

FIXED INCOME CREDIT CAPABILITIES

INSIGHT'S APPROACH

INSIGHT INVESTMENT IS EUROPE'S FIFTH LARGEST INVESTMENT MANAGER¹, WITH £626.2BN/€757.3BN² IN TOTAL ASSETS UNDER MANAGEMENT. OF THIS, £107.9BN/€130.5BN² IS INVESTED ACROSS THE FULL UNIVERSE OF CREDIT OPPORTUNITIES, COMPRISING BOTH PHYSICAL SECURITIES AND CREDIT DERIVATIVES.

Our investment process is client focused and outcome oriented, with solutions delivered through a structured risk-controlled framework.

TAILORED SOLUTIONS

Insight offers a wide range of customised credit solutions, in both segregated and pooled structures. Investment approaches include active management versus a benchmark, absolute return and buy and maintain.

OUTCOME-ORIENTED PROCESS

Our credit strategy adopts a top-down approach, incorporating long-term strategic valuations with shorter-term tactical views, alongside bottom-up fundamental research to construct the optimal portfolio.

DEEPLY RESOURCED

We believe we have one of the most resourced and experienced credit functions in Europe, supported by Insight's wider Fixed Income Group.

HIGHLY SKILLED

As well as expertise in cash bonds, Insight's credit specialists have substantial experience in credit derivatives, trading indices as well as individual names in order to widen the investment opportunity set and efficiently manage risk.

RIGOROUS RISK MANAGEMENT

Our credit investment process is supported by sophisticated risk management capabilities, helping us ensure that the risk profile and allocations of our portfolio are in line with client expectations and reflect the risk portfolio managers want to take.

DEDICATED SERVICE

Understanding our clients' needs and open communication are the keys to building a successful partnership. We seek to provide

our clients with first-class service through regular contact and guidance on all aspects of their portfolios.

INVESTMENT PHILOSOPHY

At the heart of our business lies a determination to offer clients outcome-oriented solutions. We believe that collaboration and open dialogue drives innovation and develops solutions that are both bespoke and holistic.

Insight's fixed income investment philosophy focuses on aiming to deliver consistent performance by virtue of two key investment principles: precision and diversification.

Precision

We believe in building portfolios that accurately target sources of return that reflect our prevailing investment views. We seek to include only those elements of market risk that we consider attractive and aim to eliminate unintended risks.

Diversification

We believe consistent long-term performance is generated by covering a wide range of opportunities, not allowing any single source of alpha to dominate returns over time.



RESPONSIBLE INVESTMENT³

For more than a decade Insight has been seeking to invest responsibly on behalf of our clients in our credit portfolios. We believe that management can influence the long-term performance of companies through an awareness of the social and environmental aspects of business and by maintaining good standards of corporate governance.

¹ Source: IPE's 'Top 500 Asset Managers' survey, June 2024. Insight is ranked fifth out of the top 120 European institutional managers by total AUM for external Europe-domiciled institutional clients.

² As at 31 December 2024. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Where the methodology defines it, some asset reporting focuses on cash securities only. Figures shown in GBP. Reflects the AUM of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIL), Insight Investment Management (Europe) Limited (IIMEL) and Insight North America LLC (INA), each of which provides asset management services.

³ Insight's annual responsible investment report is available on our website: www.insightinvestment.com

CREDIT CAPABILITIES

OUR EXPERIENCED CREDIT FUNCTION HAS A LONG-ESTABLISHED EXPERTISE ACROSS THE FULL SPECTRUM OF CREDIT MARKETS. MOREOVER, WE CONTINUE TO EXPAND OUR CAPABILITIES AND BROADEN OUR SUITE OF CREDIT SOLUTIONS DESIGNED IN PARTNERSHIP WITH OUR CLIENTS.

BUY AND MAINTAIN CREDIT

Global credits that offer the best long-term investment fundamentals are sought, with an aim to avoid loss from default or deterioration in credit quality. We believe our approach has a number of advantages over traditional index tracker funds, including: screening out deteriorating credits that are potential defaults, building a diversified portfolio that limits sector, industry and issuer concentration with bonds held based on value and quality rather than the amount of debt issued, and minimising transaction costs associated with tracking changing index constituents.

ACTIVE INVESTMENT GRADE CREDIT

We survey the global credit universe for suitable issuers, with tradeable names regularly reviewed and cross-checked against our 'landmine' checklist to screen for factors that could cause a sudden, unexpected deterioration in credit quality. We seek to add value not only through active security selection, but also through credit strategy, market allocation, active duration and yield curve management, and currency selection.

HIGH YIELD

Our investment approach in high yield is to focus on short-dated securities which helps to reduce volatility and improve visibility of future earnings. We analyse each issuers 'path to liquidity' and the entirety of the capital structure to seek the most attractive investment option.

EMERGING MARKET CORPORATE BONDS

Insight seeks to capture what we consider to be the best long and short opportunities from across the available investment universe following thorough analysis of the key themes affecting emerging markets. We employ a range of hedging techniques and proprietary risk metrics to size positions and manage risk.

ASSET-BACKED SECURITIES

Insight was an early investor in the asset-backed securities (ABS) market and we continued to add to our investment expertise in this area through the financial crisis, despite ABS being widely regarded as a pariah asset class. Our experienced team of secured finance specialists invests in a wide range of high-quality ABS across the risk spectrum.

SECURED CORPORATE LOANS

Insight has built a strong track record in the global loan market. We invest in high quality loans, such as senior loans, with an allocation to other debt including second lien and mezzanine loans as well as other loan classes. Between mid-2007 and mid-2015 we traded and closed over 1,000 secured corporate loans, demonstrating how our well-developed infrastructure supports our offering.

SECURED FINANCE

Structured finance strategies can provide greater yield and lower risk than similar quality credit opportunities, as well as greater cash flow certainty and structural protection. Insight is experienced in sourcing, researching, structuring and investing in these opportunities to exploit the premia from 'complexity' and 'illiquidity'. In the evolving private debt market, we originate deals from many sources. We are focused on high quality, lower risk opportunities and practice a rigorous approach to risk controls.

OUR INVESTMENT TEAM

OUR CREDIT ANALYSIS TEAM HAS AN AVERAGE INDUSTRY EXPERIENCE OF 18 YEARS AND IS WELL PLACED TO ANALYSE A BROAD RANGE OF INVESTMENT OPPORTUNITIES ACROSS THE CREDIT SPECTRUM, FROM HIGH YIELD THROUGH TO INVESTMENT GRADE. THE TEAM IS SUPPORTED BY AND DRAWS ON THE EXPERTISE OF INSIGHT'S WIDER FIXED INCOME GROUP.

EXPERIENCED

The credit function is part of Insight's Fixed Income Group and draws on the expertise of 164 specialist investment professionals⁴. All of our investment professionals have their own focused area of market specialisation with a proven ability to generate desired outcomes.

SPECIALISED

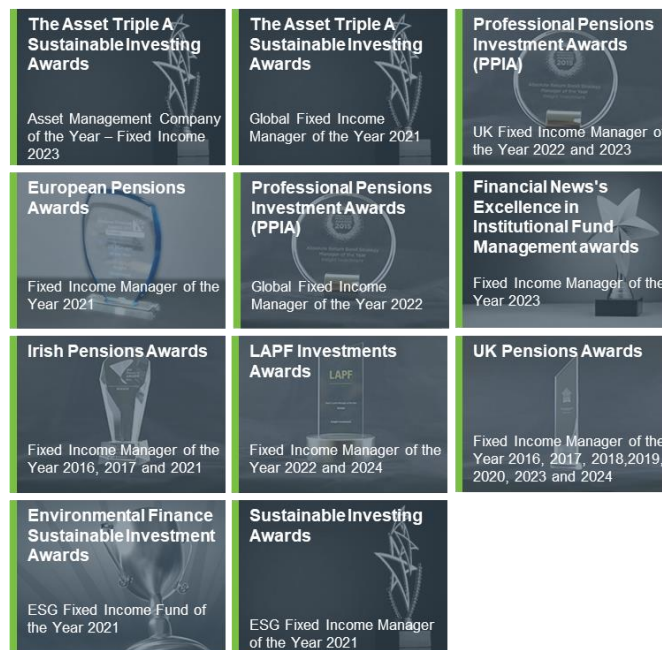
Our investment professionals are specialists, not generalists, in their area of expertise. They regularly communicate their findings and recommendations to the wider team in order to analyse investment opportunities. The credit function is supported by a network of credit analysts who are responsible for providing stock and sector recommendations to our portfolio managers. Each analyst takes responsibility for either individual industry groups (e.g. consumer non-cyclicals) or specific sub-sectors within the credit asset class (e.g. ABS). Where an analyst is covering an industry, they will cover issuers within that industry across the entire ratings spectrum.

DISCIPLINED

We survey the entire global credit universe for suitable issuers, specifically screening out companies where there is either insufficient or inadequate financial reporting, where there is no or very limited access to management, or where our analysts have identified other areas of significant concern. Our credit specialists maintain surveillance coverage on all of the issuers that meet our reporting requirements. We then robustly screen various issuers against a 'landmine' checklist, looking to avoid default and minimise default risk. A short-term 'performance rating' is determined for all of the tradable names.

RECOGNISED

Based in London, Insight's global network of operations spans the UK, Germany, US, Japan and Australia. We have been awarded numerous accolades for outstanding performance in fixed income⁵, including:



- In 2024, Insight was ranked in first place for Overall Fixed Income Quality, rated as number one for both Investment Quality and Service Quality with UK Investment Consultants. Insight has been ranked in the top decile for Overall Quality in Fixed Income in every year since 2013 with UK Investment Consultants.⁶

Adrian Grey Global CIO					
Peter Bentley GLOBAL HEAD OF FIXED INCOME					
Brendan Murphy, HEAD OF FIXED INCOME, NORTH AMERICA					
STRUCTURED CREDIT	US MULTI-SECTOR	US IG CREDIT	GLOBAL CREDIT	EURO CREDIT	STRATEGIC CREDIT
	US INSURANCE	US GOVERNMENT AND MORTGAGES	GLOBAL RATES	HIGH YIELD AND LOANS	RESEARCH
	SYSTEMATIC FIXED INCOME	US MUNICIPALS	EMERGING MARKETS	RESPONSIBLE INVESTMENT	MONEY MARKETS

⁴ As at 31 December 2024.

⁵ Awards covering 2021 to present. Awards do not constitute a recommendation of Insight or its services. Awards are not wholly indicative of past or future performance. The description and the selection methodologies of awards may be subjective and will vary. <https://www.insightinvestment.com/uk/introducing-insight/our-awards/>

⁶ Coalition Greenwich 2024 UK Investment Consultant Research. Fixed income results are based on interviews with 11 UK consultants evaluating fixed income managers. Greenwich Quality Index Overall is a composite of Investment and Service scores.

INVESTMENT PROCESS

OUR CREDIT STRATEGY IS BASED ON A TOP-DOWN APPROACH THAT COMBINES LONG-TERM STRATEGIC ASSESSMENTS, SHORTER-TERM TACTICAL VIEWS AND OBSERVATIONS OF MARKET TRENDS. THIS IS ALONGSIDE BOTTOM-UP ANALYSIS OF INDIVIDUAL CREDITS THAT INCORPORATES AN ASSESSMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS.

TOP-DOWN APPROACH

There are five broad investment areas which we identify as the main sources of potential added value and risk within portfolios. These are credit and sector strategy, security selection, market allocation, duration and yield curve, and currency selection. We believe that these sources can each have a significant impact on portfolio performance, giving a better risk/reward trade-off over time.

STRATEGIC AND TACTICAL VIEWS

Insight's credit strategy process informs our overall credit exposure, otherwise referred to as credit beta management. Additionally, the process helps to identify and quantify relative value within credit sub-sectors, establishing our asset allocation positions. Our credit beta management framework adopts a three-stage process, designed to combine qualitative and quantitative inputs, while considering different time horizons.

Credit cycle: qualitative and quantitative assessment of the current and future macroeconomic regimes and the likely environment they will create for credit markets over the medium term.

Valuation: quantitative assessment identifying whether credit spreads are trading at relatively cheap or expensive levels relative to their history. Also considered is a momentum component for spreads.

Tactical: subjective consideration of shorter-term factors that could impact spreads.

BOTTOM-UP APPROACH

We survey the entire global credit universe for issuers that offer potential as suitable investments, for example, filtering out names that provide insufficient financial information and/or access to management. We then assign an independent credit rating to each issuer to reflect our views on the issuers' credit outlook, alongside a performance rating to reflect which names we think are likely to underperform or outperform relative to the sector. Tradeable names are regularly reviewed and cross-checked against our 'landmine' checklist to screen for factors that could cause a sudden, unexpected deterioration in credit quality, including regulatory and liquidity risks.

Figure 1: Five areas of Insight's investment process

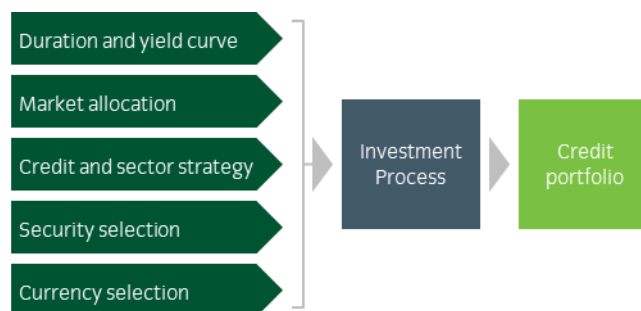


Figure 2: Value, strategic and tactical approaches

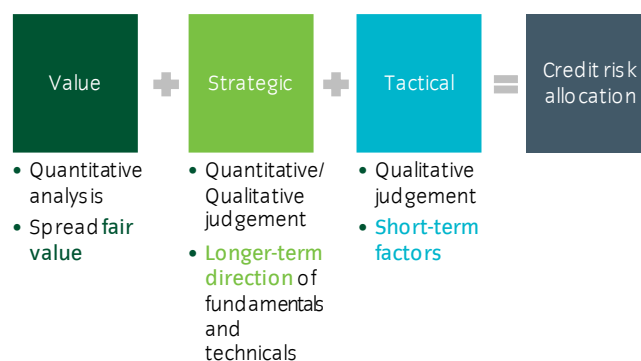
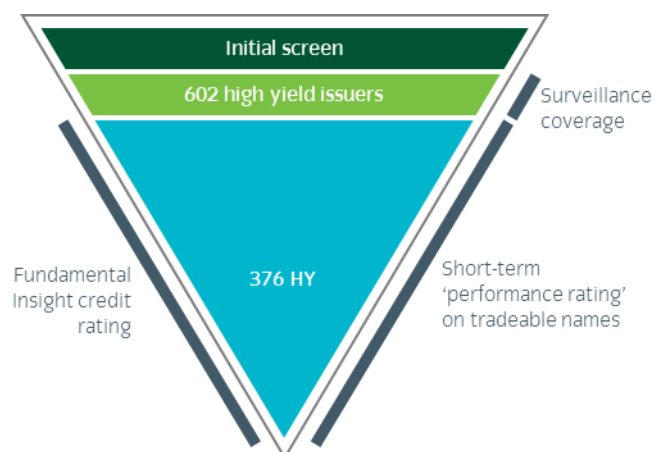


Figure 3: Coverage model⁷



⁷ As at 2 January 2025. For illustrative purposes only.

MANAGING RISK

RISK MANAGEMENT IS AN INTEGRAL PART OF CREDIT INVESTING AND IT UNDERPINS OUR INVESTMENT PROCESS. INSIGHT TAKES A MULTI-DIMENSIONAL APPROACH TO RISK MANAGEMENT BOTH AT THE AGGREGATE PORTFOLIO AND INDIVIDUAL ISSUER LEVEL.

Risk management is a critical component of our investment process. Our risk management policies and controls are designed to ensure our investment management services are performed as defined within client agreements. Some of the different types of risk we consider include:

PORTFOLIO RISK

Our approach to risk management means that all positions held are within clearly defined and understood parameters. The 'landmine' checklist built into our investment process is central to our process for avoiding default and minimising default risk. Our credit analysts use the checklist to score corporate bond issuers and identify potential drivers of a deterioration in credit quality. This has enabled us to build an exemplary track record in avoiding investment grade defaults.

FACTOR RISK

The main sources of risk for fixed income portfolios are the same as the five broad areas we identify as potential sources of added value, i.e. credit and sector strategy, security selection, market allocation, duration and yield curve, and currency selection. Our proprietary 'units of risk' approach enables us to allocate macro risk precisely, according to each portfolio's risk budget and reflecting our current market views.

AGGREGATE RISK

Portfolio risk is considered on an aggregate level as well as for each individual source of risk. On an aggregate level, portfolio risk is measured using tracking error. Normally, a maximum tracking error limit is set as one of the main mandate investment guidelines. The maximum tracking error limit is always set at reasonable levels ensuring that the portfolio manager has

enough investment flexibility to be able to achieve the performance objectives. Portfolio construction is focused on including only those elements of market risk that we consider attractive and aims to eliminate unintended risks.

RISK CONTROLS

Portfolio guidelines are coded into our integrated order – management and dealing system. This is combined with weekly portfolio reviews by the portfolio management team and monitoring by the Risk Management Division. The control technology we employ is recognised globally. We use IBM Algo Risk to help make risk-aware investment decisions. Whilst we incorporate strict diversification limits on holdings of individual corporate securities, our most important risk management level is an analysis of the volatility risk of the overall portfolio relative to its performance benchmark (tracking error).

RISK MANAGEMENT

Risk management is an integral part of our investment process and broader business. Insight's Executive Management Committee (EMC) is committed to implementing best practice risk management processes. The EMC has established a risk management framework to help ensure that Insight is subject to appropriate processes and controls to safeguard its customers, business, people and reputation. We have a Risk Management Committee which is responsible for ensuring the business fulfils and complies with all the necessary regulatory and operational risk requirements and is also accountable for the management and oversight of risk across Insight. We have invested in sophisticated techniques to monitor and understand portfolio risk and behaviour across a full range of markets and specialist benchmarks, as well as across our business.

ABOUT INSIGHT INVESTMENT⁸

- Insight Investment has over the past 15 years built a unique investment platform that delivers to clients outcome-oriented investment solutions. We currently manage £626.2bn/ €757.3bn.
- Our clients are among the most sophisticated institutional investors in the world and include leading pension funds, sovereign wealth funds, corporations and insurers.
- We build portfolios aimed at an outcome, in partnership with clients. Our investment strategies are designed to evolve to meet changing needs and stay ahead of market developments.
- We were among the first asset managers to bring institutional-quality processes and transparency to absolute return investing.
- Insight 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. We were a pioneer in recognising the unrewarded nature of currency risk and the importance of liabilities. Liability driven investment (LDI) has been a significant contributor to protecting funding levels for pension funds over the past decade.

⁸ As at 31 December 2024. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Where the methodology defines it, some asset reporting focuses on cash securities only. Figures shown in GBP. Reflects the AUM of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIL), Insight Investment Management (Europe) Limited (IIMEL) and Insight North America LLC (INA), each of which provides asset management services.

IMPORTANT INFORMATION

RISK DISCLOSURES

Past performance is not indicative of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

The performance results shown, whether net or gross of investment management fees, reflect the reinvestment of dividends and/or income and other earnings. Any gross of fees performance does not include fees, taxes and charges and these can have a material detrimental effect on the performance of an investment. Taxes and costs incurred when purchasing, holding, converting or selling any investment, will impact returns. Costs may increase or decrease as a result of certain currency conversions, such as currency hedging, investment exposure to international markets, and exchange rate fluctuations.

Any target performance aims are not a guarantee, may not be achieved and a capital loss may occur. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies over time, and/or prevailing market conditions and are not an exact indicator. They are speculative in nature and are only an estimate. What you will get will vary depending on how the market performs and how long you keep the investment/product. Strategies which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Any projections or forecasts contained herein are based upon certain assumptions considered reasonable. Projections are speculative in nature and some or all of the assumptions underlying the projections may not materialise or vary significantly from the actual results. Accordingly, the projections are only an estimate.

Portfolio holdings are subject to change, for information only and are not investment recommendations.

ASSOCIATED INVESTMENT RISKS

ESG

- **Investment type:** The application and overall influence of ESG approaches may differ, potentially materially, across asset classes, geographies, sectors, specific investments or portfolios due to the nature of the specific securities and instruments available, the wide range of ESG factors which may be applied and ESG industry practices applicable in a particular investable universe.
- **Integration:** The integration of ESG factors refers to the inclusion of ESG risk factors alongside financial risk factors in investment analysis and research to judge the fair value of a particular investment and may also include the monitoring and reporting of such risks within a portfolio. Integrating ESG factors in this way will not typically restrict the potential investable universe, but rather aims to ensure that relevant and material ESG risks are taken into account by analysts and/or portfolio managers in their decision-making, alongside other relevant and material financial risks.
- **Ratings:** The use and influence of our ESG ratings in specific investment strategies will vary, potentially significantly, depending on a number of factors including the nature of the asset class and the structure of the investment mandate involved. For an investment portfolio with a financial objective, and without specific ESG or sustainability objectives, a high or low ESG rating may not automatically lead to a buy or sell decision: the rating will be one factor among others that may help a portfolio manager in evaluating potential investments consistently.
- **Engagement activity:** The applicability of Insight firm level ESG engagement activity and the outcomes of this activity relating to buy, hold and sell decisions made within specific investment strategies will vary, potentially significantly, depending on the nature of the asset class and the structure of the investment mandate involved.
- **Reporting:** The ESG approach shown is indicative and there is no guarantee that the specific approach will be applied across the whole portfolio.
- **Performance/quality:** The influence of ESG criteria on the overall risk and return characteristics of a portfolio is likely to vary over time depending on the investment universe, investment strategy and objective and the influence of ESG factors directly applicable on valuations which will vary over time.
- **Costs:** The costs described will have an impact on the amount of the investment and expected returns.
- **Forward looking commitments and related targets:** Where we are required to provide details of forward-looking targets in line with commitments to external organisations, these goals are aspirational and defined to the extent that we are able and in accordance with the third party guidance provided. As such we do not guarantee that we will meet them in whole or in part or that the guidance will not evolve over time. Assumptions will vary, but include whether the investable universe evolves to make suitable investments available to us over time and the approval of our clients to allow us to align their assets with goals in the context of the implications for their investments and issues such as their fiduciary duty to beneficiaries.

Insight applies a wide range of customised ESG criteria to mandates which are tailored to reflect individual client requirements. Individual investor experience will vary depending on the investment strategy, investment objectives and the specific ESG criteria applicable to a Fund or portfolio. Please refer to the investment management agreement or offering documents such as the prospectus, Key Investor Information Document (KIID) or the latest Report and Accounts which can be found at www.insightinvestment.com and where applicable information in the following link for mandates in scope of certain EU sustainability regulations <https://www.insightinvestment.com/regulatory-home/sustainability-regulations/>; alternatively, speak to your main point of contact in order to obtain details of specific ESG parameters applicable to your investment.

ASSOCIATED INVESTMENT RISKS

Fixed income

- Investments in bonds are affected by interest rates and inflation trends which may affect the value of the portfolio.

- A credit default swap (CDS) provides a measure of protection against defaults of debt issuers but there is no assurance their use will be effective or will have the desired result.
- The issuer of a debt security may not pay income or repay capital to the bondholder when due. The return risk to a portfolio is higher where a portfolio is highly concentrated in such an issuer.
- Derivatives may be used to generate returns as well as to reduce costs and/or the overall risk of the portfolio. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment.
- Investments in emerging markets can be less liquid and riskier than more developed markets and difficulties in accounting, dealing, settlement and custody may arise.
- Where high yield instruments are held, their low credit rating indicates a greater risk of default, which would affect the value of the portfolio.
- The investment manager may invest in instruments which can be difficult to sell when markets are stressed.
- Leveraged funds: as a result of market conditions, the value of the assets held by a Fund may fall and result in a higher degree of leverage than is deemed appropriate by the Investment Manager. In order to reduce the degree of leverage, the Investment Manager may seek to reduce a Funds' total asset exposure. Investors would need to subscribe for additional Shares in order to maintain the level of sensitivity to market movements. Where such an event is unanticipated, this may result in the investors having less sensitivity to market movements than they might consider appropriate to their individual requirements until they have subscribed for additional Shares
- While efforts will be made to eliminate potential inequalities between shareholders in a pooled fund through the performance fee calculation methodology, there may be occasions where a shareholder may pay a performance fee for which they have not received a commensurate benefit.



Institutional Business Development

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For a full list of applicable risks, investor rights, KIID/KID risk profile, financial and non-financial investment terms and before investing, where applicable, investors should refer to the Prospectus, other offering documents, and the KIID/KID which is available in English and an official language of the jurisdictions in which the fund(s) are registered for public sale. Do not base any final investment decision on this communication alone. Please go to www.insightinvestment.com

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