



GLOBAL ABSOLUTE RETURN BOND

OPPORTUNITY

Insight's global absolute return bond strategy is a flagship offering focused on seeking the 'best ideas' across the fixed income opportunity set, investing in government and corporate bonds, emerging market debt, high yield, asset-backed securities and currencies with strict attention to downside protection. The investment team has an attractive track record in active fixed income management. They draw on the expertise of Insight's global specialist fixed income teams using a robust and repeatable investment process. Robust risk controls are integral to the management of the strategy.

We believe an absolute return approach offers far more flexibility than a traditional long-only or benchmark-relative strategy, and avoids a permanent bias to risk assets. It enables the portfolio managers to invest across the broad spectrum of the asset class with the aim of finding the best sources of return. It also seeks to avoid the interest rate risk of traditional bond strategies. The ability to use derivatives allows the portfolio managers to express both favorable and unfavorable views, aiming to generate positive performance in all market conditions. In addition, absolute return strategies are useful diversifiers as they have low correlations with other major asset classes.

SNAPSHOT

Strategy inception: 2006

Strategy assets: \$8.7bn¹

Investment objective: Cash plus 2%, 3% and 4%²

Duration profile: Typically -3 to +3 years

Quality profile: Typically +/-40% investment grade corporate credit, +/-10% high yield corporate credit, +/-10% emerging market debt. Average portfolio credit rating A. See permitted ranges/sample guidelines on page 3.

Investment universe:

- Investment grade fixed income and index-linked securities (government and non-government)
- High yield securities and loans
- Emerging market debt
- Currencies
- Fixed income derivatives
- Cash and money market instruments

Sharpe ratio: 0.56 (gross), 0.28 (net) annualized since inception³

Investment approach: Absolute return

Portfolio managers: Andrew Wickham and Peter Bentley

Portfolio manager industry experience:

Average of 23 years experience

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 investment objective will be achieved. See appendix for additional disclosures.

PERFORMANCE (FOR CASH PLUS 2% OBJECTIVE)³



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 0.50% pa. Please refer to the disclosures and index description at the back of this document.

³ Source: March 31, 2019. Performance presented is that of the global absolute return bond strategy (USC0041) in GBP. Inception August 31, 2006. 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.

INSIGHT'S EXPERIENCE IN GLOBAL ABSOLUTE RETURN BOND STRATEGIES

The strategy launched in 2006 with a cash plus 2% (annualized) return objective.⁴ Given its scalability, and based on market interest, Insight expanded this capability to encompass additional derivations of the strategy with cash plus 3% and 4% (annualized) return objectives, which scale risk exposure up or down in line with the specified objective.

INVESTMENT PHILOSOPHY

Insight's fixed income investment philosophy focuses on the delivery of consistent performance by virtue of two key investment principles: precision and diversification. While neither concept if looked at individually is particularly unusual, it is the way our portfolio managers combine and apply them that we believe results in a unique approach to investment management.



Precision: We believe in building portfolios that accurately target potential sources of return and directly reflect our investment views. We seek to include only those elements of market risk that we consider attractive and aim to eliminate unintended risks.

Diversification: Diversifying across fixed income strategies and instruments can reduce risks. We believe desirable, consistent long-term performance is generated by covering a wide range of opportunities, not allowing any single source of alpha to dominate returns over time. Consequently, our portfolio managers seek to add value through active management of risk and return across a broad range of investment opportunities using proprietary management techniques.

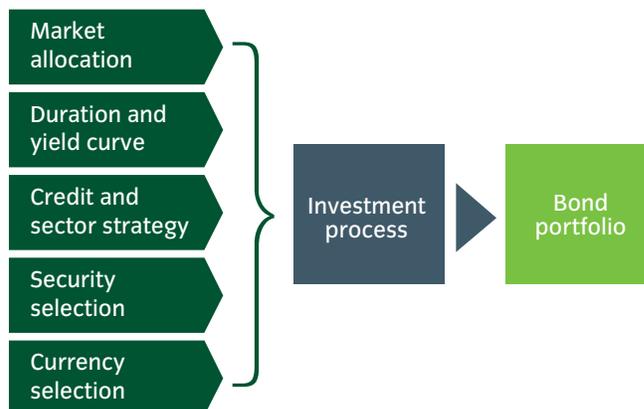
⁴Please refer to targeted return disclosures at the back of the document.

⁵Manager makes no assurance that performance targets will be achieved.

There are five broad investment areas that we identify as the main sources of potential added value and risk within portfolios. We believe that these sources, which can vary over time, are equally important and can have an equally significant impact on portfolio performance.

INVESTMENT PROCESS

Figure 1: A global opportunity set

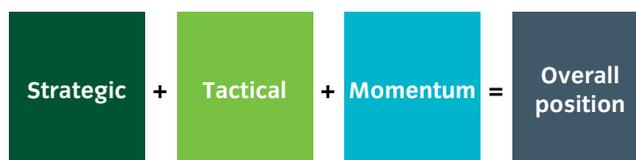


Market allocation

Country allocation is particularly important. Our assessments are based on macroeconomic fundamentals. For sovereign analysis, we leverage the expertise of our government bond teams and Insight's Strategy Team, who consider a wide range of variables both economic and market related.

Duration and yield curve

When managing portfolio duration, we are taking a view on the direction of bond yields and interest rates. To help us achieve consistency across markets in this area, we have developed an approach based upon three key factors:



THE TEAM

- Insight's global fixed income investment professionals number 115 with an average industry experience of 17 years.⁶
- Insight's global Fixed Income Group is built on specialist knowledge, experience and an ability to generate strong performance. The group is organized into specialist units, which enables us to maintain the diversity and precision that we believe lie at the heart of our long-term track record.
- The managers of the global absolute return bond strategy have also been managing similar strategies since 2006.
- The Credit Team, which is part of the broader Fixed Income Group, has an average industry experience of 14 years.⁶
- The Credit Team includes 48 credit analysts who are responsible for providing security and sector recommendations to our portfolio managers. The team is arranged with each analyst taking responsibility for either individual industry groups (e.g. consumer non-cyclicals) or specific sub-sectors within the credit asset class (e.g. asset-backed securities). Where an analyst is covering an industry they will cover issuers within that industry across the entire rating spectrum from investment grade to high yield.

⁶As of March 31, 2019. Includes employees of Insight North America and affiliates.

The first factor is our strategic forecast for bond yields over the next twelve months, based primarily on fundamental economic analysis. The second is our tactical view of markets over a much shorter period, and the third is the output of our proprietary momentum model.

Credit and sector strategy

Our credit and sector strategy is based on a top-down approach that combines long-term strategic forecasts, shorter-term tactical views and observations of market trends, as well as bottom-up analysis to identify the most compelling investment opportunities for our clients.



Security selection

Our analyst team surveys the credit universe, filtering out companies where we feel there is inadequate financial reporting or poor access to management. Companies are assessed on the basis of their credit fundamentals and other risks that could give rise to a sharp deterioration in credit quality. Only what we consider to be attractive opportunities, at the right valuation, are included in our client portfolios.

Currency selection

The strategy seeks to generate a modest level of alpha from active currency selection and management across developed markets and liquid emerging markets. The process combines long-term valuation, cyclical economic and volatility analysis with timing tools in a single process.

RISK ALLOCATION AND RISK MANAGEMENT



UNITS OF RISK

We believe understanding and measuring risk in the portfolio is a key factor in producing consistent performance. We allocate risk across the various sources of return (i.e. government bond market allocation, inflation, duration, yield curve, swap spread, investment grade credit, high yield, asset-backed securities, loans, emerging market debt and currency) using a proprietary system called units of risk. This approach allows us to consider risk both on a stand-alone basis as well as in terms of overall portfolio effect.

SAMPLE GUIDELINES⁷

- +/- 100% in global government bonds
- +/- 100% in global investment grade corporate bonds
- +/- 100% in global inflation linked bonds
- +/- 25% in high yield bonds
- +/- 25% in emerging market debt
- Up to 20% unhedged currency risk
- Duration to be within +/- 5 years

Exposures may be achieved through securities or derivative instruments.
⁷ For cash plus 2% strategy.

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

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Past performance is not a guide to future performance, which will vary. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes). Future returns are not guaranteed and a loss of principal may occur.

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.

Targeted returns intend to demonstrate that the strategy is managed in such a manner as to seek to achieve the target return over a normal market cycle based on what Insight has observed in the market, generally, over the course of an investment cycle. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that the specific deal will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment.

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Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved.

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INDEX DEFINITIONS

Information about the index shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the index represented does not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the index may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the index shown.

3-month GBP LIBOR: The index is calculated as a monthly return based on the average month's 3 Month GBP LIBOR daily annualized rates. The average is deannualised and then compounded on a daily basis for the month. LIBOR is the primary benchmark for short-term interest rates globally and is used as the basis for settlement of interest rate contracts on many of the world's major futures and options exchanges. Rates are quoted for a range of borrowing periods, ranging from overnight loans to 12 months, in a range of world currencies.

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