

BlueBay Fixed Income



Impact investing annual report

2023





Ron Homer
Chief Strategist,
Impact Investing

[Ron Homer - an
impact investing
pioneer since 1997](#)

Letter from our Chief Strategist of Impact Investing

In 2023 local economies worldwide continued to grapple with the lingering economic effects of the global COVID-19 pandemic. Given the challenges and uncertainties of today's world it is even more important that we use available resources to build more resilient and sustainable economies for the future.

As government stimulus spending winds down in various sectors, impact investing can and should continue to play a significant role in addressing ongoing challenges such as climate change, poverty, and systemic inequality. Impact investing can encourage the innovation and ingenuity necessary to develop sustainable solutions.

In this new environment, it is vital that the private sector steps up by continuing to invest in impact projects that are sustainable and scalable. One way to facilitate these investment opportunities is by supporting organizations committed to making a difference. By adopting such strategies, we believe that we can make a lasting impact on communities and future generations.

Collaboration among and between public and private sectors will be key to maximizing the effectiveness of any impact investing strategy. Governments, corporations, nonprofits, and individuals must join forces, share knowledge and pool resources to address systemic issues. By working together, we can leverage our collective resources, human and financial, to create scalable solutions that have a far-reaching impact.

In the following annual report, we highlight our commitment to collaboration and partnerships that produced impact projects which demonstrate that market rate financial returns and positive impact can go hand in hand. We hope that these examples will stimulate you to explore ways in which you can commit more of your resources to impact investments.

A handwritten signature in black ink, appearing to read "Ron Homer". The signature is fluid and cursive, written in a professional style.

RBC GAM becomes signatory to the Operating Principles for Impact Management

In September 2023, RBC GAM adopted the Operating Principles for Impact Measurement (the “Impact Principles”) by the Global Impact Investing Network (GIIN) for two of our impact investment funds. Continued investment in our impact measurement capabilities is a key focus for the team. We believe the ability to transparently measure the environmental and social impact of our strategies will continue to be important to clients and consultants over the long term. The commitment to the Impact Principles applies to our U.S. impact investing strategies and our framework was independently verified by an external auditor. The Impact Principles were designed to promote transparency within the growing impact investment space. They have become the market standard for impact investors, deepening rigor and driving credibility within the financial services industry since the framework’s launch in 2019. In accordance with this commitment, RBC GAM has adopted the nine Impact Principles that are the industry’s leading investor framework for ensuring that impact considerations are integrated throughout the full lifecycle of an investment. We believe this further demonstrates our proficiency in impact measurement and seek to maintain and expand our competitive edge.



Celebrating twenty-five years of impact investing

2023 marked a quarter century of impact investing at RBC GAM. To honor this milestone, we reflected on the origin story, how things have changed since, and current opportunities for impact for long-standing social inequities.

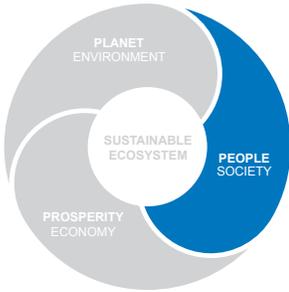
[View the Report here:](#)



[▶ The Navigator Podcast: A primer on impact investing – origins, perceptions and outlook](#)

[▶ The Navigator Podcast: Aligning assets for racial equity goals](#)

[▶ Impact Investing: The intersection of financial returns and positive impact](#)



Investing in the Next Generation: Child-Lens Investing

Investors continue to seek thematic alignment of portfolios to specific issues of importance to them. The year 2023 marked the rise of an innovative impact investment focus: Child-lens Investing (CLI). The framework was outlined by UNICEF, the international non-profit organization dedicated to “accelerating solutions to build a better world with and for children.”¹ CLI is “an approach to sustainable investing in which investors intentionally consider child-related factors to advance positive child outcomes while minimizing child harm.”² The idea is that portfolios can be constructed with child-related considerations at the center of the investment process while still prioritizing earning a financial return. The framework proposes that investing in children today is necessary for sustained economic growth in the future – making the approach not just an ethical imperative but also a smart business decision. Furthermore, CLI is in line with achieving the United Nations Sustainable Development Goals (SDGs) across a variety of themes, including quality education, good health and well-being, reduced inequalities, and climate action.

Children are perhaps the most vulnerable contingent of the world’s population. They are entirely dependent on adults to support and protect them financially, emotionally, and physically and they have very little decision-making power. Globally, over 1.2 billion children are living in poverty.³ In the U.S. the national child poverty rate was 16.9% as of 2021, with individual state rates as high as 27.7% (Mississippi) and as low as 8.1% (Utah).⁴

CLI is essentially acknowledging that investor actions can have an impact on children and seeking purposeful alignment with investing in the next generation. This emergent investment approach overlaps with other frameworks as well. For example, it has been shown that investments in high quality childcare can narrow the gender wage gap and benefit the overall economy by increasing women’s labor force participation, thereby increasing U.S. gross domestic product (GDP).⁵ Investments in quality education help prepare children for academic and professional success in the future. Studies have shown that children with better childcare and educational opportunities grow up to be healthier and are more likely to be gainfully employed. These workers then earn higher wages thus paying more taxes and reducing the need to depend on government support.⁶

As we delve into some of the impact themes investors prioritized this year, we want to keep the concept of CLI top of mind. Understanding the interconnectedness of investing in the next generation with gender equity, racial equity, economic development, and more is paramount.

¹ [unicef.org/innovation/what-we-do](https://www.unicef.org/innovation/what-we-do)

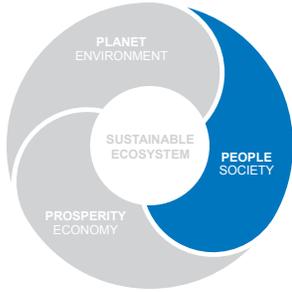
² PowerPoint Presentation [unicef.org/innovation/media/18541/file/Sept%202023%20Factsheet:%20Child-Lens%20Investing.pdf](https://www.unicef.org/innovation/media/18541/file/Sept%202023%20Factsheet:%20Child-Lens%20Investing.pdf)

³ [savethechildren.org/us/charity-stories/global-child-poverty](https://www.savethechildren.org/us/charity-stories/global-child-poverty)

⁴ Which states have the highest child poverty rates? [usafacts.org/articles/which-states-have-highest-child-poverty-rates/?utm_source=bing&utm_medium=cpc&utm_campaign=ND-Education-Childcare&msclkid=5eba365377291e96cc4253b68bc3aec9](https://www.usafacts.org/articles/which-states-have-highest-child-poverty-rates/?utm_source=bing&utm_medium=cpc&utm_campaign=ND-Education-Childcare&msclkid=5eba365377291e96cc4253b68bc3aec9)

⁵ An ambitious investment in child care can boost women’s labor force participation and narrow the gender wage gap | Economic Policy Institute [epi.org/publication/an-ambitious-investment-in-child-care-can-boost-womens-labor-force-participation-and-narrow-the-gender-wage-gap/](https://www.epi.org/publication/an-ambitious-investment-in-child-care-can-boost-womens-labor-force-participation-and-narrow-the-gender-wage-gap/)

⁶ It’s time for an ambitious national investment in America’s children: Investments in early childhood care and education would have enormous benefits for children, families, society, and the economy | Economic Policy Institute [epi.org/publication/its-time-for-an-ambitious-national-investment-in-americas-children/](https://www.epi.org/publication/its-time-for-an-ambitious-national-investment-in-americas-children/)



Critical themes highlighted in 2023

Inflation was top of mind for investors in 2023, a concern that loomed large amidst a backdrop of uncertainty. While the Federal Reserve's rate hiking agenda reduced inflation and created heightened demand for cash investments, bonds staged a comeback in the fourth quarter and delivered solid returns for the year. With yields at levels not seen in decades, market conditions created a myriad of opportunities for fixed income investors. Not standing on the sidelines, impact investors were highly engaged, seeking to obtain both competitive financial returns and positive social and/or environmental impacts with their assets. Some of the themes that our team prioritized this year included:

Gender-lens investing. At its core, gender-lens investing involves investing with a focus on gender-related data, analysis, and consequences, aiming to identify both risks and opportunities to advance gender equality. Women's empowerment is a pre-condition for social, political, and economic progress, yet even in 2023 there is work to be done to identify and eliminate the many gender disparities that still exist. These disparities have come into even sharper focus since 2020, when the COVID-19 pandemic magnified the existing inequalities in our society that women continue to face. Such discriminations include a sizeable pay gap, the proverbial corporate glass ceiling, sexual and domestic assault, and broad-based gender discrimination that can limit women's rights to own property and obtain financial assistance.

More individuals are recognizing that the pursuit of gender equality can be a force for economic strength and social betterment over the long run. According to a World Bank report published this year, global GDP could increase by 20% or more by closing the gender gap in employment and entrepreneurship.⁷ However, this same report also revealed that the gender gap in the global workplace is much wider than previously thought. Earlier studies indicated that approximately 75% of women shared the same legal rights as men; however, the World Bank report found that number to be closer to 66%, or two-thirds of women globally. Furthermore, when analyzing how economies performed in the areas of Safety and Childcare, most scored extremely poorly, meaning that women lack sufficient protections and supports to warrant them entering the workplace. These results highlight the importance of achieving gender equality, and why it is so necessary for women to have the policies in place to enable them to achieve economic and financial success.

Hand-in-hand with gender-lens investing is child-lens investing (CLI), which was also a key theme for us in 2023. In recognition of the fact that children are our future, supporting them through investments in the fields of childcare, education, housing, and healthcare has long been a focus of our team. As we evaluate potential investments with an eye towards how they would impact the lives of women and children, our team can help support progress toward gender equality to help ensure that the next generation has all that they need to thrive.

⁷ openknowledge.worldbank.org/server/api/core/bitstreams/d891abb1-ca9c-42cd-989f-32d3885189a2/content

Investments supporting women and children

Number of investments within impact portfolios supporting relevant UN Sustainable Development Goals



1,503

Investments supporting child-lens investing:

Small Business: **50%** of small businesses in the portfolios provide childcare, education, and specialty health care for children

Education: **70%** of educational-focused investments support early childhood and K-12 education



7

Supporting women in entrepreneurship:



*RBC U.S. Impact Bond Strategy



208

Gender-lens profile of our strategies:

Homeownership: **53%** of borrowers are women

Multi-Family Housing: **72%** of households are women-headed

Overall Gender-Lens: **53%** of portfolios are supporting women



71



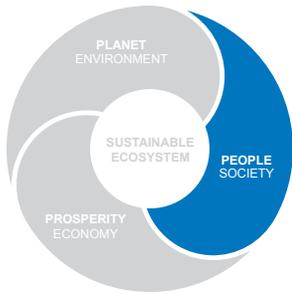
319



87

*RBC U.S. Impact Bond Strategy

**Frequently Asked Questions About Small Business, 2021, Small Business Administration



Indigenous Peoples. According to the World Bank, Indigenous Peoples (IP) are “distinct social and cultural groups that share collective ancestral ties to the lands and natural resources where they live, occupy or from which they have been displaced.”⁸ Within the United States, the largest population of Indigenous Peoples are the American Indian and Alaska Native peoples (U.S. Indigenous Peoples or U.S. IP). According to the 2018 census report, there are approximately 10 million IP in the United States, many of whom face social and economic hardship. In addition to often being met with discrimination and prejudice, many continue to face adversities including shorter life expectancy, higher suicide rates, an increased likelihood of experiencing a violent crime, higher than average poverty rates, and lower than average levels of education.

Despite legislation prohibiting discrimination based on race, color, religion, national origin or sex, millions of Americans are treated unfairly due to any of these factors. To reduce the disparities between U.S. IP and other populations, additional supports from institutional service providers such as government agencies, social workers, medical professionals, and educators are needed. However, the financial sector, including private and institutional investors, can also support U.S. IP through impact investing that focuses on increased access to capital, education, healthcare, and environmental protections while promoting racial equity. The high quality, liquid fixed income market provides many opportunities to do this without sacrificing liquidity or safety, allowing investors to structure their impact investing portfolios to support racial equity and remove obstacles for advancement for U.S. IP.

Read more:



⁸ [worldbank.org/en/topic/indigenouspeoples#:~:text=Indigenous us%20Peoples%20are%20distinct%20social,which%20they%20have%20been%20displaced](https://worldbank.org/en/topic/indigenouspeoples#:~:text=Indigenous%20Peoples%20are%20distinct%20social,which%20they%20have%20been%20displaced)



Small businesses in under-resourced communities. The U.S. is home to some of the largest corporations in the world but the bread-and-butter of our economy are small businesses, which play important roles in both their communities and in the generation of GDP of the U.S. economy. When comparing small businesses to large, small businesses stand out. Small businesses combined provide more jobs than their larger counterparts, tend to pay increased and closer attention to their customers, and can pivot faster if the need arises. There are many reasons why it is important to support small business creation, development, and longevity, but it is the impact that they have on their communities that makes the biggest difference.

For example, sales taxes derived from small business revenue stay local and, in most cases, get invested back into the community. So, the higher the tax revenue derived from these businesses, the more money that could be used to fund community improvements such as parks, infrastructure, or recreation centers. Additionally, small business owners often support other organizations and neighbors within the community, sponsoring local youth sports teams, participating in holiday celebrations, donating to nonprofits and charities that support their communities, and hiring employees from within their community.

However, small business owners and entrepreneurs face a host of challenges. While finding capital to start and sustain their business is often the most challenging issue, other hurdles such as achieving targeted growth rates, hiring and retaining top talent, and ensuring access to management training all must be overcome for a business to survive. Given that 20% of small businesses close in their first year,⁹ it is important to invest in entrepreneurs, small business owners, and the communities they serve.

Read more:

⁹[linkedin.com/pulse/small-business-statistics-2022-recap-what-failuresuccess#:text=Starting%20a%20small%20business%20is,70%25%20by%20the%20tenth%20year](https://www.linkedin.com/pulse/small-business-statistics-2022-recap-what-failuresuccess#:text=Starting%20a%20small%20business%20is,70%25%20by%20the%20tenth%20year)



Our impact investing work was featured on Institutional Investor’s Fireside Chat Series.

Watch the series:



How Ron got into impact investing
(4 minutes)



Evolution of impact investing over the years
(3 minutes)



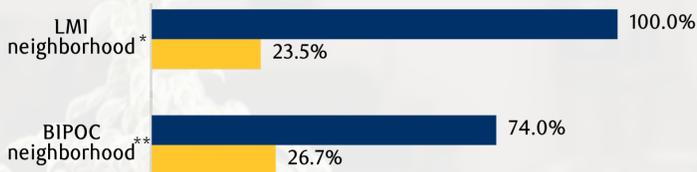
Today’s opportunities in impact investing
(5 minutes)

Small business

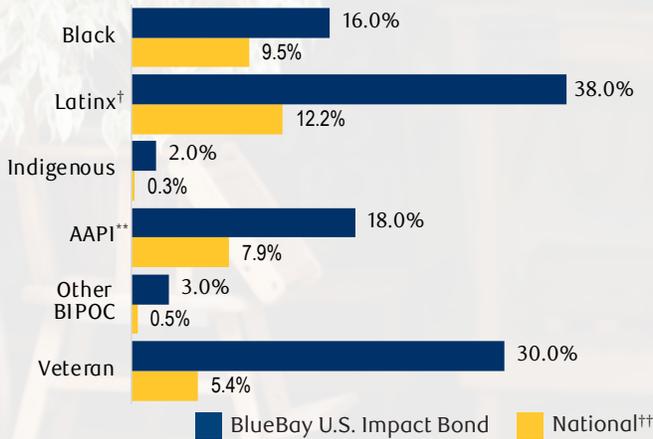
Investments supporting small business

- 152** | new Small Business Association (SBA) loans purchased
- 621** | new affordable rental units (Impact Bond strategy)
- 134** | loans were Community Development Financial Institutional (CFDI)-originated

Small businesses by neighborhood served



Entrepreneurship profile comparison



[Contact us](#) for more data across all our themes – affordable home ownership, education, climate change solutions, health and wellness, multi-family affordable housing, supporting small business, and clean water and sanitation.

Source: RBC GAM, US Census Bureau

*LMI – Low-to-Moderate Income

**BIPOC – Black, Indigenous, and People of Color; AAPI – Asian Americans and Pacific Islanders

† People of Latin American origin or descent

†† Frequently Asked Questions About Small Business, 2021, Small Business Administration





Energy-efficient infrastructure. Over the past three years, energy prices, like prices of most goods and services, have increased substantially. According to the U.S. Bureau of Labor Statistics, prices for electricity are 23.6% higher in 2024 versus 2021.¹⁰ While this has served to increase the attention consumers pay to their level of energy consumption, it has also reinforced the importance of building energy-efficient infrastructure and modifying existing structures to become more energy efficient. Most will not be surprised to learn that electricity consumption increased 14-fold from 1950 to 2022 given the advances in technology.¹¹ But it is not just cell phones and laptops that are increasing the demand for energy. In 2022, residential properties accounted for 38% of U.S. total electricity use.¹²

Passed in 2022, the Inflation Reduction Act contains a broad range of incentives to reduce residential energy consumption, including nearly \$12 billion allocated to Community Development Finance Institutions (CDFIs) to support mortgage loans to finance energy conservation in multi-family housing developments. The benefits of investing in energy-efficient infrastructure are myriad. Not only can this approach lower utility bills for residents, but it could mitigate risks associated with volatile energy prices and regulatory changes, increase property values and market demand, and reduce greenhouse gas emissions and environmental degradation, all while demonstrating a commitment to sustainability and social and environmental responsibility. Infrastructure that is designed for energy efficiency offers financial, social, and environmental benefits that are increasingly valued by investors seeking to optimize returns while minimizing risks and contributing to sustainable development.

Investments supporting a sustainable planet:

Investing in planet:

Portfolio investments in clean water and sanitation

- BlueBay U.S. Impact Bond
- Bloomberg U.S. Aggregate Index

Investing in solutions



Avoiding harm



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

697

11 SUSTAINABLE CITIES AND COMMUNITIES

1,533

¹⁰ in2013dollars.com/Electricity/price-inflation/2021-to-2024?amount=100

¹¹ css.umich.edu/publications/factsheets/built-environment/residential-buildings-factsheet

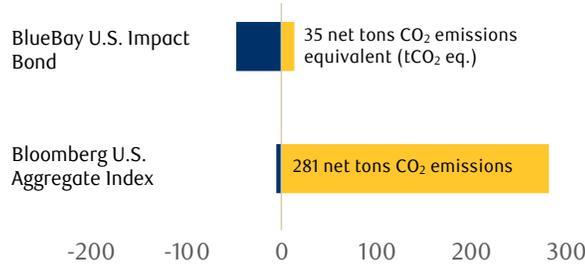
¹² eia.gov/energyexplained/electricity/use-of-electricity.php

Investing in planet:

Measuring carbon footprint

Net carbon emissions per \$1M invested

- Displaced emissions
- Emissions



Source: RBC GAM. Comparison of the carbon footprint for the Bloomberg U.S. Aggregate Index vs. Impact Bond, per \$1M invested. The comparison is based on the representative account, which is the account in the composite that most closely reflects the current portfolio management style for this strategy. Impact is measured using the investment team’s proprietary impact measurement methodology. For more information on the impact measurement methodology, please contact us at us.rbcgam.com/contact-us/form/default.fs. The Bloomberg U.S. Aggregate Index is an unmanaged index that measures the performance of U.S. investment-grade fixed income securities. An investor may not invest directly in this index. We define net carbon negative as occurring when the fund’s avoided GHG emissions exceed the fund’s GHG emissions produced, calculated per million dollars invested (unit = t CO₂ equivalent/\$M invested). Calculations are inclusive of all fund assets, excluding treasury. GHG emissions (t CO₂ eq.) are inclusive of Scope 1 and 2 emissions, and may consider Scope 3 emissions when applicable and available. Multiple data sources are used for GHG emissions data and include: reported data from issuers, reported and estimated data from third party vendors, and sector- and industry-level data from government and academic entities. Gaps in data may exist as climate data and disclosures continue to evolve. Our calculation methodology considers relevant standards and practices, and is proprietary to the Impact Investment team. We will regularly review and enhance our data inputs and calculation methodology to reflect improvements in climate data availability and quality, and advancements in the measurement of climate impact. For more information and details on our methodology, please contact us at institutional.rbcgam.com/en/us/contact

Impact investment examples

The BlueBay Fixed Income team is committed to providing investors with transparency around the specific investments we make on their behalf. Below are a few examples of 2023 investments in our strategies across a variety of themes and geographies.

St. Paul’s Square at Adriatica Village – McKinney, TX



Adriatica Village is an apartment complex with retail shops and restaurants in a Texas suburb located 30 miles north of Dallas. The complex is ‘Green Globes Multifamily for Existing Building’ certified. This is a sustainability certification program developed by the Green Building Initiative (GBI) and provides a framework for assessing and improving the environmental performance of existing multifamily buildings. Like LEED (Leadership in Energy and Environmental Design), this certification evaluates aspects of a building’s sustainability, including energy efficiency, water conservation, indoor air quality, materials selection, and overall environmental impact. Recognized by many lenders, including Fannie Mae, builders and developers may be able to lock in

lower interest rates for their investors because of this certification.

- Multi-family complex, modeled after a village in Croatia, has 211 units offering 1-, 2- or 3-bedrooms and amenities include pool/spa, clubhouse & game room, fitness center and recreational parks.
- Property complex is Green Globes Multifamily for Existing Building certified, meaning the building has greater than 15% energy consumption savings.¹³
- Green Globes is a holistic certification framework that encompasses the key dimensions of environmental sustainability, health and wellness, and resilience across various types of commercial real estate.
- The pursuit of environmental goals via the Green Globes framework often results in decreased energy and water expenses, diminished emissions, enhanced health advantages, and less waste.



¹³ thegbi.org/greenglobes/multifamily-eb/

SouthEast Alaska Regional Health Consortium – Sitka, AK



The SouthEast Alaska Regional Health Consortium (SEARHC) is a non-profit organization that provides comprehensive healthcare services to the residents of Southeast Alaska. Founded nearly 50 years ago under the provisions of the Indian Self-Determination Act, SEARHC has helped to foster the health and well-being of the Alaskan communities it serves.

For many Indigenous Peoples, Western medical providers are often met with skepticism and distrust. A recent study revealed that U.S. Indigenous Peoples have a deep distrust for the mainstream healthcare system resulting from previous experiences of discrimination.¹⁴ An unwillingness to seek medical care, particularly for mental health issues, may be a contributor

to the higher-than-average rates of depression and suicide within this population.¹⁵ Bringing certified medical care to U.S. Indigenous Peoples through organizations such as SEARHC greatly increases the quality and length of life for many living in these communities.

- One of the nation's oldest Indigenous-run health organizations and one of the largest Indigenous healthcare networks in the country.
- Non-profit formed in 1975 by 15 Alaskan Native groups with a mission to provide the best healthcare for Alaska Native communities.
- Service territory covers a population of approximately 71,000 people.
- Operates two medical centers, 17 primary care clinics, and has some other operations in 27 communities.
- One of the largest employers in southeast Alaska.



Professional training for first responders – Las Vegas, NV



This company is a professional training provider for first responders and those that serve the public. It offers customized training programs tailored for the needs of each customer. All instructors are highly trained experts and have real life experience in various rescue scenarios, enabling the company to provide the highest quality and most comprehensive training programs to their clients. The company offers training in four distinct but related areas: helicopter rescue, tactical medicine, mountain rescue and safety auditing. The company was founded by two veterans of the Las Vegas Metropolitan Police Department in memory of a former colleague and search & rescue officer who lost his life during a helicopter rescue

operation in 2013. Headquartered in a majority-BIPOC neighborhood, the firm provides training that is essential to preparing first responders to effectively attend to a wide variety of emergencies, protect lives, and uphold public safety and confidence in emergency response services.

- Veteran-owned small business providing professional training for first responders.
- Employs an elite group of tactical medicine, search and rescue, military, and utility and public safety aviation experts.
- Training programs for helicopter rescue, tactical medicine, mountain rescue, and safety audits are customized to fit any agency and operation.
- Located in a 91% BIPOC/56% Latinx moderate-income tract neighborhood.



¹⁴ hsph.harvard.edu/news/press-releases/poll-native-americans-discrimination/

¹⁵ madinamerica.com/2023/04/how-historical-trauma-and-racism-impact-mental-healthcare-for-native-american-communities/

Investment Spotlight

Dr. Kendyl Tarver



“Having a daycare during the pandemic was so stressful.”

Kreative Learning Academy – Phenix City, AL



Kreative Learning Academy is a women- and Black-owned early childhood education center based in Phenix City, Alabama. The center’s owner, founder and director, Dr. Kendyl Tarver, is a native of Phenix City and is a former educator and coach. According to the center’s website, its mission is to “integrate a learner-centered curriculum design with traditional manners and values” while fostering cultural diversity and creating a life-long interest in learning.¹⁶

Kreative Learning Academy (KLA) was started in the midst of the COVID-19 pandemic in 2021. During this time, Dr. Tarver, like many small business owners, struggled to find employees who were willing to come to work during the pandemic. This created intense emotional stress and nearly caused her to close her business. “Having a daycare during the pandemic was so stressful.” Dr. Tarver faced many challenges to keeping her business open during this first year, leading her to apply for a small business loan to ameliorate her financial situation and lessen the stress of running the business on a day-to-day basis.

Dr. Tarver researched small business loan options and decided that she would apply for one through Community Reinvestment Fund, USA (CRF), a Minneapolis-based CDFI. CRF and other CDFIs like them play a critical role in addressing the financial needs of underserved loan applicants by offering accessible capital, personalized support, and community-focused solutions to promote economic empowerment and financial inclusion.

Over the years, the BlueBay Fixed Income team has been able to acquire some of CRF’s high impact small business loans for our clients. One such client is Cadence Design Systems. Cadence provides electronic design automation (EDA), software, intellectual property (IP), and system design and analysis products that are integral to manufacturing semiconductor chips. In March 2023 Cadence announced plans to invest \$50 million into the BlueBay U.S. Access Capital Community Investing strategy, an impact investment strategy that supports lending in historically underserved communities by investing in U.S. government-backed securities. Together with RBC GAM, Cadence sought to achieve their goal to positively support underserved Black and Latinx individuals both nationwide and in those communities where Cadence has significant operations and a strong presence. CRF-originated loans like the one made to KLA provide clients with the investment returns they expect and the positive social and environmental impacts they desire.

Dr. Tarver has a passion for working with children, and after applying and receiving approval for the loan from CRF, she was better positioned to financially support and grow her business as she needed in the short term. And as the pressure of managing KLA abated, she was able to look to the future and discovered that her vision over the long term was to become an entrepreneur. She appreciates that the impact investing partnership between the BlueBay Fixed Income team and Cadence is helping BIPOC communities and new small business owners like herself. Dr. Tarver believes that because of this loan, she was able to create a special and unique childcare center that provides students with the resources they need to succeed not only in school, but also in life.

This case study is a prime example of an impact investment that fits under the Child-Lens and Gender-Lens umbrella, while also supporting a Black woman entrepreneur whose business is serving a low-income Black community. Looking ahead, we will continue to seek out these types of high quality, high impact loans for our client portfolios across our impact investing strategies. In this way, our clients achieve their goals of making positive changes in communities while simultaneously earning financial returns.



¹⁶ kreativelearningacademy.com/

Impact results

Investments across our impact strategies

Real World Impact*

21,882 | Low- to moderate-income home buyers

101 | Rural enterprise projects

106,173 | Affordable rental units

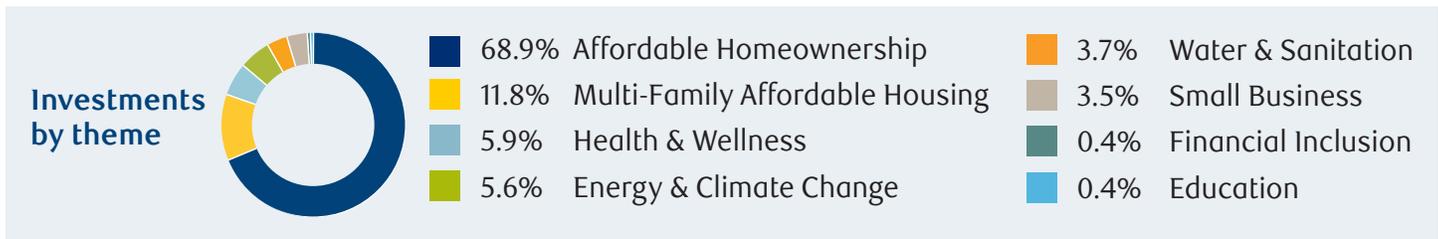
1,032 | Small business loans

6,071 | Nursing home facility beds

145 | Community economic development projects

27 | Rural housing

17 | Community-based not-for-profit organizations



BlueBay U.S. Impact Bond Strategy

24.67% | Affordable Homeownership

21.11% | Health & Wellness

20.01% | Energy and Climate Change

13.20% | Water & Sanitation

10.12% | Multi-Family Affordable Housing

10.89% | Other

BlueBay Access Capital Community Investing Strategy

83.48% | Affordable Homeownership

12.47% | Multi-Family Affordable Housing

4.03% | Small Business

0.03% | Other

*Real World impact of BlueBay Access Capital Community Investment strategy

Affordable housing profile across strategies

Tenant Profile*

\$22.5K Average annual income
 \$363 Average monthly rent
 64% of tenants are BIPOC
 56% of households are headed by a senior (62 or older)
 20% of households have a family member with a disability

*Based on 159 properties where data is available.



of properties have over 50% of units reserved for LMI families
 Source: across all our impact strategies



of units are women-headed households



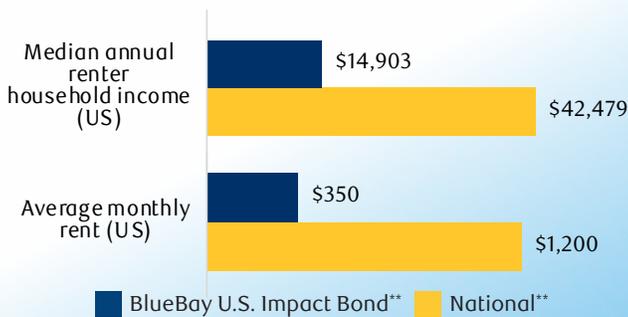
of units at or below 80% of AMI

Multi-Family Mortgage Loan Detail



\$112M Total invested
 241 Properties financed
 28,096 Units financed

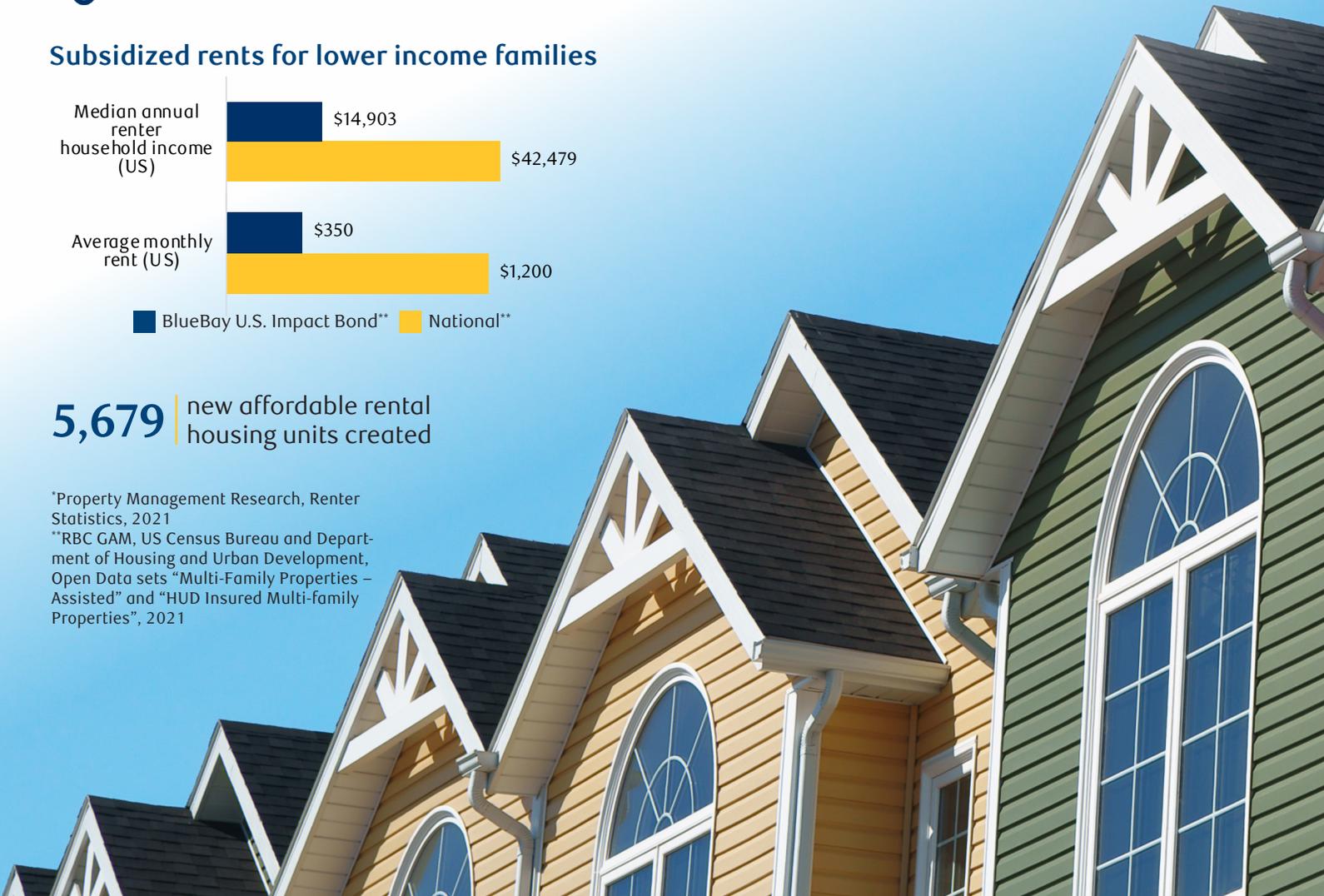
Subsidized rents for lower income families



5,679 new affordable rental housing units created

*Property Management Research, Renter Statistics, 2021

**RBC GAM, US Census Bureau and Department of Housing and Urban Development, Open Data sets "Multi-Family Properties - Assisted" and "HUD Insured Multi-family Properties", 2021



Affordable home ownership profile across strategies

Mortgage Loan Detail



\$655M Total invested
 7,366 Loans financed
 \$190K Average home loan size
 4.28% Average interest rate

802 | new low-to-moderate income home buyers

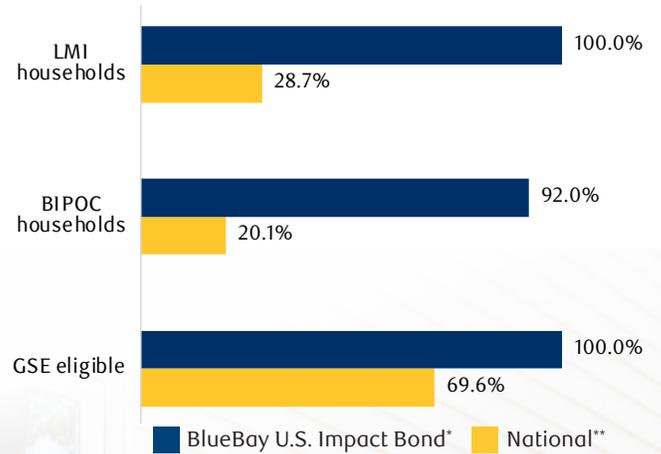
Borrower Profile



100% Low-to-moderate income
 \$60K Average borrower income
 64% Average borrower income as a % of AMI
 53% of borrowers are BIPOC*
 17% of borrowers are first time home-buyers*

As of 12.31.23 – BlueBay U.S. Impact Bond strategy

Homeownership profile comparison



GSE - Government-Sponsored Enterprise

*RBC GAM, U.S. Census Bureau
 **Consumer Financial Protection Bureau,
 "Data Point: 2019 Mortgage Market Activity
 Trends Report", June 2020



What's next

The year 2023 marked some significant changes to a landmark federal law that was originally enacted in 1977: The Community Reinvestment Act (CRA). This law requires banks to meet the credit needs of the communities in which they operate. Federal banking regulators monitor banks' compliance to CRA and evaluate their performance. The BlueBay Access Capital Community Investment strategy has long been used by banks seeking to gain targeted CRA Investment Test credit. Historically, the activities in Access Capital qualified only under the Investment Test Credit, which was an optional activity to boost ratings. However, the 2023 final rule now makes the strategy a qualified Community Development Activity, which represents roughly 50% of a bank's CRA rating. These new regulations expand the focus of many banks' targeted CRA activities to broader geographic regions than existing regulations which we expect will also expand the demand for new CRA investments. New regulations also give special attention to partnerships with mission related investors such as CDFIs and Minority-Deposit Institutional (MDI). We applaud the intention of the new regulation to give more credit to the important role these lenders play, and we look forward to our continued partnerships with these entities.

It is not just banks, however, who are seeking to increase their support of MDIs and CDFIs. We have seen a marked increase of interest in this space over the past several years and expect it to continue. Impact investors across the spectrum – banks, foundations, corporations and more – are realizing the powerful role these originators play in bridging the gap in financing for underserved communities, and more and more want to support these efforts. As we look to the future, we expect to see continued growth in this support and are seeking innovative ways to utilize our clients' impact investments in ways that can benefit CDFIs and MDIs in a way that is scalable, repeatable, and sustainable.

Related resources



[2022 Annual Impact Investing Report](#)



[Reflections on the COP28 Climate Change Conference](#)

Commitments



[Our commitments | RBC Global Asset Management - Institutional \(rbcgam.com\)](#)

Impact investing team biographies



Brian Svendahl, CFA
Managing Director & Senior Portfolio Manager, U.S. Fixed Income

Brian is a managing director and a senior portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (U.S.) Inc. He has had a leadership role within the Minneapolis-based fixed income group since 2012 and has been the lead portfolio manager for the firm's impact investing strategies since 2006. He also managed many government and mortgage strategies. Brian joined the organization in 2005, having held risk management, research, and trading positions with a large American multinational financial services company since 1992. Brian holds an MBA, a BBA in Finance, and a Bachelor of Science in Economics from the University of Minnesota. He is also a CFA® charterholder and a Financial Risk Manager (FRM®).



Mindy Frye
Institutional Portfolio Manager

Mindy is an institutional portfolio manager at RBC Global Asset Management (US) Inc. specializing in impact investing within the fixed income market. In this role, she leads product management efforts for the firm's impact investing strategies while providing product expertise for our sales and client service engagement teams. Mindy works closely with the portfolio management team to help ensure the integrity of the investment philosophy and process and adherence to client objectives. She also supports the initiatives of chief strategist of Impact Investing, producing thought leadership and educating investors about impact investing opportunities. Before joining RBC GAM in 2017, Mindy was a senior manager at a global, U.S.-based asset management firm, where she led a team responsible for performance and asset reporting, having earlier worked as a senior investment analyst at a private investment firm and as a manager of client service for a registered investment advisory. Mindy started her career in the financial industry in 2002.



Eric Hathaway, CFA
Senior Portfolio Manager, U.S. Fixed Income

Eric is a senior portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc. focused on U.S. fixed income and managing impact investing strategies. In this role, he oversees the asset-backed securities effort and supports mortgage-backed mandates. Eric joined RBC GAM in 2006 as an analyst researching all areas of the rates market. Prior to joining the organization, Eric had held various positions in treasury and risk management at a large U.S. investment management company. He started his career in the investment industry in 2001.



Valinie A. Dayaljee
Assistant Portfolio Manager

Valinie is an assistant portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc. In this role, she focuses on U.S. fixed income, primarily municipal bonds, and government and money market instruments. Valinie also provides implementation and portfolio management support for the government and impact strategies. Valinie assumed her current role in 2022, having earlier worked as a fixed income analyst for about three years and as junior fixed income analyst for nearly the same duration. Prior to joining the organization in 2015, she worked on the funding desk of a Minneapolis-based bank holding company as an operations funding associate. Valinie started her career in the investment industry in 2014.



Ao Vang
Client Service Analyst

Ao Vang is a client service analyst within our Client Solutions Team supporting operating assets and liquidity pools at RBC Global Asset Management (U.S.) Inc. In this role, she works with our institutional impact investing clients while collaborating closely with the fixed income investment team to pursue each client's impact goals. She joined our impact investing team in 2021. She originally worked at RBC GAM from 2015 to 2020 as a relationship manager and trader supporting our efforts to grow our public entities business. She has also worked as a relationship manager and in fund valuation for other investment firms. She joined the financial industry in 2011.



Ronald A. Homer
Chief Strategist, US Impact Investing

Ron is chief strategist, U.S. Impact Investing, on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focused on U.S. fixed income. His background and extensive experience in community investing enables him to identify a broad range of solutions for clients. Ron is often sought to consult with leading government officials on a variety of community impact issues. Prior to joining the organization in 2008, he was the co-founder and chief executive officer of the investment adviser specializing in community investments that was acquired by RBC GAM in 2008. Previously, Ron worked for 13 years as the president and chief executive officer of a large bank in Boston. He started his career in the investment industry in 1969.



Raye C. Kanzenbach, CFA
Senior Portfolio Manager, U.S. Fixed Income

Raye is a BlueBay senior portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focused on U.S. fixed income. In this role, he is responsible for researching municipal bond securities. He is also a portfolio manager for several tax-exempt and community investing mandates. Raye has worked in fixed income research and portfolio management since joining the firm in 1983. Previously, he had worked at a Minnesota-based regional bank holding company, where he managed municipal bond and money market funds in addition to supervising municipal and credit research. Earlier, he worked as an investment officer at an insurance company. Raye started his career in the investment industry in 1973.



Teri Savage
Senior Trader, U.S. Fixed Income

Teri is a senior trader on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focused on U.S. fixed income. She plays a key role in trading securitized products with a focus on mortgage-backed securities and asset-backed securities. Prior to joining RBC GAM in 2021, Teri worked with global investment managers in New York City, where she was responsible for managing and trading securitized products for multi-sector portfolios. She began her career in the investment industry in 1998.



Karen Ly
Assistant Portfolio Manager, U.S. Fixed Income

Karen is an assistant portfolio manager on the BlueBay Fixed Income team at RBC Global Asset Management (US) Inc., focusing on U.S. fixed income and serving a dual role of both a data analyst and a money market trader. As part of her role, she provides insight into markets, portfolios, and impact investment using data science to analyze and interpret large data sets. Karen assumed this role in June 2023 after working as a fixed income analyst for nearly five years and as a junior fixed income analyst since joining the firm in 2017, which is when she started her career in the investment industry.

The US Fixed Income Team is additionally supported by the global Responsible Investing team.

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