



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage investor ESG objectives <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in internal staff	
Collaborative engagements		<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in collaborative engagements	
Service provider engagements		<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in service provider	

RI TRANSPARENCY REPORT

2014/15

BlueBay Asset Management LLP

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	-	n/a							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

BlueBay Asset Management LLP

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Founded in 2001, BlueBay Asset Management LLP (BlueBay) is a specialist fixed income manager focusing on sovereign and corporate debt in developed and emerging markets. Based in London, with offices in the US, Japan, Hong Kong, Switzerland, Ireland and Luxembourg, we employ over 400 employees and manage over USD63 billion (as at 31 December 2014) for institutional investors, distribution networks and high net worth individuals.

BlueBay manages a range of absolute return-style portfolios across the following sub-asset classes of global fixed income markets: investment grade debt, emerging market debt, high yield/distressed debt& loans, convertible bonds, private lending and multi-credit.

BlueBay is a wholly-owned subsidiary of Royal Bank of Canada (RBC) and part of the RBC asset management division, RBC Global Asset Management group of companies.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

427

OO 02.4 Additional information. [Optional]

Total staff number: staff working less than full time counted as one each; as at 31 December 2014.

OO 03 Mandatory Descriptive General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 Mandatory Gateway/Peering General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		62	895	005	011
Currency	USD				
Assets in USD		62	895	005	011

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.6 Additional information. [Optional]

AUM excludes uncalled capital commitments in private lending funds.

OO 06 Mandatory Descriptive General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**Assets Under Management
(US\$m to 31 December 2014)**

Investment Grade	30,420
Emerging Market	17,800
Leveraged Finance*	6,461
Multi Asset	4,963
Convertibles	3,250
Total Company AUM	62,895

Data source: BlueBay Asset Management.

Notes: AUM is exclusive of non-fee earning assets.

*Leveraged Finance consists of High Yield, Leveraged Loans, Distressed and Direct Lending (drawn capital).

To upload the image click the Save button below

Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Private debt
- Hedge funds
- None of the above

OO 12

Mandatory

Gateway

General

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers**Direct - Fixed Income**

- Fixed Income - Corporate
- Fixed Income - Government

Closing module

- Closing module

BlueBay Asset Management LLP

Reported Information

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Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- Yes
- No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- Yes
- No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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BlueBay first adopted an ESG investment risk policy in July 2013, which was last updated in December 2014.

Our investment philosophy is based on delivering attractive risk-adjusted returns for our clients over the long term. BlueBay believes ESG factors can potentially have a material impact on an issuer's long-term financial performance. Given the limited upside and potentially significantly downside of fixed income investments, the focus of our ESG analysis is on understanding downside risks. Poorly-managed ESG risks can lead to inefficiencies, operational disruption, litigation and reputational damage, which may ultimately impact an issuer's ability to meet its financial responsibilities. Supplementing traditional financial analysis by reviewing ESG-related management practices and performance is therefore not only prudent but also in line with BlueBay's fiduciary duty to optimise investor returns.

BlueBay primarily employs an integration strategy to its ESG investment risk management, which involves the review of material ESG risk factors alongside conventional investment metrics by our ESG specialist and investment teams. This is complemented by some ESG exclusion screening for our pooled funds, with ESG engagement and proxy voting where appropriate and relevant. On a case-by-case basis, clients in segregated accounts have the ability to create a custom ESG investment strategy.

Given our focus on ESG as an investment risk factor, the process is overseen and managed by our Investment Risk team, which in turn is part of the Risk& Performance function.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayESGInvestmentRiskPolicyDecember2014.pdf>

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Controversial Weapons Investment Policy	http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayControversialWeaponsInvestmentPolicyDecember2014.pdf
Proxy Voting Policy	http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayProxyVotingPolicyOnCorporateGovernanceAndCorporateResponsibilityDecember2014.pdf
Statement on UK Stewardship Code	http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayStatementOnUkStewardshipCodeDecember%202014.pdf

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify CG CR proxy voting policy <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.3	Additional information. [Optional]
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We apply an ESG integration approach to all assets, although the process for implementation differs for our fixed income/alternative investment products, and our direct lending strategies.

ESG engagement applies to all our AUM where it is considered appropriate. Proxy voting activities have limited relevance to our products, and are most relevant for our convertibles strategies.

Our ESG exclusion screening approach based on our Controversial Weapons Investment Policy applies to all our pooled funds, which encompass our fixed income and alternative investment products domiciled in Luxembourg and the Cayman Islands, as well as our direct lending funds.

On a case-by-case basis, BlueBay can create a custom ESG strategy to meet client requirements for segregated accounts.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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BlueBay Asset Management LLP is an investment firm which is authorised and regulated by the UK Financial Conduct Authority (FCA). Principle 8 of the FCA Rules requires a firm to manage conflicts of interest arising in the course of its business.

BlueBay has established and implemented a Conflicts of Interest Policy which sets out the most important and/or relevant aspects of the arrangements which BlueBay has put in place to manage potential conflicting interests.

BlueBay's arrangements for managing potential conflicts are reviewed at least annually and whenever a material change occurs that affects BlueBay's ability to manage its conflicts.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

OA 05.4 Additional information. [Optional]

In practice, we review our ESG plans more frequently than quarterly and adjust these as necessary and appropriate.

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 Head of Risk & Performance

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Head of Investment Risk**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number

1

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

BlueBay participated in interviews for the report on ESG integration in fixed income in September 2014. We also provided feedback on the governance and strategy review during 2014.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

OA 10.2

Additional information. [Optional]

Our parent company, RBC, is involved in additional initiatives listed above, e.g., CDP, regional/national SIFs and UNEP FI. RBC is also signatory to the Equator Principles and the OECD's guidelines for multinational companies.

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

e.g. internal – teach-ins with investment teams, external – issuer engagement

No

BlueBay Asset Management LLP

Reported Information

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Direct - Fixed Income

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ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 30
---	--

- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 70
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Given we do not manage any explicitly labelled SRI/ESG mandates, and some ESG strategies are equity biased and do not work given the technical characteristics of fixed income*, BlueBay believes an ESG integration strategy is the best strategy to adopt across all our funds.

ESG integration involves the identification and assessment of material ESG risk factors. This means not automatically excluding issuers from investment on ESG grounds; rather it is about ensuring BlueBay's

investment teams are aware of and taking informed decisions about key ESG risks. ESG factors are an input into BlueBay's investment process, but they are not necessarily the key determinant in the final investment decision, which ultimately reflects our view on an investment's risk and return.

We apply a limited level of ESG exclusion screening to our pooled funds as these are the accounts where we control the investment strategy, and the restricted list reflects our sense of what clients expect as good practice.

While engagement/activism and voting strategies have more limited application for fixed income (as we are not owners and have no formal voting rights), we do still believe there is a role for FI investors to engage. However, such activities will be more limited.

*E.g., difficult to implement best-in-class strategies as the larger FI universe is split between IG and HY, so difficult in practice to select the best in the market.

FI 04.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
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For our pooled funds, we would exclude the issuers on our Controversial Weapons Investment restricted list, and then apply an ESG integration approach. When the analysis of material ESG risk factors highlights an issuer where we have high investment conviction but ESG risks are a material concern, we may decide ESG engagement would be a useful approach, whether to gain additional insights into the business, and/or to facilitate change by encouraging a change in ESG practice to address the concern. In other cases, we may decide the ESG risk is such that we do not want exposure, want to reduce our exposure or want to buy protection through CDS, etc.

For segregated accounts, there may be exclusionary ESG screening depending on the client's requirements. We will implement an ESG integration strategy reflecting the approach detailed above.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
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FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
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Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

BlueBay currently applies a Controversial Weapons Investment Policy to our pooled funds which covers producers of cluster munitions and anti-personnel landmines.

- Positive/best-in-class screening
- Norms-based screening

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Please refer to our Controversial Weapons Investment Policy which can be found on the BlueBay corporate website: <http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayControversialWeaponsInvestmentPolicyDecember2014.pdf>.

We have applied ESG screening to pooled funds as we control the investment strategy for these accounts.

We ensure legal compliance with state jurisdictions as a minimum on ESG-related restrictions, e.g., cluster munitions manufacturers in some States. Until December 2014 we had an internal policy of excluding manufacturers of cluster munitions from our Luxembourg-domiciled pooled funds. However, this policy was revised after we recruited our permanent ESG specialist. The new formal policy has extended the investment exclusions to manufacturers of landmines, and to our remaining pooled funds, regardless of where they are domiciled and whether the State has regulated against this. We communicated our new policy publicly on our website, and have informed clients. We intend to review our ESG-related policies on an annual basis.

FI 06.3	Additional information. [Optional]
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For further information please refer to our Controversial Weapons Investment Policy which can be found on the BlueBay corporate website: <http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayControversialWeaponsInvestmentPolicyDecember2014.pdf>.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
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- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG factors
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FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1 Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2 Additional information. [Optional]

For fixed income investing, we believe Governance issues are most likely to be material to investment performance, although we recognise that, depending on the sector and geographical footprint of the issuer, social (labour) and environmental (fines and litigation) issues may also be important.

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1 Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

Yes

FI 13.2 Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%
- 10-50%
- 51-90%
- >90%

FI 13.3 Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4 Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

The process is similar to that described for corporates.

No

FI 13.5 Additional information. [Optional]

For sovereign fixed income investing, we believe Governance and Social issues are most likely to be material to investment performance, although we recognise environmental issues may be more important in some instances.

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

We disclose it publicly

Provide URL

<http://www.bluebayinvest.com/~media/Files/B/BlueBay/Attachments/financial-reports/BlueBayESGInvestmentRiskPolicyDecember2014.pdf>

FI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

FI 18.3

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

FI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

FI 18.6

Indicate how frequently you typically report this information to clients/beneficiaries

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We disclose it to clients/beneficiaries only
 - We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7

Additional information. [Optional]

We provide broadly level information on our ESG process publicly on our website, but may provide more details in practice when presenting to clients and other stakeholders.

We provide both internal and client reporting on portfolio ESG investment risks on a regular basis. Segregated client reporting occurs on a quarterly basis and includes a summary of the overall ESG score of the portfolio, as well as break down by specific E, S and G pillars. Analysis is conducted on the largest 5 issuers in the portfolio with regard to the following categories: long positions in low ESG-scoring issuers; short positions in high scoring issuers, best and worst contributors to fund ESG performance, and whether there are any holdings in companies highlighted as being involved in severe ESG controversies, as defined by our external research provider.

Since Q4 2014 we have also been providing more narrative commentary on BlueBay's wider ESG efforts.

