BlueBay Emerging Market Corporate Alpha Fund

July 2015

Fund Performance (%) Net of Fees (USD)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.96	1.35	0.34	1.92	0.27	-1.85	0.10						3.08
2014	-0.86	0.92	-0.08	2.88	3.95	1.11	1.74	-0.68	-2.08	-0.97	-0.26	5.34	11.31
2013	1.81	0.66	-1.82	-6.17	-1.74	0.21	-0.06	-1.91	-1.33	2.04	0.00	1.12	-7.21
2012	3.39	2.65	1.20	-0.29	0.85	0.00	0.61	0.21	0.77	1.10	-0.03	1.26	12.30
2011	1.14	0.31	0.71	2.00	-0.31	-0.38	1.76	2.16	0.07	0.95▪	1.59	0.59	11.07◊
2010	3.03	4.18	4.88	1.76	-2.96	-0.64	1.74	1.87	2.86	1.38	-1.51	0.83	18.53
2009	3.07	-0.41	4.19	10.26	8.80	3.03	3.68	2.95	5.06	1.10	-0.28	2.71	53.50
2008	2.14	-0.32	0.17	-3.66	1.91	2.01	-1.70	1.36	0.31	-11.29	-14.07	0.72	-21.62
2007	---	---	---	1.68	1.16	0.60	2.02	-0.65	1.22	2.15	1.72	1.01	11.40

Performance Analysis (Net of Fees)[1]

	EM Corporate Alpha Fund (to 31-Jul-15)	EM Corporate Strategy within MSF (to 14-Oct-11)
Net annualised returns since inception (%)	5.49	12.77
Annualised fund volatility since inception (%)	6.42	12.77
Worst fund drawdown (%)	-12.25	-23.82
Recovery time (months)	15	7
Latest NAV[2]	112.67	

Highlights

- Performance of emerging market corporates supported by rally in US Treasuries
- Fund returns benefited from relative value book
- Expect ongoing headwinds within the asset class to present opportunities for alpha on the long and short side

Investment Strategy

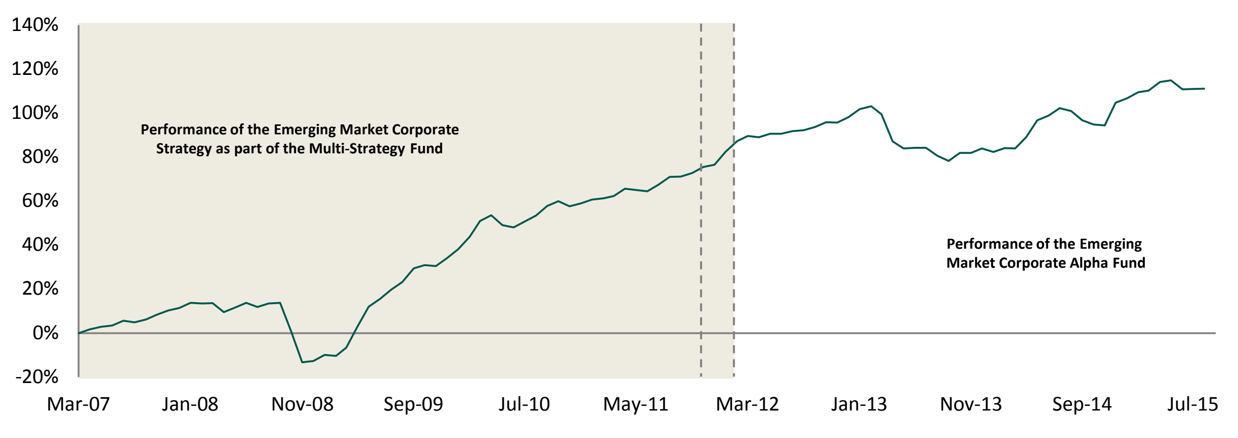
To achieve absolute and attractive risk adjusted returns, primarily through exposure (both long and short) to fixed income securities of Emerging Market Corporate Issuers

The performance figures listed above and in the graph are based on the net returns of the Emerging Markets Corporate 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 net returns of the class D GBP shares (assuming a perfect hedge into USD) over the period 1 November 2011 to February 2012 and the net returns of the class A USD shares from March 2012 onwards. 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 March 2012 onwards performance figures are net returns of the class A USD shares of the BlueBay Emerging Market Corporate Alpha Fund. The shaded performance figures in the above table and graph below are not returns of the BlueBay Emerging Market Corporate Alpha Fund. No representation is being made that the BlueBay Emerging Market Corporate Alpha Fund will or is likely to achieve performance similar to that shown for the Emerging Markets Corporate Strategy. The BlueBay Emerging Market Corporate Alpha Fund does not have a benchmark.

▪ Partial performance provided as the Emerging Markets Corporate 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 1-month LIBOR Index.

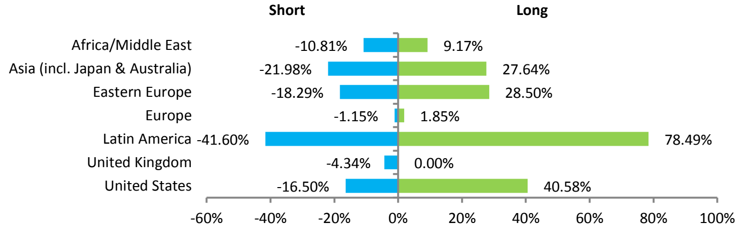
◊ This figure in the table (2011 YTD) represents the return for the 2011 calendar year had the performance of the Emerging Market Corporate Strategy of the BlueBay Multi Strategy Fund and the BlueBay Emerging Market Corporate Alpha Fund been combined for the 2011 year. Of this combined 2011 return, the return of the BlueBay Emerging Market Corporate Alpha Fund itself (for the two months November and December 2011) was 2.19%. Please refer to the footnotes and disclaimer located at the end of this document for important information regarding calculation methodologies.

Cumulative Performance Since Inception (Net of Fees Rebased to 100)

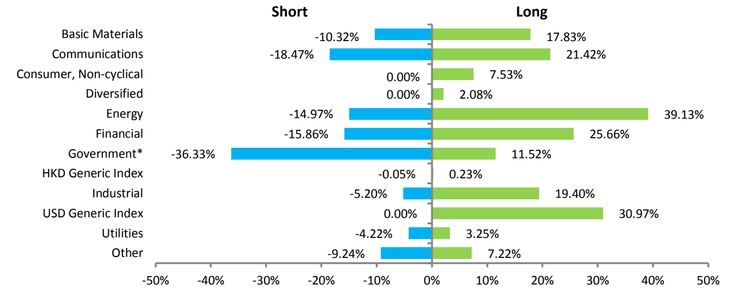


RBC Global Asset Management

Regional Breakdown (% of NAV)

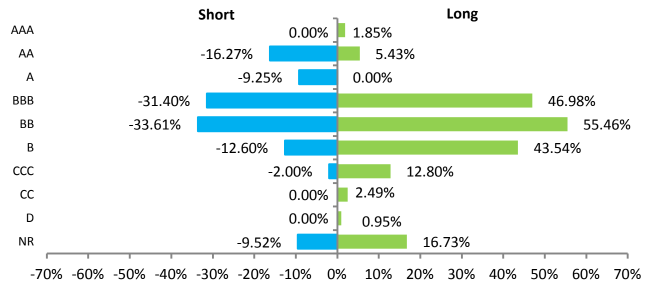


Sector Breakdown (% of NAV)

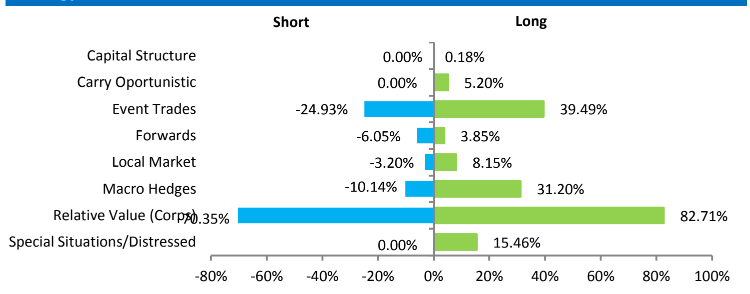


*Government exposure relating to Treasuries: Long Exposure = 14.88% Short Exposure = -2.68%

Credit Quality



Strategy Breakdown



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 NAV figure above is based on Class A USD shares with an inception date of 1 March 2012.
3. 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.
4. 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.
5. 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
6. 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 the NAV.
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.

Portfolio Characteristics

No. of positions	112
Gross long exposure [3]	1.86x
Gross short exposure [3]	-1.15x
Net exposure [3]	0.72x

Risk Profile (Total, as bps of NAV)

CDV01 [4]	3.12
DV01 [5]	1.57
Equity Delta (+1%)	9.66
FX Delta (+1%)	-3.07
Vega (+1%)	0.17
VAR (95%, 1day) [6]	56.22

Liquidity [7]	Long	Short
<= 1 Day	69.11%	81.10%
> 1 Days <= 1 Wk	26.90%	18.90%
> 1 Wk <= 1 Mth	2.37%	0.00%
> 1 Month	1.62%	0.00%

Top Long Holdings

Urbi Desarrollos Urbanos SAB de CV	8.80%
Telemar Participacoes SA	5.82%
Huarong HK International Holdings Ltd	5.54%
AngloGold Ashanti Ltd	4.93%
GERDAU SA	4.88%

Top Short Holdings

Europe: Government	9.86%
Asia: Finance	7.63%
Latin America: Telecommunications	5.65%
Latin America: Telecommunications	5.08%
Middle East & Africa: Government	4.72%

Fund Facts

Total Fund Size USD	54,423,891
Inception Date	1 November 2011
Base Currency	USD
Management Fee	2%
Performance Fee	20%
Subscription	Monthly
Redemption	Monthly / 60 calendar days notice
Structure	Cayman Master / Feeder

Team

Polina Kurdyavko - Senior Portfolio Manager
Joined BlueBay in July 2005 and has 15 years of investment industry experience

Anthony Kettle - Portfolio Manager
Joined BlueBay in March 2006 and has 15 years of investment industry experience

Contact Information

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AIFMD Regulatory Disclosure	
AIFMD* Leverage Gross Notional (%NAV) [8]	317%
AIFMD* Leverage Commitment (%NAV) [9]	227%
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.

Fund Commentary

Market Review

On average emerging market (EM) corporate spreads widened over the month, but total returns were helped by the supportive US Treasury environment. Returns from high yield corporates were particularly weak as cracks appeared in some of the more highly-levered, weaker credits which have had a good run year to date, while investment grade corporates outperformed. Regionally, Latin America trailed given the greater commodity sensitivity, while on a sector basis metals & mining and oil & gas underperformed with defensive sectors such as utilities holding up better. June’s volatility continued into July and market moves were quite extreme, exacerbated by the seasonally-thin liquidity. We began the month with all eyes on Greece and the resounding “No” vote (to austerity) in early July led to heightened concerns of a messy Grexit scenario. Tsipras then appeared to capitulate by submitting a much harsher proposal that met almost all creditor demands. Greece was quickly put on the back-burner and Chinese equity volatility became the focus of attention. The Shanghai Stock Exchange fell 32% in a matter of weeks (despite rising by ~60% year-to-mid-June) and frequently experienced intraday swings in excess of 10%. The volatility prompted Chinese officials to pursue some interesting policy intervention. These measures appeared to have had some effect; equities seemingly stabilised for now and the contagion to Chinese credit markets was somewhat contained. In parallel to this dramatic price action, oil prices declined by a further 20%, while other commodities were also significantly weaker. We also saw a continuation of EMFX weakness that sold off ~3% versus the US dollar as the market braced itself for an increasingly likely December or September rate hike. Within EM the macro backdrop in Brazil continued to exhibit signs of weakness, while the ongoing Lava Jato (Operation Carwash) scandal showed no signs of easing and is proving to be deeper rooted and more widespread than was first apparent. In terms of credit-specific newsflow, we continued to see a pick-up in M&A activity. However, one deal we expected to take place was Alfa’s proposed takeover of Pacific Rubiales (PRECN) which was rejected by PRECN’s shareholders as they felt the valuation was too low. Elsewhere, Afren (the Nigerian oil and gas company) formally went into administration after having been in default since early July. Technically the market remained well bid despite these headwinds; while from a supply perspective issuance was quite muted with just US$18bn of new deals coming to market (compared with US$27bn in June 2015 and US$32bn in July 2014).

Performance Review

July was a flat month for the Fund. The major contributor to performance came from our relative value book, where we took profits on positions (on both the long and short side) in some of our Chinese and Russian paper. The Operation Carwash scandal in Brazil detracted from our relative value positions in the oil rigs positions. However, we remain comfortable that our holdings, which are a combination of longs and shorts across the corporate complex, present attractive risk-reward in both the positive and negative scenarios that could play out. Our events book detracted from performance as the activity around prospective acquisition candidates in the Brazilian telecom and Colombian oil sectors disappointed the market. We believe, even in the absence of M&A activity, our positions offer value and expect to continue to hold them. Falling gold prices also caused the market to discount the likelihood of a South African mining company calling its bonds in 2016. However, we are constructive on the credit and believe the company will likely exercise its call, even at these levels, given the relatively high coupon payment. Elsewhere in the portfolio political noise coming out of Brazil and Turkey put pressure on local bonds in both countries, but our currency hedges offset the impact on performance. Our distressed book was fairly flat, as we monitor our special situation positions. By the end of the month, expectation grew of a restructuring deal in Ukraine; we continue to believe that the sovereign bonds offer more value than the corporate sector and expect further upside as a deal is announced and digested by the market.

Market Outlook

Looking forward, we feel a September rate hike is increasingly likely, despite the themes of US dollar strength and weaker commodities price, both of which we expect to continue. However, given the growth backdrop, we don’t believe we are entering a sharp hiking cycle, rather a smoother more gradual normalisation. In our view the headwinds that continue to weigh on the asset class, e.g. Brazil’s Lava Jato, the Turkish election, Chinese growth, etc. will continue to create attractive investment opportunities on both the long and short book. We continue to monitor the Chinese growth dynamic as recent indicators suggest it may be bottoming out. While we felt that valuations were looking tight in the Chinese real estate space, we will likely continue to be involved opportunistically in the sector as well as considering distressed plays, where restructuring discussions could start to gather momentum. In Russia we have focused on relative value between the shorter end of the corporate curve and the longer end where we believe there is more value. We are also conducting a deep dive on our Brazilian exposure following our recent visit. Despite the various overhangs affecting the asset class, we believe the technicals remain fairly solid at this point; lack of issuance from big players out of Brazil and Russia has meant reduced supply relative to the past few years. In areas where issuance has been strong e.g. Asia and China, we have seen broader participation and new entrants to the market, such as Chinese banks and Taiwanese insurers, boosting the performance of new deals. We expect there will be volatility going into September when a Fed rate hike becomes an ever-increasing focus for the market alongside a more uncertain outlook in China. While technicals have been a supportive factor to date, they have also compressed valuations in certain parts of the market which now present good opportunities as we enter this period of heightened volatility.