

European Small Cap

Insight
INVESTMENT

FACTSHEET -- 31 DECEMBER 2009

INVESTMENT OBJECTIVE

The Fund aims to provide long-term capital growth by investing primarily in shares of European smaller companies.

INVESTMENT APPROACH

The Fund's policy is to be fully invested, but cash and near cash will be held as necessary to enable shares to be redeemed and to assist in the efficient management of the Fund in accordance with its investment objective. The manager, however, has the power to increase liquidity in the light of market conditions where this is considered prudent.

PERFORMANCE %

To 31 Dec	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Fund	24.7	38.5	10.4	-35.8	49.4

To 31 Dec 09	Fund	B'mark	Sector	Quartile
3 month	-3.0	-0.6	4.1	4
YTD	49.5	47.3	49.5	1
1 year	49.5	47.3	49.5	1
Since inception p.a.	49.5	16.5	11.4	1

Past performance is not a guide to future performance.

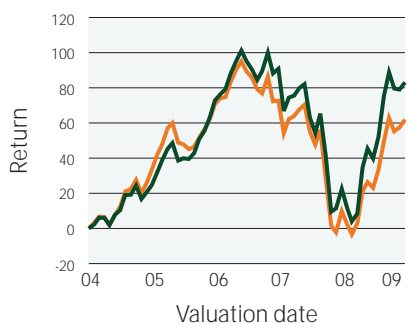
Basis: Total return mid to mid excluding the effect of initial charge, income reinvested gross of UK tax.

Source: Lipper, a REUTERS company. Fund benchmark : MSCI European Small Cap Index

Sector: IMA European Smaller Companies

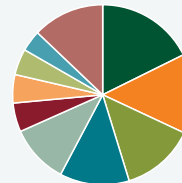
Inception date: 30 Sep 2002

FIVE YEAR PERFORMANCE



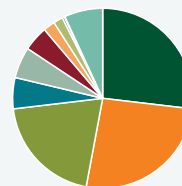
— Fund — Benchmark

FUND SIZE: £24.2M



FUND COUNTRY BREAKDOWN

Germany	17.7%
Great Britain	14.3%
Italy	13.3%
France	12.5%
Sweden	10.6%
Norway	5.2%
Greece	5.1%
Austria	4.7%
Denmark	3.8%
Other Countries	12.9%



FUND SECTOR BREAKDOWN

Industrials	26.9%
Consumer Goods	26.1%
Financials	20.2%
Health Care	5.6%
Technology	5.6%
Basic Materials	4.5%
Consumer Services	2.1%
Telecommunications	1.7%
Oil & Gas	0.4%
Other sectors	0.1%
Cash	6.9%

TEN LARGEST HOLDINGS

BOLIDEN AB NPV	4.5%
AUTOLIV INC - SDR	4.5%
CAMPARI EURO.10	4.0%
GILDEMEISTER AG NPV	3.6%
SAFT GROUPE S.A.	3.4%
HANNOVER RUECK-REG	3.2%
INGENICO SA	3.2%
INFINEON TECH AG	3.1%
GKN PLC	3.0%
HELLEMIC EXCH	2.9%
Total % of Fund	35.3%

FUND MANAGER'S COMMENTS

December was a positive month in Europe with the FTSE Small Cap index up 0.8% in sterling, total returns. The month saw a volatile first three weeks with the index swinging between gains and losses before trading higher in the final week of the year, continuing on positive gains from the previous month. The eurozone economy is continuing to gather momentum with signs that the economic recovery is accelerating. Following positive economic news in the previous month, December saw mixed data releases. Retail sales unexpectedly fell 1.2% as did German factory orders and industrial production figures. ZEW (economic sentiment) declined as did service PMI, however these were both better than expected. The Fund finished the month behind its benchmark as our Southern European and Irish financials continued to give back some of their recent gains. An overweight in Airbag maker Autoliv and brewer Royal Unibrew were positive for performance, however. Trading was limited during the month. Trading in the Fund was limited during the month, with a focus on reducing holdings in areas which had performed well to reduce overall risk in the portfolio.

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. UCITS III Fund. Derivatives may be used for investment purposes.

Need more information?

For further details on our fund ranges, or to obtain the prospectus or other literature, please contact our

Customer Services Team on 0845 777 2233,
or visit our website at:

www.insightinvestment.com

European Small Cap

KEY FEATURES

- Experienced, specialist fund manager
- Emphasis on companies with secular growth potential
- Proprietary P3M process drives stock selection

INVESTMENT PHILOSOPHY AND PROCESS

Our active approach is founded on our belief that markets are not fully efficient when pricing shares, often reflecting a short-term bias. We believe that companies which deliver superior and consistent profits growth should be rewarded with relatively persistent share price appreciation through the economic cycle. We identify attractive investment opportunities through focused and detailed fundamental research.

We have designed a proprietary 'P3M' qualitative method of evaluating shares. We look for companies which have a unique or highly differentiated Product, a Market opportunity which can support multi-year growth, and a high quality Management team which can translate those factors into Margin expansion and profit growth beyond market expectations. We use this P3M framework to guide our fundamental research which will include meeting with senior management.

The fund will typically invest in companies within a market capitalisation range of € 200 million-€ 3.5 billion with 30-40 holdings. The manager designs the portfolio so that there is a prudent spread of underlying investment risks. In addition, we actively monitor risk using a number of internal and external risk tools. The aim is to ensure all risks are deliberate and appropriately scaled.

FUND MANAGER PROFILE



Richard Wiseman
Head of European
Equities

Richard joined Insight in 2002 and is Head of European equities. He began his career as a UK portfolio manager with MIM Ltd (now Invesco) before joining Clerical Medical Investment Management (now Insight) as a UK equity portfolio manager. He left in 1994, taking up senior portfolio manager roles with Lehman Brothers, Fleming Investment Managers and Banco Santander. In 2000 he joined HSBC Securities as a pan-European equity salesman before returning to portfolio management. Richard holds a BA Honours degree in Zoology from Worcester College, Oxford University.

Unless otherwise stated, the source of all information is Insight Investment Management (Global) Limited. All features described in this leaflet are those current at the time of publication and may be changed in the future. 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. Investing in derivative investments may involve a higher degree of risk and there can be no assurance that the objectives of the Fund will be attained. If in doubt about the suitability of this product, you should seek professional advice. Copies of the prospectus, deeds of incorporation, annual and semi-annual reports are available free of charge.

Issued by Insight Investment Funds Management Limited. Registered office 33 Old Broad Street, London EC2N 1HZ. Registered number 01835691. Authorised and regulated by the Financial Services Authority.

FUND FACTS

Fund manager	Richard Wiseman
Launch date	30 September 2002
Fund benchmark	MSCI European Small-Cap
Currency	Sterling
Ex dividend dates	Income retained
Distribution dates	Income retained
Yield	1.1%
Availability	OEIC • ISA

SHARE CLASS A

ISIN GBP (acc)	GB0032021379
ISIN EUR (acc)	GB00B23XV396
SEDOL GBP (acc)	3202137
SEDOL EUR (acc)	B23XV39
Min. investment	£3,000/€6,000
Initial charge	4.00%
Annual charge	1.50%

SHARE CLASS B

ISIN GBP (acc)	GB0032021486
ISIN EUR (acc)	GB00B23XV735
SEDOL GBP (acc)	3202148
SEDOL EUR (acc)	B23XV73
Min. investment	£500,000/€1,000,000
Initial charge	0.00%
Annual charge	0.75%