

# SECURED FINANCE FUND II



31 December 2018

## FUND OBJECTIVE

The Fund seeks to produce an annual interest based return

## FUND SUMMARY

- Invests primarily in structured credit assets secured by residential and consumer, commercial real estate and secured corporate debt collateral
- Seeks to add value through investment in an investment grade portfolio of public and private debt markets
- Rigorous, disciplined and proven investment process bringing together the best ideas from Insight's dedicated Secured Finance team

## SHARE CLASS PERFORMANCE

The Fund has recently been launched and has a performance track record of less than twelve months. Accordingly, there is insufficient data to provide a useful indication of performance to investors

## FUND MANAGER COMMENTS

The Fund underperformed its cash benchmark in December. There were sharp drawdowns in most risk assets, and European and US structured credit also weakened. In Europe, the worst-performing sectors were mezzanine tranches of UK residential mortgage-backed securities, due to Brexit fears, and collateralised loan obligations (CLOs), as loan markets suffered. There was very little issuance in Europe, as is typical for year-end, and volatility also discouraged issuers from printing deals. US structured credit was also weak. US CLOs suffered in particular, and underperformed both other US structured credit and European CLOs. Fund performance in December was driven by a broad-based fall in asset valuations that more than offset carry returns. We were relatively inactive over the month. The pipeline in lending opportunities remained strong.

## FUND FACTS

**Fund size:** £398.9m

**Inception date:** 19 June 2018

**Benchmark:** 3 Month LIBOR

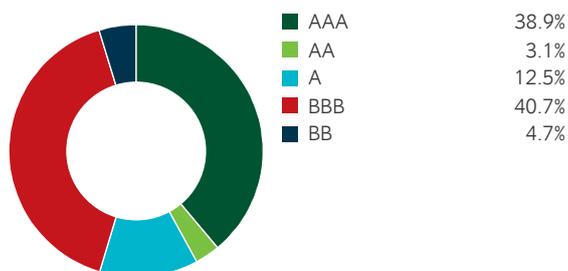
**Fund managers:** Shaheer Guirguis, Jeremy Deacon, Jason Cameron

**Target return:** Outperform benchmark by 3% pa (before tax, fees and charges) over rolling three year periods. However, a positive return is not guaranteed and a capital loss may occur.

## FUND CHARACTERISTICS

	Fund
Yield (%)	4.34
Weighted average life (years)	2.8
Weighted average discount margin (bp)	345

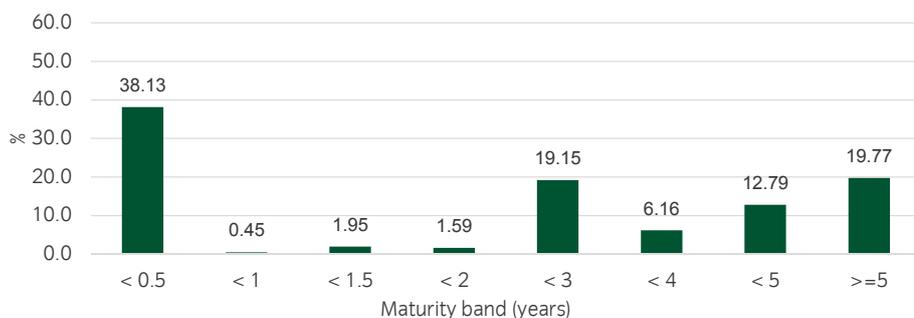
## CREDIT RATING



## GEOGRAPHY



## MATURITY PROFILE



## FUND ALLOCATION



## TECHNICAL DETAILS

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

**Domicile:** Ireland

**Share class currencies:** Sterling, Euro, US dollar, Japanese yen

**Dealing frequency:** For subscriptions, last Business Day (London) of each calendar month;

For redemptions, last Business Day (London) of each calendar quarter

**Settlement period:** Purchases: T+4, Redemptions: T+15

**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:** 0.61% (represented by share class B Euro Accumulation, 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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