

Institutional investors only
(not for onward distribution)

Morningstar Rating **★★★★★**

Fund Manager
Cormac Weldon
Since: 09 2005

Fund facts

Index: S&P Midcap 400
Fund size: \$573.00m
Launch date: 14/11/1997
Fund domicile: United Kingdom

Share class & general
Institutional I Acc USD

Period end NAV price: 2.34
Sedol: 30809916
ISIN: GB0030809916
Bloomberg: TDNASC2 LN
Reuters: 987656X.DX
MEX ID: ADASC2
WKN: 987656
Valoren: 1287549

All information expressed in USD

The index was Russell 2000 until 31.03.10 and S&P MidCap 400 thereafter.

Contact Details

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Source: FactSet

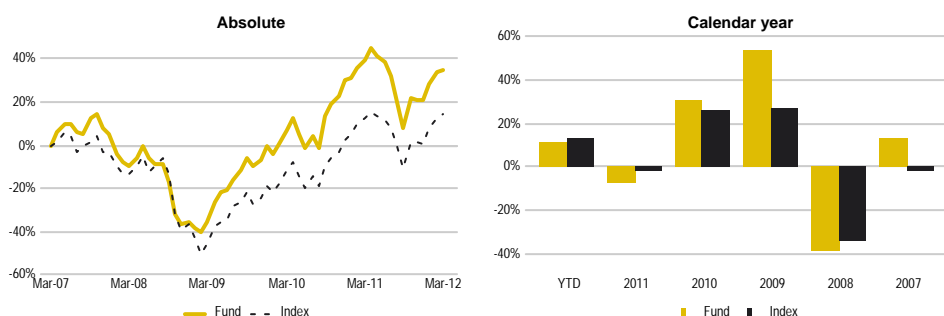
Threadneedle American Smaller Companies Fund

Investment objective and policy

The Fund aims to achieve capital growth.

The Fund invests primarily in the equities of smaller companies that are domiciled in the US or have significant US operations. If desirable, the Manager may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities). For liquidity purposes the Fund may invest in cash and near cash.

5 year performance



Fund performance

	1M %	3M %	YTD %	1Y %	3Y %	5Y %	10Y %
Fund (Gross)	0.8	11.7	11.7	-3.3	27.6	6.1	8.8
Index (Gross)	1.9	13.5	13.5	2.0	28.2	2.8	6.8

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
-9.9%	-28.0%	65.1%	30.0%	-3.3%

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 holdings

	Sector	%
Novellus Systems Inc.	Information Technology	2.9
Tempur-Pedic International Inc.	Consumer Discretionary	2.5
First Horizon National Corp.	Financials	2.5
Compuware Corp.	Information Technology	2.4
First Cash Financial Services Inc.	Financials	2.3
TCF Financial Corp.	Financials	2.2
United Rentals Inc.	Financials	2.1
Verisk Analytics Inc. Cl A	Financials	2.1
SBA Communications Corp.	Telecommunication Services	2.1
Ashland Inc.	Materials	2.1

Total number of stocks in portfolio: 59

Total Port % in top 10: 23.1

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.

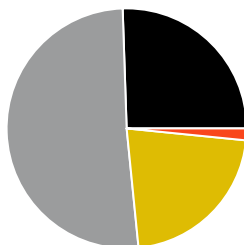
Subscriptions to a fund may only be made on the basis of current Prospectus. Investors should note the 'Risk factors' section of the Prospectus in terms of risks applicable to investing in any fund. The mention of securities is not a recommendation to deal.

Financial ratios

	Port	Index
Price/Book value	2.44x	2.11x
Price/Earnings ratio	23.43x	18.85x
Return on Equity	10.81%	13.81%

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 25.4%
- Greater than 2 billion, less than 5 billion 51.2%
- Greater than 1 billion, less than 2 billion 21.7%
- Greater than 500 million, less than 1 billion 1.7%

Top 10 overweight and underweight stock

Overweight	Port %	Index %	Sector	Deviation from Index	%
Novellus Systems Inc.	2.9	--	Information Technology		2.9
Tempur-Pedic International Inc.	2.5	--	Consumer Discretionary		2.5
First Horizon National Corp.	2.5	--	Financials		2.5
First Cash Financial Services Inc.	2.3	--	Financials		2.3
Compuware Corp.	2.4	0.2	Information Technology		2.2
Verisk Analytics Inc. CI A	2.1	--	Financials		2.1
SBA Communications Corp.	2.1	--	Telecommunication Services		2.1
TCF Financial Corp.	2.2	0.2	Financials		2.0
IHS Inc. CI A	2.0	--	Industrials		2.0
Monro Muffler Brake Inc.	1.9	--	Consumer Discretionary		1.9

Underweight	Port %	Index %	Sector	Deviation from Index	%
Henry Schein Inc.	--	0.6	Health Care		-0.6
Fossil Inc.	--	0.6	Consumer Discretionary		-0.6
Church & Dwight Co.	--	0.6	Consumer Staples		-0.6
Equinix Inc.	--	0.6	Information Technology		-0.6
Macerich Co.	--	0.6	Financials		-0.6
Ametek Inc.	--	0.7	Industrials		-0.7
Kansas City Southern	--	0.7	Industrials		-0.7
Vertex Pharmaceuticals Inc.	--	0.7	Health Care		-0.7
Regeneron Pharmaceuticals Inc.	--	0.7	Health Care		-0.7
Monster Beverage Corp.	--	0.8	Consumer Staples		-0.8

Sector analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
Financials	22.1	21.3		0.8
Industrials	20.1	18.4		1.7
Consumer Discretionary	12.6	13.7		-1.1
Information Technology	9.8	15.1		-5.3
Energy	9.1	5.9		3.2
Health Care	8.1	9.5		-1.4
Materials	5.8	6.6		-0.8
Consumer Staples	2.4	4.0		-1.6
Telecommunication Services	2.1	0.5		1.6
Utilities	0.0	5.1		-5.1
Cash	7.9	0.0		7.9

Top 5 positive/negative security attribution (three months)

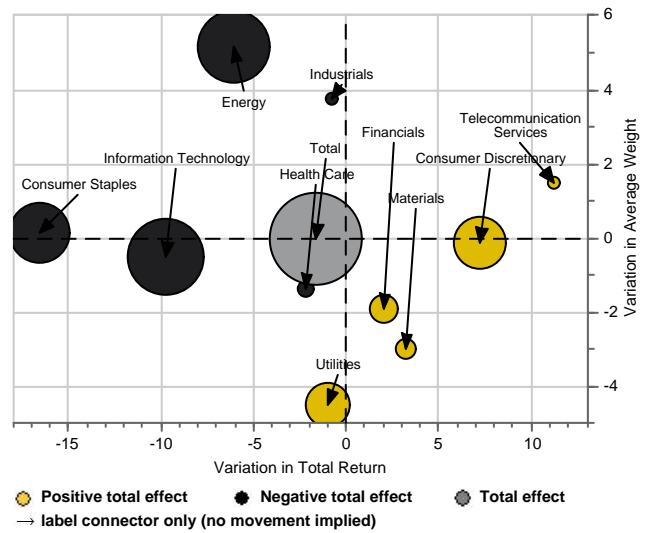
Security Name	Portfolio			Index		Attri.	Geo. Total Effect
	Avg. Weight	Total Return	Contr. To Return	Avg. Weight	Total Return	Geo.	
5 Highest							
Tempur-Pedic International Inc.	1.9	57.5	0.7	--	--	0.5	
United Rentals Inc.	2.1	45.4	0.8	0.2	45.1	0.4	
Lions Gate Entertainment Corp.	1.1	67.0	0.5	--	--	0.4	
Weight Watchers International Inc.	0.6	39.3	0.4	--	--	0.3	
Ulta Salon Cosmetics & Fragrance Inc.	1.0	18.2	0.3	--	--	0.2	
5 Lowest							
Ryder System Inc.	2.1	0.7	0.0	--	--	-0.3	
C&J Energy Services Inc.	1.0	-13.6	-0.2	--	--	-0.3	
Dresser-Rand Group Inc.	1.9	-8.1	-0.1	0.3	-7.1	-0.3	
Regeneron Pharmaceuticals Inc.	--	--	--	0.6	110.4	-0.3	
TreeHouse Foods Inc.	1.9	-9.2	-0.4	--	--	-0.6	

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
Consumer Discretionary	-0.1	23.9	16.7	0.0	0.8	0.8
Utilities	-4.5	-3.2	-2.1	0.6	0.0	0.6
Financials	-1.9	15.0	13.0	0.1	0.3	0.4
Materials	-3.0	16.0	12.7	0.0	0.2	0.2
Telecommunication Services	1.5	18.3	7.1	-0.1	0.2	0.1
Industrials	3.8	14.7	15.4	0.0	-0.1	-0.1
Health Care	-1.3	13.6	15.7	0.0	-0.1	-0.2
Consumer Staples	0.2	-9.0	7.5	0.1	-1.0	-0.9
Energy	5.2	-3.2	2.8	-0.5	-0.7	-1.2
Information Technology	-0.5	11.8	21.5	0.1	-1.3	-1.2
Total	--	11.8	13.5	0.2	-1.7	-1.5

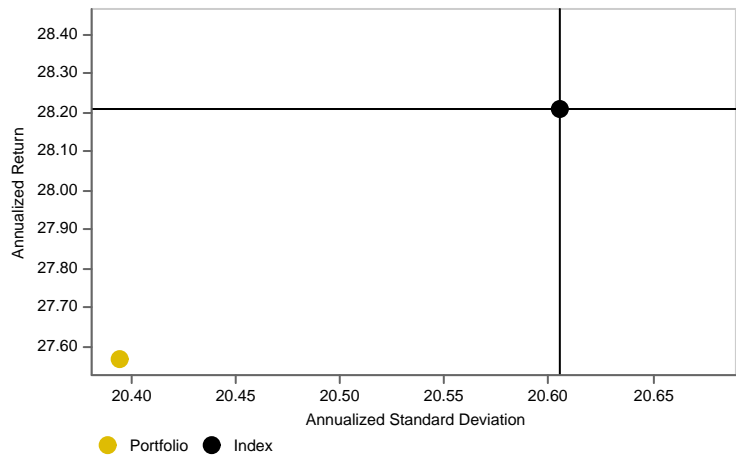
Attribution calculation methodologies may result in rounding differences of total effects versus geometric total portfolio returns



Risk Analysis

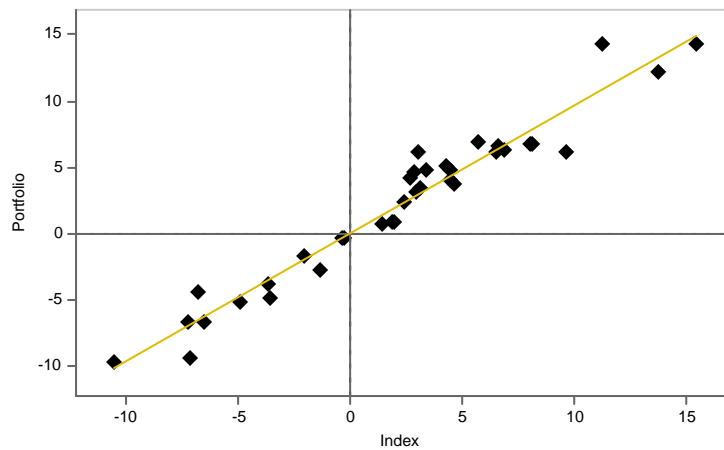
	Port	Index
Absolute Volatility	20.39%	20.61%
Relative Volatility	1.33	--
Tracking Error	4.75%	--
Sharpe Ratio	1.33	--
Information Ratio	-0.13	--
Beta	0.96	--
Sortino Ratio	2.46	--
Jensen Alpha	0.38%	--
Annualised Alpha	0.45%	--
Alpha	0.04%	--
Max Drawdown	-25.43	-22.57
R²	94.71%	--

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.

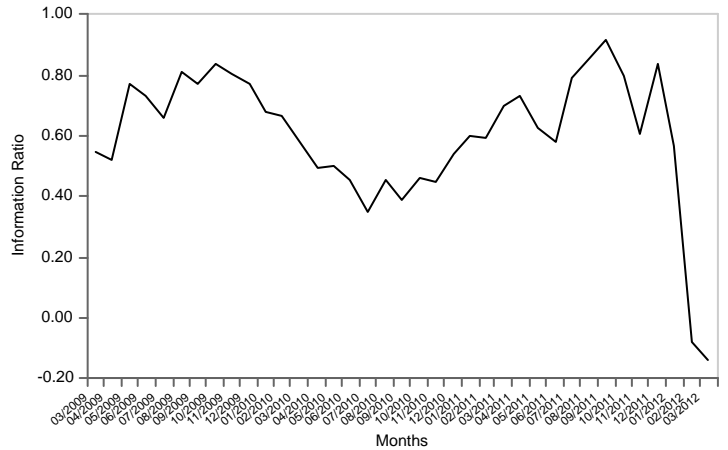
Regression Line



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:

$$y = 0.963228x + 0.037737 \quad R^2 = 94.706993$$

Information Ratio



The information ratio is based on rolling 36 months statistics.