

BNY Mellon Investment Management Launches Floating Rate Credit Fund

London, 19 September 2023 – BNY Mellon Investment Management (BNY Mellon IM), one of the world’s largest asset managers with \$1.9 trillion in assets under management, today announces the launch of the BNY Mellon Floating Rate Credit Fund.

The Fund is managed by Insight Investment (Insight), a £629.8bn global asset manager with £187.4bn under management in fixed income assets.¹ It invests primarily in floating rate debt and is designed to provide income while also protecting against interest rate volatility by maintaining low interest rate duration. It meets the requirements of Article 8 of the EU Sustainable Finance Disclosures Regulation.

As floating rate credit has a lower sensitivity to interest rate changes versus fixed rate debt instruments, it is an asset class which can potentially provide investors with an attractive risk and return profile of loan-like returns and lower capital volatility in a rising rate environment. In addition, a focus on floating rate debt can offer opportunities in the current climate where yields are higher at shorter maturities, because it creates scope for harvesting a higher yield on the front end.

[GERMAN ONLY: The Fund invests at least 50% of its net asset value in sub-investment grade debt with a minimum rating of B- or in the case of ABS/MBS BBB-. Due to these ratings restrictions it may be relevant for certain German insurance and pension clients noting the requirements of the German Insurance Supervision Act (VAG).]

The Fund’s management team is led by **Senior Portfolio Manager Ulrich Gerhard** alongside Portfolio Managers Cathy Braganza and Lorraine Specketer. The team, which has an average industry experience of more than 25 years and deep expertise in high yield, loans and bottom-up credit analysis, also manages the well-established BNY Mellon Global Short-Dated High Yield Fund. This Fund was launched in 2016 and has proved popular with investors, as reflected in its USD708.7 mln in assets under management.² The management team is supported by Insight’s Fixed Income Group, which comprises of 166 investment professionals globally.³

Gerhard said: “We favour sectors that we view as offering attractive asset valuations which operate in stable competitive environments and have high barriers to entry. Our emphasis is on issuers which we believe to have a strong business model, appropriate capital structure and resilient cashflows, implying a clear path to repayment and reduced risk of defaults.”

Matt Oomen, Global Head of Distribution at BNY Mellon Investment Management, said: “Insight’s strategy emphasises bottom-up credit analysis and cashflow generation, delivered by a portfolio management team with broad and deep expertise in fixed income. The team uses qualitative and quantitative approaches to identify sources of excess return at sector, issuer and security level.”

The Fund is part of the Ireland-domiciled BNY Mellon Global Funds, plc range and will be registered for sale in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland, Spain, United Kingdom.

Investment objective: aims to generate a total return of income and capital growth through investing in a global portfolio of floating rate debt and debt related securities and related FDI.

Benchmark: The Fund will measure its performance against the 3-month EURIBOR (the “Cash Benchmark”). EURIBOR is the Euro Interbank Offer Rate and is a reference rate that is constructed from the average interest rate at which Eurozone banks offer unsecured short-term lending on the inter-bank market. The Fund uses the Cash Benchmark as a target against which to measure its performance on a rolling annualised 3-year basis after fees.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policy. The Benchmark is a cash benchmark that does not take ESG factors into account. The Benchmark is not used to measure the extent which the environmental or social characteristics promoted by the Sub-Fund are met.

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¹ As at 30 June 2023. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. 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.

² As at 31 July 2023. [Source](#)

³ As at 30 June 2023

⁴ A voluntary code for asset managers, asset owners and service providers, managed and overseen by the Financial Reporting Council (FRC). To become a signatory to the Code, organizations must submit to the FRC a Stewardship Report demonstrating how they have applied the Code's Principles in the previous 12 months. The FRC will assess the report and if it meets reporting expectations, the organization will be listed as a signatory to the Code. Once listed, organizations must annually report to remain signatories. More information is available at <https://www.frc.org.uk/investors/uk-stewardship-code>.

⁵ The PRI, launched in 2006, is an independent organisation that works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. More details are available at www.unpri.org / [click here](#) for further details.

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For professional clients only and, in Switzerland, for Qualified Investors only.

The value of investments can fall. Investors may not get back the amount invested.

Credit Ratings and Unrated Securities Risk: Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the Fund.

Credit Risk: The issuer of a security held by the Fund may not pay income or repay capital to the Fund when due.

Counterparty Risk: The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.

For a full list of risks applicable to this fund, please refer to the Prospectus or other offering documents. Please refer to the prospectus and the KIID/KID before making any investment decisions. Documents are available in English and an official language of the jurisdictions in which the Fund is registered for public sale. Go to www.bnymellonim.com.

Notes to editors

About Insight Investment

Insight Investment is a leading asset manager focused on designing investment solutions to meet its clients' needs. Founded in 2002, Insight's collaborative approach has delivered both investment performance and growth in assets under management. Insight managed £629.8bn of assets as at 30 June 2023¹ across its core liability-driven investment, risk management, full-spectrum fixed income, currency and absolute return capabilities. Insight Investment is owned by BNY Mellon, a global leader in investment management and investment services with \$1.9 trillion in assets under management. [Insight has a clear mission and purpose](#) to offer investors a different approach to achieving their investment goals; one that prioritises the certainty of meeting their chosen objectives in contrast to the traditional focus on maximising return and minimising volatility. We believe reflecting material and relevant environmental, social and governance issues within investment processes, where possible and relevant, can help to support better investment decisions and has the potential to help our clients achieve their desired outcomes. Insight is a signatory to the Financial Reporting Council's UK Stewardship Code⁴ and was a founding signatory to the UN-supported Principles for Responsible Investment (PRI) in 2006⁵. More information about Insight Investment, plus important information and associated investment risks, can be found at: www.insightinvestment.com

About BNY Mellon Investment Management

BNY Mellon Investment Management is one of the world's largest asset managers, with \$1.9 trillion in assets under management as of June 30, 2023. Through an investor-first approach, BNY Mellon Investment Management brings to clients the best of both worlds: specialist expertise from seven investment firms offering solutions across every major asset class, backed by the strength, stability, and global presence of BNY Mellon. Additional information on BNY Mellon Investment Management is available on www.bnymellonim.com.

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