

Monthly Income Bond

A Sub Fund of the Insight Investment Discretionary Funds ICVC



FACTSHEET -- 31 DECEMBER 2011

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 Fund's Directors 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.

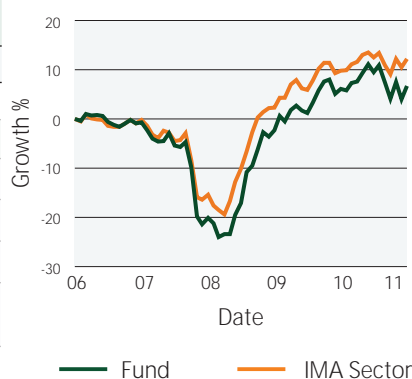
PERFORMANCE %

To 31 Dec	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Fund	-0.7	-19.6	22.4	8.6	0.6

To 31 December 11	Fund	Sector	Quartile
3 month	2.5	2.5	3
YTD	2.5	2.5	3
1 year	0.6	1.2	3
Since inception (p.a.)	4.5	4.2	2

Past performance is not a guide to future performance.

FIVE YEAR PERFORMANCE



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 £ Strategic 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

The Fund produced strong positive returns over the month. The Fund had a bias to 5-10 year bonds, which boosted returns given that this part of the curve performed well over the month. In terms of credit, the Fund was conservatively positioned, which helped performance given the widening in spreads over the month. Stock and sector selection was good. We favoured exposure to sub-insurance, lower tier 2 banks and property rather than utilities, healthcare, banks and consumer non-cyclical. We reduced exposure to peripheral eurozone, so we sold Italy's Enel and Intesa Sanpaolo and bought Credit Suisse and a new issue from Vallourec. We maintained our allocation to emerging markets.

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

FUND SIZE: £14.3M

INTEREST RATE EXPOSURE BY MATURITY (in weighted average duration, years)

0 - 5 Years	0.8
5 - 15 Years	3.2
15 Years +	1.5
Total duration	5.5

Breakdown shows how the Fund's total interest rate sensitivity is allocated to each maturity band.

CREDIT RATING BREAKDOWN OF NON-GOVT. POSITIONS (% OF PORTFOLIO)

AAA	4.6%
AA	1.3%
A	21.3%
BBB	29.2%
below BBB	17.8%

TEN LARGEST HOLDINGS

Insight Emerging Market Debt Fund	8.4%
FCE Bank Plc 9.375% 17/01/2014	2.7%
Unitymedia Hessen 8.125% 01/12/2017 (callable)	2.4%
Royal Bank of Scotland 9.625% 22/06/2015	2.2%
Virgin Media 7% 15/01/2018 (callable)	2.2%
Network Rail 4.75% 29/11/2035	2.1%
Heidelbergcement 7.5% 31/10/2014	1.9%
Virgin Media 9.5% 15/08/2016 (callable)	1.7%
Prudential 8.5% Perp (callable)	1.7%
Crown Euro Holdings 7.125% 15/08/2018 (callable)	1.5%
Total % of Fund	26.6%

RISKS 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.

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.

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.

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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%

Need more Information?

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

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