

BlueBay US Cash Management: Government

Quarterly Commentary

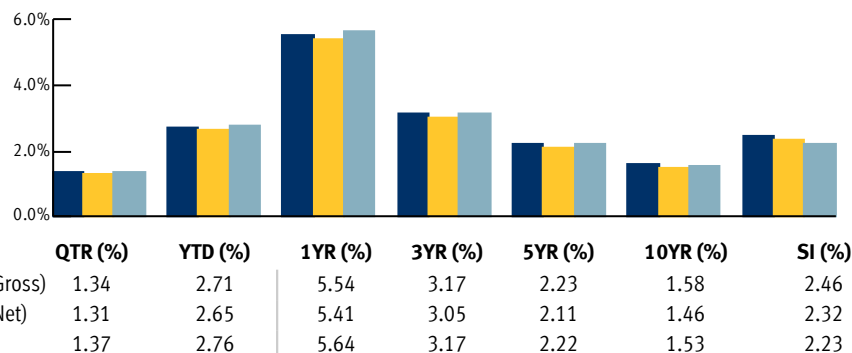
The second quarter of 2024 was defined by further volatility in US rates across the maturity spectrum. The 10-year Treasury started the quarter at 4.31%, widened out to 4.70% in April, and has now tightened to 4.39%. The 2s30s spread normalized from the first to the second quarter to a less inverted state, starting the quarter at -28 basis points (bps) and now hovering around -20bps.

At the June meeting, the Fed left the federal funds rate unchanged at 5.5%. This is in line with the “pause” policy path that has taken hold over the last handful of meetings but not in line with what markets were expecting at the end of 2023. The Fed continues to signal data dependency but maintained its stance in June that it expects to start cutting rates in 2024.

After significant volatility, US Treasury yields rose across the curve over the quarter. The 2s30s spread ended the quarter less inverted at -12bps versus -28bps at the end of March. The 30-year US Treasury rose 22bps over the quarter, while the 2-year Treasury rose 13bps. Market participants have had to rerack their rate-cut path expectations multiple times over the quarter, as incoming economic data has swung from stickier-than-expected to now reliably cooling for the time being.

Recent data suggest one or two cuts are still possible for 2024. CPI on June 12, 2024, was cooler than survey projections and in line with our internal estimates. We think rate volatility and ever-changing credit fundamentals might necessitate a focused, active approach for investors as they engage with the fixed income market, potentially locking in attractive all-in yields.

Investment Performance



Past performance is not indicative of future results.

Source: RBC Global Asset Management, FTSE

Inception of the performance record is 3.1.96.

Returns are presented in gross and net of fees and include the reinvestment of all income. All returns for periods greater than one year are shown on an annualized basis. Performance and composite information presented is supplemental to the “GIPS® Composite Report” which contains additional information regarding calculation of performance data.

Strategy Overview

- AUM: \$17,494.1 million
- Inception: March 1996
- Benchmark: FTSE 3-Month T-Bill
- Vehicles: Separate Account, US Mutual Fund

Investment Philosophy & Style

- A well constructed diversified portfolio managed within an active risk framework will enhance consistent income with low volatility
- Thorough understanding of the issuer, credit and debt structure
- Focus on security selection and curve exposure while actively managing duration, call and extension risk
- Invest in out-of-benchmark sectors when expected return justifies the opportunity
- Avoid making large duration calls

Risk Management

- Mandate and policy controls
- Full, multidisciplinary vetting of client policies and objectives
- Multiple levels of review
- Clear accountabilities and cross checks
- High quality focus reduces credit risk

Portfolio Construction

- Duration Range: 0-270 days
- Maturity Range: 0-13 months
- Investment Universe: US Treasury, Agency, Agency guaranteed obligations
- Credit Quality: AAA, fully customizable

Investment Team

John Northup, CFA, Portfolio Manager, U.S. Fixed Income
Industry Experience: 24 years

Laurie Mount, Portfolio Manager, U.S. Fixed Income
Industry Experience: 28 years

About RBC Global Asset Management

- Over \$468 billion Assets Under Management*
- Offices in North America, Europe and Asia
- 394 investment professionals globally

*AUM includes US \$4.7B+ in portfolio assets managed by unaffiliated investment advisors based on models provided by RBC Global Asset Management entities.

BlueBay Fixed Income Platform

- 128 Investment professionals
- \$125 billion fixed income AUM**
- \$43 billion in US fixed income AUM**

As of May 31, 2024.

**BlueBay Fixed Income AUM is a component of the broader RBC GAM AUM.

Portfolio Characteristics ¹

Weighted average maturity
Market yield

Strategy

24.0 days
5.3%

Benchmark

88.0 days
5.3%

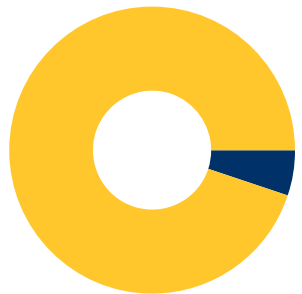
Distribution ¹

Sector



Treasury	39.7%
Repo	35.5%
Agency	24.8%

Credit



AAA	5.1%
AA	94.9%

Past performance is not indicative of future results.

Source: RBC Global Asset Management, FTSE

¹Supplemental information complements the “GIPS® Composite Report” as provided. The information presented are those of the representative account in the strategy. There is no guarantee that every account will be identical to the information presented here.

This presentation should not be construed as a recommendation to buy or sell any financial instruments. The information contained herein should not be relied upon as the sole investment-making decision.

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GIPS® Composite Report, as at June 30, 2024

RBC GAM U.S. Money Market - Government Cash Management

Inception Date: March 1, 1996

Benchmark: FTSE 3 Month US T Bill Index

Currency: USD

Annual returns

Year end	Composite gross return (%)	Composite net return (%)	Benchmark return (%)	Composite 3 yr std dev (%)	Benchmark 3 yr std dev (%)	Number of portfolios	Internal dispersion (%)	Composite assets (millions)	Firm assets (millions)
YTD 2024	2.71	2.65	2.76	0.67	0.67	2	0.01	15,247.0	463,419.2
2023	5.23	5.10	5.26	0.66	0.66	2	0.02	13,109.9	427,022.8
2022	1.60	1.47	1.50	0.32	0.30	2	0.01	10,480.2	385,022.7
2021	0.05	-0.07	0.05	0.30	0.29	2	0.00	24,450.8	481,049.3
2020	0.59	0.47	0.58	0.25	0.24	3	0.02	15,872.8	424,813.8
2019	2.26	2.14	2.25	0.19	0.19	3	0.01	8,917.6	361,400.0
2018	1.90	1.78	1.86	0.18	0.20	3	0.02	5,891.6	305,983.2
2017	0.89	0.76	0.84	0.10	0.11	5	0.03	7,883.9	331,885.2
2016	0.49	0.37	0.27	0.06	0.03	5	0.07	14,095.9	289,538.6
2015	0.13	0.01	0.03	0.03	0.01	6	0.02	8,478.5	276,979.3
2014	0.10	-0.02	0.03	0.02	0.01	6	0.02	7,620.3	302,064.4

The GIPS® Composite Report is incomplete without the full disclosures. **n/a** = not applicable, **std dev** = standard deviation

Description of the Firm: For the purposes of Global Investment Performance Standards (GIPS®), RBC Global Asset Management (RBC GAM) is the asset management division of Royal Bank of Canada (RBC) that has responsibility for managing discretionary assets, and includes the following separate but affiliated subsidiaries: RBC Global Asset Management Inc. (including PH&N Institutional), RBC Global Asset Management (U.S.) Inc., RBC Indigo Asset Management Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited (outside of North America, RBC GAM conducts business under the brand RBC BlueBay Asset Management). RBC purchased Phillips, Hager & North Investment Management Ltd., including the assets of BonaVista Asset Management Ltd., on May 1, 2008, BlueBay Asset Management LLP on December 17, 2010, and HSBC Global Asset Management (Canada) Limited on March 28, 2024. RBC GAM's lists of composite descriptions, limited distribution pooled fund descriptions and broad distribution pooled funds are available upon request. As of December 31, 2023, the RBC GAM group of companies manages more than C\$565 billion (US\$427 billion) in a full spectrum of asset classes and strategies.

Compliance Statement: RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2022. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The U.S. Money Market - Government Cash Management composite has been examined for the periods January 1, 2008 - December 31, 2022. The verification and performance examination reports are available upon request.

Composite Description: The Government Cash Management Composite consists of accounts that invest primarily in U.S. Treasury and/or Agency obligations maturing in 13 months or less.

Benchmark: The benchmark for this composite is the FTSE 3-Month T-Bill Index. The FTSE 3-Month T-Bill index is an unmanaged index that measures the performance of U.S. Treasury Bills with a maturity of 3 months. It excludes Agency securities, which may be purchased by accounts invested in this strategy. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index.

Gross of Fees: Gross of fees performance returns are presented before management fees, but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

Net of Fees: Net of fee performance is calculated using the maximum stated fee of 0.12% applied monthly. Prior to January 1, 2013 net of fee performance was calculated using actual fees.

Performance Calculations: Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in U.S. Dollars, and include the reinvestment of all income. Additional information regarding policies for valuing investments, calculating performance, and creating GIPS® Reports is available upon request. Past performance is not indicative of future results.

Composite Dispersion: The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year. Calculations are based on gross portfolio returns if gross composite returns are presented. If only net composite returns are presented, then net portfolio returns are used in the composite dispersion calculation.

3-Year Standard Deviation: Periods with less than 3 years of data will show "n/a". Calculations are based on gross composite returns, if gross composite returns are presented. If only net composite returns are presented, then net composite returns are used in the calculation.

Derivatives, Leverage and Short Positions: None of these strategies are employed by any accounts in this composite.

Cash Flow Policy: This composite does not have a cash flow policy.

Fee Schedule: 0.12% on first \$100 million; 0.10% on assets exceeding \$100 million. Advisory fees are described on this page and in Form ADV Part 2A. RBC GAM reserves the right to negotiate all advisory fees.

Minimum Account Size: There is currently no minimum account size for inclusion in this composite. Prior to January 1, 2005 the minimum size for inclusion was \$5 million.

Creation Date: This composite was created on and has an inception date of March 1, 1996.

Composite History: Prior to July 1, 2005, this composite was called the Cash Management Agency Composite. The composite was redefined to include registered money funds as of April 1, 2006.

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