

Fund information

LIBOR Plus Fund



FOR INVESTMENT PROFESSIONALS ONLY, NOT FOR ONWARD DISTRIBUTION

The Fund aims to invest primarily in asset-backed FRNs, with the majority of assets consisting of AAA-rated residential mortgage-backed securities issued by leading financial institutions. These securities are conservatively structured thereby providing minimal credit risk.

Key Fund facts

Objective:	The investment objective of the Fund is to produce an interest rate based return, primarily through investment in a portfolio of asset backed and corporate Floating Rate Notes (FRN)
Benchmark:	3 month GBP LIBOR
Portfolio manager:	Shaheer Guirguis
Approach:	The Fund invests primarily in asset-backed FRNs, with the majority of assets consisting of AAA-rated residential mortgage-backed securities issued by leading financial institutions

Investment philosophy and process

The Fund seeks to achieve its investment objective, mainly through investment in a portfolio of high quality debt securities including asset backed securities and corporate FRNs. Asset-backed securities (ABS) are debt securities where the payment of interest and principal depends on the cash flow generated by a collection of assets and are therefore bankruptcy remote from the issuing institution.

These assets are generally secured debt obligations and include residential mortgages, commercial real estate mortgages, secured small business loans, and other types. Unsecured debt obligations like credit card receivables and consumer loans can also form the collateral pool for ABS deals, but these types of deals are in the minority. ABS deals can vary in credit rating as well as weighted average life, with the most common offering a 3-5 year AAA.

Corporate Floating Rate Notes (FRNs) are debt securities issued by banks, building societies, other financial institutions and corporates with a variable interest rate. The interest rate payable on FRNs may be reset periodically by reference to some independent interest rate index or according to a prescribed formula.

The investments of the Fund will be issued by world-wide issuers and may be denominated in any currency, although they will be predominantly denominated in sterling, US dollars and euro and may or may not be listed on recognised exchanges and markets.

Key benefits

- Aims for attractive premium over 3-month LIBOR for an asset class that has exhibited exemplary historical performance
- Majority of underlying investments are in AAA-rated securities with a historical default probability of less than a basis point
- Low historical correlation to other asset classes
- Defensive asset selection with the intention of extracting liquidity premium and minimising credit risk
- Insulation from interest rate risk with all currency risks fully hedged

Investment performance

Representative performance is available on request.

Fund specifics

Investment universe:	<ul style="list-style-type: none">• Asset-backed FRNs (including residential mortgage backed securities)• Corporate FRNs and fixed rate bonds• Credit default swaps (CDS)• Currency forwards• Currency swaps• Interest rate swaps• Other cash and liquid assets• Private placement funding trades
Legal structure:	Qualifying Investor Fund
Domicile:	Ireland
Listing:	Irish Stock Exchange
Reporting:	Annual report and accounts and quarterly factsheets
Currency:	Sterling
Pricing:	Monthly
Liquidity:	Monthly (as per dealing)
Custodian:	Northern Trust Custodial Services (Ireland) Limited
Minimum investment:	£1 million
Performance fee:	None
Administrator:	Northern Trust

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 management¹ 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.

¹As at 31 December 2009.

For full risk details please read the Insight Liquidity LDI Solutions Plus Prospectus and Insight LIBOR Plus Supplement.

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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.

Shaheer Guirguis Structured Credit Portfolio Manager

Shaheer joined the fixed income team at Insight in September 2007 as a structured credit portfolio manager. Shaheer began his career at Gulf International Bank in 2000 as a market risk analyst. He also worked as an investment analyst before his appointment as a fixed income portfolio manager. Shaheer holds a BSc in Economics from the University of Surrey, an MSc in Finance from the University of Durham as well as the CFA charter.

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

www.insightinvestment.com

Telephone calls may be recorded.