

## BlueBay Global Monthly Income Bond Fund



### Commentary as at June 30, 2025

Fixed income performed well overall in the first half of 2025, as financial markets recovered from significant losses after the Trump administration opted to not fully follow through on threats to impose extremely high tariffs on U.S. trade partners. Elsewhere, tension in the Middle East and continued conflict between Russia and Ukraine compounded a backdrop of uncertainty.

The Fund's returns were aided by exposure to most types of investments in the portfolio. An allocation to emerging-market sovereign debt denominated predominantly in U.S. dollars was the largest contributor to returns. Performance was also bolstered by holdings of emerging-market debt denominated in local currency and foreign-exchange holdings. An allocation to convertible bonds aided relative returns after solid global equity performance amplified returns in Chinese technology companies and Europe, as did bonds that bail out taxpayers in the event of a bank collapse. The only area of the portfolio that had a negative impact on returns was credit derivatives aimed at protecting the portfolio from falling markets.

Financial markets have somewhat stabilized after an initial disruption caused by the tariff announcements. The fact that trade negotiations continue is comforting for investors, although uncertainty prevails and Trump's deficit-raising tax proposal still looms. While the S&P 500 Index has recovered, the yield on the 30-year Treasury bond remains pinned at the recent highs and suggests that inflation and borrowing costs may remain relatively high. A further move higher in global bond yields is the main risk that investors now face. Central banks and governments are taking note, and the Bank of Japan recently indicated that policy may change to reflect concern about inflation.

This has been provided by RBC Global Asset Management Inc. (RBC GAM) and is for informational purposes, as of the date noted only. Discussion of any securities in this report is not a recommendation to buy or sell any specific security, and is subject to change. It is not intended to provide legal, accounting, tax, investment, financial or other advice and such information should not be relied upon for providing such advice. RBC GAM takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when provided. Past performance is no guarantee of future results. Interest rates, market conditions, tax rulings and other investment factors are subject to rapid change which may materially impact analysis that is included in this document. You should consult with your advisor before taking any action based upon the information contained in this document. All opinions constitute our judgment as of the dates indicated, are subject to change without notice and are provided in good faith without legal responsibility. Information obtained from third parties is believed to be reliable but RBC GAM and its affiliates assume no responsibility for any errors or omissions or for any loss or damage suffered. RBC GAM reserves the right at any time and without notice to change, amend or cease publication of the information.

Please consult your advisor and read the prospectus or Fund Facts document before investing. There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Mutual fund unit values change frequently. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated. RBC Funds, RBC Private Pools, RBC Alternative Funds and PH&N Funds are offered by RBC Global Asset Management Inc. (RBC GAM) and distributed through authorized dealers in Canada.

This document may contain forward-looking statements about a fund or general economic factors which are not guarantees of future performance. Forward-looking statements involve inherent risk and uncertainties, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement. All opinions in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.