

Institutional investors only
(not for onward distribution)

Morningstar Rating **★★★**

Fund Manager
Richard House
Since: 01 2008

Fund facts

Index: JP Morgan EMBI Global
Fund size: \$1,187.72m
Launch date: 26/12/1997
Fund domicile: United Kingdom

Share class & general
Institutional I Acc USD

Period end NAV price: 2.85
Sedol: B1XK5Q4
ISIN: GB00B1XK5Q40
Bloomberg: TEBDIGA LN Equity
Reuters: --
MEX ID: ADEBOU
WKN: A0MUPM
Valoren: 3120444

Institutional X Acc USD

Period end NAV price: 1.12
Sedol: B0ZZSC7
ISIN: GB00B0ZZSC77
Bloomberg: --
Reuters: --
MEX ID: --
WKN: A0JJ10
Valoren: 2508220

All information expressed in USD

Contact Details

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Source: FactSet

Threadneedle Emerging Market Bond Fund

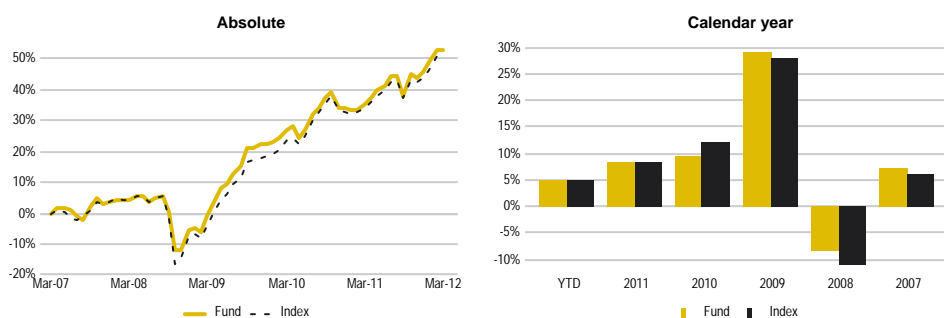
Investment objective and policy

The Fund aims to achieve a total return primarily by way of income with some capital growth.

The Fund invests primarily in high yielding public sector sovereign bonds issued by emerging market borrowers. Emerging Market countries are those characterised as developing or emerging by either the World Bank, the United Nations or the JPMorgan Global Diversified Emerging Market Bond Index.

If desirable, the Manager may further invest up to one third of the total assets of the Fund in other fixed interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. In addition, the Fund may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to EPM techniques.

5 year performance



Fund performance

	1M %	3M %	YTD %	1Y %	3Y %	5Y %	10Y %
Fund (Gross)	0.1	5.1	5.1	13.3	15.7	8.9	12.7
Index (Gross)	0.1	4.9	4.9	12.6	16.5	8.6	10.9

Periods over one year are annualised

Performance 12 months ending

31 Mar 08	31 Mar 09	31 Mar 10	31 Mar 11	31 Mar 12
4.2%	-5.0%	28.4%	6.4%	13.3%

All Performance returns shown above are gross of total expenses and are at fund level using global close authorised valuations based on in-house calculated transactions with cash flow at start of day.

Top 10 Issues

	Port %	Index %
Gov Of Russia 7.5% 31-Mar-2030	4.7	4.0
Gov Of Russia 5.0% 29-Apr-2020	3.8	0.8
Gov Of Venezuela 9.25% 07-May-2028	3.1	0.4
Gov Of Brazil 5.875% 15-Jan-2019	2.6	0.5
Gov Of Turkey 6.75% 03-Apr-2018	2.5	0.5
Venezuelan National Petroleum Co. 8.5% 02-Nov-2017	2.4	1.2
Gov Of Turkey 7.5% 07-Nov-2019	2.3	0.4
Gov Of Mexico 5.625% 15-Jan-2017	2.0	0.8
Gov Of Venezuela 9.25% 15-Sep-2027	2.0	0.7
Gov Of Russia 7.6% 14-Apr-2021	2.0	--

Total number of issues in portfolio: 91 **Total Port % in top 10:** 27.5

Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise. Copyright © 2012 Morningstar UK Ltd.

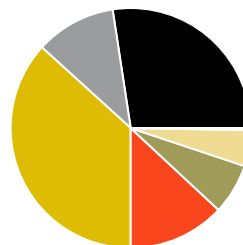
Subscriptions to a fund may only be made on the basis of current Prospectus. Investors should note the 'Risk factors' section of the Prospectus in terms of risks applicable to investing in any fund. The mention of securities is not a recommendation to deal.

Yield & duration

	Port	Index
Yield to maturity*	5.16	5.17
Effective duration*	7.22	7.32

* A small proportion of the portfolio has been estimated internally by Threadneedle in respect of these measures as underlying data not publicly available

Maturity breakdown



Over 15 years	27.4%
10 -15 years	10.9%
7 - 10 years	36.7%
5 - 7 years	13.0%
3 - 5 years	6.9%
1 - 3 years	5.0%
0 - 1 year	.0%
Other	.1%

Country analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
Russia	14.3	9.4		4.9
Venezuela	11.4	9.9		1.4
Mexico	11.0	13.0		-2.1
Brazil	7.5	8.8		-1.4
Turkey	7.2	8.2		-0.9
Philippines	6.6	6.4		0.2
Indonesia	6.5	6.5		0.0
Colombia	4.8	3.4		1.4
Chile	3.2	1.8		1.4
Poland	2.5	2.7		-0.2
Other Country	22.7	29.8		-7.0
Cash	2.3	--		2.3

Rating analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
A	7.2	7.0		0.1
BBB	45.3	46.5		-1.2
BB	24.1	26.2		-2.0
B	17.9	18.6		-0.7
CCC and under	--	0.2		-0.2
Not Rated	3.2	1.5		1.7
Cash	2.3	--		2.3
Average rating*	BB+	BB		

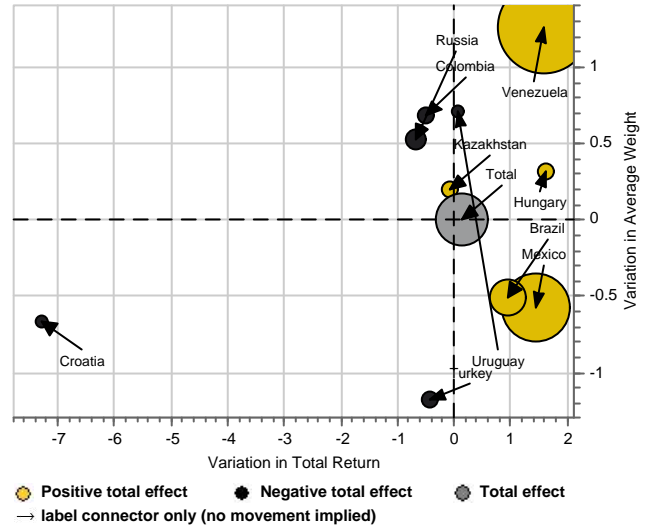
* Credit Ratings are derived from averaging the scores of Moody's, S&P and Fitch, where provided.

Currency analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
USD	95.5	100.0		-4.5
RUB	2.0	--		2.0
MXN	1.6	--		1.6
PHP	0.4	--		0.4
GBP	0.4	--		0.4
BRL	0.1	--		0.1
PLN	0.0	--		0.0
EGP	0.0	--		0.0
EUR	0.0	--		0.0
ILS	0.0	--		0.0
Others	0.0	--		0.0

Country analysis - performance attribution (three months)

Percent	Geometric Attribution						
	Var. in Avg. Weight	Port. Total Return	Bench. Total Return	Alloc. Effect	Selec. Effect	Curr. Effect	Total Effect
Top 5							
Venezuela	1.3	22.0	20.4	0.1	0.1	0.0	0.3
Mexico	-0.6	2.7	1.2	0.0	0.1	0.1	0.2
Brazil	-0.5	3.0	2.0	0.0	0.0	0.1	0.1
Kazakhstan	0.2	7.6	7.7	0.0	0.0	0.0	0.0
Hungary	0.3	3.9	2.3	0.0	0.0	0.0	0.0
Bottom 5							
Uruguay	0.7	1.7	1.6	0.0	0.0	0.0	0.0
Croatia	-0.7	-0.6	6.7	0.0	0.0	0.0	0.0
Colombia	0.7	2.2	2.7	0.0	0.0	0.0	0.0
Turkey	-1.2	4.5	5.0	0.0	0.0	0.0	0.0
Russia	0.5	4.5	5.2	0.0	0.0	0.0	0.0
Total	--	5.0	4.9	0.0	0.2	0.0	0.1

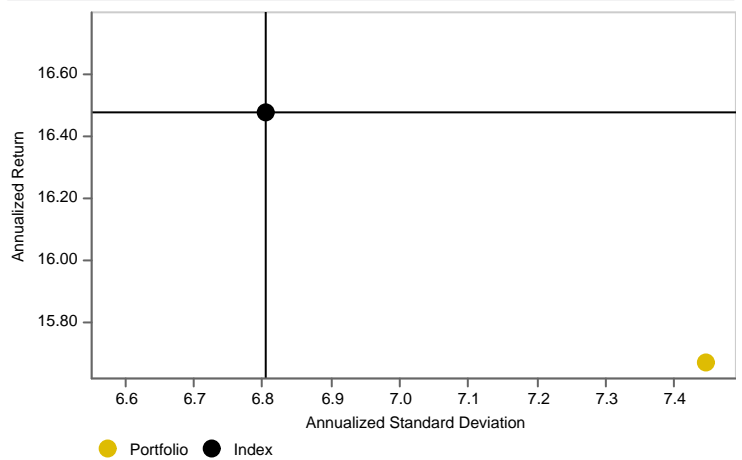


Attribution calculation methodologies may result in rounding differences of total effects versus geometric total portfolio returns

Risk Analysis

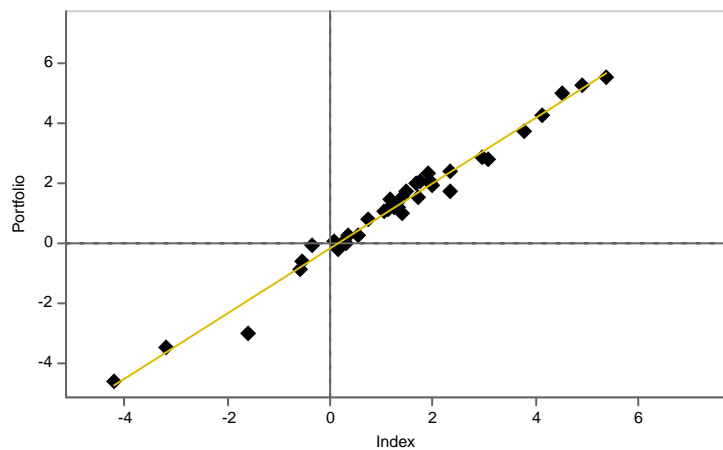
	Port	Index
Absolute Volatility	7.45%	6.81%
Relative Volatility	0.34	--
Tracking Error	1.18%	--
Sharpe Ratio	2.04	--
Information Ratio	-0.68	--
Beta	1.08	--
Sortino Ratio	4.01	--
Jensen Alpha	-2.14%	--
Annualised Alpha	-1.94%	--
Alpha	-0.16%	--
Max Drawdown	-4.58	-4.20
R²	98.06%	--

Risk/return analysis (three years)



The risk ratios and risk return analysis shown above are based on month end performance data over a three year period.

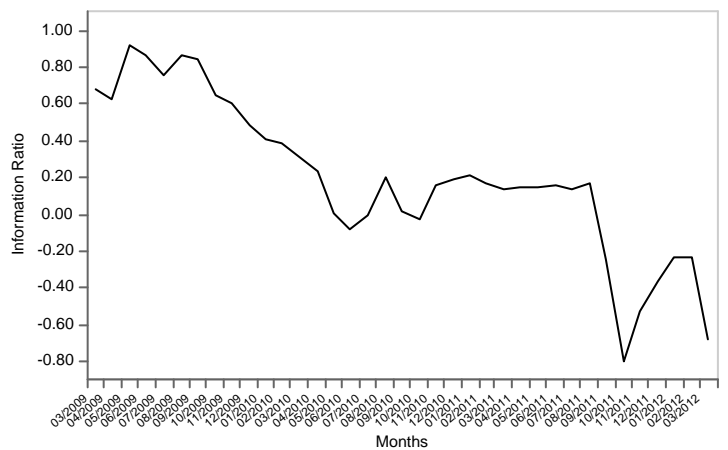
Regression Line



The regression line is calculated from the last 36 months individual data points. Each point represents the relevant monthly return of the fund and the index's corresponding return. The returns are as follows:

$$y = 1.083390x + -0.162793 \quad R^2 = 98.061234$$

Information Ratio



The information ratio is based on rolling 36 months statistics.