

FOR INVESTMENT PROFESSIONALS ONLY, NOT FOR ONWARD DISTRIBUTION

The Fund aims to provide investors with attractive returns relative to cash over a market cycle through investing mainly in senior loans but also using other loan and debt securities. These senior loans offer greater capital security and less volatility than traditional fixed income instruments.

## Key Fund facts

Objective:	The investment objective of the Fund is to seek to produce an annual interest-based return, primarily through investment in a portfolio of loans.
Benchmark:	3 month GBP LIBOR (over a market cycle)
Portfolio manager:	Alex Moss
Approach:	The Fund invests predominantly in senior secured loans, most of which are syndicated out of the European market.

## Investment philosophy and process

The Fund will seek to achieve its investment objective mainly through investment in a portfolio of high quality loans, primarily senior loans, with an allocation to other debt including second lien and mezzanine loans as well as other loan classes.

Loans are typically used to fund leveraged buy-out transactions and are hence often referred to as “leveraged loans”. They are typically better positioned than bonds as they are better collateralised and more senior in the capital structure and this seniority leads to much higher recovery rates in the event of default. Additionally, loans benefit from a full set of covenants, providing loan investors with a degree of control over worsening operating results. Loans are not listed on recognised exchanges and markets.

In pursuit of its investment objective, the Fund may also invest in derivatives (including but not limited to credit default swaps), high yield securities, corporate debt securities, liquid or near cash assets and collective investment schemes.

These types of instruments, securities and obligations may be issued by world-wide issuers and denominated in any currency, although they will be predominantly denominated in sterling, euros or US dollars and may or may not be listed on recognised exchanges and markets.

## Investment performance

Representative performance is available on request.

### Key benefits

- Attractive risk-adjusted yield
- Highly efficient greater risk/return ratio compared to other asset classes
- Effective method of portfolio diversification
- Insulation from interest rate risk

## Fund specifics

Investment Universe:	<ul style="list-style-type: none"><li>• Loans</li><li>• Bonds</li><li>• Credit default swaps (CDS)</li><li>• Credit default swaps for loans (LCDS)</li><li>• Currency forwards</li><li>• Interest rate swaps</li><li>• Inflation swaps</li><li>• Currency swaps</li><li>• Futures</li><li>• Options</li><li>• Foreign exchange contracts</li><li>• Collective investment schemes whose benchmarks consist of permitted assets, including Insight Liquidity Funds plc.</li><li>• Other cash and liquid assets</li></ul>
Legal Structure:	Qualifying Investor Fund
Domicile:	Ireland
Listing:	Irish Stock Exchange
Reporting:	Annual report and accounts and quarterly factsheets
Currency:	Sterling
Pricing:	Swinging single pricing
Liquidity:	Monthly subscription and redemption
Custodian:	Northern Trust Custodial Services (Ireland) Limited
Minimum investment:	£1 million
Administrator:	Northern Trust

## Benchmark risk

Although the Fund is actively managed to outperform its LIBOR benchmark over a market cycle, it will have exposure to varying levels of credit risk and as such over shorter time periods it may suffer periods of underperformance<sup>1</sup>.

## 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<sup>2</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>1</sup>Please note that the Fund is only suitable for investors not requiring immediate access to their funds. Specific risks are associated with investment in loans such as collateral, credit and valuation risk. Some of the investment risks to apply will include those relating to credit default swaps, sub-investment grade securities, emerging markets, legal risk, unregulated CISs and leveraged CIS. For full risk details, please also read the Fund Prospectus.

<sup>2</sup>As at 31 December 2009.

## 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.

### Alex Moss Head of High Yield/Loans

Alex joined Insight in April 2003 following the acquisition of Rothschild Asset Management (RAM). He is responsible for Insight's High Yield and Leveraged Loan investments within the fixed income area, having previously been Deputy Head of Credit Research, specialising in High Yield credits, and, prior to that Senior Credit Analyst, a position he also held at RAM, whom he joined in 2001. In total, he has more than fifteen years' credit and risk experience, having previously worked for Westdeutsche Landesbank, Daiwa Europe Bank, Fuji Bank and the Royal Bank of Scotland where he began his career in 1988 as a graduate trainee. Alex holds a BA honours degree in History and French from the University of Lancaster.

## Find out more

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Telephone calls may be recorded.