

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

Luxembourg, Monday 6th April 2020

Dear Shareholder,

The board of directors of the Fund (the "**Board**") is writing to advise you of the increase of the maximum swing factor applicable to all the Sub-Funds.

What is the swing pricing mechanism?

In order to counter a reduction in value, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund, and to protect Shareholders' interests BlueBay Funds Management Company S.A., the management company of the Fund (the "**Management Company**") may make adjustments to the net asset value per Share to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board has currently determined that the percentage by which the net asset value shall be adjusted (the "**Swing Factor**") will not exceed 2% of the net asset value per share.

The swing pricing mechanism is further disclosed in the current Prospectus dated December 2019.

What will change?

Considering the exceptional market conditions resulting from the spread of the COVID-19 pandemic and the guidelines provided by the Luxembourg supervisory authority, *the Commission de Surveillance du Secteur Financier*, the Board, upon the recommendation of the Management Company, has decided that it was in the best interest of the Fund and its Shareholders to increase the maximum Swing Factor beyond 2% of the net asset value of the relevant Share (the current maximum level disclosed in the Prospectus), up to a maximum of 5%.

The Swing Factor to be applied in any given instance will be calculated in accordance with the methodology applied by the Management Company and in conformity with the guidelines established by the Board.

Shareholders will be informed when market conditions no longer require that the maximum Swing Factor to exceed the level disclosed in the Prospectus at the following link: <https://www.bluebay.com/en/resources/fund-information/prospectuses-legal-documents/>.

The changes detailed above shall be included in a revised prospectus issued at the occasion of the next update of the prospectus. Shareholders are advised to consult their advisers regarding the effect of the relevant change, as well as any consequences of investing in a Luxembourg-based fund, in light of their individual circumstances.

For the avoidance of doubt, capitalised terms used in this notice shall bear the same meaning set out in the updated Prospectus.

By order of the Board of BlueBay Funds