

FOR INVESTMENT PROFESSIONALS ONLY, NOT FOR ONWARD DISTRIBUTION

The Insight Broad Opportunities Fund is a diversified growth vehicle which targets returns of 3% over cash<sup>1</sup> (net of fees and expenses) over an investment cycle. The Fund employs a dynamic asset allocation strategy across a broad range of assets, some of which may be accessed through what we perceive to be “best of breed” funds sourced internally and externally.

## Distinguishing features of our approach

**Smoother path towards required returns** – the Fund aims to deliver equity-like returns over the medium term but with markedly lower volatility.

**Broad opportunity set** – we have scope to capitalise on returns from a wide range of asset classes, including total return and opportunistic investments.

**Dynamic asset allocation across wide bounds** – we look to capture attractive returns by assertively moving our Fund’s exposure to asset classes with a favourable forward return profile and away from those with the opposite characteristics. Exposure to asset classes can be zero.

**Invest in what we perceive to be “best in class” funds from internal and external sources** – when we believe market conditions within asset classes provide significant scope for active managers to outperform market indices, we may invest in managed funds.

**Unique dynamic risk management process** – a proprietary approach to managing portfolio risk helps us to limit downside and contain the volatility of the Fund’s returns.

## Investment philosophy

We have designed our approach around the core investment principle of aiming to deliver a smoother path of returns towards the required outcome. Our philosophy is based on three key principles:



- **Broad opportunity set:** both geographically and by asset class.
- **Diversification:** in terms of asset classes and management styles. We look to combine investments that have low or negative correlation in both a statistical and intuitive sense.
- **Precision:** to identify and isolate the risks we believe we will be rewarded for taking.

<sup>1</sup>Fund benchmark is 3 month GBP LIBID.

## Key benefits

- Targets positive absolute returns of 3% p.a. over 3-month LIBID (net of fees and expenses) over the course of an investment cycle
- Flexibility to invest in a diverse range of asset classes
- Accesses what we perceive to be “best in class” funds – internally and externally
- Managed by an experienced team with a robust investment process and strong track record

# Investment process

## Specialist Investment Team

The Fund harnesses the skills of our Multi-Asset Strategy Group which comprises of managers specialising in asset allocation and external fund selection.

The team also draws on the expertise of our market-leading Financial Solutions Group with regard to the use of derivative instruments, and also works closely with our quantitative risk specialists.

## We employ a 3-stage investment process

### Stage 1:

**Deciding asset class weightings** – our asset allocation positions utilise a strategic component that reflects medium-term considerations including the long-term risk premia embedded in various asset classes. Positions are further refined by shorter-run tactical views which are informed by a range of propriety indicators. A key feature of our approach is our ability to dynamically alter our allocation to asset classes within wide ranges. Asset class weightings can be zero where we expect negative returns.

## Investment scope

The Fund's permitted investment ranges are as follows:

	Min %	Max %
Equities	0	70
Fixed income	0	70
Opportunistic	0	30
Total return	0	25
Commodities	0	10
Property	0	10
Cash	0	50

### Stage 2:

**Investment selection within asset classes** – once our target exposures to asset classes have been set, we select what we consider to be the most appropriate implementation vehicles. This is a function of a detailed evaluation of the opportunities and risks within each asset class.

**Refining our investment universe** – where we are looking to capture returns from market direction, we will typically invest in low cost index replication or derivative-based instruments.

**Invest in best in class funds** – if our analysis suggests that market conditions within specific asset classes present the opportunity for active managers to deliver meaningful outperformance compared to a market index, we will look to select an actively managed fund.

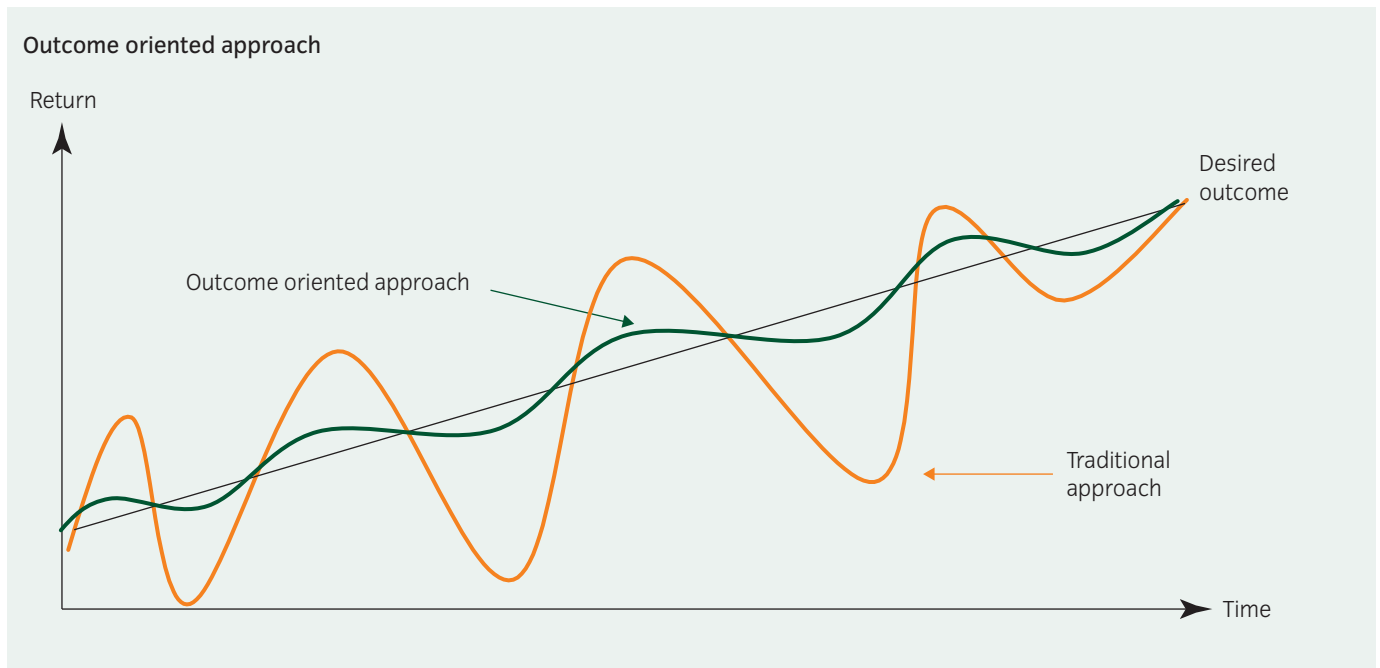
If Insight has a buy-rated capability we will use an internal fund, where that is not the case we will select an externally managed fund. External fund selection is carried out by specialists within the team and involves quantitative and qualitative analysis.

### Stage 3: Risk management

Our approach to risk management aims to participate in risk asset upside, whilst limiting downside.

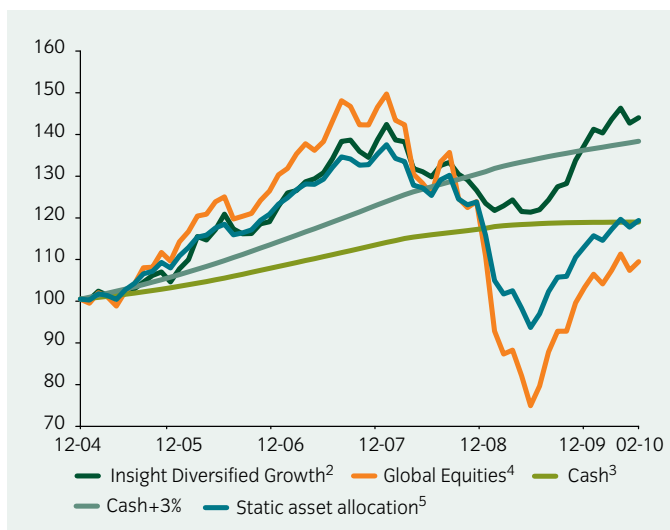
# An outcome-orientated approach

The combined output of our investment process is designed to deliver a smoothed profile of investment returns – with higher risk-adjusted returns and significantly improved downside protection than equities or a traditional static (or peer group-benchmarked) balanced fund.



# Insight diversified growth capability

The Fund provides pooled access to our diversified growth capability established at the end of 2004. As the Fund does not yet have a 12-month performance history we are unable to show performance for the Fund – the performance shown below is illustrative of the team’s capabilities and is the track record for a segregated portfolio managed within this strategy.



Annualised returns 31/12/2004 to 28/02/2010

	Annualised Return	Annualised volatility
Insight Diversified Growth <sup>2</sup>	7.3	7.0
Cash benchmark <sup>3</sup>	3.4	0.5
Global equities <sup>4</sup>	1.7	15.8
Static asset allocation <sup>5</sup>	3.4	9.0

Source: Insight Investment.

<sup>2</sup> Composite C0319, US\$ hedged

<sup>3</sup> 3 Month USD LIBID

<sup>4</sup> MSCI World in local currency terms to approximate hedging effects

<sup>5</sup> Proxy: 50% equities, 25% fixed income, 8% property, 17% total return.

GIPS composite 31 December 2004 to 28 February 2010. Returns shown are GIPS compliant. A full disclosure report is available on request.

Composite returns are US\$ based as segregated account is managed on this basis.

## Fund specifics

Investment objective	The Fund aims to deliver attractive, positive long-term returns.
Investment universe <sup>6</sup>	The Fund can invest in a widely diversified range of assets: <ul style="list-style-type: none"><li>• Fixed Income (government, corporate, high yield and emerging markets debt)</li><li>• Equities</li><li>• Cash and money market instruments</li><li>• Total return strategies</li><li>• Commodities</li><li>• Property</li><li>• Opportunistic (e.g. dividend futures, option strategies, long/short strategies)</li></ul>
Legal structure	Sub-Fund of Absolute Insight Funds plc
Domicile	Ireland
Listing	Irish Stock Exchange
Reporting	Annual and interim report and accounts and quarterly factsheets (year end is 31 October)
Currency	Sterling
Pricing	Daily; Swinging Single Pricing
Liquidity	Daily
Custodian	State Street
Minimum investment	£1,000,000
Administrator	State Street

## 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 a leading asset manager, with £99.9 billion in assets under management<sup>7</sup> 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.

<sup>6</sup> Exposure to be achieved through a combination of internal and external funds and derivatives. Currency exposure will be actively managed.

<sup>7</sup> As at 31 March 2010.

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## Our team

### Matthew Merritt

Head of Multi-Asset Strategy Group

Matthew joined Insight as Head of Strategy in September 2004 leading a team focusing on determining overall strategic and tactical asset allocation policy for Insight and ensuring effective implementation across the wide range of portfolios managed within the business. He has extensive experience in this area and holds an M.Soc.Sc. from the University of Birmingham in Money, Banking and Finance and a BA honours degree in Economics from Nottingham University.

### Neil Walker

Investment Strategist

Neil joined Insight in November 2004 as an investment strategist and has over 10 years experience in this area. Neil holds a BA honours degree in Philosophy, Politics and Economics from Jesus College, Oxford University and is a CFA charterholder.

### Mike Pinggera

Head of Multi-Asset Group

Mike is a highly experienced investment professional specialising in traditional and alternative multi-asset strategies for institutional and private investors. He joined Insight in January 2009. Mike joined Insight as Head of the Multi-Asset Group to further build our multi-asset, open architecture capability, as well as to develop Insight's multi-asset proposition.

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Telephone calls may be recorded.