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# PRIME — INSIGHT'S CORPORATE ESG RATINGS

MARCH 2023

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// To invest responsibly, we aim to take every material risk into account. Prime is a key part of our effort to identify key environmental, social and governance risks. //

ABDALLAH NAUPHAL, CHIEF EXECUTIVE OFFICER





# INTRODUCTION

Environmental, social and governance (ESG) risks can have a clear impact on the financial performance of an investment.

Insight Investment is focused on precision investment and risk management to help our clients achieve their goals. Information on material ESG risks can be crucial for effective investment decisions, but ESG data providers often disagree, and there are gaps in available information.

We decided to apply our years of experience in analyzing ESG risks in taking data from multiple inputs, adjusted using our in-house expertise, to generate ESG ratings that we believe more accurately and reliably reflect material risks.

**This led us to create Prime: Insight's proprietary ESG ratings.**

In this brochure, we explain Prime corporate ratings, which aim to highlight the key ESG risks companies face.



Powered by Insight Investment

## PRIME CORPORATE ESG RATINGS: KEY NUMBERS



<sup>1</sup> As measured using the Bloomberg Global Aggregate Credit Index, excluding non-corporate and non-debt constituents, using the total weight of the remaining benchmark instruments. This index consists mostly of investment grade corporate bonds. This data is indicative only.

## HOW INSIGHT USES PRIME

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- Prime corporate ESG ratings are integrated within Insight's investment processes where relevant, such as in many corporate bond investment strategies. They aim to help our analysts and portfolio managers consider material ESG risks in their investment decisions and to identify potential for constructive engagement with corporate issuers.
- For clients seeking investment strategies that reflect their views on ESG issues, Prime ratings enable dedicated solutions and portfolios with specific ESG criteria.

## HOW PRIME HELPS INVESTORS

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- Prime processes multiple data inputs, with our portfolio managers and analysts overlaying their expertise to ensure it reflects the risks that issuers face.
- We believe Prime generates high-quality ratings that are particularly relevant for fixed income investors, as it focuses on material risks regarding default and builds in our analysts' qualitative judgment.
- Prime offers a transparent and powerful interface for Insight's portfolio managers and analysts to interrogate the information it provides, helping them to understand exactly why an issuer or sector receives a particular rating.

## APPLYING PRIME RATINGS

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- Prime ESG ratings are a valuable input into our research process alongside other factors we consider when assessing risks and opportunities in investments to define an appropriate valuation.

The use and impact of our ESG ratings in specific investment strategies will vary, potentially significantly, depending on the nature of the asset class and the structure of the investment mandate involved.

For specific details of how we use Insight's Prime ratings in our investment solutions, please contact your Insight relationship manager.



# PRIME CORPORATE ESG RATINGS

## AN OVERVIEW

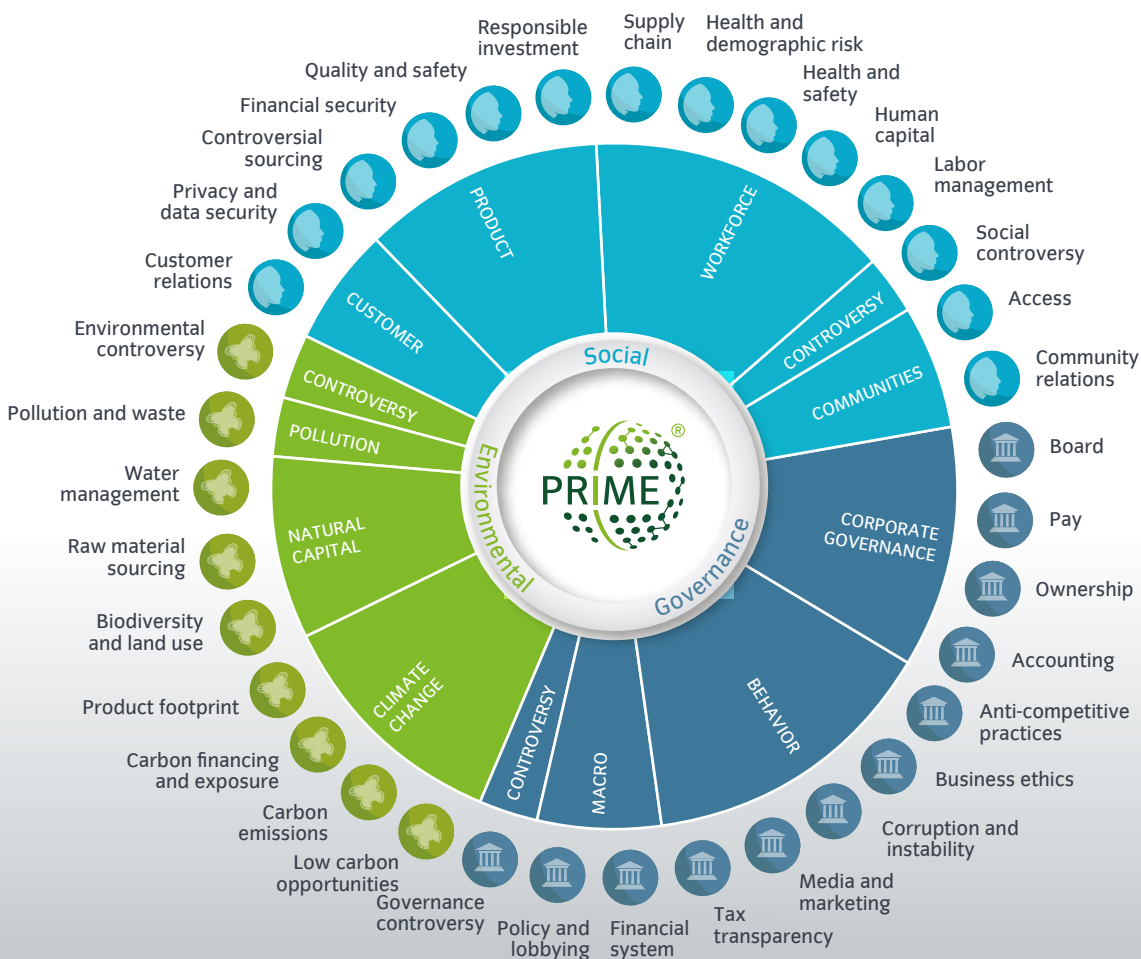
PRIME CORPORATE ESG RATINGS ARE BASED ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE RATINGS, WHICH IN TURN REST ON 35 SEPARATE SCORES FOR A WIDE RANGE OF KEY ESG ISSUES.

The ratings are generated using inputs from numerous ESG data providers, adjusted for quality and relevance by Insight's experts, who also weight them according to their significance for different sectors.

Prime corporate ESG ratings were created to generate ESG ratings that we believe more accurately and reliably reflect the risks that corporates face.

It aims to help our analysts and portfolio managers consider material ESG risks, informing their decision-making and engagement, and to enable portfolios for clients requesting specific ESG criteria.

Figure 1: The Insight corporate ESG framework<sup>2</sup>



<sup>2</sup>For illustrative purposes only.

# IN DEPTH

## THE KEY ESG ISSUES



PRIME GENERATES SCORES ACROSS 35 KEY ESG ISSUES THAT COULD BE MATERIAL FOR DIFFERENT SECTORS AND COMPANIES.

Over time, these issues may become more, or less, significant for different sectors; and while some may be irrelevant to all but a few industries, others – such as governance issues – could be a key concern for analysts regardless of the sector within which a company operates.

In this section we offer examples of sectors that might be exposed to particular issues, but these should be taken as illustrative examples rather than comprehensive lists. They do not represent current weightings within Prime.

Table 1: Key ESG issues covered by Prime corporate ratings

ENVIRONMENTAL	Description	Material risk for
<b>CLIMATE CHANGE</b>		
<b>Carbon emissions</b>	How a company manages carbon dioxide emissions that it produces directly or indirectly.	Utilities, transportation, energy
<b>Carbon financing and exposure</b>	The extent to which a company uses, and/or is exposed to, financing to offset the impact of its carbon emissions.	Utilities, real estate, insurance
<b>Low carbon opportunities</b>	The extent to which a company is exposed to, and leverages opportunities to reduce the carbon of its operations.	Software and services, technology
<b>Product footprint</b>	How a company's product or service contributes to climate change, typically measured through the carbon emissions related to the product or service.	Autos, real estate
<b>NATURAL CAPITAL</b>		
<b>Biodiversity and land use</b>	The impact of a company's activities on the land on which it operates, and the variety and variability of living organisms, and whether it has appropriate mitigation strategies.	Energy, real estate
<b>Raw material sourcing</b>	How a company sources raw materials, the extent to which its sources are sustainable or have an environmental impact, and the effect of any mitigation policies.	Materials, food and beverage, household and personal products, real estate
<b>Water management</b>	The operational reliance on water, and the ability to source and utilize water reliably and without intervention.	Energy, utilities, technology hardware and equipment
<b>POLLUTION</b>		
<b>Pollution and waste</b>	How a company manages pollution and waste; in particular, noxious gases and packaging.	Transportation, real estate, capital goods, materials, energy, utilities
<b>CONTROVERSY</b>		
<b>Environmental controversy</b>	Active controversy over how a company manages its impact on the natural environment.	Autos, energy, real estate, capital goods, materials, transportation
SOCIAL	Description	Material risk for
<b>CUSTOMER</b>		
<b>Customer relations</b>	The risk of financial impact to a company owing to good or bad relationships with its customers.	Food and staples retail, autos, transportation
<b>Privacy and data security</b>	Management and vulnerability to privacy and/or data breaches, which could bring severe legal and reputational consequences.	Retail, software and services, financials
<b>PRODUCT</b>		
<b>Controversial sourcing</b>	The potential for controversy over how a company's product, or components for a product, are sourced.	Materials, technology hardware and equipment, telecommunication services
<b>Financial security</b>	The extent to which a company's financial products may be exposed to highly indebted borrowers, or borrowers unable to repay.	Financials, insurance

<b>SOCIAL</b>	<b>Description</b>	<b>Material risk for</b>
Quality and safety	The quality and safety of a product or service, including factors such as product recalls and warranty payments.	Healthcare equipment and services; pharmaceuticals, biotechnology and life sciences; household and personal products, autos
Responsible investment	The extent to which a company's investment portfolios are exposed to ESG-related risks.	Financials, insurance
<b>WORKFORCE</b>		
Supply chain	How a company's network for production and distribution manages its workforce, and extent to which this may affect the company.	Consumer durables and apparel, household and personal products
Health and demographic risk	The potential impact of health and population trends on a company.	Insurance; pharmaceuticals, biotechnology and life sciences
Health and safety	A company's health and safety policies and practice with regard to its operations.	Transportation, retail
Human capital	The extent to which a company depends on human skills, knowledge or experience.	Retail, media
Labor management	How a company manages its own workforce.	Consumer services, retail, consumer durables and apparel
<b>CONTROVERSY</b>		
Social controversy	Active controversy over how a company manages its impact on society.	Banks, energy
<b>COMMUNITIES</b>		
Access	The extent to which a company's products and services seek to service new and previously under-served populations and demographics.	Pharmaceuticals, biotechnology and life sciences, healthcare equipment and services
Community relations	The extent to which a company engages constructively and effectively with the communities in their sphere of influence, such as those who share vital resources.	Energy, materials
<b>GOVERNANCE</b>	<b>Description</b>	<b>Material risk for</b>
<b>CORPORATE GOVERNANCE</b>		
Board	The experience, knowledge, structure and effectiveness of a company's board of directors.	Most sectors
Pay	How remuneration is decided and structured for a company's employees.	Retail, banks, consumer durables and apparel
Ownership	Who owns the company and the mechanisms by which owners exert influence over the company.	Media, most sectors
Accounting	The significance of accounting in driving a company's operations and decisions.	Insurance, banks, most sectors
<b>BEHAVIOR</b>		
Anti-competitive practices	The potential for a company to engage in practices that suppress competition.	Capital goods, technology hardware and equipment, autos
Business ethics	Sensitivity to a potential breach in ethics affecting the business.	Banks, autos, capital goods
Corruption and instability	How the potential for corruption and instability, either in the business or the jurisdictions within which it operates, could affect its operations.	Utilities, materials, capital goods, banks
Media and marketing	How a company uses and is affected by media and marketing activities and trends.	Pharmaceuticals, biotechnology and life sciences
Tax transparency	How an organization manages the tax it pays.	Utilities, financials
<b>MACRO</b>		
Financial system	The extent to which instability in the wider financial system may affect a company's operations.	Banks, financials, insurance
Policy and lobbying	How changes in regulation and government policy, or the impact on lobbying, may affect a company.	Financials, media, capital goods
<b>CONTROVERSY</b>		
Governance controversy	Active controversy over a company's governance practices.	Banks, energy, autos

# HOW PRIME GENERATES CORPORATE ESG RATINGS

PRIME FOLLOWS A TRANSPARENT AND ROBUST PROCESS TO GENERATE ESG RATINGS, GUIDED BY INSIGHT'S QUANTITATIVE RESEARCHERS, ANALYSTS AND EXPERTS IN SEEKING TO ENSURE THE RATINGS REFLECT THE MATERIAL RISKS THAT DIFFERENT INDUSTRIES AND CORPORATES FACE.

## HOW PRIME GENERATES ESG RATINGS

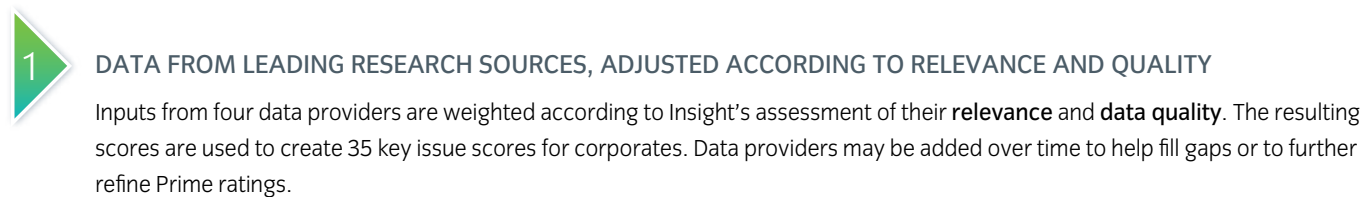



Figure 2: Insight's ESG team weights data inputs according to their quality and relevance<sup>3</sup>

	Metric	Relevance	Data quality	Final weighting	
PROVIDER 1: Water management Score: 6/10	Provider 1 water management score	2.00	1.00	2.00	<b>PRIME WATER MANAGEMENT SCORE</b> Weighting and combining provider scores <b>6 out of 10</b> 
PROVIDER 2: Water management Score 8/10	Provider 2 water management score	0.30	0.50	0.15	
PROVIDER 3: Water management Score 5/10	Provider 3 water management score	0.30	0.10	0.03	

<sup>3</sup>This is an illustrative example to demonstrate the type of datapoint weighting calculations conducted within Prime.




## MATERIAL RISKS IDENTIFIED AND WEIGHTED ACCORDING TO SECTOR

Different ESG issues matter more for specific sectors. For example, data security is a key issue for software and services firms, labor management is important for retail, and quality and safety are crucial for healthcare equipment and autos.

Prime assigns different weights to key ESG issues according to their relevance to the industry group.

Figure 3: How material ESG issues for a sample sector receive higher weights<sup>4</sup>

	CATEGORY	WEIGHT			
		Small	Med	Large	
	Climate change	Carbon emissions		✓	
		Carbon financing and exposure		✓	
		Low carbon opportunities		✓	
		Product footprint		✓	
	Natural capital	Biodiversity and land use	✓		
		Raw material sourcing		✓	
		Water management	✓		
	Pollution	Pollution and waste		✓	
	Controversy	Environmental controversy		✓	
		Customer	Customer relations		✓
Privacy and data security			✓		
Product		Controversial sourcing		✓	
		Financial security	✓		
		Quality and safety		✓	
		Responsible investment	✓		
Workforce		Supply chain		✓	
		Health and demographic risk	✓		
		Health and safety			✓
		Human capital		✓	
		Labor management		✓	
Controversy		Social controversy			✓
Communities		Access	✓		
		Community relations			✓
Corporate governance		Board		✓	
	Pay		✓		
	Ownership		✓		
	Accounting		✓		
Behavior	Anti-competitive practices			✓	
	Business ethics		✓		
	Corruption and instability		✓		
	Media and marketing	✓			
	Tax transparency	✓			
Macro	Financial system instability	✓			
	Policy and lobbying			✓	
Controversy	Governance controversy		✓		
					

<sup>4</sup>For illustrative purposes only. Prime uses numerical weights for sectors based on inputs from data providers and Insight analysts, as described elsewhere in this document.

3

TRANSPARENT ESG SCORES GENERATED TO REFLECT THE RISKS THAT CORPORATES FACE

For each entity covered by Prime, after key ESG issue scores are generated and weighted, they are combined to generate separate environmental, social and governance scores. These in turn are combined to generate an overall ESG rating.

Figure 4: Prime generates ESG scores that reflect the material risks a company faces<sup>5</sup>



4

ESG RATINGS ARE NORMALIZED AGAINST SECTOR PEERS

The overall ESG rating is designed to indicate an issuer’s performance relative to its peers.

ESG ratings for companies are therefore ‘normalized’ within their industry: in other words, there will be a similar proportion of highly rated companies within, for example, the banking and energy sectors – though banks and energy companies face very different ESG risks.

As a result, Prime identifies companies which are best-in-class within a sector, even if they are in an industry group exposed to more ESG risks.

<sup>5</sup> For illustrative purposes only. Prime uses numerical weights for sectors based on inputs from data providers and Insight analysts, as described elsewhere in this document.



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Fixed income is a major asset class dominating institutional portfolios. It's abundantly clear that ESG risks impair asset values. Through our proprietary ESG scores we can precisely target these risks and seek to influence companies to improve on material ESG issues.

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**LUCY SPEAKE,**  
CO-HEAD OF FIXED INCOME





# HOW INSIGHT'S PORTFOLIO MANAGERS AND ANALYSTS USE PRIME

INSIGHT IS DEDICATED TO PRECISION INVESTING THAT HELPS CLIENTS ACHIEVE THEIR GOALS, AND WE BELIEVE ANALYSIS OF ESG ISSUES CAN PLAY A CENTRAL ROLE.

Prime helps our portfolio managers and analysts to:

- **consider material ESG risks**, supporting their investment decisions and identifying potential for constructive engagement with issuers; and
- **build dedicated strategies for clients** seeking portfolios that reflect specific ESG criteria.

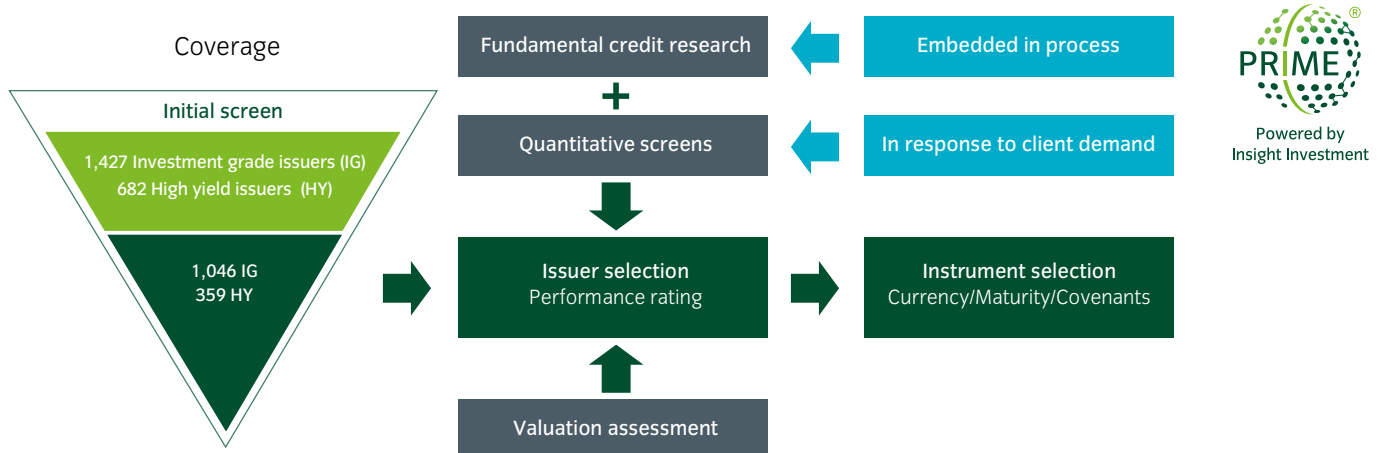
The Prime corporate ESG ratings are used for various asset classes and strategies where deemed relevant. In this section, we focus on their use within corporate bond portfolios.

## INTEGRATING ESG RISKS WITHIN THE INVESTMENT PROCESS FOR CORPORATE BONDS

Default risk is the prism through which our analysts consider every issue. A full investment analysis is required to inform an investment decision and ESG risks are a necessary element in assigning a credit rating that indicates the relative risk of default loss.

Through the combination of ESG risk screening and financial analysis, Insight's extended credit risk appraisal process brings together an assessment of the financial risks associated with a company's performance with a clearly defined set of key business risks, including ESG considerations, as a part of the mainstream investment process.

Figure 5: ESG risks are integrated within Insight's credit analysis<sup>6</sup>



### Engagements with companies about ESG issues

We believe that engagement with company management can play an important role in helping our analysts and portfolio managers identify and manage risk, and in building portfolios that reflect our clients' requirements. Insight conducts two types of engagement:

- engagement focusing on identifying risk, and
- engagement focusing on a company's behavior ('impact').

<sup>6</sup> As of December 31, 2022. For illustrative purposes only.

Identifying topics and targets for engagement is informed by our clients' interests and our engagement with them. Engagements are identified and prioritized through a financial materiality lens, which looks at the following criteria:

1. Potential ESG risks identified through our Prime ESG and climate ratings, and controversy flags
2. Potential ESG impacts which are aligned with client desired outcomes
3. Size of holding

Both our Responsible Investment Team and investment professionals identify and implement engagements. Their responsibilities are outlined below:

- **Responsible Investment Team:** The Responsible Investment Team monitors and reviews wider ESG initiatives and considers appropriate collaborative initiatives. Where specific sustainability concerns arise, the Responsible Investment Team organize calls or meetings with an issuer, where they will set objectives in advance which will be discussed with the issuer. The Responsible Investment Team share their perspective directly with investment teams and complete an engagement log (see below). Issuer progress against engagement targets is tracked over time to understand the success of the engagements. The Responsible Investment Team will also be responsible for running our thematic engagement program in 2022, which focuses on climate change, water and diversity and inclusion.
- **Investment professionals:** Based on qualitative analysis and research, including proprietary questionnaires developed for specific markets, our investment teams identify the engagement issues relevant for specific issuers within their coverage universe. Engagement themes are identified, and relevant targets are set in order to encourage change with each issuer. The ESG-specific performance objectives, which account for 10-20% of their annual performance evaluation require our team of credit analysts to:
  - Evidence they have reviewed critically ESG risks faced by issuers.
  - Ensure ESG ratings are noted and commented on as follows:
    - All '5' ratings (the worst possible in the Prime corporate ESG ratings framework) are commented on and explained.
    - All new issuers/new positions commented on regardless of ESG scores being strong/weak.
- **Undertake a minimum of two company-specific ESG deep-dive engagements as agreed with the Head of Credit Analysis.** These have been identified based on analyst industry or sector focus, and cover laggards in ESG issues, such as carbon disclosure, labor rights and governance shortcomings.





## BUILDING PORTFOLIOS WITH ESG-SPECIFIC CRITERIA

Prime ratings can be used to help build portfolios for investors seeking to invest in line with specific ESG criteria. Where appropriate, we normalize these ratings by asset class to reflect the opportunity set available; for example, in emerging markets. Other ESG criteria may include sector exclusions or a bias in favor of specific metrics (see Table 2), as well as requirements for proactive engagement on ESG issues.

The investment criteria of Insight's Responsible Horizons strategies include a commitment to avoid investments with worst-in-class ESG profiles and actively allocate towards those with best-in-class and/or improving characteristics, based on Prime ratings.

Table 2: Investors may seek to build portfolios with a wide range of ESG-specific criteria<sup>7</sup>

<b>Exclusion screens</b>	Screen out holdings using criteria to prevent investments in certain business activities, such as tobacco, weapons and alcohol.
<b>Controversy screens</b>	Managing exposure to companies with past high-profile events that suggest they don't meet globally respected standards such as the UN Global Compact and those set out by the International Labor Organization.
<b>Best in class</b>	Using ESG ratings to tilt portfolios away from companies with the worst ESG performance or the highest ESG risks, and towards companies with the best ESG performance or the lowest ESG risks.
<b>Low carbon</b>	Identifying companies with poor carbon emissions performance or those demonstrating greater environmental risk, using this information to reduce the carbon footprint of portfolios.
<b>Positive impact</b>	Tilting portfolios in favor of either individual bonds or corporate issuers that have a sustainability element. This includes impact bonds and the UN Sustainable Development Goals.

<sup>7</sup>These descriptions are for illustrative purposes only.



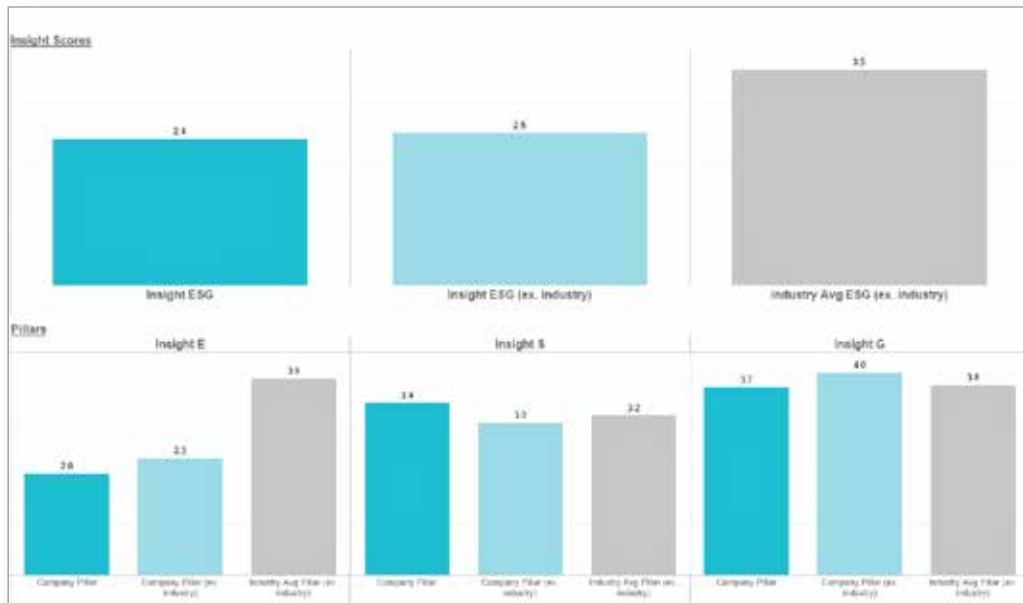




## AN OVERVIEW OF A COMPANY'S ESG RATING AND UNDERLYING SCORES

Prime displays at a glance how a company scores on ESG risks relative to its industry peers.

Figure 7: How a company compares on overall ESG risks relative to its peers and the wider universe



// ESG risks differ by sector. The best ESG assessments consider the materiality of each sector risk as a continuous variable to account for these differences, as well as the many nuances. //

**TUDOR THOMAS, SENIOR QUANTITATIVE RESEARCHER**



## HOW THE COMPANY SCORES ACROSS 35 KEY ESG ISSUES

Users can see how material key ESG issues are for a company, how a company's scores across these issues vary from the average across the coverage universe, and within the company's sector.

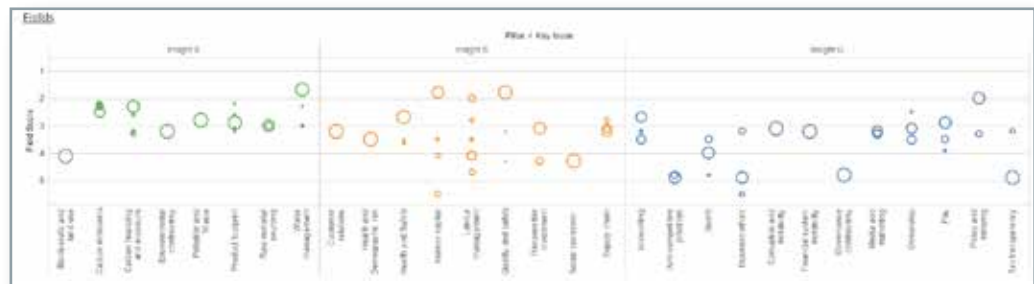
Figure 8: Users can see how a company scores across key ESG issues relative to its sector peers



## UNDERLYING FACTORS DRIVING A COMPANY'S KEY ISSUE SCORES

The dashboard illustrates how key ESG issue scores for a company are derived from the underlying data sources and weightings of different underlying data inputs, allowing analysts to interrogate Prime ratings in detail. It also highlights any gaps in the underlying data.

Figure 9: Prime helps users understand the specific inputs driving a company's scores across key ESG issues





# FREQUENTLY ASKED QUESTIONS

- **How often are Prime corporate ESG ratings updated?**

Prime ratings are updated quarterly. Inputs from data providers are checked for high-level fidelity and consistency, then incorporated into Prime. These regular updates help our analysts to understand how both short and long-term risks are having an impact on the industries and companies they cover.

- **Is there a mechanism for reviewing or adjusting the ratings generated by Prime?**

Prime offers a detailed interactive dashboard to help Insight's specialists to help them understand a company's ESG rating and how it was generated.

If an analyst believes that a rating is too high or too low as a result of incorrect data, and that this warrants adjustment, there is a formal process under which they may apply for a rating change to an independent Ratings and Exclusions Group. The Group members eligible to vote on these matters exclude portfolio managers or analysts with potential conflicts of interest. Any change to ratings made as a result of this process is documented and reviewed periodically.

- **How does Prime deal with gaps in corporate ESG data?**

The transparency within Prime, which shows in detail how ratings are generated, enables analysts and portfolio managers to identify gaps in underlying data at a glance, raising the potential for further qualitative research and engagement with company management. This activity will serve to further inform our teams of material ESG risks, and may be used to adjust the Prime rating if material risks are identified.

## INSIGHT'S RESPONSIBLE INVESTMENT AND FIXED INCOME CREDENTIALS

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- Insight was a founding signatory to the PRI in 2006, the world's leading proponent of responsible investment.
- We have been supporters of the Institutional Investors Group on Climate Change (IIGCC) and CDP initiatives since our founding in 2002.
- Insight manages ESG strategies including those with best-in-class, climate, positive impact and exclusion objectives and criteria. Alongside Prime corporate ESG ratings, Insight uses proprietary sovereign ESG and climate risk ratings.



## 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 what we believe to be 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 organizations, 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 customized 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.


### FIND OUT MORE

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Assets under management (AUM) represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Regulatory assets under management without exposures can be provided upon request. Unless otherwise specified, the performance shown herein is that of Insight Investment (for Global Investment Performance Standards (GIPS), the 'firm') and not specifically of Insight North America. A copy of the GIPS composite disclosure page is available upon request.

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.

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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15826-04-23