

Institutional investors only
(not for onward distribution)

Morningstar Rating **★★★★★**

Fund Manager

Leigh Harrison / Richard Colwell

Since: 02 2006 / 09 2010

Fund facts

Index: FTSE All Share
Fund size: £1,276.12m
Launch date: 30/09/1985
Fund domicile: United Kingdom

Share class & general
Institutional I Inc GBP

Period end NAV price: 0.72

Sedol: 144878
ISIN: GB0001448785
Bloomberg: TDNUKEA LN
Reuters: 987637X.DX
MEX ID: ADUEII
WKN: 987637
Valoren: 712878

All information expressed in GBP

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Source: FactSet

All data as at 31 Mar 12
Institutional/OEIC



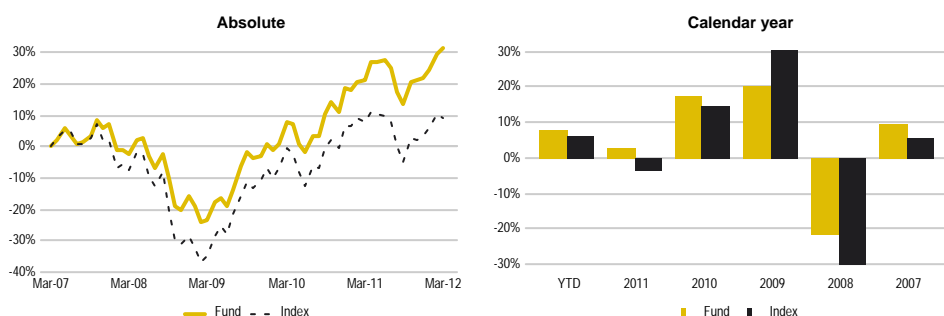
Threadneedle UK Equity Income Fund

Investment objective and policy

The Fund aims to achieve an above average rate of income combined with sound prospects for capital growth.

The Fund invests primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

5 year performance



Fund performance

	1M %	3M %	YTD %	1Y %	3Y %	5Y %	10Y %
Fund (Gross)	1.1	7.7	7.7	8.5	19.8	5.6	8.0
Index (Gross)	-0.9	6.1	6.1	1.4	18.8	1.8	5.2

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
	-2.5%	-21.6%	40.7%	12.5%	8.5%

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 holdings

	Sector	%
GlaxoSmithKline PLC	Health Care	6.2
AstraZeneca PLC	Health Care	5.7
Royal Dutch Shell	Energy	5.6
BT Group PLC	Telecommunication Services	5.4
Unilever PLC	Consumer Staples	3.8
British American Tobacco PLC	Consumer Staples	3.5
Legal & General Group PLC	Financials	3.2
Imperial Tobacco Group PLC	Consumer Staples	3.2
Compass Group PLC	Consumer Discretionary	3.0
RSA Insurance Group PLC	Financials	2.4

Total number of stocks in portfolio: 57

Total Port % in top 10: 42.0

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.

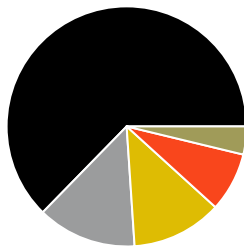
Subscriptions to a fund may only be made on the basis of current Prospectus. Investors should note the 'Risk factors' section of the Prospectus in terms of risks applicable to investing in any fund. The mention of securities is not a recommendation to deal.

Financial ratios

	Port	Index
Price/Book value	2.58x	1.63x
Price/Earnings ratio	11.51x	11.02x
Return on Equity	26.60%	20.83%

All financial ratios are based on the latest reported figures except where stated. Portfolio Characteristics and holdings are subject to change periodically and may not be representative of current characteristics. Price/Book values and Price/Earnings ratios are based on weighted harmonic average whilst the Return on Equity figure is calculated using weighted averages.

Market cap split



- Greater than 5 billion 62.6%
- Greater than 2 billion, less than 5 billion 13.4%
- Greater than 1 billion, less than 2 billion 12.2%
- Greater than 500 million, less than 1 billion 8.1%
- Less than 500 million 3.6%

Top 10 overweight and underweight stock

Overweight	Port %	Index %	Sector	Deviation from Index	%
BT Group PLC	5.4	1.0	Telecommunication Services		4.4
AstraZeneca PLC	5.7	2.0	Health Care		3.7
Legal & General Group PLC	3.2	0.4	Financials		2.8
Unilever PLC	3.8	1.5	Consumer Staples		2.3
Compass Group PLC	3.0	0.7	Consumer Discretionary		2.3
GlaxoSmithKline PLC	6.2	4.0	Health Care		2.2
RSA Insurance Group PLC	2.4	0.2	Financials		2.2
Wm. Morrison Supermarkets PLC	2.3	0.4	Consumer Staples		1.9
Reed Elsevier PLC	2.2	0.4	Consumer Discretionary		1.8
Imperial Tobacco Group PLC	3.2	1.4	Consumer Staples		1.8
Underweight					
SABMiller PLC	--	1.7	Consumer Staples		-1.7
Anglo American PLC	--	1.7	Materials		-1.7
Standard Chartered PLC	--	2.1	Financials		-2.1
Diageo PLC	--	2.1	Consumer Staples		-2.1
Royal Dutch Shell	5.6	7.8	Energy		-2.3
BHP BILLITON LTD	--	2.3	Materials		-2.3
Rio Tinto PLC	--	2.8	Materials		-2.8
Vodafone Group PLC	--	4.8	Telecommunication Services		-4.8
BP PLC	--	4.9	Energy		-4.9
HSBC HOLDINGS PLC	--	5.6	Financials		-5.6

Sector analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
Industrials	18.8	8.0		10.9
Consumer Staples	14.6	14.8		-0.3
Consumer Discretionary	13.6	7.7		5.9
Health Care	11.9	7.2		4.7
Financials	9.5	20.7		-11.3
Energy	7.9	17.6		-9.7
Utilities	5.8	3.9		1.9
Telecommunication Services	5.4	6.2		-0.8
Materials	5.0	12.1		-7.1
Information Technology	4.5	1.8		2.7
Cash	3.1	0.0		3.1

Top 5 positive/negative security attribution (three months)

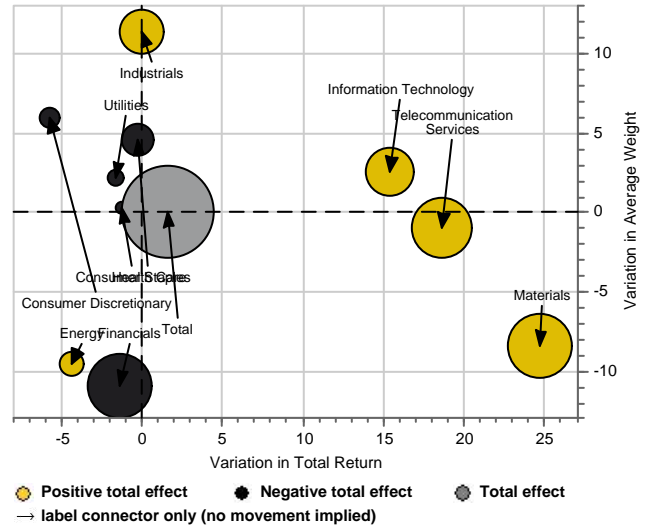
Security Name	Portfolio			Index		Attri.	Geo. Total Effect
	Avg. Weight	Total Return	Contr. To Return	Avg. Weight	Total Return	Geo. Total Effect	
5 Highest							
Royal Dutch Shell PLC (CL A)	--	--	--	4.7	-7.0	0.6	
Vodafone Group PLC	--	--	--	4.9	-3.7	0.5	
BT Group PLC	5.3	18.6	0.9	0.9	18.6	0.5	
Legal & General Group PLC	3.1	27.0	0.7	0.4	27.1	0.5	
Tesco PLC	--	--	--	1.5	-18.2	0.4	
5 Lowest							
Wm. Morrison Supermarkets PLC	2.3	-8.9	-0.2	0.4	-8.6	-0.3	
AstraZeneca PLC	5.6	-3.6	-0.2	2.2	-2.6	-0.3	
Barclays PLC	--	--	--	1.6	35.3	-0.3	
Royal Dutch Shell PLC (CL B)	6.1	-9.4	-0.6	3.5	-9.3	-0.4	
HSBC Holdings PLC	--	--	--	5.5	14.8	-0.4	

The chart analyses the five largest positive and negative contributors to the portfolio's performance from the perspective of individual stock holdings taken from the attribution report as measured by geometric total effect. The portfolio contribution to return, as shown in the accompanying table, is the absolute contribution to the portfolio's performance being the product of the period performance of the holding and its weighting in the portfolio. The geometric total effect is the contribution to the portfolio's performance of the actual stock holding compared with what it would have been had the stock weighting been exactly in line with the index weighting for that stock calculated in a geometric basis.

Sector analysis - performance attribution (three months)

Percent	Geometric Attribution					
	Var. in Avg. Weight	Port. Total Return	Bench Total Return	Alloc. Effect	Sele. Effect	Total Effect
Materials	-8.3	30.1	5.5	0.0	1.0	1.0
Telecommunication Services	-0.9	18.6	0.0	0.1	0.9	1.0
Information Technology	2.6	30.4	15.0	0.2	0.5	0.7
Industrials	11.4	12.5	12.4	0.7	0.0	0.7
Energy	-9.6	-5.5	-1.2	0.7	-0.4	0.3
Consumer Staples	0.3	1.8	3.1	0.1	-0.2	-0.1
Utilities	2.2	3.4	4.9	0.0	-0.1	-0.1
Consumer Discretionary	6.0	8.9	14.6	0.5	-0.7	-0.2
Health Care	4.6	-3.6	-3.3	-0.4	0.0	-0.4
Financials	-10.9	14.7	16.0	-0.9	-0.1	-1.0
Total	--	7.7	6.1	0.6	0.9	1.5

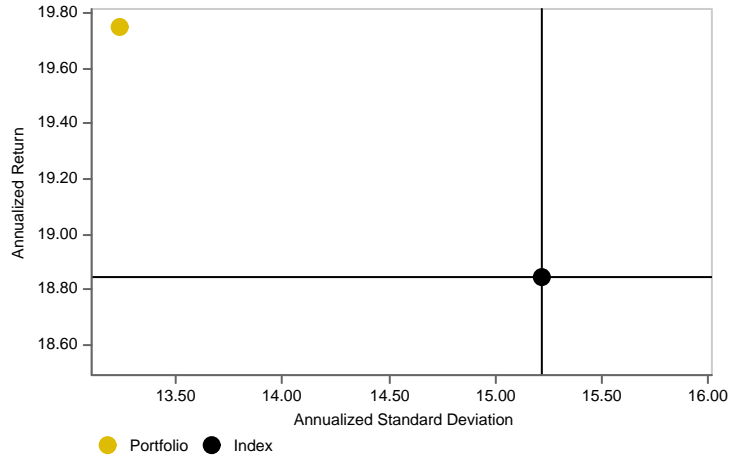
Attribution calculation methodologies may result in rounding differences of total effects versus geometric total portfolio returns



Risk Analysis

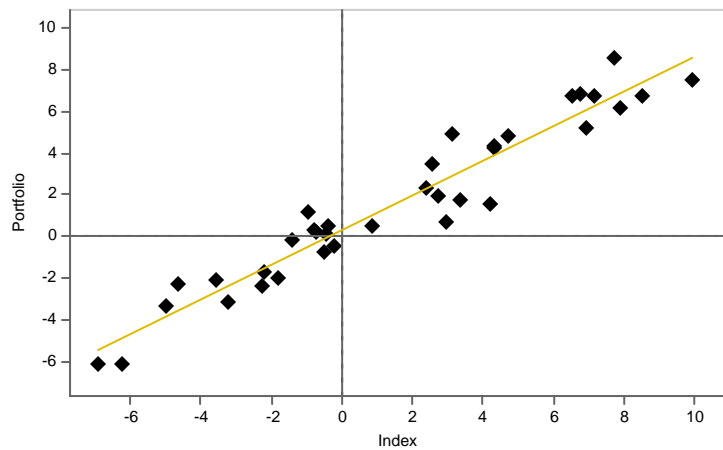
	Port	Index
Absolute Volatility	13.23%	15.22%
Relative Volatility	1.21	--
Tracking Error	4.29%	--
Sharpe Ratio	1.43	--
Information Ratio	0.21	--
Beta	0.84	--
Sortino Ratio	2.93	--
Jensen Alpha	3.81%	--
Annualised Alpha	3.54%	--
Alpha	0.29%	--
Max Drawdown	-10.86	-14.50
R²	92.94%	--

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.

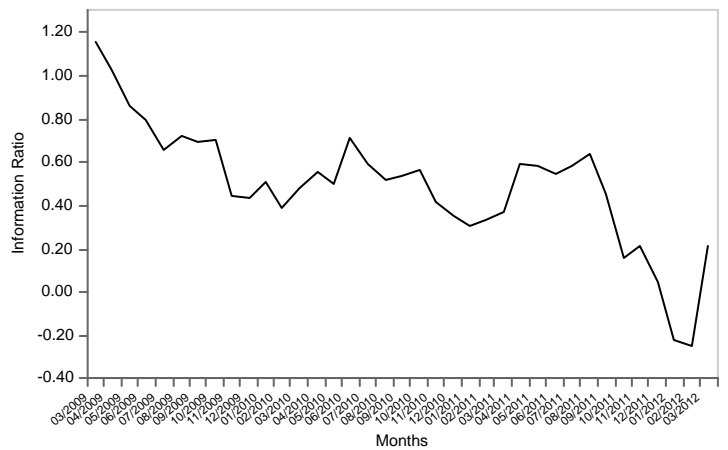
Regression Line



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:

$$y = 0.838277x + 0.290681 \quad R^2 = 92.944321$$

Information Ratio



The information ratio is based on rolling 36 months statistics.