

FOR PROFESSIONAL CLIENTS ONLY.
NOT TO BE DISTRIBUTED TO RETAIL CLIENTS

How do you
target opportunities
in credit *strategically*?

Absolute Insight
Credit Fund

➤ A BNY MELLON COMPANYSM



Why take a strategic approach in credit

Taking a strategic, unconstrained approach in credit targets the most attractive opportunities at the best times:

- At various times in the credit cycle, value can be found in high yield corporate debt, asset-backed securities, loans, credit default swaps and other credit instruments. We believe that only a strategic, unconstrained approach can enable access to all these opportunities at the most appropriate time.
- A relative return approach may not give an allocation to those parts of the corporate credit market that are most attractive. In addition, this approach may over-allocate to areas that are less attractive. For instance, tracking an index forces exposure to the larger names within the index. These are naturally the most indebted companies, which may not be the most appropriate area to take exposure.

Note: The Absolute Insight Credit Fund will be closed to new investors as of 30 September 2011 due to capacity considerations. New investors may be permitted at the discretion of the Fund's board of directors.

Awards

Hedge Fund Intelligence

Absolute UCITS Fund of the Year: Absolute Insight Credit Fund 2011

What Investment Unit Trust Awards

Absolute Credit Fund: Best Newcomer 2011

Geld Magazin Awards

First Place: Absolute Insight Credit Fund (Income and Currencies category) 2011

Euro Hedge Awards

Best UCITS Fund (Absolute Insight Credit Fund) 2010

UCITS Hedge Awards

Best Long/Short Fixed Income Fund (Absolute Insight Credit Fund) 2010

About the Fund

The Absolute Insight Credit Fund aims to provide attractive, positive absolute returns, in all market conditions through discretionary management and may employ a range of hedging techniques. It does this by following a multi-strategy investment approach searching for opportunities across the credit spectrum.

Using a base of cash and near cash instruments, the Fund invests across a broad universe. This includes investment grade and high yield corporate debt, structured credit such as asset-backed securities (ABS), loans and convertible bonds, along with a full range of derivatives such as credit default swaps on single names and indices, interest rate and inflation swaps, currency futures, forward FX and currency options.

Key features

- Aims for absolute positive returns over rolling 12 month periods with investment grade levels of volatility – targets high risk-adjusted returns from alpha and beta opportunities.
- Aims to identify idiosyncratic credit opportunities and exploit pricing anomalies in the market, and may take long or short directional views.
- The strategies which might be used by the portfolio managers include carry, momentum (long/short credit), special situations, capital and market structure arbitrage, tactical macro and basis trades, and risk hedging techniques.
- Benchmarked against cash and is therefore not constrained to investing within the limits of a traditional corporate bond index.
- Superior risk management process applied through a multi-dimensional and integrated risk management framework.
- Large specialist investment team supported by Insight's fixed income structure.
- UCITS III vehicle – The Fund is a sub-fund of Absolute Insight Funds plc, an Ireland-domiciled open-ended Investment Company.

Please note, the value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested.

Investment approach

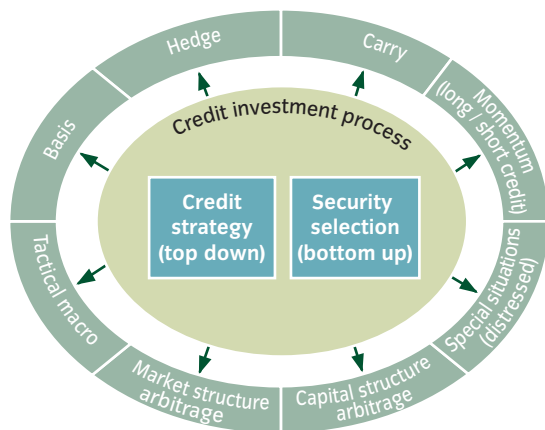
The Absolute Insight Credit Fund utilises a multi-strategy approach to create a portfolio of our best ideas from across the credit spectrum.

This multi-strategy approach allows the Fund to make use of a broad range of strategic and tactical credit opportunities to target superior returns from both alpha and beta opportunities. The Fund employs a broad range of credit trading strategies such as carry, momentum (long or short credit), special situations, capital and market structure arbitrage, tactical macro and basis trades, as well as risk hedging techniques.

When managing the Fund, we measure the success of our strategies against a cash benchmark. Therefore, we are not constrained to an index benchmark and this means the Fund does not have to track a falling index.

The cornerstone of this multi-strategy approach is an investment process that is focussed on in-depth credit analysis and rigorous risk management.

Investment approach



Investment process

The investment process combines a top-down **credit strategy** with bottom-up **security selection** which is driven by our 20-strong credit team. Each specialist has their own focused area of market expertise, which we believe gives us the skills and resources to analyse the broad range of investment opportunities available to us.

Credit strategy

This is a top-down approach which combines both long-term strategic forecasts and shorter-term tactical views with sector strategy decisions. Our long-term strategic views takes into account our outlook for the market over the next 12 months, while our shorter-term view focuses on our market forecasts over the next three months.

Our sector allocation recommendations are based on the collective views of the analyst team. These views are then each assigned a rating of under/neutral/over-weight.



Security selection

The Fund's universe covers four main areas: investment grade credit, high yield, loans and asset-backed securities. Within these areas we also consider the merits of cash bonds versus the derivative alternative.

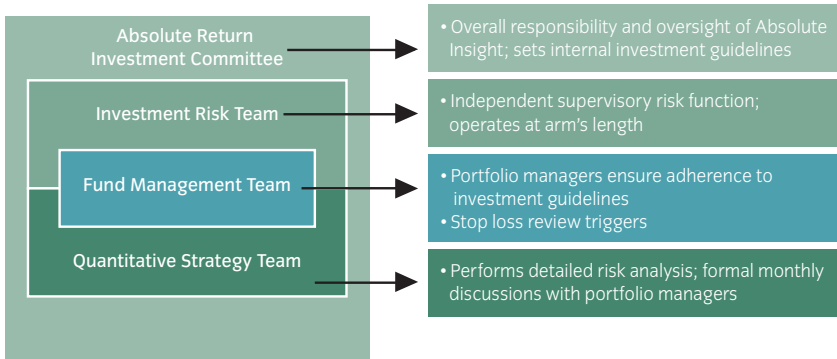
To identify value we screen from two perspectives:

- Where an edge can be gained from fundamental analysis.
- By seeking tradable issues to provide relative value opportunities.

We conduct a regular credit analysis to evaluate the likelihood of future changes in a company's credit rating and also the potential for a sudden change in credit quality.

Monitoring risk

Insight has developed a robust and integrated risk management process for the Absolute Insight fund range. Overall responsibility and oversight lies with the Absolute Return Investment Committee (ARIC), chaired by Reza Vishkai, Head of Specialist Investments.



- The **ARIC** is responsible for setting internal risk and investment guidelines. This committee meets monthly to review performance, risk levels and policy within the Fund.
- Insight's **Risk Management Team** has a supervisory function. The Team is responsible for ensuring compliance with the relevant risk limits and for initiating action in the case of a breach.
- The **Quantitative Strategy Team** analyses non trivial biases and sensitivities at the portfolio level, risk concentrations, and ad-hoc measures depending on the market environment using a wide range of quantitative approaches.
- Each of the **Fund Management Teams** is responsible for running their underlying strategies within their set limits.

About Insight Investment

Insight Investment is a specialist asset manager at the forefront of designing investment solutions to meet our clients' needs.

Launched in 2002, Insight is responsible for assets under management of £151.3 billion¹ across fixed income, liability driven investment, cash management, multi-asset, absolute return and specialist equity strategies.

We manage money for private investors, pension funds, sovereign wealth funds, insurance groups, local government, charities and other financial institutions.

The Fund is managed by Alex Veroude, supported by the Insight Credit Team, part of the wider Fixed Income Team. The Fixed Income Team is fully integrated into the investment infrastructure of Insight, benefitting from the scale of resources.



Alex Veroude

Head of Credit

Alex joined the Fixed Income Team at Insight in July 2007 as Head of Credit, overseeing all fixed income credit activities. Alex began his career at Gulf International Bank in 1997, first as a high yield analyst before managing structured product portfolios. Alex was previously Head of Structured Products then was appointed as Head of Credit in 2005 and was responsible for managing a range of long-short credit portfolios. He holds a first class equivalent MSc in Quantitative Economics from Tilburg University in The Netherlands, is fluent in English, Dutch, German, Swedish and French, and is a CFA charterholder.

¹ As of 30 September 2011 represented by the value of physical securities and liability benchmarks.

Fund specifics

Objective	To provide attractive, positive absolute returns in all market conditions
Investment universe	Global investment grade and high yield corporate debt, structured credit such as asset-backed securities (ABS), loan debt and cash instruments; along with a full range of derivatives such as credit default swaps on single names and indices, interest rate and inflation swaps, futures, forwards and options
Investment strategy	Multi-strategy approach targeting opportunities across the credit spectrum
Scheme type	Open Ended Investment Company, UCITS III
Domicile/Listing	Ireland/Irish Stock Exchange
Benchmark	Sterling 3-month LIBID (defined as LIBOR minus 0.125% per annum)
Inception date	2 June 2009
Share classes	Accumulation shares
Currency denomination	Sterling, Euros and US Dollars
Annual Management Charge (AMC) ²	Institutional (B1p) 1%, Retail (Ap) 1.5%
Performance fee	10% of any performance in excess of the benchmark return and net of AMC (subject to high water mark as defined in the prospectus)
Dealing frequency ³	Weekly (Wednesdays), redemptions are dealt with one week in arrears ³
Valuation basis	Swinging single price
Platforms	Aviva, Hargreaves Lansdown (Vantage), Transact

² AMC for other share classes may vary. For full product details please refer to the Funds Prospectus, available on our website. ³ Subscription and switching in requests must be received by the 11:59 am Irish time ("the Dealing Deadline") that day. Redemption and switching out requests are dealt one week in arrears, therefore for all instructions received by 12:00 midday (Irish time) each Wednesday will be dealt the following Wednesday. Where a Wednesday is not a normal business day in Dublin, the Dealing Day is on the following business day and Dealing Deadline is on the preceding business day.

Find out more

For further information please contact:

Institutional Business Development
business.development@insightinvestment.com
020 7321 1547

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

International Business Development
internationalsales@bnymellon.com
+44 (0)20 7163 2367

Consultant Relationship Management
consultantrelations@
insightinvestment.com
020 7321 1209

Client Relationship Management
cddirect@insightinvestment.com
020 7321 1499

www.insightinvestment.com

Telephone calls may be recorded.
Call charges may vary by provider.

FOR PROFESSIONALS CLIENTS ONLY.

This document is only directed at investors resident in jurisdictions where our funds are registered. It is not an offer or invitation to persons outside of those jurisdictions. Insight Investment reserves the right to reject any applications from outside of such jurisdictions. Issued by Insight Investment Funds Management Limited. Registered office 160 Queen Victoria Street, London EC4V 4LA. Registered in England and Wales. Registered number 1835691. Authorised and regulated by the Financial Services Authority.