

FOR PROFESSIONAL CLIENTS ONLY.
NOT FOR DISTRIBUTION TO RETAIL CLIENTS.



Can you build a *solid*
investment that's *liquid*?

The Liquidity Fund Range

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 billion¹ 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.

Cash management experts

Cash management is a core activity for Insight. Our comprehensive range of pooled and segregated cash management services offer professional investors a flexible and secure range of solutions designed to maximise returns from their short-term assets. At Insight we offer an attractive combination of traditional cash management expertise and a broad and innovative product range.

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



More insight.
Not more of the same.

Active cash management

Investors are increasingly demanding active management of their cash balances. As a result, cash has become an asset class in its own right, deserving the same specialist focus as bonds, equities and property.



Money market funds are mutual funds that invest in short-term debt instruments. They are actively managed within transparent guidelines and can offer security of capital, liquidity and competitive sector related returns. They were first offered in the US in the early 1970s. Over the past decade they have increased in popularity and are now used by a wide range of professional investors across Europe.

The initial fund sponsors of European money market funds were American asset management companies and banks, leveraging their US relationships to gather assets. European money market funds are subject to a different regulatory structure to funds in the US in that they are not currently subject to one single source of regulation.

For constant Net Asset Value (NAV), funds quality assurance is therefore provided by global rating agencies or by fund manager membership of the Institutional Money Market Funds Association (IMMFA), the trade association for triple-A rated European money market funds.

Cash funds have existed in the UK and continental Europe since the 1980s, however it is only since the introduction of the triple-A rating that they have begun to be accepted as an alternative to short-term bank deposits by professional investors.

Changes to the regulatory environment have made constant NAV funds an accessible and compelling alternative to traditional bank deposits for corporates, pension funds, charities, insurance companies, public sector investors and other professional investors with cash on their balance sheets.

Money market funds

Who are they suitable for?

Institutional money market funds are suitable for corporates, pension funds, charities, insurance companies, public sector investors, local authorities and other professional investors with cash on their balance sheets.

Liquidity funds

Liquidity funds are first generation money market funds. They are designed to compare favourably with bank accounts and offer an alternative to traditional short-term deposits with a constant Net Asset Value (NAV) per share. Due to the maturity profile and portfolio construction of these funds, access is instant and redemption offered without penalty, usually with same day settlement. The lack of restrictive lock in periods gives investors confidence that their cashflow requirements can be met, even at short notice. In addition, a fund manager's membership of Institutional Money Market Funds Association (IMMFA), combined with a triple-A fund rating from a rating agency, provides assurance of both product quality and the ability of the fund to preserve capital. The Insight Liquidity Fund (ILF) is our liquidity fund solution.

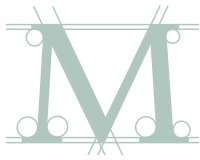
Cash plus products

In recent years the industry has seen the development of a range of enhanced cash funds. This new breed of cash products has a broad range of risk profiles designed to suit investors with longer-term investment horizons, medium-term reserves or liability matching requirements.

While standard liquidity funds offer 'instant' access through same day settlement, enhanced cash funds give up a little liquidity as they are not generally same day access, but offer the potential for greater returns for investors willing to accept slightly more risk and volatility. They achieve this by investing in a wider spectrum of money market instruments and short duration fixed and floating rate securities. Due to the extra maturity of the underlying assets and an increase in the volatility, due to the enhanced yield objective, the funds therefore have a variable NAV per share so the price can go down as well as up.

Enhanced funds can be triple-A rated giving greater assurance of the quality of the fund. The Insight Liquidity Plus Fund (ILF+) is our enhanced cash solution.

The benefits of money market funds



Money market funds offer a realistic and beneficial alternative to short-term bank deposits.

Professional and active investment management

Expert managers actively seek to secure capital preservation as well as a competitive return in line with the risk parameters of the fund. The use of professional managers, analysts and traders enables access to specialist expertise and an extensive research pool.

Advantages of a pooled investment

As with all pooled investments, investors can participate in a more diverse portfolio than they could individually. The efficiencies gained through asset pooling result in competitively low fund management charges. The fund appoints and pays for legal, custodian and administrative services while the investor is required to pay management fees only and receives a return net of fees.

Administrative efficiency

Investing in a money market fund reduces the need for investors to engage in administrative tasks and therefore reduces the operational demands on in-house treasury resources. Investors also benefit from the streamlined operations and economies of scale of a professional fund manager.

Credit rating

Money market funds are regularly monitored by a respected and independent third party; the credit rating agency. Ratings criteria provide clear guidelines and ensure that investors can identify high quality and stable funds. The quality of a fund's credit rating is indicative of the agency's confidence that the fund can meet its objectives. The safest funds will have a triple-A rating, with the appropriate modifier, from one or more of the three main credit rating agencies.

Tax efficiency

European money market funds are domiciled offshore, in tax-friendly locations such as Jersey, Luxembourg and Dublin. This ensures that they are tax-exempt, and therefore investment income earned by non-resident investors is not taxed at source or subject to withholding tax.

Reducing counterparty risk

Reducing counterparty risk allows credit lines to be released for other treasury activities. Many banks have long-term credit ratings of AA or A, which means that in many cases the option of investing in a money fund can be more attractive than putting cash on deposit. Moreover, modern portfolio theories suggest that risk diversification leads to credit enhancement and money market funds offer such diversification within a portfolio of investments.



Performance and benchmarking

Investors in money market funds benefit from longer duration yields without relinquishing instant access. Money market funds are measured against a benchmark, which provides a clear standard from which to gauge performance. Furthermore, the fact that funds are regularly monitored by respected and independent rating agencies allows industry wide comparisons.

Safety and security

The legal form of institutional money market funds is an open-ended investment company, or an 'OEIC'. The published guidelines of OEICs clearly require the appointment of legal advisers, a manager/distributor, an administrator, a custodian and transparent operating activities.

Managing the Liquidity Fund Range

Investment philosophy



Our cash and fixed income assets are managed to an investment philosophy that centres on two key investment principles: Diversification and Precision.

Diversification

We believe that steady and superior long-term portfolio returns are generated by covering a wide range of fixed income and cash investment opportunities as opposed to a narrow focus on any particular source of added value. Our fund managers seek to add value through active management of risk and return across a wide range of investment opportunities using proprietary management techniques. These diversified sources of added value are used to build the portfolio that we believe will meet the fund's objectives.

Precision

We believe in building an investment portfolio with precision in order to meet the fund's specific objectives. When we assess investment opportunities, we seek to include only those elements of market risk that we consider attractive, and aim to eliminate any unintended risks. Investing with this degree of precision is a key ingredient in achieving consistent, repeatable performance.

The team

Our cash management team comprises of investment professionals, whose work covers all aspects of money market fund management and securities lending. The team also executes deals in money market, fixed income and foreign exchange products for Insight's clients.

The key members of the team benefit from around 42 years of combined investment experience, having worked previously at a range of financial institutions. The money market team are responsible for managing all of Insight's clients' liquidity assets across pooled and segregated funds.

Liquidity management at Insight



At Insight, we aim to offer an attractive combination of traditional cash-management expertise and a broad and innovative product range to meet the needs of all our clients, whether they require a segregated mandate or prefer to make use of our pooled funds.

Our liquidity business has grown rapidly since our Insight Sterling Liquidity Fund was launched in January 2003. We also have AAAM-rated liquidity funds in USD and EUR, as well as a GBP liquidity plus fund. This comprehensive range of funds allows investors to tailor their maturity profile to match their cashflows and investment horizons while benefiting from the security and operational convenience of investing in pooled funds.

AAA-rated funds

The investment guidelines that the funds comply with involve a number of different factors, including the credit quality of individual holdings, their maturity and the diversification of fund holdings. Taking these factors into consideration, fund managers construct portfolios to preserve capital and protect income, and satisfy the strict criteria that qualifies them for a AAA rating:

Insight Liquidity Fund (ILF): AAAM – S&P
Aaa-mf – Moody's

Insight Liquidity Plus Fund (ILF+) : AA Af / S1+ – S&P

As a member of the IMMFA, the trade body representing providers of constant NAV money market funds, we are keen to expand the role of money market funds throughout Europe.

Insight's liquidity range objectives

Our liquidity range objectives are: availability of liquidity, capital preservation, and consistent returns against an appropriate cash benchmark – such as LIBID:

- One of the benefits offered by liquidity strategies is the short to medium-term investment horizon. Aside from liquidity, there is also a core component to the strategy, which will contain a number of term investments. In an environment with a positive yield curve, this is the part of the strategy that should add incremental yield above the traditional “bank” rates – thereby making this type of cash strategy appealing for investors on both a liquidity and yield basis.
- Insight's liquidity management strategies are designed to preserve capital in order to meet a variety of clients' investment objectives.
- Overall, we aim to achieve consistent and competitive returns relative to the appropriate benchmark and this is evidenced through our track records.



Insight's Liquidity Fund Range offers an attractive alternative to cash deposits for short to medium-term investment horizons:



- Our liquidity management strategies are designed to meet a variety of clients' return objectives.
- Our liquidity funds have one of the strongest long-term track records in the market. The Insight Sterling Liquidity Fund is a top quartile fund over 1, 3, 5 and 7 years².

²Source: iMoneyNet, offshore MFR Sterling stable (IMFR) sector. Returns calculated on a net of fees basis as at 30 September 2010.

Key benefits of our pooled funds

Security

- Independent custodian/trustees.
- Regular monitoring by rating agencies.
- Market access due to pooled fund structure and economies of scale giving diversification of assets and sectors.

Liquidity

- All ILF funds are stress tested daily on a one-day, one-week and one-month basis from a worst case scenario to ensure fund accessibility.

Simpler administration

- Single transaction required to purchase sub-fund units.
- Web-based reporting.
- Dealing and associated administration is carried out within sub-funds, boosting operating efficiency.

Other key features

- Each risk profile has a highly competitive rate of return.
- Ireland domiciled.
- UCITS status.
- Irish Stock Exchange listed.
- Independent board of trustees.

Fund specifics

	Liquidity Funds	Liquidity Plus Fund
Currency	£, €, \$	£
S&P risk rating	AAAm	AAAf/S1+
Accounting methodology	Constant NAV (£1)	Variable NAV
Moody's rating	Aaa-mf	
WAM	Typical range: 30-45 days Maximum: 60 days	Typical range: 90-270 days Maximum: 1 year
Maximum individual maturity	397 days ³	5 years
Minimum investment	£75,000	£75,000
Benchmark	7 day LIBID	3 month LIBID
Objective	The investment objective of these Funds is to provide investors with stability of capital and of Net Asset Value per share (in the case of stable Net Asset Value shares) and daily liquidity with an income which is comparable to sterling denominated short-dated money market interest rates	The investment objective of this Fund is to provide investors with stability of capital and income through investment in short-term fixed income and variable rate securities
Settlement period	Same day ⁴	4 days notice
Dealing cut-off time	1pm (except \$ class that is 2pm)	4pm

³ Government securities from FRNs – 2yrs. ⁴ Except class 4: T+1, class 4 is an accumulation class.

The value of investments and any income from them will fluctuate (this may partly be due to exchange rate changes) and investors may not get back the amount invested.

Insight Liquidity Funds plc (“ILF”), is an open-ended investment company domiciled in Ireland. ILF is regulated by the Irish Financial Services Regulatory Authority. The full prospectus and simplified prospectus are available at www.insightinvestment.com.

Find out more

For more information please contact:

Institutional Business Development

business.development@insightinvestment.com
020 7321 1547

Consultant Relationship Management

consultantrelations@insightinvestment.com
020 7321 1209

Client Relationship Management

cddirect@insightinvestment.com
020 7321 1499

www.insightinvestment.com

Telephone calls may be recorded.

Calls to 0845 numbers from landlines
can be charged at local call rate.

Call charges may vary by provider.



This document is only directed at investors resident in jurisdictions where our funds are registered. It is not an offer or invitation to persons outside of those jurisdictions. Insight Investment reserves the right to reject any applications from outside of such jurisdictions.

Issued by Insight Investment Funds Management Limited. Registered office 160 Queen Victoria Street, London EC4V 4LA.
Registered in England and Wales. Registered number 1835691. Authorised and regulated by the Financial Services Authority.

08242-07-11