

# Bonds Plus Fund



FACTSHEET -- 31 MARCH 2010  
FOR INVESTMENT PROFESSIONALS ONLY

## FUND AIM

To outperform the benchmark by 2% per annum over rolling three year periods.

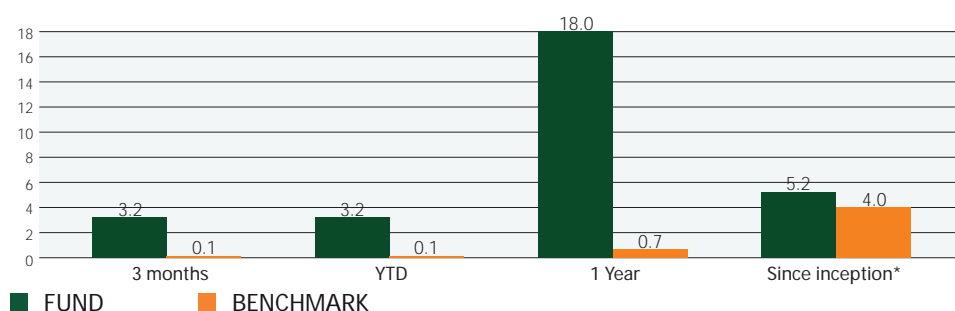
## INVESTMENT PROCESS

Insights Bonds Plus is an actively managed fixed income fund targeting attractive returns in excess of cash interest rates. The portfolio manager aims to achieve the performance objective by taking views on the direction and volatility of global bond and currency markets by investing in a diverse range of fixed income securities and currencies, including derivatives, around a core holding of liquid/near-cash assets. In common with our other funds, the Fund will combine the best ideas of Insight's experienced fixed income specialists, and is able to do so in ways that can reflect both positive and negative views.

## INVESTMENT UNIVERSE

A range of interest rate, inflation, credit and currency derivatives, fixed income securities and index-linked government and non-government securities, liquid/near-cash assets, collective investment schemes, high yield securities and emerging market debt and currencies.

## FUND PERFORMANCE %<sup>1</sup>



Basis: Performance of the funds is on an offer basis with income reinvested and gross of management charges.  
Source: Insight Investment. Periods > 1 year are annualised. \* Inception: 31 August 2006.  
\* Annualised.

## FUND MANAGER'S COMMENTS

The Fund outperformed its benchmark over the first quarter of 2010. This outperformance was generated from a diverse range of investment positions. The biggest contributor to returns was the performance of the Fund's holdings of asset-backed securities (ABS), which rallied strongly over the quarter. We believe that our portfolio of ABS is very high quality and it continues to generate a yield some way above the cash benchmark. This represents a store of value that remains a key feature of our strategy going forward. Duration positions, yield curve exposure and market allocation also all added value. The Fund took tactical long and short positions in selected gilts over the quarter in order to take advantage of opportunities offered by the Bank of England's quantitative easing programme as well as auctions from the Debt Management Office. During March we also instigated tactical positions in US and European markets which proved beneficial to performance. The Fund also benefited from positions in investment grade credit (favoured sectors included financial and basic industries), high yield, loans and emerging market debt. The Fund's active currency strategy also added value as long positions in the US dollar were rewarded by the markets.

**Important notes:** Past performance is not a guide to future performance. The investment's value and any income deriving from it may fall as well as rise, as a result of market and currency fluctuations. You may not get back the amount originally invested.

## FUND FACTS

Fund manager	Andrew Wickham	Dealing cut-off time	Fortnightly
Launch date	31 August 2006	Pricing	Swinging single price
Benchmark	3 Month Sterling LIBID	Minimum scheme size	£1m
Annual Charge	0.30% and 15% performance fee or flat fee of 0.50%	Legal structure	QIF

<sup>1</sup> as at 31 March 2010

**Fund Size: £1025.1M<sup>1</sup>**

## INTEREST RATE EXPOSURE BY CURRENCY (IN WEIGHTED AVERAGE DURATION)

Sterling	-0.19
US dollars	0.05
Euros	0.14
Other	0.15
Total	0.15

## CREDIT EXPOSURE (AS % OF FUND)

Investment grade	17.1%
High yield	7.2%
Loans	4.2%
Emerging market debt	0.5%
Asset backed securities	21.0%

## BREAKDOWN BY CURRENCY EXPOSURE (AS % OF FUND)

Sterling	98.0%
US Dollar	1.9%
Canadian Dollar	0.7%
Japanese Yen	0.5%
Turkish Lira	0.4%
Polish Zloty	0.3%
Brazilian Real	0.3%
Swedish Krona	0.2%
Norwegian Krone	0.2%
Euro	-3.0%

For further details on any of our fund ranges, or to obtain copies of the prospectus please contact our Institutional Business Development team on 020 7321 1297 or by email at [business.development@insightinvestment.com](mailto:business.development@insightinvestment.com) or your Insight Client Director.

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