Fund information
Bonds Plus Fund

Insight INVESTMENT

The Fund

The Insight Bonds Plus Fund is an actively managed fixed income fund targeting attractive returns in excess of cash interest rates. The portfolio manager aims to achieve the performance objective by investing in global government and corporate bonds and currency markets by investing in a diverse range of fixed income securities and currencies, including derivatives, around a core holding of liquid/near-cash assets.

It is also suitable for use as a return generating component of Liability Driven Investment (LDI) solutions when combined with liability risk hedging funds or instruments.

Please note the value of investments and any income will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested.

Key fund facts

Objective:	To seek to deliver positive absolute returns on an annual basis
Benchmark:	3-month Sterling LIBOR
Portfolio manager:	Andrew Wickham
Approach:	The Fund is able to invest in a broad spectrum of fixed income and related securities including government, quasi-government and corporate bonds issued by entities around the world, including emerging markets. The Fund is able to take exposure in sub investment grade securities, non-sterling currency exposure and may utilise a broad range of derivatives to achieve its investment objective.

Investment philosophy and process

Our investment philosophy uses precision and diversification as the framework for adding value and achieving consistently high performance for our clients.

Precision: When we assess investment opportunities, we seek to include only those elements of market risk that we consider attractive, and aim to eliminate unintended risk.

Diversification: We seek to add value through active management of risk and return across a broad and highly diversified range of investment opportunities using proprietary management techniques. For example, the Fund may favour an allocation to a market sector, such as inflation-linked bonds or emerging markets. Alternatively, the Fund may take a positive view of expected performance in one bond market and negative view on another. The relative difference in performance between the two markets may be captured through appropriate exposures to those markets, ideally through the use of derivative instruments. The Fund seeks to take a number of such views, which may be used to reduce risk and contribute to performance.

Key benefits

- Targets returns in excess of cash, via exposure to a variety of bond-based strategies
- Aims to achieve consistent and attractive risk-adjusted returns through diversification
- Rigorous, disciplined and proven investment process

There are a number of important components to the application of our philosophy. Three of the key components are outlined below:

Team specialisation: Our investors are specialists, not generalists. Each has their own focused area of market expertise, which gives us the skills and resources to analyse every investment opportunity available to us.

Units of risk: Managing and understanding the allocation of risk within a portfolio is a further key factor in achieving consistent performance. We approach this using a proprietary system called 'units of risk'. This system allows us to appropriately size the risk we take in the Fund via different investment decisions according to the performance objective of the Fund.

Strategic, tactical and momentum decisions: The timescale of our investment ideas is both strategic and tactical. The strategic element is based primarily on fundamental economic analysis. We also look at short-term, tactical considerations such as the possible impact of bond auctions or technical factors. Finally we incorporate a proprietary momentum model designed to capture strong trends within markets. This approach is designed to ensure we can generate strong performance in different market conditions.

Investment performance

Representative performance is available on request.

Fund specifics

Investment universe:	• Interest rate and inflation swaps • Cash and money market instruments • Credit default swaps • Currency forwards and swaps • Options • Loans • Fixed Income and index-linked securities (government and non-government) • High-yield securities • Emerging market debt and currencies • Collective investment schemes (including Insight Liquidity funds) • The Fund may take on both long and short positions
Legal structure:	Qualifying Investor Fund
Domicile:	Ireland
Listing:	Irish Stock Exchange
Reporting:	Semi-annual, annual report and accounts and quarterly factsheets
Currency:	Sterling
Pricing:	Single swinging price
Liquidity:	Fortnightly subscription and redemption (as per dealing)
Custodian:	Northern Trust Fiduciary Services (Ireland) Limited
Minimum investment:	£1,000,000
Administrator:	Northern Trust International Fund Administration Services (Ireland) Limited

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 responsible for assets under management of £118.7 billion[1] 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.

[1] As of 31 March 2011 represented by the value of physical securities and liability benchmarks.

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 47 fixed income investment professionals has an average of 15 years' industry experience[1]. The team is built on specialist knowledge, experience and proven ability to generate strong performance and is organised into dedicated units.

Andrew Wickham

Head of UK Fixed Income

Andrew joined the fixed income team at Insight in October 2003 as a Co-Head of UK Fixed Income, focusing particularly on government portfolio management. In December 2005, he was appointed Head of UK Fixed Income.

Andrew worked at Schroder Investment Management Limited (Schroders) for the previous eight years, developing an extensive understanding of fixed income portfolio management and rising to become Head of Sterling Fixed Income. He joined the fixed income area of Schroders in 1995 and at the end of 2002 he was appointed Head of Sterling Fixed Income. Andrew holds a BSc honours degree and MEng in Electrical Engineering from the University of Bath and is an Associate of the CFA Society of the UK.

Find out more

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