

Monthly Income Bond

A Sub Fund of the Insight Investment Professional Funds ICVC



FACTSHEET -- 31 JULY 2010

INVESTMENT OBJECTIVE AND POLICY

The Fund aims to achieve a high level of income, with the possibility of capital growth, through investment in "high yield" and in "investment grade" fixed and variable rate securities mainly denominated in sterling. The Fund may also invest in non-sterling denominated securities which will normally be hedged to minimise currency risk, but the ACD reserves the right not to hedge where, in its view, it is not in the interest of the Fund to do so. The Fund holds a combination of corporate and government bonds including emerging market bonds, whether investment grade or not. There is no restriction on the duration of the underlying bonds held. The Fund uses derivatives only for efficient portfolio management purposes.

FUND SIZE: £17.4M

FUND SECTOR BREAKDOWN

Financials	34.7%
Government - futures	2.2%
Industrials	46.2%
Securitised	8.4%
Supranationals	5.0%
Utilities	2.8%
Cash*	-0.1%
Fwd FX P&L	0.7%

*includes futures offset

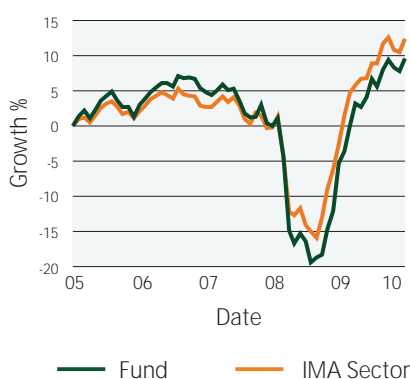
PERFORMANCE %

To 30 June	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Fund	1.4	4.0	-4.8	-12.4	22.6

To 31 July 10	Fund	Sector	Quartile
3 month (%)	0.2	0.2	3
YTD (%)	5.2	5.7	3
1 year (%)	15.8	15.1	2
Since inception (% p.a.)	4.8	4.2	2

Past performance is not a guide to future performance.

FIVE YEAR PERFORMANCE



FUND CREDIT BREAKDOWN

AAA - bonds	5.0%
AAA - futures	2.2%
AA	1.6%
A	16.0%
BBB	28.7%
BB	17.2%
B	26.4%
Unrated	2.3%
Cash*	-0.1%
Fwd FX P&L	0.7%

*includes futures offset

TEN LARGEST HOLDINGS

Fiat Finance and Trade	6.875%	2.7%
13/02/2015		
European Investment Bank	4.625%	2.5%
12/10/2054		
European Investment Bank	5.625%	2.5%
07/06/2032		
FCE Bank	9.375%	2.4%
17/01/2014		
Royal Bank of Scotland Plc	9.625%	1.9%
22/06/2015		
Wind Acquisition	11%	1.5%
01/12/2015 (callable)		
Heidelbergcement Finance	7.5%	1.5%
31/10/2014		
Heidelbergcement Finance	8%	1.5%
31/01/2017		
Birmingham Airport Plc	6.25%	1.4%
22/02/2021		
Virgin Media	9.5%	1.4%
15/08/2016 (callable)		
Total % of Fund		19.4%

Basis: Class (A-Retail, full charge basis) shares, mid to mid excluding initial charge, income reinvested net of UK tax. Source: Lipper, a REUTERS company. Sector: IMA £ Corporate Bond Sector average return. Inception date: 19 Oct 2001. Quartile is the ranking of a particular portfolio or manager in a league table of returns (In one of four quarters).

FUND MANAGER'S COMMENTS

Returning risk appetite benefited both investment grade corporate bonds and high yield during July. With signs that interest rates are likely to stay low for some time, strong US corporate earnings and reassurances from the EU's banking stress test, yields spreads ground tighter as investors sought out bargains. The Fund underperformed its benchmark during July. In terms of activity, the Fund took profit on Porterbrook Rail, switching into a more attractively priced bond from Great Rolling Stock. The Fund continued to trim risk by paring exposure to BBB and high yield issues such as Kraft and Talisman, while switching into shorter-dated bonds from HeidelbergCement and a housing association bond from Hyde. Fund also took profits on a newly issued bond from America Movil. We also started to rebuild exposure to US banks such as Citigroup, now it has become clearer that the US banking reforms are not expected to result in credit downgrades. In high yield, we bought a new issue from Dixons and generally added to our BB exposures through purchases of Barry Callebaut, Owens-Brockway and Crown.

Past performance is not a guide to future performance. The value of investments and any income will fluctuate (this may partly be due to exchange rate changes) and investors may not get back the amount invested.

All data is as at the date of this factsheet unless stated otherwise

Need more Information?

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

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Telephone calls may be recorded

Monthly Income Bond

KEY FEATURES

- Focuses on delivering income with the prospect for some capital growth
- Invests in high yield and investment grade fixed income
- Rigorous, disciplined and proven investment process

INVESTMENT PHILOSOPHY AND PROCESS

Our fixed income investment process is structured around the key principles of precision and diversification. Our approach emphasises the importance of allocating risk across the widest range of investment opportunities where risk and return have been precisely analysed and targeted.

Our approach to allocating portfolio risk is highly developed. This approach ensures that risk is optimally diversified across the range of investment opportunities that our specialist teams identify.

Our risk measurement tools were designed and built at Insight to analyse risk in precisely the way our process approaches it. All active risk is monitored to ensure that our investment principles of precision and diversification of risk are embedded in all portfolios at all times.

RISK ASSOCIATED WITH THE FUND

- **High Yield Bonds:** The fund may invest in high yield bonds where there is a greater risk to capital and income than a similar investment in government or investment grade bonds. High yield bonds may also be less liquid.
- **Charges to capital:** The fund annual management charge is deducted from capital. Whilst this increases the income paid, it will also reduce the potential for capital growth.
- **Emerging Markets:** The fund invests in emerging markets which can be less liquid and riskier than more developed markets and difficulties in accounting, dealing, settlement and custody may arise.

FUND MANAGER PROFILE



Peter Bentley
Head of UK Credit

Peter joined Insight in January 2008 as Head of UK Credit. Prior to joining Insight, Peter spent four years at Pimco Europe where he was a Senior Vice President portfolio manager responsible for the management and strategy of credit funds. Peter holds a BA honours in Economics and Econometrics from Nottingham University and is an Associate of the CFA Society of the UK.

FUND FACTS

Fund manager	Peter Bentley
Launch date	19 October 2001
Fund benchmark	50% ML £ Non-Gilt All Stock & 50% Global High Yield European Issuers Index
Currency	Sterling
Ex dividend dates	Last day of each month
Distribution dates	15th day of each month
Availability	OEIC • ISA

SHARE CLASS A

ISIN (inc)	GB0033700781
SEDOL (inc)	3370078
Min. investment	£3,000
Initial charge	4.00%
Annual charge	1.10%

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