

# US CORE PLUS FIXED INCOME

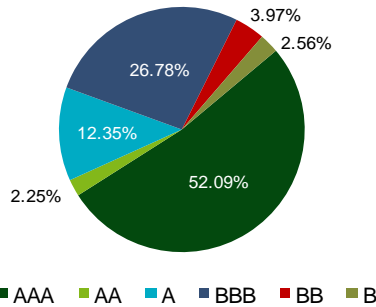


December 31, 2018  
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## SECTOR ALLOCATION<sup>1</sup>

	Portfolio	Benchmark
US Gov Related	23.69%	41.49%
US MBS	21.12%	28.21%
US Industrials	18.68%	12.96%
US Financials	11.35%	6.10%
Non U.S. Developed	9.25%	5.28%
US ABS	5.64%	0.52%
US CMBS	4.15%	1.95%
US Utilities	2.79%	1.72%
EMD	1.95%	1.77%
Cash & Equiv.	1.37%	0.00%

## QUALITY<sup>1</sup>



## RISK RETURN STATISTICS (5 YEAR)

	Composite
Alpha	1.43
Beta	0.85
Excess return	1.17
Standard deviation	2.63
Sharpe ratio	1.22
Tracking error	1.28
Information ratio	0.92
Up-market capture	109.14
Down-market capture	73.96

## CHARACTERISTICS<sup>1</sup>

	Portfolio	Benchmark
Effective duration (yrs)	5.93	5.87
Option adj. spread	134.65	53.65
Average quality	AA3/A1	AA1/AA2
Yield to worst (%)	4.05	3.28
Below IG (%)	6.53	0.00

## PERFORMANCE

	Q4	YTD	Annualized				SI
			1 Yr	3 Yrs	5 Yrs	10 Yrs	
US Core Plus composite (gross)	0.27%	-0.69%	-0.69%	3.59%	3.69%	3.89%	6.84%
US Core Plus composite (net)	0.18%	-1.04%	-1.04%	3.23%	3.33%	3.53%	6.48%
Bloomberg Barclays US Aggregate Index	1.64%	0.01%	0.01%	2.06%	2.52%	2.10%	4.12%

## CALENDAR-YEAR PERFORMANCE

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008 <sup>2</sup>
US core plus composite (gross)	-0.69%	5.65%	5.95%	-0.06%	7.90%	-0.26%	9.29%	7.33%	10.94%	18.41%	6.32%
US core plus composite (net)	-1.04%	5.28%	5.58%	-0.41%	7.52%	-0.61%	8.91%	6.96%	10.61%	18.06%	6.27%
Bloomberg Barclays US Aggregate Index	0.01%	3.54%	2.65%	0.55%	5.97%	-2.02%	4.22%	7.84%	6.54%	5.93%	7.11%

## ABOUT INSIGHT INVESTMENT

Insight Investment is a leading investment manager with key operations in London, New York and Sydney. Through its predecessor companies, Insight has over a 25-year history in North America and manages \$791bn<sup>3</sup> globally. It is built on three main pillars: fixed income; absolute return and unconstrained investment; and risk management solutions:

- Insight's global fixed income team has a demonstrated, long-term track record both for performance and innovation.
- Risk management solutions have played a significant role in the Insight story. In Europe, members of Insight were pioneers in liability-driven investment.
- Insight has been managing currency risk for two decades.
- Insight has a decade-long history of applying institutional quality processes and governance to absolute return and unconstrained mandates.
- We understand the complex requirements of insurers through substantive team experience.

Source: Insight Investment, as of December 31, 2018. **Past performance is not indicative of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.** The performance results shown are net and gross of investment management fees and reflect the reinvestment of dividends and/or income and other earnings. Gross of fees performance results do not reflect the deduction of investment advisory fees; as such, client's returns will be reduced by the investment advisory fees and other expenses. The quoted benchmark does not reflect deductions for fees, expenses or taxes. The benchmark is unmanaged and does not reflect actual trading. There could be material factors relevant to any such comparison such as differences in the volatility, and regulatory and legal restrictions between the index shown and the strategy. Please refer to the important disclosures at the back of this presentation.<sup>1</sup> The portfolio information shown above is that of a representative portfolio from the US Core Plus Fixed Income composite. <sup>2</sup>Partial year returns. <sup>3</sup>Insight's assets under management (AUM) are represented by the value of cash securities and other economic exposures, and are calculated on a gross notional basis. Insight North America (INA) is part of "Insight" or "Insight Investment", the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited and Insight Investment International Limited. Advisory services referenced herein are available in the US only through INA. Figures shown in USD. FX rates as per WM Reuters 4pm spot rates.

## COMPOSITE INFORMATION

GIPS inception date	November 1, 2008
Strategy assets	\$1,343.4m
Composite assets	\$895.7m
Benchmark	Bloomberg Barclays US Aggregate Index

## STRATEGY OBJECTIVE

- Maximize risk-adjusted total return combining income and capital appreciation

## STRATEGY HIGHLIGHTS

- Invests in a diversified portfolio of fixed income securities
- Active management of interest rate positioning, sector allocation and security selection
- Interest rate exposure managed within a +/- 20% range of benchmark duration
- Ability to invest up to 25% in below investment grade assets
- Strategy can also invest in emerging market debt, collateralized loan obligations, esoteric asset-backed securities, TIPs and non-dollar
- Dedicated risk management

## FIXED INCOME GROUP

	Years experience
<b>Lead portfolio manager</b>	
Gautam Khanna, CFA, CPA	24
115 investment professionals	Avg. 17

## IMPORTANT DISCLOSURES:

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## GIPS DISCLOSURES:

### Firm-wide disclosures

The GIPS® firm is defined as Insight Investment and is the corporate brand for the companies managed or administered by Insight Investment Management Limited. Since the firm's creation in 2002, the firm has added a number of investment teams under its brand. These include the Insight brand and the Cutwater Asset Management brand. In all cases, the decision making processes of the investment teams that have transitioned under the brand remain substantially intact and independent within Insight Investment. Insight claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Insight has been independently verified for the periods 1st January 1998 to 31st December 2016. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation. The assets under management figure is the most up-to-date available, and is subject to change. A complete list of composites and their descriptions is available on request. With the exception of currency overlay composites, accounts below £10m are excluded from composites, as they are not considered able to be fully invested in the Insight style. To avoid frequent changes to composite membership, existing accounts need to fall below £9m in value before being excluded and excluded accounts need to rise above £11m before being included, except for the GIPS® Fixed, US (ML 1-3yrs) and GIPS® Equities, UK FTSE Smaller Companies ex IT composites where the new account threshold is £5m and existing account thresholds are £4m and £6m respectively. Membership of composite groups will be reviewed at the end of each quarter. Insight does not apply a minimum asset level qualification to currency overlay composites or to composites managed from the US. For unutilized funds, gross of fees returns are presented gross of annual management charges, but net of all dealing expenses; net returns are presented net of all charges. For segregated accounts, gross of fees returns are presented gross of all fees; net returns are presented net of just annual management charges. Where applicable, composite returns are net of withholding taxes on income and capital gains taxes. All investment income is reinvested within the portfolio unless stated otherwise below. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The definition of what constitutes a "significant" cash flow depends on the type of portfolio: For all pooled vehicles, no cash flow will be considered to be significant. For all segregated fixed income and equity portfolios, any cash flow larger than 20% of the portfolio market value is deemed to be significant. For all segregated multi-asset portfolios, a cash flow larger than 50% is deemed to be significant. For CRM portfolios, and cash flow greater than US\$5m is deemed to be significant. In the event of a significant cash flow, the fund in question will be removed from its composite for the entire calendar month, subject to review depending on market conditions at the time. The measure of dispersion is represented by the lowest and highest annual returns of accounts that have been included within the composite for a full calendar year. Three-year annualised ex post standard deviation measures are not presented when there are less than 36 monthly observations available.

### USC5005: GIPS® - US Core Plus Fixed Income

The US core plus fixed income composite, which was formerly known as the Core plus fixed income composite prior to 1/1/15, has been examined for the periods January 1, 2013–December 31, 2016. The examination report is available upon request. Core Plus Fixed Income Composite: Portfolios included in the Core Plus Fixed Income Composite are "Core" style strategies that permit greater allocations to benchmark and non-benchmark sectors. Typically, Core Plus guidelines allow for a 25 percent allocation to out of benchmark sectors. "Plus" sectors include, but may not be limited to, high yield, emerging markets, non-dollar, and US TIPS. "Core" exposures for these portfolios will consist of actively managed allocations to the major US investment grade sectors. Allocations relative to benchmark sectors may be significant (at times +/- 25 percent). Interest rate exposure is actively managed, generally within a +/- 20 percent range of benchmark duration. The benchmark for this composite is the Barclays US Aggregate Bond Index, an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more. This composite was created December 31, 2009. The inception date for this composite is November 1, 2008. The management fee schedule for this composite is as follows: 0.35% on the first \$25 million, 0.30% on the next \$25 million and 0.25% thereafter. All fees are subject to negotiation and are dependent on account services provided and size of portfolio. Actual investment advisory fees incurred by clients may vary. Prior to 1/1/2011, net of fee performance returns were calculated by deducting the highest management fee paid by any account in the composite from the monthly gross composite return. Effective 1/1/2011, composite net of fee returns are calculated by deducting the highest rate from the standard fee schedule shown above from the monthly gross composite returns. Client returns will be reduced by investment management fees. Actual fees for new accounts are dependent upon size and any fee or fee schedule applied to existing or prospective clients is subject to negotiation.