

# Absolute Insight Currency Fund

A Sub Fund of the Absolute Insight Funds Plc



FACTSHEET - 31 December 2011

FOR PROFESSIONAL CLIENTS ONLY, NOT FOR DISTRIBUTION TO RETAIL CLIENTS

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek to provide attractive, positive absolute returns over rolling 12 month periods after returns in all market conditions.

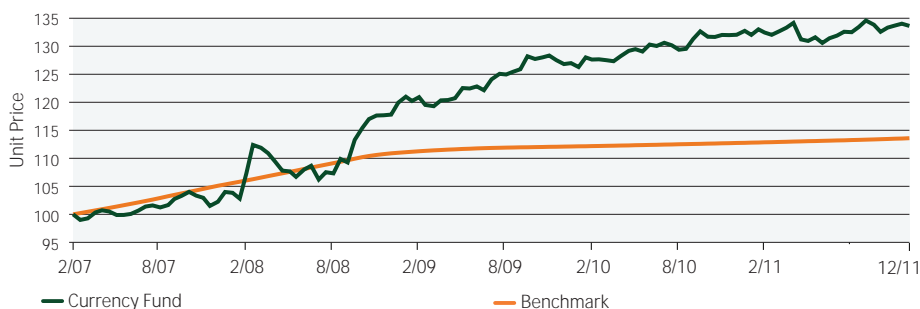
## INVESTMENT POLICY SUMMARY

The Fund's overall policy consists of two distinct elements:

1. The Fund aims to generate long-term capital growth, primarily, through obtaining exposure to a range of global currencies by using a full range of derivative instruments.
  2. The Fund will maintain a portfolio of liquid or near cash assets.
- The manager seeks to meet the investment objective through, in addition to maintaining a portfolio of liquid or near cash assets, maintaining well diversified exposure across a number of currencies.

Further details on the components of the investment policy can be found in the prospectus.

## PERFORMANCE SINCE LAUNCH



## PERFORMANCE %

	1 mth	3 mths	YTD	1 year	3 year (p.a.)	Since Inception (p.a.)
Fund (gross)	-0.0	-0.7	1.2	1.2	4.3	6.2
Fund (net)	-0.1	-0.9	0.2	0.2	3.0	4.9
Benchmark	0.1	0.2	0.8	0.8	0.8	2.7

Past performance is not a guide to future performance.

Net returns are after 1% annual management charge and 10% performance fee above benchmark. Further information on the performance fee methodology can be found in the prospectus.

## MONTHLY RETURN (GROSS %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	-0.0	0.3	0.2	1.1	-2.4	-0.3	1.0	0.5	1.6	-1.5	0.8	-0.0	1.2
2010	-0.4	1.1	-0.1	0.6	1.0	0.6	0.2	-0.9	1.5	0.3	0.2	0.0	4.1
2009	2.7	-0.1	-1.3	0.9	1.8	0.2	1.0	0.7	0.8	1.5	0.5	-1.2	7.7
2008	1.6	3.3	4.3	-2.2	-1.6	0.3	-1.6	1.0	1.8	5.6	1.9	0.1	15.2
2007	-	-	-0.7	1.5	-0.8	0.2	1.3	-0.2	1.5	1.2	-1.0	-0.7	2.3

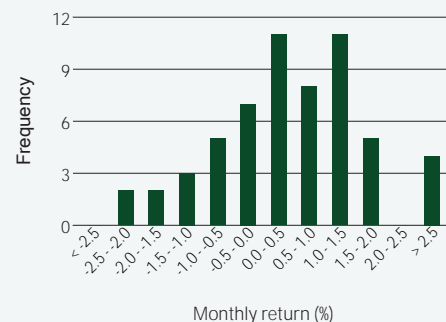
Source: Insight and Bloomberg. Fund benchmark: 3 Month GBP LIBID (gross of UK tax). Inception date: 28 February 2007.

## MAIN CONTRIBUTORS TO MONTHLY RETURN - GROSS

Trade	Contribution %
1 Short EUR vs USD	+0.3
2 Short JPY vs USD	-0.1
3 Long USD vs AUD, NZD, CAD, GBP	-0.1
4 Short CHF vs EUR	-0.1
5 Short emerging (PLN, HUF, TRY, ZAR) and SEK vs EUR, USD	+0.1

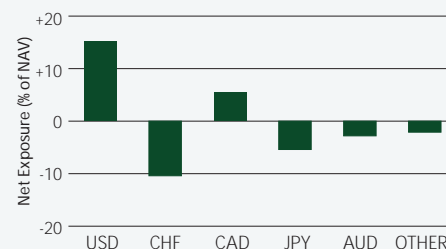
FUND SIZE: £350.9m

## DISTRIBUTION OF MONTHLY RETURNS



Source: Insight

## NET LONG SHORT EXPOSURE BY CURRENCY



Source: Insight

## CORRELATIONS

	HFR Global Hedge Fund
Currency Fund	-0.18

Basis: Calculated using twice monthly returns since inception.

Source: Insight, Bloomberg.

## RISK STATISTICS

Standard deviation (%)	5.09
Sharpe ratio	0.69
Maximum drawdown (%)	-5.61
No. of positive months	39/58

Basis: Calculated using twice monthly gross prices. Max drawdown using all available official prices since inception.

Source: Insight

# Absolute Insight Currency Fund

## FUND MANAGER COMMENTARY

The Fund returned -0.04% (gross of fees) in December, compared to the 3-month sterling LIBID return of 0.08%. The main theme in the Fund continued to be an underweight in the euro, primarily versus the US dollar but also versus other currencies including the Canadian dollar. The position was based on the view that a slowdown in European growth would lead the ECB to cut interest rates, resulting in a weaker currency. During the month the ECB did indeed cut rates and announced a series of measures intended to increase liquidity in the European banking system. This policy move proved to be a negative for the currency and therefore positive for Fund performance. In other trades the managers continued to run an overweight in the US dollar versus a variety of growth-sensitive currencies as they were concerned that worries in Europe would spread to a broad based risk sell-off. This did not prove to be the case, however, as investors interpreted the policy easing by the ECB as a positive for risk assets, and the positions detracted from performance, leading to slightly negative monthly performance overall for the Fund.

## INVESTMENT PHILOSOPHY AND PROCESS

The Fund invests in a diverse range of currencies via forward contracts, futures and options. In seeking to maximise return while minimising risk, the portfolio managers use discretionary trading strategies of currencies reflecting their qualitative and quantitative views. This allows the portfolio managers to add value through discretionary decision making. For example, central bank policies are a significant driver of currency market trends. The presence of non-profit maximising investors in currency markets creates volatility around these trends and presents opportunities for tactical investing.

## KEY BENEFITS

- Aims to produce positive returns in all market conditions
- A relatively low-risk product
- An effective method of portfolio diversification

Past performance is not a guide to future performance.

Market movements may cause the value of investments to go down as well as up and you may not get back the amount originally invested. This document is aimed at professional investors only. It not designed for, and should not be used or relied upon by private investors.

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## FUND FACTS

Inception date	28-Feb-2007
Benchmark	3 month GBP LIBID
Fund manager	Dale Thomas/Max Wahl
Legal structure	Open-Ended Investment Company (UCITS)
Domicile	Ireland
Listing	Irish Stock Exchange
Currency	Sterling, Euro
Pricing	Daily
Custodian	State Street Custodial Services (Ireland) Limited
Administrator	State Street Fund Services (Ireland) Limited

## SHARE CLASS B1p

ISIN £ (acc)*	IE00B3FMC507
ISIN € (acc)	IE00B1HL9055
Sedol £ (acc)**	B3FMC50
Sedol € (acc)	B1HL905

\* Formerly IE00B1HL9162

\*\* Formerly B1HL916

## Need more Information?

For details on all of our fund ranges or to obtain any literature please contact:

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[www.insightinvestment.com](http://www.insightinvestment.com)**