

Absolute Insight UK Equity Market Neutral 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.

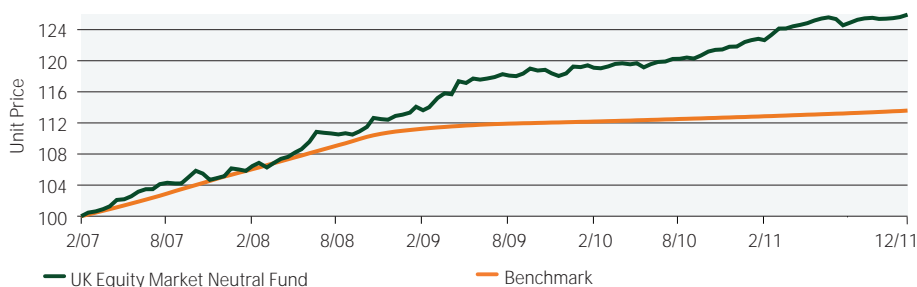
INVESTMENT POLICY SUMMARY

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

1. The Fund aims to generate long-term capital growth, from investing in a range of equity and equity-related securities of predominantly UK companies and derivatives relating to predominantly UK equity indices and securities.
 2. The Fund will maintain a portfolio of liquid or near cash assets.
- The manager will seek to meet the investment objective through, minimising the market related risks usually associated with investing in equities ('beta'), whilst isolating the stock specific returns ('alpha') primarily by use of a technique called 'pairing'. This involves long / short trading. All short positions will be achieved through the use of derivatives, whereas the Fund may achieve long exposure through both direct investment and derivative instruments. The derivatives may include, but are not limited to, contracts for differences, equity index, equity sector and single equity swaps, relating to equities and equity indices.

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)	0.4	0.4	3.4	3.4	3.7	4.9
Fund (net)	0.3	0.1	2.2	2.2	2.5	3.7
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	0.7	0.0	1.2	0.2	0.3	0.5	-0.1	-0.4	0.4	-0.1	0.1	0.4	3.4
2010	0.7	-0.1	0.1	0.3	0.0	-0.1	0.3	0.3	0.0	0.8	0.2	0.3	2.9
2009	0.4	0.3	1.4	0.4	1.3	0.4	0.3	0.2	0.2	0.3	-0.3	-0.0	4.8
2008	0.8	0.4	-0.2	1.0	0.8	1.3	1.0	-0.2	-0.0	0.9	0.9	0.4	7.4
2007	-	-	0.6	0.6	1.0	1.0	0.3	0.8	-0.1	1.6	-1.1	0.4	5.1

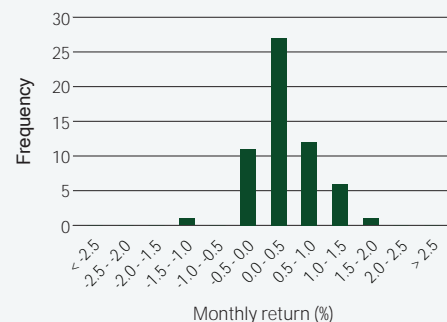
Source: Insight and Bloomberg. Fund benchmark: 3 Month GBP LIBID (gross of UK tax). Inception date: 28 February 2007.

MAIN CONTRIBUTORS TO MONTHLY RETURN - GROSS

Trade	Contribution %
1 Hamworthy & Paypoint & Collin vs Market Stewart	+0.15
2 Stagecoach & Go-Ahead vs National Express & FTSE 350 Retail	+0.08
3 Royal Dutch Shell A vs Royal Dutch Shell B	-0.06
4 Fenner & Senior vs Meggitt & Electrocomponents & IAG & Market	+0.06
5 Pennon vs Bunzl	-0.05

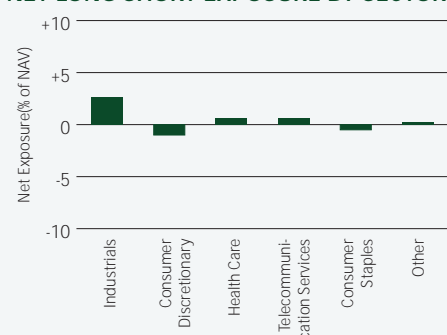
FUND SIZE: £733.1m

DISTRIBUTION OF MONTHLY RETURNS



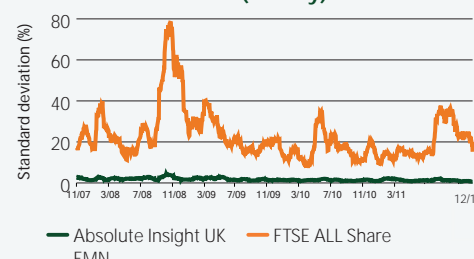
Source: Insight

NET LONG SHORT EXPOSURE BY SECTOR



Source: Insight

ROLLING VOLATILITY (20 day)



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

CORRELATIONS

	HFR Global Hedge Fund	HFR Market Neutral	FTSE ALL Share
AI UK Equity	0.1	-0.1	0.0
HFR Global Hedge Fund		0.3	0.7
HFR Market Neutral			0.3

Basis: Calculated using twice monthly returns since inception. Source: Insight, Bloomberg.

RISK STATISTICS

Standard deviation (%)	1.78
Sharpe ratio	1.24
Maximum drawdown (%)	-1.24
No. of positive months	46/58

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

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FUND MANAGER COMMENTARY

The Fund returned 0.36% (gross of fees) in December, compared to the 3-month sterling LIBID return of 0.08%. Issues in Europe have been the dominant theme of 2011, causing elevated volatility and a spike in stock correlations. Against this background the Fund delivered a positive return in December and for 2011 as a whole, continuing to demonstrate low volatility and market neutrality. In December a long position in broker Collins Stewart performed well after a bid approach from a Canadian rival, Cannacord. The manager's analysis revealed the market had ignored any value in Hawkpoint, the M&A advisory division of Collins Stewart, and they were happy to invest in a company with substantial liquid cash resources on the balance sheet. The position was hedged with FTSE 250 swaps. Also in December positions in Stagecoach and Go-ahead performed well relative to the consumer hedge in place, reflecting better earnings revisions. The main catalyst for putting more capital to work will be falls in volatility and stock correlations. Markets are likely to accelerate events if politicians continue dragging their heels, so the managers believe that stock correlations are likely to fall sooner rather than later.

INVESTMENT PHILOSOPHY AND PROCESS

The Fund aims to generate positive returns in all market conditions. The portfolio managers seek to achieve this objective by minimising unwanted market-related risks and isolating stock-specific opportunities, using a technique known as 'pairing'. Each position in the Fund typically consists of two units (a long and a synthetic short). The lead unit, which may be long or short, drives the position, and the secondary unit provides the hedge. The objective of the secondary unit is to create a market-neutral position and isolate the potential alpha identified in the lead unit. The use of derivatives enables the managers to achieve a much greater degree of precision than is available to a traditional 'long-only' manager. In seeking opportunities to generate alpha, the portfolio managers follow a research-led investment process based on detailed fundamental analysis and regular contact with company management. They are able to draw on the expertise of a dedicated team of bespoke research analysts, a resource that facilitates a focus on less well-researched stocks. Once a particular source of alpha has been identified, derivatives give the managers the flexibility to target that source while hedging out associated sector and market risk. The team manages the Fund with rigorous risk controls, establishing profit targets and stop-losses on all positions at the outset. The Fund is limited to a maximum +/-10% net equity exposure (total long exposure minus total short exposure), thereby ensuring a relatively market-neutral position.

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 is not designed for, and should not be used or relied upon by private investors.

FUND FACTS

Inception date	28-Feb-2007
Benchmark	3 month GBP LIBID
Fund manager	Andrew Cawker/Richard Howarth /Iain Brown/David Headland
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)	IE00B1HL8S66
ISIN € (acc)	IE00B1HL8R59

SHARE CLASS B2P

ISIN £ (acc)	IE00B2QV6D55
ISIN € (acc)*	IE00B39MTD36

SHARE CLASS B3P

ISIN £ (acc)	IE00B2QV6H93
ISIN £ (Inc)	IE00B4VQF654
ISIN € (acc)	IE00B2QV6F79

* Formerly IE00B2QV6C49

Need more Information?

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

**Adviser Services + 353 1 242 5405,
+ 44 (0) 203 4500874 or visit our website at:
www.insightinvestment.com**