31 December 2020

**FUND OBJECTIVE**

The Fund seeks to produce a return for shareholders, generated from income and capital appreciation.

**FUND SUMMARY**

- Actively managed to aim to deliver positive absolute returns in excess of a cash benchmark
- Aims to add value principally through A rated securities
- Invests with a bias to global opportunities senior in the capital structure
- Rigorous, disciplined investment process aiming to deliver precision and diversification

**SHARE CLASS PERFORMANCE**

Source: Insight Investment and Rimes. All performance is annualised. Fund performance is unit price performance and is calculated in Sterling as total return, including reinvested income, gross of fees and expenses. Gross of fees performance results do not reflect the deduction of charges, which will reduce investors’ returns. Performance for periods over one year is annualised. Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested.

**FUND FACTS**

- Fund size: £2.9bn
- Inception date: 10 May 2018
- Benchmark: 1 Month SONIA
- Fund manager: Shaheer Guirguis and Pritesh Solanki

**FUND CHARACTERISTICS**

- Yield (%): 1.63
- Weighted average life (years): 2.8
- Weighted Average Discount Margin vs. Sonia (bp): 220

**FUND MANAGER COMMENTS**

The Fund outperformed its cash benchmark ending December with a running yield of 220bp ahead of one-month sterling SONIA and a 51% weighting to cash and AAA-rated assets. It was another strong month for risk assets as excess liquidity provided a strong technical tailwind. The European structured credit market performed relatively well with the continuing compression of higher yielding sectors and the flattening of both credit and term structures. There was very limited issuance. The US structured credit market also performed well as we continued to see the flattening of capital structures and the narrowing of the basis between the vanilla and more esoteric sectors. Activity was relatively muted during the month. The long-term strategic value of the asset class remains strong: the holdings are all highly rated; the market has a supply/demand imbalance; and forecast returns are relatively attractive.
The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested. The information in this document is general in nature and does not constitute legal, tax, or investment advice. This document may not be used for the purposes of an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Investors are urged to consult their own advisers on the implications of making an investment in, and holding or disposing of shares in the Fund. Portfolio holdings are subject to change, for information only and are not investment recommendations.

- Any losses in the fund will be borne solely by investors in the fund and not by BNY Mellon (including its affiliates); therefore BNY Mellon’s losses in the fund will be limited to losses attributable to the ownership interests in the fund held by BNY Mellon and any affiliate in its capacity as an investor in the fund or as beneficiary of a restricted profit interest held by BNY Mellon or any affiliate.
- Ownership interests in the fund are not insured by the FDIC, are not deposits, obligations of, or endorsed or guaranteed in any way, by BNY Mellon. Neither BNY Mellon nor any of its controlled affiliates (which includes the fund’s general manager/managing partner/investment adviser), may directly or indirectly, guarantee, assume, or otherwise insure the obligations or performance of the fund or of any other covered fund in which the fund invests.
- Investors should read the fund’s offering documents before investing in the fund. Information about the role of BNY Mellon, its controlled affiliates, and their employees in sponsoring or providing services to the fund are described in the Volcker Rule section of the offering documents.

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