

UK Corporate All Maturities Bond Fund

Institutional OEIC



FACTSHEET -- 31 DECEMBER 2009
FOR INVESTMENT PROFESSIONALS ONLY

FUND AIM

The objective of the fund is to out perform the benchmark iBoxx Sterling Non-Govt Bond All Maturities index by 1.00% per annum gross of management fees.

Fund benchmark: iBoxx Sterling non-Gilt all maturities

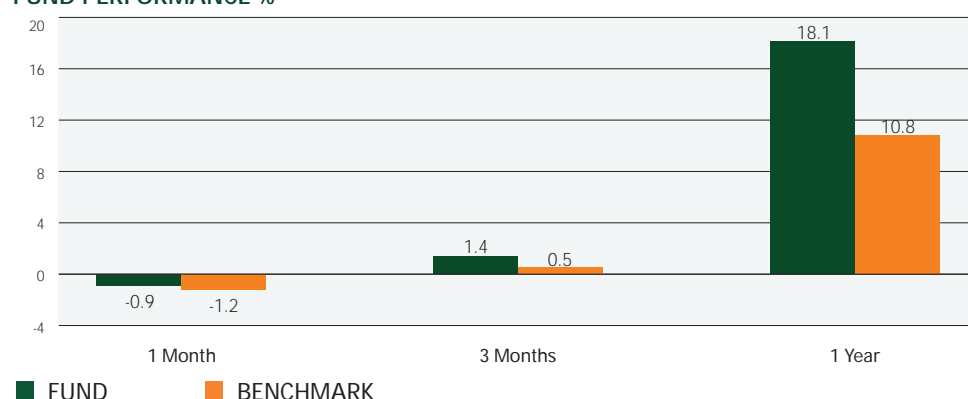
INVESTMENT PROCESS

Insight Investment employs a highly specialised and experienced approach to the management of corporate bonds which is built on strong credit analysis, specialist portfolio construction which aims to avoid credit 'landmines', and an in-depth understanding of risk management. We employ a team of highly experienced dedicated credit analysts who are responsible for filtering the universe of corporate bond investments to eliminate bonds of insufficient credit quality.

INVESTMENT APPROACH

Our investment approach is built around two core beliefs – that precisely targeted and diversified portfolios provide consistent and strong portfolio returns over the long term. In practice this means that the fund manager will utilise the full research capability within the team to identify investments from a wide universe of opportunities. Those that offer attractive risk-adjusted returns will be included in the portfolio within clearly defined limits. Furthermore, our approach aims to add value in all market conditions.

FUND PERFORMANCE %



■ FUND ■ BENCHMARK
Basis: Performance of the funds is on an offer basis with income reinvested and gross of management charges.
Source: Russell/Mellon CAPS, Rimes.
Periods > 1 year are annualised

FUND MANAGER'S COMMENTS

In credit, demand for corporate bonds remained firm over the quarter as risk aversion remained muted. The market did sell off at the end of November amid concerns about a default in the Middle East, but this proved temporary. There was a strong new issue pipeline which was readily absorbed by investors. Corporate earnings results were better than expected, which helped sentiment. Much of the Fund's outperformance came from sector and stock selection. The best-performing sectors included financials and industrials, areas where the Fund was overweight. In addition, the Fund was underweight key areas of the market which underperformed, including utilities, consumer cyclicals and supranationals. The Fund reduced duration to neutral during the period. With the gilt market highly volatile due to uncertainties surrounding the Bank of England's quantitative easing programme, we felt it prudent to keep interest rate risk flat. From a yield curve perspective, we believed that the UK curve looked too flat and we therefore increased our exposure to 10-year bonds. The portfolio remained underweight the 15-25 year part of the curve, which looked expensive as a result of the Bank of England's quantitative easing programme.

Past performance is not a guide to future performance. The investment's value and the income deriving from it may fall as well as rise, as a result of the market and currency fluctuation. You may not get back the amount originally invested.

FUND FACTS

Fund manager	Peter Bentley	Dealing cut-off time	Daily - midday
Launch date	November 2004	Pricing	Single price
Benchmark	iBoxx Sterling non-Gilt all maturities	Share class	Gross P Class
Annual Charge	0.30%		

[†] as at 31 December 2009

Fund Size: £623.6M¹

FUND BREAKDOWN BY MATURITY

0 - 5 Years	35.6%
5 - 15 Years	34.5%
15 Years +	29.9%

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

AAA	16.4%
AA	10.2%
A	35.3%
BBB	27.6%
below BBB	6.2%
No Rating	2.8%

*only includes positions to which a credit rating is applicable

TEN LARGEST HOLDINGS

European Investment Bank 4.5% 07/06/2029	3.5%
Insight Emerging Market Debt Fund	2.4%
European Investment Bank 5.625% 07/06/2032	1.7%
Citigroup Inc 7.625% 03/04/2018	1.6%
European Investment Bank 6% 07/12/2028	1.5%
Network Rail 4.75% 29/11/2035	1.3%
KFW 5% 09/06/2036	1.2%
Merrill Lynch Co 7.75% 30/04/2018	1.1%
Telefonica Emisiones 5.289% 09/12/2022	1.1%
Zurich 7.5% 24/07/2039	1.1%
% of total fund	16.5%

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.

Unless otherwise stated, the source information is Insight Investment Management Limited. All features described in this leaflet are those current at the time of publication and may be changed in the future.

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