

# INSIGHT INVESTMENT PROFILE

INSIGHT INVESTMENT IS EUROPE'S THIRD LARGEST INVESTMENT MANAGER<sup>1</sup>, MANAGING £681BN IN ASSETS<sup>2</sup> FOR PENSION FUNDS, INSURERS, SOVEREIGN WEALTH FUNDS AND FINANCIAL INSTITUTIONS.

As a specialist asset manager, we aim to deliver consistent and repeatable performance by focusing only on those things we believe we can do well, which include fixed income, risk management strategies including liability-driven investment (LDI) and currency risk management, absolute return and multi-asset.

Insight is headquartered in London, with offices in New York, Sydney, Tokyo and Frankfurt, and employs 926 people including 238 investment professionals. We are owned by The Bank of New York Mellon Corporation (BNY Mellon) and have investment decision-making autonomy, operating with an independent management structure and boards. As part of BNY Mellon's multi-boutique structure, Insight has the backing of a sound global financial institution for which asset management is a core strategic priority.

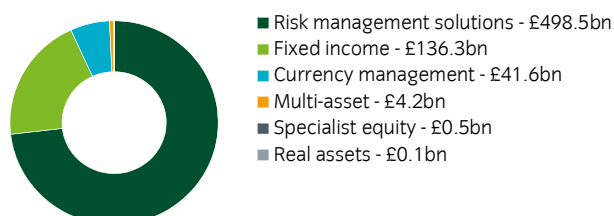
## OUR COMPANY

At the heart of Insight's investment philosophy is a determination to offer clients innovative solutions with the goal of delivering mutually agreed outcomes. By working in partnership with clients and their advisers, Insight develops effective investment strategies designed to evolve dynamically to meet their changing needs.

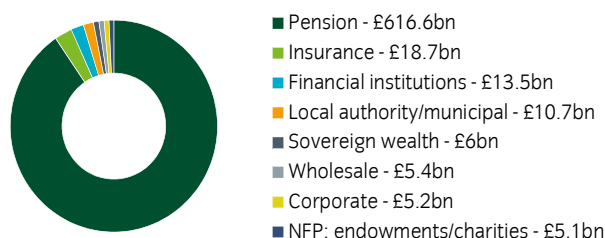
Since our launch in 2002, our partnership approach has delivered an impressive record of growing assets under management based on client advocacy, making Insight a leading force in investment management.

## ASSETS UNDER MANAGEMENT BREAKDOWN<sup>2</sup>

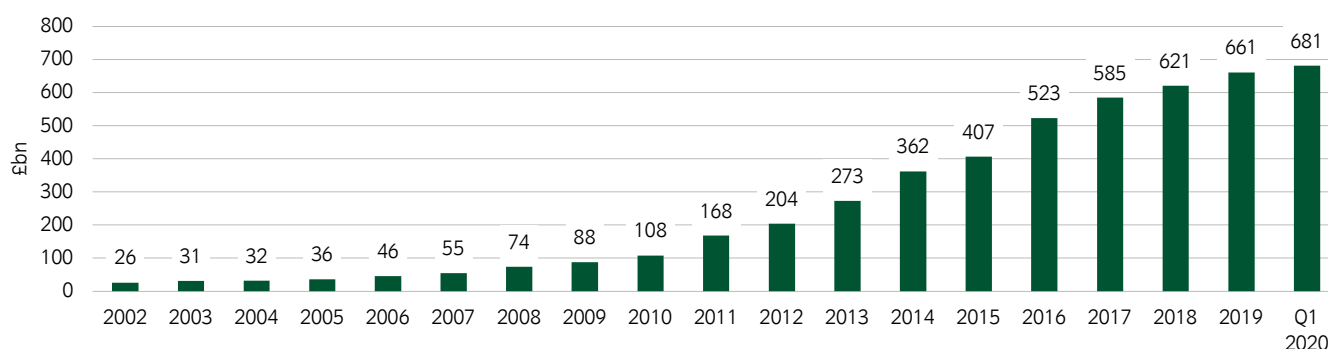
By investment area



By client type



## ASSETS UNDER MANAGEMENT<sup>2</sup>



<sup>1</sup> Source: 'Top 400 Asset Managers' survey, June 2018. Insight is ranked third out of the top 120 European institutional managers by total AUM for external Europe-domiciled institutional clients. <sup>2</sup> As at 31 March 2020. AUM are represented by the value of cash securities and other economic exposure managed for clients. Figures shown in GBP. Reflects the AUM of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIL), Insight Investment Management (Europe) Limited (IIMEL) and Insight North America LLC (INA), each of which provides asset management services. Excludes previous parent introduced assets prior to 2009.

## OUR EXPERTISE

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### Risk management and liability-driven investment

Insight was one of the pioneers of liability-driven investment (LDI), an essential component of pension funds' investment strategy to help them manage their funding level volatility. We believe that our active approach to LDI is a key differentiator for us in the market. By focusing on liabilities and managing the risks associated with delivering future cash flows, LDI aims to help clients to meet their funding objectives with less volatility and without compromising return. Since introducing our LDI capability, we have broadened our range of risk management strategies and continue to develop new solutions relevant to pension clients of all sizes and governance structures. These innovations include longevity risk management, synthetic equity strategies and tail-risk management.

Insight is a leading global LDI manager and in the 2019 Greenwich Survey<sup>3</sup>, UK consultants surveyed have ranked Insight first for Overall LDI Quality for the ninth consecutive year and first for Overall Fixed Income Quality for the sixth year running. Our LDI investment team consists of 60 LDI specialists covering every component of the design, implementation and management of a successful risk management strategy.

### Fixed income and cash

Our Fixed Income Group manages £136.3bn in fixed income assets through an experienced and well-resourced team of 118 fixed income specialists managing assets against a range of traditional and highly bespoke benchmarks. This expertise spans the spectrum of global fixed income opportunities and includes strategies such as global credit, buy and maintain and global absolute return bonds. The team also manages a wide range of US strategies, covering core, core plus, corporate, intermediate, select income and long duration fixed income in the world's biggest and most diverse credit market.

Our combined global secured lending and loans capability gives Insight a strong position in the space of low-default, illiquid credit investments. We also manage short duration, high-quality portfolios for public entities' operating cash assets, tailored to their specific cash flow and risk tolerances.

### Currency

Insight offers a range of strategies that aim to provide effective management of foreign currency exposures. Our team of currency specialists offers active currency overlay and hedging strategies to manage currency risk and cash flows in international investment portfolios. These model-driven strategies are tailored to meet the specific needs of large, sophisticated investors. In addition, Insight also provides access to strategies which aim to generate alpha from currency positions. These strategies have been constructed with the intention of providing returns that have a low correlation with other currency strategies, alternatives and traditional asset classes across different market environments.

### Absolute return and unconstrained

Our diverse fund range offers investors the ability to capture what we believe to be are our best ideas for investment in their respective asset classes. These ideas are implemented using a flexible investment strategy that targets lower volatility than a traditional long-only investment approach.

### Multi-asset

Insight launched its flagship multi-asset strategy – the Insight broad opportunities strategy – in December 2004 and has a track record that predates the global financial crisis. The strategy looks to generate returns of cash +4.5% gross of fees over an annualised five year period, with less than 50% of equity market volatility. A distinguishing feature of our approach is that we access traditional market-based returns, as well as a range of alternative strategies which are generally less correlated with broad asset class returns. This allows us to access an opportunity set broad enough to give us high levels of confidence that we can deliver a smoother path towards our targeted returns, through a wide range of market environments.

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<sup>3</sup>Source: Greenwich Associates 2019, GICF LDI-19 LDI overall, GICF FI-19 fixed income overall. LDI: results are based on interviews with 12 UK consultants evaluating LDI. Fixed income: results are based on interviews with 13 UK consultants evaluating fixed income managers. All data as at 31 March 2020 unless otherwise stated.

## IMPORTANT INFORMATION

### RISK DISCLOSURES

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, whether net or gross of investment management fees, reflect the reinvestment of dividends and/or income and other earnings. Any gross of fees performance does not include fees and charges and these can have a material detrimental effect on the performance of an investment.

Any target performance aims are not a guarantee, may not be achieved and a capital loss may occur. Strategies which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Portfolio holdings are subject to change, for information only and are not investment recommendations.

### ASSOCIATED INVESTMENT RISKS

The issuer of a debt security may not pay income or repay capital to the bondholder when due.

Derivatives may be used to generate returns as well as to reduce costs and/or the overall risk of the portfolio. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment.

Investments in bonds are affected by interest rates and inflation trends which may affect the value of the portfolio.

Where high yield instruments are held, their low credit rating indicates a greater risk of default, which would affect the value of the portfolio.

The investment manager may invest in instruments which can be difficult to sell when markets are stressed.

Where leverage is used as part of the management of the portfolio through the use of swaps and other derivative instruments, this can increase the overall volatility. While leverage presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment would be magnified to the extent that leverage is employed by the portfolio. Any losses would therefore be greater than if leverage were not employed.

The specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Also, many loans are not actively traded, which may impair the ability of the portfolio to realise full value in the event of the need to liquidate such assets.

Property assets are inherently less liquid and more difficult to sell than other assets. The valuation of physical property is a matter of the valuer's judgement rather than fact.

### FIND OUT MORE

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