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**BNY MELLON**

# FLOATING RATE CREDIT STRATEGY OVERVIEW

ASSET CLASS	REP PORTFOLIO AVERAGE YIELD TO EXPECTED MATURITY (EUR) <sup>1,2</sup>	REP PORTFOLIO AVERAGE EXPECTED MATURITY <sup>1,2</sup>	REP PORTFOLIO INTEREST RATE DURATION <sup>1,2</sup>	REP PORTFOLIO AVERAGE RATING <sup>1,2</sup>
FIXED INCOME	5.57%	3.64 years	c.3months	BB-

## THE INVESTMENT COMPANY



Insight Investment was formed in 2002 and is at the forefront of developing new ways of investing, providing institutional investors with access to innovative investment strategies, coupled with robust risk management techniques.

Firm AUM: **\$853.4bn<sup>1</sup>**

**Signatory to UN PRI since 2006.**

## THE PHILOSOPHY

The strategy is actively managed and benchmarked against the 3-month EURIBOR. The philosophy of the strategy is centred around Floating Rate Notes (FRN). These have a variable coupon linked to a reference rate. FRNs still possess credit risk, however unlike fixed bonds whose prices generally we believe fall as yields adjust upwards, FRNs typically retain their value regardless of the prevailing interest rate environment.

## WHY CHOOSE THIS STRATEGY?

### POTENTIAL FOR HIGHER INCOME AND CAPITAL PROTECTION

Inverted yield curves currently offer investors scope for harvesting higher income at shorter maturities. Combined with the limited duration risk offered by floating rate credit, short-dated floating rate credit may additionally provide enhanced capital protection versus fixed rate bonds should yields rise further.

### ATTRACTIVE VALUATIONS

After successive rate hikes, corporate credit spreads have widened considerably causing a revaluation of credit markets, offering an attractive entry point.

### ISSUER RESILIENCE

Corporate balance sheets are healthy and look able to withstand weaker economic environment. In this sense, default risk appears modest for sub-investment grade issuers.

1. Source: Insight as at 30 June 2025.

2. The representative portfolio adheres to the same investment approach as BNY Mellon's Floating Rate Credit Strategy.

## THE MANAGEMENT TEAM



### Ulrich Gerhard

Uli joined Insight in September 2011 as a Senior Credit Analyst within the Fixed Income Group. He became a Portfolio Manager in June 2012 and is responsible for the high yield strategy. Prior to joining Insight, Uli was a senior analyst and portfolio manager at Paternoster Services Ltd where he was responsible for managing investment grade sterling portfolios.

**Joined Insight:** 2021

**Joined industry:** 2006



### Catherine Braganza

Cathy joined Insight in September 2012 as a Senior Credit Analyst within the Fixed Income Group. Prior to this role she worked at Citi where she was an Analyst focussing on high yield and distressed stocks. Cathy has previously worked as a Portfolio Manager at Saudi International Bank (now Gulf International Bank).

**Joined Insight:** 2012

**Joined industry:** 1994



### Lorraine Specketer

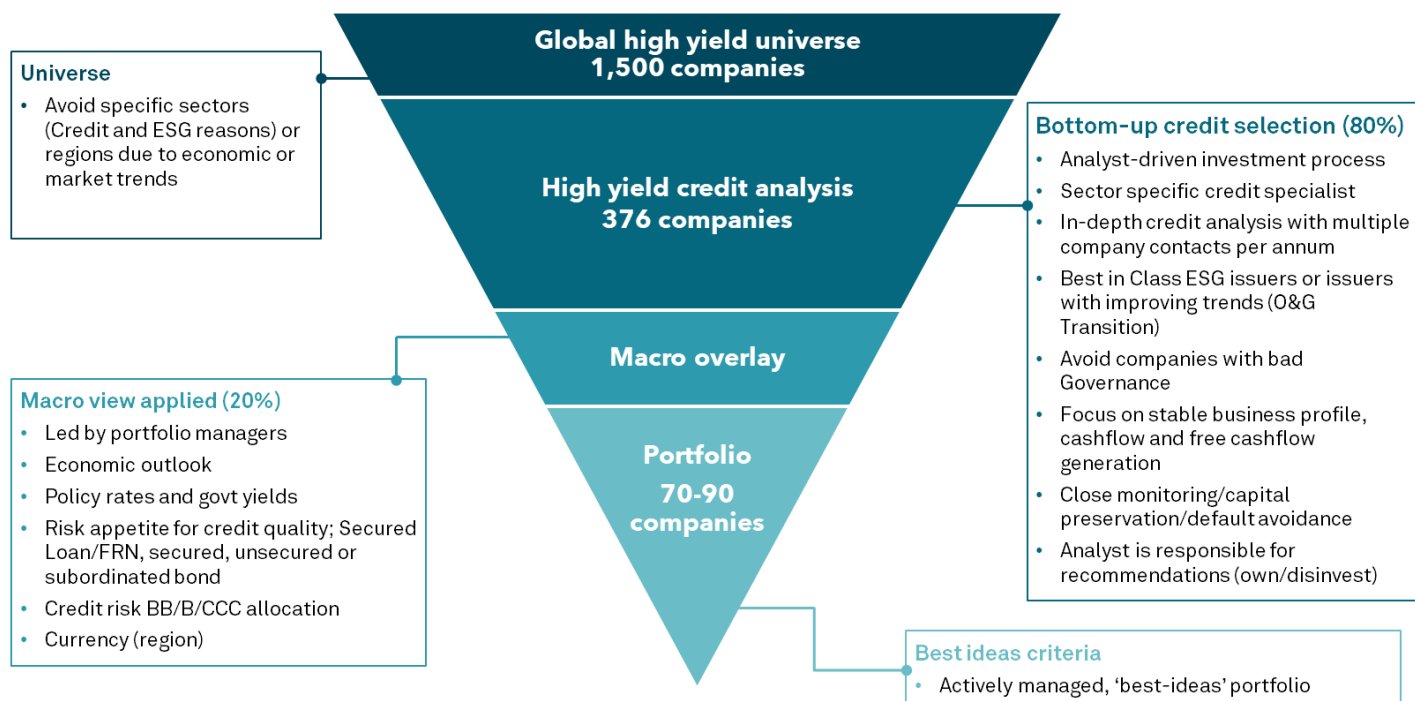
Lorraine joined the Fixed Income Group at Insight in July 2007 to help establish and manage the loan platform and is the portfolio lead on the Loan Strategy, as well as being responsible for Insight's leveraged loan investments, more widely. Prior to joining Insight, Lorraine worked at Bayern LB for five years, latterly as an associate in the Acquisition & Leveraged Finance Team where she was part of a deal team that sourced and transacted loans.

**Joined Insight:** 2007

**Joined industry:** 2007

Investment Managers are appointed by BNY Mellon Investment Management EMEA Limited (BNYMIM EMEA), BNY Mellon Fund Managers Limited (BNYMFML), BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML) or affiliated Fund operating companies to undertake portfolio management activities in relation to contracts for products and services entered into by clients with BNYMIM EMEA, BNY MFML or the BNY Mellon Funds.

## INVESTMENT PROCESS – WHY ARE WE DIFFERENT?



Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed.

## BNY MELLON FLOATING RATE CREDIT STRATEGY

## OBJECTIVE

The Strategy aims to generate a return of income and capital growth through investing in a global portfolio of floating rate debt and debt related securities and related FDI.

## BENCHMARK

The Strategy will measure its performance against the 3-month EURIBOR (the "Cash Benchmark"). EURIBOR is the Euro Interbank Offer Rate and is a reference rate that is constructed from the average interest rate at which Eurozone banks offer unsecured short-term lending on the inter-bank market.

The Strategy uses the Cash Benchmark as a target against which to measure its performance on a rolling annualized 3-year basis after fees.

The Strategy is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policy.

## 12-month returns (%)

Period	Jun-2024 to Jun-2025	Jun-2023 to Jun-2024	Jun-2022 to Jun-2023	Jun-2021 to Jun-2022	Jun-2020 to Jun-2021
<b>Floating Rate Credit Strategy - Representative Portfolio</b>	6.59	10.88	-	-	-
<b>Benchmark</b>	2.82	3.89	-	-	-

Source: Insight as at 30 June 2025. Performance calculated as total return, income reinvested, gross of fees, in EUR. Fees and charges apply and can have a material effect on the performance of your investment. Insight claims compliance with the Global Investment Performance Standards (GIPS). A GIPS compliant presentation is available upon request via your BNY Investments EMEA contact. Strategy inception date: 26 June 2023.

## KEY INVESTMENT RISKS

- **Objective/Performance Risk:** There is no guarantee that the Strategy will achieve its objectives.
- **Currency Risk:** This Strategy invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Strategy.
- **Geographic Concentration Risk:** Where the Strategy invests significantly in a single market, this may have a material impact on the value of the portfolio.
- **Derivatives Risk:** Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Strategy can lose significantly more than the amount it has invested in derivatives.
- **Changes in Interest Rates & Inflation Risk:** Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the portfolio.
- **Credit Ratings and Unrated Securities Risk:** Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the portfolio.
- **Credit Risk:** The issuer of a security held by the Strategy may not pay income or repay capital to the Strategy when due.
- **Emerging Markets Risk:** Emerging markets have additional risks due to less-developed market practices.
- **Counterparty Risk:** The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Strategy to financial loss.
- **Environmental, Social and Governance (ESG) Investment Approach Risk:** The Strategy follows an ESG investment approach. This means factors other than financial performance are considered as part of the investment process. This carries the risk that the Strategy's performance may be negatively impacted due to restrictions placed on its exposure to certain sectors or types of investments. The approach taken may not reflect the opinions of any particular investor. In addition, in following an ESG investment approach, the Strategy is dependent upon information and data from third parties (which may include providers for research reports, screenings, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent.
- **New Fund Liquidity Risk:** This Strategy is not expected to hold investments which would be considered illiquid, however, while the Strategy is being established, it is possible that the liquidity profile of the Fund may fluctuate.
- **Volcker Rule Risk:** The Bank of New York Mellon Corporation or one of its affiliates ("BNYM") has invested in the Strategy. As a result of restrictions under the "Volcker Rule," which has been adopted by U.S. Regulators, BNYM must reduce its shareholding percentage so that it constitutes less than 25% of the Strategy within, generally, three years of the Strategy's establishment (which starts when the Fund's manager begins making investments for the Strategy). Risks may include: BNYM may initially own a proportionately larger percentage of the Strategy, and any mandatory reductions may increase Strategy portfolio turnover rates, resulting in increased costs, expenses and taxes. Details of BNYM's investment in the Strategy are available upon request.

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