

# BlueBay Investment Grade Euro Government Bond Fund

September 2020

## FUND PERFORMANCE (%) GROSS OF FEES (EUR)<sup>1</sup>

	1M	3M	YTD	1YR	3YR <sup>2</sup>	5YR <sup>2</sup>	10YR <sup>2</sup>	SI <sup>2,3</sup>
BlueBay Investment Grade Euro Government Bond Fund	1.27	2.00	3.66	1.01	5.44	5.36	-	7.27
Bloomberg Barclays Capital Euro Aggregate Treasury Index <sup>4</sup>	1.26	1.65	3.70	0.64	3.98	3.04	-	4.64
Alpha	0.01	0.35	-0.04	0.37	1.46	2.32	-	2.63

## REVIEW & OUTLOOK

### Contributors

- Long sovereigns in Italy, Spain and Cyprus
- Actively trading sterling
- Long the Icelandic krona

### Detractors

- Mexico and Estonia
- Underweight some semi-core markets
- Long the Norwegian krone

### Outlook

- In our view, the US presidential elections, Brexit and a 'second wave' of Covid-19 infections impacting on growth have the potential to keep risk-takers on the sidelines over the next month or so.
- However, provided there is a coherent US election outcome and should a vaccine announcement land before the end of 2020, it is possible to foresee how markets could end the year on a more positive note.
- In addition, it appears that most investors are not especially long risk, which may limit how far markets can fall in the near term if there is a collective desire to buy into any dips.
- We expect central banks to effectively anchor core government yields to sustain accommodative financial conditions for an indefinite period. This likely makes for continued low volatility in rates markets for now.
- We believe policy should continue to be supportive of European sovereign credit; however, with spreads close to their 2020 tight, we are adopting a more neutral position just now, with a view to add peripheral risk on weakness.

## INVESTMENT OBJECTIVE

To achieve a total return in excess of the Bloomberg Barclays Capital Euro Aggregate Treasury Index from a portfolio of investment grade-rated fixed income securities

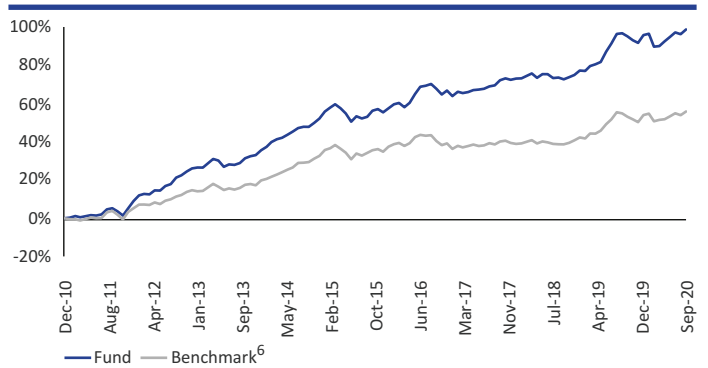
## INVESTMENT STRATEGY

- The Fund seeks to exploit different sources of alpha in order to generate an annual return in excess of its benchmark
- Active overweights and underweights are taken relative to the index within permitted exposure limits, in order to produce a well diversified portfolio of fixed income securities
- Taking advantage of a broad investment universe the Fund is permitted to take positions off-index, consistent with target exposure limits versus the benchmark

## CALENDAR YEAR PERFORMANCE (%) GROSS OF FEES<sup>1</sup> (EUR)

	2019	2018	2017	2016
Fund	9.59	1.47	3.37	7.34
Benchmark	6.77	0.98	0.17	3.23
Alpha	2.82	0.49	3.20	4.11

## CUMULATIVE RELATIVE PERFORMANCE<sup>3</sup> GROSS OF FEES<sup>1</sup> (EUR)



Past performance is not indicative of future results.

## FUND CHARACTERISTICS

	Fund	Benchmark <sup>6</sup>
Weighted interest rate duration (yrs)	8.77	8.67
Weighted spread duration (yrs)	6.79	7.17
Weighted yield to worst (%)	-0.05	-0.10
Total no. of issues	68	423
Total no. of issuers	16	21
Weighted rating	A+	A+
Average position (%)	1.42	0.23

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

## RISK STATISTICS<sup>4</sup>

Standard Deviation	5.04%
Tracking Error	1.83%
Information Ratio	1.44

## FUND FACTS

Total fund size <sup>5</sup>	EUR 4,242m
Inception date	22 December 2010
Base currency	EUR
Benchmark	Bloomberg Barclays Capital 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

## TOP 5 ISSUERS BY SPREAD DURATION CONTRIBUTION (YRS)

French Republic Government Bond OAT	2.21
Italy Buoni Poliennali Del Tesoro	1.87
Spain Government Bond	1.06
Kingdom of Belgium Government Bond	0.62
Republic of Austria Government Bond	0.44

## TEAM

	Joined BlueBay	Investment industry experience
Mark Dowding	August 2010	27 years
Kaspar Hense	August 2014	15 years

Size of team	29 investment professionals
Average investment industry experience	17 years

## CONTACT INFORMATION

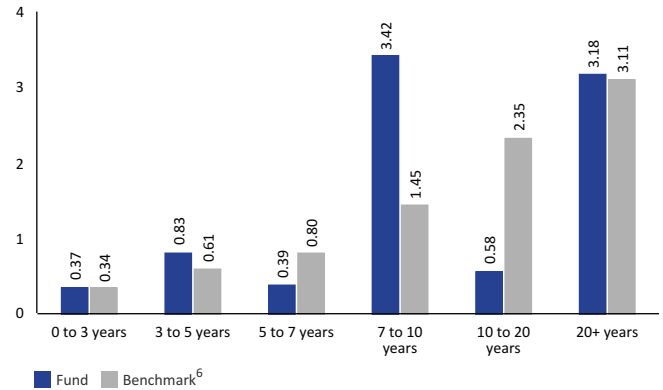
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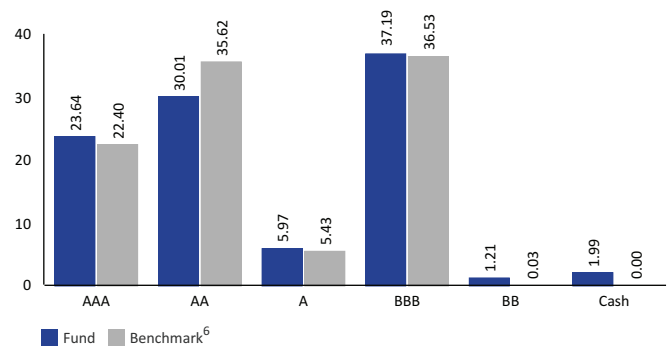
## TOP COUNTRY SPREAD DURATION CONTRIBUTION, RELATIVE TO INDEX (YRS)

Overweights		Underweights	
Estonia	0.19	Netherlands	-0.39
Mexico	0.18	Portugal	-0.16
Cyprus	0.05	Finland	-0.12
Slovakia	0.03	Slovenia	-0.04
Belgium	0.01	Lithuania	-0.02

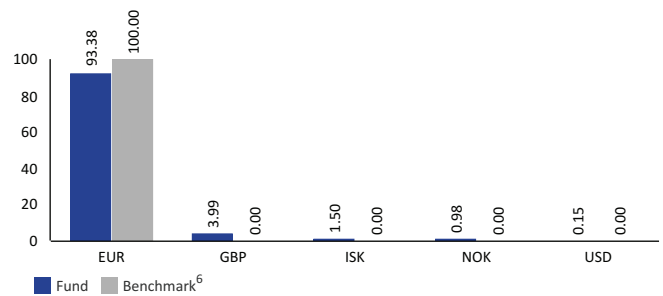
## INTEREST RATE DURATION DISTRIBUTION BY MATURITY (YRS)



## CREDIT QUALITY BREAKDOWN (% 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: Bloomberg Barclays Capital Euro Aggregate Treasury Index

Source: All data unless otherwise specified is sourced from BlueBay Asset Management as at 30 September 2020

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