

# U.S. MUNICIPAL INFRASTRUCTURE DEBT STRATEGY

ASSET CLASS	REP. PORTFOLIO INCEPTION DATE	US MUNICIPAL DEBT ISSUERS AVERAGE RECOVERY RATE VS GLOBAL CORPORATE ISSUERS	BLOOMBERG MUNI INDEX CORRELATION WITH BLOOMBERG CORPORATE INDEX	INVESTMENT GRADE : US MUNICIPALS AND CORPORATES ISSUER DEFAULT HISTORY
INFRASTRUCTURE DEBT US MUNICIPAL	19/04/2017 <sup>1</sup>	67% vs 47% <sup>2</sup>	0.73 <sup>3</sup>	0.09% vs 2.23% <sup>4</sup>

## 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.

AUM: **\$853.4Bn**<sup>5</sup>

Signatory to UN PRI since 2006.

## THE PHILOSOPHY

The investment team seeks to capture excess yield through investing predominantly in taxable and tax-exempt municipal bonds issued to finance infrastructure sectors and projects in the US. With an emphasis on revenue infrastructure municipal bonds, investors participate in the rebuilding of America's roads, bridges and other vital projects.

## WHY CHOOSE THIS STRATEGY?

### CAPTURING EXCESS YIELD

US municipal infrastructure bonds offer favourable yields in comparison to high-quality sovereign bonds, with typically higher credit ratings, lower rates of default and greater average recovery rates than US investment grade corporate bonds.

### ABILITY TO INCREASE OVERALL RISK-ADJUSTED RETURNS

Municipal bonds have historically demonstrated limited price volatility compared to other fixed income securities and offer potential diversification benefits due to their low correlation with other asset classes.

### DEFENSIVE BEHAVIOUR DURING RISING RATE ENVIRONMENTS

US municipals have historically demonstrated muted sensitivity to Fed funds tightening cycles, with their lower volatility characteristics helping to mitigate negative price effects of rising interest rates.

1. The representative portfolio adheres to the same investment approach as the BNY Mellon U.S. Municipal Infrastructure Debt Strategy.
2. Moody's Investors Service as at 19 July 2023, average corporate debt recovery rates for senior unsecured bonds 1970-2020.
3. Source: Barclays, Merrill Lynch and Bloomberg as at 30 June 2025 based on total returns since 1 January 1997. Data is gross of fees in USD.
4. Source: Moody's cumulative default rates by rating category, 1970-2020
5. Source: Insight as at 30 June 2025.

## THE MANAGEMENT TEAM



**Jeffrey Burger** is a senior portfolio manager for US municipal bond strategies. He is responsible for managing US municipal bond strategies for institutional, high net worth and mutual fund clients. Previously, Jeffrey worked at Columbia Management as a portfolio manager and senior research analyst and at Fitch Ratings as a senior-level analyst. Jeff was elected to the Society of Municipal Analysts in 2019 and is a former chairman and member of the executive committee and board of governors for the National Federation of Municipal Analysts. He is also a former president of the Boston Municipal Analysts Forum.

**Joined Insight:** 2021

**Joined industry:** 1998



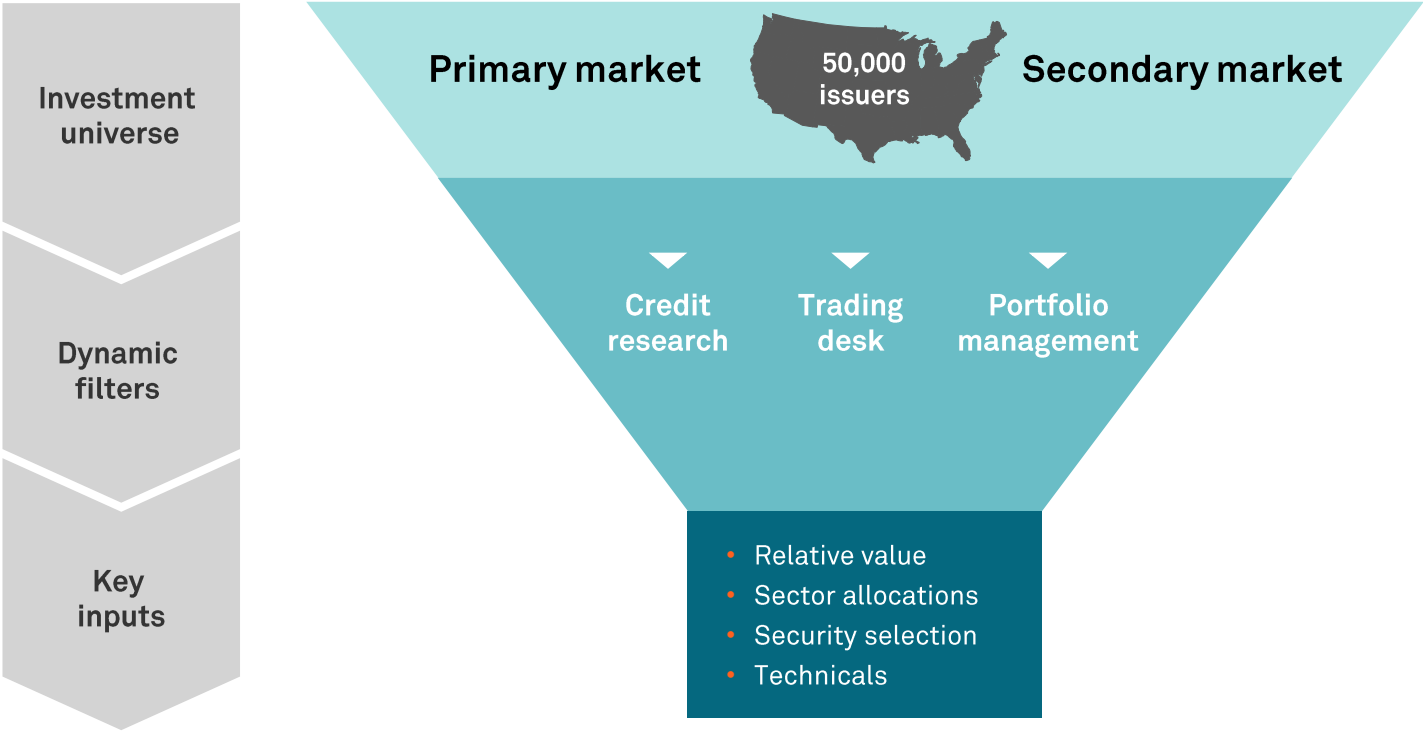
**Thomas Casey** is a senior portfolio manager for US municipal bond strategies responsible for managing US Municipal Bond portfolios for institutional, insurance and high net worth clients. Tom worked as an analyst at State Street Bank & Trust Company before joining Mellon Investments.

**Joined Insight:** 2021

**Joined industry:** 1988

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.

THE INVESTMENT PROCESS



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 U.S. MUNICIPAL INFRASTRUCTURE DEBT STRATEGY

OBJECTIVE

To provide as high a level of income as is consistent with the preservation of capital.

BENCHMARK

The Strategy will measure its performance against 30% Bloomberg U.S. Municipal Bond TR Index, 70% Bloomberg Taxable U.S. Municipal Bond TR Index (the “Benchmark”). The Strategy is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark. While the majority of the Strategy’s holdings are expected to be constituents of, and have similar weightings to, the Benchmark, the investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

12-month returns (%)

Period	Jun-24 to Jun-25	Jun-23 to Jun-24	Jun-22 to Jun-23	Jun-21 to Jun-22	Jun-20 to Jun-21
Representative Portfolio	1.84	2.59	-2.65	-13.81	3.67
Benchmark	4.22	3.65	0.76	-11.97	3.69

Source: Lipper as at 30 June 2025. Performance calculated as total return, based on net asset value, including charges, but excluding initial charge, income reinvested gross of tax, expressed in EUR. The impact of the initial charge, which may be up to 5%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request. The representative portfolio adheres to the same investment approach as BNY Mellon U.S Municipal Infrastructure Debt Strategy.

## KEY INVESTMENT RISKS

- **Objective/Performance Risk:** There is no guarantee that the Strategy will achieve its objectives.
- **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.
- **Liquidity Risk:** The Strategy may not always find another party willing to purchase an asset that the Strategy wants to sell which could impact the Strategy's ability to sell the asset or to sell the asset at its current value.
- **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 portfolio'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.

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### Important Information

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