



ABSOLUTE INSIGHT EMERGING MARKET DEBT

OPPORTUNITY

Unconstrained approach managed by an experienced team: The Absolute Insight Emerging Market Debt strategy invests on a 'best ideas' basis, unrestricted by the constraints of investing against a traditional index. There is no obligation to hold a position unless the strategy's managers believe that it is worth taking. It aims to offer investors access to a rich opportunity set that combines top-down and bottom-up analysis that helps to identify key issues in markets. The strategy can invest across the asset class, whether in government or corporate debt, in local or external currencies, taking each market's characteristics into account via a macroeconomic assessment of each country in which it invests. The management team has delivered attractive performance at lower volatility than emerging market (EM) debt benchmarks (see below), producing a potentially more appealing return profile than mainstream indices and many traditional long-only portfolios.

Access to a diversified source of attractive investment opportunities: EM debt is a global asset class worth over \$18trn and covering over 70 countries, that offers investors the potential return and diversification benefits of investing in economies at different stages of economic and structural development.

Distinctive absolute return approach aiming for low volatility: Investors face a wide range of return possibilities when they invest across EM debt and currencies. The timing of an allocation can dramatically affect the returns of a long-only investor. We believe that an absolute return approach that

does not adhere to traditional benchmark-driven norms allows an investor to potentially capture some of the upside offered within emerging markets while managing downside risk. The aim of this approach is to produce attractive returns over the long term.

SNAPSHOT

Strategy inception: February 2007

Strategy assets: \$3.0bn¹

Investment objective: Provide attractive, positive absolute returns in all market conditions²

Duration profile: Long and short interest rate exposures, limited at the total portfolio level and by country

Quality profile: Blend of investment grade and sub-investment grade

Sharpe ratio: 0.52 (gross), 0.31 (net) since inception⁴

Investment universe: Full breadth of EM debt instruments including local government, external government, local corporate, external corporate, currency and derivatives including Credit Default Swaps (CDS) and Interest Rate Swaps (IRS)

Investment approach: Top-down approach, with bottom-up analysis of individual credits

Portfolio manager: Colm McDonagh³

Portfolio manager experience: Over 23 years industry experience, ten years at Insight

Availability: Separate account (minimum size \$100m)

Strategy offered by: Insight North America LLC

¹ As of March 31, 2019. 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, Insight Investment International Limited. Insight's assets under management are represented by the value of cash securities and other economic exposures, and are calculated on a gross notional basis. 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. ² Manager makes no assurances that the investment objective will be achieved. See appendix for additional disclosures. ³ Employee of Insight North America affiliate.

PERFORMANCE⁴



	5 years (pa)	
	Performance (%)	Volatility (%)
EMD strategy (gross)	0.47	3.29
EMD strategy (net)	-0.66	3.17
JP Morgan EMBI GD index (external debt)	5.44	5.46
JP Morgan GBI-EM GD (local debt)	-0.76	10.83

Past performance is not a guide to future performance. Investment in this strategy involves substantial risk of loss. The value of investments and the income from them can fall as well as rise and are not guaranteed, investors may not get back the original amount invested. The performance results are shown both net and gross of investment management fees and reflect the reinvestment of dividends and other earnings. Gross performance results do not reflect the deduction of investment advisory fees; as such, clients' returns will be reduced by the investment advisory fees and other expenses. The net returns have been calculated using the standard annual management fee for this strategy of 1.00% pa. Please refer to the disclosures and index definition at the back of this document.

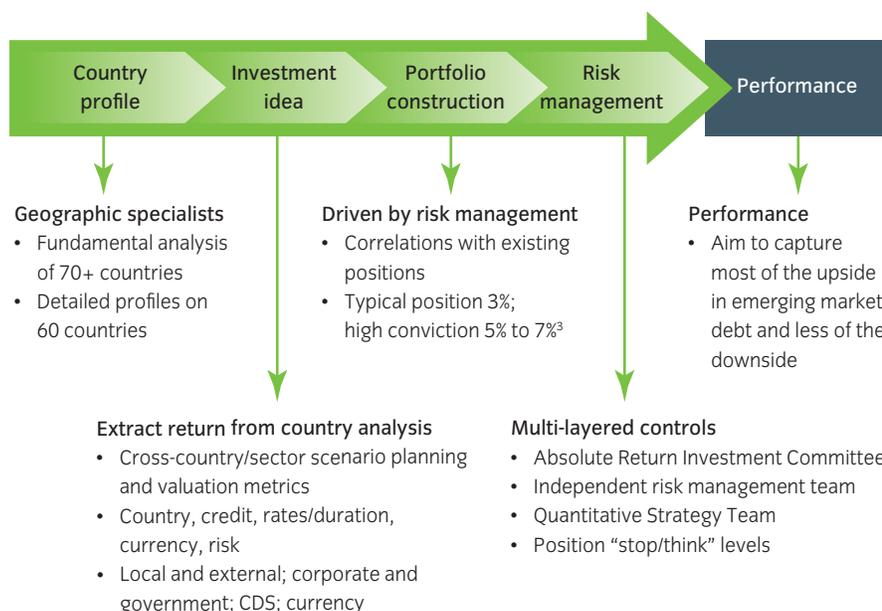
⁴ Source: Insight as of March 31, 2019. Performance statistics for the Absolute Insight emerging market debt strategy are in USD and, unless otherwise specified, are net of 1.0% annual management charge and 10% performance fee. USD strategy inception: October 31, 2011 (USC06295CUSD). The underlying strategy launched in February 2007. 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.

RISK MANAGEMENT

The strategy employs a range of hedging techniques, and uses proprietary risk metrics to size positions and trigger reviews at pre-defined limits. The strategy incorporates risk-reduction mechanisms such as a stop-think trigger that applies at the portfolio level, prompting an immediate review of the strategy if there is a loss of more than 3% of NAV within any one-month period. Independent oversight ensures these risk processes are robust and rigorous.

INVESTMENT PROCESS

The Emerging Market Debt Team carries out thorough analysis of the key themes affecting the emerging market universe. The investment process follows several stages:



SAMPLE GUIDELINES⁵

Exposure limits

- Gross exposure: 200% of portfolio
- Net exposure: 100% of portfolio
- Single emerging market currency: 10% portfolio NAV (gross)
- DV01 limit of +/-500 at portfolio level
- DV01 limit of +/-150 per country

Diversification measures

- Each country is a separate ‘risk bucket’
- Limits apply on risk at individual country level and at aggregate portfolio level

Stop-loss mechanisms

- ‘Stop-loss’⁶ review triggers apply to each country risk bucket
- 3% of portfolio stop-think trigger applies monthly at aggregate portfolio level
- 2% stop-think

⁵For illustrative purposes only. Each account is individually managed, and could differ from what is presented herein.

⁶A stop-loss mechanism is not a guarantee to limit losses at any given level.

THE TEAM

- The investment team consists of four dedicated emerging market investment specialists. The team is supported by 48 credit analysts and by Insight’s wider fixed income department⁷.
- The team members have extensive experience of managing emerging market debt. They have invested across the spectrum of the asset class including government, corporate, local currency and defaulted instruments, through different market cycles and major market events including the Asian financial crisis and the Russian and Argentinian debt defaults.
- Insight’s global Fixed Income Group numbers 115 investment professionals with an average industry experience of 17 years.⁷ The Fixed Income Group manages \$168.3bn of fixed income assets.⁸

⁷As of March 31, 2019. Includes employees of Insight North America and affiliates.

⁸As of March 31, 2019. 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. Insight’s assets under management are represented by the value of cash securities and other economic exposures, and are calculated on a gross notional basis. 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.

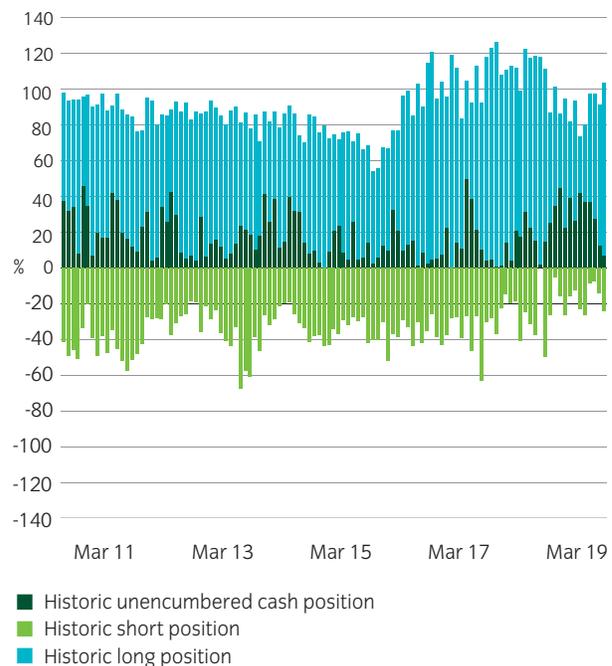
THE KEY TO INVESTING IN EMERGING MARKET DEBT

For many years, emerging market debt has been a source of diversification and attractive yield to global investors, especially in comparison to debt issued in more developed markets. Investing in emerging markets has evolved significantly since the late 1990s, in tandem with the growth in the number of underlying countries that issue debt, and the respective depth and liquidity of their capital markets. Also, since the global financial crisis of 2008 and the end of the bull run in commodities, financial repression has created large distortions across global emerging market economies. This has led to a large variance in size, complexity, and structural development which, in our view, means there is a range of attractive opportunities for investors able to identify the most appealing prospects.

There are many potential return drivers, but one of the most significant drivers is the timing of an allocation, which can dramatically affect the returns of a long-only investor.

We believe that taking an unconstrained, absolute return approach that is not driven by traditional benchmarks allows an investor to manage downside risk while potentially capturing the upside available in the asset class. The Absolute Insight Emerging Market Debt strategy seeks to capture the best long and short opportunities from across the available investment universe. It is not a market neutral or relative value strategy: it is a dynamic strategy that aims to manage a variety of risks to generate positive returns even when markets are falling.

An unconstrained approach: historic asset allocation of the Absolute Insight emerging market debt strategy



Source: Insight as of March 31, 2019.

ABOUT INSIGHT INVESTMENT

Insight Investment is a leading investment manager with key operations in the UK, Germany, US, Australia and Japan. Through its predecessor companies, Insight has a 25-year history in North America and manages \$844bn 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.

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FIND OUT MORE

Insight Investment

200 Park Avenue, 7th Floor
New York, NY 10166
212-527-1800

Call charges may vary by provider.

Institutional Business Development

institutionalna@insightinvestment.com

Consultant Relationship Management

consultantsna@insightinvestment.com

Client Service Management

clientservicena@insightinvestment.com



@InsightInvestUS



company/[insight-investment-north-america](https://www.linkedin.com/company/insight-investment-north-america)



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Certain performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios that they manage and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV. A full description of INA's advisory fees are described in Part 2A of Form ADV available from INA at www.adviserinfo.sec.gov.

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