Diversified Target Return Fund

A Sub fund of the Insight Investment Diversified Target Return Fund ICVC

FACTSHEET -- 31 DECEMBER 2011

Insight INVESTMENT

INVESTMENT OBJECTIVE

The objective of the Fund is to deliver positive returns on an annual basis with the prospect of long-term capital growth commensurate with investment in equities.

INVESTMENT POLICY

The policy of the Fund is to gain exposure to one or more of the following asset classes: fixed income, cash, near cash and deposits, equities, property, collective investment schemes which have as their objective an absolute or target return and structured products. Exposure of these asset classes will be achieved through investment in collective investment schemes, transferable securities, money market instruments and derivatives. Investment in property will be indirect.

Derivatives may be used for the purposes of efficient portfolio management and/or for meeting the investment objective of the Fund. It is not intended that the use of derivatives in this way will cause the Net Asset Value of the Fund to have high volatility or otherwise cause its existing risk profile to change. For the avoidance of doubt, the types of derivatives that may be used include those the returns on which are referenced to the performance of financial indices based on commodity prices.

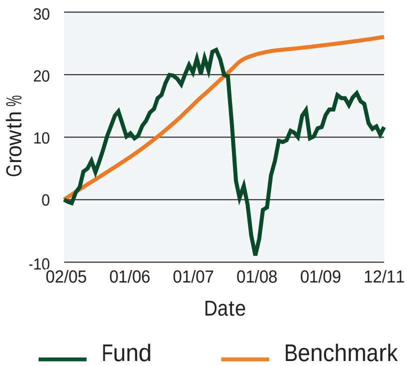
PERFORMANCE %

To 31 Dec	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Fund	7.6	-16.6	8.6	5.1	-4.4

To 31 December 11	Fund	B'mark
3 months (%)	0.3	0.2
YTD (%)	-4.4	0.7
1 year (%)	-4.4	0.7
Since inception (% p.a.)	1.6	2.8

Past performance is not a guide to future performance.

PERFORMANCE SINCE LAUNCH



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: 3 Month GBP LIBID (gross of UK tax) . Since inception returns are based from March 2009, when the new Fund Management team completed the portfolio repositioning.

FUND MANAGER'S COMMENTS

Risk assets were modestly positive over the month, but trading volumes in markets were relatively low as investors remained cautious heading into the end of the year. Economic data in the UK and Europe remained weak and continued to point to recessionary conditions. Given the current uncertain backdrop, the portfolio managers continue to manage the Fund defensively with low exposure to underlying market direction.

The Fund outperformed its cash benchmark over the month with most areas of the portfolio generating a positive return. Isolated equity positions in the UK (investments in actively-managed funds where underlying market exposure is hedged) were particularly beneficial, as were government bond holdings which rose as economic uncertainty continued. Infrastructure exposure continued to offer stable, positive returns and a relative volatility position favouring the US over Europe was also positive for performance as volatility in European markets remained high.

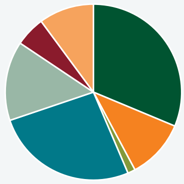
In terms of activity, the managers topped up an isolated equity position in Liontrust Special Situations which has demonstrated a consistent ability to outperform the market since launch. There was no other major trading activity over the month as the managers remain happy with the overall shape of the portfolio.

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℠

FUND SIZE: £132.3M



PORTFOLIO ASSET ALLOCATION

Fixed Income	31.3%
Total Return	10.9%
Equity	1.4%
Equity (Hedged)	26.2%
Real Estate	14.6%
Opportunistic	5.5%
Cash	10.1%

ASSET ALLOCATION RANGES

Absolute Return Funds	0-60%
Equities	-20-60%
Fixed Income	0-70%
Property	0-30%
Commodities	0-30%
Cash (incl FRN)	0-70%

TEN LARGEST HOLDINGS

UK Long Gilt Future 28/03/2012 Mar12	10.5%
Pimco Global High Yield Bond F GBP	5.2%
Axa US Short Duration High Yield Si Net Acc	5.2%
Jupiter UK Special Situations Acc	4.9%
Blackrock UK Special Situations Fund	4.9%
Schroder Asian Total Return EUR	4.8%
Bh Macro Fx GBP Acc E	4.6%
Hicl Infrastructure Company Limited	4.4%
S&p500 Emini Index Future 16/03/2012 Mar12	4.1%
Nomura Voltage Mid-term Source	3.9%
Total % of Fund	52.5%

RISK STATISTICS (3 years)

Standard deviation (%)	6.48
Sharpe ratio	0.31
Downside deviation (%)	4.44
Sortino ratio	0.45

Basis: Risk statistics based on weekly data.

Need more Information?

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

Customer Services:
0845 777 2233

Wholesale Business Development:
brokersupport@bnymellon.com,
0500 66 00 00

Institutional Business Development:
020 7321 1297,
Website: www.insightinvestment.com
Telephone calls may be recorded

Diversified Target Return Fund

KEY FEATURES

- Designed to deliver equity like returns in varying market conditions over a full market cycle
- Diversified portfolio with the flexibility to move between asset classes
- Multi-asset, multi-managed fund

INVESTMENT PHILOSOPHY AND PROCESS

The Fund's diverse, multi-asset approach is designed to create a portfolio of lowly correlated assets, which we believe helps to generate returns and mitigates downside risk. Active management of this broad range of assets aims to further improve risk-adjusted returns. This tactical asset allocation is undertaken to target the best global investment opportunities at any given time, while equal emphasis is placed on risk analysis.

The Multi-Asset Group seeks to identify long-term strategic opportunities that are likely to result in outperformance of particular assets, be they regional equity or property markets, currencies or commodities. These ideas are generated from a variety of sources. The team place great emphasis on internal research and idea generation. This is supplemented by information that comes to light from discussions with external fund managers during their rigorous manager selection process. There is also continual contact with sell-side analysts, which often unearths potential new investment opportunities. The team undertakes a rigorous selection process to identify the ideal investment opportunities, beginning with initial screening through to fund manager interviews and further in-depth quantitative and qualitative analysis.

Beyond an extensive universe of pooled funds, Insight's Multi-Asset Group seeks to make use of other investment opportunities by investing in direct holdings and derivative instruments, which can be a good low-risk method of supplementing a fund's returns and further controlling downside risk.

RISK ASSOCIATED WITH THE FUND

- **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.
- **Derivatives for investment purposes**: The fund may use derivatives for investment purposes. Whilst this is not intended to cause larger, more frequent changes in the fund price or increase its risk profile, derivatives are inherently volatile and the fund may be exposed to additional risks and costs as a result.
- **Property**: The fund may invest indirectly in property assets, which are inherently less liquid and more difficult to sell than other assets. The valuation of physical property is a matter of the valuer's judgement rather than fact.

FINANCIAL TERMS GLOSSARY

- **Sortino Ratio**: The Sortino ratio measures the risk-adjusted return of an investment asset, portfolio or strategy. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target, or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally.
- **Sharpe ratio**: Measure of the total risk-reward trade-off calculated as the excess return divided by the variability of the return.
- **Standard deviation**: A statistical measure of the variability of returns. Though often used to quantify risk, it assumes a normal (Gaussian) distribution of returns which may be unrepresentative of the behaviour of financial markets.
- **Downside deviation**: A measure of historical dispersion/volatility of returns below the mean return. Whereas, standard deviation is the square root of the variance of returns above and below the mean return, downside deviation focuses purely on returns below the mean.

FUND FACTS

Fund managers	Steve Waddington / Mike Pinggera
Launch date	18 Feb 2005
Fund benchmark	3 month GBP LIBID (short term) and FTSE All Share (long-term)
IMA sector	IMA Absolute Return
Ex dividend dates	31 March/ 30Nov
Distribution dates	Accumulation only
Availability	OEIC • ISA

At the end of March 2011, the Fund moved from the IMA Cautious Managed sector to the IMA Absolute Return sector. Though the Fund complies with the classification criteria for either, following recent changes to the sector criteria we believe the Absolute Return sector is a better fit for the Fund going forward. There has been no change to the Fund's investment objective, investment approach or management team.

A CLASS

ISIN (acc)	GB00B064GB85
SEDOL (acc)	B064GB8
Min. investment	£3,000
Initial charge	4.00%
Annual charge	1.50%

B CLASS

ISIN (acc)	GB00B0C7JB26
SEDOL (acc)	B0C7JB2
Min. investment	£500,000
Initial charge	0.00% - 3.00%
Annual charge	0.75%

FUND RATINGS

Fund ratings by Standard and Poor's Fund Services demonstrates the ability to provide above average returns over a long-term period (relative to funds in the same sector) along with a strong ability to adhere to a consistent investment process.

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