

FOR WHOLESALE INVESTORS ONLY. NOT INTENDED FOR DISTRIBUTION TO,  
NOR SHOULD IT BE RELIED UPON BY RETAIL INVESTORS.  
NOT TO BE REPRODUCED WITHOUT PRIOR WRITTEN APPROVAL.  
PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT.



# INTRODUCING INSIGHT INVESTMENT

## INSIGHT IN NUMBERS<sup>1</sup>

1,164 EMPLOYEES WORLDWIDE

290 INVESTMENT PROFESSIONALS GLOBALLY

A\$1,159bn<sup>1</sup> AUM GLOBALLY

8 KEY OFFICES LONDON, NEW YORK, BOSTON, SAN FRANCISCO, DUBLIN, FRANKFURT, SYDNEY AND TOKYO

2002 INSIGHT INVESTMENT WAS FOUNDED

We are a leading global asset manager, responsible for over A\$1,159bn in assets under management across fixed income, multi-asset and risk management solutions. Through our heritage business, Insight has worked with Australian clients since 1993 and currently manages assets of A\$40.9bn for investors in Australia.

## WHAT MAKES US DIFFERENT?

**Focus on certainty:** We believe there are two types of risk – those that can be modelled and analysed using statistical techniques, and uncertainty which is harder to quantify. To help maximise the certainty of an outcome, a resilient approach to investment must cope with both uncertainty and risk. We believe investment processes should also be adapted to the level of uncertainty.

Everything we do is to help our clients maximise the certainty of their outcomes. This is why our investment platform is built on three pillars, each suited to deliver a specific outcome:

- Risk management solutions covering currency, equity, credit, rates and inflation exposure.
- A full spectrum active fixed income capability.
- A range of outcome-focused and unconstrained strategies, including multi-asset strategies.
- **A culture of ownership:** Insight has a team-based and strong ownership culture. We believe this creates true alignment between meeting the goals of our clients, our business objectives and individual incentives. At the heart of our investment philosophy is a determination to offer clients

## OUR CREDENTIALS

Differentiated investment proposition aims to maximise certainty of outcomes

Focus only on areas where we believe we can offer an investment edge

Working in partnership with our clients

A culture of ownership that fosters retention of strong talent

Owned by The Bank of New York Mellon Corporation

Read our Mission Statement [here](#)

Based in Sydney, our dedicated local team is committed to serving the needs of our Australian clients. At Insight, we continuously strive to develop new ways of investing to help deliver greater certainty of investment outcomes to meet the needs of our clients.

innovative solutions that are designed to deliver mutually agreed outcomes.

- **Investment innovation:** We are not afraid to challenge conventional thinking or the status quo. This perspective has shaped our investment platform and enabled us to stay at the forefront of investment innovation.

Insight was among the first asset managers to:

- Recognise the importance of liabilities to defined benefit pension schemes
- Expand the scope of fixed income investment by building global credit expertise and a specialist secured finance team
- Identify the unrewarded nature of currency risk and develop a rigorous and tested risk management framework
- Offer investors a broad range of investments in absolute return formats within asset classes and in multi-asset formats against a wide range of benchmarks

<sup>1</sup> As at 31 December 2022.

Figure 1: Managing uncertainty



At one end of the hierarchy of certainty there are established arbitrages in markets where the price of assets decline below their fair value, but are expected to return to their equilibrium price. Investors are exposed to mark-to-market risk, but buying on weakness offers the prospect of reward.

At the other end of this certainty hierarchy are investment positions based on the perceived forecasting skill of the investor. Successful active management also requires the precise targeting of risk and diversified sources of return aiming to deliver consistent performance.

## SPECIALIST INVESTMENT EXPERTISE<sup>2</sup>

We focus our investment capability on areas where we believe we can deliver an edge. It has evolved as we strive to build relevant solutions to meet our clients' sophisticated needs.

RISK MANAGEMENT SOLUTIONS	FIXED INCOME	OUTCOME ORIENTED AND UNCONSTRAINED
<ul style="list-style-type: none"> <li>• A long track record for currency solutions. Insight has been managing currency risk for our clients for over 25 years and the team currently manage A\$81.5bn of assets globally.</li> <li>• Pioneering solutions provider. Insight launched liability driven investing (LDI) in Europe in 2003 and the team now manage assets of A\$758.3bn.</li> <li>• Specialist skills encompass pension risk management, derivatives implementation, quantitative analysis and modelling as well as actuarial and portfolio management.</li> </ul>	<ul style="list-style-type: none"> <li>• 168 investment professionals globally; A\$372.9bn in in fixed income desk managed assets.</li> <li>• Strategies include traditional benchmark relative active strategies, strategic credit, efficient beta, US municipals and a suite of absolute return and unconstrained capabilities.</li> <li>• Expertise in derivatives to manage exposure, hedge risk and control liquidity.</li> <li>• Broad structured credit expertise encompassing ABS, RMBS, CMBS, CLOs, trade receivables, syndicated loans and direct lending.</li> </ul>	<ul style="list-style-type: none"> <li>• Long history of applying institutional-quality processes and governance to absolute return strategies across asset classes; A\$22.5bn AUM.</li> <li>• Outcome-oriented strategies with a wide range of objectives.</li> <li>• Unconstrained strategies reflect best ideas with the aim of downside protection and includes credit opportunities, emerging market debt and currencies.</li> <li>• Long track records for global multi-asset growth (2004).</li> </ul>

<sup>2</sup> As at 31 December 2022.

## Our investment range for Australia

### RISK MANAGEMENT SOLUTIONS

#### Currency risk management strategy

We offer a range of bespoke currency solutions that include simple passive hedges, quantitative model-driven strategies and emerging market currency diversification strategies.

#### Equity protection strategies

The strategy aims to maintain equity exposure but mitigate against the most severe declines. A range of strategies are possible, and investors can tailor more complex protection strategies to suit the specific risk and cost tolerances of a fund.

### OUTCOME ORIENTED AND UNCONSTRAINED

#### Multi-asset strategies

Within our multi-asset approach, our Diversified Inflation Plus Fund aims to deliver positive long term returns of 5% in excess of inflation over a rolling 5-year period before fees.

### FIXED INCOME

#### Global aggregate strategy

The strategy aims to outperform the Bloomberg Barclays Global Aggregate Index (AUD hedged) by 1.5% pa over rolling three-year periods, gross of fees, using broad and diverse sources of alpha including interest rates (duration, yield curve and country allocation), active currency positions, allocations to inflation-linked securities and credit strategy (credit allocation and stock selection).

#### Global sovereign strategy

The strategy aims to outperform the JPMorgan Global Government Bond (ex-UK) Index, hedged into AUD, by 1% pa over rolling three-year periods, gross of fees, using broad and diverse sources of alpha including interest rates (duration, yield curve and country allocation), active currency positions, and allocations to inflation-linked securities.

### Global credit strategy

The strategy aims to generate returns ahead of the wider market, and has the flexibility to invest across investment grade and high yield corporate bonds, loans, asset-backed securities and emerging market debt. Insight covers global credit across both developed and emerging markets strategies.

#### Emerging market corporate debt strategy

Our emerging market corporate debt strategy is actively managed against a benchmark, and is index aware, not index constrained. We screen for the most compelling investment propositions across hard and local currency corporate bonds, from investment grade through to high yield. Emerging market corporate debt has rapidly expanded into a varied and sizeable asset class, spanning many countries, issuers and sectors, each with their own distinct drivers.

#### Efficient beta strategies

Our strategies aim to harvest returns in certain, less liquid segments of the fixed income market by exploiting systematic and structural market inefficiencies which are often ignored by other managers as a result of the execution challenges due to poor market liquidity. Our 'Beta' strategies seek to earn sufficient alpha to deliver index-like returns with a low tracking error. Our 'BetaPlus' strategies employ greater tracking error to target higher alpha.

#### Municipal bond strategies

We seek to deliver a relatively high level of income and excess total return from actively managing portfolios of tax-exempt (for US investors) and taxable municipal bonds. Other potential benefits include historic low default rates due to the strong credit quality of state and local government issuers and diversification to other corporate bond holdings and equities.

## PARTNERING WITH OUR CLIENTS

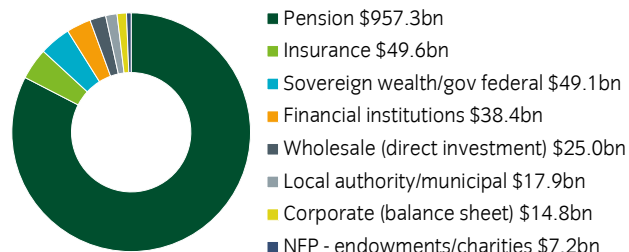
We partner with clients and their advisors to build portfolios that are designed to reflect their objectives, risk tolerance and time horizons. We typically deal with clients that require sophisticated solutions to address a complex range of investment needs.

Figure 2: Assets under management by investment area<sup>3</sup>



Our business is built on the advocacy of these clients. They not only share their experiences, but also their involvement in the development of our investment platform is essential in helping us to continuously sharpen our investment edge.

Figure 3: Assets under management by client type<sup>3</sup>



<sup>3</sup> As at 31 December 2022. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Figures shown in AUD. FX rates as per WM Reuters 4pm spot rates. 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.

## A RESPONSIBLE INVESTOR

At Insight, our approach to responsible investment is underpinned by the belief that environmental, social and governance (ESG) issues are important drivers of investment value. We are a founding signatory to the Principles for Responsible Investment (PRI) and we have been seeking to improve the integration of relevant and material ESG considerations into our decision-making processes.

We believe, as stated in our [Responsible Investment Policy](#), engagement with issuers can help us to better understand material ESG risks. Insight has developed Prime ESG ratings to help highlight relevant and material ESG risks. For example, the Prime sovereign ESG ratings to measure and rank countries according to ESG factors. By generating a rating that aims to reflect ESG risks, and momentum scores to help identify improving and deteriorating ratings, the ratings aim to give our

portfolio managers deeper information on long-term trends and enable us to understand how ESG risks might affect sovereign debt portfolios.

We also work with our clients, other investors and policymakers to support wider efforts focused on ensuring that financial markets are stable and effectively governed, and to encourage transparency and resilience across wider social, environmental and economic risks.

We believe integrating ESG considerations in our fixed income investment process, including the use of engagement with issuers to better understand material ESG risks that we may identify, can support better investment decision making and ultimately help our clients to achieve their desired outcomes.

## THE HISTORY OF INSIGHT IN AUSTRALIA

1991	1993	1996	2004	2007	2013	2016	2021
Pareto Partners formed as a corporate partnership between six investment professionals and Mellon Bank.	First Australian client.	Australian office opened.	Mellon Financial Corporation acquired full ownership of the firm.	Mellon Financial Corporation and The Bank of New York Company merged.	Pareto Investment Management became part of Insight. Insight Pareto was launched in Australasia and North America.	Insight Pareto was rebranded as Insight Investment in Australia.	As part of the transition of fixed income teams from Mellon Investments, introduced Efficient Beta, Municipals and Stable Value capabilities.

## 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.

Some products and services that Insight Investment has expertise in are only available to persons in certain named countries that meet certain criteria. Such products and services may be available through different members of the Insight Investment group.


### ASSOCIATED INVESTMENT RISKS

#### ESG

- Investment type:** The application and overall influence of ESG approaches may differ, potentially materially, across asset classes, geographies, sectors, specific investments or portfolios due to the nature of the specific securities and instruments available, the wide range of ESG factors which may be applied and ESG industry practices applicable in a particular investable universe.
- Integration:** The integration of ESG factors refers to the inclusion of ESG risk factors alongside financial risk factors in investment analysis and research to judge the fair value of a particular investment and may also include the monitoring and reporting of such risks within a portfolio. Integrating ESG factors in this way will not typically restrict the potential investable universe, but rather aims to ensure that relevant and material ESG risks are taken into account by analysts and/or portfolio managers in their decision-making, alongside other relevant and material financial risks.
- Ratings:** The use and influence of our ESG ratings in specific investment strategies will vary, potentially significantly, depending on a number of factors including the nature of the asset class and the structure of the investment mandate involved. For an investment portfolio with a financial objective, and without specific ESG or sustainability objectives, a high or low ESG rating may not automatically lead to a buy or sell decision: the rating will be one factor among others that may help a portfolio manager in evaluating potential investments consistently.
- Engagement activity:** The applicability of Insight firm level ESG engagement activity and the outcomes of this activity relating to buy, hold and sell decisions made within specific investment strategies will vary, potentially significantly, depending on the nature of the asset class and the structure of the investment mandate involved.
- Reporting:** The ESG approach shown is indicative and there is no guarantee that the specific approach will be applied across the whole portfolio.

- **Performance/quality:** The influence of ESG criteria on the overall risk and return characteristics of a portfolio is likely to vary over time depending on the investment universe, investment strategy and objective and the influence of ESG factors directly applicable on valuations which will vary over time.
- **Costs:** The costs described will have an impact on the amount of the investment and expected returns.
- **Forward looking commitments and related targets:** Where we are required to provide details of forward-looking targets in line with commitments to external organisations, e.g. Net Zero Asset Managers Initiative, these goals are aspirational and defined to the extent that we are able and in accordance with the third party guidance provided. As such we do not guarantee that we will meet them in whole or in part or that the guidance will not evolve over time. Assumptions will vary, but include whether the investable universe evolves to make suitable investments available to us over time and the approval of our clients to allow us to align their assets with goals in the context of the implications for their investments and issues such as their fiduciary duty to beneficiaries.

Insight applies a wide range of customised ESG criteria to mandates which are tailored to reflect individual client requirements. Individual investor experience will vary depending on the investment strategy, investment objectives and the specific ESG criteria applicable to a Fund or portfolio. Please refer to the investment management agreement or offering documents such as the prospectus, Key Investor Information Document (KIID) or the latest Report and Accounts which can be found at [www.insightinvestment.com](http://www.insightinvestment.com) and where applicable information in the following link for mandates in scope of certain EU sustainability regulations <https://www.insightinvestment.com/regulatory-home/sustainability-regulations/>; alternatively, speak to your main point of contact in order to obtain details of specific ESG parameters applicable to your investment.





**Insight Investment**  
Level 2, 1-7 Bligh Street,  
Sydney NSW 2000  
+61 2 9260 6655


**Bruce Murphy**  
Director, Australia and New Zealand  
[bruce.murphy@insightinvestment.com](mailto:bruce.murphy@insightinvestment.com)

**Amy Clements**  
Investment Specialist, Australia and New Zealand  
[amy.clements@insightinvestment.com](mailto:amy.clements@insightinvestment.com)

**Ben Ereira**  
Investment Specialist, Australia and New Zealand  
[ben.ereira@insightinvestment.com](mailto:ben.ereira@insightinvestment.com)

 @InsightInvestAU

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

 [www.insightinvestment.com](http://www.insightinvestment.com)

This document is a financial promotion and is not investment advice.

This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended or forwarded to a third party without consent from Insight Investment.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to seek professional advice regarding any potential strategy or investment.

For a full list of applicable risks and before investing, where applicable, investors should refer to the Prospectus, other offering documents, and the KIID which is available in English and an official language of the jurisdictions in which the fund(s) are registered for public sale. Please go to [www.insightinvestment.com](http://www.insightinvestment.com)

Unless otherwise stated, the source of information and any views and opinions are those of Insight Investment.

Telephone conversations may be recorded in accordance with applicable laws.

**For clients and prospects of Insight Investment Management (Global) Limited:** Issued by Insight Investment Management (Global) Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 00827982.

**For clients and prospects of Insight Investment International Limited:** Issued by Insight Investment International Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 03169281.

Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited are authorised and regulated by the Financial Conduct Authority in the UK. Insight Investment Management (Global) Limited and Insight Investment International Limited may operate in certain European countries in accordance with local regulatory requirements.

**For clients and prospects based in Australia and New Zealand: This material is for wholesale investors only (as defined under the Corporations Act in Australia or under the Financial Markets Conduct Act in New Zealand) and is not intended for distribution to, nor should it be relied upon by, retail investors.** Both Insight Investment Management (Global) Limited and Insight Investment International Limited are exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services; and both are authorised and regulated by the Financial Conduct Authority (FCA) under UK laws, which differ from Australian laws. If this document is used or distributed in Australia, it is issued by Insight Investment Australia Pty Ltd (ABN 69 076 812 381, AFS license number 230541) located at Level 2, 1-7 Bligh Street, Sydney, NSW 2000.

© 2023 Insight Investment. All rights reserved.