

FINANCIAL PROMOTION/MARKETING MATERIAL
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LDI Enhanced Selection Funds

Quarterly report to 30 June 2026



➤ **BNY** | INVESTMENTS

LDI Enhanced Selection Funds

Enhanced Selection Funds

Returns shown on a **levered** basis as at 30 June 2026 (%)

	3m	1yr	3yr pa	5yr pa	SI pa		3m	1yr	3yr pa	5yr pa	SI pa
Longer nominal fund Inception 16/09/2013	4.93	-4.18	-8.93	-44.98	-9.89	Shorter nominal fund Inception 11/03/2015	6.49	-1.86	-0.29	-46.61	-18.14
Gilt comparator	4.71	-4.69	-9.25	-47.19	-11.25	Gilt comparator	6.38	-3.35	-2.40	-46.81	-18.64
Relative	0.22	0.51	0.32	2.21	1.36	Relative	0.11	1.49	2.12	0.20	0.50
Swap comparator	3.48	-7.91	-8.56	-43.92	-11.35	Swap comparator	5.35	-6.22	-0.88	-45.81	-19.57
Relative	1.45	3.73	-0.38	-1.06	1.46	Relative	1.14	4.36	0.59	-0.80	1.43
Longer real fund Inception 14/02/2013	-4.19	0.27	-12.10	-45.74	-9.98	Shorter real fund Inception 11/03/2015	-4.90	-0.67	-5.03	-41.70	-12.91
Gilt comparator	-4.52	-1.27	-12.26	-46.27	-10.44	Gilt comparator	-4.85	-0.24	-5.58	-42.77	-13.91
Relative	0.34	1.54	0.15	0.53	0.47	Relative	-0.04	-0.42	0.55	1.07	0.99
Swap comparator	-5.10	-4.41	-12.62	-45.35	-12.07	Swap comparator	-5.56	-4.19	-6.18	-40.19	-14.38
Relative	0.91	4.69	0.51	-0.39	2.09	Relative	0.66	3.52	1.15	-1.51	1.47

Fund return from unit prices adjusted to be gross of management fees charged within the funds (net of operating expenses). Comparator returns are fund returns minus relative returns sourced from Insight. Comparator adjusted to a levered basis assuming funding rates; 3/6/9/12mth repo for gilt comparator and Sonia for Swap comparator since Jan 2020. Levered relative returns may not reflect monetary outcomes. Primary reliance should be placed on unlevered performance for relative returns.

LDI Enhanced Selection Nominal Funds

Q2 2026: portfolio summary as at 30 June 2026



Investment summary

- Launched in 2013, currently hedges £3.7 bn of liabilities across the Enhanced Selection Fund range.
- Aims to outperform a static allocation to either gilts or swaps over the long-term.
- 82% of the interest rate exposure in the Longer Nominal Fund was generated by gilts at quarter end and the remaining 18% was generated by swaps.
- 99.4% of the interest rate exposure in the Shorter Nominal Fund was generated by gilts at quarter end and the remaining 0.6% was generated by swaps.
- As at 30 June 2026 the Longer Nominal Fund's leverage was 2.9x and the Shorter Nominal Fund's leverage was 5.1x.
- Yield shifts to deleverage (and indicative collateral calls):
 - Longer Nominal Fund: 0.51% (£353.86 per share)
 - Shorter Nominal Fund: 0.65% (£98.51 per share)
- Yield shifts to releverage:
 - Longer Nominal Fund: -0.49%
 - Shorter Nominal Fund: -0.35%

Longer Nominal Fund

Asset class	Interest rate sensitivity PV01, % ¹	Inflation sensitivity IE01, % ²
Conventional gilts	79.6	0.0
Index-linked gilts	2.1	1.8
Repurchase agreements	-0.4	0.0
RPI swaps	-0.6	-1.8
Interest rate swaps	19.4	0.0
Total	100.0	0.0

Shorter Nominal Fund

Asset class	Interest rate sensitivity PV01, % ¹	Inflation sensitivity IE01, % ²
Conventional gilts	62.6	0.0
Index-linked gilts	37.9	36.9
Repurchase agreements	-1.1	0.0
RPI swaps	-1.6	-36.9
Interest rate swaps	2.2	0.0
Total	100.0	0.0

Please refer to the risk disclosures and associated investment risks at the back of this document. 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, as a percentage of total PV01 * -1. Index linked gilts includes Total Return Swaps.

LDI Enhanced Selection Real Funds

Q2 2026: portfolio summary as at 30 June 2026



Investment summary

- Launched in 2013, currently hedges £3.7 bn of liabilities across the Enhanced Selection Fund range.
- Aims to outperform a static allocation to either gilts or swaps over the long-term.
- 49% of the inflation exposure in the Longer Real Fund was generated by gilts at quarter end and the remaining 51% was generated by swaps.
- 55% of the inflation exposure in the Shorter Real Fund was generated by gilts at quarter end and the remaining 45% was generated by swaps.
- At 30 June 2026 the Longer Fund's leverage was 2.7x and the Shorter Fund's leverage was 4.8x.
- Yield shifts to deleverage (and indicative collateral calls):
 - Longer Real Fund: 0.64% (£317.11 per share)
 - Shorter Real Fund: 0.88% (£225.31 per share)
- Yield shifts to releverage:
 - Longer Real Fund: -0.36%
 - Shorter Real Fund: -0.12%

Longer Real Fund

Asset class	Interest rate sensitivity PV01, % ¹	Inflation sensitivity IE01, % ²
Conventional gilts	53.9	0.0
Index-linked gilts	47.3	48.5
Repurchase agreements	-0.5	0.0
RPI swaps	1.2	51.5
Interest rate swaps	-1.9	0.0
Total	100.0	100.0

Shorter Real Fund

Asset class	Interest rate sensitivity PV01, % ¹	Inflation sensitivity IE01, % ²
Conventional gilts	33.6	0.0
Index-linked gilts	56.1	55.1
Repurchase agreements	-0.7	0.0
RPI swaps	1.6	44.9
Interest rate swaps	9.4	0.0
Total	100.0	100.0

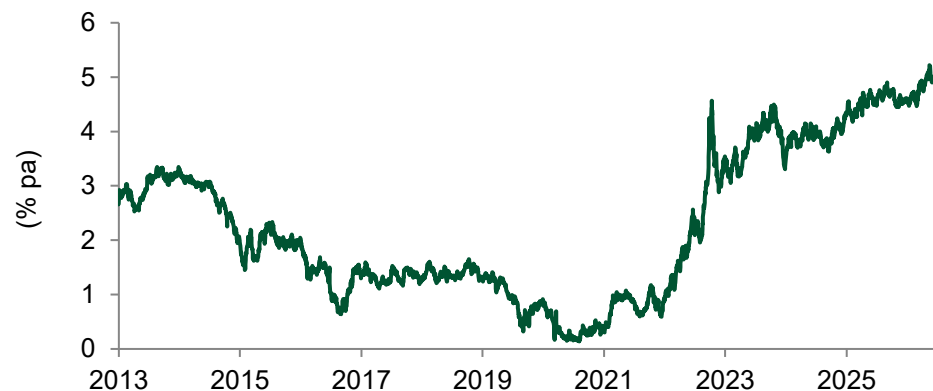
Please refer to the risk disclosures and associated investment risks at the back of this document. ¹ PV01: change in present value of a series of future cash flows resulting from a 0.01% shift in the relevant discount curve. ² IE01: change in present value of a series of future cash flows resulting from a 0.01% shift in the relevant inflation expectation curve. Index linked gilts includes Total Return Swaps.

Market conditions

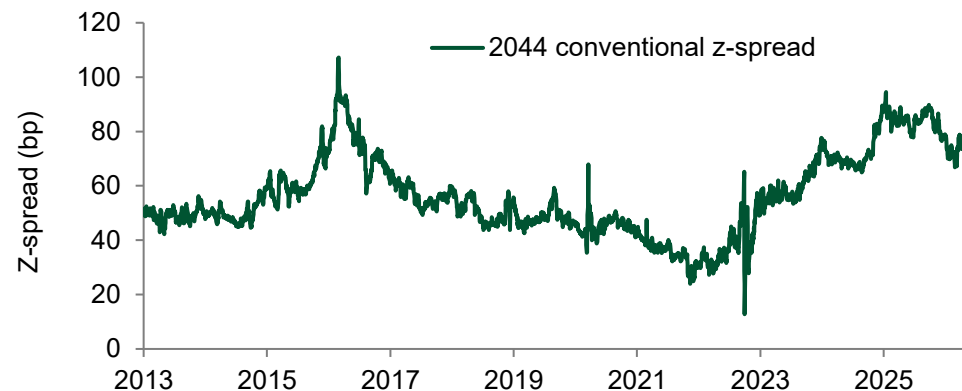
30 June 2026



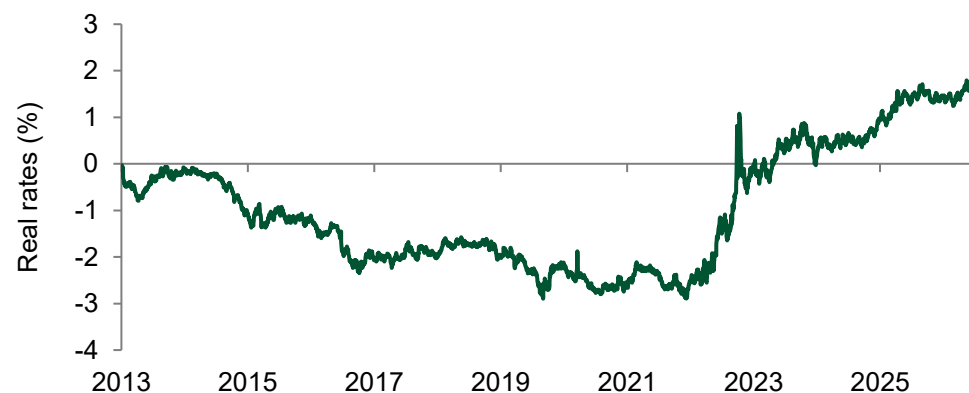
Interest rate swap rates



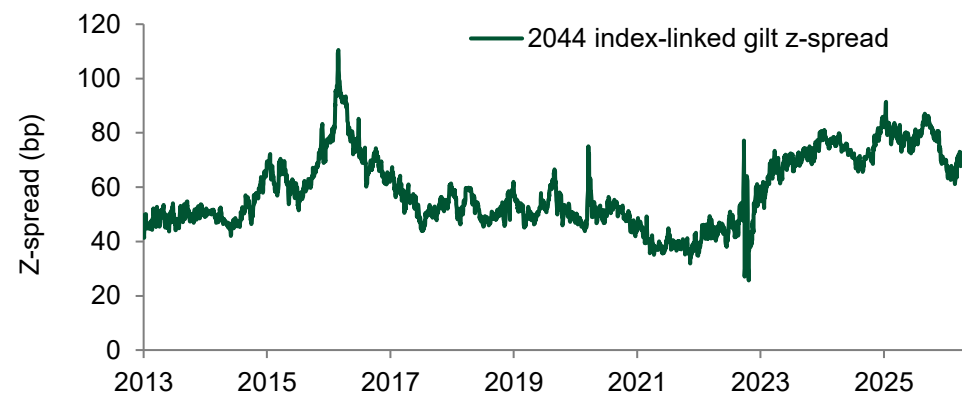
Z-spreads



Real swap rates



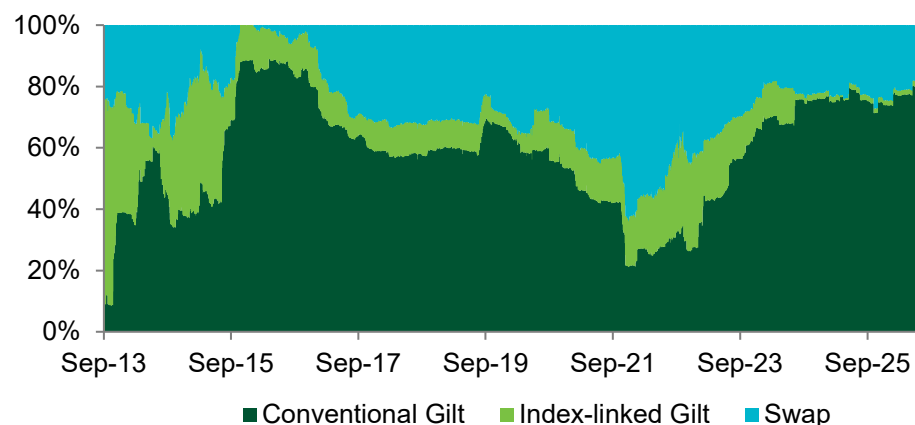
Index-linked z-spreads



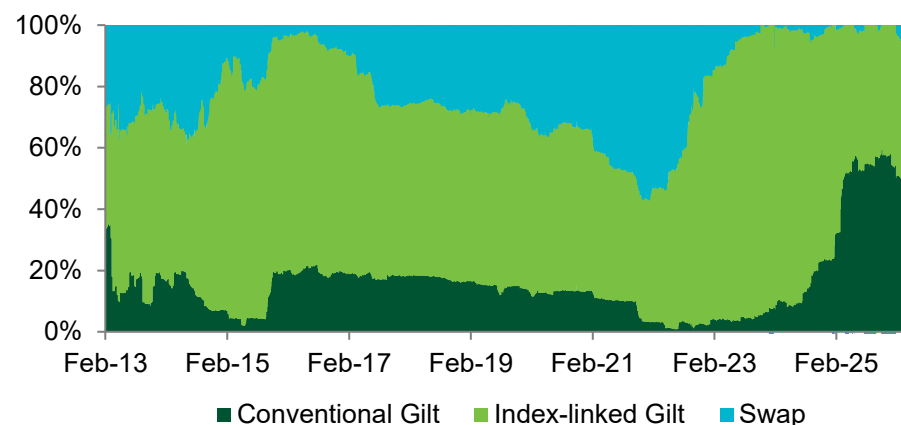
Please refer to the risk disclosures and associated investment risks at the back of this document. Source: Bloomberg as at 30 June 2026.

Gilt / index-linked gilt / swap exposure variation over time

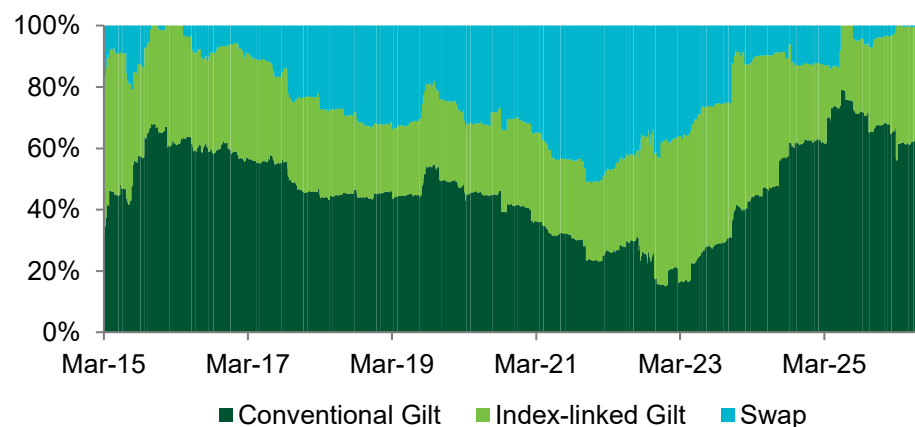
Enhanced Selection Longer Nominal Fund



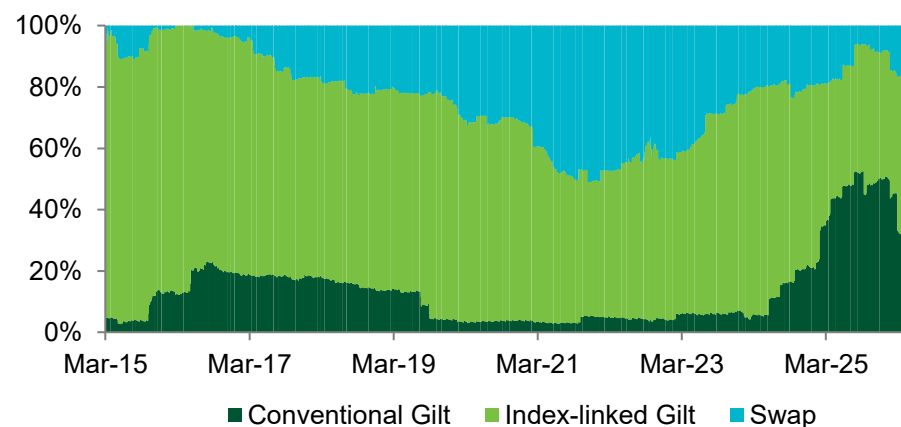
Enhanced Selection Longer Real Fund



Enhanced Selection Shorter Nominal Fund



Enhanced Selection Shorter Real Fund



Source: Insight. Exposure shown as a % of total fund PV01. As at 30 June 2026.

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 Selection Shorter Nominal Fund

LDI Enhanced Selection Longer Nominal Fund

LDI Enhanced Selection Shorter Real Fund

LDI Enhanced Selection Longer Real Fund

The above fund(s) described in this document meet the definition of a covered fund under the Volcker Rule 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 applicable eligibility qualifications.

- **Any losses in the fund will be borne solely by investors in the fund and not by BNY (including its affiliates); therefore BNY's losses in the fund will be limited to losses attributable to the ownership interests in the fund held by BNY and any affiliate in its capacity as an investor in the fund or as beneficiary of a restricted profit interest held by BNY 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. Neither BNY 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, 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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