

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

The Insight Broad Opportunities Fund aims to deliver attractive, positive long-term returns. The Fund is a diversified growth vehicle which employs a dynamic asset allocation strategy across a broad range of assets, some of which may be accessed via 'best of breed' funds sourced internally and externally.

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

## Distinguishing features of our approach

IBOF is designed around Insight's core solution-driven investment philosophy and aims to produce attractive investment performance, which we believe will equate to 'equity-like returns' over the medium term but with markedly lower volatility. The key elements include:

- The breadth of the opportunity set we invest in
- Our dynamic approach to asset allocation
- Downside protection through skilled risk management

Our process allows us to manage market exposure intelligently and benefit from a diverse range of contributions to performance. This means that our source of returns varies with opportunity and both the performance and volatility characteristics of our strategy have been proven over the extreme market environment witnessed in recent years.

## 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:** by asset class, geographically, instrument, strategy and style.
- **Diversification:** 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 3-5% p.a. over 3-month LIBID (net of fees and expenses) over the course of an investment cycle
- Flexibility to invest across a broad opportunity set and a dynamic approach to asset allocation that utilises this flexibility
- Accesses what we perceive to be 'best in class' funds – internally and externally
- An integrated approach to risk management
- 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 Insight's entire investment platform. The Multi-Asset Strategy team comprises managers specialising in macroeconomic strategy, asset allocation and external product selection. The Fund also has access to best in class external managers which broadens the Fund's investable universe.

## 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 and the macro-economic environment. 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 alter our allocation to asset classes dynamically within wide ranges – 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 and this flexible approach to implementation further enhances the diversification benefits inherent within the portfolio.

**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.

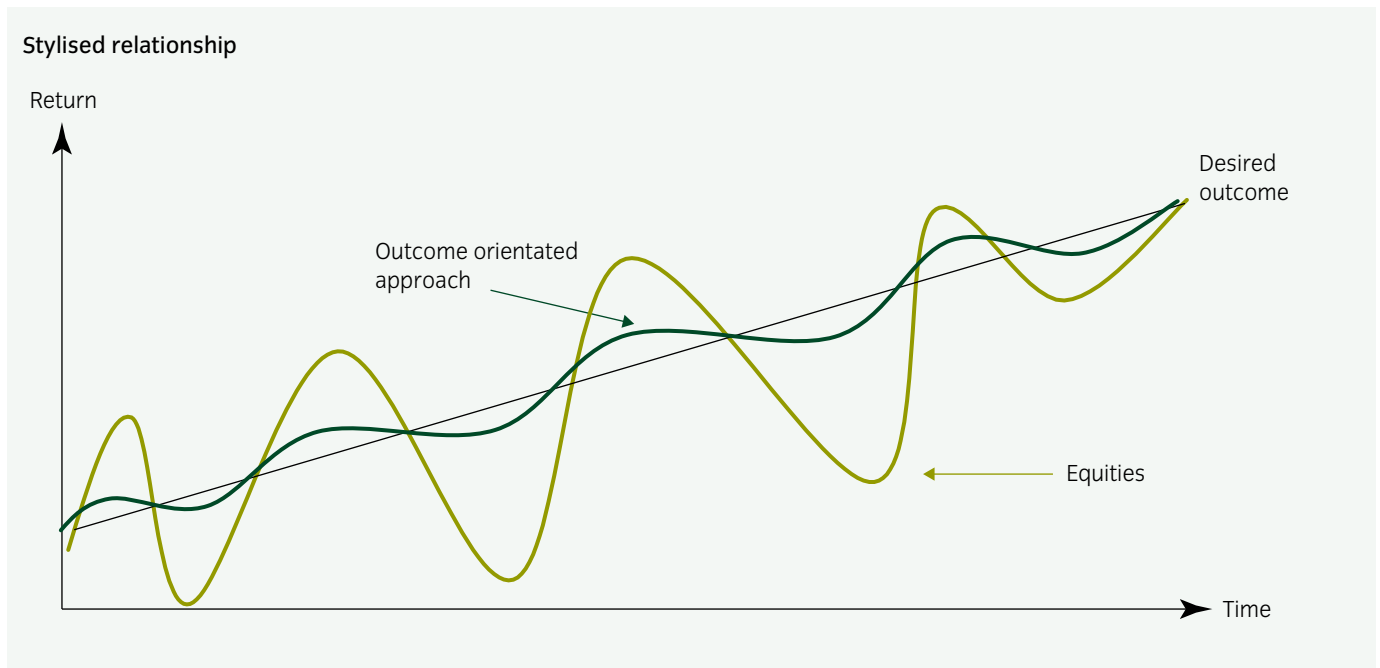
**Invest in 'best in class' products:** if our analysis suggests that market conditions within specific asset classes present the opportunity for active managers to deliver meaningful outperformance compared to a market index, we will look to select an actively-managed product. If Insight has a buy-rated capability we will use an internal fund, where that is not the case we will select an externally managed fund. External product 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 was launched at the start of September 2009, and since inception, performance has been strong, returning 8.6%, compared with 0.6% for the benchmark sterling three-month LIBID as at the end of June 2011. The Fund provides pooled access to our diversified growth capability which was established at the end of 2004. In order to provide a longer term view of this capability, we provide below the performance of its composite since inception of the strategy in December 2004.



## Annualised returns 31/12/2004 to 31/10/2011

	Annualised Return %	Annualised volatility %
Insight Diversified Growth <sup>2</sup>	6.6	6.9
Cash benchmark <sup>3</sup>	2.6	0.6
Global equities <sup>4</sup>	2.4	15.9
Static asset allocation <sup>5</sup>	3.7	9.1

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 31 October 2011. Returns shown are gross of fees and 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 Custodial Services (Ireland) Ltd
Minimum investment	£1,000,000
Administrator	State Street Funds Services (Ireland) Ltd

## 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 billion<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 of 30 September 2011 represented by the value of physical securities and liability benchmarks.

## 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.

### Neil Walker

Fund Manager, Multi-Asset Strategy Group

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 Philosophy, Politics and Economics from Jesus College, Oxford University and is a CFA charterholder.

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