BNY | INVESTMENTS

ADAPTING TO CHANGE: HOW A FLEXIBLE APPROACH CAN DRIVE STRONGER OUTCOMES

19 May 2026

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For Professional Clients only.

LEARNING OBJECTIVES

By the end of this presentation, you will be able to:

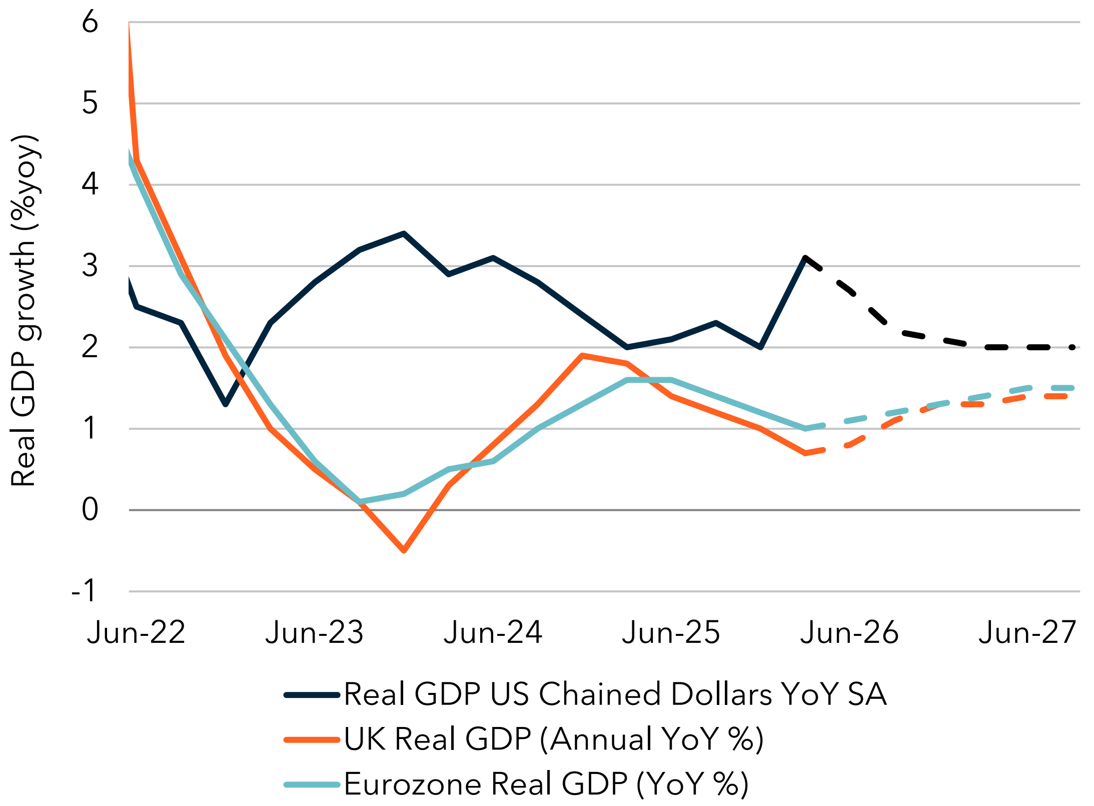
01 Clearly explain current economic and market factors that make fixed income investments attractive,

02 List and evaluate current fixed income investment opportunities, and propose how these can be integrated into client portfolios,

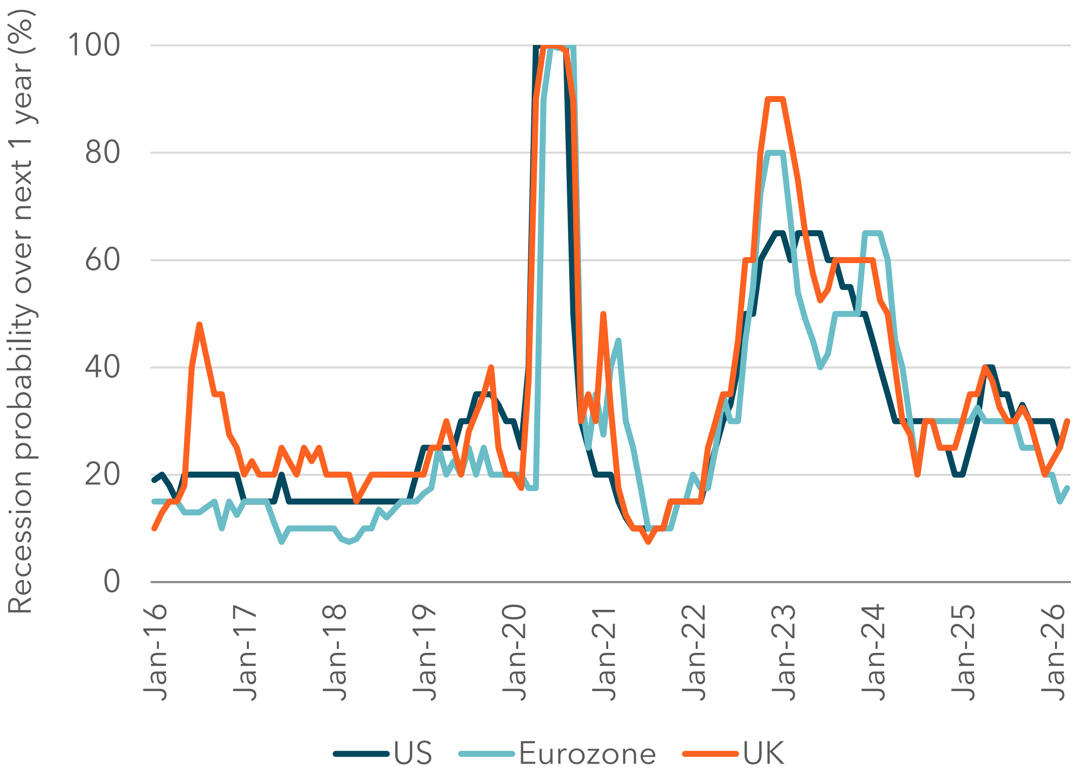
03 Identify and articulate reasons why active management adds value in fixed income portfolios.

Middling growth and recession risk contained

Middling growth



1 year recession probabilities broadly stable



Moderate growth and mild recession risk underpins bond yields at attractive levels

Source: Insight and Bloomberg as at 31 March 2026. Solid lines actual data, from Bloomberg consensus estimates. For illustrative purposes only. The views shown are market views and do not directly relate to an investment strategy and should not be relied on as recommendations.

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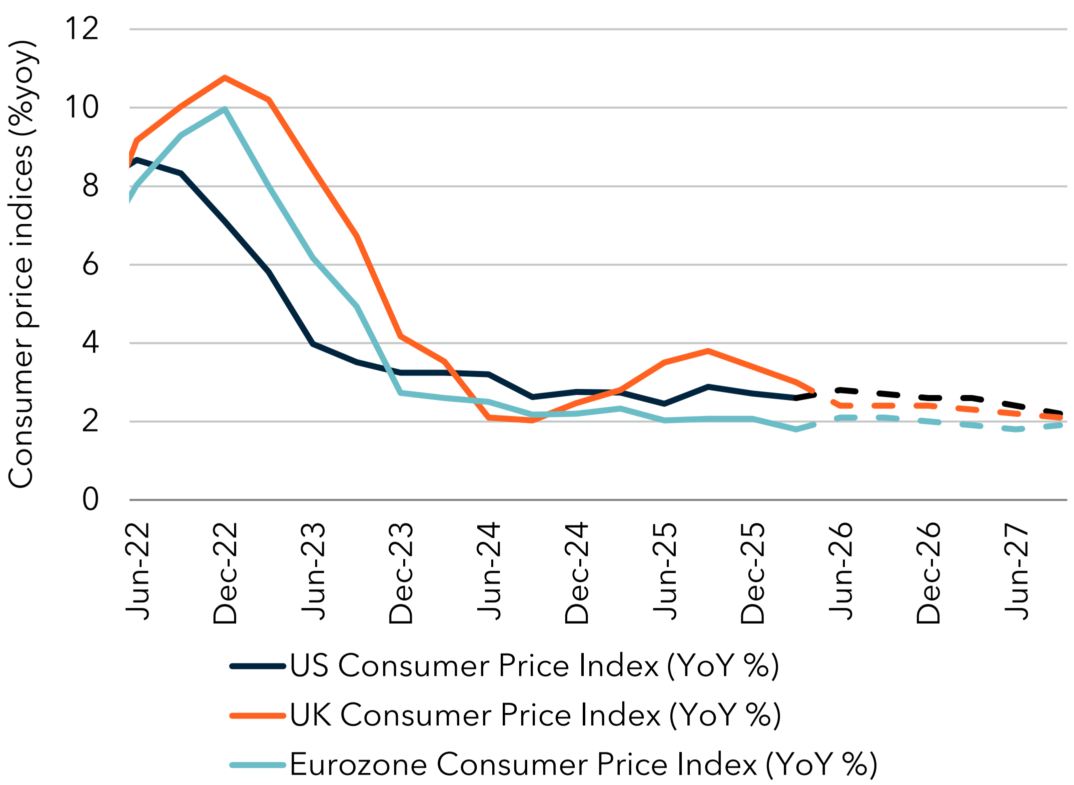
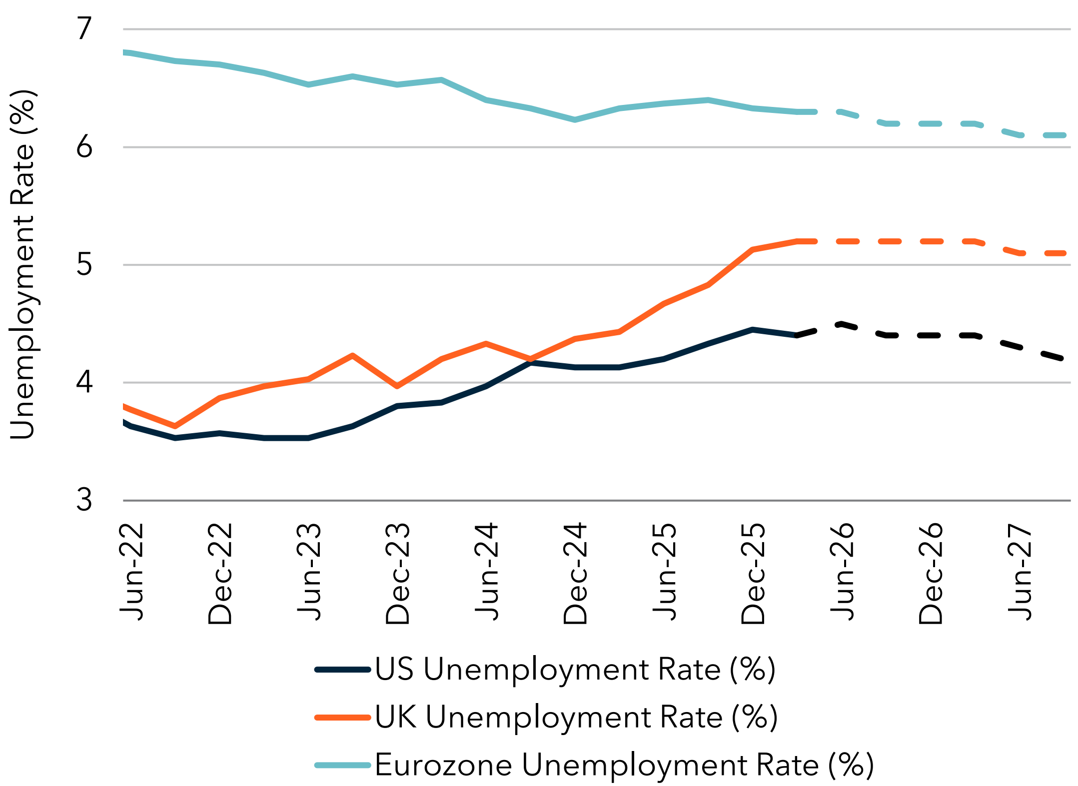
Inflation and labour markets dynamics

Prices contained above central bank targets



Labour market weakness seems to be stabilising



We expect policy makers to tolerate above target inflation

Source: Insight and Bloomberg as at 31 March 2026. Solid lines actual data, from Bloomberg consensus estimates. For illustrative purposes only. The views shown are market views and do not directly relate to an investment strategy and should not be relied on as recommendations.

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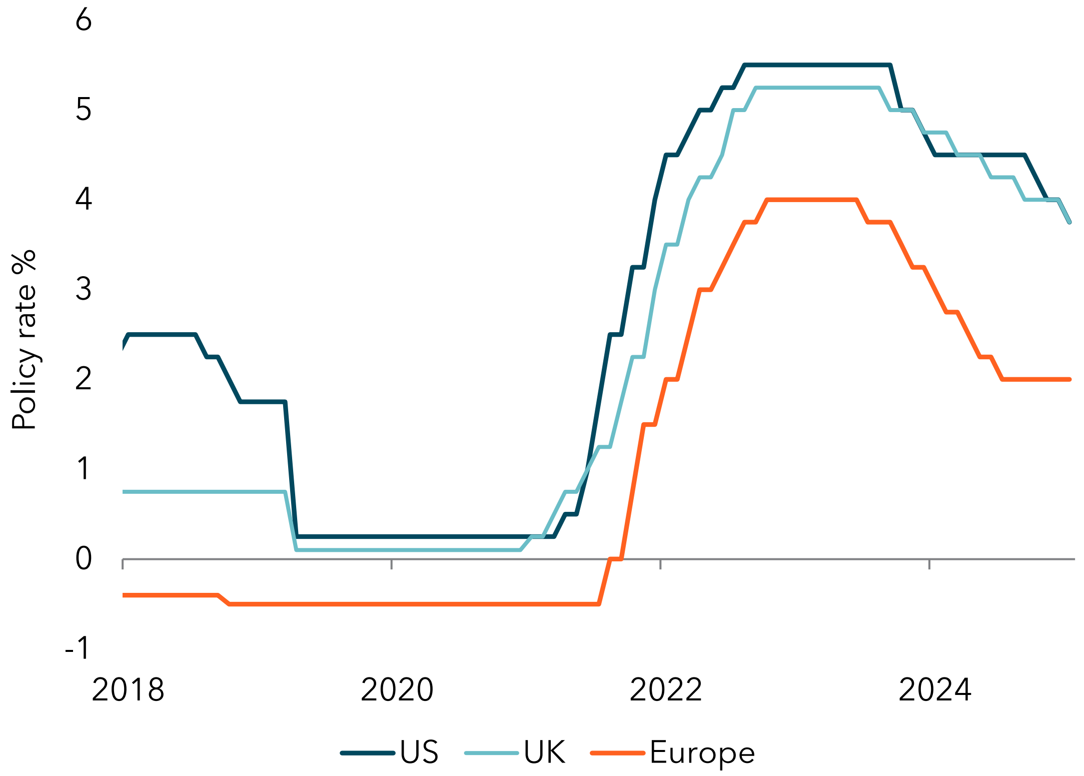
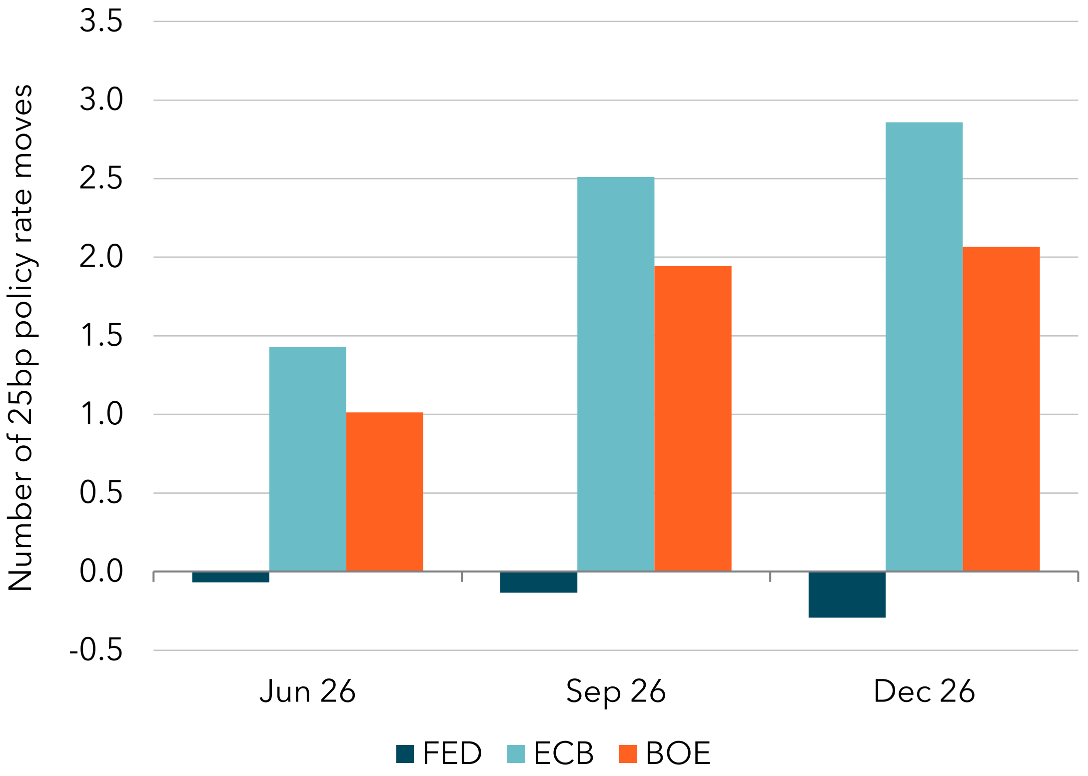
Monetary policy beginning to diverge across geographies

Policy rates have been heading lower



Market pricing a divergent path for central banks



Monetary policy increasingly a driver relative value opportunities across rates markets

Source: Bloomberg as at 31 March 2026. For illustrative purposes only. The views shown are market views and do not directly relate to an investment strategy and should not be relied on as recommendations.

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Forecast yields across Government bond curves

Forecasting broadly lower yields and steeper curves outside of the UK

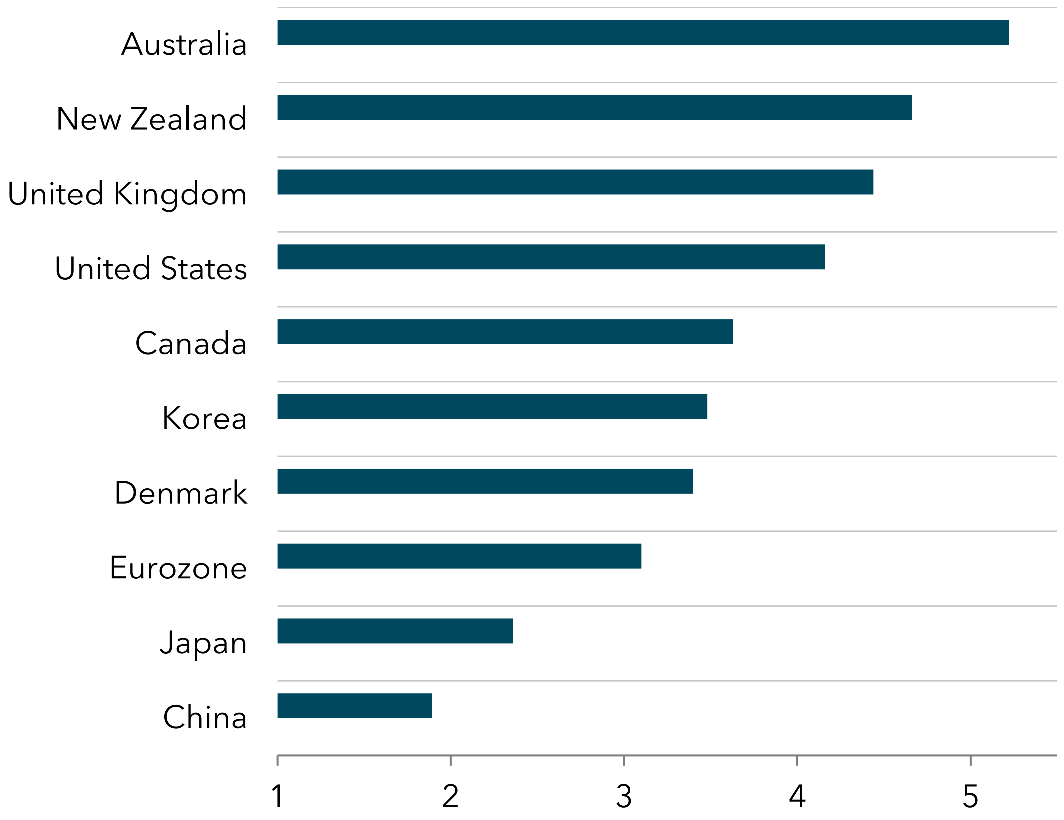
Country	2-year			5-year			10-year			30-year		
	Forecast	Current	Change	Forecast	Current	Change	Forecast	Current	Change	Forecast	Current	Change
UK	3.65%	4.41%	-0.76%	4.00%	4.47%	-0.47%	4.50%	4.92%	-0.42%	5.10%	5.52%	-0.42%
US	3.30%	3.79%	-0.49%	3.45%	3.94%	-0.49%	4.05%	4.32%	-0.27%	4.70%	4.91%	-0.21%
Germany	2.30%	2.62%	-0.32%	2.40%	2.73%	-0.33%	3.00%	3.00%	0.00%	3.50%	3.46%	0.04%

Positive total returns likely over the next year in government bonds

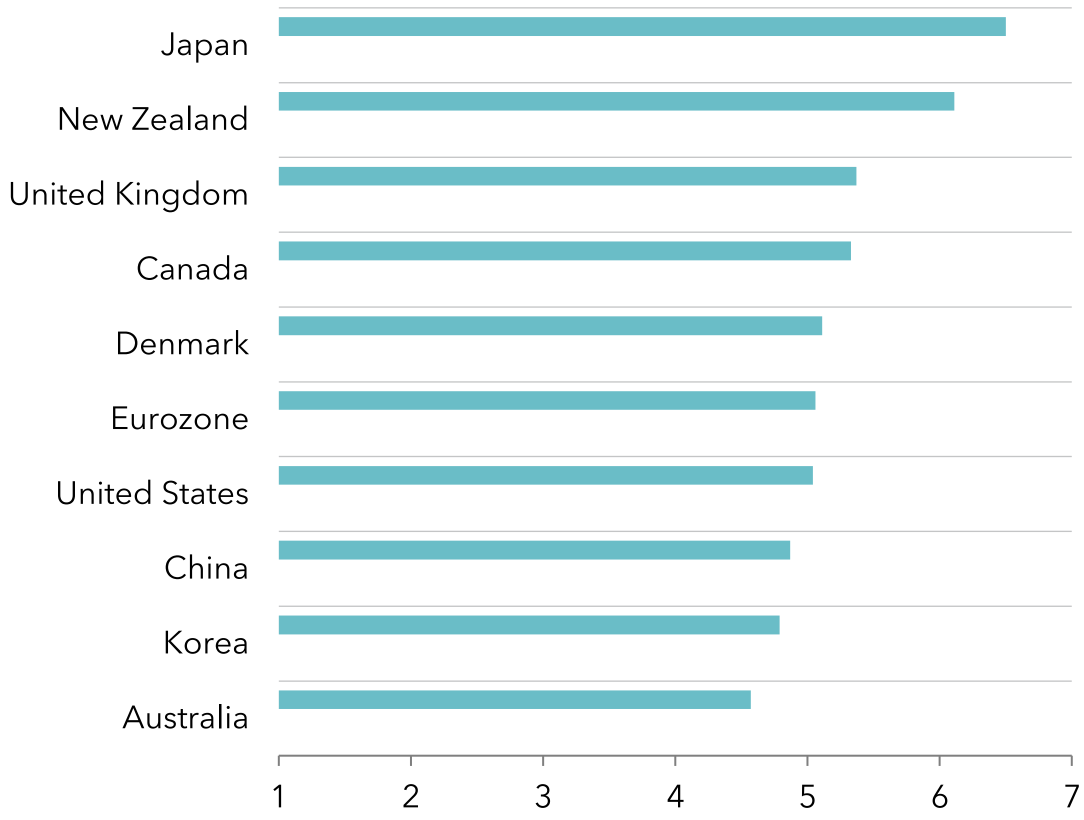
As at 31 March 2026. Source: 'Forecast' from Insight; 'Current' from Bloomberg. 1 Estimated market return in local currency, based on yield to worst and effective duration of respective Bloomberg bond indices combined average forecast yield changes in above table. For UK gilts index used: ICE BofA UK Gilt Index (G0L0) . For US treasuries index used: ICE BofA US Treasury Index (G0Q0). For German government bonds index used: ICE BofA German Government Index (G0D0) .Model results have certain inherent limitations. Unlike an actual performance record, model results do not represent actual trading/returns and may not reflect the impact that material economic/market factors might have. Clients' actual results may be materially different than the model results presented.

Pockets of relative value

Implied terminal rate % (5y5y)



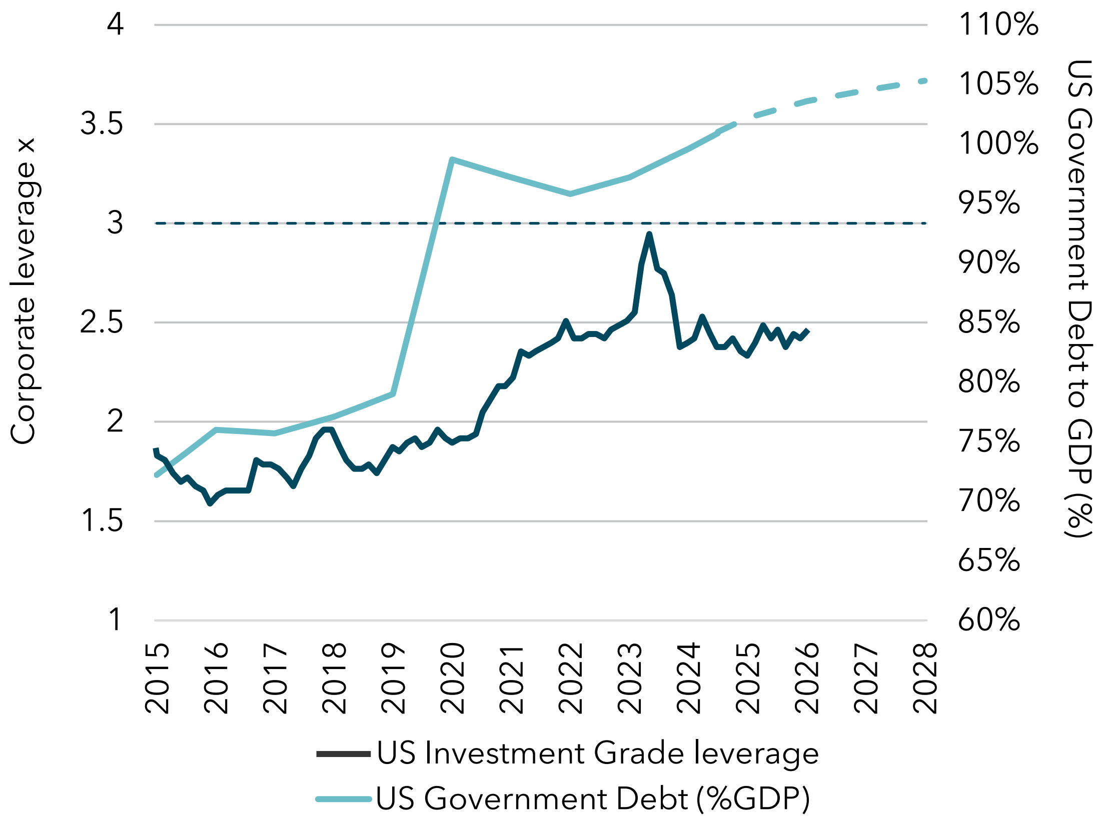
30-year GBP hedged yield (%)



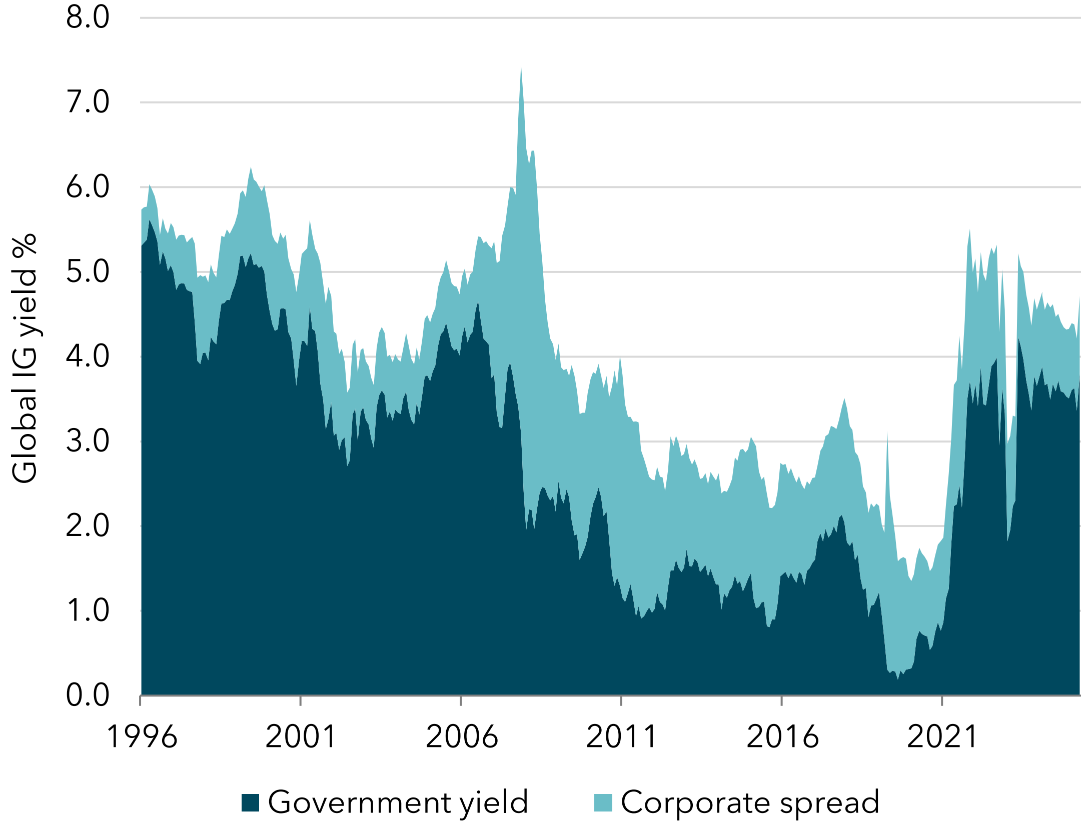
Source: Bloomberg and Insight as at 20 April 2026.

Leverage trends favour corporate over government bonds

Corporate and government leverage[1]



Corporate and government bond yields[2]



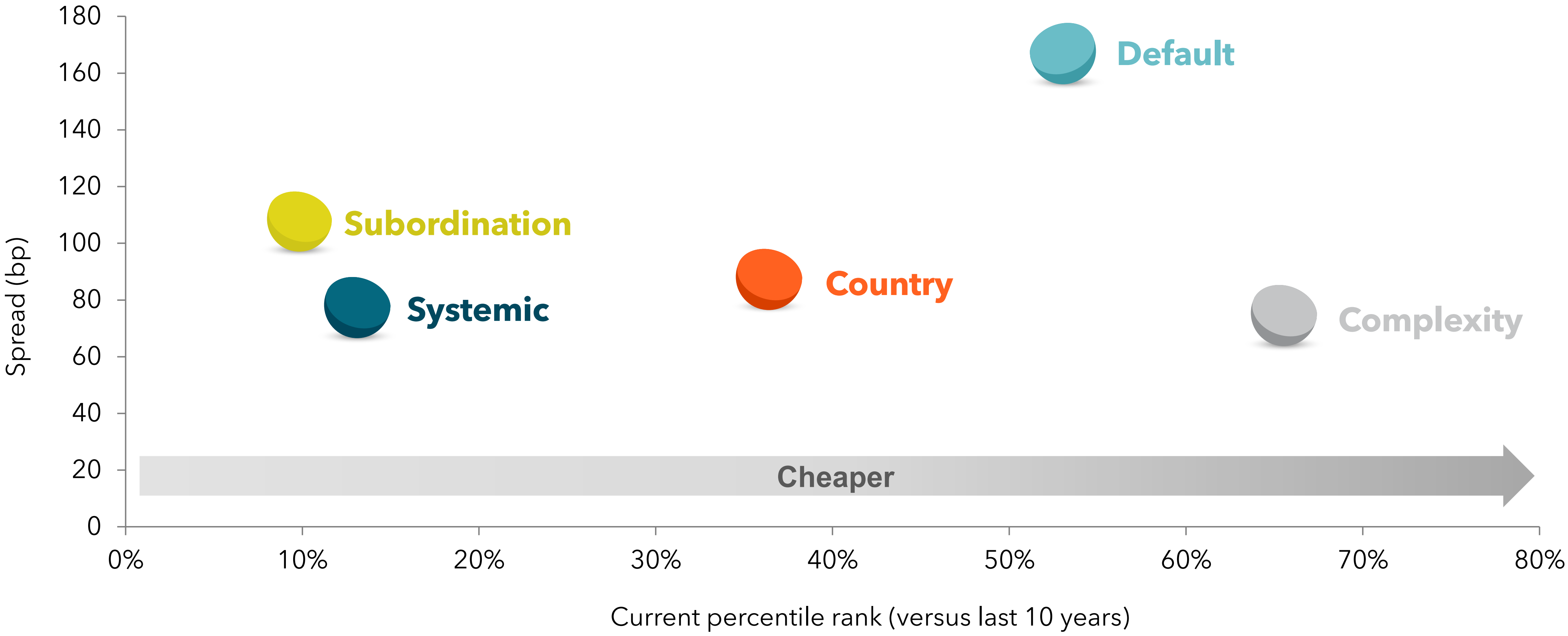
Source: [1] Bloomberg as at 31 December 2025. Corporate leverage data is compiled from Bloomberg's primary, active equity ticker universe and is based on S&P issuer ratings for companies domiciled in North America, Western Europe, Eastern Europe and Japan. US Government Debt to GDP (FEDDHPBP Index), White House US Federal Debt Held by the Public in Percent of GDP NSA, consensus forecasts beyond June 2025. [2] Source: Bloomberg as at 31 March 2026. Global investment grade universe represented by ICE BAML Global Corporate index (G0BC).

Starting yields positively skew future return experience

	Duration (years)	Yield to maturity (%)	Simulated return if yields fall 1.0%	Simulated return if yields rise 1.0%	Breakeven yield increase
Global IG corporate[1]	5.8 years	4.7%	10.0%	-0.6%	0.9%
Sterling IG corporate	5.9 years	5.6%	11.0%	0.2%	1.0%
Global HY corporate[1]	3.2 years	7.3%	10.0%	4.6%	2.7%
Sterling HY corporate	2.9 years	8.8%	11.2%	6.4%	3.7%

Source Bloomberg and Insight as at 19 March 2026 – assuming all else equal. Model results have certain inherent limitations. Unlike an actual performance record, model results do not represent actual trading/returns and may not reflect the impact that material economic/market factors might have. Clients' actual results may be materially different than the model results presented. [1] Global yield has been hedged into GBP using short-term interest rate differentials. ICE Bank of America indices (Global IG corporate = ICE BofA Global Corporate Index (G0BC), Sterling IG corporate = ICE BofA Sterling Corporate Index (UR00), Global HY corporate = ICE BofA Global High Yield Index (HW00), Sterling HY corporate = ICE BofA Sterling High Yield Index (HL00)).

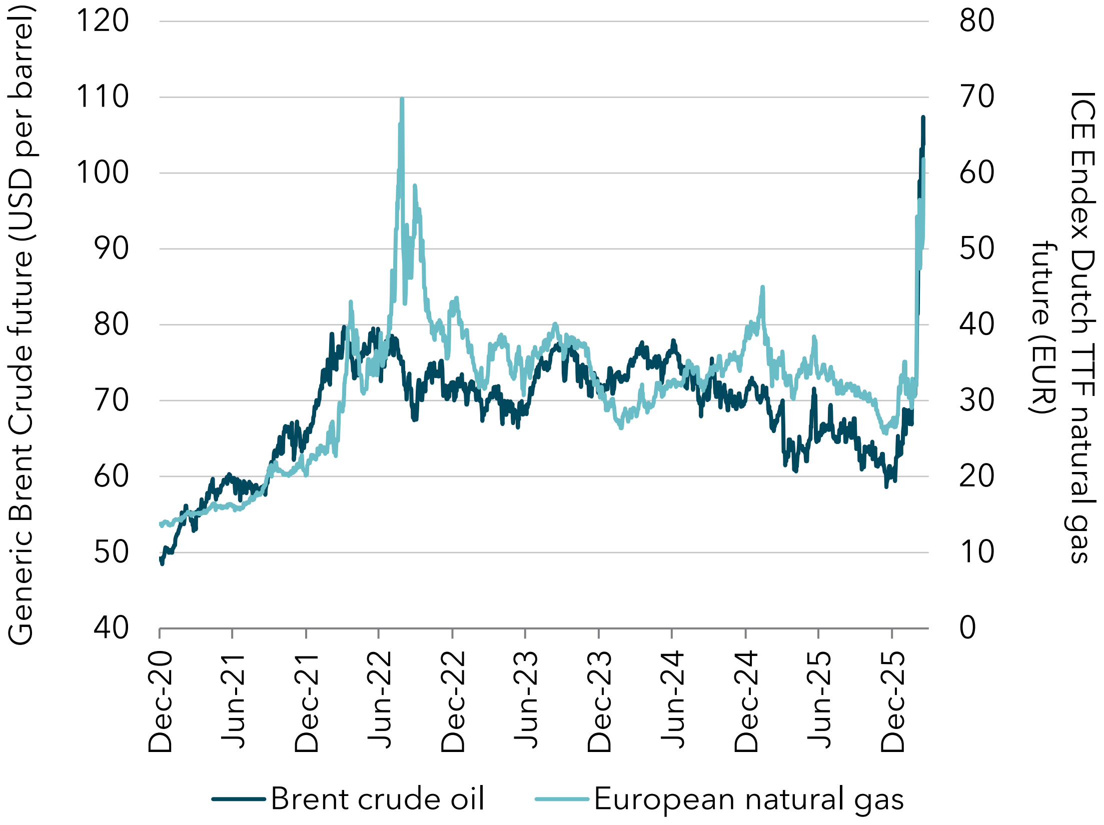
Add flexibility as not all risk premia are priced equally



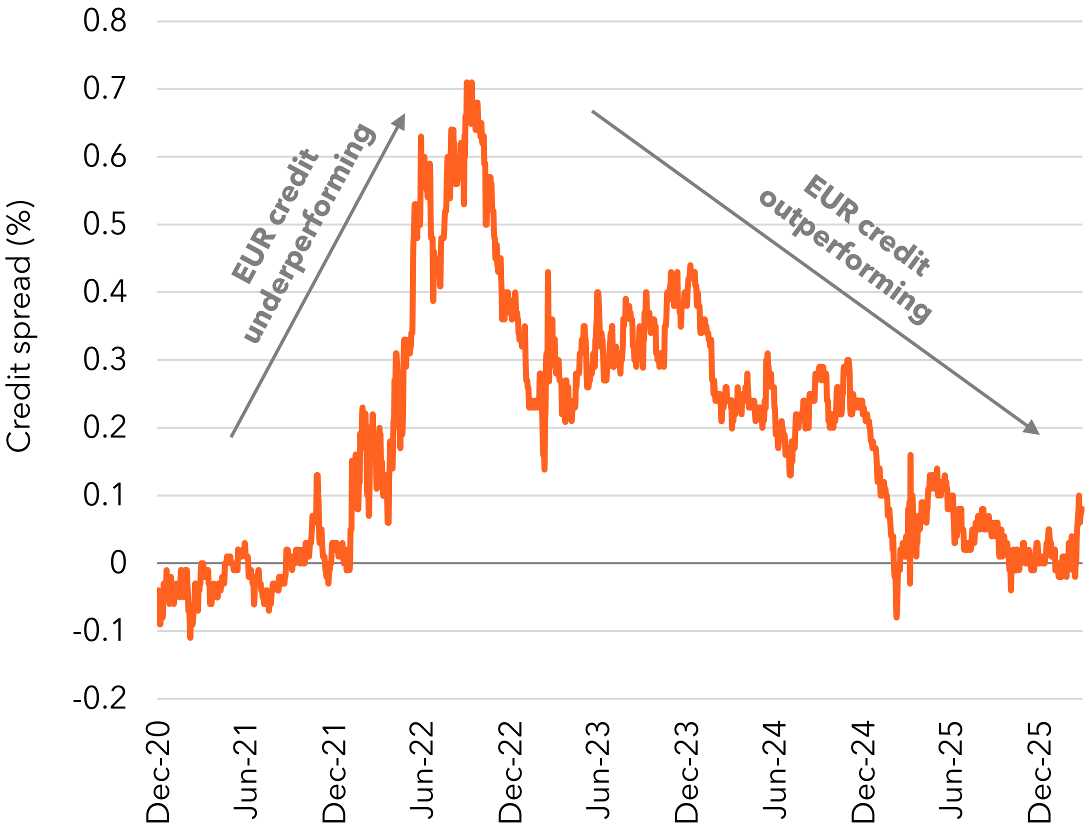
Source: Insight as at 28 April 2026.Market data and illustrations are for information only and do not represent forecasts or recommendations.

Europe more vulnerable to energy price shocks

Brent Crude Oil and European Natural Gas



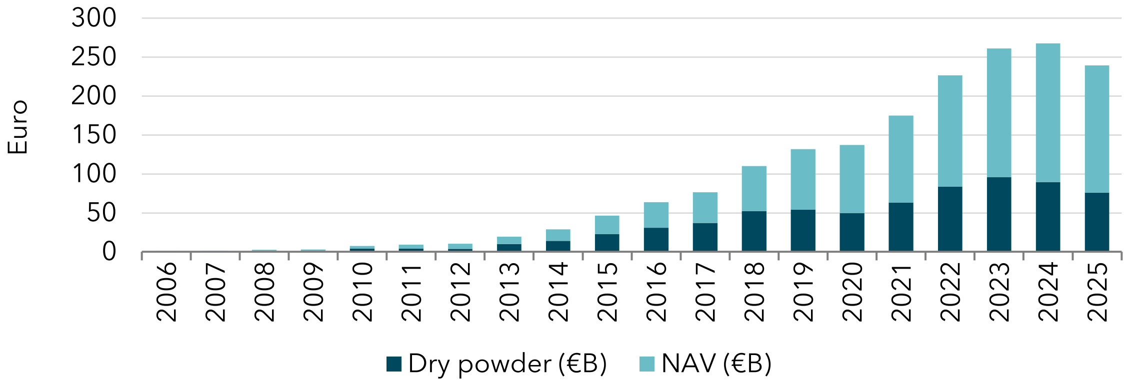
Euro IG less USD IG corporate bond spreads



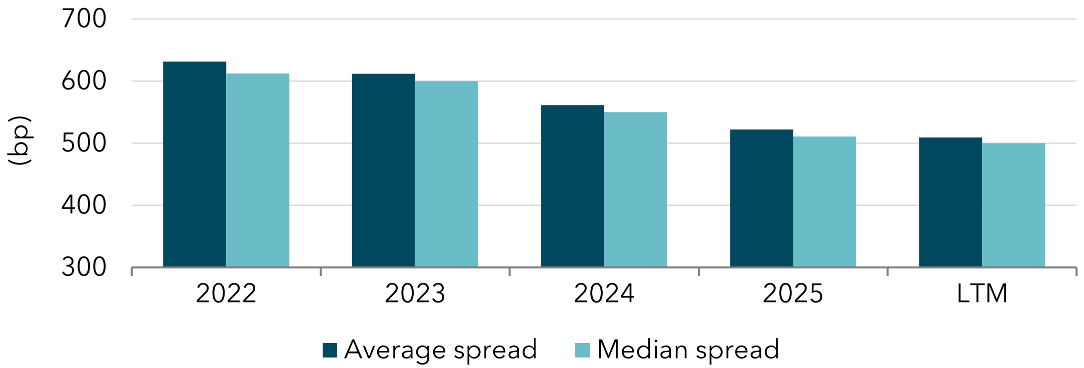
Source: Bloomberg as at 31 March 2026. Market data and illustrations are for information only and do not represent forecasts or recommendations.

Private credit in the spotlight

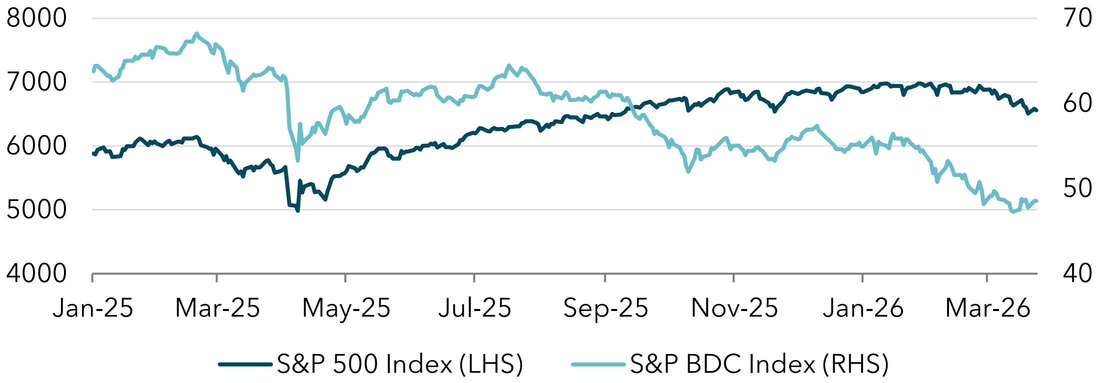
Direct lending AUM remains near highs which could lead to "light" due diligence[1]



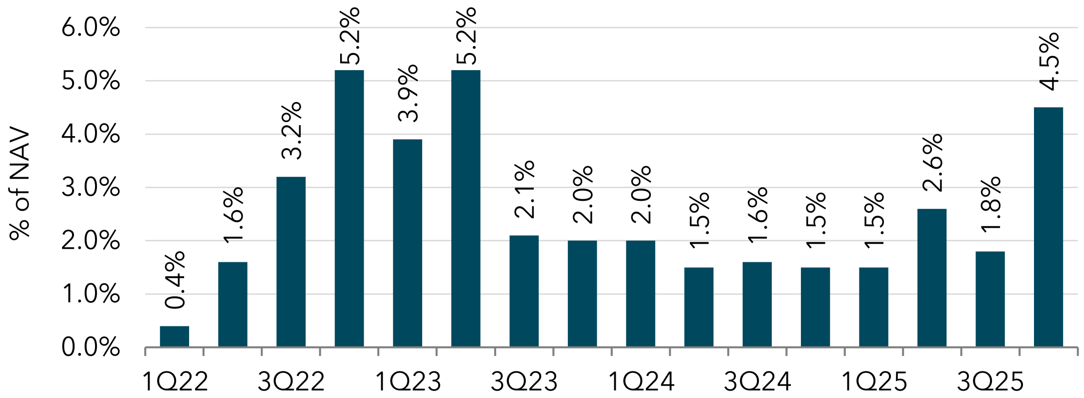
Spread premium increasingly under pressure[2]



BDC index showing signs of stress[3]



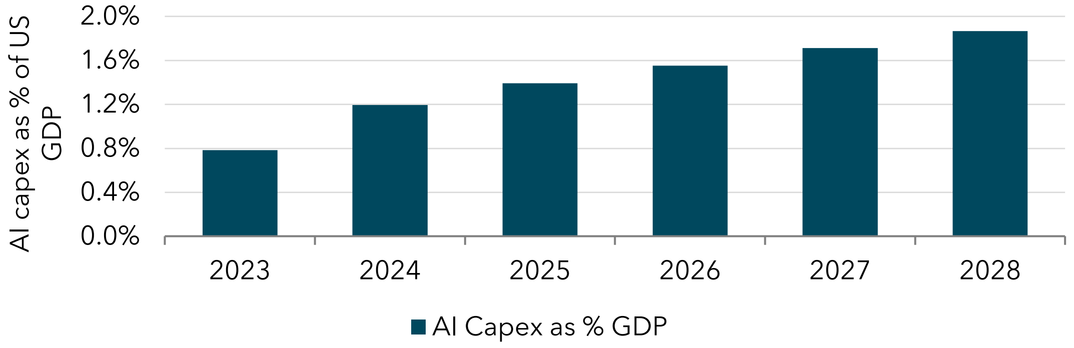
Are redemptions from BDCs building?[4]



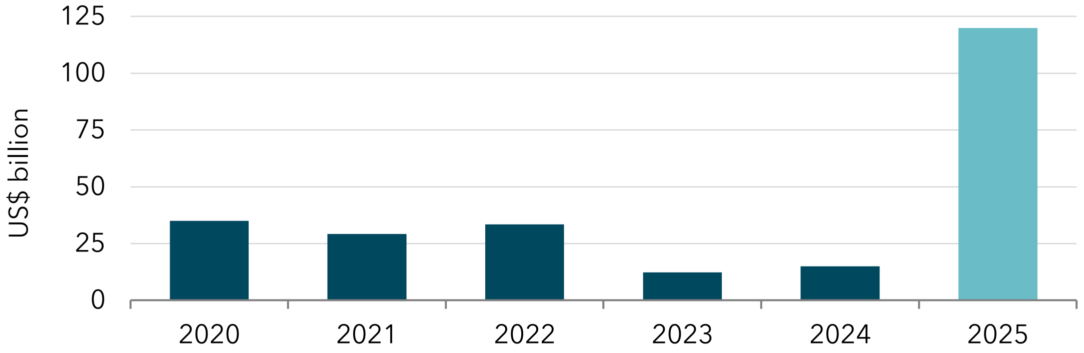
Source: [1] Lincoln International VOG, Pitchbook LCD, Morgan Stanley Research. [2] Lincoln International VOG, Pitchbook LCD, February 2026. [3] Bloomberg and Insight as at 23 March 2026. [4] Barclays Research, 31 December 2025. Lincoln International VOG, Morgan Stanley and Barclays Research create their own indices to monitor the size of financial instruments based on internal data.

Bonds funding AI capex – risk or opportunity?

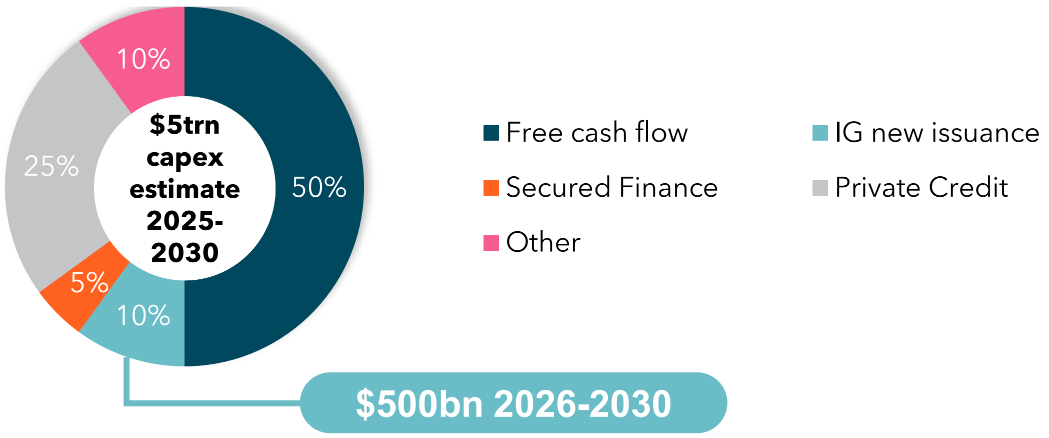
AI spending is likely to boost growth significantly[1]



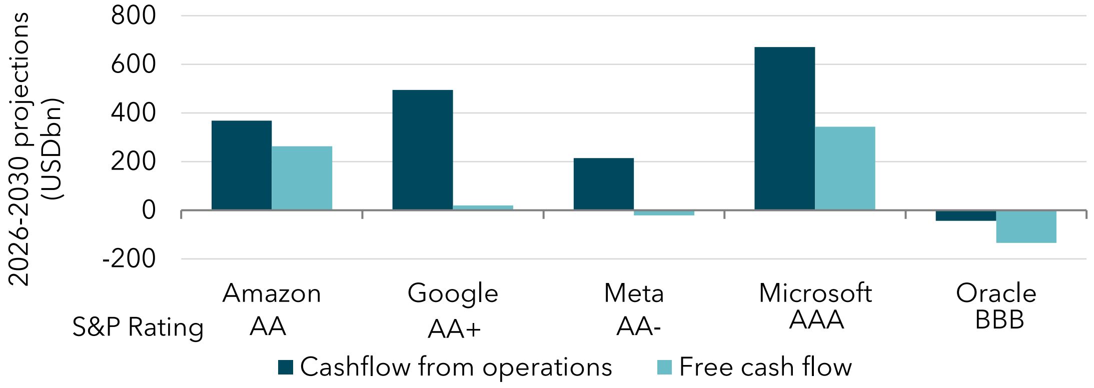
Bond issuance by big AI tech companies[2]



Funding sources[3]

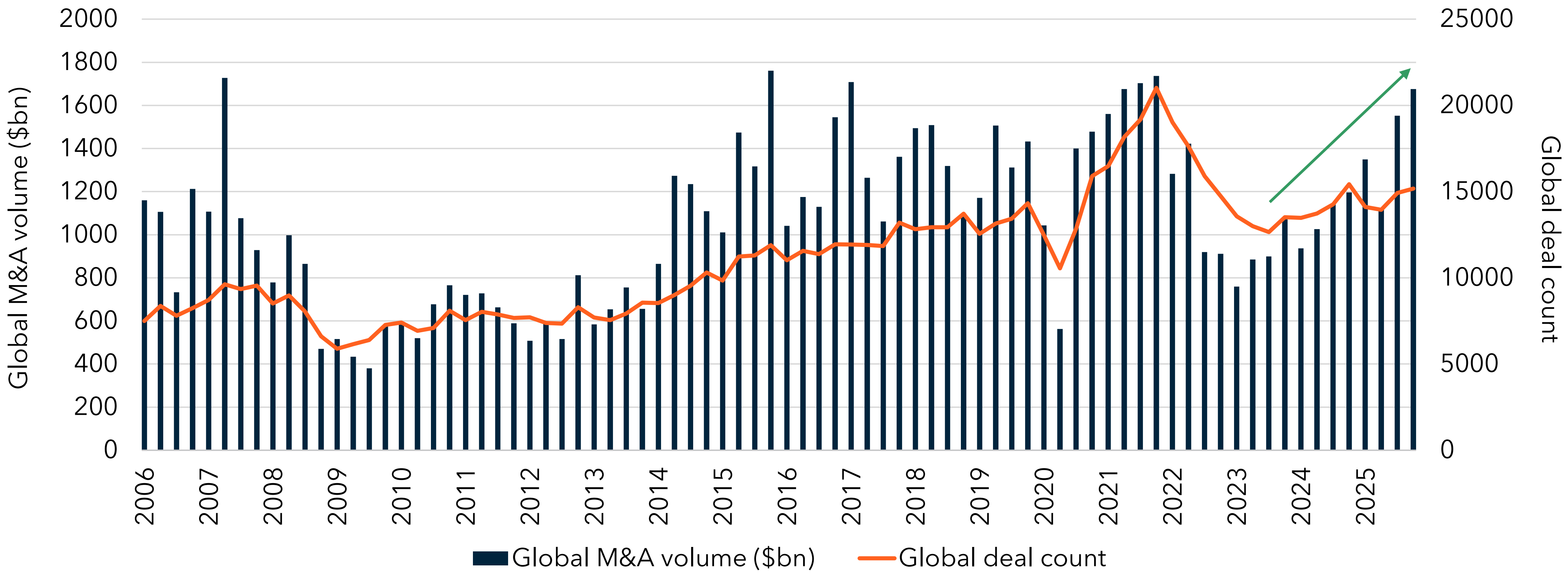


Cash machines[3]



Forecasts are based on current market assumptions and are not guaranteed; actual outcomes may differ. Source: [1] Citi research as at 30 September 2025. [2] Bank of America. Data include Alphabet, Amazon.com, Meta Platforms, Microsoft and Oracle as at 31 December 2025. [3] Insight, Bloomberg, Cognitive Credit and Morgan Stanley as at 30 November 2025.

M&A activity to rise driven by US ‘animal spirits’?

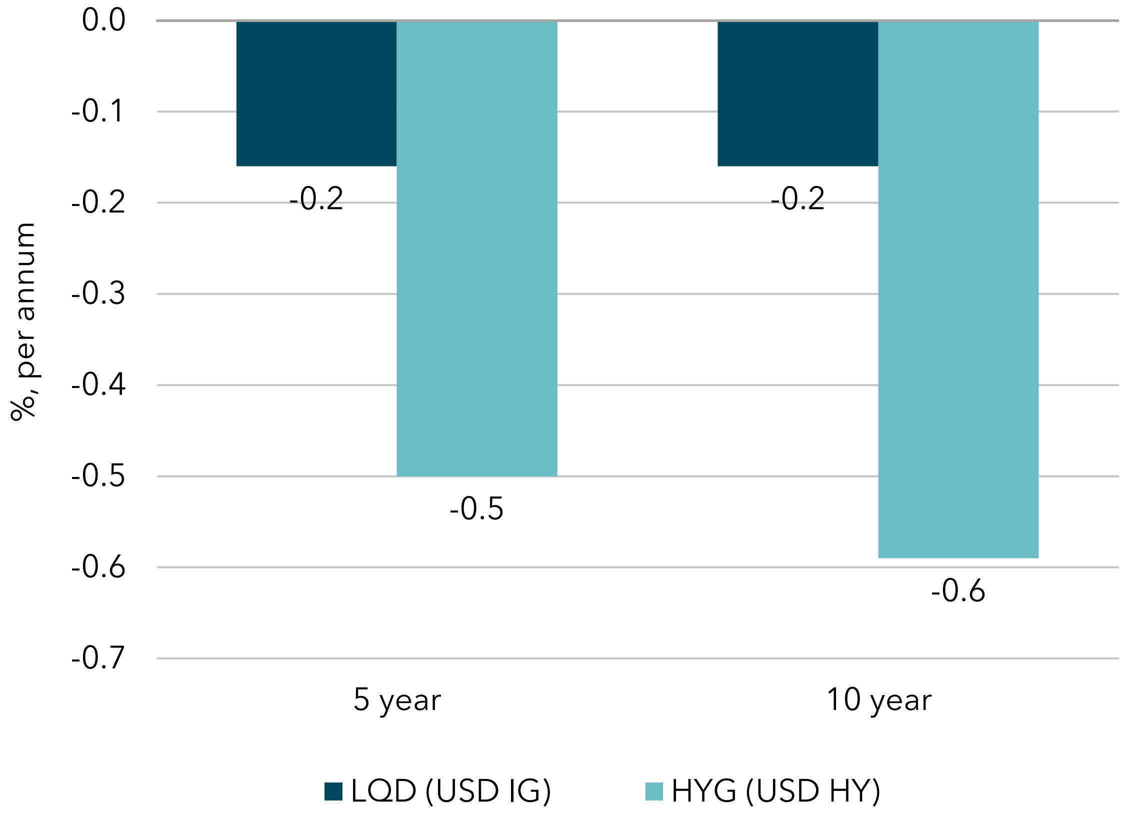


An acceleration M&A could lead to more idiosyncratic opportunities for active managers

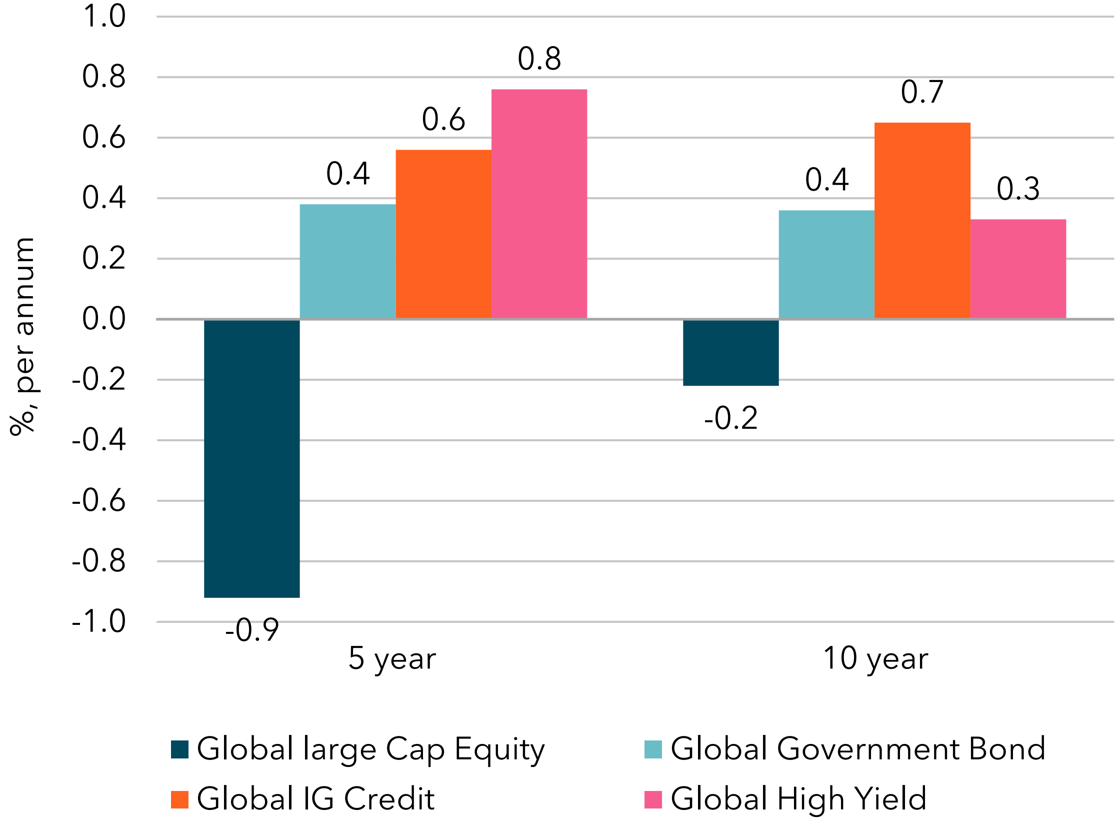
Source: Bloomberg as at 31 December 2025.

Active over passive

Passive ETF return versus index[1]



Median active manager alpha[2]



[1] Source: Bloomberg as at 31 December 2025. LQD: iShares iBoxx $ Inv Grade Corporate Bond ETF. Benchmark: Markit iBoxx USD Liquid Investment Grade Index. HYG: iShares iBoxx $ High Yield Corporate Bond ETF. Benchmark: Markit iBoxx USD Liquid High Yield Index. Data represents trailing 5-year and 10-year returns ending 22 October 2024, calculated in USD. [2] Source: eVestment as at 30 June 2024. Median active manager alpha is the average for each eVestment peer group based on the returns of the underlying member strategies versus their respective benchmarks. Returns calculated in strategy base currency. Peer groups used are: Global Government Fixed Income, Global Credit Fixed Income, Global High Yield Fixed Income.

Return experience varies by fixed income asset class

Asset class performance rankings constantly shift

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD
10.25	13.69	10.81	12.00	59.40	14.82	7.35	19.60	7.33	7.43	1.18	14.27	10.43	2.38	15.04	7.80	3.75	0.15	10.45	9.30	13.45	1.14
6.84	9.86	7.26	-7.04	38.61	13.50	7.22	17.44	1.30	5.70	1.18	10.15	10.26	-0.66	13.09	7.13	0.92	-10.73	8.83	7.98	10.02	0.93
3.59	7.29	6.16	-12.03	29.82	12.24	4.59	16.95	-0.11	2.94	-0.18	9.65	8.93	-1.65	12.56	6.90	0.91	-12.08	8.68	7.63	9.53	0.21
-3.14	6.65	3.45	-15.36	16.85	6.42	3.24	10.81	-1.73	1.67	-2.61	3.67	7.96	-3.17	10.74	6.13	-0.95	-12.26	4.45	5.73	6.82	1.43
-6.53	5.94	3.16	-26.88	1.90	5.62	3.12	1.30	-4.50	0.67	-2.72	2.72	6.83	-4.06	6.02	5.26	-1.51	-14.22	4.18	3.52	6.80	0.48
na	na	na	na	na	na	na	na	-5.25	0.01	-3.55	1.57	3.84	-4.26	2.40	2.29	-2.30	-16.45	2.12	-3.58	5.43	

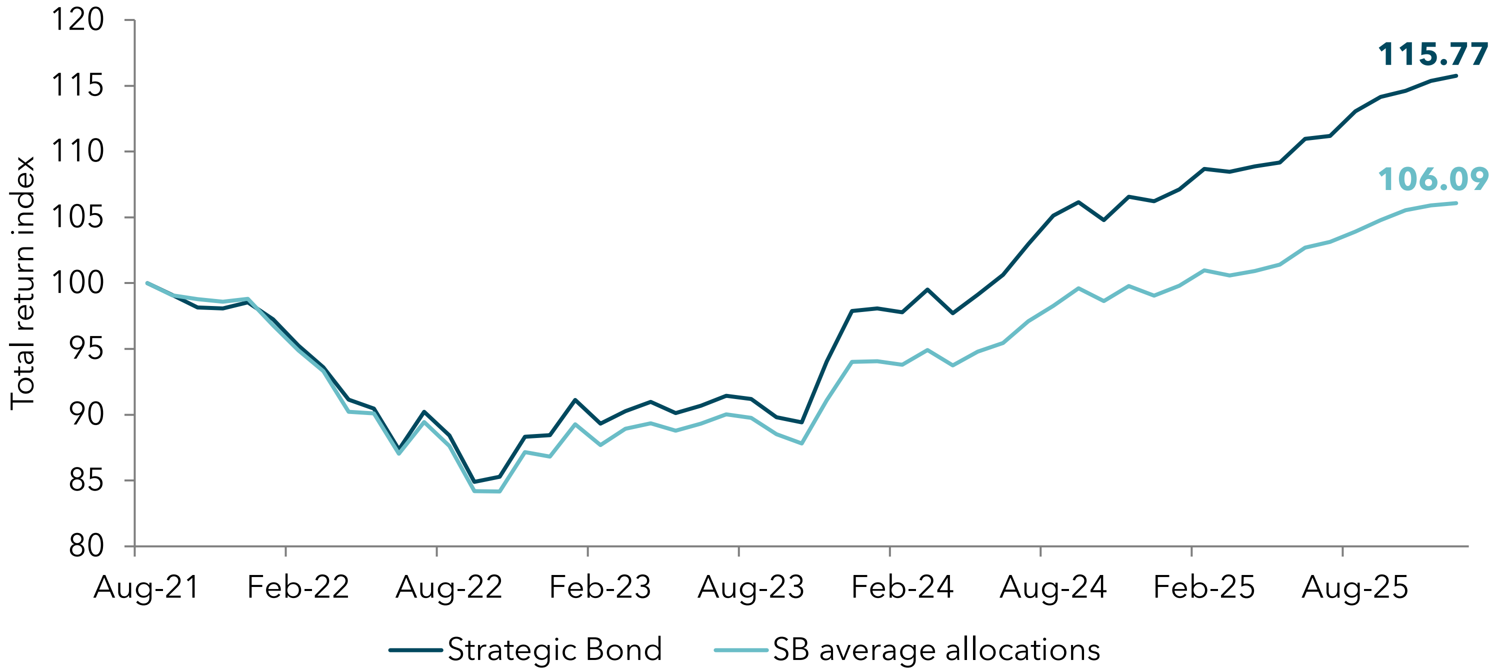
EM Corporate | Global IG Corporate | EM Sovereign | Global Government | Global HY | Global ABS

Returns shown represent benchmark indices calculated in USD and may be influenced by currency movements. Indices differ in risk profile, duration, credit quality and regional exposure and are not directly comparable. Methodology available on request. Source: Insight as at 31 March 2026. Benchmarks per asset class: 'EM corporate' – JP Morgan Corporate EMBI Broad Diversified index; 'Global IG corporate' – Bloomberg Global Aggregate Credit Index; 'EM sovereign' – JP Morgan EMBI Broad Diversified index; 'Global government' – JP Morgan World Government Bond index; 'Global high yield' – Bloomberg Global High Yield index; 'Global ABS' – Bloomberg US ABS Floating Rate index. Above returns have been calculated in USD.

Dynamic asset allocation

Performance of our strategic bond strategy compared to average asset allocation basket

Gross of fees return series



Asset class	Average allocation	Allocation range
Government	13%	3% to 39%
Developed market IG	45%	2% to 94%
Developed market HY	19%	7% to 32%
Emerging market debt	10%	6% to 19%
ABS	8%	0% to 18%
Cash	6%	1% to 17%

Dynamic use of asset allocation freedoms to optimise return experience

Source: Insight as at 31 December 2025. The representative portfolio adheres to the same investment approach as the Responsible Horizons strategic bond strategy. Performance calculated as total return, income reinvested, gross of fees, in GBP. Fees and charges apply and can have a material effect on the performance of your investment. Responsible Horizons Strategic Bond average allocations are a passive basket of following return series, weighted to 100%: Cash (Sonia), EM Debt (25% ICE High Grade EM Corp (EMHG), 45% ICE High Yield EM Corp (EMUH), 10% ICE IG EM Sovereign (DGIG), 20% ICE HY EM Sovereign (20%)); DM IG = Bloomberg Global Agg Corp; DM HY = Bloomberg Global HY; ABS = Bloomberg Pan European Floating ABS; Government = Bloomberg Global Agg Treasuries (all indices £ hedged).

LEARNING OUTCOMES

You should now be able to:

01 Clearly explain current economic and market factors that make fixed income investments attractive,

02 List and evaluate current fixed income investment opportunities, and propose how these can be integrated into client portfolios,

03 Identify and articulate reasons why active management adds value in fixed income portfolios.

INSIGHT'S STRATEGIC BOND FUND

Why are we different?

Power of marginal gains

	What makes us different?	Why?
1	**Specialist** global fixed income manager	No distractions, singular focus to deliver best in class performance
2	Truly **global platform** with regional balance	Not reliant on a single region to generate ideas
3	Combine **top-down** asset allocation with **bottom-up** security selection	Aims to perform consistently across a variety of market environments
4	Process seeks to deliver **consistent alpha**	Having a risk aware process helps to add value in different market environments
5	**Dynamic** not static asset allocation and not used to increase yield	Focus on improving risk-adjusted returns
6	**Proprietary ESG** architecture	Our own view of ESG profiles and helps us to avoid greenwashing

Investment decisions are not solely based on environmental, social and governance (ESG) factors and other attributes of an investment may outweigh ESG considerations when making decisions. The way that material ESG factors are assessed may vary depending on the asset class and strategy involved and ESG factors may not be considered for all investments

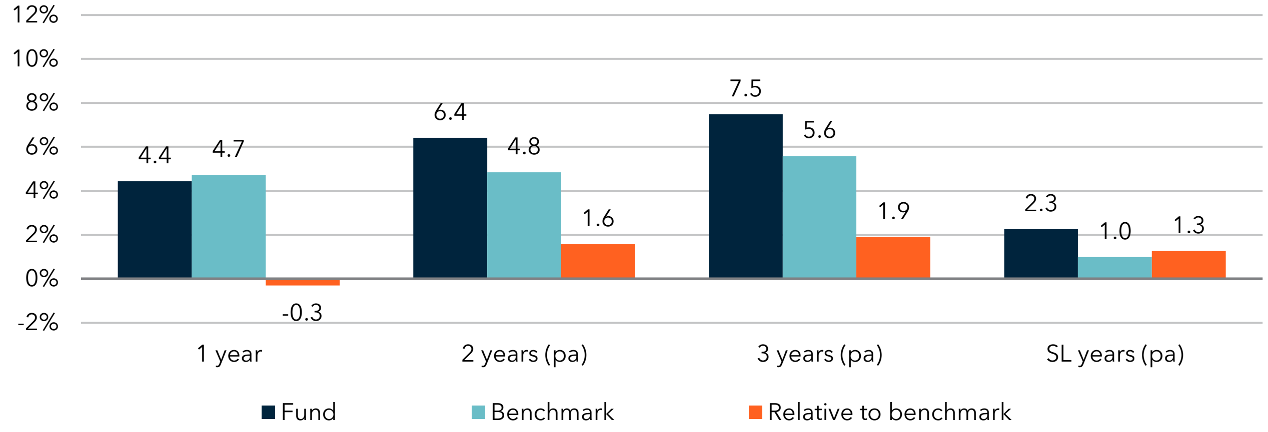
Insight's Strategic Bond Fund

Competitive alpha, consistently delivered

- ✓ **Consistent & competitive alpha**
- ✓ **Global rates & focus**
- ✓ **Outcome focussed**
- ✓ **Investment flexibility**
- ✓ **Hedged to GBP**

Total net assets	Yield to maturity	Distribution yield	Duration	Average rating
£260 million	6.1%	5.0%	5.8 (years)	BBB+

Net of fees performance (%)



For investors who want........

- Core fixed income or outsourced fixed income allocation
- Consistency of returns throughout market cycles
- Flexibility across sovereign, IG and HY credit, EMD and securitised assets classes
- Portfolio diversifier and un-correlated to equity markets returns

MORNINGSTAR® ★★★★★

Source: Insight and Lipper as at 31 March 2026. Fund performance for the share class Institutional Shares W (Acc.) calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP. The impact of an initial charge (currently not applied) can be material on the performance of your investment. All returns over one year are annualised. Further information is available upon request. Yield to maturity is based on expected maturity date not yield to first call. Benchmark: Investment Association £ strategic bond sector average. Relative performance shows the difference between the Fund return and its benchmark. Inception: 24 August 2021.

What's the view?

Rates

Duration
- Overweight
- UST 10yr 4.1%
- UKT 10yr 4.5%
- Fed 3.1%

Cross market
- Australia versus US
- Germany versus Sweden
- LATAM versus US

Inflation
- Overweight US outright and versus Europe/UK

Yield curve
- US steepeners
- UK and Japan flatteners

Credit

Beta management
- Small underweight
- Positive cycle analysis, negative valuations

Macro credit RV
- USD attractive vs Euro
- ABS appealing
- HY fair vs IG

Security selection
- AI Capex funding
- M&A

Sector strategy
- Private credit spillovers
- Utilities attractive

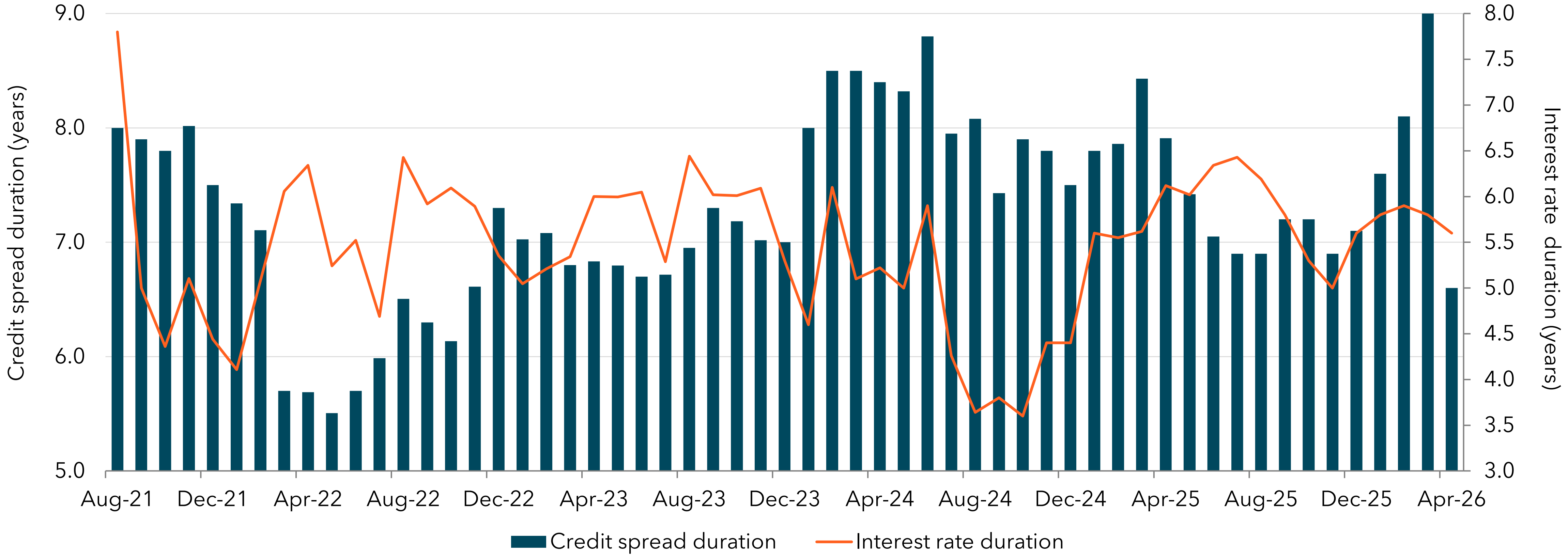
Agency MBS: Neutral

FX: Long EUR, USD | Short GBP, JPY

Source: Insight. For illustrative purposes only. The views shown are market views and do not directly relate to an investment strategy and should not be relied on as recommendations. Consideration of ESG ratings or ESG data before investing is not a pre-requisite for all asset classes.

BNY Strategic Bond Fund

Directional interest rate and credit risk management



Gradually adding rates and credit risk as yields move higher

Source: Insight as at 30 April 2026. Credit spread duration is an Insight proprietary metric.

BNY Strategic Bond Fund

Positioning summary as at 31 March 2026

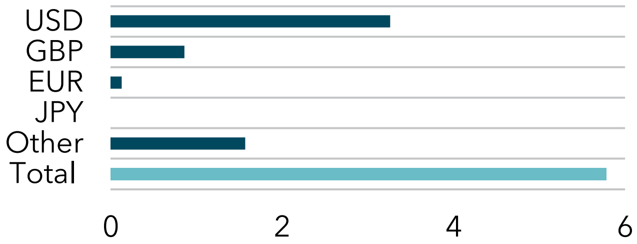
Characteristics	
Size (£ million)	262.1
Inception date	24/08/2021
Yield to maturity (%)[1]	6.1
Distribution yield (%)	4.9
Spread to government bonds (bp)	155

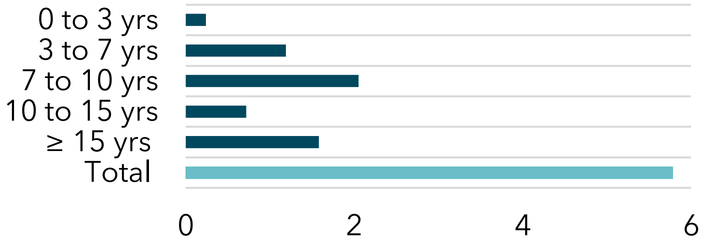
Top five issuer holdings	%
Australia Government Bond	9.0%
US Treasury Note/Bond	6.7%
Bundesschatzanweisungen	4.3%
Japan Government 30 Y	3.1%
US T Inflation Indexed Bonds	2.5%

Top five credit sectors	%
Financials	23.6%
Consumer	13.3%
Industrials	9.7%
TMT	9.6%
Utilities	7.0%

Further characteristics	
Interest rate duration (years)	5.8
Credit spread duration[2] (years)	9.0
Bond holdings	429
Average rating[3]	BBB

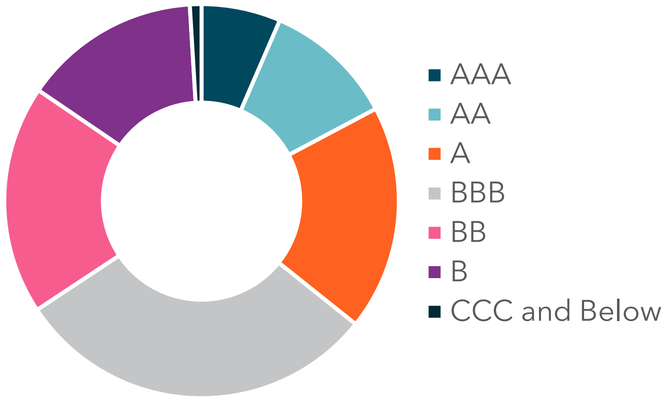
Interest rate duration (years)





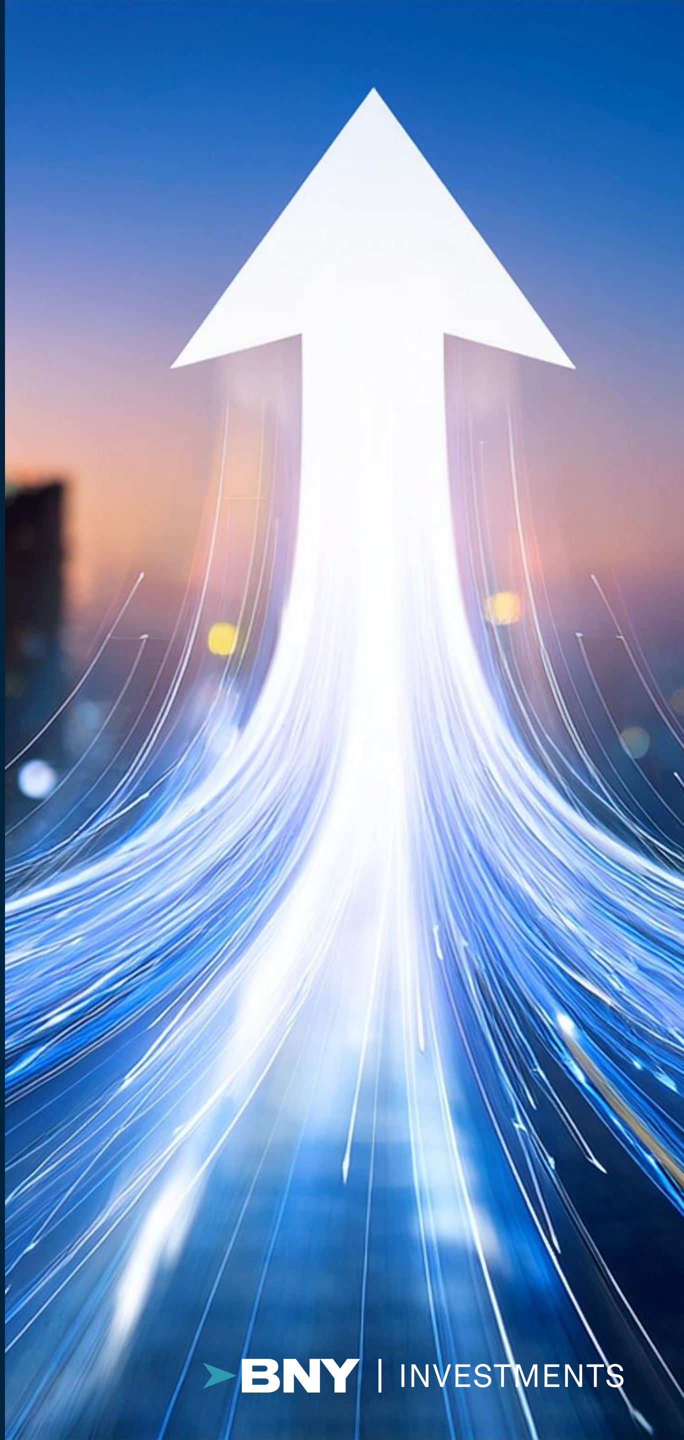
Asset allocation[4]	%
Global DM Gov	9.5
Global DM IG	45.4
Global DM HY	25.8
EMD	8.2
Global ABS	5.1
Cash & equivalents	5.9

Credit rating split[3] (%)



Source: Insight as at 31 March 2026. Allocations are subject to change at the manager's discretion. [1] Expected maturity based on defined parameters, not yield to first call. [2] Insight proprietary metric. [3] Highest of S&P, Moody's, and Fitch; excluding derivative and cash effects. [4] Physical allocation only.

Conclusion



What's the view?

Income is back in fixed income **skewing potential returns**

Macroeconomic and policy uncertainty creates a **supportive backdrop for fixed income**

Fixed income allocators should **keep investing with active managers**

Thank you

Damien Hill

BNY Strategic Bond Fund

Investment objective, annual performance and key risks

Investment objective

To generate a return through a combination of income and capital returns, whilst taking environmental, social and governance ("ESG") factors into account.
Effective 2nd December 2025, the Fund name changed from Responsible Horizons Strategic Bond Fund to BNY Strategic Bond Fund

Performance Benchmark

The Fund will measure its performance against the UK Investment Association Sterling Strategic Bond Sector as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because it represents a broad range of similar Sterling denominated bond funds that invest in corporate bonds.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policies as disclosed in the Prospectus.

Performance -12 month returns (%)

	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
	Mar 2022	Mar 2023	Mar 2024	Mar 2025	Mar 2026
Fund	-	-4.02	9.69	8.43	4.43
Performance Benchmark	-2.3	-6.51	7.11	4.95	4.73

Calendar Performance (%)

	2021	2022	2023	2024	2025
Fund	-	-10.68	10.10	7.99	8.44
Performance Benchmark	0.89	-11.97	7.89	4.37	7.22

Source: Lipper as at 31 March 2026. Fund performance Institutional Shares W (Accumulation) calculated as total return, including reinvested income net of applicable UK tax and charges, based on net asset value. All figures are in GBP terms.

Key Risks associated with this Fund

- **Objective/Performance Risk:** There is no guarantee that the Fund will achieve its objectives.
- **Currency Risk:** This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- **Geographic Concentration Risk:** Where the Fund invests significantly in a single market, this may have a material impact on the value of the Fund.
- **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 Fund 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 Fund.
- **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 Fund.
- **Credit Risk:** The issuer of a security held by the Fund may not pay income or repay capital to the Fund when due.
- **Emerging Markets Risk:** Emerging Markets have additional risks due to less-developed market practices.
- **CoCo's Risk:** Contingent Convertible Securities (CoCo's) convert from debt to equity when the issuer's capital drops below a pre-defined level. This may result in the security converting into equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.
- **Responsible Investing Risk:** The investment policy for this Fund places restrictions on its exposure to certain sectors or types of investments to reflect its responsible investing approach. The Fund's performance may be negatively impacted due to these restrictions in comparison to funds which do not have these restrictions. The Fund will not engage in securities lending activities and, therefore, may forego any additional returns that may be produced through such activities.
- **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 Fund to financial loss.

PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. THE VALUE OF INVESTMENTS AND THE INCOME RECEIVED CAN FALL AS WELL AS RISE AND INVESTORS MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

Important Information

For Professional Clients only. This is a financial promotion. For a full list of risks applicable to these funds, please refer to the Prospectus or other offering documents. Please refer to the prospectus and the KIID before making any investment decisions. Go to www.bny.com/investments.

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