Fund information

Broad Market Bonds Plus

Insight INVESTMENT

FOR INVESTMENT PROFESSIONALS ONLY, NOT FOR ONWARD DISTRIBUTION

The Broad Market Bonds Plus Fund is an actively managed fixed income fund targeting attractive returns in excess of those of a broad UK bond market index. The portfolio manager aims to achieve the performance objective by taking views on the direction and volatility of government and corporate bond markets by investing in a diverse range of fixed income securities and currencies, including the use of derivatives. The Fund will combine the best ideas of Insight's experienced fixed income specialists, and is able to do so in ways that can reflect both positive and negative views.

It is suitable for use as a stand-alone investment solution for those seeking attractive returns in excess of UK bond returns. It also lends itself well to being used in combination with core products to produce customised bond-based return solutions.

Key Fund facts

Objective:	The investment objective of the Fund is to seek to outperform the benchmark on an annual basis
Benchmark:	FTSE A All Stocks Gilts and iBoxx Sterling Non-Gilts (50:50)
Portfolio manager:	Andrew Wickham
Currency:	The base currency of the Fund is sterling, with flexibility to take non-sterling exposures

Investment philosophy and process

Our investment philosophy uses diversification and precision as the framework for adding value and achieving consistently high performance for our clients.

Diversification: We seek to add value through active management of risk and return across a broad and highly diversified range of investment opportunities using proprietary management techniques. For example, the Fund may favour an allocation to a market sector, such as credit or emerging markets. Alternatively, the Fund may take a positive view of expected performance in one bond market and negative view on another. The relative difference in performance between the two markets may be captured through appropriate exposures to those markets, ideally through the use of derivative instruments. The Fund seeks to take a number of such views, each being reducing risk and contributing to performance.

Precision: When we assess investment opportunities, we seek to include only those elements of market risk that we consider attractive, and aim to eliminate unintended risk.

Key benefits

- Targets returns in excess of a broad UK bond market index
- Aims to achieve consistent and attractive risk-adjusted returns through diversification
- Rigorous, disciplined and proven investment process

There are three key components to the application of our philosophy:

Team specialisation: Our investors are specialists, not generalists. Each has their own focused area of market expertise, which gives us the skills and resources to analyse every investment opportunity available to us.

Units of risk: Managing and understanding the allocation of risk within a portfolio is a further key factor in achieving consistent performance. We approach this using a proprietary system called 'units of risk'. This system allows us to appropriately size the risk we take in the Fund via different investment decisions according to the performance objective of the Fund.

Strategic, tactical and monumental components: Duration management allows us to express our view on the direction of bond yields and interest rates. Our approach combines long-term strategic forecasts, shorter-term tactical views and observations of market trends. This approach is designed to ensure that we generate consistently strong performance from duration management through different market conditions.

Investment performance

Representative performance is available on request.

Fund specifics

Investment universe:	• Interest rate and inflation swaps • Cash and money market instruments • Credit default swaps • Options and futures • Loans • Fixed income and index-linked securities (government and non-government) • High-yield securities • Emerging market debt and currencies • Collective investment schemes (including Insight Liquidity Funds) • The Fund may take on both long and short positions
Legal structure:	Qualifying Investor Fund
Domicile:	Ireland
Listing:	Irish Stock Exchange
Reporting:	Semi-annual, annual report and accounts and quarterly factsheets
Currency:	Sterling
Pricing:	Single swinging price
Liquidity:	Fortnightly subscription and redemption (as per dealing)
Custodian:	Northern Trust Custodial Services (Ireland) Limited
Minimum investment:	£1,000,000
Administrator:	Northern Trust Investor Services (Ireland) Limited

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 £88.1 billion in assets under management[1] 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.

[1] As at 31 December 2009.

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Our team

We have one of the best-resourced and most highly experienced fixed income teams in the UK. Led by Adrian Grey, Head of Fixed Income, our team of 46 fixed income investment professionals has an average of 16 years' industry experience. The team is built on specialist knowledge, experience and proven ability to generate strong performance and is organised into dedicated units.

Andrew Wickham

Head of UK Fixed Income

Andrew joined the fixed income team at Insight in October 2003 as a Co-Head of UK Fixed Income, focusing particularly on government portfolio management. In December 2005, he was appointed Head of UK Fixed Income.

Andrew worked at Schroder Investment Management Limited (Schroders) for the previous eight years, developing an extensive understanding of fixed income portfolio management and rising to become Head of Sterling Fixed Income. He joined the fixed income area of Schroders in 1995 and at the end of 2002 he was appointed Head of Sterling Fixed Income. Andrew holds a BSc honours degree and MEng in Electrical Engineering from the University of Bath and is an Associate of the CFA Society of the UK.

Find out more

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