

**BLUEBAY FUNDS**  
**Société d'investissement à capital variable**  
**Registered Office:**  
**80, route d'Esch**  
**L-1470 Luxembourg**  
**R.C.S. Luxembourg B 88.020**  
**(the "Fund")**

**Notice to the Shareholders of BlueBay Funds**

**This notice is sent to you as a Shareholder in the Fund. It is important and requires your immediate attention. The information contained herein is confidential and solely addressed to the attention of the Shareholders. It may not be disclosed to third parties.**

Dear Shareholder,

The Board of Directors of the Fund (the "**Board**") is writing to advise you of certain changes which have been made to the Fund prospectus dated June 2024 (the "**Prospectus**"). The present letter is intended for your information only and should be seen in light of our long-term commitment to transparency with shareholders.

All capitalised terms used herein shall have as a rule, the same meaning as in the Prospectus.

All changes referred to under items 1 to 10 will enter into effect from the 1<sup>st</sup> April 2025 (the "**Effective Date**"). Shareholders of the sub-funds in scope are granted one month from the date of the present notice to redeem their Shares free of charge should they disagree with the changes made.

Updates in relation to items 11 to 15 will become effective from the date of this notice.

The Prospectus has been updated in order to reflect the following amendments:

- 1. Addition of a new 5% maximum limit to investments in CoCos within the investment restrictions of the BlueBay Emerging Market Bond Fund, the BlueBay Emerging Market Local Currency Bond Fund and the BlueBay Emerging Market Select Bond Fund from the Effective Date.**

The Board has decided to include the possibility to invest in CoCos up to 5% of those sub-funds' net assets as the Board identified issuers within the benchmark of the sub-funds which have started issuing AT1 bonds. The change in investment restrictions is applicable from the Effective Date.

- 2. Increase of the sub-fund's minimum commitment to invest in certain type of securities for the BlueBay Global High Yield ESG Bond Fund, the BlueBay High Yield ESG Bond Fund, the BlueBay Investment Grade ESG Bond Fund and the BlueBay Impact-Aligned Bond Fund from the Effective Date.**

Following the publication of the translated version of the ESMA Guidelines on funds' name using ESG or sustainability-related terms on 21 August 2024 (the "**ESG Guidelines**"), the minimum threshold of certain sub-funds of the Fund to meet the E/S characteristics or sustainable investment objective of such sub-funds have been amended to comply with the ESG Guidelines, as further detailed in the table below:

Sub-fund's name	Current minimum threshold	New minimum threshold
BlueBay Global High Yield ESG Bond Fund	At least two-third of the sub-fund's net assets will be invested in fixed and floating rate, senior and subordinated debt securities rated below investment grade.	At least 80% of the sub-fund's net assets will be invested in fixed and floating rate, senior and subordinated debt securities rated below investment grade.
BlueBay High Yield ESG Bond Fund	At least two-third of the sub-fund's net assets will be invested in fixed income securities rated below investment grade.	At least 80% of the sub-fund's net assets will be invested in fixed income securities rated below investment grade.

BlueBay Impact-Aligned Bond Fund	At least two-third of the sub-fund's net assets will be invested in fixed and floating rate fixed income securities rated investment grade. The Sub-Fund invests at least 50% of its net assets in corporate issuers globally (including Emerging Market Issuers). The Sub-Fund may invest up to one-third of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.	At least 80% of the sub-fund's net assets will be invested in fixed and floating rate fixed income securities. The Sub-Fund invests at least 50% of its net assets in corporate issuers globally (including Emerging Market Issuers). The Sub-Fund may invest up to one-third of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.
BlueBay Investment Grade ESG Bond Fund	At least two-third of the sub-fund's net assets will be invested in fixed income securities rated investment grade and issued by entities domiciled within European countries whose sovereign long term debt rating is investment grade. The Sub-Fund may invest up to one-third of its net assets in investment grade rated fixed income securities issued by entities domiciled in non-European countries whose sovereign long term debt rating is investment grade. The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.	At least 80% of the sub-fund's net assets will be invested in fixed and floating fixed income securities. The Sub-Fund invests at least two-thirds of its net assets in entities domiciled within European countries whose sovereign long term debt rating is investment grade. The Sub-Fund may invest up to one-third of its net assets in entities domiciled in non-European countries whose sovereign long term debt rating is investment grade. The Sub-Fund may invest up to 15% of its net assets in fixed income securities rated below investment grade provided that such securities are not rated below B-/B3.

As a consequence of the above, the maximum level of investments in fixed income securities rated investment grade for the BlueBay High Yield ESG Bond Fund has been reduced from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

In respect to the BlueBay Impact-Aligned Bond Fund and the BlueBay Investment Grade ESG Bond Fund, the change in minimum threshold to fixed income securities does not affect the existing credit rating, regional or currency restrictions.

### 3. Changes in the investment restrictions of the BlueBay High Yield ESG Bond Fund from the Effective Date.

The maximum limit for investments in convertible bonds or bonds with warrants for the BlueBay High Yield ESG Bond Fund will be lowered from 25% of the sub-fund's net assets to 20% of the sub-fund's net assets.

In addition, the maximum limit for investments in Money Market Instruments issued by issuers worldwide will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

Finally, the maximum aggregate exposure to equity securities, money market funds, convertible bonds or bonds with warrants and Money Market Instruments issued by issuers worldwide will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

The reduced limits aforementioned are due to the increase in the minimum commitment to invest in certain securities covered in item 2.

The reduction in limits has no impact on how the sub-fund is being managed.

**4. Changes in the investment restrictions of the BlueBay Impact-Aligned Bond Fund from the Effective Date.**

The maximum limit for investments in Money Market Instruments for the BlueBay Impact-Aligned Bond Fund will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

In addition, the maximum aggregate exposure to equity securities, money market funds, and Money Market Instruments issued by issuers worldwide will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

The reduced limits aforementioned are due to the increase in the minimum commitment to invest in certain securities covered in item 2.

The reduction in limits has no impact on how the sub-fund is being managed.

**5. Changes in the investment restrictions of the BlueBay Investment Grade ESG Bond Fund from the Effective Date.**

The maximum limit for investments in convertible bonds or bonds with warrants will be lowered from 25% of the sub-fund's net assets to 20% of the sub-fund's net assets.

In addition, the maximum limit for investments in Money Market Instruments will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

Finally, the maximum aggregate exposure to equity securities, money market funds, convertible bonds or bonds with warrants and Money Market Instruments will be lowered from one-third of the sub-fund's net assets to 20% of the sub-fund's net assets.

The reduced limits aforementioned are due to the increase in the minimum commitment to invest in certain securities covered in item 2 above.

The reduction in limits has no impact on how the sub-fund is being managed.

**6. Addition of new ESG screens for the BlueBay Global High Yield ESG Bond Fund, the BlueBay High Yield ESG Bond Fund, the BlueBay Impact-Aligned Bond Fund and the BlueBay Investment Grade ESG Bond Fund from the Effective Date.**

In application of the Paris aligned benchmark exclusions, the following new ESG screens have been added to the investment restrictions of the sub-funds:

- Exclusion of companies that benchmark administrators find in violation of the OECD Guidelines for Multinational Enterprises;
- Exclusion of companies which derive 1% or more of their revenue from the exploitation, mining, extraction, distribution or refining of hard coal and lignite;
- Exclusion of companies which derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- Exclusion of companies which derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- Exclusion of companies which derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO<sub>2</sub> e/kWh; and
- Exclusion of companies which derive any revenue from cultivation of tobacco.

The OECD Guidelines for Multinational Enterprises have also been accordingly added to the list of norms which may be considered for certain Sub-Funds in the definition of "ESG Norms Based Screening" in Section 5.4 Sustainability Disclosures – Environmental, Social and Governance Framework of the Prospectus.

For the BlueBay Investment Grade ESG Bond Fund only, the following additional ESG screens have also been added:

- Exclusion of companies which are coal developers in the sense of the URGEWALD Global Coal Exit List (i.e. involved in coal power, mining or infrastructure expansion plans);
- Exclusion of companies which are not compliant with the OECD Alignment;
- Exclusion of companies which are subject to European Union sanctions;
- Exclusion of companies which are not compliant with the core of the International Labour Organisation alignment;
- Exclusion of companies which derive more than 10% of their revenues from oil and gas pipelines and transportation;
- Exclusion of companies which derive more than 5% of their revenues from oil and gas refining;
- Exclusion of companies which derive more than 20% of their revenues from oil and gas equipment and services;
- Exclusion of companies which derive more than 20% of their revenues from oil and gas related activities;
- Exclusion of companies which derive more than 5% of their revenues from palm oil;
- Exclusion of companies which derive more than 5% of their revenues from biocides producer od neonics and clorine;
- Exclusion of companies which have any involvement in genetic engineering in agriculture;
- Exclusion of companies which derive any revenue from civilian firearms;
- Exclusion of companies which have any involvement if any tie of fur industry;
- Exclusion of companies which have any involvement in non-medical animal testing; and
- Exclusion of companies which scope 1 and 2 greenhouse gas emissions intensity is equal or above the 95th percentile for their respective (iBoxx level 2) sector.

In addition, following the addition of the above listed new ESG screens, the Board noted that there might be overlaps in the application of the sub-funds' exclusions. In case of such overlap, the stricter threshold shall apply.

The additional screens have no impact on the Investment Objective nor Investor Profile of the sub-funds.

**7. Addition of new ESG screens for the BlueBay Investment Grade Global Aggregate Bond Fund from the Effective Date.**

The following ESG screens have been added in the dedicated SFDR level II annex:

- Exclusion of companies which derive more than 30% of their revenue from thermal coal mining;
- Exclusion of companies which derive more than 30% of their revenues and generation from thermal coal power;
- Exclusion of companies which coal-base power generation capacity is above 10,000 MW; and
- Exclusion of companies which fail to comply with the UN Global Compact.

The additional screens have no impact on the Investment Objective nor Investor Profile of the sub-fund.

**8. Reduction of the minimum exposure to securities issued by entities domiciled in the US for the BlueBay Global High Yield Bond Fund and the BlueBay Global High Yield ESG Bond Fund from the Effective Date.**

The minimum commitment of investment in US securities of the sub-funds will be reduced from 50% to 40%. This change aims at providing more flexibility to the sub-funds, enhancing their ability to capitalize on market opportunities in other regions and it does not impact the risk profiles of the sub-funds.

**9. Amendment of the response to the question “What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?” in the SFDR level II annex dedicated to the BlueBay Investment Grade ESG Bond Fund from the Effective Date.**

Following the introduction of new ESG related exclusions as part of this Prospectus update which supplement the exclusions already applied by the sub-fund, the sub-fund will seek to achieve a minimum

reduction rate of 20% of the scope of investments relative to the sub-fund's benchmark as the result of ESG considerations from the Effective Date.

**10. Amendment of the response to the question “*What is the sustainable investment objective of this financial product?*” in the SFDR level II annex dedicated to the BlueBay Impact-Aligned Bond Fund from the Effective Date.**

Following the publication of the translated version of the ESG Guidelines, the sustainable investment objective has been modified to specify that the sub-fund's investments will be made with the objective of generating positive and measurable social or environmental impact alongside financial returns.

This amendment has no impact on how the sub-fund is being managed.

**11. Update to Section 7.11 Investors rights.**

Following the publication of the Circular CSSF 24/856 on protection of investors in case of an NAV calculation error, an instance of non-compliance with the investment rules and other errors at UCI level (the “**Circular 24/856**”), precisions have been inserted to better inform the Shareholders on the purpose of the Circular 24/856, and more specifically to inform Shareholders investing through an intermediary of the possible impact of such type of investment on the capacity of the Shareholder to be indemnified by the Fund in case of NAV calculation error and / or other errors at the level of the Fund.

The definition of the Circular 24/856 in Section 3. Definitions has been further complemented to clarify the content of the Circular 24/856.

**12. Correction of the maximum limit in aggregate of investments in equity securities and convertible bonds or bonds with warrants attached for the BlueBay Global High Yield Bond Fund and BlueBay Global High Yield ESG Bond Fund.**

The Prospectus erroneously disclosed a one-third maximum limit in aggregate of investments in equity securities and convertible bonds or bonds with warrants attached for the BlueBay Global High Yield Bond Fund and the BlueBay Global High Yield ESG Bond Fund when each investment type is limited to maximum 10% of net assets and can therefore only represent a maximum of 20% in aggregate.

This correction has no impact on how the sub-funds are being managed.

**13. New Class A has been added to the Classes of Shares offered for the BlueBay Financial Capital Bond Fund.**

**14. Update to Section 4.19 Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Listing Agent and Transfer Agent.**

In application of the disclosure requirements of the Circular CSSF 22/811 on UCI administrators, the section “*4.19. Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Listing Agent and Transfer Agent*” of the Prospectus has been slightly amended to clarify that Brown Brothers Harriman (Luxembourg) S.C.A. acting as administrative agent for the Fund is also in charge of the client communication function.

**15. Update to the composition of the Board of Directors and of the Conducting Persons of the Management Company in Section 2 Directory.**

Following the resignation of Mr Constantine Knox from his position as Director of the board of directors of the Fund as of 6 February 2025, the list of the directors of the Fund has been amended to reflect this change. Additionally, Mrs Anne-Sophie Girault was removed from the list of Conducting Persons of the Management Company following her resignation as of the 31 January 2025.

By order of the Board of BlueBay Funds

March 2025