

Part 2A of Form ADV The Brochure

30 June 2016

BlueBay Asset Management LLP

BlueBay Asset Management LLP

77 Grosvenor Street

London W1K 3JR

United Kingdom

www.bluebay.com

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This brochure provides information about the qualifications and business practices of BlueBay Asset Management LLP ("BlueBay"). If you have any questions about the contents of this brochure, please contact us at +44 20 7389 3347. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BlueBay is also available on the SEC's website at: www.adviserinfo.sec.gov.

MATERIAL CHANGES

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

On 1 January 2014, BlueBay's founding partners withdrew from full-time management of the firm. Hugh Willis, previous CEO, became Executive Chairman of BlueBay and remains on BlueBay's Board; and Mark Poole, previously CIO, became Executive Chairman of the Investment Committee and Co-Chairman of the Asset Allocation Committee, and relinquished his seat on the Board. Mark subsequently left the firm and the partnership on 1 December 2015.

Effective from 1 January 2014, Alex Khein, previously BlueBay's COO, became CEO of the firm. At the same time, Raphael Robelin and David Dowsett succeeded Mark Poole as Co-CIOs of the firm, retaining their responsibilities as Co-Head of Investment Grade Debt and Co-Head of Emerging Market Debt, respectively.

Luc Leclercq joined BlueBay in November 2013 as Partner and COO to succeed Alex Khein in the role. The other members of the Management Committee — Nick Williams, CFO; Erich Gerth, Global Head of Business Development; and Natalie Benitez-Castellano, Head of Human Resources — remained in their respective positions.

On 1 May 2015 Alex Khein became Co-CEO of RBC Global Asset Management (RBC GAM) alongside Damon Williams, President of Institutional Client Business at RBC GAM. Alex remains a partner and the CEO of BlueBay and continues to be based in London with approximately 90% of his time spent with BlueBay.

On 6 January 2016 David Dowsett relinquished his CIO duties and seat on the Management Committee to dedicate all his time to the Emerging Market Debt portfolios, and Raphael became sole CIO.

Effective 21 January 2016, Luc Leclercq assumed Chief Risk Officer responsibilities, becoming Chief Operating Officer and Chief Risk Officer (COO-CRO), following Dominique Kobler's decision to leave the firm to pursue other opportunities. On the same day, Jean-Philippe Blua, Head of Investment Risk, assumed a broader role within the team and now reports to Luc.

Effective 23 March 2016, Michael Timotheou assumed the role of Global Head of Compliance. Mike has a direct internal reporting line to Nick Williams, CFO, and a second reporting line to the Chief Compliance Officer (CCO) of RBC Global Asset Management Inc. & Global Head of Compliance for RBC Global Asset Management.

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1. Advisory Business – Who We Are

The BlueBay business (“BlueBay”) was founded in the UK in 2001. BlueBay was initially established to capitalise on strong growth trends in European corporate and global emerging debt markets. In November 2006, BlueBay was admitted to the official list of the UK Listing Authority and began trading on the London Stock Exchange. In December 2010, BlueBay was acquired by the Royal Bank of Canada (“RBC”), however, the firm remains substantially operationally independent. In April 2012 the investment management business of BlueBay was converted into an English limited liability partnership. Today it is a specialist fixed income manager which provides asset management services to institutional investors and third-party distributors.

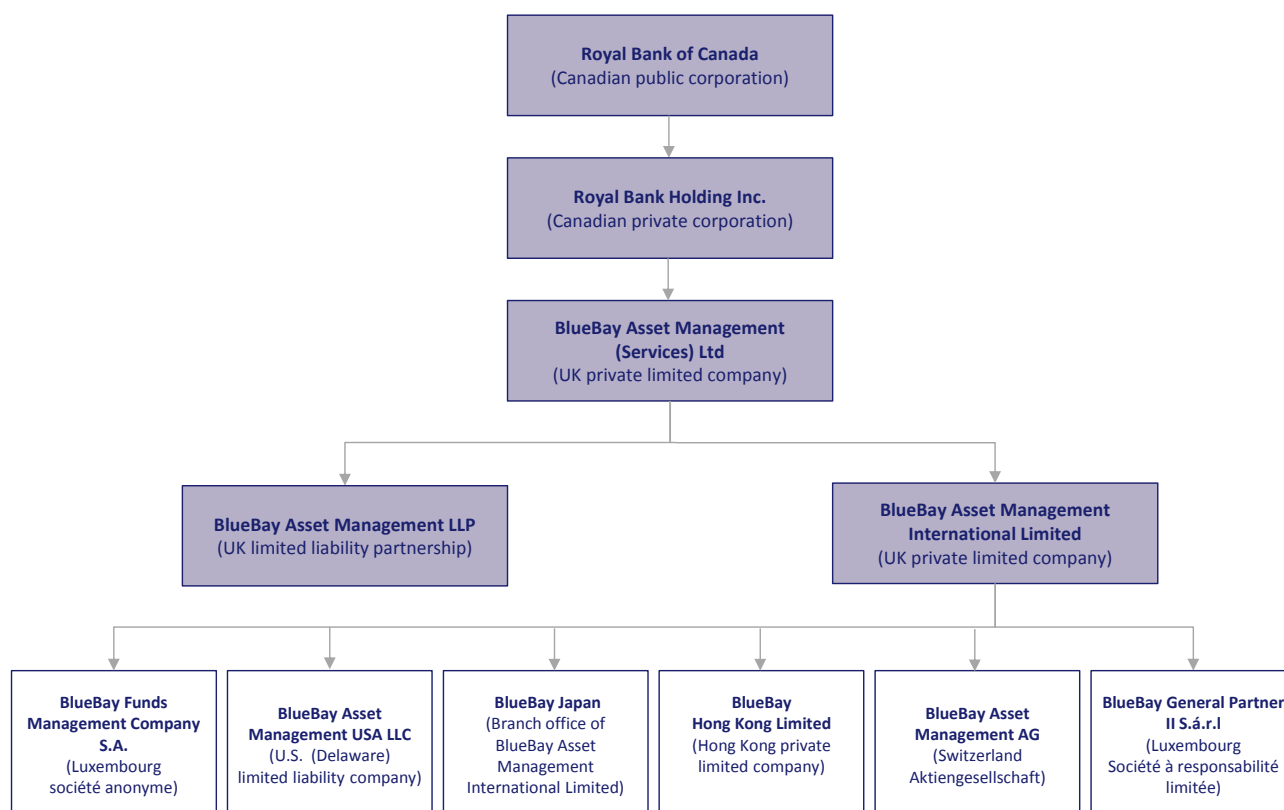
BlueBay Asset Management LLP is a limited liability partnership established under the laws of England and Wales, Partnership Registration No. OC370085. It has been registered as an Investment Advisor with the US Securities and Exchange Commission (“SEC”) since 25 September 2002 (SEC number 801-61494 and CRD number 122793). BlueBay Asset Management LLP also became a member of the National Futures Association (“NFA”) and was registered as a Commodity Trading Advisor and Commodity Pool Operator with the Commodities Futures Trading Commission (“CFTC”) on 25 January 2013 (NFA ID 0344858). It is also authorised and regulated by the UK Financial Conduct Authority (“FCA”), registration number 571599.

BlueBay is based in London with offices in Japan (BlueBay Asset Management International Limited); Stamford, CT, USA (BlueBay Asset Management USA LLC); Hong Kong (BlueBay Hong Kong Limited); Luxembourg (BlueBay Funds Management Company S.A.); Zürich (BlueBay Asset Management AG) and Dublin.

A structure chart detailing the corporate group is provided on the following page.

- BlueBay Asset Management (Services) Ltd is the holding company for the BlueBay group.
- BlueBay Asset Management International Limited is a UK private limited company with a branch office registered in Tokyo, Japan. The Tokyo branch provides investment advisory and discretionary investment management services and is regulated by the Japanese Financial Services Agency.
- BlueBay Asset Management USA LLC provides support services including research, execution, operations and client relationship management services. It is registered with the SEC as an Investment Advisor and is a member of the NFA and has been registered as an Introducing Broker with the CFTC.
- BlueBay Funds Management Company S.A. is the management company for all of BlueBay’s Luxembourg-based fund structures. It is authorised and regulated by the Commission de Surveillance du Secteur Financier, Luxembourg.
- BlueBay Hong Kong Limited is authorised and regulated by the Hong Kong Securities and Futures Commission as a Type 1 Licence holder. It carries out sales and marketing services focusing on Asia-Pacific clients.
- BlueBay Asset Management AG has recently opened an office in Zürich in order to enhance sales and client relationship management services for the local investor base. BlueBay Asset Management AG was registered with the FINMA on 21 October 2014.

BlueBay Group Organisation Chart as at 31 March 2016



As of 31 March 2016 BlueBay managed in excess of US\$57 billion on a discretionary basis.

Investment Management and Advisory Services

BlueBay provides asset management services to institutional investors and private clients. Our approach is characterised by a belief in the value of active management, a strong investment process, the generation of attractive risk-adjusted returns and an emphasis on capital preservation for all our investment strategies. BlueBay manages a range of long-only and alternative absolute-return style portfolios across the following sub-asset classes of global fixed income markets:

- Investment grade debt
- High yield/distressed debt & loans
- Emerging market debt
- Convertible bonds
- Multi-asset credit

2. Fees and Compensation

The current prospectus for each fund provides details of the specific schedule of fees payable for the relevant fund structure or share class. The standard fee structures are a management fee only or a management fee plus performance fee. Fees within the various fund structures will differ between share classes, depending on share class characteristics e.g. minimum investment levels, lock-ups, performance fees. However, the following criteria generally apply with regards to fees:

- An annual management fee of up to 2% of the net asset value is payable and these fees will be payable monthly or quarterly in arrears; and
- A performance fee, which is based upon the performance of the relevant share class, may be payable, quarterly or annually in arrears. This fee is payable if the fund achieves an absolute or relative positive return or exceeds a specific agreed return over the previous annual accounting period. The performance fee is generally set at a maximum of 20% of net outperformance.

In addition to BlueBay fees, fund clients will incur other fees and expenses. These will be fees charged by third parties in connection with the administration of the portfolio, including: transfer agency fees, custodian fees, administrator fees, foreign currency exchange fees, brokerage and other transaction costs.

BlueBay provides investment management services to a number of segregated accounts (subject to an agreed and executed investment management agreement). Segregated accounts typically have a minimum of US\$100 million (or equivalent) invested and may be managed on a management fee only basis or with a combination of management and performance fees. Other fees and expenses may be incurred which are dependent upon the choice of custodian, administrator, and/or other third-party service providers that the investor intends to make; and will be borne by the investor.

BlueBay's investment management fees for segregated accounts are negotiated in connection with the respective asset class and may be modified for portfolios that have special investment constraints or unusual reporting or administrative requirements or unique characteristics.

Management fees for segregated accounts are generally payable quarterly (although monthly payment periods may also apply), and are generally based upon the market value of the portfolio managed as of the end of the preceding calendar quarter or the average market value of the portfolio managed within the preceding calendar quarter. Performance fees, where applicable, are generally payable annually. All client fees are paid in arrears and are billed to the client. Fees charged by BlueBay do not include brokerage commissions, transaction costs and other related costs and expenses which may be incurred by the client. Further details on such expenses are discussed in the Brokerage Practices section of the Brochure.

BlueBay's investment management agreements may be terminated by BlueBay or its client, subject to applicable notice provisions contained in the investment management agreement.

3. Performance-Based Fees and Side-By-Side Management

BlueBay manages both long-only and alternative investment strategies for both funds and segregated accounts. BlueBay offers a variety of fee schedules for its investment products which may include both performance and management fees, where appropriate. BlueBay manages all portfolios side-by-side which may give rise to certain conflicts of interest; however, BlueBay has a fiduciary duty to treat all of its clients fairly.

Where BlueBay receives performance-based fees, it is typically about 20% of the excess returns. The existence of such fees may create a conflict of interest in that BlueBay may be encouraged to take greater risks in performance-based fee accounts in pursuit of higher returns; however, BlueBay has a fiduciary duty to treat all of its clients fairly and the risks taken are monitored to ensure they are appropriate for the targeted level of return.

To ensure that we meet our fiduciary duties, BlueBay has put in place policies and procedures designed to ensure that conflicts of interest in side-by-side management are minimised and monitored on an ongoing basis, including performance comparisons between performance fee and management fee portfolios, employee compensation structures that assess and review risk taking and performance generation for each portfolio, and implementation of appropriate investment aggregation and allocation policies and procedures.

4. Types of Clients

BlueBay provides investment management services to predominantly institutional clients including but not limited to:

- Pension Funds
- Corporations
- Non-Profit Organisations
- Family Offices
- Insurance Companies
- Sovereign Wealth Funds
- Fiduciary Consultants
- Distribution Channels
- Private & High Net Worth Individuals

The majority of pooled investment vehicles have minimum investment requirements and these are noted in the applicable prospectus or offering memorandum. Segregated accounts typically have a minimum of US\$100 million (or equivalent) and may be managed on a management fee only basis or a combination of management and performance fees. BlueBay may waive account minimums at its discretion.

5. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

BlueBay manages a wide range of long-only and alternative specialist fixed income portfolios that focus on the following sub-asset classes of fixed income:

Convertible bonds

BlueBay's Global Convertible Bond Strategy is managed by a team of dedicated portfolio managers and investment analysts, and also draws upon BlueBay's other specialist teams, which combined provide BlueBay's proprietary convertible bond analysis.

Security selection is based on dynamic, proactive proprietary research. We exploit capital appreciation opportunities through sector and issuer analysis. We also place a strong emphasis on the technical characteristics of each individual security to ensure that they are consistent with our overall investment objectives.

We adopt a team-oriented approach to managing all of our Global Convertible Debt products. All investment decisions are taken in accordance with our investment process. Monitoring and risk control are continually assessed throughout the process. The investment process is comprised of six stages:

- Stage 1 – Macro Strategy
- Stage 2 – Preliminary Screening
- Stage 3 – Fundamental Credit & Equity Analysis
- Stage 4 – Valuation & Relative Value Analysis
- Stage 5 – Technical Analysis
- Stage 6 – Portfolio Construction

High yield/distressed debt & loans

Issuer selection is primarily qualitative, driven by proprietary research involving a detailed analysis of screened credits. The credit screening process is designed to provide us with an in-depth understanding of the company's business, capital structure and the risks associated with a potential investment. The investment process is comprised of four stages:

- Stage 1 – Idea Sourcing & Preliminary Screening
- Stage 2 – Credit Analysis
- Stage 3 – Valuation: Relative Value & Absolute Risk-Return
- Stage 4 – Portfolio Construction

Emerging market debt

BlueBay's Emerging Market Debt strategy is managed by a team of dedicated credit analysts, macroeconomists and portfolio managers, and also draws upon BlueBay's other specialist teams, which combined provide BlueBay's proprietary emerging market corporate and sovereign analysis.

The investment process for BlueBay's emerging market sovereign debt strategies is both qualitative and quantitative. The investment process incorporates a strategic approach to investment and a tactical trading style. Macroeconomic analysis forms the basis of our investment decisions. Both our sovereign external and local currency debt strategies follow largely the same investment process. Due to the additional risks of investing in local currencies, there are two extra steps within the Fundamental Analysis stage of the local currency debt investment process: Currency Valuation and Interest Rate Analysis.

We adopt a team approach to investing in which all investment decisions are taken in accordance with our investment process. Our process combines three stages:

- Stage 1 – Fundamental Analysis
- Stage 2 – Valuation

- Stage 3 – Portfolio Construction

The stages above form part of a continuous review process, rather than a linear process.

The investment process for BlueBay's Emerging Market Corporate Debt strategies is both qualitative and quantitative. The investment process is driven by rigorous, proprietary bottom-up fundamental research involving a detailed analysis of screened credits. The process incorporates BlueBay's macro view, our sovereign macroeconomic analysis and our assessment of value relative to non-emerging market corporates. The in-house credit analysis provides us with an in-depth understanding of each company's business and capital structure, and the risks associated with a potential investment. Bottom-up credit research is the main driver of our decision-making process in selecting emerging market corporate debt securities for the portfolio. The team follows a four stage process:

- Stage 1 – Liquidity Screening
- Stage 2 – Relative Value Screening
- Stage 3 – Fundamental Analysis
- Stage 4 – Portfolio Construction

Investment grade debt

Our investment grade debt strategies aim to generate performance across both interest rates and credit through both relative value and market directional positions. They have no bias to asset type or strategy type, as these are dictated by investment opportunities. The mix is expected to vary across the investment cycle and we focus on specific markets, assets or strategies that, we believe, offer the most opportunities and the most asymmetric risk/return characteristics.

Investment decisions for all of our investment grade debt strategies are taken in accordance with our investment process which combines six stages:

- Stage 1 – Macro Strategy Input
- Stage 2 – Preliminary Screening
- Stage 3 – Fundamental Analysis
- Stage 4 – Relative Value Analysis
- Stage 5 – Technical Analysis
- Stage 6 – Portfolio Construction

Multi-asset credit

BlueBay's multi-asset credit strategy is managed by the Asset Allocation Committee and draws upon the analysis of the specialist teams of dedicated credit analysts, macroeconomists and portfolio managers in the underlying sub-asset classes of fixed income including investment grade debt, high yield/distressed debt and loans, emerging market debt and convertible bonds.

The strategy seeks to blend the highest conviction ideas from a selection of fixed income sub-asset classes in order to create a diversified portfolio that has the ability to strengthen and smooth returns through the various stages of an economic cycle. It leverages the expertise of the senior portfolio managers and the individual research teams within BlueBay.

Methods of Analysis

BlueBay seeks to provide asset management services characterised by an active management style, a solid investment process, a focus on capital preservation and the generation of attractive risk-adjusted returns for all investment strategies. Funds offered by BlueBay have set guidelines which are published and available for review. BlueBay monitors each respective guideline and limit imposed as part of our management of these funds.

BlueBay segregated mandates may have tailored guidelines according to specific client requirements. Tailored guidelines may have a positive or negative impact on a client's risk profile and returns. BlueBay monitors each mandate's respective guidelines and limits as part of our management of the account.

BlueBay's investment approach is governed by a style incorporating the following investment principles:

- Focus on absolute returns – both our long-only and alternative strategies use short exposures (either directly or via credit derivatives) as one of a number of techniques designed to deliver absolute-style returns
- Strong emphasis on capital preservation – the use of credit derivatives helps us to maximise portfolio efficiency
- Dynamic, research-driven approach
- Disciplined, risk-controlled environment
- Active management – our investment approach draws on both top-down and bottom-up inputs, resulting in an active style of management

Finally, credit analysis is the fundamental aspect of the BlueBay's investment approach and is designed to identify existing market inefficiencies at all stages of the investment processes as well as drive security selection using BlueBay's credit expertise and proprietary research.

Risk of Loss

All investment strategies involve a risk of loss of a portion or all of a client's investment. Each of BlueBay's portfolios is subject to specific risks. The principal risks associated with our strategies are discussed in more detail below.

Active Management Risk. BlueBay's investment strategies are actively managed, therefore performance will reflect in part the extent to which investment decisions are suited to achieve the specific investment objective.

Issuer/Credit Risk. There is a possibility that issuers of securities in which we invest may default on the payment of interest or principal on the securities when due, which could cause loss of money.

Investment Grade Rated Securities Risk. BlueBay's portfolios may invest in investment grade rated securities. Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and ratings may be subsequently downgraded if economic circumstances impact the relevant bond issues.

Interest Rate Risk. Yields and values of portfolios will fluctuate as the general level of nominal interest rates change. During periods when interest rates are low, portfolio yields may also be low and when interest rates increase, the value of fixed income securities held by the portfolios are likely to decrease.

Market Risk. One or more markets in which BlueBay's portfolios invest may go down in value, sometimes sharply and unpredictably, and the value of securities held may fall or fail to rise. Market risk may affect a single issuer, sector of the economy, industry or the financial market as a whole. The success of BlueBay's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. Unexpected volatility or illiquidity could impair profitability or result in losses.

Political, Economic and Legal Risks. Foreign securities may be subject to risk of loss because of less local government regulation, less public information and less economic, political and social stability in these countries. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions, or from problems in registration, settlement or custody. Foreign risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which we have exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time.

Emerging Markets Risk. The securities markets of most emerging countries are less liquid, are subject to greater price volatility, have smaller market capitalisations, have less government regulation and are not subject to as extensive and frequent accounting, financial and other reporting requirements as the securities markets of more developed countries. These risks are not normally associated with investments in more developed countries. These risks must be considered in relation to all dealings and investments in emerging markets.

Currency Risk. Changes in foreign currency exchange rates will affect the value of securities held and the price of shares in BlueBay's portfolios. Generally, when the value of the US Dollar rises in value relative to a foreign currency, an investment in that country loses value because that currency is worth fewer US Dollars. Devaluation of a currency by a country's government or banking authority also may have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Derivatives Risk. Derivatives may be riskier than other types of investments and could result in losses that significantly exceed BlueBay's portfolios' original investments. Many derivatives create leverage thereby causing funds to be more volatile than they would have been if they had not used derivatives. Derivatives may also expose BlueBay portfolios to counterparty risk (the risk that the derivative counterparty will not fulfil its contractual obligations), including the credit risk of the derivative counterparty.

High Yield Securities Risk. High yield securities, which are non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as "junk bonds"), are considered speculative and have a higher risk of issuer inability to meet principal and interest payment obligations. These securities may be subject to greater price volatility due to factors such as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity.

Counterparty Risk. BlueBay's portfolios are subject to the risk of the failure of any markets in which we hold our positions or their clearinghouses, of any counterparty or guarantor to our transactions or of any service provider. The inability or unwillingness of a counterparty or guarantor to honour obligations can subject us to credit losses incurred from late payments, failed payments and default. In times of general market turmoil, even large, well-established financial institutions may fail rapidly with little warning.

Liquidity Risk. BlueBay's portfolios may be subject to the risk that a particular investment may be difficult to purchase or sell and they may be unable to sell illiquid securities (including securities deemed liquid at the time of purchase that subsequently became less liquid) at an advantageous time or price or achieve the desired level of exposure to a certain sector.

Custodial Risk. BlueBay's portfolios may invest in markets where the custodian and/or settlement systems are not fully developed. The assets of funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the custodian will have no liability.

Valuation Risk. BlueBay's portfolios' assets are comprised mainly of quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, there is a risk that where we invest in unquoted and/or illiquid investments the values at which these investments are sold may be significantly different from the estimated fair values of these investments.

Credit Spread Risk. BlueBay's portfolios' investments may be adversely affected if any of the issuers it is invested in are subject to an actual or perceived deterioration to their credit quality. Any actual or perceived deterioration may lead to an increase in the credit spreads and a decline in price of the issuer's securities.

Operational Risk. BlueBay's portfolios' investments may be adversely affected due to the operational process of our service providers, including where relevant, transfer agent, custodian or administrator, and in any cases when there is a separate Advisor of sub-advisor. We may also be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events.

Smaller Company Risk. The risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities of larger companies, due to narrow markets and limited resources of smaller companies. BlueBay's portfolios' investments in smaller companies subject it to greater levels of credit, market and issuer risk.

Convertible Securities Risk. Market values of convertible securities depend on a number of factors including equity and credit risk, volatility risk, interest rate risk, amongst others. A convertible security's market value, however, tends to rise when the market price of the common stock of the issuing company rises. If the value of the underlying common stock or the level of the index involved in the convertible component is below the exercise price of the warrant or option at maturity, the convertible security will maintain its value, while the warrant or option itself will have no value.

Sovereign Debt Risk. BlueBay's portfolios may invest in sovereign debt securities. These securities are issued or guaranteed by foreign governmental entities. These investments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debts that a government does not pay nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

Loan Risk. BlueBay's portfolios may invest in loans including loans that are rated below investment grade or the unrated equivalent. Like other high yield, corporate debt instruments, such loans are subject to an increased risk of default in the payment of principal and interest as well as the other risks described under "Interest Rate Risk," "Issuer/Credit Risk," and "High Yield Securities Risk." Although certain loans are secured by collateral, we could experience delays or limitations in realizing on such collateral or have its interest subordinated to other indebtedness of the obligor. Loans are vulnerable to market sentiment such that economic conditions or other events may reduce the demand for loans and cause their value to decline rapidly and unpredictably. Loans that are deemed to be liquid at the time of purchase may become illiquid. No active trading market may exist for some of the loans and certain loans may be subject to restrictions on resale. The inability to dispose of loans in a timely fashion could result in losses.

Some loans that we invest in may have a more limited secondary market and therefore liquidity risk is more pronounced than those that invest primarily in other types of fixed income instruments or equity securities. Typically, loans are not registered securities and are not listed on any national securities exchange. Consequently, there may be less public information available about these type of investments and the market for certain loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, we may be more dependent upon the analytical ability of the advisor.

Equity Market Risk. Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Unlisted Securities. BlueBay's portfolios may invest in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, an investment in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and this will result in a loss.

Eurozone Breakup / Failure of Euro. Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on our investments as well as on the ability of our counterparties to fulfil their obligations. In addition, countries may impose capital control which could impact our ability to repatriate proceeds. Legal uncertainty may render hedging arrangements ineffectual.

6. Disciplinary Information

To the best of BlueBay's knowledge and belief, there has never been a case where the firm or any of its principals have been investigated, disciplined, suspended (including revocation or suspension of licenses), subpoenaed, indicted, prosecuted, or barred from investment activities by any U.S. state or federal government regulatory authorities.

Furthermore, BlueBay is not currently subject to any threatened or pending litigation that may affect a client's decision to invest with the firm. BlueBay is a direct subsidiary of Royal Bank of Canada, a global financial services company publicly listed on the Toronto Stock Exchange and the New York Stock Exchange. Various legal actions and proceedings are pending or threatened against RBC and its subsidiaries (other than BlueBay), some of which seek relief or damages in amounts that are substantial. These actions and proceedings arise in the ordinary course of RBC's businesses and include suits relating to its lending, collections, servicing, investments and trust activities. Due to the complex nature of some of these actions and proceedings, it may be a number of years before such matters are ultimately resolved.

7. Other Financial Industry Activities and Affiliations

BlueBay is a subsidiary of RBC, a global financial services company with a number of affiliated entities. RBC group entities may have direct and indirect interests in the financial instruments and markets in which BlueBay invests for its clients and may effect transactions with those clients. RBC group entities may act in a variety of roles including those of proprietary trader, broker, underwriter, agent or lender in connection with transactions in which BlueBay's clients have an interest and will receive remuneration or other benefits in connection with these roles.

BlueBay policies to manage these conflicts include:

- Order Execution Policy requiring that trades with RBC group entities are executed on an arm's length basis and that BlueBay obtains the best possible result taking into account price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other relevant consideration;
- Order Allocation Policy requiring that trades are allocated reasonably in the best interests of all the affected clients;
- Information barriers between BlueBay and RBC designed to ensure that information is not improperly shared;
- The observance of a BlueBay Code of Ethics and the RBC Code of Conduct; and
- The policy that BlueBay does not invest in RBC shares on behalf of its clients.

In particular, BlueBay Asset Management LLP serves as sub-advisor to RBC Funds Trust, and is currently managing five segregated funds. In addition, RBC entities may recommend BlueBay's services to their clients and may be compensated for such introduction.

Furthermore, BlueBay Asset Management (Services) Ltd is the parent company of an independent asset management group as set out in Section 1.

8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

BlueBay has adopted a Code of Ethics pursuant to numerous global regulations which are applicable to BlueBay's business, including SEC Rules and the Investment Company Act of 1940 Rules. BlueBay's Code of Ethics sets forth BlueBay's standard of business conduct as a fiduciary and specifically requires that its employees and partners comply with laws and regulations governing the investment management business. In summary, the Code of Ethics requires BlueBay employees and partners to:

- Act with integrity, competence, diligence, respect and in an ethical manner with clients, prospective clients and all other persons with whom they deal in the course of their business activities;
- Place the interests of clients above their own personal interests;
- Use reasonable care and exercise independent and objective professional judgment when carrying out their duties for clients and prospective clients and with persons with whom they interact in the course of carrying out their duties;
- Promote the integrity of and uphold the laws and rules governing capital markets and the investment management profession;
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals with whom they interact; and
- Ensure that all verbal and written business communications are professional and do not include any material that could be regarded as inappropriate or offensive.

BlueBay's Code of Ethics policy is available upon request and can be obtained by e-mailing compliance@bluebayinvest.com.

Personal Account Dealing

BlueBay has adopted policies and procedures governing the personal account dealing of its partners and employees (permanent, contract, consultants (more than three month duration) and temporary employees of the firm, including interns); and connected persons of each of the listed persons (referred to collectively as "Covered Persons"). The policies and procedures are designed to mitigate the conflicts of interest between BlueBay's partners and employees and its clients.

The BlueBay Personal Account Dealing Policy requires employees to obtain prior approval from Compliance before executing a trade in a security for their personal account. Covered Persons will not be permitted to trade in the following situations:

- there is an open order for any security issued by the same issuer for a client; and/or
- the issuer of the security is included in the Restricted List which includes issuers in relation to which BlueBay may hold inside information; and/or
- client accounts are holding securities issued by the same issuer, unless an exemption applies.

BlueBay uses SunGard Protegent Personal Trading Assistant (PTA), an online application, to manage all personal account dealing activity. Covered Persons may not purchase and sell the same security within any 30-day period, and Covered Persons are required to arrange for their brokers to provide BlueBay's Compliance Team with broker statements so that adherence to the policy can be monitored. Covered Persons are also required to complete certifications in PTA on a quarterly basis to confirm that all personal account dealing information disclosed in PTA is complete and accurate.

Royal Bank of Canada securities

BlueBay is part of the RBC group which means that BlueBay is subject to additional restrictions with regards to transactions in RBC securities and certain restrictions apply to all Covered Persons who wish to trade RBC securities. Transactions are only permitted in RBC securities during open trading window periods as established by RBC senior management.

Gifts and Entertainment

BlueBay requires that employees and partners conduct themselves, at all times, to conform to high standards of ethical conduct and to avoid any appearance of impropriety or conflict of interest. Under the BlueBay Gifts and Entertainment Policy, employees and partners are prohibited from giving or receiving gifts or entertainment that may conflict with their duties to clients. An item or event may be given or received only when it is consistent with generally accepted business practice; it is of reasonable value under the circumstances and cannot be construed as a bribe or payoff; and it does not violate any law or ethical standard. Gifts and entertainment should not be likely to conflict with any duties that BlueBay owes to its clients or with any duties which the recipient firm owes to its clients.

Gifts and entertainment with a value in excess of the preclearance thresholds set out in the BlueBay Gifts and Entertainment Policy require approval from Compliance and a member of the BlueBay Management Committee before they can be given or accepted. Employees and partners are required to disclose all gifts and entertainment given and received on a quarterly basis, irrespective of value. BlueBay uses SunGard Protegent Personal Trading Assistant to manage all gifts and entertainment.

Conflicts of Interest

BlueBay may from time to time purchase or sell on behalf of clients securities or other investment products in which BlueBay, its affiliates or other related parties have a financial or other material interest or a relationship of any other description which may give rise to a potential conflict with BlueBay's duty to its clients. BlueBay may on occasion trade in investments issued by its clients. In all such cases BlueBay will ensure that such transactions are effected on terms that are not materially less favourable to clients than if the potential conflict had not existed. BlueBay addresses these, and other potential conflicts of interest, in its Conflicts of Interest policy which sets out possible scenarios in which conflicts of interest may arise, as well as how they are managed and mitigated by BlueBay.

BlueBay manages both long-only and alternative portfolios, in the form of funds and segregated accounts. BlueBay offers a variety of fee schedules for its investment products which may include both performance and management fees, where appropriate.

All employees are evaluated and rewarded annually during the yearly compensation review process. BlueBay has a Remuneration Committee which reviews the compensation arrangements annually. Compensation for any given individual is paid according to both quantitative and qualitative considerations. BlueBay operates a discretionary bonus scheme. Remuneration of all investment professionals is geared to portfolio performance and takes into account the profitable growth of each investment team's business.

BlueBay continues to operate a discretionary deferred bonus arrangement for all employees awarded bonuses over a certain threshold. Under this arrangement, qualifying bonus awards are made in the form of conditional investments in funds managed by BlueBay which vest at the end of a three-year period. In addition, BlueBay also operates an additional discretionary award plan. Under that arrangement, a limited number of conditional investments in funds managed by BlueBay which vest at the end of a three-year period may be awarded. Unvested bonus awards will typically be forfeited by a departing employee.

BlueBay has a large number of affiliates given the size of the RBC group of companies globally. Below is a short summary of what we believe to be the most relevant considerations relative to BlueBay's relationships with our affiliates:

- RBC Capital Markets, an affiliate of RBC and BlueBay, was included on BlueBay's approved counterparty list since before the acquisition. The approved counterparty list formally records the banks and brokers with whom BlueBay's traders may do business and is subject to customary review, as with any other counterparty. BlueBay is entitled to use RBC Capital Markets for brokerage services, as long as trades are executed at arm's length and in compliance with BlueBay's best execution policies and procedures. We do not have any minimum trading threshold to transact with RBC Capital Markets.
- RBC and its affiliates are included on BlueBay's restricted list. We may not purchase or hold any paper issued by these entities in our portfolios.
- We may purchase primary market securities underwritten and/or syndicated by an affiliate of RBC, as long as the purchase is in compliance with BlueBay's order execution, relevant US regulations and conflict of interest policies.

9. Brokerage Practices

Execution traders are responsible for the selection of brokers, subject to these being approved counterparties. Through being continuously in touch with the market, traders are able to recognise opportunities and then identify the most appropriate broker with whom to place the trades. In this manner they are able to use their professional judgment to keep market impact to a minimum. Compliance also monitors trades on an ongoing basis to determine whether best execution is being obtained.

Discretionary Authority

There are no specific limitations on the securities to be bought or sold or the amount of such securities to be bought or sold for a particular account except as noted in the relevant client investment management agreement. Limitations may be imposed as a result of the requirement to comply with client investment guidelines and restrictions that are detailed in the investment management agreement.

BlueBay manages portfolios of investments on a discretionary basis for its clients, making and giving effect to decisions to deal using two methods. First, BlueBay can place an order resulting from a decision to deal on behalf of a client with a third-party “Broker” (e.g. a stockbroker or investment bank) for that Broker to execute on behalf of the client. Secondly, BlueBay can execute the transaction resulting from a decision to deal on behalf of the client directly with a third-party “Counterparty” (e.g. dealing directly with a market maker on a “request for quote” basis) or on an exchange or a trading system. The Counterparty, exchange or trading system with which BlueBay chooses to execute such a transaction is referred to in this policy as an “Execution Venue”.

Execution factors and criteria

When giving effect to decisions to deal on behalf of clients, the exact nature of the best possible result will be determined by BlueBay by reference to a wide variety of factors including: price, costs, speed, likelihood of execution and settlement, size, nature of the order, or any other consideration relevant to the execution of the order.

Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances BlueBay may appropriately determine that other factors are more important than price. BlueBay determines the relative importance of the various factors by using its commercial judgement and experience in light of market information and taking into account the following criteria: the characteristics of the client, the characteristics of the order, the characteristics of the instrument or product and the characteristics of the Brokers or Execution Venues to which that order can be directed.

Choosing between order placement and direct execution

Once BlueBay has made a decision to deal, the trader decides whether to place the order with a Broker or to execute the transaction directly on an execution venue. This decision is made having regard to the relative importance of the execution factors for the instrument or product in question. For some instruments or products, there is no choice. So, for example, when trading “over the counter” derivatives, the transaction will always be effected by way of direct execution with a Counterparty.

Order placement with Brokers

Each BlueBay portfolio manager and trader specialises in one of the strategies managed by BlueBay: emerging market debt, high yield/distressed debt & loans, global convertible bonds and investment grade debt. The core senior portfolio managers for each of the strategies have focused on their asset class for more than 10 years, gaining insight and experience under a variety of market conditions. BlueBay has dedicated execution traders for each sub-asset class, providing in-depth knowledge of the instruments and products traded and the Brokers/Counterparties with which it is best to trade.

Where BlueBay places an order with a Broker for execution, BlueBay is not responsible for controlling or influencing the arrangements made by the Broker relating to the execution of that order (for example, BlueBay does not control the Broker’s choice of Execution Venues) and is not required to duplicate the efforts of the Broker in ensuring the best possible result. BlueBay’s obligation is therefore to ensure that the Brokers included in the BlueBay Approved Broker/Counterparty List are those which will enable it to comply with the Best Execution Obligation and that orders are passed only to those Brokers.

Direct execution with Execution Venues

BlueBay traders will use their professional judgement, skill and experience to decide the most appropriate Execution Venue when seeking to comply with the Best Execution Obligation. BlueBay executes the majority of its trades with the Counterparties listed in the BlueBay Approved Broker/Counterparty List rather than on an exchange or other trading system.

The traders have built relationships with the Counterparties with which BlueBay trades, enabling them to ascertain which organisation is likely to provide the product or instrument required in a way that allows BlueBay to satisfy the Best Execution Obligation owed to its clients. Typically the traders approach a range of Counterparties to obtain the best price available for a security.

However, it may not be advantageous for BlueBay to seek multiple quotes if a security has limited liquidity and a small number of market makers, in which case placing an order may lead to a price movement that is unfavourable to BlueBay’s clients as a result of

informing the market of BlueBay's trading intentions. At all times the traders use their professional judgement to obtain the best possible result in the circumstances.

"Over the counter" trading in derivatives is effected by BlueBay with Counterparties that act as principal under ISDA and related master documentation. Owing to factors beyond BlueBay's reasonable control, relationships with some of these Counterparties may have been established only for particular clients and so may not be available for all clients. Any decision to execute a transaction with a particular Counterparty on behalf of a client is made from the available pool of Counterparties for that client.

Counterparty Approval Process

Before undertaking business with a Counterparty for the first time, an approval process is followed to ensure that BlueBay only trades with appropriate counterparties. BlueBay maintains an Approved Broker/Counterparty List which formally records the parties with which a trader may do business. All approved counterparties are programmed into Charles River Investment Management System.

The Risk department within BlueBay has authority to approve new counterparties. On the basis of the completed initial approval form, financial statements, credit rating, and clearing arrangements, the Risk department considers whether the trading risk of the Counterparty is acceptable in light of the type of trading for which approval is sought.

The Selection of Trading Counterparties

As mentioned above, the BlueBay Approved Counterparty List formally records the banks and brokers with whom BlueBay's execution traders may do business. The execution traders initiate the approval process for a new counterparty by completing a form detailing the counterparty, the type of business to be transacted, and the reason for wanting to trade with the counterparty. The process will cover a number of factors including provision of liquidity, pricing, and the level of new issuance activity of the counterparty and any additional information that the execution trader considers relevant to the decision on whether to approve the counterparty. Compliance adds the regulatory status, the Financial Action Task Force status of the country in which the counterparty is situated, the results of the check of unauthorised firms doing business in the UK, and details of any legal or regulatory action based on publicly available information.

The Market Risk Committee obtains the most recent audited financial statements, the credit rating of the counterparty or counterparty parent (where applicable), and the detail of the clearing arrangements. On the basis of the completed initial approval form, financial statements, credit rating, and clearing arrangements, the Market Risk Committee considers whether the trading risk of the counterparty is acceptable in light of the type of trading for which approval is sought.

On a daily basis, the Risk Team monitors market indicators such as credit default swap spreads for OTC and depositor counterparties. If these indicators raise concern about the credit quality of any counterparty, the Market Risk Committee may prohibit further trading or remove the counterparty from the Approved Broker/Counterparty List.

Ongoing Review of Counterparties

On a daily basis, the Risk department monitors market indicators such as credit default swap spreads for OTC and depositor counterparties. If these indicators raise concern about the credit quality of any counterparty, the Market Risk Committee may prohibit further trading or remove the counterparty from the Approved Broker/Counterparty List.

On an annual basis, the Broker/Counterparty Annual Approval List is updated by both Risk and Compliance with details of any legal or regulatory action (based on publicly available information) and trading volumes during the previous year, and by the Head of Pricing Group & Trade Execution with details of any market information that may affect BlueBay's decision to do business with the firm. The Market Risk Committee obtains the most recent financial statements and credit ratings of each OTC and depositor counterparty. On the basis of the completed annual approval list, financial statements and credit ratings, the Market Risk Committee considers whether the trading risk of each of the counterparties on the annual approval list continues to be acceptable.

RBC Capital Markets, an affiliate of RBC and BlueBay, has been included on BlueBay's Approved Counterparty List since before the acquisition. The Approved Counterparty List formally records the banks and brokers with whom BlueBay's traders may do business and is subject to customary review, as with any other counterparty. BlueBay is entitled to use RBC Capital Markets for brokerage services, as long as trades are executed at arm's length and in compliance with BlueBay's best execution policies and procedures. We do not have any minimum trading threshold to transact with RBC Capital Markets.

Segregated account prospects may request that BlueBay exclude RBC Capital Markets as a broker for their account.

Soft Dollar Benefits

BlueBay does not have any soft commission arrangements in place. Any proposal to implement such an arrangement would require Compliance and Senior Management approval.

Best Execution Reviews

When dealing on behalf of clients, the exact nature of best execution will be determined by BlueBay by reference to a wide variety of factors including price, costs, speed, likelihood of execution and settlement, size, nature of the order, or any other consideration relevant to the execution of the order. BlueBay's Order Execution policy is available upon request.

BlueBay's Execution Team's collective professional experience, market knowledge and counterparty relationships developed over many years enables us to proactively source liquidity.

Access to primary and secondary market sources is achieved directly via BlueBay's execution traders. Their role involves interacting with investment banks and other counterparties so that trades can be executed at the most optimal liquidity point in the markets.

BlueBay monitors the effectiveness of its order execution arrangements to identify and, where appropriate, correct any deficiencies. BlueBay reviews on a regular basis whether the brokers and execution venues included in the Order Execution Policy (available on request) provide the best possible result and whether any changes are necessary. Compliance also monitors trades on an ongoing basis to determine whether best execution was obtained.

Trade Allocation and Trade Aggregation

BlueBay has an Order Allocation policy to ensure fair allocation of all trading orders.

The Portfolio Manager is responsible for the allocation of trades across clients. Generally, the Portfolio Manager will allocate trades across similar mandates to bring the holding in each account to a similar percentage of the value of the portfolio.

Allocations must reasonably be in the best interests of all the affected clients, and the Portfolio Manager will take into account factors impacting the allocation, including:

- Availability of cash;
- Client investment guidelines that exclude a particular security or type of security;
- Client investment guidelines that restrict the amount of a particular security or security type;
- Client benchmarks against which performance is measured;
- Internal risk management measures;
- Investment objectives;
- Investment strategy;
- Alpha target;
- Fund size (NAV); and
- Market parameters such as minimum tradable lot sizes and round lot sizes applicable to a security.

Once the Portfolio Manager has completed allocation for a deal, the Trader aggregates orders and places a block order with one or more brokers. If the block trade is filled in its entirety, all participating clients receive the order amount.

Cross Transactions

BlueBay may from time to time effect "cross transactions" between two BlueBay clients, in which one client will purchase securities held by another client. Such transactions are executed only when BlueBay deems the transaction to be in the best interests of both clients and at a market price which is checked via a Price Data Warehouse, BlueBay's proprietary pricing system, by BlueBay's independent Pricing Team. In the instance that the cross transaction needs to be executed at a price other than one obtained through Price Data Warehouse or quarter end. The price must be first approved by both the Head of the Pricing Team and Compliance. BlueBay does not receive any compensation in connection with such cross transactions. BlueBay complies with the conditions and/or constraints on cross transactions under ERISA and the Investment Company Act of 1940 each of which impose conditions and/or constraints on cross transactions.

Insider Trading

BlueBay has adopted its Insider Trading policy concerning the misuse of insider information. Employees who receive possible inside information liaise with Compliance to determine whether it is material non-public price-sensitive information. If the information is deemed to be inside information, the security is added to the BlueBay restricted list, which means that BlueBay cannot trade in the security for any clients and also, employees and partners will be prohibited from executing trades in the security for their personal accounts. Securities are added to the restricted list in BlueBay's portfolio management system, Charles River Investment Management System that is used to check all trade orders against investment guidelines and restrictions. Input of an order in a restricted list security will give rise to an alert that prevents transmission of the order to the trade execution desk. Employees notify Compliance when they are no longer in possession of inside information and the security is removed from the restricted list if Compliance is satisfied that the information is no longer material non-public price-sensitive information.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients, but Compliance might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees

trading ahead of clients. Compliance does not grant preclearance where it would appear that an employee's trading could disadvantage BlueBay's clients.

Directed Brokerage

BlueBay permits directed brokerage by clients in certain circumstances. At the time of negotiation of the investment management agreement each client is made aware of the risks of directed brokerage, including that best execution may not be achieved as the result.

Trade Errors

Should a mandate breach or error occur, BlueBay's priority is to rectify the situation as soon as possible, ensuring that our clients are put back to the position they would have been had the error never occurred. Any error goes through a formal review process whereby the error is rectified, compensation paid if necessary and a procedural review of the failed control undertaken. All errors are reviewed by Operational Risk and are escalated to senior management and the client as appropriate. All errors are further reviewed at the Group Risk Committee which meets twice a quarter. This rigorous review process ensures that procedures are put in place to prevent reoccurrence. Operational Risk track any resultant control enhancements ensuring timely implementation.

10. Review of Accounts

Segregated Accounts

BlueBay has a dedicated Client Relationship Management team made up of experienced Client Directors. Each client account is allocated a Client Director who is the primary point of contact for all client enquiries, reporting and regular reviews of the client's portfolio. Client review meetings are conducted by the Client Director with the primary responsibility for the client and attended by the portfolio manager.

The portfolio manager is responsible for ensuring the portfolio is in compliance with the client's investment guidelines/investment restrictions. Investment guidelines are programmed into Charles River and any trades placed on behalf of the client will be subject to a pre-trade compliance check before they are passed through to BlueBay's dedicated trade execution desk. The Compliance team monitors clients' accounts for post trade compliance and have responsibility for investigating any breaches of the investment guidelines and authorising corrective action to be taken.

Segregated account reporting is agreed with the client at the outset of the relationship. Client reporting is despatched by the Client Directors and provided generally on a monthly basis via e-mail, or as requested by the client. Reporting includes input from the portfolio managers, fund/investment accounting team and risk/performance team and is subject to a rigorous review process.

The Chief Investment Officer and the portfolio managers review the performance and risk of all BlueBay funds and segregated client accounts on an on-going basis. In addition, the Market Risk Committee, which is chaired by the COO-CRO and includes the Head of Investment Risk and the Chief Investment Officer, meets regularly (usually weekly) and amongst other things, performs an ongoing review and oversight of investment risks and performance for all accounts managed by BlueBay.

BlueBay Funds

Underlying investors invested in various BlueBay funds receive a fund factsheet (including performance and risk statistics, portfolio characteristics, market commentary and fund facts) on a monthly basis. Statements of investor holdings in the BlueBay funds are produced by the respective BlueBay fund administrator on a monthly basis; investors also receive audited annual financial statements and unaudited semi-annual financial statements for the BlueBay fund in which they are invested. Clients can access BlueBay fund reporting generated by BlueBay via the secure client extranet website, or request to receive this information via e-mail.

11. Client Referrals and Other Compensation

From time to time, BlueBay may enter into arrangements with various third parties pursuant to which each has agreed to introduce BlueBay to prospective clients and investors who are eligible for and may have an interest in advisory services or investment products managed by BlueBay. Compensation will vary for each such party and will be paid pursuant to the terms of a written agreement with the respective party, which also outlines the nature of the activities to be undertaken. All client and investor solicitation activities will be undertaken in accordance with the requirements of the various federal securities laws and disclosure specific to the solicitation will be provided to each prospective client and investor at the time of solicitation.

12. Custody

BlueBay does not accept custody of client funds or securities. All clients' accounts are held in custody by unaffiliated broker/dealers, banks or other institutions approved to provide custodian services. BlueBay does have the ability to issue instructions in relation to the movement of client assets and cash but only in accordance with the provisions of relevant agreements and mandates.

Account custodians will send statements directly to the account owners. Clients should carefully review these statements, and should compare these statements to any account information provided by BlueBay.

13. Investment Discretion

Generally there are no specific limitations on the securities to be bought or sold or the amount of such securities to be bought or sold for a particular account except as noted in the relevant client investment management agreement. Limitations may be imposed as a result of the requirement to comply with client investment guidelines and restrictions that are detailed in the investment management agreement.

BlueBay manages portfolios of investments on a discretionary basis for its clients, making and giving effect to decisions to deal using two methods. First, BlueBay can place an order resulting from a decision to deal on behalf of a client with a third-party "Broker" (e.g. a stockbroker or investment bank) for that Broker to execute on behalf of the client. Secondly, BlueBay can execute the transaction resulting from a decision to deal on behalf of the client directly with a third-party "Counterparty" (e.g. dealing directly with a market maker on a "request for quote" basis) or on an exchange or a trading system. The Counterparty, exchange or trading system with which BlueBay chooses to execute such a transaction is referred to in this policy as an "Execution Venue".

14. Voting Client Securities

BlueBay's Proxy Voting Policy

BlueBay has a fiduciary duty to act in the best interests of its clients and manages clients' assets with the objective of achieving the greatest possible return consistent with their investment objectives.

BlueBay, on behalf of itself and other entities within the BlueBay group (including BlueBay Funds Management Company S.A.), has established a series of principles to be applied when exercising voting rights attached to client securities within managed portfolios. In reaching a recommendation as to how a proxy should be voted, BlueBay must act prudently and in the best interests of the affected clients, and will ensure that voting rights are exercised in accordance with the portfolio's objectives and investment policies.

BlueBay may depart from the principles to avoid voting decisions that may be contrary to clients' best interests in particular cases. BlueBay may also choose not to vote where voting may be detrimental to the best interests of our clients, such as due to high administrative costs associated with voting or share blocking requirements that "lock up" securities, which would limit liquidity or access to market opportunities.

Receipt and notification of proxy rights

BlueBay's Operations Department alerts BlueBay Compliance through the Charles River Investment Management System as soon as practicable after receiving copies of any proxy solicitations, proxy statements or related materials relating to any security within a managed portfolio. Operations then promptly submit such materials to the relevant member(s) of the BlueBay portfolio management team.

Persons authorised to exercise voting rights

The relevant members of BlueBay's portfolio management team will be responsible for recommending how proxies relating to securities held by clients in managed portfolios should be voted. The relevant personnel will consider each exercise of rights on the basis noted above and in particular taking into consideration the best interests of clients, with voting on specific events or issues such as board appointments, mergers/acquisition activity, board remuneration and changes to capital structure being considered on a case by case basis. Once a recommendation on how to vote has been determined, the recommendation will be communicated to Operations to handle the voting process.

Management of Conflicts of Interest

When evaluating any given proxy, the portfolio management team will consider whether or not BlueBay has a potential conflict relating to the security being voted, such as if a BlueBay Portfolio Manager were to sit on the Board of Directors of the company. Any such conflict of interest will be notified to the BlueBay Compliance team. If Compliance deems the conflict to be material, Compliance will determine whether the vote proposed by the Portfolio Manager is in the best interests of all clients. If Compliance cannot conclusively determine that the vote is in the best interest of the affected client, Compliance will seek the advice of an independent third-party service to provide the proxy voting recommendation.

Details and records

BlueBay keeps a record of all past proxy voting decisions for a period of six years. Details of actions taken pursuant to this policy are available to investors by request in writing to BlueBay at the following address: Compliance Department, BlueBay Asset Management LLP, 77 Grosvenor Street, London, W1K 3JR, United Kingdom.

15. Financial Information

BlueBay has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts. BlueBay do not require or solicit pre-payment of fees. We have no financial commitments that affect our contractual commitments to clients.

Part 2B of Form ADV The Brochure Supplement

30 June 2016

BlueBay Asset Management LLP

This brochure supplement provides information about BlueBay's Senior Portfolio Managers and Chief Investment Officer. It supplements BlueBay's accompanying Form ADV brochure. Please contact us on +44 207 389 3347 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Biographical Information

MARK DOWDING	
Educational Background and Business Experience	<p>Mark was born in 1971. He holds a Bachelor of Science in Economics from the University of Warwick.</p> <p>Mark joined BlueBay in 2010 as a Senior Portfolio Manager for Investment Grade products. He has previously worked for Deutsche Asset Management and Invesco.</p>
Disciplinary Information	Mark has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mark or of BlueBay.
Other Business Activities	Mark is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Mark does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Mark reports to BlueBay's Chief Investment Officer.

DAVID DOWSETT	
Educational Background and Business Experience	<p>David was born in 1972. He received a Bachelor of Arts Degree in Politics and Economics in 1994 from Durham University.</p> <p>David joined BlueBay in 2002 and currently is Co-Chief Investment Officer and Senior Portfolio Manager for the Emerging Market Sovereign debt. He was previously employed by Morgan Grenfell/Deutsche Asset Management.</p>
Disciplinary Information	David has not been involved in any legal or disciplinary events that would be material to a client's evaluation of David or of BlueBay.
Other Business Activities	David is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	David does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	David reports to Alex Khein, BlueBay's Chief Executive Officer.

ANTHONY FOBEL	
Educational Background and Business Experience	<p>Anthony holds a BA in Law from St. John's College, University of Cambridge, and is also a qualified solicitor. He currently serves as Senior Portfolio Manager for Private Lending.</p> <p>Previously he spent time at Allen & Overy as an Associate Solicitor before establishing his career at Kleinwort Benson, Lehman Brothers and CVC Capital Partners. Immediately prior to joining BlueBay, Anthony was a Partner at Och-Ziff Management.</p>
Disciplinary Information	Anthony has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Anthony or of BlueBay.
Other Business Activities	Anthony is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Anthony does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Anthony reports to BlueBay's Chief Investment Officer.

POLINA KURDYAVKO	
Educational Background and Business Experience	Polina was born in 1979. She holds a Master of Science from the People's Friendship University of Russia in Finance and a Diploma in French interpretation. She is a CFA charterholder. Polina joined BlueBay in 2005 as a Credit Analyst and is now Senior Portfolio Manager for Emerging Market Corporate debt. Polina had previously held roles at Alliance Capital and UBS.
Disciplinary Information	Polina has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Polina or of BlueBay.
Other Business Activities	Polina is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Polina does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Polina reports to BlueBay's Chief Investment Officer.

MIKE REED	
Educational Background and Business Experience	Mike was born in 1967. He holds a Bachelor of Engineering, with 1st class Honours from Southampton University. Mike joined BlueBay in 2007 as a Senior Portfolio Manager for Convertible Bonds. He has previously held positions at Salomon Bros, Citigroup and Pendragon Capital.
Disciplinary Information	Mike has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mike or of BlueBay.
Other Business Activities	Mike is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Mike does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Mike reports to BlueBay's Chief Investment Officer.

RAPHAEL ROBELIN	
Educational Background and Business Experience	Raphael was born in 1971. He attended both La Sorbonne and EFREI in Paris, qualifying as an Engineer in IT and Applied Mathematics and then going on to gain a Master in Management and International Finance. Raphael joined BlueBay in 2003 and serves as Co-Chief Investment Officer and Senior Portfolio Manager for Investment Grade debt. He has previously worked at the BNP Group, Saudi International Bank and Invesco.
Disciplinary Information	Raphael has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Raphael or of BlueBay.
Other Business Activities	Raphael is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Raphael does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Raphael reports to Alex Khein, BlueBay's Chief Executive Officer.

ANTHONY ROBERTSON	
Educational Background and Business Experience	<p>Anthony was born in 1970. He studied at the University of Cape Town and University of Natal between 1988 and 1992, receiving a Bachelor in Commerce (Honours) and a Higher Diploma in Tax and Management Accounting.</p> <p>Anthony joined BlueBay in 2004 as a Portfolio Manager and currently serves as the Head of Global Leveraged Finance. He previously spent time at ABSA Bank, Westmerchant Bank, London & Capital, Standard AM and Putman New Flag.</p>
Disciplinary Information	Anthony has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Anthony or of BlueBay.
Other Business Activities	Anthony is not engaged in any other investment-related business, and does not receive compensation in connection with any business activity outside of BlueBay.
Additional Compensation	Anthony does not receive economic benefits from any person or entity other than BlueBay in connection with the provision of investment advice to clients.
Supervision	Anthony reports to BlueBay's Chief Investment Officer.