

# LOAN FUND



31 May 2019

## FUND OBJECTIVE

The Fund seeks to produce an annual interest based return, primarily through investment in a portfolio of loans

## FUND SUMMARY

- Targets attractive returns in excess of cash by investing in high quality senior secured loans and other debt
- Aims to provide insulation from interest rate risk
- Employs a defensive asset selection strategy to achieve its return objective
- Offers investors portfolio diversification benefits

## SHARE CLASS PERFORMANCE



Source: Insight Investment and Rimes. Fund performance is shown for share class S £ Acc and is calculated 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 MANAGER COMMENTS

The Fund generated a positive return in May and outperformed the CS Western European Institutional Loan Index. The main contributors for the month were SGB Smit, Perstorp, Exclusive and Sebia. In contrast to April's disappointing €2.6bn of supply, May was the second busiest month of the year in the primary market, with €9bn of leveraged loan issuance. The supply brought a mix of deals to the market, including opportunistic dividend recaps, add-ons and debut issuers. Paper was broadly absorbed without issue, but investors seem to be showing more credit discipline; decent credit stories have been hoovered up easily by the lender base, but other names are having to work harder to get the deal cleared, giving on pricing/terms to sweeten the deal. We received no new primary allocations in the month, instead putting cash to work by selectively topping up our existing positions in Ceramtec, Foncia and Ziggo, to name a few. Meanwhile, we sold our North American Bancard and Teknplex positions in full and halved our SGB position. The loan pipeline for June appears to be building, with a number of deals out in the market at the time of writing. Technicals remain strong; however, given wider macro uncertainties, we maintain a cautious tone and continue to focus on credit fundamentals.

## FUND FACTS

**Fund size:** £85.1m

**Inception date:** 31 March 2008

**Benchmark:** 3 Month LIBOR

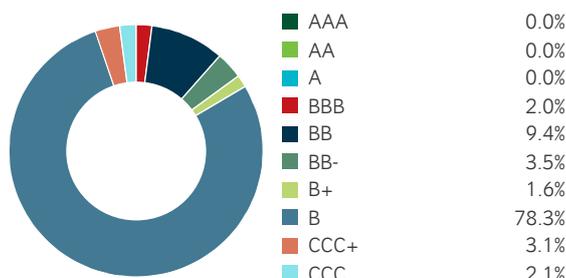
**Fund manager:** Ranbir Singh Lakhpuri

**Target return:** Outperform benchmark by 2.5% pa (before tax, fees and expenses). However, a positive return is not guaranteed and a capital loss may occur.

## FUND CHARACTERISTICS

	Fund
Weighted average life (years)	4.1
Weighted average discount margin (bp)	409

## CREDIT RATING



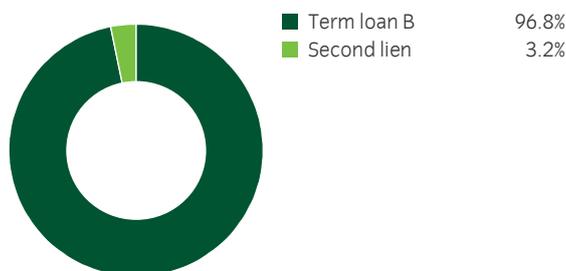
## GEOGRAPHY



## FUND ALLOCATION



## RISK REPAYMENT TYPE



## TECHNICAL DETAILS

**Legal structure:** Qualifying Investor Alternative Investment Fund (QIAIF)

**Domicile:** Ireland

**Share class currencies:** Sterling

**Dealing frequency:** First business day of each calendar month, Notice: Subscriptions: midday (Irish time) 5th business day preceding the dealing day. Redemptions: midday (Irish time) 20th business day preceding the dealing day

**Settlement period:** Purchases: T, Redemptions: T+5

**Pricing method:** Swinging single price

**Scheme:** LDI Solutions Plus ICAV

**Depository:** Northern Trust Fiduciary Services (Ireland) Limited

**Administrator:** Northern Trust International Fund Administration Services (Ireland) Limited

**Ongoing charges:** 0.09% (represented by share class S Sterling Acc, other share classes are available)



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- 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.
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- 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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