

# SPREADS ARE TIGHT FOR GOOD REASON: CLIP THOSE COUPONS WHILE YOU CAN

19 May 2026

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Investment

# LEARNING OBJECTIVES

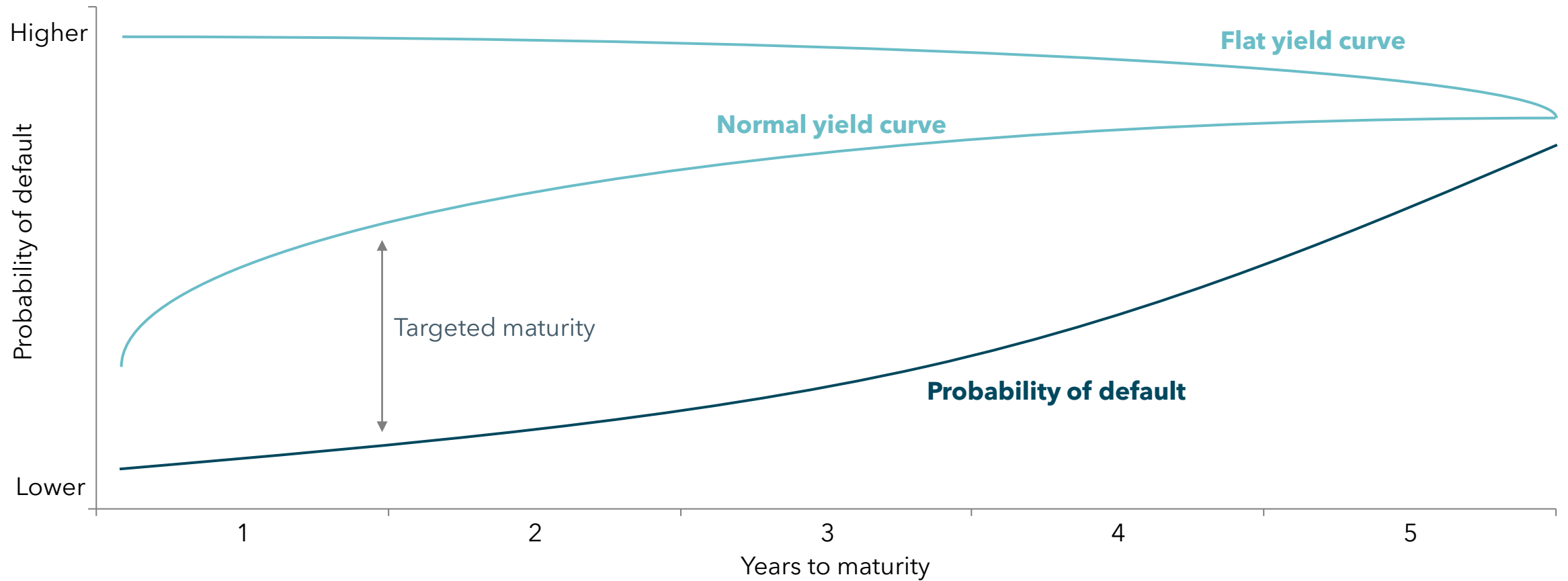
By the end of this presentation, you will be able to:

- 01** Understand the dynamics and nuances that underpin the high yield bond market
- 02** Evaluate the opportunities that are available in the high yield debt space and understand how AI is changing issuance patterns
- 03** Be able to articulate why going shorter dated in this sub asset class makes sense

# Why Global, Short-dated, High Yield Makes Sense

Mis-match between rating and duration

**Rating agencies assign a rating for the whole issuer curve regardless of maturity**



Source: Insight. For illustrative purposes only.

# Some high yield companies that you may recognise



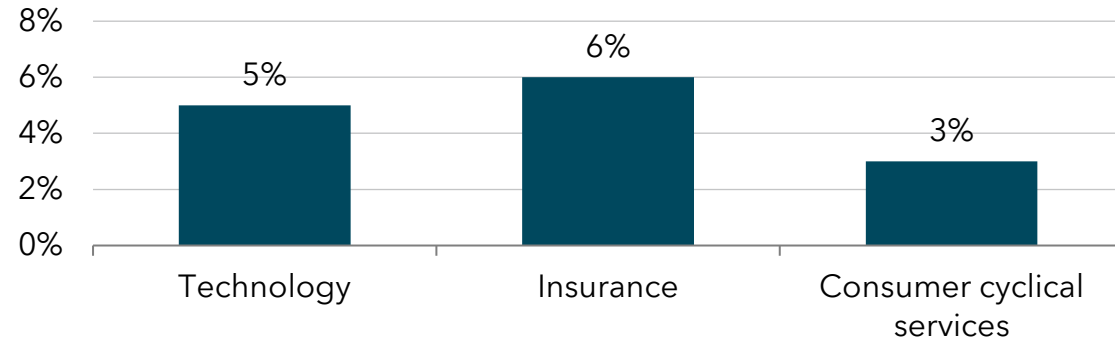
Welcome to the Stonegate Group

Originally formed in 2010 with 333 pubs, Stonegate Group is now the largest pub company in the UK

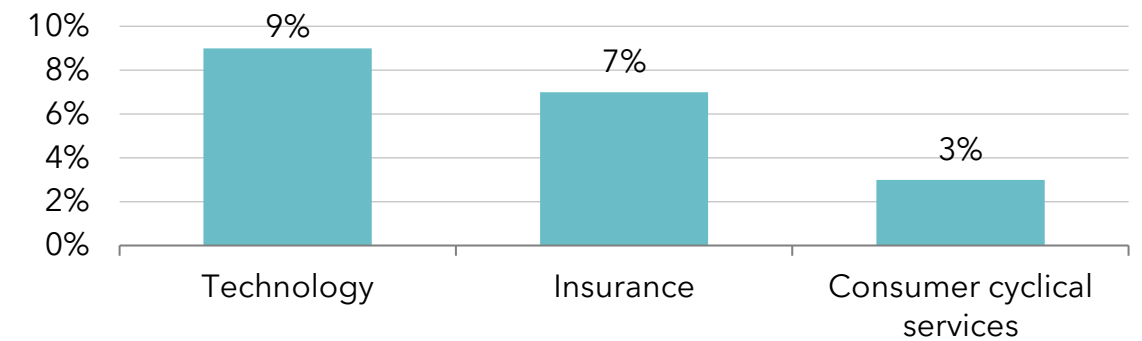
Source: Insight. For illustrative purposes only.

# Vulnerable sectors from AI disruption

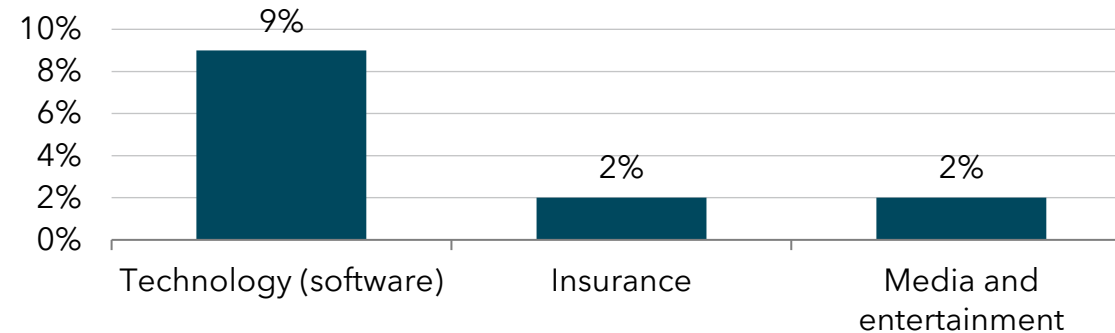
## European High Yield bond universe



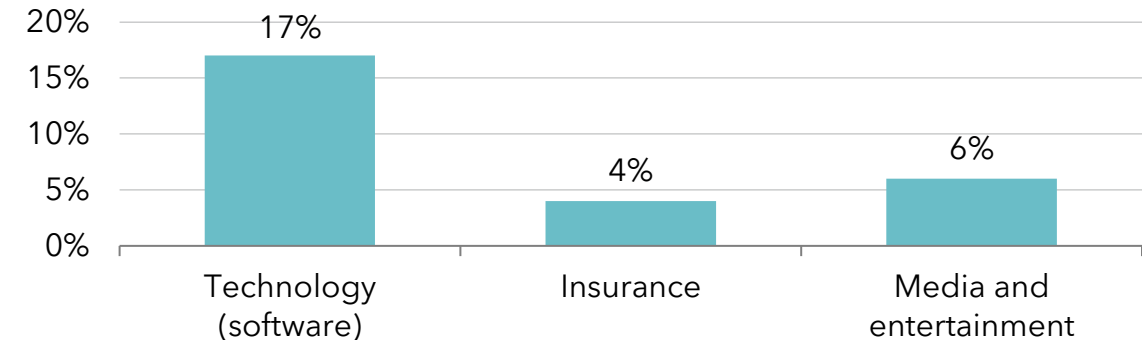
## US High Yield bond universe



## European Leverage Loan universe



## US Leverage Loan universe



Source: Pitchbook LCD as at 28 February 2026. Pitchbook create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# Where is there distress in the market?

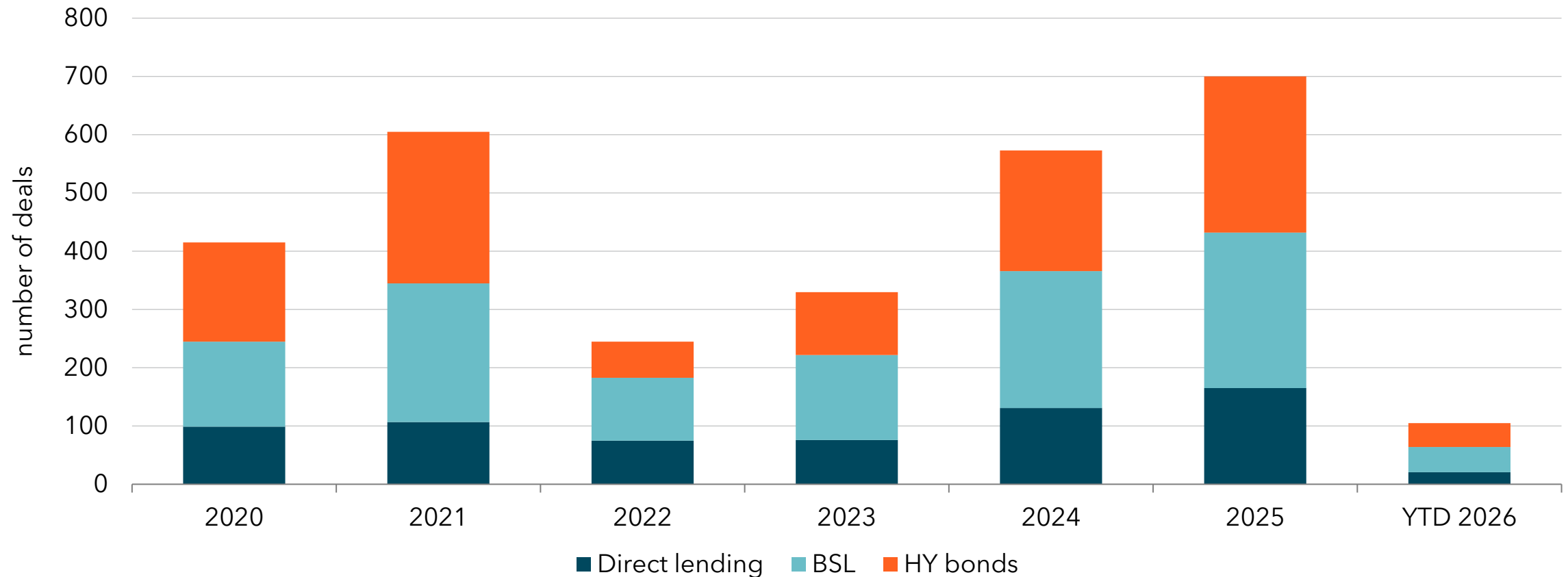
Distressed debt \$bn- US High Yield and Loan market

	High yield	Loan	Combined
Auto	0.6	2.8	3.4
Broadcasting	3.2	1.9	5.1
Chemical	4.4	3.5	7.9
Consumer products	2.8	2.6	5.5
Energy	0	0	0
Food & Bev	0	4.4	4.4
Leisure	3.1	0.3	3.4
Healthcare	5.1	10.8	15.9
Industrial	0.7	5	5.7
Metals and mining	2.3	0	2.3
Packaging	1.3	2.1	3.4
Technology	11.5	56.1	67.7
Telecoms	2	4.7	6.8
<b>Total distressed</b>	<b>74.2</b>	<b>125.6</b>	<b>209.8</b>
<b>Total market size</b>	<b>1,546</b>	<b>1,657</b>	<b>3,203</b>

Source: JP Morgan as at March 2026. JPM define distress as spreads wider than 1000bps in HY bonds and prices below 90 in Loans. JP Morgan create their own indices to monitor the size and characteristics of financial instruments based on internal data.

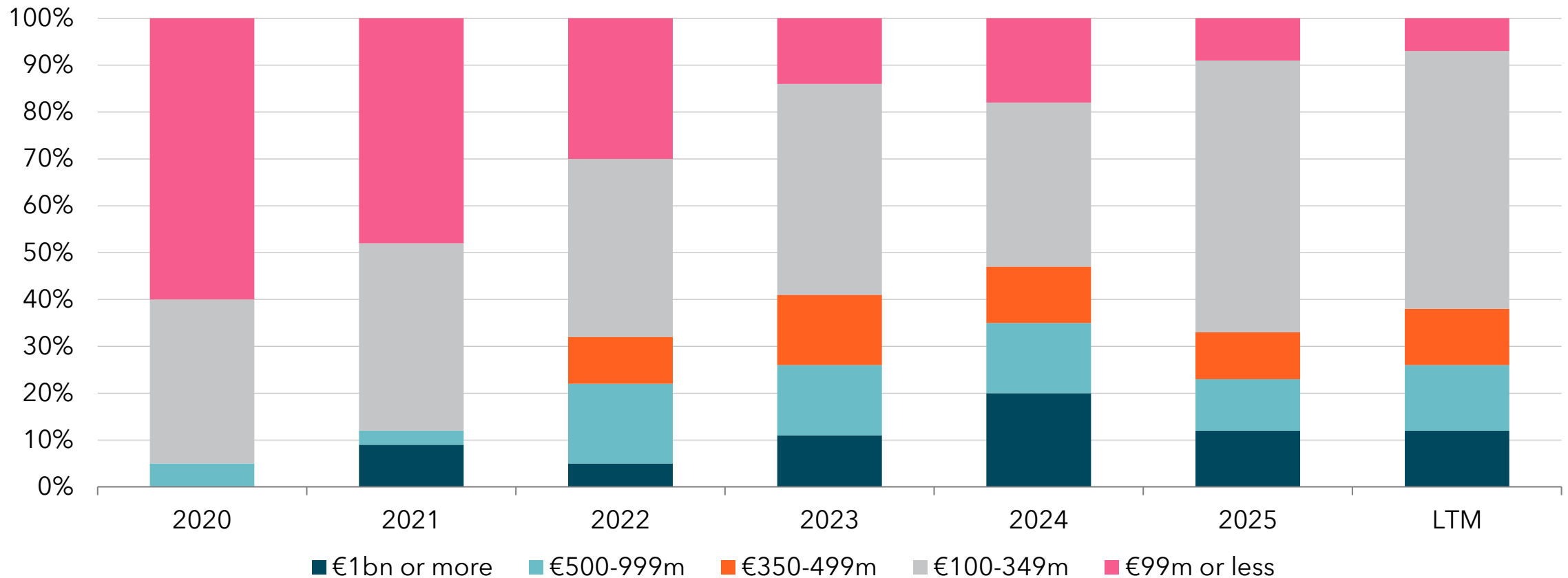
# How to get your company financed

Private lenders have become an important source of financing sub investment grade companies



Source: Pitchbook LCD as at 28 February 2026. Pitchbook create their own indices to monitor the size and characteristics of financial instruments based on internal data.

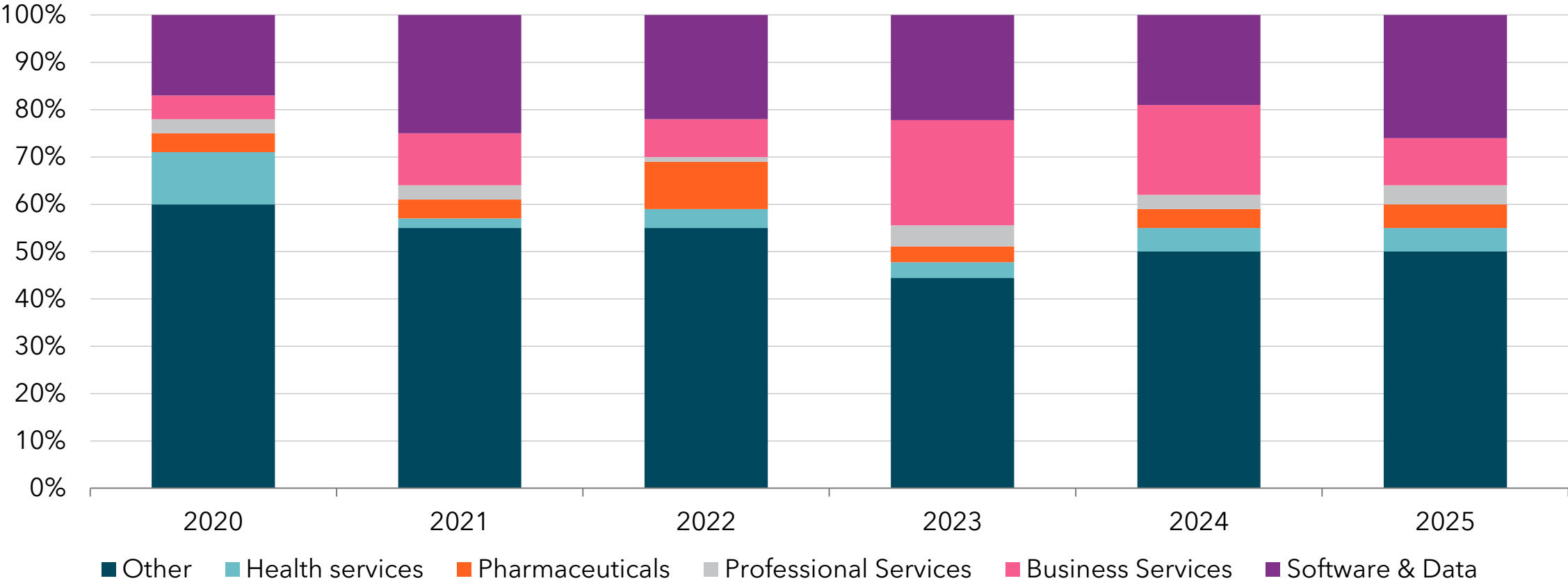
# Private lending deal sizes are small



Source: Pitchbook LCD as at 28 February 2026. Pitchbook create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# Top five direct lending sectors

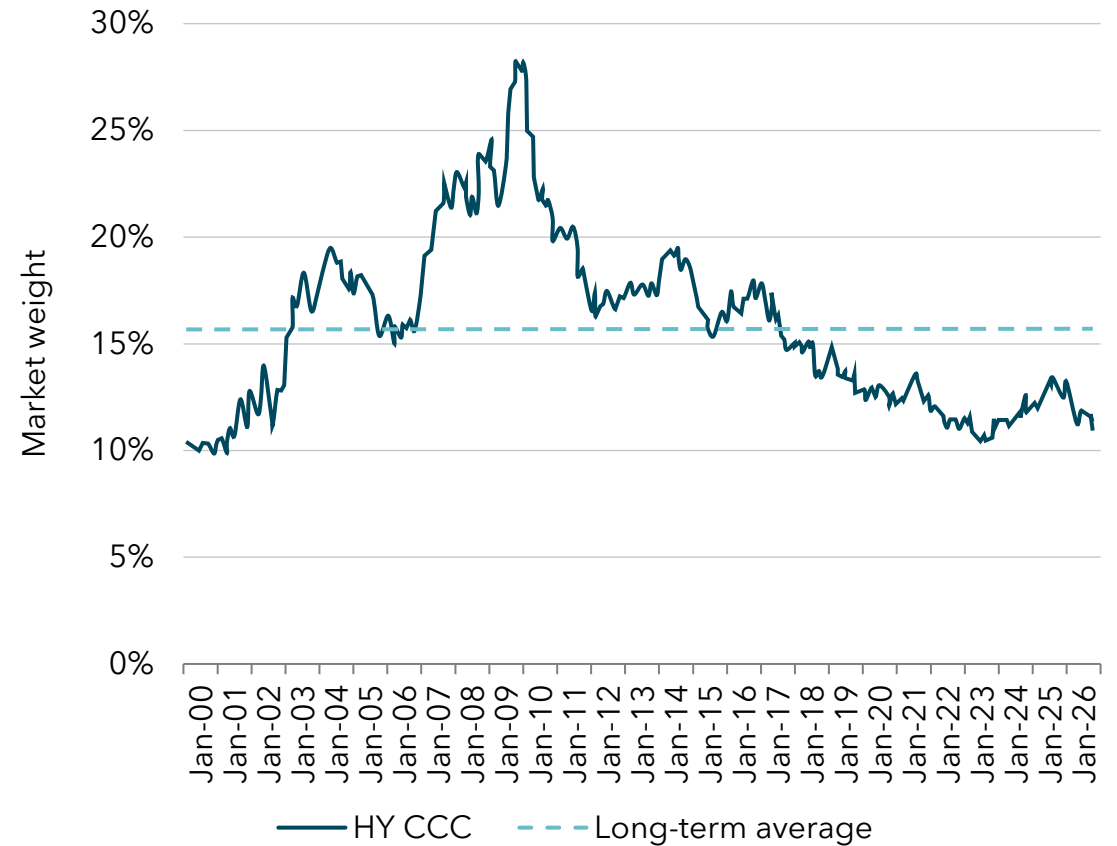
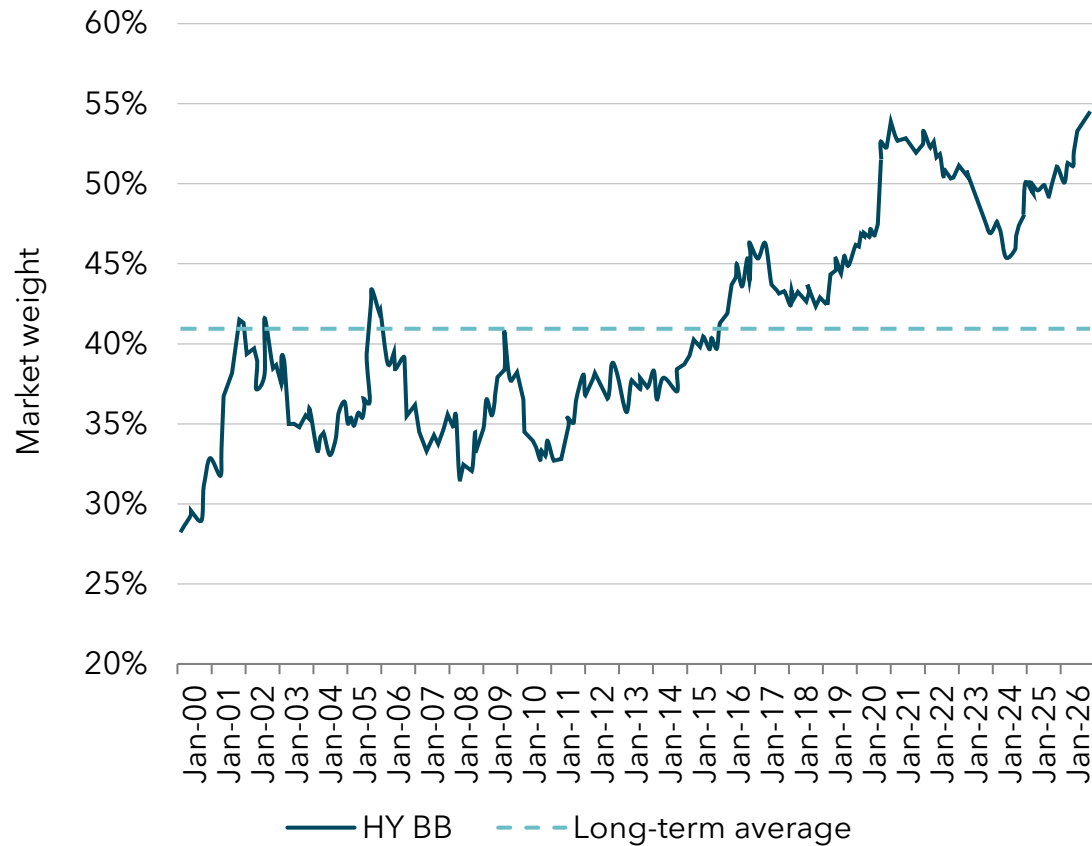
The software sector is very large in the private credit space



Source: Pitchbook LCD as at 28 February 2026. Pitchbook create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# Better quality

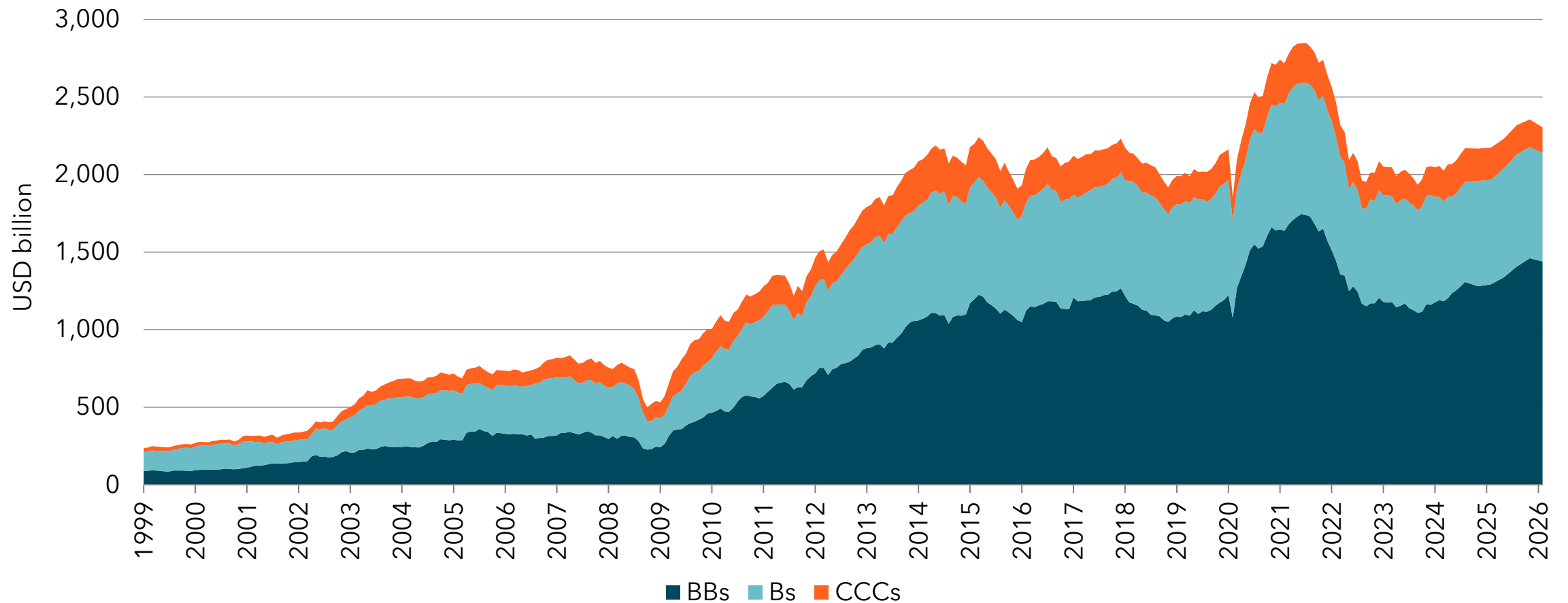
High Yield market has become higher quality over time



Source: US HY Market data from JP Morgan as at March 2026. JP Morgan create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# Global high yield market growth

A bigger and higher quality market than history

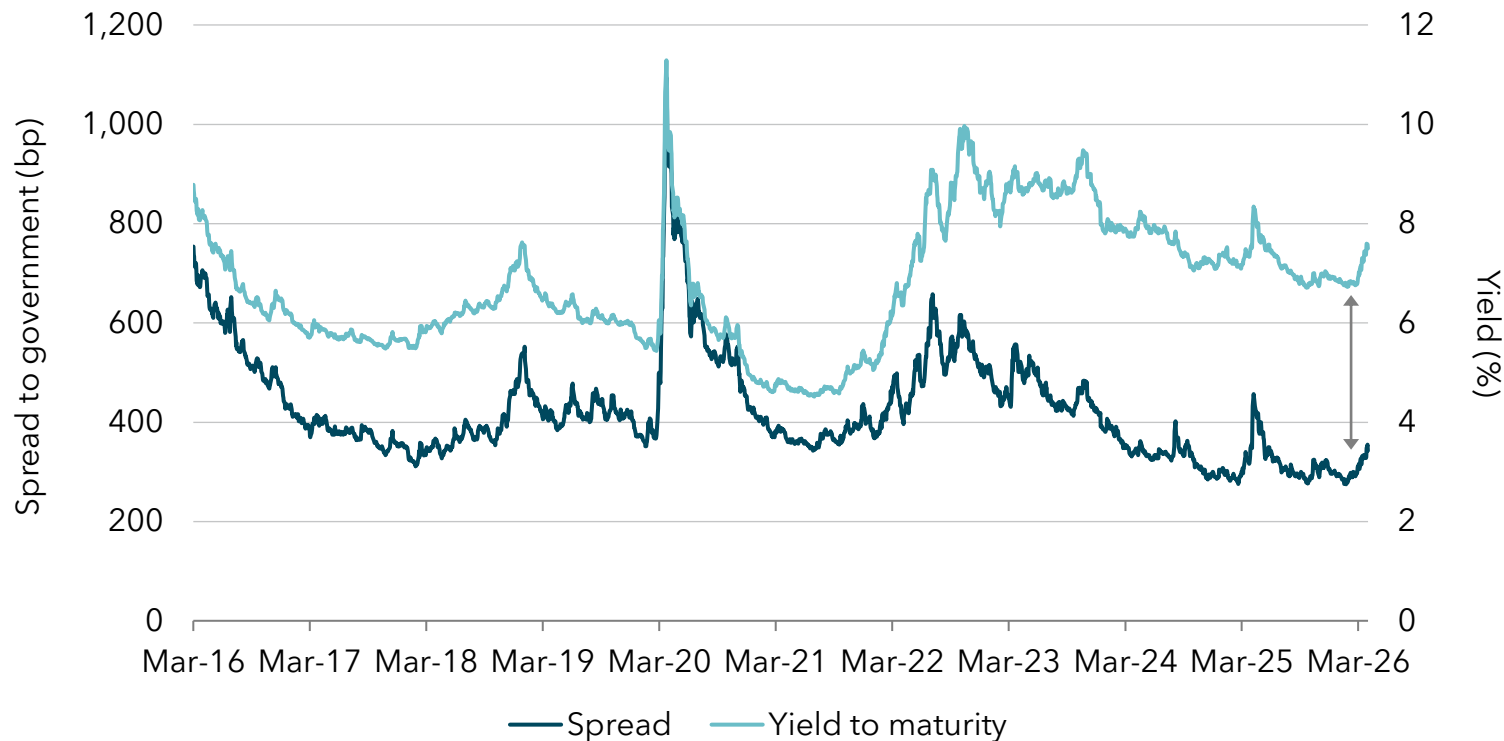


Source: Bank of America Merrill Lynch as at 31 March 2026. Index HW10, HW20, HW30. Bank of America Merrill Lynch create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# Valuations and fundamentals

Global High Yield- attractive yields on offer

## Another good earning season for Q4- US HY results by sector<sup>1</sup>



## Another good earning season for Q4- US HY results by sector<sup>2</sup>

	Beat	In line	Missed
Aerospace	25%	75%	0%
Auto	37%	42%	21%
Cable	22%	78%	0%
Chemicals	25%	33%	42%
Consumer	56%	28%	16%
Energy	19%	69%	12%
Industrials	33%	67%	0%
Paper & pack	31%	54%	15%
Technology	41%	49%	10%
Telecoms	25%	75%	0%

Source: <sup>1</sup> Barclays Global HY Corporate index as at 20 March 2026. <sup>2</sup> JP Morgan as at February 2026. Barclays and JP Morgan create their own indices to monitor the size and characteristics of financial instruments based on internal data.

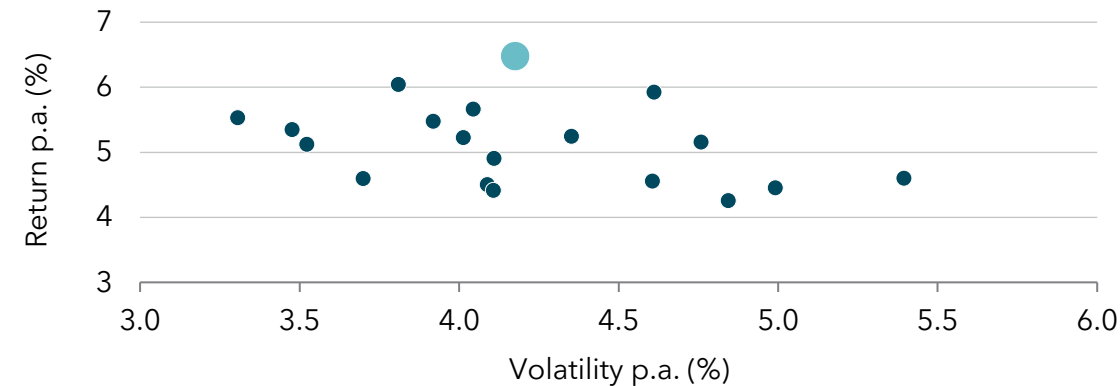
# Why Insight's global short dated high yield strategy?

Attractive & diversified income with managed & reduced risks

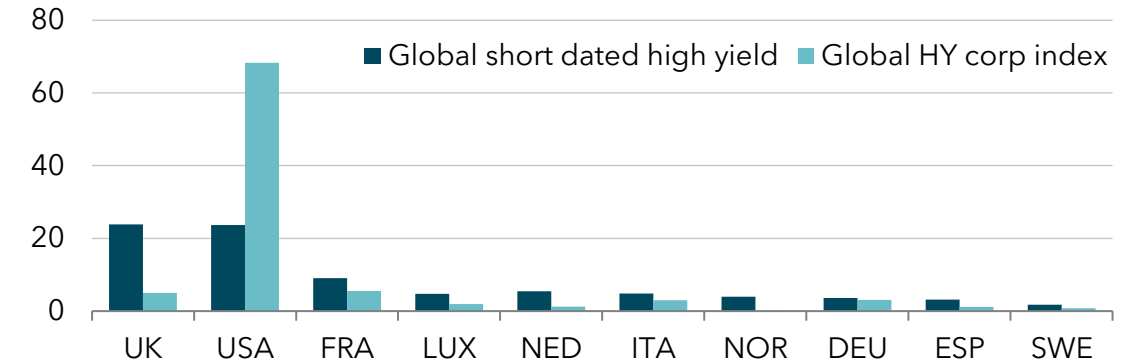
## 1. Attractive income with reduced risks<sup>1</sup>

	Yield (%)	Volatility (%)	Duration (yrs)
Global Treasury	4.3	4.4	7.0
Global Aggregate	4.4	4.8	6.4
Global Credit	4.8	6.2	6.0
EM Aggregate	5.7	7.4	5.9
Global High Yield Corporate	6.7	6.2	2.9
<b>Global short dated high yield</b>	<b>6.9</b>	<b>4.0</b>	<b>1.8</b>

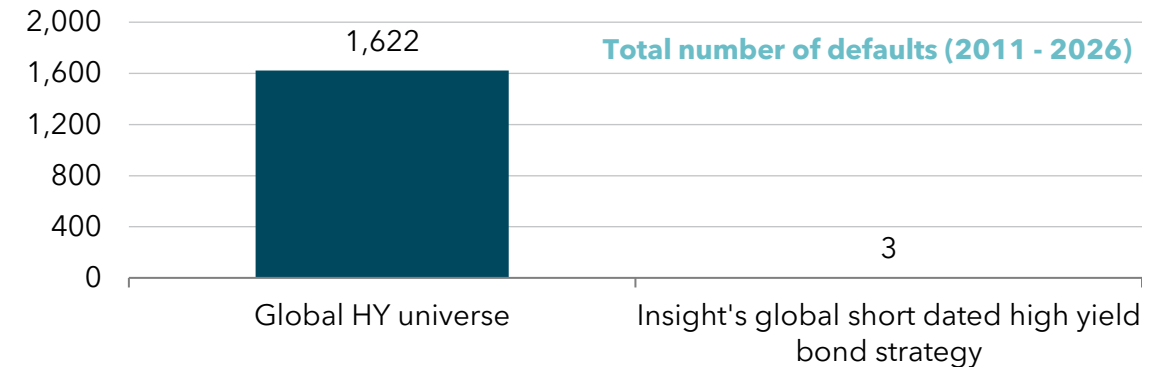
## 3. Strong performance against peers<sup>2</sup>



## 2. Diversify income with a truly global approach<sup>1</sup>



## 4. A track record of avoiding defaults<sup>3</sup>



<sup>1</sup> Source: Insight and Bloomberg as at 31 March 2026. <sup>2</sup> Source: Mercer GIMD universe exhibit shown as at 31 March 2026. Default data shown as at 31 March 2026, source Moody's and Insight. <sup>3</sup> The global HY universe constitutes of global issuers rated by Moody's based on their rating at the beginning of the year. Insight classifies a default to be when the position loses 50 points rather than an actual default event. Mercer create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# LEARNING OUTCOMES

You should now be able to:

- 01** Understand the dynamics and nuances that underpin the high yield bond market
- 02** Evaluate the opportunities that are available in the high yield debt space and understand how AI is changing issuance patterns
- 03** Be able to articulate why going shorter dated in this sub asset class makes sense



# Insight global high yield and loans

Experienced team of specialists



**Uli Gerhard**  
Senior Portfolio Manager  
High Yield



**Catherine Braganza**  
Senior Portfolio Manager  
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**Brian Barry**  
Portfolio Manager  
Research



David Averre  
HEAD OF GLOBAL CREDIT RESEARCH



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HY RESEARCH LONDON

Brian Barry  
Cathy Braganza  
Karsten Hartmann  
Lenka Robbins  
Claire Robbs  
Ameil Tailor

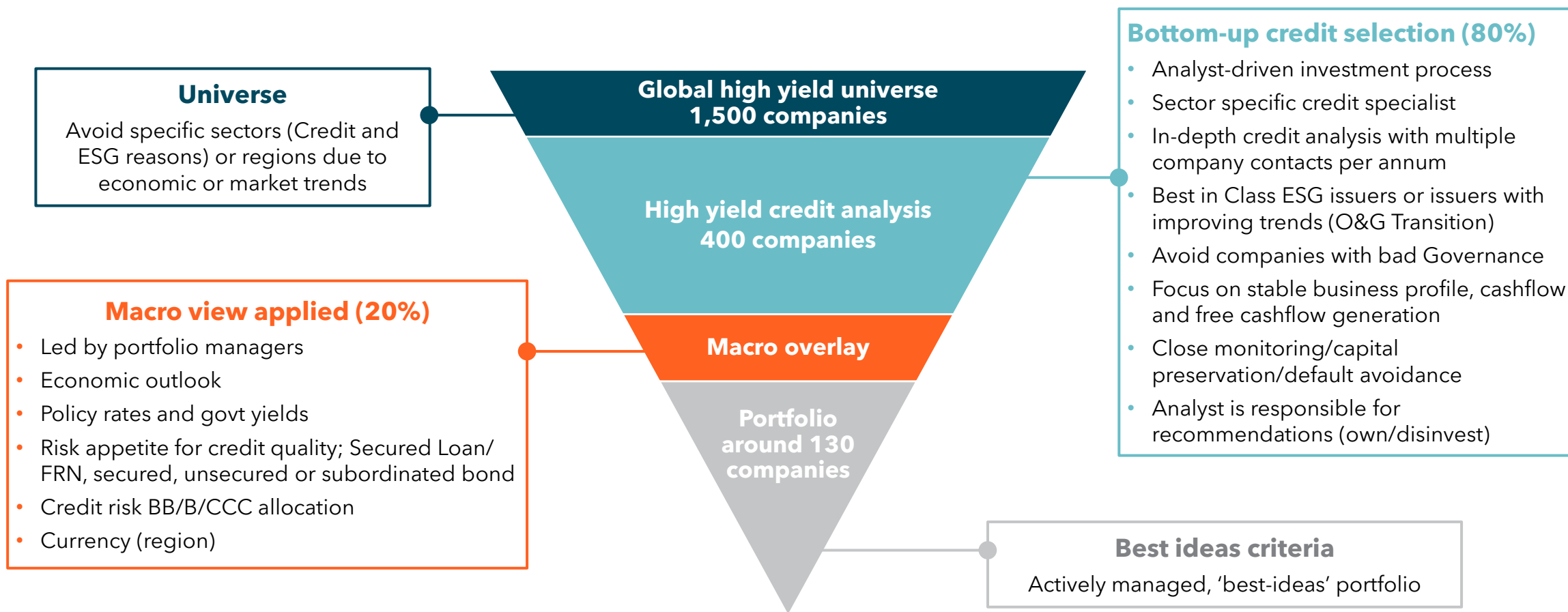


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HY RESEARCH (NORTH AMERICA)

Waleed Bokhari (NY)  
Joseph Chiurri (BOS)  
Frank Deng (NY)  
Tim Doherty (NY)  
John Grassano (NY)  
Michal Ostrowski (NY)

As at March 2026. Located in: New York (NY), Boston (BOS). NY includes employees of Insight North America LLC (INA) which provides asset management services as part of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML).

# Investment process



Source: Insight as at 14 January 2025. For illustrative purposes only.

# Insight's strong track record of avoiding defaults

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Global HY universe: corporate issuers</b>	45	72	73	64	105	145	116	73	98	219	54	90	163	148	130	27
<b>Short dated high yield strategy</b>	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0	0

**Insight classifies a default to be when the position loses 50 points rather than an actual default event**

Source: Moody's and Insight as at 31 March 2026. The global HY universe constitutes of global issuers rated by Moody's based on their rating at the beginning of the year. Moody's create their own indices to monitor the size and characteristics of financial instruments based on internal data.

# How has the strategy performed?

	2021	2022	2023	2024	2025	2026 YTD
<b>Insight Global short-dated high yield bond strategy</b>	USD 5.63% EUR 4.69% GBP 5.41%	USD -3.14% EUR -5.11% GBP -3.68%	USD 14.71% EUR 12.36% GBP 14.05%	USD 9.76% EUR 7.96% GBP 9.52%	USD 7.90% EUR 5.62% GBP 7.78%	USD -0.29% EUR -0.76% GBP -0.31%
<b>Euro HY</b>	3.35%	-11.48%	12.00%	8.63%	5.15%	-1.72%
<b>US HY</b>	5.36%	-11.22%	13.45%	8.22%	8.50%	-0.55%
<b>Euro IG</b>	-1.02%	-13.94%	8.02%	4.67%	3.03%	-0.95%
<b>US IG</b>	-0.95%	-15.44%	8.39%	2.77%	7.78%	-0.42%

Source: Insight and Bloomberg as at 31 March 2026. The market indices have been shown against the short duration high yield bond composite to provide an analysis of the impact of the sell-off on the strategy versus the high yield indices of different maturities in the wider market. Composite performance and ICE (Intercontinental Exchange) Bank of America Merrill Lynch (BofA) indices total returns: <sup>1</sup> ICE BofA Euro High Yield index 'HE00', <sup>2</sup> ICE BofA US High Yield index 'H0A0', <sup>3</sup> ICE BofA Euro Corporate index (European Investment Grade) 'ER00', <sup>4</sup> ICE BofA US Corporate index (US Investment Grade) 'C0A0'. A copy of a fully compliant GIPS report is available at the front of this document. Fees and charges apply and can have a material effect on the performance of your investment.

# How has the strategy performed?

	2021	2022	2023	2024	2025	2026 YTD
Insight Global short-dated high yield (USD hedged)	5.63%	-3.14%	14.71%	9.76%	7.90%	-0.29%
Global HY: 1-5yr	2.20%	-6.92%	11.84%	8.32%	7.96%	-0.38%
Global HY: 1-5yr BB/B only	3.06%	-7.24%	11.99%	9.45%	7.61%	-0.32%
Global HY: all maturity	3.75%	-10.73%	13.04%	9.03%	8.19%	-0.58%

Source: Insight and Bloomberg as at 31 March 2026. The market indices have been shown against the short duration high yield bond composite to provide an analysis of the impact of the sell-off on the strategy versus the high yield indices of different maturities in the wider market. Composite performance and Bloomberg Global High Yield indices: 1-5yr, 1-5yr BB/B only and all maturity, hedged into USD. A copy of a fully compliant GIPS report is available at the front of this document. Fees and charges apply and can have a material effect on the performance of your investment.

# Insight's global short-dated high yield bond strategy

Current positioning as at 31 March 2026

Key statistics	Fund
Average expected maturity (years) <sup>1</sup>	2.40
Average final maturity (years)	3.32
Average yield to expected redemption (GBP, %)	7.43
Number of positions (issuers)	127
Average rating	B+

Currency	Fund (%)
EUR	43.4
USD	40.1
GBP	16.3
AUD	0.0
NOK	0.3
<b>Total (fully hedged into base currency)</b>	<b>100%</b>

Credit breakdown	Fund (%)
A	0.2
BBB	1.9
BB	50.0
B	36.1
CCC	3.5
Cash and other <sup>2</sup>	8.2
<b>Total</b>	<b>100%</b>

Sector	Fund (%)
TMT	15.8
Building & Construction	11.6
Commercial Services	11.4
Energy - Oil & Gas	8.4
Food & Beverage	7.6
Auto Manufacturing, Parts & Equipment	7.4
Healthcare & Pharmaceuticals	6.9
Transportation	6.8
Hotel, Gaming & Leisure	6.4
Chemicals	4.8
Paper, Packaging & Containers	4.5
Retail	2.9
Banks, Insurance & Real Estate	2.4
Basic Materials & Mining	1.2
Industrial	0.9
Consumer Goods	0.7
<b>Total</b>	<b>100%</b>

Region (country of risk)	Fund (%)
USA	22.0
UK <sup>2</sup>	21.8
France	8.4
Luxembourg	5.1
Netherlands	4.5
Norway	4.4
Italy	3.7
Germany	3.4
Spain	2.9
Sweden	1.6
Austria	1.2
Tanzania	1.2
Israel	1.2
Nigeria	1.0
Slovenia	0.9
Belgium	0.9
Denmark	0.9
Turkey	0.9
Mauritius	0.8
Canada	0.7
Australia	0.7
Brazil	0.6
Finland	0.6
Jersey	0.6
Cash and other <sup>1</sup>	8.0
<b>Total</b>	<b>100</b>

Source: BNY Investments. The representative portfolio adheres to the same investment approach as Insight's global short dated high yield bond strategy. <sup>1</sup> Includes cash, Insight Liquidity Fund and FX exposure. <sup>2</sup> 4.46% of this is UK North Sea Oil & Gas. Positioning may not total 100% due to rounding.

# Insight's floating rate credit strategy

- Benchmark: 3-Month EURIBOR
- Income generator: with small capital appreciation
- Conservatively structured: majority secured assets
- Diversified portfolio: across asset classes and sectors
- Targets low volatility, and attractive returns
- Broad portfolio: lend to the best companies without taking currency risk
- Cross fertilisation from flagship global short dated high yield bond strategy
- Targets conservative average credit rating of BB

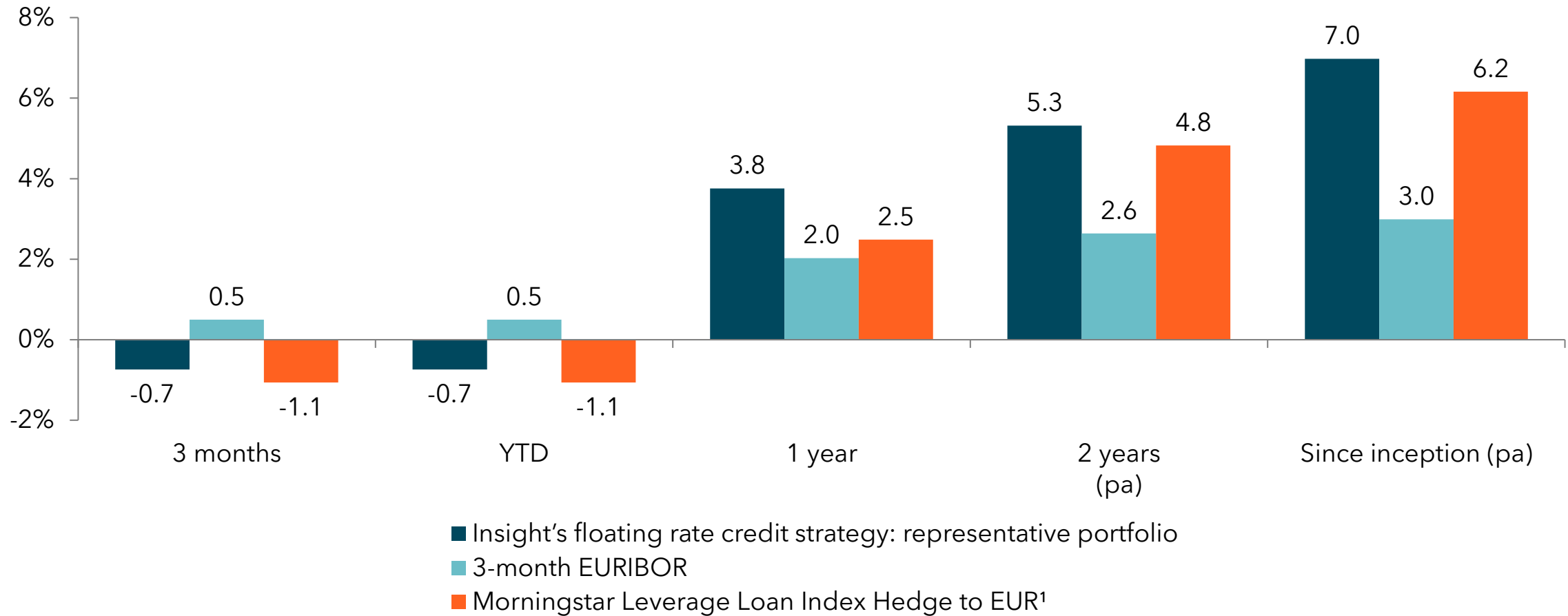
## Strategy facts

- Dealing: daily dealing
- Outperform EURIBOR by **3-3.25%**
- AUM: €83m (as at 31 March 2026)
- Inception: 26 June 2023

The outperformance target stated is for indicative purposes only, may be changed without notice and is not a guarantee of future returns.

# Insight's floating rate credit strategy

Performance of the representative portfolio (RP) as at 31 March 2026



Data is gross of fees in EUR. All returns over one year are annualised. Fees and charges apply and can have a material effect on the performance of your investment. Inception: 26 June 2023. Performance relates to a representative portfolio that adheres to the same investment approach as Insight's floating rate credit strategy. <sup>1</sup> Comparator index effective November 2025. Previously S&P UBS Institutional Western European Leveraged Loan Index (Hedged into EUR).

# Thank you



**Uli Gerhard**

# IMPORTANT DISCLOSURES

# Insight Global Short-Dated High Yield Strategy: Representative Portfolio (EUR)

Ten-year performance record

## 12-month rolling returns to 31 March 2026 (%)

	2025 - 2026	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017
Representative portfolio	3.84	6.90	10.33	-0.26	1.99	14.97	-10.13	2.01	3.23	--
3-Month EURIBOR	2.02	3.25	3.69	1.03	-0.62	-0.57	-0.51	-0.46	-0.48	--

## Calendar year returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Representative Portfolio	5.62	7.96	12.36	-5.11	4.69	0.06	5.59	-1.65	4.36	--
3-Month EURIBOR	2.16	3.60	3.27	0.35	-0.65	-0.54	-0.49	-0.47	-0.47	--

**Source:** Insight. The representative portfolio adheres to the same investment approach as the Insight's global short dated high yield bond strategy. 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. Inception date: 30 November 2016. Effective 1 January 2022, the benchmark changed from the EURIBOR to 3-Month EURIBOR. All benchmark past performance prior to this date was calculated against EURIBOR.

# Insight Global Short-Dated High Yield Strategy: Representative Portfolio (USD)

Ten-year performance record

## 12-month rolling returns to 31 March 2026 (%)

	2025 - 2026	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017
Representative Portfolio	6.15	8.72	12.37	2.22	2.91	16.30	-7.26	5.10	5.59	-
SOFR (90-day compounded) <sup>1</sup>	4.24	5.14	5.21	2.20	0.05	0.22	1.99	2.47	1.40	-

## Calendar year returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Representative Portfolio	7.90	9.76	14.71	-3.14	5.63	1.87	8.84	1.24	6.47	-
SOFR (90-day compounded) <sup>1</sup>	4.41	5.38	4.90	1.17	0.06	0.56	2.28	2.28	1.19	-

**Source:** Insight. The representative portfolio adheres to the same investment approach as the Insight's global short dated high yield bond strategy. Performance calculated as total return, income reinvested, gross of fees in USD. Fees and charges apply and can have a material effect on the performance of your investment. Inception date: 30 November 2009. <sup>1</sup> Effective 1 January 2022, the benchmark changed from the 3-Month USD LIBOR to the SOFR (Secured Overnight Financing Rate) (90-day compounded). All benchmark past performance prior to this date was calculated against 3-Month USD LIBOR.

# Insight Global Short-Dated High Yield Strategy (GBP)

Ten-year performance record

## 12-month rolling returns to 31 March 2026 2026 (%)

	2025 - 2026	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017
Composite	5.95	8.51	11.87	1.44	2.78	15.68	-9.31	3.26	4.21	7.56
SONIA <sup>1</sup>	4.13	5.04	4.81	1.81	0.03	0.01	0.63	0.68	0.28	0.32

## Calendar year returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Composite	7.70	9.52	14.05	-3.68	5.41	0.43	6.93	-0.41	5.23	7.95
SONIA <sup>1</sup>	4.34	5.19	4.34	1.03	-0.03	0.17	0.68	0.60	0.23	0.38

**Source:** Insight. Composite (C0810) 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. Inception date: 30 November 2009. <sup>1</sup> Effective 1 November 2021, the benchmark changed from 3-Month GBP LIBID to SONIA. All benchmark past performance prior to this date was calculated against 3-Month GBP LIBID.

# Insight's Floating Rate Credit Strategy: Representative Portfolio

Ten-year performance record

## 12-month rolling returns to 31 March 2026 (%)

	2025 - 2026	2024- 2025	2023- 2024	2022- 2023	2021- 2022	2020- 2021	2019- 2020	2018- 2019	2017- 2018	2016- 2017
Insight's Floating Rate Credit Strategy: Representative Portfolio	3.74	6.90	-	-	-	-	-	-	-	-
3-month EURIBOR	2.02	3.25	-	-	-	-	-	-	-	-
Morningstar Leverage Loan Index (Hedge to EUR)	5.63	8.30	-	-	-	-	-	-	-	-

## Calendar year returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Insight's Floating Rate Credit Strategy: Representative Portfolio	5.37	8.50	-	-	-	-	-	-	-	-
3-month EURIBOR	2.16	3.60	-	-	-	-	-	-	-	-
Morningstar Leverage Loan Index (Hedge to EUR)	5.63	8.30	-	-	-	-	-	-	-	-

**Source:** Insight. The representative portfolio adheres to the same investment approach as the Insight's floating rate credit strategy. 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. Inception date: 26 June 2023.

**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](http://www.bny.com/investments).**

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