

Absolute Insight Funds Plc
Absolute Insight UK Equity
Market Neutral Fund

Simplified Prospectus



Absolute Insight UK Equity Market Neutral Fund Simplified Prospectus

This Simplified Prospectus contains key information in relation to Absolute Insight UK Equity Market Neutral Fund (the Fund), a sub fund of Absolute Insight Funds plc (the Company) which is an umbrella open-ended investment company with variable capital and segregated liability between sub-funds incorporated on 5 December 2006 and authorised by the Irish Financial Services Regulatory Authority under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (the Regulations) on 23 February 2007. The Company currently has six other sub-funds, namely the Absolute Insight Emerging Market Debt Fund, Absolute Insight Europe Equity Market Neutral Fund, Absolute Insight Currency Fund, Absolute Insight International Equity Market Neutral Fund, Absolute Insight Credit Fund and Insight Broad Opportunities Fund. Other funds may be established from time to time.

Potential investors are advised to read the Prospectus of the Company dated 2 December, 2009 and the Supplement thereto dated 2 December, 2009 in respect of the Fund (together the Prospectus) before making an investment decision on whether or not to invest in the Fund. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus.

The Fund's base currency is the Sterling.

Defined terms used in this Simplified Prospectus shall have the meanings given to them in the Prospectus.

Investment objective

The investment objective of the Fund is to provide attractive, positive absolute returns in all market conditions.

Investment policy

The Fund's overall policy consists of two distinct elements.

First, the Fund seeks to generate long term capital growth, primarily from investing in a range of Equity and Equity-Related Securities (as described in the Prospectus) of companies listed or traded on Regulated Markets in the UK and financial derivative instruments permitted by the Regulations. The Fund may also invest in companies which have, in the opinion of the Sub-Investment Manager, significant exposure to the UK but which are listed or traded on the Regulated Markets set out in Appendix 2 of the Prospectus.

Second, the Fund will invest in a broad range of Liquid or Near Cash Assets (as described in the Prospectus). This asset class will be held both as an absolute return producing asset class in its own right, and also to provide liquidity and cover for exposures generated through the use of financial derivative instruments.

A key feature of the Fund is that it is an absolute return fund in that it seeks to provide positive absolute returns in all market conditions. In addition to maintaining a portfolio of Liquid or Near Cash Assets (as described above), it will also generally seek to achieve this by minimizing the market related risks usually associated with investing in UK equities (otherwise known as "beta"), whilst isolating the stock specific returns, (otherwise known as "alpha"). It does this by primarily by use of a technique called "pairing".

With "pairing", each equity or equity related position in the Fund consists of two parts. The primary part reflects the Sub-Investment Manager's views about a particular equity and the secondary part minimizes the beta risk associated with that equity.

Either the primary or secondary part will be a short position. A short position is created when the Fund sells an asset which it does not own, with the intention of buying it back in the future. If the shorted asset falls in price, then the value of the position increases, and vice-versa. The other part of each pair will be a long position, created by purchasing an asset. Therefore the Fund could be referred to as being a "long/short" fund.

As such the Fund will make frequent use of derivative instruments for achieving both long and short positions (including but not limited to contracts for differences, equity index, equity sector and single equity swaps) relating to UK equity market indices such as the FTSE 350 Index, sectors, stocks and baskets of stocks in each case within the conditions and limits set out in the Authority Notices.

The Fund can also pursue its objectives and policies by taking positions in collective investment schemes, subject to a maximum of 10% of the net assets of the Fund.

The Fund may engage in transactions in derivative instruments whether transactions are for investment purposes or for the purposes of the efficient portfolio management of the Fund. The Fund may also engage in over the counter derivative transactions.

The Class Ap Euro Shares, Class B1p Euro Shares, Class B2p Euro Shares, Class B3p Euro Shares, Class B4p Euro Shares, Class S Euro Shares and Class Sp Euro Shares (individually a "Hedged Share Class", collectively the "Hedged Share Classes") are denominated in a currency other than the Base Currency, namely the Euro. It is the Directors' current intention to seek to hedge to the Euro the currency exposure of holders of the Hedged Share Classes. The Company may utilise a variety of financial instruments such as derivatives, options, swaps, futures and forwards to seek to hedge against changes in currency values which may affect the value of the Hedged Share Classes.

For full details on the Fund's investment policy, please refer to the Prospectus.

Risk profile

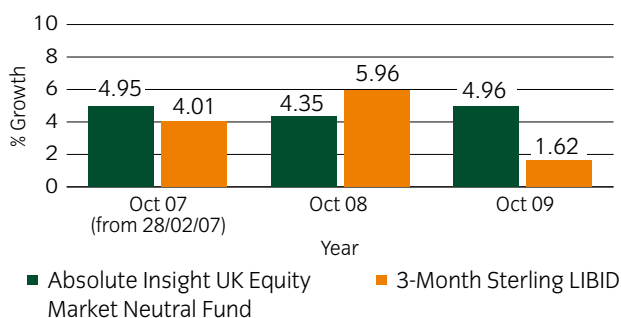
The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to the Fund can go down as well as up and investors may not get back the amount invested. Changes in exchange rates between

currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase.

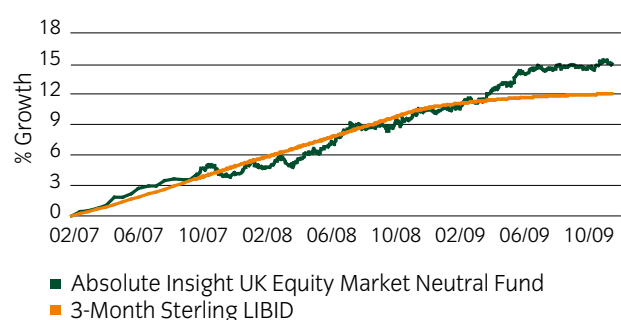
A description of the risk factors applying to the Fund is set out in full in the Prospectus.

Performance data

Performance comparison – annual performance



Performance comparison to 31 October 2009



Cumulative performance data

| | Periods ending 31/10/09 | |
|--|-------------------------|----------------|
| | 1 Year | Since 28/02/07 |
| Absolute Insight UK Equity Market Neutral Fund | 4.96 | 14.96 |
| 3 Month Sterling LIBID | 1.62 | 11.99 |

Source: Insight Investment, State Street and Bloomberg

The above data is expressed net of tax and charges but without deduction of subscription and redemption fees (if any).

Past performance is not necessarily a guide to future performance.

Profile of the typical investor

Investment in the Fund is suitable for investors seeking capital growth, who are willing to set aside capital for at least five years and who are prepared to accept a moderate level of volatility from time to time.

Distribution policy

Class Ap Euro Shares, Class B1p Euro Shares, Class B2p Euro Shares, Class B3p Euro Shares, Class B4p Euro Shares, Class S Euro Shares and Class Sp Euro Shares available are Accumulation

Shares and therefore carry no right to any dividend. The net income attributable to the relevant class of Shares shall be retained within the Fund and will be reflected in the value of the relevant class of Shares accordingly.

Class Ap Sterling Shares, Class B1p Sterling Shares, Class B2p Sterling Shares, Class B3p Sterling Shares, Class B4p Sterling Shares, Class S Sterling Shares and Class Sp Sterling Shares are Re-Investment Shares in respect of which the Directors intend to pay a quarterly dividend out of profits available for purpose attributable to the relevant class of Shares. Such dividends are expected to be paid and re-invested within two months of each accounting year end of the Fund and be paid and re-invested in accordance with the procedure set out in Part 5 of the Prospectus.

Class B3p Sterling Income Shares are Income Shares in respect of which the Directors intend to pay a quarterly dividend out of amounts available for the purpose attributable to the Class B3p Sterling Income Shares. Share dividends are expected to be paid within 20 days of the end of each income allocation period as listed below and will be paid by telegraphic transfer at the risk and expense of the holders of the Class B3p Sterling Income Shares.

The following income allocation periods apply to the Fund:

- 1 November – 31 January
- 1 February – 30 April
- 1 May – 31 July
- 1 August – 31 October

Fees and expenses

Shareholders transaction expenses

The Investment Manager is permitted to make a preliminary charge on the sale of Shares of the Fund to investors. The percentage rates of charge are shown in the table below.

| Share Class | Preliminary charge |
|----------------------------------|--------------------|
| Class Ap Euro Shares | 4% |
| Class Ap Sterling Shares | 4% |
| Class B1p Euro Shares | 4% |
| Class B1p Sterling Shares | 4% |
| Class B2p Euro Shares | None |
| Class B2p Sterling Shares | None |
| Class B3p Euro Shares | None |
| Class B3p Sterling Shares | None |
| Class B3p Sterling Income Shares | None |
| Class B4p Euro Shares | 4% |
| Class B4p Sterling Shares | 4% |
| Class Sp Euro Shares | None |
| Class Sp Sterling Shares | None |
| Class S Euro Shares | None |
| Class S Sterling Shares | None |

The preliminary charge described above is in each case counted as a percentage of the Initial Issue Price/Net Asset Value per Share of the relevant class.

The Directors may waive, in their absolute discretion, the preliminary charge applicable to each class of Share and may distinguish between applicants accordingly.

No redemption charge or exchange charge shall be imposed in respect of an exchange of Shares in the Fund.

Annual operating expenses

Administrator's fee

The Administrator shall be entitled to receive an annual fee out of the net assets of the Fund charged at commercial rates as may be agreed from time to time up to a maximum fee of 1% of the Net Asset Value (the NAV) of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears. The Administrator is entitled to be repaid all of its reasonable expenses agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus Value Added tax (VAT) thereon, if any).

Custodian's fee

The Custodian shall be entitled to receive an annual fee out of the net assets of the Fund charged at commercial rates as may be agreed from time to time up to a maximum fee of 0.5% of the NAV of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears (plus VAT thereon, if any).

The Custodian is also entitled to sub-custodian's fees which will be charged at normal commercial rates as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any)

Investment management fee

| Share class | Fee |
|---------------------------|--|
| Class Ap Euro Shares | 1.5% per annum of the Net Asset Value of the Fund attributable to the Class Ap Euro Shares |
| Class Ap Sterling Shares | 1.5% per annum of the Net Asset Value of the Fund attributable to the Class Ap Sterling Shares |
| Class B1p Euro Shares | 1.0% per annum of the Net Asset Value of the Fund attributable to the Class B1p Euro Shares |
| Class B1p Sterling Shares | 1.0% per annum of the Net Asset Value of the Fund attributable to the Class B1p Sterling Shares |
| Class B2p Euro Shares | 0.85% per annum of the Net Asset Value of the Fund attributable to the Class B2p Euro Shares |
| Class B2p Sterling Shares | 0.85% per annum of the Net Asset Value of the Fund attributable to the Class B2p Sterling Shares |

| | |
|----------------------------------|---|
| Class B3p Euro Shares | 0.75% per annum of the Net Asset Value of the Fund attributable to the Class B3p Euro Shares |
| Class B3p Sterling Shares | 0.75% per annum of the Net Asset Value of the Fund attributable to the Class B3p Sterling Shares |
| Class B3p Sterling Income Shares | 0.75% per annum of the Net Asset Value of the Fund attributable to the Class B3p Sterling Income Shares |
| Class B4p Euro Shares | 0.65% per annum of the Net Asset Value of the Fund attributable to the Class B4p Euro Shares |
| Class B4p Sterling Shares | 0.65% per annum of the Net Asset Value of the Fund attributable to the Class B4p Sterling Shares |
| Class S Euro Shares | No investment management charge |
| Class S Sterling Shares | No investment management charge |
| Class Sp Euro Shares | No investment management charge |
| Class Sp Sterling Shares | No investment management charge |

Class S Euro Shares, Class S Sterling Shares, Class Sp Euro Shares and Class Sp Sterling Shares are only available to those investors who have a separate investment advisory mandate with Insight or any of its subsidiary companies or its related subsidiaries. The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Fund.

Performance fee

The Performance Fee is payable in respect of the net assets attributable to Class Ap Euro Shares, Class Ap Sterling Shares, Class B1p Euro Shares, Class B1p Sterling Shares, Class B2p Euro Shares, Class B2p Sterling Shares, Class B3P Euro Shares, Class B3p Sterling Shares, Class B3p Sterling Income Shares, Class B4p Euro Shares, Class B4p Sterling Shares, Class Sp Euro Shares and Class Sp Sterling Shares.

The Performance Fee is equal to 10% of the excess of the NAV per Share at the end of a Performance Period over the target NAV per Share, multiplied by the weighted average number of Shares of the relevant class in issue during the Performance Period. The target NAV per Share is equal to the NAV per Share at the end of the previous Performance Period multiplied by the Hurdle Rate, or the High Water Mark, which ever is the greater.

The Performance Fee is payable one month after the end of the Performance Period. Please see the Prospectus for more details.

Other

In addition, the Investment Manager is entitled to be reimbursed for the reasonable fees and out of pocket expenses paid by the Investment Manager or the Sub-Investment Manager to external consultants as disclosed in the Prospectus.

Sub-Investment manager's fee

The Investment Manager will be responsible for the fees and expenses of the Sub-Investment Manager.

Distribution fee

No separate fee is paid out of the assets of the Fund to the Distributor.

Directors' fees

The Directors will be entitled to remuneration from the Company for their services as Directors but it is expected that the Directors' remuneration for each accounting period should not exceed €50,000. For further details, please see the Prospectus.

Other expenses and establishment expenses

Establishment expenses and other expenses will also be payable out of the assets of the Fund. Please see the Prospectus for more details.

Soft commissions

It is not currently intended that any soft commission arrangements will be made in respect of the Company.

Please refer to the Prospectus under the heading **Fees and expenses** for further details of the fees and expenses payable out of the assets of the Fund.

| Total Expense Ratio (annual accounting period ending 14.11.08) | |
|---|-------|
| Class Ap Sterling | 1.71% |
| Class B1p Euro | 1.34% |
| Class B1p Sterling | 1.28% |
| Class B2p Sterling | 1.13% |
| Class B3p Sterling | 0.99% |
| Class S Sterling | 0.28% |

| | |
|--|---------|
| Portfolio Turnover Rate: (annual accounting period ending 14.11.08) | 211.20% |
|--|---------|

Taxation

The Fund will only be subject to Irish tax in respect of shareholders who are taxable Irish persons (generally being persons who are resident or ordinarily resident in Ireland for tax purposes) on certain chargeable events. Shareholders who are neither resident nor ordinarily resident in Ireland, subject to receipt of appropriate declaration, will not be subject to any Irish tax including any deductions from any payments made. **Shareholders and prospective Shareholders should familiarise themselves with and where appropriate take tax advice on the tax treatment of their holdings of Shares.**

Publication of share price

Details of the most recent Net Asset Value per Share of each class may be obtained from the Administrator. These prices are also published on the website www.insightinvestment.com.

How to buy or sell shares

Instructions to buy, sell and switch Shares in the Fund should be addressed to the Administrator during normal business hours (9am to 4pm) on days (excluding Saturdays and Sundays) on which banks are open for normal business in Dublin.

Minimum initial subscription

The minimum initial subscription amounts are as follows:

| Class | Minimum initial subscription |
|----------------------------------|------------------------------|
| Class Ap Euro Shares | €3,000 |
| Class Ap Sterling Shares | £3,000 |
| Class B1p Euro Shares | €3,000 |
| Class B1p Sterling Shares | £3,000 |
| Class B2p Euro Shares | €10,000,000 |
| Class B2p Sterling Shares | £10,000,000 |
| Class B3p Euro Shares | €50,000,000 |
| Class B3p Sterling Shares | £50,000,000 |
| Class B3p Sterling Income Shares | £50,000,000 |
| Class B4p Euro Shares | €50,000,000 |
| Class B4p Sterling Shares | £50,000,000 |
| Class S Euro Shares | None |
| Class S Sterling Shares | None |
| Class Sp Euro Shares | None |
| Class Sp Sterling Shares | None |

Minimum additional subscription

The minimum additional subscription amounts are as follows:

| Class | Minimum additional subscription |
|----------------------------------|---------------------------------|
| Class Ap Euro Shares | €1,500 |
| Class Ap Sterling Shares | £1,500 |
| Class B1p Euro Shares | €1,500 |
| Class B1p Sterling Shares | £1,500 |
| Class B2p Euro Shares | €5,000 |
| Class B2p Sterling Shares | £5,000 |
| Class B3p Euro Shares | €5,000 |
| Class B3p Sterling Shares | £5,000 |
| Class B3p Sterling Income Shares | £5,000 |
| Class B4p Euro Shares | €5,000 |
| Class B4p Sterling Shares | £5,000 |
| Class S Euro Shares | None |
| Class S Sterling Shares | None |
| Class Sp Euro Shares | None |
| Class Sp Sterling Shares | None |

Minimum holding

The minimum holding amounts are as follows:

| Class | Minimum holding |
|----------------------------------|-----------------|
| Class Ap Euro Shares | €2,000 |
| Class Ap Sterling Shares | £2,000 |
| Class B1p Euro Shares | €2,000 |
| Class B1p Sterling Shares | £2,000 |
| Class B2p Euro Shares | €10,000,000 |
| Class B2p Sterling Shares | £10,000,000 |
| Class B3p Euro Shares | €50,000,000 |
| Class B3p Sterling Shares | £50,000,000 |
| Class B3p Sterling Income Shares | £50,000,000 |
| Class B4p Euro Shares | €50,000,000 |
| Class B4p Sterling Shares | £50,000,000 |
| Class S Euro Shares | None |
| Class S Sterling Shares | None |
| Class Sp Euro Shares | None |
| Class Sp Sterling Shares | None |

Important information

Directors of Company: John Fitzpatrick
Michael Boyce
Barry McGrath
Charles Farquharson
Paul Dellar

Distributor: Insight Investment Funds Management Limited

Investment Manager: Insight Investment Funds Management Limited

Promoter: Insight Investment Funds Management Limited

Sub-Investment Manager: Insight Investment Management (Global) Limited

Custodian: State Street Custodial Services (Ireland) Limited

Administrator: State Street Fund Services (Ireland) Limited

Auditors: KPMG Chartered Accountants

Supervisory Authority: Irish Financial Services Regulatory Authority

Listing: It is anticipated that all Classes of Shares in the Fund (save for the Class S Sterling Shares, the Class S Euro Shares, the Class B3p Sterling Income Shares, the B4p Sterling Shares and the B4p Euro Shares) will be listed on the Irish Stock Exchange once issued.

Copies of the most recent Prospectus, Memorandum and Articles and the annual and semi-annual reports may be obtained from the Investment Manager free of charge.

Additional information may be obtained from the Investment Manager at:

Insight Investment Funds Management Limited
33 Old Broad Street,
London EC2N 1HZ,
England

Fax: +44 20 7150 0612

Tel: +44 20 7321 1446

Complaints concerning the operation of the Company may be submitted to the Investment Manager.

