

Bonds Plus Fund



FACTSHEET -- 31 DECEMBER 2011
FOR PROFESSIONAL CLIENTS ONLY, NOT FOR DISTRIBUTION TO RETAIL CLIENTS

FUND AIM

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

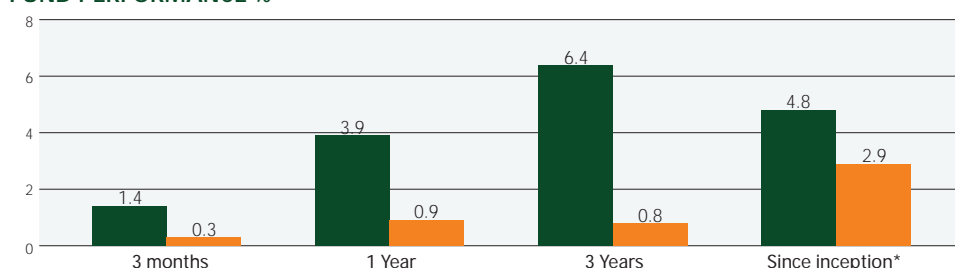
INVESTMENT PROCESS

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 %¹



■ FUND ■ BENCHMARK

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 fourth quarter, with especially strong performance in October contributing to returns. At the start of the quarter, the resumption of the Bank of England's Quantitative Easing programme benefited the Fund's holdings of ultra long-dated gilts and thus duration and yield curve positioning were positive. In credit, our conservative positioning within investment grade and loans was positive, as were holdings within asset-backed securities (ABS). The Fund's duration and yield curve positions were focused on the UK and US markets, with smaller contributions from areas such as Norway. In the US and UK, the Fund held yield curve flattening trades. Within credit, the Fund held a relatively conservative set of long and short positions, including longs in companies and sectors we believe have long-term value and shorts either in market indices or individual issuers that we believe are expensive. The Fund maintained an allocation to ABS, high yield, loans, emerging market debt and currencies. In particular, we currently view selected areas of ABS as offering one of the best risk/return profiles, especially as the number of genuinely AAA-rated issuers in non-ABS areas of credit is falling rapidly.

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 investment size	£1m
Annual Charge	0.30% and 15% performance fee or flat fee of 0.50%	Legal structure	QIF

¹ as at 31 December 2011

Fund Size: £1615.3M¹

INTEREST RATE EXPOSURE BY CURRENCY (IN WEIGHTED AVERAGE DURATION)

Sterling	0.13
US dollars	-0.05
Euros	0.10
Other	0.19
Total	0.37

CREDIT AND EMERGING MARKET EXPOSURE (% OF FUND)

Investment grade	7.5%
High yield	4.1%
Loans	3.1%
Emerging market debt	2.3%
Securitised	22.3%

Exposure to changes in inflation expectations (in weighted averaged duration)

UK	0.35
US	0.00
EU	0.00
Japan	0.00

TOP 10 CURRENCY EXPOSURES (AS % OF FUND)

Pound Sterling	100.1%
US Dollar	0.5%
EURO	0.3%
Canadian Dollar	0.2%
Mexican Nuevo Peso	0.1%
Russian Rouble	-0.1%
Chilean Peso	-0.2%
Japanese Yen	-0.3%
Swiss Franc	-0.5%
Australian Dollar	-0.5%

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 or your Insight Client Director.

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