

Institutional investors only
(not for onward distribution)

Fund Manager
Richard House
Since: 01/2008

Fund facts

Index: JP Morgan GBI-EM Global Diversified Composite
Fund size: \$122.06m
Launch date: 14/01/2008
Fund domicile: United Kingdom

Share class & general
Institutional I Acc USD

Period end NAV price: 2.50
Sedol: B2B3X79
ISIN: GB00B2B3X794
Bloomberg: TEL2IDA LN
Reuters: --
MEX ID: ADEMIU
WKN: A0NAXM
Valoren: 3616566

Institutional X Acc USD

Period end NAV price: 2.95
Sedol: B2B3XH9
ISIN: GB00B2B3XH99
Bloomberg: --
Reuters: --
MEX ID: --
WKN: --
Valoren: 3616680

All information expressed in USD

¹Since Inception
The Index was 50% JPM ELMI + Index and 50% GBI-EM Global Diversified Index until 31/12/08 and the JP Morgan GBI-EM Global Diversified Index thereafter.

Contact Details

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Source: FactSet

Threadneedle Emerging Markets Local Fund

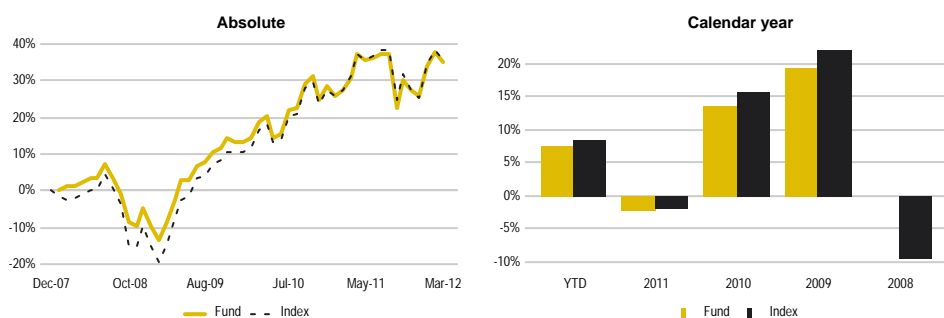
Investment objective and policy

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

The Fund invests primarily in emerging market local currencies and emerging market local currency debt issued by governments in Emerging Markets and/or companies which are domiciled or have significant operations in an Emerging Market. Emerging markets countries are those characterised as developing or emerging by the MSCI Emerging Markets Free Index or those not listed in the OECD country list. If desirable, the Manager may further invest up to one third of the total assets of the Fund in markets other than emerging markets.

The Manager will invest the total assets of the Fund in local currency government bonds and treasury bills, corporate bonds issued in local currency, cash or near cash, securitised notes, foreign exchange forward transactions, and other type of derivatives. At times the portfolio may be concentrated in any one or a combination of such assets.

5 year performance



Fund performance

	1M %	3M %	YTD %	1Y %	3Y %	SI ¹
Fund (Gross)	-1.8	7.4	7.4	3.2	14.0	7.5
Index (Gross)	-2.0	8.3	8.3	3.4	16.8	8.0

Periods over one year are annualised

Performance 12 months ending

	31 Mar 09	31 Mar 10	31 Mar 11	31 Mar 12
	-9.9%	29.8%	10.6%	3.2%

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 7.6% 14-Apr-2021	4.9	0.8
Empresas Publicas De Medellin Esp 8.375% 01-Feb-2021	4.2	--
Gov Of Brazil 10.0% 01-Jan-2017	3.1	1.6
Thailand Ministry Of Finance 1.2% 14-Jul-2021	3.0	--
Gov Of Russia 6.9% 03-Aug-2016	3.0	1.0
Gov Of Russia 7.0% 03-Jun-2015	3.0	0.9
Gov Of Poland 5.75% 25-Oct-2021	2.9	0.4
Gov Of Turkey 9.5% 12-Jan-2022	2.8	0.2
Gov Of Mexico 7.25% 15-Dec-2016	2.8	0.4
Gov Of South Africa 7.25% 15-Jan-2020	2.5	1.3

Total number of issues in portfolio: 61 **Total Port % in top 10:** 32.3

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.

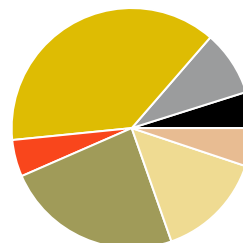
Subscriptions to a fund may only be made on the basis of current Prospectus. Investors should note the 'Risk factors' section of the Prospectus in terms of risks applicable to investing in any fund. The mention of securities is not a recommendation to deal.

Yield & duration

	Port	Index
Yield to maturity*	6.25	6.61
Effective duration*	4.31	4.53

* 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	4.8%
10 -15 years	8.8%
7 - 10 years	38.0%
5 - 7 years	5.1%
3 - 5 years	23.6%
1 - 3 years	14.7%
0 - 1 year	5.0%

Country analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
Mexico	11.3	10.2		1.0
Russia	10.9	9.5		1.4
Brazil	10.2	9.7		0.5
Poland	10.1	10.1		0.0
South Africa	9.5	10.0		-0.4
Turkey	8.4	10.1		-1.7
Indonesia	7.6	9.9		-2.3
Hungary	5.5	5.7		-0.2
Thailand	4.8	7.6		-2.8
Malaysia	4.3	9.9		-5.6
Other Country	6.9	7.4		-0.5
Cash	10.7	--		10.7

Rating analysis - overweights and underweights

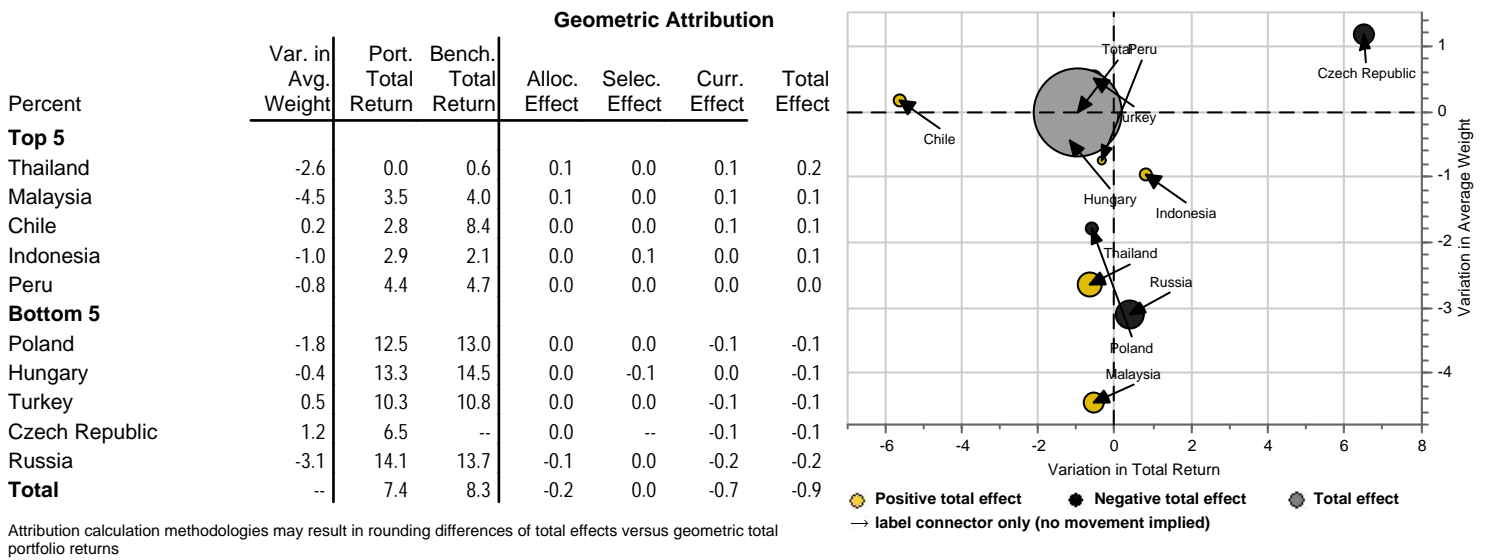
	Port %	Index %	Deviation from Index	%
A	23.9	30.2		-6.3
BBB	48.0	42.3		5.7
BB	17.4	17.5		-0.1
Not Rated	--	10.0		-10.0
Cash	10.7	--		10.7
Average rating*	BBB-	BBB-		

* 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	%
MXN	11.3	10.2		1.1
RUB	10.9	9.5		1.4
BRL	10.2	9.7		0.5
PLN	10.1	10.1		0.0
MYR	10.0	9.9		0.1
ZAR	9.5	10.0		-0.4
TRY	9.3	10.1		-0.8
IDR	7.7	9.9		-2.2
THB	7.5	7.6		-0.1
HUF	5.5	5.7		-0.2
Others	8.0	7.4		0.6

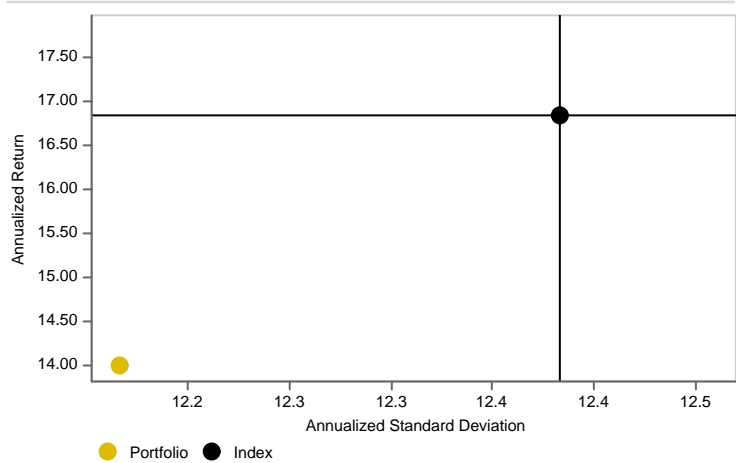
Country analysis - performance attribution (three months)



Risk Analysis

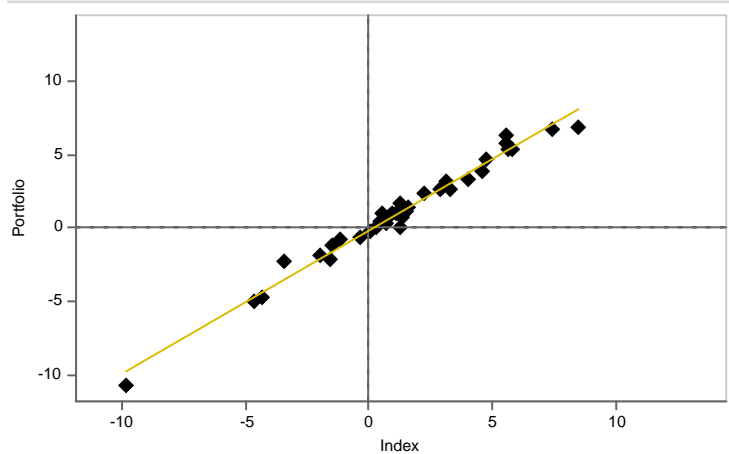
	Port	Index
Absolute Volatility	12.17%	12.38%
Relative Volatility	0.50	--
Tracking Error	1.75%	--
Sharpe Ratio	--	--
Information Ratio	-1.62	--
Beta	0.97	--
Sortino Ratio	--	--
Jensen Alpha	--	--
Annualised Alpha	-2.04%	--
Alpha	-0.17%	--
Max Drawdown	-10.83	-9.83
R²	98.01%	--

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.

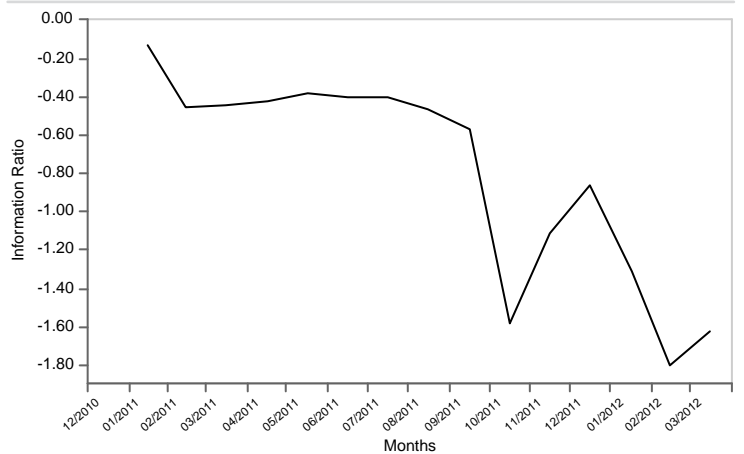
Regression Line



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:

$$y = 0.972670x + -0.171741 \quad R^2 = 98.008377$$

Information Ratio



The information ratio is based on rolling 36 months statistics.