

# BlueBay US Impact Bond

December 31, 2024

## Disciplined fixed income investing that seeks to deliver both financial and social return

- Dedicated to creating measurable positive social and environmental impact
  - Affordable quality shelter
  - Good health and well-being
  - Education
  - Reduced inequalities
  - Decent work and economic growth
  - Community development
  - Partnerships for the goals
  - Environmental sustainability

## Impact measurement framework

- Proprietary impact measurement framework that evaluates all investments for influence on the United Nations' Sustainable Development Goals (SDGs), a global agenda to end poverty, protect the planet, and ensure prosperity for all by the year 2030.



Source: <http://www.un.org/sustainabledevelopment/sustainable-development-goals>

## Why RBC for impact investing

- \$2 billion in Assets Under Management\*
- Unique combination of a proven fixed income strategy with measurable positive social outcomes
- Competitive fixed income performance
- 25 years of experience in impact investing
- Tested investment philosophy and process

\*Assets under management include all assets managed in Access Capital Community Investing and Impact Bond, including accounts which do not appear in the composites.

## About RBC Global Asset Management

- Over \$484 billion in Assets Under Management\*
- Offices in North America, Europe and Asia
- 397 investment professionals globally

\*AUM includes US\$5.2B+ in portfolio assets managed by unaffiliated investment advisers based on models provided by RBC Global Asset Management entities.

## BlueBay Fixed Income Platform

- 125 Investment professionals
- \$129 billion fixed income AUM\*\*
- Over \$42 billion in US fixed income AUM\*\*

As of November 30, 2024.

\*\*BlueBay Fixed Income AUM is a component of the broader RBC GAM AUM.

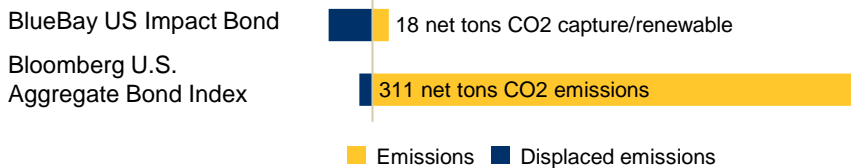
## Investment team

Brian Svendahl, CFA  
Lead Portfolio Manager, Impact Investing  
Senior Portfolio Manager, U.S. Fixed Income  
Investment Experience: 33 years

## Impact results - strategy vs. benchmark

Per \$1 million invested

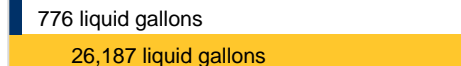
### Net carbon negative



### Clean water projects



### Water consumption



### Healthcare facilities, vaccines & medical research



■ BlueBay US Impact Bond ■ Bloomberg U.S. Aggregate Index

As of 12.31.24 Source RBC Global Asset Management

Based on the representative account, which is the account in the composite that most closely reflects the current portfolio management style for this strategy. Impact is measured using the investment team's proprietary impact measurement methodology. For more information on the impact measurement methodology, please contact us at <https://us.rbcgam.com/contact-us/form/default.fs>

The Bloomberg U.S. Aggregate Index is an unmanaged index that measures the performance of U.S. investment-grade fixed income securities. An investor may not invest directly in this index.

## Investing in underserved communities and people

### Building wealth through homeownership

- 100% Low-to-moderate income (LMI) borrowers
- 100% Fair lending standards
- 92% Home ownership lending in BIPOC\* communities

### Affordable rental housing\*\*

- 79% Women head-of-household
- 80% Affordable rental housing projects in BIPOC communities
- \$17,553 Average annual resident income
- \$239 Average monthly rent

\*BIPOC is an acronym that stands for Black, Indigenous, and People of Color.

As of 12.31.24. Source: RBC Global Asset Management, Bloomberg, Federal Reserve ([https://www.federalreserve.gov/boarddocs/supmanual/cch/fair\\_lend\\_over.pdf](https://www.federalreserve.gov/boarddocs/supmanual/cch/fair_lend_over.pdf)), Small Business Administration, U.S. Department of Housing and Urban Development. Profile of the impact of investing in the BlueBay US Impact Bond strategy across multiple themes. \*\*Figures represent the weighted average of all neighborhood residents across census tracts in which the Impact strategy's affordable housing investments are located. Note: Subsidized housing resident data is only available for assisted housing subsidies under the following HUD programs: public housing, tenant-based, and privately owned, project-based; \*\*\*Profile of all small business holdings in the Impact Bond strategy where data is reported.

### Small business and job creation

- 42% Women-owned
- 76% BIPOC-owned
- 90% located in BIPOC neighborhoods
- 85% located in LMI neighborhoods

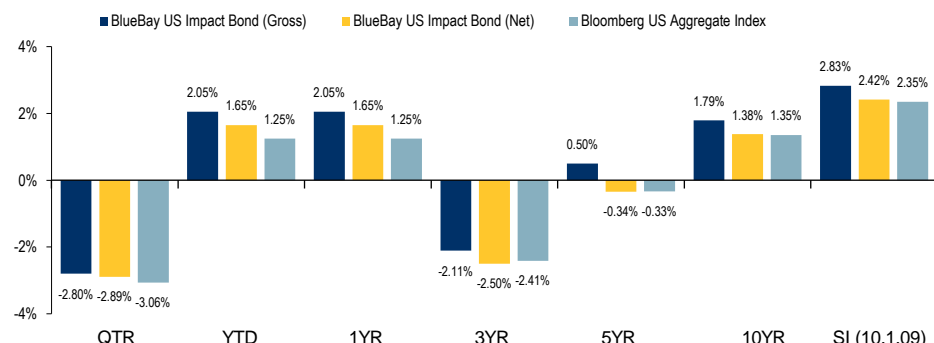
## Characteristics<sup>1</sup>

|                    | Strategy | Benchmark |
|--------------------|----------|-----------|
| Effective duration | 5.70 yrs | 5.88 yrs  |
| Market yield       | 5.46%    | 4.93%     |
| Average quality    | AA-      | AA        |

## Sector (%)

|                    | Strategy | Index |
|--------------------|----------|-------|
| Corporate          | 27.6     | 26.2  |
| Agency MBS         | 23.0     | 25.2  |
| ABS & CMBS         | 17.3     | 1.2   |
| Municipals         | 14.1     | 0.5   |
| Agency Secured     | 7.8      | 0.8   |
| Cash & Equivalents | 4.4      | 0.0   |
| SBA                | 2.6      | 0.0   |
| Money Market       | 1.8      | 0.0   |
| Government Related | 1.4      | 2.1   |
| Treasury           | 0.0      | 44.0  |

## Investment performance (%)



| Relative Performance                  | QTR  | YTD  | 1YR  | 3YR   | 5YR   | 10YR | SI (10.1.09) |
|---------------------------------------|------|------|------|-------|-------|------|--------------|
| Gross (relative to primary benchmark) | 0.27 | 0.79 | 0.79 | 0.30  | 0.38  | 0.43 | 0.47         |
| Net (relative to primary benchmark)   | 0.18 | 0.40 | 0.40 | -0.10 | -0.02 | 0.03 | 0.07         |

Inception of the performance record is 10.1.09.

Returns are presented in gross and net of fees and include the reinvestment of all income. All returns for periods greater than one year are shown on an annualized basis. Performance and composite information presented is supplemental to the "GIPS® Composite Report" which contains additional information regarding calculation of performance data.

Source: RBC Global Asset Management, FactSet, Bloomberg, Citigroup, Yield Book

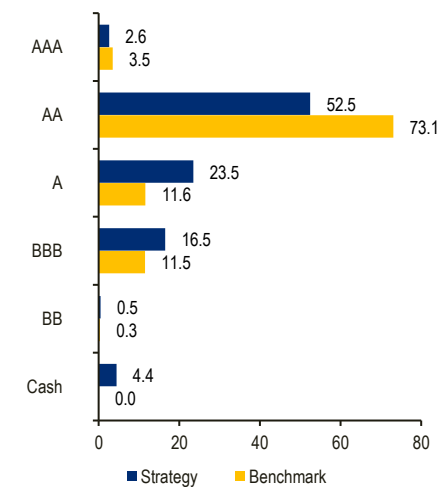
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**Past performance is not indicative of future results.** There can be no guarantee that any investment strategy discussed in this Presentation will achieve its investment objectives. As with all investment strategies, there is a risk of loss of all or a portion of the amount invested and there is no guarantee that any references to goals, targets, objectives or expectations discussed in the Presentation will be achieved or that the processes will succeed. Any risk management processes discussed refer to efforts to monitor and manage risk, but should not be confused with and does not imply no or low risk. The use of diversification within an investment portfolio does not assure a profit or guarantee against loss in a declining market. No chart, graph, or formula can by itself determine which securities an investor should buy or sell or which strategies should be pursued.

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## Credit distribution<sup>1</sup>



<sup>1</sup>Supplemental information complements the "GIPS® Composite Report" as provided. The information presented are those of the representative account in the strategy. There is no guarantee that every account will be identical to the information presented here.

Strategy holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Current and future holdings are subject to risk. The credit distribution is subject to change and based on the average of the credit ratings assigned to each security in the portfolio by Moody's, S&P, and Fitch. If no rating is provided by any of the agencies, an average of the ratings provided by the remaining agencies is used. If no agency provides a rating, the adviser's internal rating is used. The credit quality of the investments in the portfolio does not apply to the stability or safety of the strategy.

## GIPS® Composite Report, as at December 31, 2024

## RBC GAM U.S. Fixed Income - Impact Bond

Inception Date: October 1, 2009

Benchmark: Bloomberg U.S. Aggregate Index

Currency: USD

## Annual returns

| Year end | Composite gross return (%) | Composite net return (%) | Benchmark return (%) | Composite 3 yr std dev (%) | Benchmark 3 yr std dev (%) | Number of portfolios | Internal dispersion (%) | Composite assets (millions) | Firm assets (millions) |
|----------|----------------------------|--------------------------|----------------------|----------------------------|----------------------------|----------------------|-------------------------|-----------------------------|------------------------|
| 2024     | 2.05                       | 1.65                     | 1.25                 | 7.60                       | 7.72                       | 4                    | 0.21                    | 452.1                       | 479,853.0              |
| 2023     | 6.92                       | 6.50                     | 5.53                 | 7.03                       | 7.14                       | 3                    | 0.21                    | 363.1                       | 427,022.8              |
| 2022     | -14.05                     | -14.39                   | -13.01               | 5.70                       | 5.77                       | 3                    | 0.01                    | 303.0                       | 385,022.7              |
| 2021     | -1.45                      | -1.84                    | -1.54                | 3.39                       | 3.35                       | 2                    | -                       | 279.8                       | 481,049.3              |
| 2020     | 8.48                       | 8.05                     | 7.51                 | 3.42                       | 3.36                       | 1                    | -                       | 41.7                        | 424,813.8              |
| 2019     | 8.09                       | 7.66                     | 8.72                 | 2.91                       | 2.87                       | 1                    | -                       | 27.2                        | 361,400.0              |
| 2018     | 0.98                       | 0.58                     | 0.01                 | 2.65                       | 2.84                       | 2                    | 0.80                    | 31.0                        | 305,983.2              |
| 2017     | 4.12                       | 3.70                     | 3.54                 | 2.27                       | 2.78                       | 1                    | -                       | 21.6                        | 331,885.2              |
| 2016     | 2.35                       | 1.94                     | 2.65                 | 2.54                       | 2.98                       | 1                    | -                       | 20.8                        | 289,538.6              |
| 2015     | 2.35                       | 1.94                     | 0.55                 | 2.66                       | 2.88                       | 1                    | -                       | 20.3                        | 276,979.3              |

The GIPS® Composite Report is incomplete without the full disclosures. n/a = not applicable, std dev = standard deviation

**Description of the Firm:** For the purposes of Global Investment Performance Standards (GIPS®), RBC Global Asset Management (RBC GAM) is the asset management division of Royal Bank of Canada (RBC) that has responsibility for managing discretionary assets, and includes the following separate but affiliated subsidiaries: RBC Global Asset Management Inc. (including PH&N Institutional), RBC Global Asset Management (U.S.) Inc., RBC Indigo Asset Management Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited (outside of North America, RBC GAM conducts business under the brand RBC BlueBay Asset Management). RBC purchased Phillips, Hager & North Investment Management Ltd., including the assets of BonaVista Asset Management Ltd., on May 1, 2008, BlueBay Asset Management LLP on December 17, 2010, and HSBC Global Asset Management (Canada) Limited on March 28, 2024. RBC GAM's lists of composite descriptions, limited distribution pooled fund descriptions and broad distribution pooled funds are available upon request. As of December 31, 2023, the RBC GAM group of companies manages more than C\$566 billion (US\$427 billion) in a full spectrum of asset classes and strategies.

**Compliance Statement:** RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The U.S. Fixed Income - Impact Bond composite has been examined for the periods January 1, 2012 - December 31, 2023. The verification and performance examination reports are available upon request.

**Composite Description:** The Impact Bond Composite consists of all fully discretionary fixed income accounts invested with an ESG and/or ETI focus that are benchmarked to the Bloomberg U.S. Aggregate Index or an index deemed materially equivalent. Accounts may invest in any security type that supports the social impact criteria. Portfolios in the composite may employ the use of over the counter and exchange traded derivatives where investment guidelines allow, however, their use is not required. Derivatives contracts such as, but not limited to, U.S. Treasury bond futures, Eurodollar futures, interest rate futures, and interest rate swaps may be used for managing risk.

**Benchmark:** The benchmark for this composite is the Bloomberg U.S. Aggregate Index, which is an unmanaged index that measures the performance of U.S. investment-grade fixed income securities. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index.

**Gross of Fees:** Gross of fees performance returns are presented before management fees, but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

**Net of Fees:** As of 04-01-23 Net of fee performance is calculated using the maximum stated annual fee of 0.35% applied monthly. Prior to 04-01-23 the fee was 0.40% applied monthly.

**Performance Calculations:** Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in U.S. Dollars, and include the reinvestment of all income. Additional information regarding policies for valuing investments, calculating performance, and creating GIPS® Reports is available upon request. Past performance is not indicative of future results.

**Composite Dispersion:** The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year. Calculations are based on gross portfolio returns if gross composite returns are presented. If only net composite returns are presented, then net portfolio returns are used in the composite dispersion calculation.

**3-Year Standard Deviation:** Periods with less than 3 years of data will show "n/a". Calculations are based on gross composite returns, if gross composite returns are presented. If only net composite returns are presented, then net composite returns are used in the calculation.

**Derivatives, Leverage and Short Positions:** Derivatives are never used for speculative purposes, however, they may represent a significant percentage of the portfolio when calculated using the notional amount. No portfolios in this composite utilize leverage or short positions, with the exception of the derivatives strategy described in the Composite Description.

**Cash Flow Policy:** This composite does not have a significant cash flow policy.

**Fee Schedule:** 0.35% on first \$25 million of assets; 0.25% on next \$25 million of assets; 0.20% on assets over \$50 million. Advisory fees are described on this page and in Form ADV Part 2A. RBC GAM reserves the right to negotiate all advisory fees.

**Minimum Account Size:** There is no minimum account size for this composite.

**Creation Date:** This composite was created on October 1, 2017 and has an inception date of October 1, 2009.

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