# LDI Enhanced Euro Real Fund

Quarterly report to 31 March 2026

# LDI Enhanced Euro Real Fund

## Q1 2026

### Performance

- Over the quarter, the benchmark provided a return of 21.58% as real rates increased across the curve.
- Over the quarter, the fund underperformed the benchmark by 1.56%.
- Since inception, the fund has outperformed the benchmark by 0.10% pa.

### Portfolio activity

- In Q1 2026, tightening in front-end euro government bond spreads provided opportunities for portfolio managers to reduce exposure to short-dated core government bonds early in the quarter. As peripheral spreads also tightened back to year-end levels, exposure to peripheral government bonds was further reduced mid-quarter. Towards the end of the quarter, government bond exposure was re-established after spreads widened significantly following the eruption of the US–Iran conflict.

### Euro Real Fund

| | 3 months % | 1 year % | 3 years % pa | 5 years % pa | Since inception % pa |
|---|---|---|---|---|---|
| Fund¹ | 20.02 | -17.22 | -16.09 | -20.16 | -0.90 |
| Benchmark | 21.58 | -17.91 | -16.05 | -19.72 | -1.00 |
| **Difference** | **-1.56** | **0.68** | **-0.04** | **-0.44** | **0.10** |

**Please refer to the risk disclosures and associated investment risks at the back of this document.** As at 31 March 2026. Fund return from unit prices adjusted to be gross of management fees charged within the funds (net of operating expenses). The comparator is a set of cashflows reflecting the liabilities of a typical pension scheme discounted using swap rates. Comparator adjusted to a levered basis assuming funding rates of 6-month EURIBOR. Levered relative returns may not reflect monetary outcomes. Primary reliance should be placed on unlevered performance for relative returns. Inception date: 16 October 2014.

# LDI Enhanced Euro Real Fund

## Q1 2026: fund characteristics

| Asset class | Value<br>% | Interest rate sensitivity<br>PV01 per €1m invested<br>€[1] | Inflation sensitivity<br>IE01 per €1m invested<br>€[2] |
|---|---|---|---|
| France/Germany/Netherlands government bonds | 14 | -153 | 0 |
| Other European government bonds | 20 | -259 | 0 |
| Interest rate swaps | -90 | -4,145 | 0 |
| Inflation swaps | 38 | -669 | 5,349 |
| Cash and collateral funds | 119 | 0 | 0 |
| **Total** | **100%** | **-5,226** | **5,349** |

### Leverage

- At 31 March 2026 the Euro Real Fund's leverage was 3.3x

**Please refer to the risk disclosures and associated investment risks at the back of this document.** As at 31 March 2026. [1] PV01: change in present value of a series of future cash flows resulting from a 0.01% shift in the relevant discount curve. [2] IE01: change in present value of a series of future cash flows resulting from a 0.01% shift in the relevant inflation expectation curve.

# Important disclosures

# 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

## Liability-driven investment

**Fixed income, Multi-asset, Cash, Global ABS Fund, Secured Finance Fund/Secured Finance II Fund, LDI Synthetic Global Equity Funds, LDI Synthetic Global Credit Fund, LDI Credit Enhanced Gilt Funds**

- Investments in bonds are affected by interest rates and inflation trends which may affect the value of the portfolio.
- 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.
- The investment manager may invest in instruments which can be difficult to sell when markets are stressed.
- 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 impact on 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.
- 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 assets are held, their low credit rating indicates a greater risk of default, which would affect the value of the portfolio.
- Property assets are inherently less liquid and more difficult to sell than other assets. The valuation of physical property is a matter of the valuer's judgement rather than fact.
- The specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Also, many loans are not actively traded, which may impair the ability of the portfolio to realise full value in the event of the need to liquidate such assets.
- 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.
- Money market funds: an investment in a money market fund is not a guaranteed investment and it is different to an investment in deposits as the principal invested is capable of fluctuation. Whilst preservation of capital is a major component of the objective it is not guaranteed. The value of capital invested in a money market fund may fluctuate. The Fund does not rely on external support for guaranteeing its ability to sell its assets and/or meet redemptions (liquidity) or stabilising the fund's price per unit/share (Net Asset Value). Neither Insight nor any other BNYM group company will provide capital support in the event of any capital loss, which will be borne by the investor.
- 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.

# Volcker disclosures

## LDI Enhanced Euro Real Fund

The above fund(s) described in this document meet the definition of a covered fund under Volcker regulations, that is, a domestic or foreign hedge fund, private equity fund, venture capital fund, commodity pool or alternative investment fund (AIF) that is sold in a private, restricted or unregistered offering to investors who must meet certain net worth, income or sophistication standards or is sold to a restricted number of investors. Generally, any such fund is not registered with a securities/commodity regulator and therefore cannot be offered to the general or retail public unless the investor meets some type of qualification to demonstrate the investor doesn't need the protection of the securities or commodities regulations.

- **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 Federal Deposit Insurance Corporation (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.**

# Other disclosures

This document is a financial promotion/marketing communication and is not investment advice.

This document is not a contractually binding document and must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended or forwarded to a third party without consent from Insight Investment.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to seek professional advice regarding any potential strategy or investment.

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.

Documents such as the KIID or KID are not applicable to Australia.

Unless otherwise stated, the source of information and any views and opinions are those of Insight Investment. Telephone conversations may be recorded in accordance with applicable laws.

**For investors in the United Kingdom (UK):** Insight's Ireland domiciled UCITS funds are authorised overseas but not in the UK. The Financial Ombudsman Service is unlikely to be able to consider complaints related to the Fund, its sub-funds, its operator or its depositary where relevant. Any claims for losses relating to the operator and the depositary of the Fund are unlikely to be covered under the Financial Services Compensation Scheme. A prospective investor should consider getting financial advice before deciding to invest and should see the Fund prospectus for more information.

**For clients and prospects of Insight Investment Management (Global) Limited:** Issued by Insight Investment Management (Global) Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 00827982.

**For clients and prospects of Insight Investment Management (Europe) Limited:** Issued by Insight Investment Management (Europe) Limited. Registered office The Shipping Office, 20-26 Sir John Rogerson's Quay, Dublin 2, D02 Y049. Registered in Ireland. Registered number 581405. Insight Investment Management (Europe) Limited is regulated by the Central Bank of Ireland. CBI reference number C154503.

**For clients and prospects of Insight Investment International Limited:**

Issued by Insight Investment International Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 03169281.

Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited are authorised and regulated by the Financial Conduct Authority in the UK.

**For clients and prospects based in Singapore: This material is for Institutional Investors only.** This documentation has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, it and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA') or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

**For clients and prospects based in Australia and New Zealand: This material is for wholesale investors only (as defined under the Corporations Act in Australia or under the Financial Markets Conduct Act in New Zealand) and is not intended for distribution to, nor should it be relied upon by, retail investors.** Insight Investment Management (Global) Limited is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services; and is authorised and regulated by the Financial Conduct Authority (FCA) under UK laws, which differ from Australian laws. If this document is used or distributed in Australia, it is issued by Insight Investment Australia Pty Ltd (ABN 69 076 812 381, AFS License No. 230541) located at Level 2, 1-7 Bligh Street, Sydney, NSW 2000.