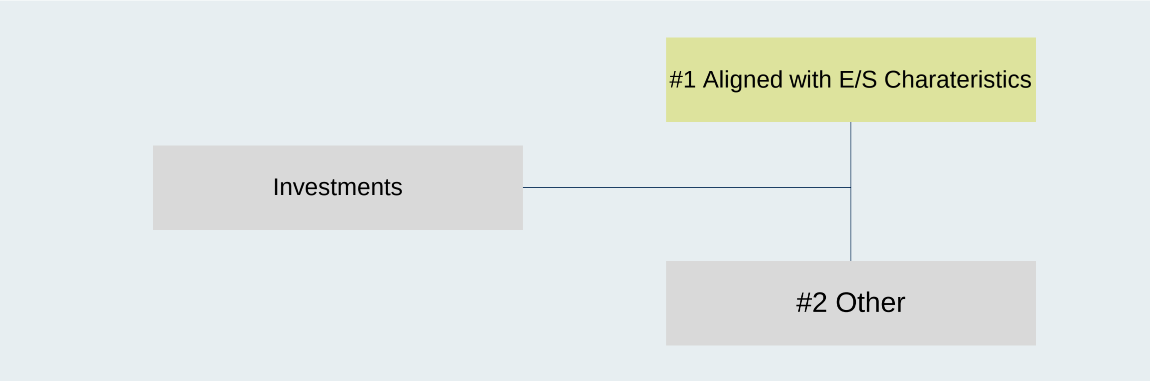
At a maximum, the remaining one-third (33.33%) may be held in cash and cash equivalents, including short-term bank certificates and Money Market Instruments which will not incorporate E/S characteristics and will fall under #2.

Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflecting the share of revenue from green activities of investee companies

- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy

- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Investment Manager's ESG evaluation applies to financial derivative instruments where a single issuer is the underlying asset (i.e. credit default swaps) and neither long or short positions are permitted on any excluded issuers as a result of Sustainability Factors in order to promote the E/S characteristics.

A Sub-Fund may have exposure to excluded issuers via financial derivative instruments including, but not limited to, those where a financial index is the underlying, which may be used for investment, hedging purposes and efficient portfolio management and not to promote the E/S characteristics. Moreover, any exclusion applicable to sovereign issuers does not restrict the Sub-Fund from having exposure to instruments which are indirectly related to such issuers such as currency or interest rate derivative instruments, as these do not promote the E/S characteristics.

Exposure to financial derivative instruments is not monitored based on the Sub-Fund's net assets and therefore not reflected as part of the asset allocation above. Instead, monitoring will be in line with the global exposure limits of the Sub-Fund.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities which low-carbon alternative are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While this Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR or the Taxonomy Regulation. Accordingly, it should be noted that this Sub-Fund does not take into account the EU criteria for Environmentally Sustainable Economic Activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is zero. Therefore, the "do not significant harm" principle does not apply to any of the investments of this Sub-Fund.

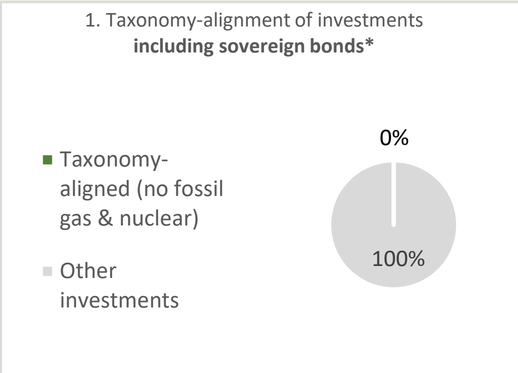
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

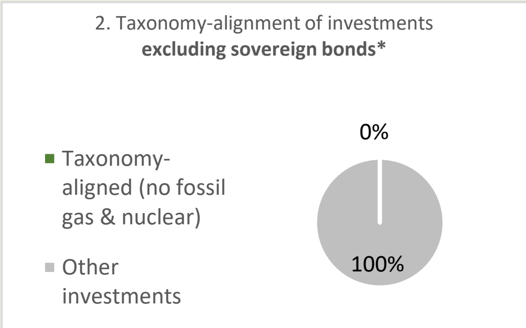
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in orange the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents maximum 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold certain instruments which do not contribute directly to the E/S characteristics promoted by the Sub-Fund such as cash and cash equivalents, including short-term bank certificates and Money Market Instruments.

Such instruments may be used for the purposes of capital preservation and do not follow any minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No. The Sub-Fund does not have a reference benchmark for the purpose of implementing ESG considerations.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product specific information can be found on the website:

https://www.bluebay.com/en/institutional/what-we-do/funds/sustainability-related-disclosures/