

# UK Equity Income Booster Fund

A sub fund of Insight Investment Discretionary Funds ICVC

Insight  
INVESTMENT

FACTSHEET -- 31 DECEMBER 2011

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is to provide an enhanced level of income with potential for capital growth primarily through investment in equity and equity related securities. The Fund will invest primarily in a portfolio of UK listed equity and equity related securities, although there may be some investment, from time to time, in securities listed outside of the UK. In addition the Fund will employ a derivatives strategy designed to generate additional income. The Fund may also use derivative instruments for efficient portfolio management purposes. The Fund may also invest in other transferable securities, collective investment schemes, cash and near cash, deposits and money market instruments.

## PERFORMANCE %

To 31 Dec	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Fund	N/A	N/A	N/A	14.8	-4.2

To 31 December 11	Fund	B'mark	Sector	Quartile
3 month (%)	6.8	8.4	6.4	2
YTD (%)	6.8	8.4	6.4	2
1 year (%)	-4.2	-3.5	-3.6	3
Since inception (% p.a.)	16.2	18.2	16.7	3

Past performance is not a guide to future performance.

N/A: Performance data does not exist for relevant periods.

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. Fund benchmark: FTSE All Share index. Inception date: 31 March 2009. Quartile is the ranking of a particular portfolio manager in a league table of returns (in one of four quarters).

## FUND MANAGER'S COMMENTS

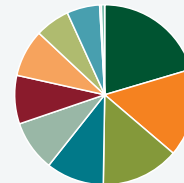
UK equities edged higher in December despite the fact that the sovereign debt crisis in Europe continued to dominate UK and global headlines. With considerable uncertainty remaining as to the outlook for the UK, the Bank of England elected to maintain its asset purchase programme at £275bn, although analyst forecasts are for additional quantitative easing to be administered to the UK economy over the coming months. This decision may be supported by inflation levels, with CPI data showing some signs of easing as global growth concerns continued to weigh on commodity prices. The Fund delivered positive returns over the month, with several cyclical holdings performing as hoped in a more pro-risk environment. These included positions in Wolseley, Carpentry and Old Mutual. Defensive holdings also performed strongly, with positions in the healthcare, tobacco and telecoms sectors all contributing to returns. In terms of activity, the manager bought back a position in Great Portland Estates, which was sold prior to the recent period of share price weakness. In addition, some more cyclical areas of the portfolio were topped up, with capital being deployed into Rio Tinto, IMI and ICAP.

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. Derivatives may be used for investment purposes.

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

➤ A BNY MELLON COMPANY<sup>SM</sup>

## FUND SIZE: £21.3M



## FUND SECTOR BREAKDOWN

Financials	20.4%
Oil & Gas	15.8%
Consumer Services	14.0%
Health Care	10.4%
Industrial	9.1%
Consumer Goods	8.7%
Telecommunication	8.5%
Utilities	6.2%
Basic Materials	5.9%
Technology	0.3%
Cash	0.6%

## TEN LARGEST HOLDINGS

ROYAL DUTCH SHELL PLC-B SHS	9.1%
GLAXOSMITHKLINE PLC	6.9%
BP PLC	6.7%
VODAFONE GROUP PLC	6.3%
RIO TINTO PLC	5.9%
HSBC HOLDINGS PLC	3.9%
UNILEVER PLC	3.6%
ASTRAZENECA PLC	3.5%
IMPERIAL TOBACCO GROUP PLC	2.9%
NATIONAL GRID PLC	2.3%
<b>Total % of Fund</b>	<b>51.1%</b>

## RISK ASSOCIATED WITH THE FUND

- **Charges to capital:** the Fund's annual management charge is deducted from capital. Whilst this increases the income paid, it will also reduce the potential for capital growth.
- **Derivatives for the generation of additional income:** the Fund uses a derivatives strategy to generate additional income which may restrict fund growth in rising markets.

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## KEY FEATURES

- The Fund offers investors the opportunity to generate higher income than a traditional equity income portfolio, targeting an annual yield of 8%<sup>1</sup>.
- Access to two areas of expertise generating income through two different sources.
- The Fund pays monthly distributions.
- The equity portfolio is run by Insight's highly rated equity income fund manager and the call option strategy draws on Insight's highly regarded financial solutions expertise.

## INVESTMENT PHILOSOPHY AND PROCESS

The Fund sells call options over the underlying equity portfolio. The premium from the call options provide the Fund with an additional source of income over-and-above that of the share dividend payments, boosting the Fund's income.

The Fund's policy is to write call options on all of the stocks in normal circumstances. Although we will not sell call options where we believe the option price does not represent good value, for example if the stock is subject to a corporate action.

## FUND MANAGER PROFILE



**Tim Rees**  
Portfolio Manager,  
UK Equities

Tim joined Insight (formerly Clerical Medical Investment Management) in May 1984 and works within our UK equity team as a portfolio manager with a focus on UK equity income investments. Tim worked in various roles at Clerical Medical, transferring to the investment team in 1987 and then the UK equities team in 1990. Tim holds a BA honours degree in Philosophy and Economics from the University of East Anglia.

## FUND FACTS

Fund managers	Tim Rees
Launch date	31 March 2009
Fund benchmark	FTSE All Share index
Currency	Sterling
Ex dividend dates	Last day of the month
Distribution dates	15th day of each month
Availability	OEIC • ISA

## SHARE CLASS A

ISIN (inc)	GB00B4YGLK82
ISIN (acc)	GB00B4YGLJ77
SEDOL (inc)	B4YGLK8
SEDOL (acc)	B4YGLJ7
Min. investment	£3,000
Initial charge	4.00%
Annual charge	1.50%

## SHARE CLASS B

ISIN (inc)	GB00B4YGLM07
ISIN (acc)	GB00B4YGLL99
SEDOL (inc)	B4YGLM0
SEDOL (acc)	B4YGLL9
Min. investment	£500,000
Initial charge	0.00%
Annual charge	0.75%

<sup>1</sup> The target yield quoted is an estimate and is not guaranteed. It is based on the anticipated level of income distributions over a twelve month period. The target yield will be reviewed on an annual basis and is quoted net of charges (which are deducted from capital and net of basic rate tax).

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. If in doubt about the suitability of this product, you should seek professional advice. Copies of the full prospectus, simplified prospectus, deeds of incorporation, annual and semi-annual reports are available free of charge.

## Need more Information?

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

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