BlueBay Credit Alpha Long Short Fund

July 2015

Performance (%) Net of Fees (USD)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	2.74	1.74	-0.48	0.39	-0.13	-1.11	0.49						3.64
2014	0.16	1.83	0.94	0.00	-0.45	-1.16	-0.30	-0.57	0.20	-0.79	0.68	0.41	0.91
2013	1.85	-0.69	-0.91	2.49	1.36	-1.12	0.15	1.11	1.22	1.33	2.07	2.74	12.14
2012	4.55	3.89	0.55	0.36	1.48	2.75	1.98	0.21	3.67	1.90	0.80	1.45	26.18
2011	1.79	1.34	1.11	-0.06	-0.28	1.45	1.48	-1.06	-0.98	1.10 *	0.11	0.19	6.32 **
2010	3.16	0.47	3.03	0.44	-2.58	-0.07	2.05	1.05	1.15	0.76	-0.80	-1.24	7.54
2009	---	0.86	3.55	6.29	4.68	5.73	11.00	2.76	3.00	3.01	1.70	2.20	54.56

Performance Analysis (Net of Fees)[1]

	Credit Alpha Long Short Fund (to 31-Jul-15)	Credit Relative Value Strategy within MSF (to 14-Oct-11)
Annualised Return	11.10	23.32
Performance analysis (net of fees)		
Whole months data required to calculate the below		(to 30-Sep-11)
Annualised volatility (%)	4.74	8.69
Sharpe Ratio[2]	2.30	2.64
Positive Months (%)	75.00	75.00
Worst drawdown (%)	-3.04	-2.65
Recovery time (months)	3 months	2 months
Latest NAV (USD)[+]	126.97	

+The NAV figure above is based on Class A USD shares with an inception date of 31 July 2012.

Highlights

- Fund performance was positive, particularly within the corporate book, but held back by lagging CEE, EM and 'semi-core' sovereign credits that underperformed Spain/Italy following 'non-Grexit'
- EM, commodity and energy names were negatively affected by Greek bailout negotiations, China weakness and sharp downward corrections in commodities and oil
- US rates and China/commodities concerns are dominating the near-term outlook, weighting on HY and EM assets

Investment Strategy

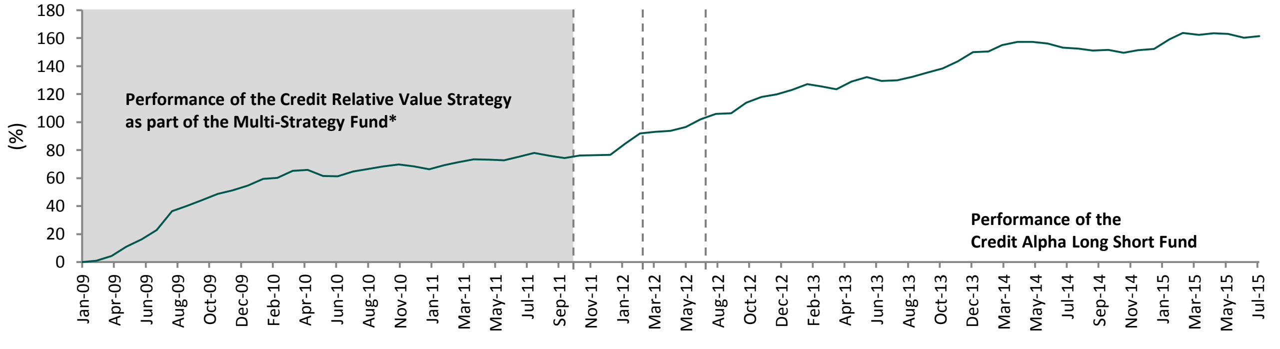
- The Fund intends to take both long and short positions in corporate and sovereign credit
- The Fund may take positions directly or indirectly (for example, through credit linked notes or derivatives) in fixed income securities of any rating, including Investment Grade, below Investment Grade and unrated securities

The performance figures listed above and in the graph below are based on the net returns of the Credit Relative Value Strategy of the BlueBay Multi Strategy Fund for the period from inception to 14 October 2011 (which have been shaded in the table and in the graph), the class D GBP (assuming a perfect hedge into USD) shares of the BlueBay Credit Alpha Long Short Fund from 31 October 2011 and the returns of the class D USD shares of the BlueBay Credit Alpha Long Short Fund from 29 February 2012. D shares are not subject to standard management and performance fees. Therefore to provide representative comparison for a typical investor, the returns have been calculated net of fees assuming the standard terms of the Class A shares which carry a 2% management fee and 20% performance fee. From 31 July 2012 onwards performance figures are net returns of the class A USD shares of the BlueBay Credit Alpha Long Short Fund. The shaded performance figures in the above table and graph below are not returns of the BlueBay Credit Alpha Long Short Fund. No representation is being made that the BlueBay Credit Alpha Long Short Fund will or is likely to achieve performance similar to that shown for the Credit Relative Value strategy.

* Partial performance provided for October 2011 as the Credit Relative Value Strategy within the BlueBay Multi-Strategy Fund was closed on 14 October 2011. For illustrative purposes only returns from 14 October 2011 to 31 October 2011 comprise the USD 1month LIBOR Index.

** This figure in the table (2011 YTD) represents the return for the 2011 calendar year had the performance of the Credit Relative Value Strategy of the BlueBay Multi Strategy Fund and the BlueBay Credit Alpha Long Short Fund been combined for the 2011 year. Of this combined 2011 return, the return of the BlueBay Credit Alpha Long Short Fund itself (for the two months November and December 2011) was +0.30%. Please refer to the footnotes and disclaimer located at the end of this document for important information regarding calculation methodologies.

Cumulative Net Performance (USD) of the Credit Alpha Long Short Strategy (to 31 July 2015)



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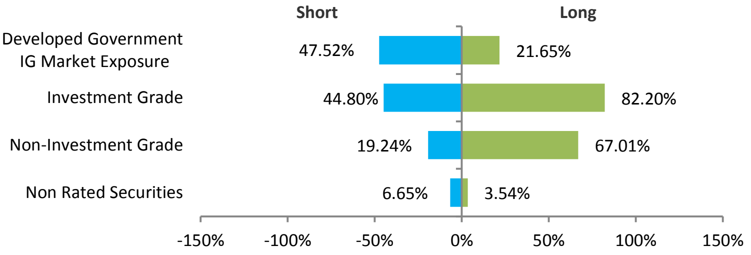
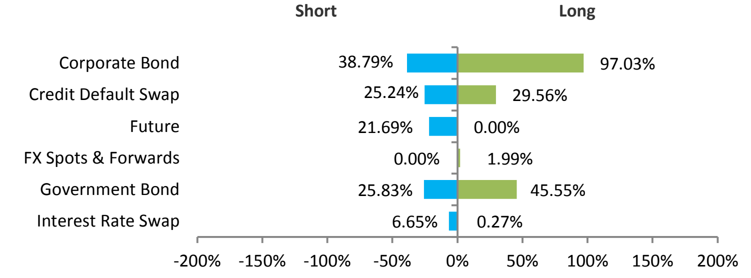
RBC Global Asset Management

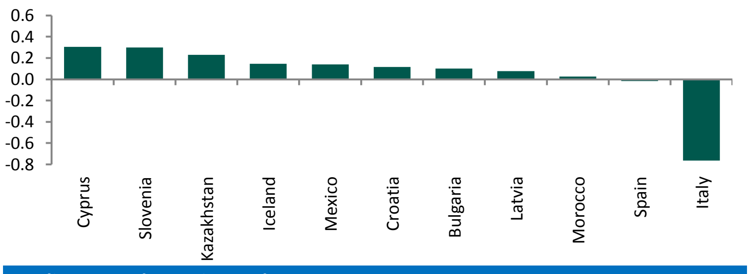
Credit Quality Breakdown (% of NAV)



Product Breakdown (% of NAV)



Sovereign Credit Spread Duration (yrs)



Credit – Spread Duration and Exposure

Credit Spread Duration	Corps	Sov	Total
Asia (incl. Japan)	-0.25	-	-0.25
CEEMEA	-	0.85	0.85
LatAm	-0.28	0.14	-0.14
Europe	2.91	-0.33	2.58
US	1.37	-	1.37
Other	-	-	-
Total CR01 (yrs)	**3.75**	**0.66**	**4.41**

Exposure	Corps	Sov	Total
Asia (incl. Japan)	-5.89	-	-5.89
CEEMEA	-	11.58	11.58
LatAm	-4.74	1.22	-3.53
Europe	52.76	-6.29	46.47
US	16.03	-8.48	7.55
Other	-	-	-
Total Exposure (%NAV)	**58.16**	**1.97**	**56.20**

Risk Sensitivities (as bps of NAV)

	Middle East/ Africa	Asia	Eastern Europe	Europe	Latin America	UK	US	Total
CDV01 [3]	0.02	-0.25	0.82	2.06	-0.14	0.53	1.37	4.41
DV01 [4]	0.02	-0.24	0.80	1.63	-0.15	0.07	-0.26	1.87
Equity Delta (+1%)	-	-	-	-	-	-	-	-
FX Delta (+1%)	-	0.57	0.93	12.24	0.30	0.10	-11.39	2.76
EquityVega	-	-	-	-	-	-	-	-
VAR (95%, 1day) [5]	0.05	-0.50	2.03	4.25	-0.47	1.99	6.09	13.45

Portfolio Characteristics

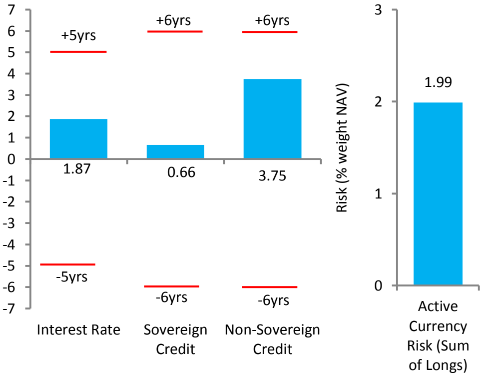
No. of positions	145
No. of issuers	86
Gross long exposure [6]	1.74x
Gross short exposure [6]	-1.18x
Net exposure [6]	0.56x

Liquidity [7]	Long	Short
<= 1 Day	64.67%	96.78%
> 1 Days <= 1 Wk	32.69%	3.22%
> 1 Wk <= 1 Mth	2.64%	0.00%
> 1 Month	0.00%	0.00%

Fund Facts

Total Fund Size EUR	239,674,706
Total Fund Size USD	264,804,599
Inception Date	1 November 2011
Base Currency	EUR
Management Fee	2%
Performance Fee	20%
Subscription	Monthly
Redemption	Monthly with 30 calendar days notice
Structure	Cayman Master / Feeder

Product Breakdown Duration (yrs)



Team

Geraud Charpin - Portfolio Manager
Joined BlueBay in August 2008 and has 20 years of investment industry experience

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AIFMD Regulatory Disclosure

AIFMD* Leverage Gross Notional (%NAV) [8]	311%
AIFMD* Leverage Commitment (%NAV) [9]	192%
Limited Liquidity (%NAV) [10]	0%
Changes to Max Leverage	No
Changes to Liquidity Management	No

* AIFMD Leverage: The Sum of Gross Notional and Commitment leverage are methodologies required under AIFMD regulation. Specifically, the Sum of Gross Notional methodology does not allow for netting and offsetting arrangements; consequently, the reported level of leverage may exceed, at times considerably, the economic leverage assumed by the Fund.

1. Risk statistics are annualized and calculated using monthly data points since inception. Risk statistics will be produced once there are 12 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 annualized in accordance with current industry standard reporting practices.
2. The Sharpe Ratio is calculated on a monthly basis after all fees and expenses, relative to the risk free rate (LIBOR).
3. CDv01 represents the exposure of the portfolio in base currency to a decrease in credit spreads in the relevant currency of one basis point across all maturities.
4. Dv01 represents the exposure of the portfolio in base currency to a decrease in risk free interest rates in the relevant currency of one basis point across all maturities.
5. VaR is calculated using Monte Carlo simulations. The reported figure is the 95% confidence loss amount at a one day horizon. VAR by currency is the contribution to the overall VAR from assets denominated in each currency. Results presented as basis points of NAV.
6. Exposure is calculated by dividing positions (gross long, gross short, net) by NAV, with exposure measured by market value for cash products, ten year bond equivalents for interest rate derivatives and delta adjusted notionals for other derivatives.
7. Estimated periods to liquidate positions without materially impacting market values under normal market conditions, as calculated in accordance with BlueBay's proprietary methodology. Investors should be aware that in other market conditions, for example, during periods of exogenous/systemic or macro shock, liquidity conditions may be notably different from those disclosed above.
8. AIFMD methodology taking the market value for cash instruments and the sum of Gross Notional for all derivatives.
9. AIFMD methodology taking the market value for cash instruments but allows for netting and offsetting arrangements for derivatives.
10. Percentage of net asset value which comprises investments with limited liquidity, as prescribed by AIFMD regulation.

Review & Outlook

Market Review

July was quite eventful for financial markets, with uncertainty and volatility stirred by the Greek bailout, weakness in China, a commodity slump and renewed pressure on oil following a nuclear agreement with Iran paving the way to sanctions being lifted. It was a fairly positive month for Developed Markets (DM) credit, rates and equities and a negative one for Emerging Markets (EM), commodity and energy names.

The eurozone narrowly dodged 'Grexit' after Prime Minister Tsipras agreed to its European partners' terms for reforms in order to avoid a de facto exit from the currency, for which he did not have a mandate. He now has a minority government (losing about 30-40% of votes from his own party) but the opposition party has said that, while they would not support the government, they would also not vote against it. In essence, they are happy that Tsipras gets to 'do the dirty work for them' without their having to muddy their own hands. The situation is thus not resolved but is somewhat on the sidelines for now. Peripheral bonds (Italy and Spain in particular) led the rally in European sovereign debt, ending the month about 45bps tighter. In EM, the focus was on China, where weak activity (industrial production, PMIs, CPI) led to massive volatility in their stock market (Shanghai down another 15% on the month with regular 5%+ daily moves). The authorities intervened several times with unconventional/drastic measures (such as a ban on selling for anyone with more than 5% of a company's capital) in order to try to stabilise the market. Commodities were under pressure, given these China concerns. Copper fell 17% on the month to its lowest level since 2009 while iron ore was down 10% and also sitting close to its 2009 low. Oil was also under intense downward pressure, losing 18% on the month, back to a whisker away from its low point in January due to an increase in US rig counts and the prospect of Iranian production hitting international markets following an agreement with the international community. Away from this, bond issuance in Europe was quite light, thus providing support to EUR spreads. In the US, the market was still plagued by poor technicals, due to a combination of elevated issuance levels (refinancing of M&A activity), limited summer secondary activity and the poor performance of the HY/energy sector (oil related). USD spreads were about 10bps wider on average.

Performance Review

Performance was modestly positive over the month for the fund. Gains were generated in the corporate book across a number of themes ranging from idiosyncratic stories (Navient, Groupama), to re-pricing within commodity issuers (Glencore, Vale, BHP), a solid technical bid for AT1 and corporate hybrids. Energy names re-widened to reach around two-thirds/three quarters of their retracement since January, with services and drillers worst hit. This had a negative impact on our performance, just about offsetting gains in our commodity-related shorts. Performance was negative in the sovereign book, with longs in Central and Eastern Europe (CEE), EM and 'semi-core' Europe really lagging the rally in Spain and Italy following 'non-Grexit'. We still like the relative value there, even though the two sectors are driven by different dynamics for the time being (European Central Bank QE versus oil/Russia/commodities). Rates were a small positive, thanks to our long bund position (where we took partial profits) as were swap spread wideners in both EUR and USD (profits also taken).

Market Outlook

Looking ahead, Greece should remain in the shadows for the next few weeks, providing a more positive backdrop for periphery debt. Elections in Spain (including Catalonia regional elections) and Portugal will provide food for more volatility later in the year but for now, a lower volatility environment is more likely to prevail. US rates and China/commodities are the topics that will grab headlines in coming weeks. We would rather have the Federal Reserve (Fed) hike in September and think it the most likely scenario, unless data shockingly disappoints between then and now. A shallow path thereafter would mean that risk assets need not become too vulnerable but, with recent data being weaker than expected, the market will worry that the Fed will get 'ahead of the curve' rather than remaining safely behind it. The vagaries of the energy and commodity sectors have been weighting on EM and high yield (HY) debt lately. While we see resistance in oil around the $45 mark, commodities such as copper may have much more downside from here. (The price is currently at a 'resistance' level but if China remains weak, the lower production levels in the second quarter of the year might not be enough to stave off further price falls, with adjustments to supply/demand not as rapid as within the oil industry.) On corporate debt, supply pressure is still a negative for spreads in USD, while the technicals are much stronger in EUR. The valuation differential between EUR and USD investment grade (IG) credit is close to their wides however, which will likely limit the ability of EUR credit to outperform meaningfully. Our investment strategy should see further focus on highly idiosyncratic credit stories.