



RBC BlueBay  
Asset Management

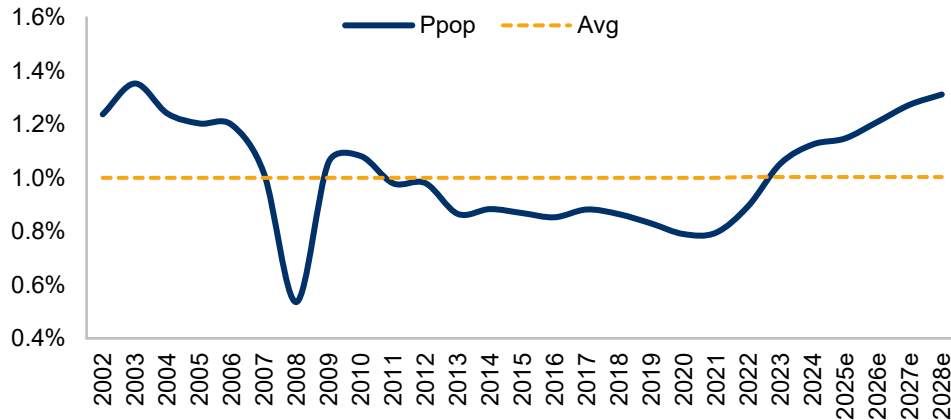
# BlueBay Financial Capital Bond Fund

March 2026

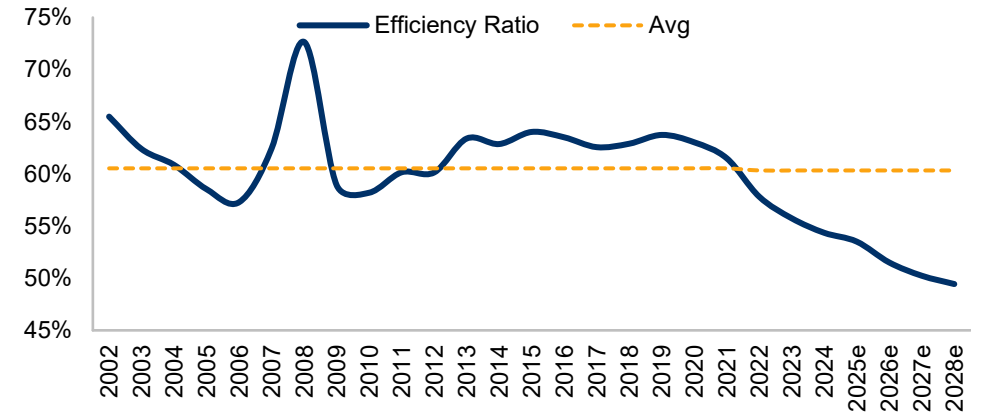
Marketing communication

# Improving Metrics

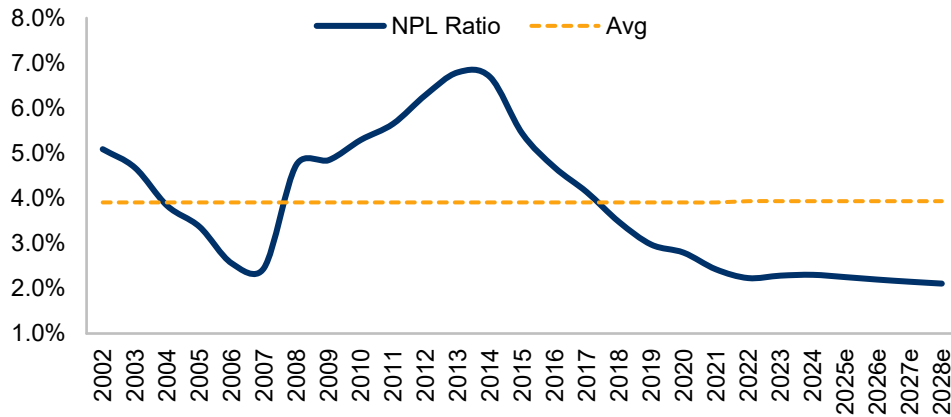
## Pre-provision Profit % Avg Adj Assets



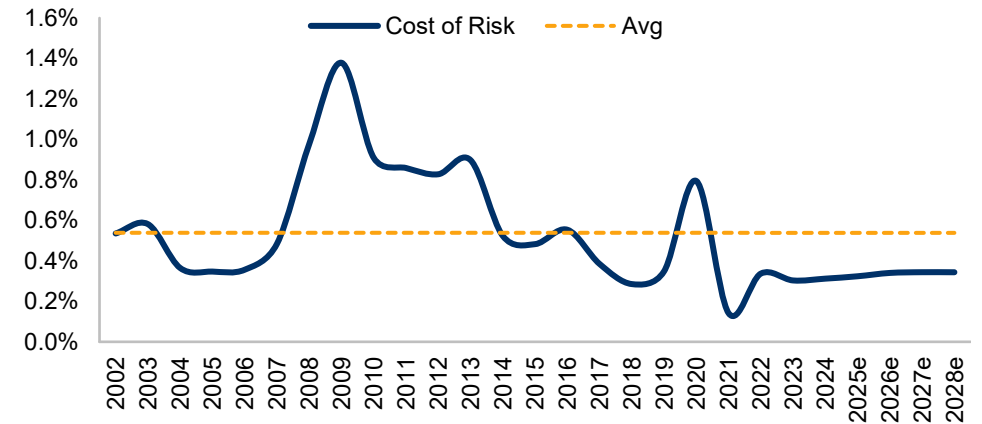
## Cost-Income Ratio



## NPL Ratio



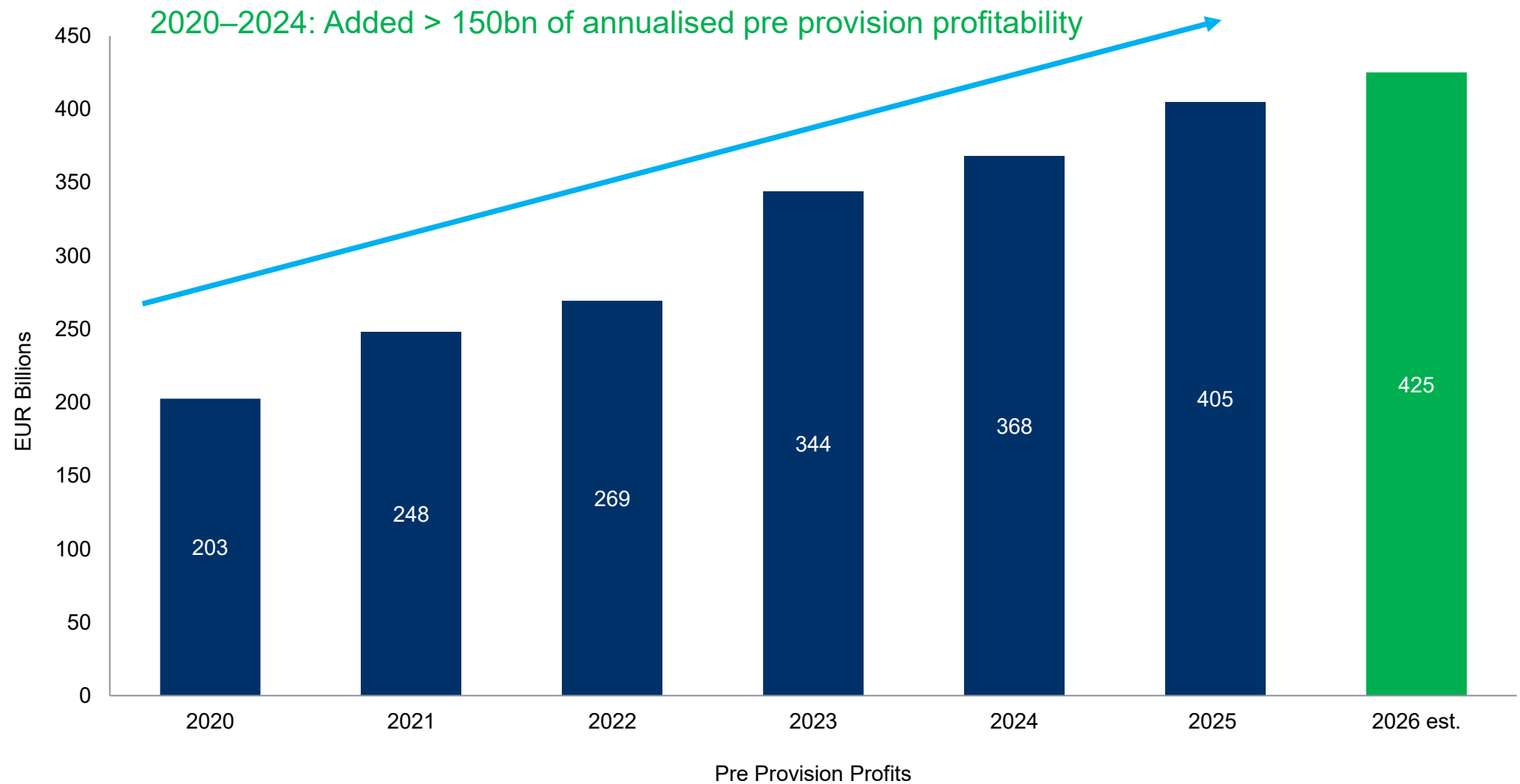
## Cost of Risk



Source: Morgan Stanley Research, as at 29 January 2026



# European bank profitability has doubled, bolstered by normalised rates, and is set to continue rising

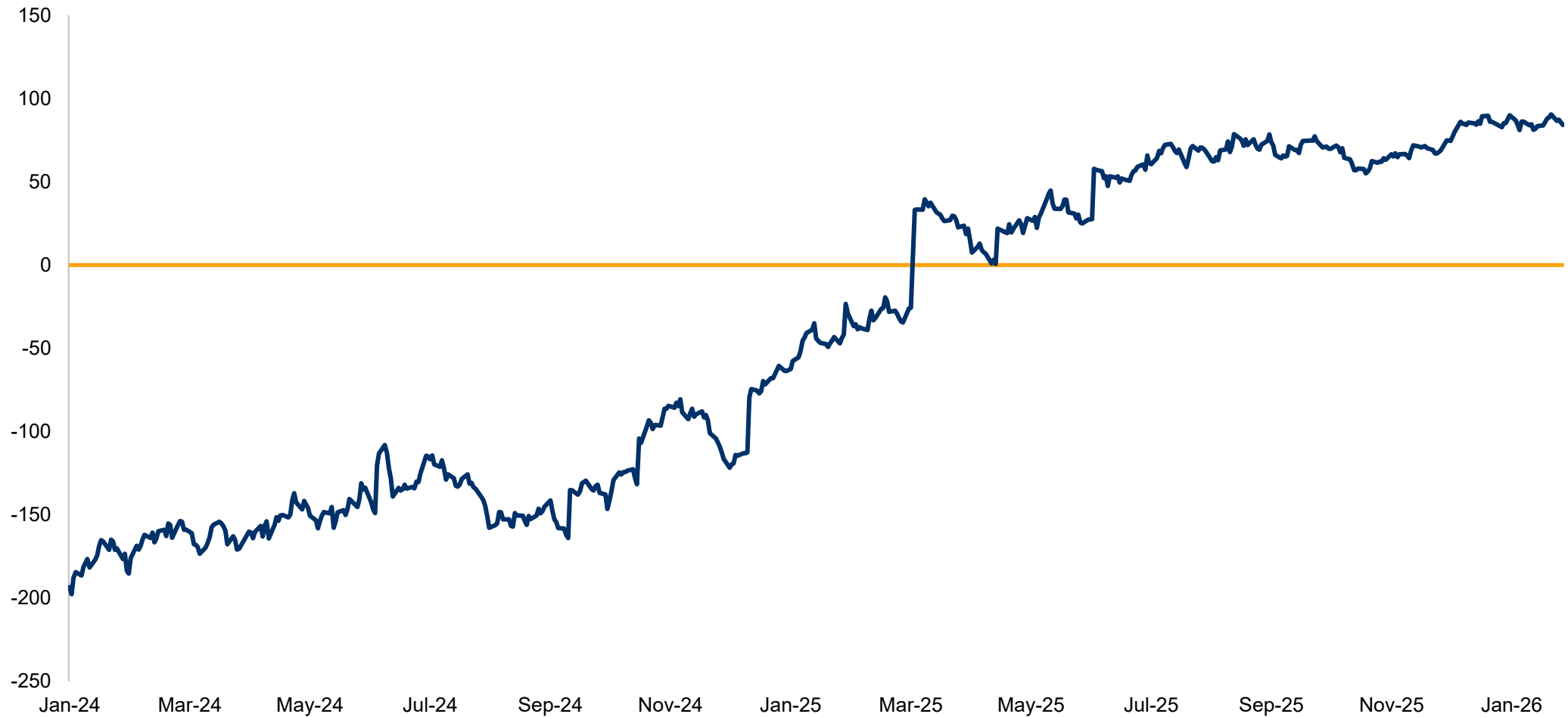


Source: RBC Global Asset Management, as at 29 January 2026



Steeper curves are great news for banks, especially as deposits grow. Hedge reinvestment yields and maturity transformation will drive returns.

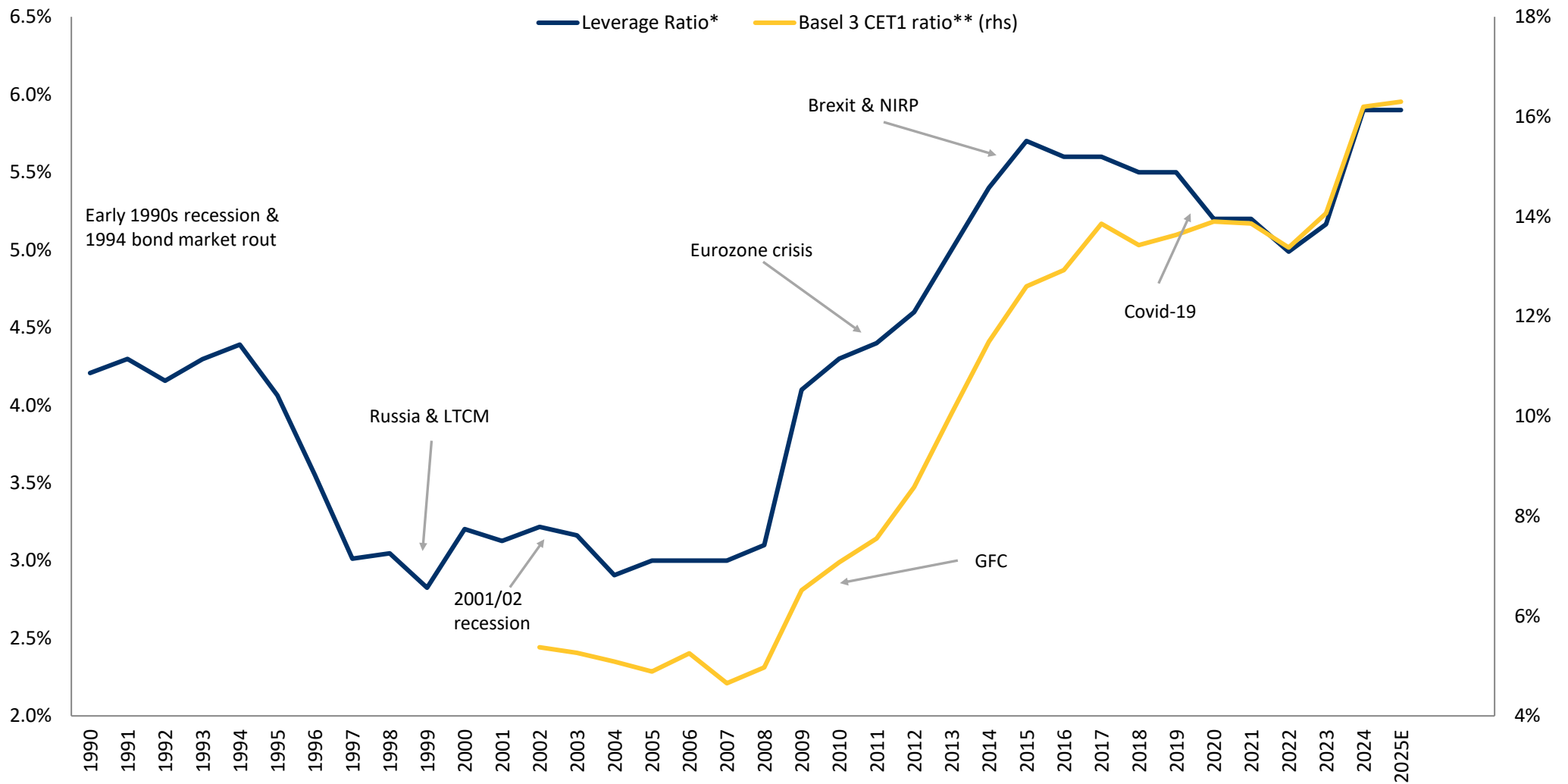
### Spread between overnight rate and 10-year bund



Source: Bloomberg 26 January 2026



# Capital into crises – the ability to absorb shocks on a cycle turn has never been higher

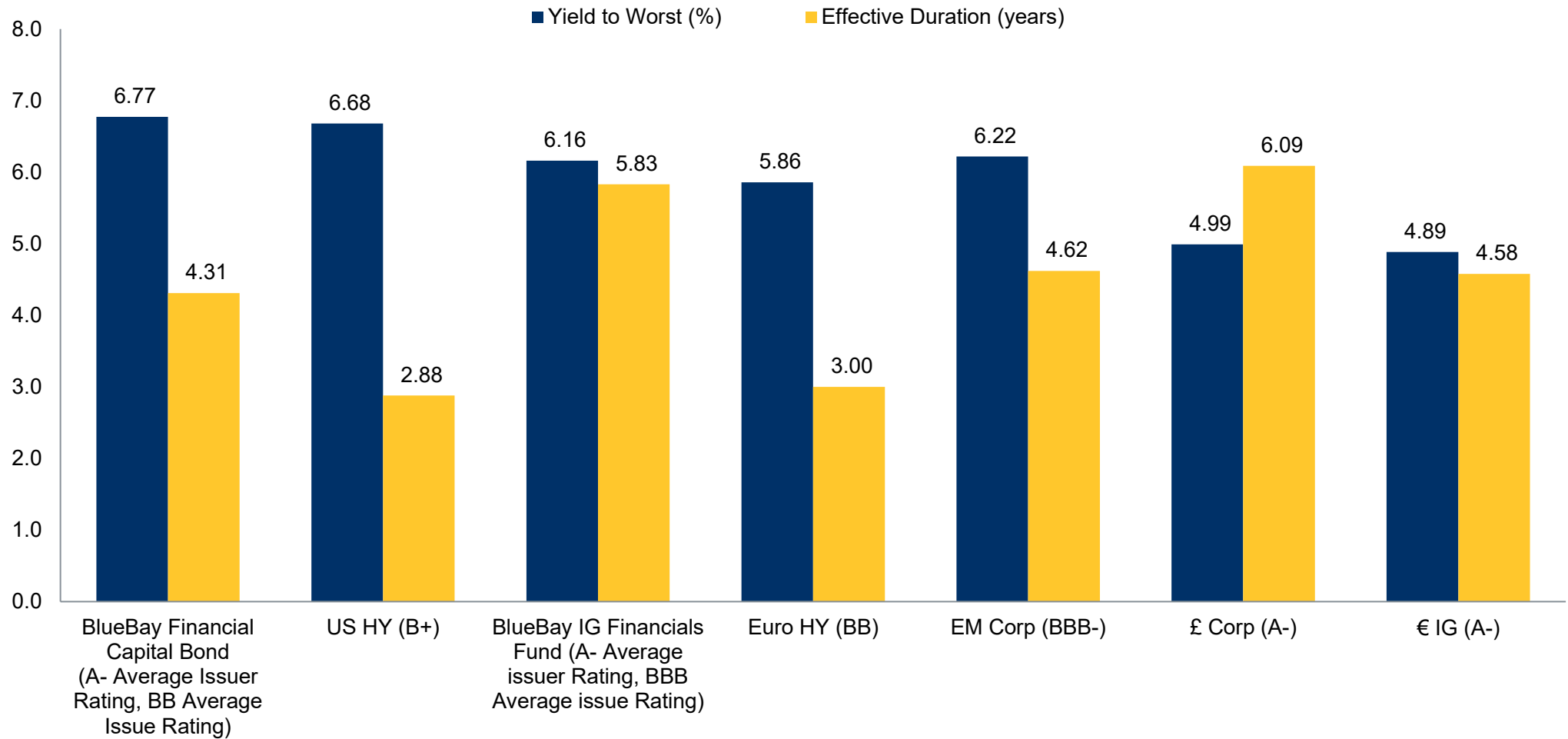


Source: Autonomous, ECB, National central banks, IMF, as at 26 January 2026  
 Notes: \*tangible equity/adjusted assets; \*\*estimated prior to 2011 based off Basel 1 and Basel 2 ratios



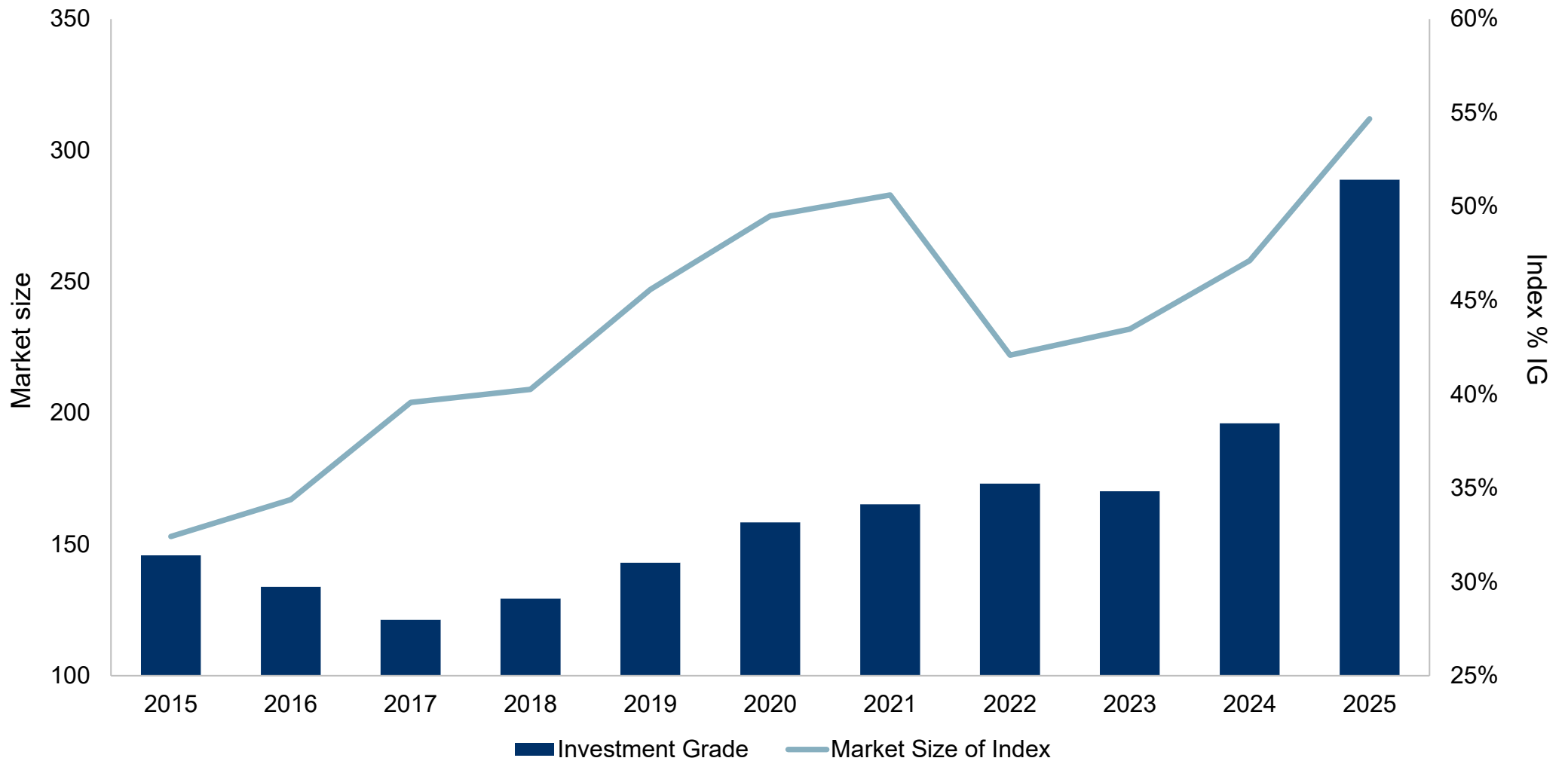
# Attractive yields from investment grade issuers

## Yields and durations of various sub asset classes in USD



Source: BofA/Bloomberg, as at 3 March 2026

# A growing, better quality and higher rated market



Source: RBC Global Asset Management, as at 26 January 2026. Index referenced is the ICE BofA Contingent Capital Index



# Why the BlueBay Financial Capital Bond Fund?

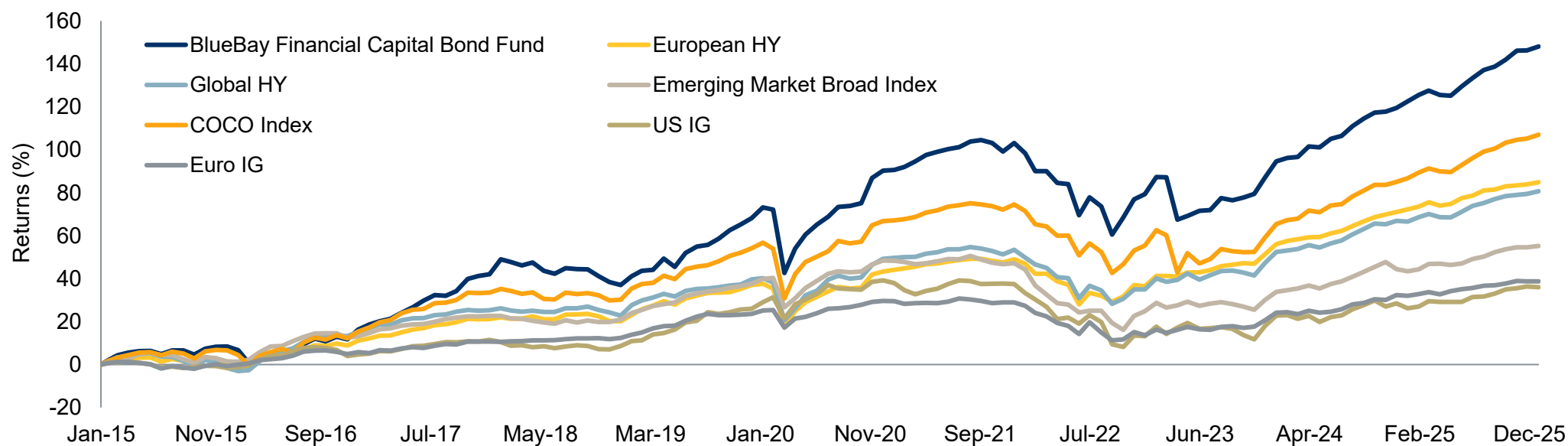
- 1 Performance**
  - **Best in class versus peers<sup>1</sup> on both absolute and risk-adjusted returns: 8.72% gross of fees, annualised since inception<sup>2</sup>, Sharpe of 0.63<sup>2</sup>**
- 2 Process**
  - Focus on rigorous analysis of credit and balance sheet fundamentals with an integrated **analysis of regulation, macro & politics**
  - Take **concentrated positions in the best-in-class issuers (typically IG rated)** with the most attractive risk return proposition
  - Actively managing a portfolio of subordinated debt securities and exploring arbitrage opportunities across bank capital tiers where **European bank AT1 is the sweet spot**
  - This approach meant we avoided NOVO BANCO, Banco Popular Español SA (POPSM) and Venetian bank failures
- 3 Size of fund**
  - **Fund size: \$2.6bn<sup>3</sup> with capacity to manage up to \$5bn (2% of European Bank AT1 universe)**
  - Allows us to:
    - Be nimble (active management) – **opportunities across bank capital structures, issuers, regions and currencies.**
    - Invest in best in class (BBB+ average issuer rating) risk-return opportunities **with robust liquidity profiles**
    - Be large enough to drive terms and capture premiums in the new issue market
- 4 Invest alongside our clients**
  - Personally seeded by CIO
  - **c.US\$15m of the Fund is internal money**
- 5 Strong relationships with issuers and syndicates**
  - Active issuer engagement leads to better decision making and favourable new issue allocations where primary market premiums are captured (~ 90 issuer engagement meetings per annum)
  - Rated 2018 Best Investment Firm for FIG Bonds in Global Capital Bond Awards as voted for by issuers and syndicates
  - Marc Stacey was named a Financial News Rising Star at the Financial News Awards in October 2018
  - James Macdonald was named a Financial News Rising Star at the Financial News Awards in 2020
  - **Strong and stable team investing over the last 18 years together (Marc Stacey 2004 and James Macdonald 2007)**

Notes: <sup>1</sup> BlueBay custom peer group, which includes UCITS funds predominantly investing in subordinated financial debt; <sup>2</sup> Gross of fees, as at 31 December 2025. Fund inception date: 14 January 2015.

<sup>3</sup> As at 31 December 2025. **Past performance is not indicative of future results.** The return on your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. Fees and other expenses will have a negative effect on investment returns. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance).

# Fund performance in context of other high yielding assets

Performance Total Return (%) USD Hedged	Financial Capital Bond Fund	Euro High Yield	Global High Yield	Emerging Market Broad	US Investment Grade
YTD 31 Dec 2025	11.49	7.34	8.49	8.27	7.78
Since inception to 31 Dec 2025	8.64	5.76	5.54	4.09	2.84



Source: RBC Global Asset Management; BofA, as at 31 December 2025. European HY index is ICE BofA European High-Yield Bond Index (HE00). Global HY index is ICE BofA Global High Yield Index (HW00). Emerging Market Broad Index is JPEC CEMBI Broad Index (CEMBIB). Coco index is ICE BofA Contingent Capital Index (COCO). US IG index is ICE BofA US Corporate Index (C0A0). Euro IG index is ICE BofA Euro Corporate Index (ER00).

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# Financial Capital – historical returns in context

- FCAP has outperformed ETF's in both up and down markets
- FCAP has outperformed the BofA Coco index by nearly 2% per year on average since inception

Date	FCAP Gross Returns	Wisdom Tree	Invesco AT1	BofA CoCo Index	Relative return
2015	8.45%			7.05%	1.40%
2016	7.27%			7.80%	-0.53%
2017	22.08%			15.14%	6.94%
2018	-3.54%			-2.61%	-0.79%
2019	22.76%	16.80%	18.09%	18.85%	3.91%
2020	13.17%	10.38%	8.76%	7.55%	5.62%
2021	6.72%	1.08%	3.30%	5.00%	1.72%
2022	-11.70%	-13.38%	-9.50%	-10.53%	-1.17%
2023	8.49%	5.48%	2.04%	6.51%	1.98%
2024	14.37%	6.92%	10.42%	12.85%	1.52%
2025	11.49%	8.92%	10.52%	10.88%	0.60%
Since inception to 31 Dec 2025	8.64%			6.86%	1.78%

*This fund is considered to be actively managed and does not have a benchmark to define the portfolio composition of the fund or as a performance target. The above is for information purposes only.*

Past performance is not indicative of future results. While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. An investor's return will be reduced by the deduction of applicable fees which will vary with the rate of return on the fund. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance). In addition, the typical fees and expenses charged to a fund will offset the fund's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the fund's prospectus

Source: RBC Global Asset Management, as at 31 December 2025

# Fund characteristics: FCAP vs IGFIN

## Side by side comparison

	Financial Capital Bond Fund	Investment Grade Financials Plus Bond Fund
Fund structure	UCITS	UCITS
Currency	USD	USD
Investment target return	6–9% gross p.a.	4–8% gross p.a.
Expected volatility	6–9%	4–8%
Fund objective	The Sub-Fund is actively managed, does not reference any benchmark and aims to achieve a total return from a portfolio of subordinated debt securities issued by financial institutions while taking into account ESG considerations	The Sub-Fund is actively managed, does not reference any benchmark and aims to achieve a total return from a portfolio of investment grade rated securities issued by financial institutions while taking into account ESG considerations.
Core investment universe	Hybrid capital debt from global financial issuers	Investment grade debt from global financial issuers. Max 10% HY or Non-rated. Max 20% COCO. Any security below investment grade may not be rated below B3/B-
Maximum per issuer	10% (excluding government bonds)	
Derivative usage	Bond futures, Swaps, CDS, Equities	
Credit rating restriction	None	90% IG, 10% HY / non-rated Min of two credit ratings from S&P, Moody's or Fitch to be considered as IG. Where three ratings are published, the lower two ratings shall be decisive in determining the rating.
Currency restriction	Currency exposure will be fully hedged into the Fund base currency	Up to 15% active currency exposure
ESG classification(s)	EU SFDR – Article 8 <sup>1</sup> / German ESG (BVI) – E <sup>2</sup>	EU SFDR – Article 8 <sup>3</sup> / German ESG (BVI) – E <sup>2</sup>
Liquidity	Daily	Daily

Source: RBC Global Asset Management, as at 31 December 2025.

Notes: <sup>1</sup> This Article designation is a self-classification by RBC Global Asset Management (UK) Limited, and effective from 1 October 2021. Full details of the Fund's ESG framework are available online [here](#); <sup>2</sup> The German fund industry association (BVI) product classification for defining the ESG target market concept a product is targeting; <sup>3</sup> This Article designation is a self-classification by RBC Global Asset Management (UK) Limited, and effective from 9 June 2023. Full details of the Fund's ESG framework are available online [here](#)

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