RBC Global Asset Management

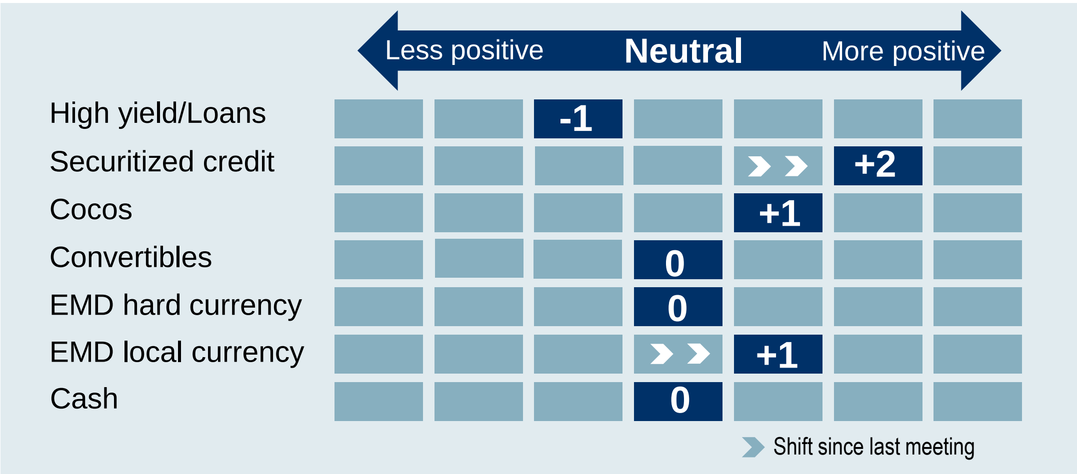
BlueBay's Multi-Asset Decision Group

Views as at 1 August 2025

Background: BlueBay's Multi-Asset Decision Group (MADG) determines the allocation between the underlying asset classes as well as capital preservation hedging for the multi-asset credit funds. MADG is headed by Raphael Robelin, Head of Multi-Asset Credit, and takes input from a wide variety of sources to determine market direction and drivers.

Active asset allocation views versus the Neutral Asset Allocation

All of BlueBay's multi-asset funds have a 'Neutral Asset Allocation', which represents a long-term mix of asset class weights that we believe will meet performance and risk targets over a credit cycle. BlueBay calibrates asset class views on a -3 to +3 scale and we would expect to be overweight, versus the Neutral Asset Allocation, asset classes with positive scores, and vice versa.



Meeting summary

The Northern summer is often quieter for markets and, for now, there does seem to be a market calm. Geopolitical volatility remains a constant feature, as does forward-looking US fiscal and trade concerns. Nonetheless credit markets have been remarkably resilient this year and hopes of rate cuts are helping buoy credit markets.

In terms of targeted risk levels, within our multi-asset credit portfolios MADG have been running an 'average' level of risk for much of this year given the range of uncertainties. The central investment theme has been 'high quality carry' where we seek to target a higher average overall credit rating whilst at the same time maximising portfolio yield. The asset classes that have been most helpful in this regard are structured credit, cocos and EMD hard currency.

MADG are seeking to increase risk over the coming months by adding to exposure on market dips. With greater visibility of likely global tariff levels, and as various deals are agreed, the chance of a meaningful global slowdown, which would be a negative for credit markets, is reduced in our view.

In terms of asset class views, we have increased securitized to a +2 as we continue to believe the asset class has a very attractive trade-off between spread and credit quality. For EMD local, the increased attraction is the tailwind to the asset class provided by a weakening US dollar.

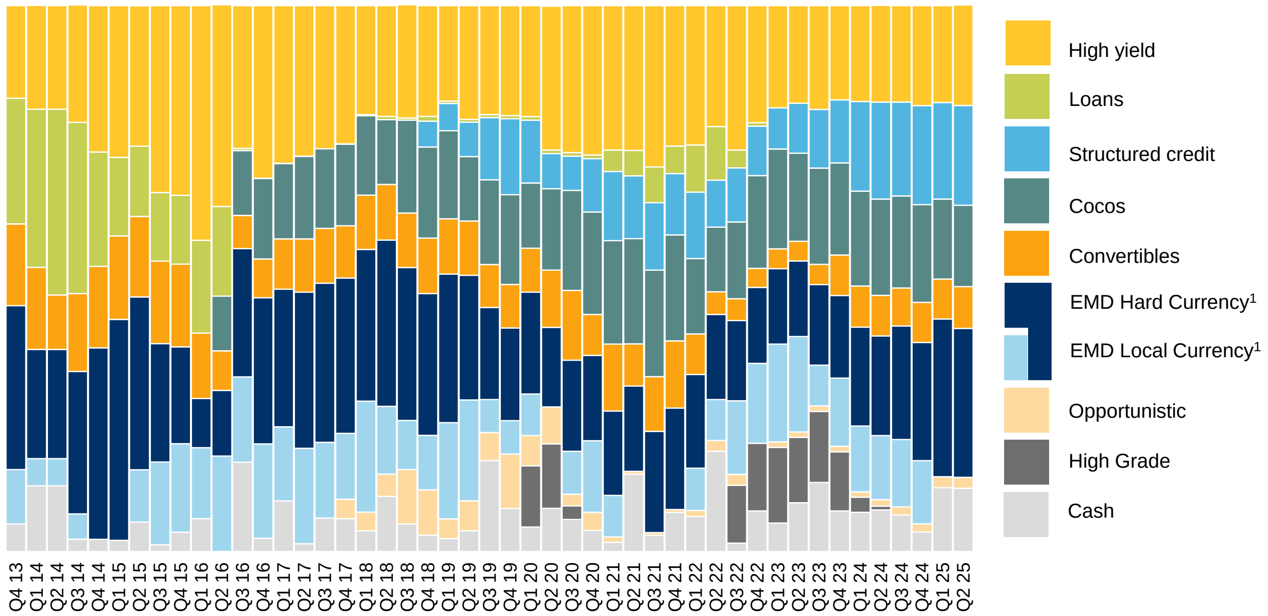
We remain in an environment where markets can pivot extremely rapidly. MADG can overlay hedges to protect the portfolio, even for very short periods, and we expect to be tactical on these hedges over the course of the second half of 2025.

High Yield	▪ MADG have maintained an underweight position in high yield/bank loans, although are looking to add to exposure over the coming months. ▪ Within the sleeve we have rotated out of some of the high yield bonds with tighter spreads and into bank loans. The aim is to have an exposure within the sleeve of 75% high yield and 25% bank loans. ▪ Over recent weeks we have been buying bank loans and the average spread has been 320bps and the average credit rating B+. This has been across a wide array of sectors. ▪ Within high yield we continue to prefer energy, telecoms and basic industry whilst we have minimised exposure to autos and capital goods. In terms of geographic bias, we are around three-quarters exposed to the US.
Securitized Credit	▪ Securitized credit is a preferred asset class at present. ▪ MADG have been favouring securitized credit due to the attractive relationship between spreads, credit quality and volatility and the asset class has played a key role in harvesting yield. ▪ Our focus within securitized remains on BBB CLO tranches. In terms of spreads, currently for AAA's spreads are about 100 basis points, BBB's are in the low 300's, BB's in the 550s and single B's 800 plus. We are very comfortable with broad risk down to BB's in the current environment, and selectively beyond that.
Convertible Bonds	▪ MADG have maintained a neutral asset allocation to global convertible bonds. ▪ Q2 was the best quarter for global equities since 2020 as tariffs were paused and rolled back, helping the global convertible market rally strongly. In addition, an active primary market and favourable sector exposure helped the asset class add to its gains from Q1, making it one of the best performing fixed income asset classes this year. ▪ Our preferred sectors continue to be China tech and US software.
Financial Capital Bonds/Cocos	▪ Cocos continue to perform well and MADG remain overweight. ▪ Cocos have had a strong year and for MADG the attraction is the predictability of bank earnings and projected net interest income. Bank profitability has increased by +70% over the last 3 years and it is this revenue tailwind that should go some way toward shielding deterioration in asset quality should that occur in the months and quarters ahead if growth deteriorates globally. Capital levels remain close to all-time highs. Our primary theme is to predominantly hold 'national champion' banks.
Emerging Market Debt (EMD)	▪ MADG increased the rating for emerging market local debt from 0 to +1. It is our belief a weakening US dollar should provide a tailwind to returns. ▪ Within **hard currency exposure**, MADG continue to focus on high quality carry; that said, recent primary market issuance has provided us ample opportunity to recycle risk lower down the credit rating spectrum, though with higher yields. We continue to have a strong bias towards idiosyncratic, bottom-up driven stories, with top picks Ecuador, Egypt and Argentina all performing well in recent months. ▪ Within **local currency exposure**, we continue to think growing momentum behind the idea of an end, or at least a stalling, to US exceptionalism will be a welcome tailwind to EMD local currency. Currently we prefer Turkish lira, Korean won and Romanian lieu. In the rates space, a re-distribution of manufactured goods destined for the US toward emerging market nations is expected to be a pricing deflator which we believe can provide scope for rates to move lower. Colombia, Peru and Malaysia are amongst our top picks.
Overlay Hedges	▪ The main position currently is a 'curve steepener' trade on the US yield curve. We regard this as a defensive trade and has two elements: ▪ we are 'long' both 2 and 5 year Treasuries (via derivatives). This is profitable if 2 and 5 year yields fall relative to today's levels. We believe shorter term rates will

fall as the Fed cuts rates and would note the Trump administration is very keen to see Fed rates lower.

- we are 'short' 30 year Treasuries (via derivatives). Our belief is longer term yields will rise in response to the Trump administration's requirement to issue a significant amount of US Treasuries to meet proposed spending plans.

BlueBay Total Return Credit Strategy – evolution of asset allocation



Source: RBC Global Asset Management, as at 30 June 2025. Note 1: from 1 January 2025 the emerging market sleeves have been amalgamated.

Source: RBC Global Asset Management, as at. For illustrative purposes only. There is no assurance that any of the trends depicted or described herein will continue.

Note 1: All returns in USD and hedged unless otherwise stated. Yield shown is yield to maturity for high yield, bank loans and emerging markets. Convertible bonds shows a running yield. Cocos is yield to worst. Indices: Global High Yield: ICE BAML Global High Yield Investment Grade Country Index GBP Hedged (Bloomberg Code: HWIC); Loans: JP Morgan Leveraged Loan Index (JPM Code JPLLILLI); cocos: The ICE BofA Merrill Lynch Contingent Convertible Index GBP hedged (Bloomberg code: COCO); Global Convertible Bonds: UBS Global Convertible Focus Index GBP Hedged (Bloomberg code UCBIFX50); EMD Hard: JP Morgan EMBI Global Diversified - GBP (Bloomberg code: JPGCHGCP); EMD Local: JP Morgan GBI-EM Global Diversified Index - GBP Unhedged (Bloomberg code: JGENVUBG); EMD Corporates: JP Morgan CEMBI Diversified Index GBP (Bloomberg code: JCDYHGBP)

Fund risks At times, the market for emerging market bonds, high yield bonds or convertible bonds may dry up, which could make it difficult to sell these bonds, or the fund may only be able to sell them at a discount

- There may be cases where an organisation with which we trade assets or derivatives (usually a financial institution such as a bank) may be unable to fulfil its obligations, which could cause losses to the fund
- Investing in high yield bonds offer you the chance to gain higher returns through growing your capital and generating income. Nevertheless, there is a greater risk that the organisation which issued the bond will fail, which would result in a loss of income to the fund along with its initial investment
- BlueBay could suffer from a failure of its processes, systems and controls – or from such a failure at an organisation on which we rely in order to deliver our services – which could lead to losses for the fund

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An Alternative Investment represents a speculative investment and involves a high degree of risk. Investors must have the financial ability, sophistication, experience and willingness to bear the risks of an investment in an Alternative Investment. An investor could lose all or a substantial portion of his/her/its investment. An investment in an Alternative Investment should be discretionary capital set aside strictly for speculative purposes. An investment in an Alternative Investment is not suitable for all investors. Only qualified eligible investors may invest in an Alternative Investment. An Alternative Investment's offering documents are not reviewed or approved by federal or state regulators and its privately placed interests are not federally or state registered. An investment in and Alternative Investment may be illiquid and there are significant restrictions on transferring or redeeming interests in an Alternative Investment. There is no secondary market for an investor's investment in an alternative investment and none is expected to develop. Substantial redemptions by shareholders within a limited period of time could compel an Alternative Investment to liquidate its positions more rapidly than otherwise would be desirable, which could adversely affect the value of the distribution proceeds and the value of the remaining interests in an Alternative Investment. The net asset value of an Alternative Investment may be determined by its administrator in consultation with its manager or advisor in certain cases. Certain portfolio assets may be illiquid and without a readily ascertainable market value. Since the value assigned to portfolio investments affects a manager's or advisor's compensation, the manager's or advisor's involvement in the valuation process creates a potential conflict of interest. The value assigned to such portfolio investments may differ from the value an Alternative Investment is able to realize. An Alternative Investment's manager or advisor has total trading authority over the Alternative Investment. The death or disability of the manager or advisor, or their departure, may have a material adverse effect on an Alternative Investment. The use of a single advisor applying generally similar trading programs could mean lack of diversification and, consequentially, higher risk. An Alternative Investment may use a complex tax structure, which should be reviewed, and may involve structures or strategies that may cause delays in important tax information being sent to investors. The Alternative Investment's fees and expenses which may be substantial regardless of any positive return will offset such Alternative Investment's trading profits. If an Alternative Investment's investments are not successful, these payments are expenses may, over a period of time, deplete the net asset value of an Alternative Investment. An Alternative Investment and its managers/advisors may be subject to various conflicts of interest. The fund may be leveraged. The fund's performance can be volatile. A substantial portion of the trades executed for the fund takes place on foreign exchanges

The above summary is not a complete list of the risks, tax considerations and other important disclosures involved in investing in a Private Fund and is subject to the more complete disclosures in such Fund's offering documents, which must be reviewed carefully prior to making an investment. For a copy of the fund's offering documents, please contact please contact rbcgamusinfo@rbc.com.

RBC Global Asset Management (U.S.) Inc., 250 Nicollet Mall, Suite 1550 | Minneapolis, MN 55401.

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