

Absolute Insight Emerging Market Debt Fund

A Sub Fund of the Absolute Insight Funds Plc

FACTSHEET - 31 December 2011

FOR PROFESSIONAL CLIENTS ONLY, NOT FOR DISTRIBUTION TO RETAIL CLIENTS

Insight
INVESTMENT



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.

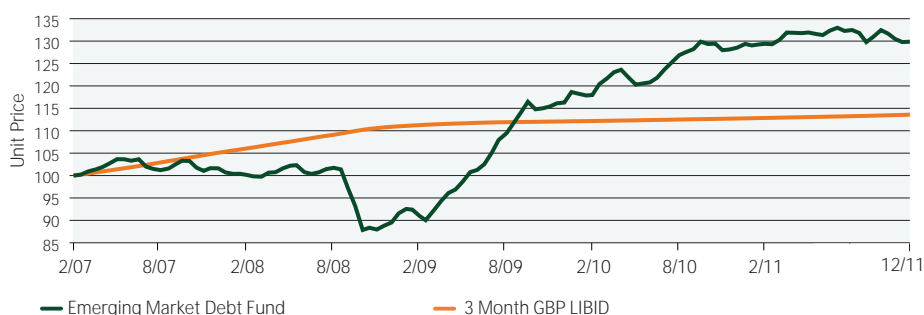
INVESTMENT APPROACH

The Fund aims to generate long term capital growth by producing investment returns which display low volatility and low correlation to other markets.

The manager seeks to meet the investment objective by investing primarily in the debt, interest rate, and exchange rate instruments that relate to emerging market countries, combining long and/or short (synthetic) positions for hedging/ investment gain strategies.

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	Since Inception (p.a.)
Fund (gross)	-0.5	0.1	1.0	1.0	13.2	5.5
Fund (net)	-0.6	-0.2	-0.1	-0.1	11.7	4.3
Benchmark	0.1	0.2	0.7	0.7	0.8	2.7
JPM EMBI Global Diversified Index	1.1	4.7	7.3	7.3	16.1	7.8
JPM GBI-EM Global Diversified Index	-1.5	0.5	-1.8	-1.8	11.5	9.4

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	0.4	0.3	0.7	1.2	0.1	-0.4	1.2	-0.4	-2.0	2.1	-1.5	-0.5	1.0
2010	1.7	-0.2	3.1	1.6	-2.7	0.4	2.4	2.6	1.0	0.9	-1.1	0.4	10.5
2009	3.4	-1.7	1.5	4.1	2.7	2.6	3.8	4.1	4.2	0.7	0.5	0.8	29.9
2008	-1.2	-0.2	-0.4	1.0	1.4	-1.4	0.0	1.0	-4.5	-9.5	0.1	1.8	-11.9
2007	-	-	1.0	1.0	1.7	-0.3	-1.3	-0.8	1.2	0.8	-2.1	0.5	1.6

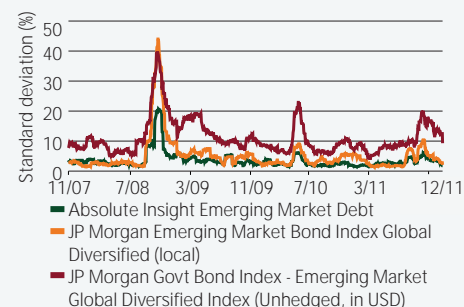
Source: Insight and Bloomberg. Fund benchmark: 3 Month GBP LIBID (gross of UK tax). Inception date: 28 February 2007.

MAIN CONTRIBUTORS TO MONTHLY RETURN

Regional breakdown	Contribution (bps)	Top 5 countries	Contribution (bps)
1 Europe	-22	1 Venezuela	+15
2 Latin America	+25	2 Argentina	+10
3 Middle East and Africa	0	3 Croatia	+9
4 Asia	+2	4 Israel	+9
5 Market hedges	-18	5 India	+8

FUND SIZE: US\$350.0m

ROLLING VOLATILITY (20 day)



Basis: Calculated using 20 rolling data points, from 08/10/07.

Source: Insight

RISK STATISTICS

	Since Inception volatility	1 Year volatility
Absolute Insight Emerging Market Debt (Gross)	6.1%	3.2%
JP Morgan Emerging Market Bond Index Global Diversified	8.8%	4.6%
JP Morgan Govt Bond Index - Emerging Market Global Diversified	12.1%	10.9%

Basis: Calculated using daily gross prices.

Source: Insight

REGIONAL EXPOSURE

	Long	Short	DV01
Latam	23.9%	-5.1%	119 bps
Europe	14.8%	-4.2%	50 bps
Middle East/Africa	17.2%	0.0%	88 bps
Asia	16.7%	-7.4%	32 bps
Index	0.0%	-14.1%	-69 bps
Total	72.6%	-30.8%	220 bps

Source: Insight

DV01 gives an indication of the sensitivity of the market value to a 1% change in yield of underlying instruments.

CURRENCY EXPOSURE

Mexican Peso	2.5%
Polish Zloty	2.0%
Ukrainian Hryvnia	1.1%
Hungarian Forint	0.9%
Peruvian New Sol	-0.5%
Indonesian Rupiah	-1.5%
Russian Rouble	-1.8%
Chilean Peso	-3.5%
Total	-0.8%

Source: Insight

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FUND MANAGER COMMENTARY

The Fund returned -0.46% (gross of fees) in December, compared to the 3-month sterling LIBID return of 0.08%. Fund performance over the month was influenced by foreign exchange volatility and portfolio hedges, although exposure to local rates and external government debt contributed positively. By region, performance in Latin America and Asia lifted returns as central banks there showed signs of easing monetary policy in response to weakening growth rates and falling inflation. Venezuela, Argentina and India performed particularly strongly in this regard. Exposure to Eastern Europe underperformed however, given the region's ties to European banks which continued to be shrouded in uncertainty. The managers increased overall portfolio risk in December, lowering cash levels as a number of attractive opportunities presented themselves. Exposure to Eastern Europe was increased on price weakness, with the managers buying local debt in Poland and Hungary. External corporate exposure was increased through the purchase of Mexican cement giant Cemex. In terms of currency exposure, a long position in the Mexican peso was increased while a short position was initiated in the Russian rouble given continued European concerns.

INVESTMENT PHILOSOPHY AND PROCESS

Insight's investment process is part of a strong analytical framework that aims to increase the competitive advantage of portfolio decisions taken by the investment team:

- Country macro-analysis: identify fundamental and structural trends in each emerging country
- Micro-analysis: analyse individual instruments and market depth
- Risk/reward: sizing investment decisions appropriately
- Global Insight strategy: work within analytical framework of Global Bond, High Yield, Credit, and Currency teams
- Active investment: manage risk, and take advantage of market volatility.

KEY BENEFITS

- Investment opportunity – the global nature of asset class allows the team to select from multiple interest rate, credit and currency opportunities, through long and/or short positions
- High risk-adjusted returns – portfolios are designed to generate alpha at low levels of volatility, in all market conditions over rolling 12 month periods
- Low correlation to traditional asset classes – ensures diversification benefits within a larger portfolio
- Combines traditional fund management with advantages of hedge fund strategies
- Combines factors such as transparency and regulation with flexibility and the use of derivatives.

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 is 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	Colm McDonagh
Legal structure	Open-Ended Investment Company (UCITS)
Domicile	Ireland
Listing	Irish Stock Exchange
Currency	Sterling, Euro, USD
Pricing	Daily
Custodian	State Street Custodial Services (Ireland) Limited
Administrator	State Street Fund Services (Ireland) Limited

SHARE CLASS B1P

ISIN £ (acc)	IE00B1HL8X10
ISIN € (acc)	IE00B1HL8W03
ISIN \$ (acc)	IE00B40CQX83

Need more Information?

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

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