



Threadneedle (Lux)
Global operations quick reference guide

Global operations quick reference

This Quick Reference provides key trading and contact information for Threadneedle Management Luxembourg SA ('TML'). This information is effective December 2010.

Representative funds

TML is the designated asset management company for Threadneedle (Lux) SICAV.

Fund trading deadline

15:00 Central European Time, every Luxembourg business day. Please note the time difference depending on the period of year is either 6 or 7 hours ahead for most regions in Asia. **It is your responsibility to make sure the trades are delivered on time.**

Trading currency

TML's funds accept US (USD), Euro (EUR), British Pounds (GBP), or Swiss Francs (CHF) for most portfolios. Certain restrictions apply. Please consult the most recent prospectus.

Subscription Settlement Instructions

EUR

Deutsche Bank, Frankfurt
BLZ 500 700 10 OR Swift Code DEUTDEFF
FCT: The Bank of New York Mellon (Luxembourg) SA
IBAN a/c no. 100 938-2946 03
FFCT: Threadneedle (Lux) Deal Reference*

USD

The Bank of New York Mellon, New York
ABA 021 0000 18 OR Swift Code: IRVTUS3N
FCT: The Bank of New York Mellon (Luxembourg) SA
Account no. 890-0574-100
FFCT: Threadneedle (Lux) Deal Reference*

CHF

Credit Suisse First Boston, Zurich
Swift Code: CRESCHZZ80A
FCT: The Bank of New York Mellon (Luxembourg) S.A.
(IRVTLULXLTA)
Account no: 0835-0674144-33-000
FFCT: Threadneedle SICAV + Deal Reference*

GBP

The Bank of New York Mellon, New York
Sort Code 70 02 25
Swift Code IRVTGB2X
FCT: The Bank of New York Mellon (Luxembourg) S.A.
(IRVTLULXLTA)
Account no. 2200438260
FFCT: Threadneedle SICAV + Deal Reference*

* The section marked in * should be populated with information relevant to the trades being settled. Include as much information about the trade as possible to facilitate proper settlement: Distributor Number, Account Number, and Trade or Contract Note unique ID.

Table of Contents

Introduction	4
Fund information	5
Pricing and NAV availability	5
Available currency	5
Trade deadlines	5
Holiday schedules	5
Investment minimums	6
Institutional share class	6
Hedge share class	6
Distributing share class	6
Trading considerations and processes	6
Establishing an account	7
Distribution agreement	7
Authorised signature list	7
Evidence of registration	7
Institutional quality	7
Acting on its own behalf	7
Trading on an account	8
Mailing contact	8
Fax numbers	8
Telephone numbers	8
Client service team	8
Trading methods	9
Subscription trades	9
Redemption trades	9
Exchanges / Switches	10
Maintenance requests	10
Settlement information	11
Subscription settlement	11
Redemption settlement	11
Observed holidays	12
Retrocession	13
Customer communication	14
Contract notes	14
Statements	14
Retrocession fee statements	14

Introduction

Threadneedle Management Luxembourg SA ('TML') is a Management Company with the Registered Number B110.242 registered in the Grand Duchy of Luxembourg at 74, rue Mülhenweg, L-2155 Luxembourg. The company acts as asset manager for the Threadneedle (Lux) SICAV ("TLUX")

For Taiwan Investors only TML has appointed in Taiwan, Paradigm Asset Management Ltd.

This Operations Guide provides answers to common questions about trade and service requests from intermediaries such as banks, broker-dealers or other professional fiduciaries or financial intermediaries expressly authorised by Threadneedle Asset Management, the Distributor of TLUX. The document should not be copied, reproduced, or altered without express permission from TML.

This guide details fund highlights basic trading practices, settlement information, contacts, and remuneration process. It is not an addendum, nor interpretation of any TLUX prospectus. The TLUX Prospectus supersedes any statement herein, interpretive or other, with regards to fund practice and policy. The TLUX prospectus may be updated from time to time and information in this guide may become stale. TML makes every attempt to keep the information updated.

The intended recipient of the guide is key operations personnel within each intermediary.

The guide is not legally binding. To the extent that any process or procedure outlined herein conflicts with a local law, the local law prevails. Further, the guide is intended to assist operational processes and is not intended as a marketing document or product and in no way constitutes a request for sale of any TML product.

TML may process or transfer or disclose to any company, affiliate, or agent of TML in order to administer the services described herein or may apply in the future. The investor's information will be held in confidence and not shared other than as described without the investor's permission or as required by applicable law. The investor may at any time request information about the companies, affiliates, or agents of the Company and the countries in which they operate.

TLUX is an investment company with variable capital ("SICAV") under the laws of the Grand Duchy of Luxembourg. The SICAV umbrella consists of a number of compartments, called Portfolios. Each Portfolio is further broken down into sub-compartments called share classes.

Both SICAVs have been registered in a number of countries. Country registration is achieved at the Portfolio level and a share class level. The list of specific Portfolios and share classes available for each country has not been included in this Operations Guide.

General fund information is available on Bloomberg, Reuters, Telekurs, Lipper, Morningstar, and Micropal services. Additionally, our website, **[threadneedle.com](https://www.threadneedle.com)** contains information on the funds should you have any questions about fund availability.

Fund information

Pricing and NAV availability

All Portfolios are priced every Luxembourg business day.

All Portfolios have a 3-day settlement period (T+3). Please review Trade Contracts carefully to determine when payment must be remitted for trades.

The Net Asset Value per share of every Portfolio for the SICAV is usually released by 8:00 a.m. Central European time (CET) each Luxembourg business day. Net Asset Values of trade day (T) are calculated on relevant market's close of that day and usually released by 8:00 a.m. CET on the following Luxembourg business day (T+1).

General fund information is available on Bloomberg, Reuters, Telekurs, Lipper, Morningstar, and Micropal services. Additionally, our website, <http://www.threadneedle.com> contains information on the funds should you have any questions about fund availability.

TML subscribes to a number of newspaper or other publications for Net Asset Value per share quotes and other fund information as required by local laws.

Please check with local marketing documents, as not all funds are available for sale in every market.

Available currency

A Portfolio's base currency can be quickly determined by looking at the second letter designation in the share class. An "E" indicates the Portfolio is denominated in EUR. A "U" indicates USD, a "G" indicates GBP and a "F" indicates CHF.

A shareholder may acquire AU, AE, DU, DE, IU, IE share classes in either Euro ("EUR"), or in US dollar ("USD") regardless of the fund's base currency without incurring foreign exchange transaction costs.

Alternate currency Net Asset Value per share ("NAV") is calculated by taking the fund's base currency NAV and translating, it at a relevant spot-rate, into the offered, non-base currency. A shareholder must indicate the preferred currency on the initial subscription form. All subsequent orders for the subscription and redemption of Shares of the Portfolios will be processed in the initial subscription currency.

For example, shareholder A would like to purchase Shares of an TLUX Portfolio denominated in USD. Shareholder A indicated a EUR preference for trades. The shareholder is provided the relevant EUR NAV for the initial and any subsequent trade in the specific Portfolio. The trade NAV is used to determine the number of shares for the specific trade.

Some Portfolios also offer a hedge share class. The hedge can be determined by a third letter in the share class designation. An "H" indicates the class is hedged. Hedge share classes are only offered in non-base currency of the Portfolio and are displayed by the second letter (AEH= share class Euro Hedged – base currency USD). Please refer to the section on Hedge Share Classes below for more information on hedge operation.

Some Portfolios distribute a dividend. Dividend paying Share Classes can be determined by a third letter in the share class designation. A "P" indicates the class distributes a dividend. Dividend paying share classes are only offered in base currency of the Portfolio. Please refer to the section on Dividend share classes below for more information.

Trade currencies

All orders for TLUX must be received by 15:00 PM Central European time (CET) at Bank of New York Mellon (Luxembourg), the transfer agent for the SICAV. Orders submitted prior to the cut-off time will receive a price based on an NAV that uses market closing prices for the day the trade is submitted. It is your responsibility to submit trades based on local hours so the trade is received by the transfer agent at the stated cut-off time.

Holiday schedules

TLUX is priced every Luxembourg business day. A holiday schedule will generally be available in December for the following year's schedule. A TML Client Service representative ("CST") will have the schedule available should you require a copy of observed holidays. Please see the Settlement section with regards to the impact of holidays for proper settlement.

Investment minimums

Each share class has a defined minimum initial subscription amount. Minimum amounts are observed to manage transactional costs in a share class. In addition, minimums are set to assist with the validation that shareholders acquire Shares in the appropriate share class. Exceptions may apply to investment minimums for a number of reasons. TML reserves the right to refuse any trade under the stated investment minimum amount. Prior to submission of an amount less than the minimum, please contact either Bank of New York Mellon (Luxembourg) or a CST representative to discuss the requirement. Consult the most recent prospectus, your local marketing materials, or visit www.threadneedle.com for an exact list of minimums in each share class.

Institutional share class

Some Portfolios have an available institutional share class to shareholders who can demonstrate institutional quality. These share classes have significantly higher investment minimums but may have lower management fees. No rebate is anticipated for these share classes. Please discuss trade details with a CST representative or your Threadneedle Relationship manager.

Hedge share class

Referenced above, some Portfolios also have a hedge share class available to offer a choice about the amount of currency risk a shareholder assumes with their investment.

Hedged share classes seek to minimize the currency exposure by hedging the investor's foreign currency back to the base fund currency.

For example, a USD-based Portfolio that offers a EUR-hedged share class will permit the investor to purchase the portfolio in EUR. The hedging objective of the EUR-hedged share class is to minimize the impact of currency fluctuation between USD and EUR. If the hedge is done properly, the EUR-hedged share class is effectively insensitive to USD / EUR fluctuation and, therefore, the performance of the share class is neither helped nor harmed by any fluctuation in the value of US Dollar to Euro.

Distributing share class

Also referenced above, some Portfolios of TLUX offer a dividend paying share class. The share class designation includes a "P". Please consult local marketing documents or the current prospectus for an exact list. These funds will distribute dividends on a periodic basis, usually monthly and quarterly. The distribution amount is determined by shares of record at the close of the period. Currently, distributing funds are only offered in the base currency of the fund. Proceeds are wired approximately 5 business days after the record date.

Distributing hedge share class

Some Portfolios of TLUX offer a hedge share class paying dividend. The share class designation includes a "C". Please consult local marketing documents or the current prospectus for an exact list. These funds will distribute dividends on a periodic basis, usually monthly and quarterly. The distribution amount is determined by shares of record at the close of the period. Proceeds are wired approximately 5 business days after the record date.

Trading consideration and processes

TML or any of its affiliates, the funds (TLUX), or the Bank of New York Mellon or any of its affiliates, reserves the right to reject any trade not in good order.

TML requires all shareholders of all Portfolios to trade in a manner appropriate to the investment objective of a Portfolio and requires shareholders not to trade for short term considerations as described by the Commission de Surveillance du Secteur Financier issued Circular 04/146 (Protection of Undertakings for Collective Investment and of their Investors against Late Trading and Market Timing).

Intermediaries who may distribute Shares of a Portfolio to an underlying shareholder will comply with any directive set by TML and will agree to monitor trading activity by its shareholders.

Failure to trade in a manner as requested by TML, including trades executed with short-term considerations may incur a market timing fee. Any fee collected for inappropriate trading behaviour will be returned to the Portfolio.

Shareholders who continue to trade in a manner inconsistent with the objectives of the Portfolio may have trades rejected and/or may have account trading suspended. Intermediaries who are unable to demonstrate effective monitoring procedures may have the Distribution Agreement terminated.

Establishing an account

In order to open an account with the Transfer Agent, Bank of New York Mellon (Luxembourg) (“BNYML”), a number of documents must be supplied. You may send the documents directly to the Transfer Agent or you may work with the CST Representative office. Your CST representative can assist you with the specific list of required documents based on your country of domicile, type of business, and other factors.

Account opening documents must be mailed and are usually required in original format or true certified copies.

The Transfer Agent mailing address is as follows:

The Bank of New York Mellon (Luxembourg) SA
PO Box 263
L-2012
Luxembourg

The Transfer Agent full address is as follows:

The Bank of New York Mellon (Luxembourg) SA
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453
Luxembourg

Discretionary documents:

Distribution agreement

The term ‘Distribution Agreement’ is used to refer to any contract between Threadneedle and a third-party intermediary. It can be called Terms of Business, Subscription Agreement, Placement Agent Agreement, Nominee Agreement, or other names but serves the purpose as a legal contract for an Intermediary to sell Shares of the Portfolios either for its own behalf or for other shareholders.

The current standard form of Distribution Agreement is available in a number of languages. However, since Threadneedle, the Distributor, is a United Kingdom-based institution, and follows the laws of the United Kingdom; the English version of the Distribution Agreement should usually be executed. It is acceptable to have other language versions executed in addition to the English version.

Compulsory documents:

Original or True Certified copy of the Signature list

An original document with the signatures of all authorised persons that will have control over the shares in the account is preferred. If a copy of the authorised list is provided, a representation letter must be supplied. The original representation letter will indicate the list is a certified copy and the letter will be signed by two persons on the copy list.

Annually, TML will send a letter to all intermediaries notifying them the Authorised Signatures List on file is to be used for the following 12 months. It is up to the Intermediary to send an updated list if any material changes is made to the list.

Trading on an account

Evidence of registration

In both FATF and Non-FATF countries, certain regulatory websites or other listings may exist that indicate an intermediary is a member that is authorised, licensed and in good standing. Evidence can usually be obtained by a regulator's website or if the intermediary is not a financial institution then a public listing on a stock exchange.

In some countries, a regulator's website is not sufficient as evidence of an intermediary's standing. In this case three other documents are required: Certified True Copy of Articles of Incorporation / Association, Certified True Copy of List of Directors, Certified True Copy of Passport (for those listed on the List of Directors).

Attestation of Institutional Quality

If a shareholder will purchase the Institutional share classes (currently I or Y), an additional document is required that qualifies the institution as defined by the Commission de Surveillance du Secteur Financier ("CSSF", Luxembourg's financial markets regulator). This document is only required for purchase into these share classes and is critical to maintain the tax advantage afforded to the institutional classes.

Original Statement from intermediary Acting on its Own Behalf

If the Distribution Agreement referenced above does not provide for the distribution of shares to an underlying shareholder TML requires a letter that states that the intermediary has discretionary control over the shares owned.

All trades for both SICAVs are communicated to the Transfer Agent, BNYML. However, BNYML utilizes an office based in Singapore ("BNYS") to assist with Asian-based trade activity.

All correspondence mailed to the Transfer Agent should still be mailed to BNYML.

Mailing contact

Bank of New York Mellon (Luxembourg) SA
Attention TAM Services Trading Team
PO Box 263
L-2012
Luxembourg

Telephone
Luxembourg 00 352 24 525 650

Contact Person: Andreia Viera

Fax
Luxembourg +352 24 524 202

Mailing contact

Threadneedle Management Luxembourg SA
Attention Client Services Team
74, rue Muehlenweg
L-2155 Luxembourg

Telephone
Luxembourg 00 352 47 17 54 259 / 234 / 305

Contact Persons : Roberto Martinez / Anne Marie Maher / Paul Ehiemua

Fax
Luxembourg 00 352 47 17 54 214

Trading Methods

Most trade requests are submitted through fax transmission. However BNYML supports trading through File Transfer Protocol (FTP) and SWIFT. If you are interested in utilizing either trading method, please contact BNYML technology staff at International Access + 352 24524 444 or email wefservices@bnymellon.com. You may also contact your local CST.

You may mail trade requests. Trades mailed will be valued on the day they are received by BNYML.

Before any trade is accepted via post or fax, an Authorised Signatories List must be on file. See the section on Establishing an Account above.

Subscription trades

Subscription orders may be placed with BNYML every Luxembourg business day. If the subscription order is for a new shareholder at BNYML, additional documentation will be required before the account can be established. See the Establishing an Account above.

Existing accounts numbers should be referenced on subsequent subscription trades.

Shares in TLUX are calculated to three decimal places on all portfolios.

To assist with the trading requirements, TML has worked with BNYML to develop a dealing form. A sample of the form is available upon request. To obtain copies contact BNYS or your CST representative.

If you choose not to use the form, at a minimum, the following information is necessary to place a subscription order:

- Sub-Distributor¹ Name and BNYML Code (if known)
- Shareholder² Name (if applicable) and Account Number
- Portfolio Name and Share Class (Fund Identifier Code, such as ISIN, may also be accepted)
- Subscription Currency
- Gross Currency or Share Amount of trade
- Sales charge amount (if applicable)
- Sales Representative Name or Operational Contact Person
- Signature of authorised person

¹Distributor – This is Company or Group that has signed a Distribution Agreement with Threadneedle Asset Management Ltd.

²Shareholder – This is the registered name on the BNYML account

No trade will be processed without an authorised signature appearing on the form.

We request that amounts be written without a thousands separator. For example 1000.00 would represent a trade for one-thousand. Currency trades should be specified to two decimals, 1000.54. Share trades should be specified to three decimals, 1500.754. You may also elect to write the amount instead of the number, 'One Thousand US Dollars and Fifty Four cents' for example. Payment Instructions may be provided at the time of redemption. Please see important note below.

Redemption trades

Redemption orders may be placed with BNYML every Luxembourg business day. If all documents have not been received by BNYML, proceeds from a redemption trade may be withheld until the documents are properly filed. The trade will be accepted for good valuation on the day it is submitted.

Redemption orders are accepted in currency or shares. However, a currency request must be the same currency of the subscription currency. Please refer to the Fund Information section for more information on currency requirements.

To assist with the trading requirements, TML has worked with BNYML to develop a dealing form. To obtain a copy contact BNYS or your CST representative.

If you choose not to use the form, at a minimum, the following information is necessary to place a redemption order:

- Sub-Distributor¹ Name and BNYML Code (if known)
- Shareholder² Name (if applicable) and Account Number
- Portfolio Name and Share Class (Fund Identifier Code, such as ISIN, may also be accepted)
- Trade Quality Indicator, which identifies if the trade is in 'Currency' or 'Shares'
- Amount of trade
- Redemption Fee Amount (if applicable)
- Sales Representative Name or Operational Contact Person
- Signature of authorised person

¹Distributor – This is Company or Group that has signed a Distribution Agreement with Threadneedle Asset Management Ltd.

²Shareholder – This is the registered name on the BNYML account

No trade will be processed without an authorised signature appearing on the form.

We request that amounts be written without a thousands separator. For example 1000.00 would represent a trade for one-thousand. Currency trades should be specified to two decimals, 1000.54. Share trades should be specified to three decimals, 1500.754. You may also elect to write the amount instead of the number, 'One Thousand US Dollars and Fifty Four cents' for example.

Payment Instructions may be provided at the time of redemption. However, BNYML will withhold the release of payment until sufficient time has been provided to verify the instructions. This is covered in the Settlement section below.

Exchanges/Switches

An Exchange or Switch is permitted within a SICAV or between SICAVs. The switch effectively moves holdings of one Portfolio into another Portfolio for the same shareholder. Switches constitute a cash transaction in that Shares of the Switch Out Portfolio are sold and Shares of the Switch In Portfolio are bought on the same day.

Switch orders may be placed with BNYML every Luxembourg business day.

Switch orders are accepted in currency or shares. A Share request will liquidate the number of shares requested in the Switch Out Portfolio. The number of Shares purchased will not be known until the price of the Switch In Portfolio is calculated.

Shareholders may switch shares of one Portfolio in the SICAV with another Portfolio provided the request is between share classes with the same fee structure and is executed in the same currency as the initial subscription currency. Certain restrictions and exceptions apply. Please consult the prospectus or call your CST representative for restrictions on share class switches.

To assist with the trading requirements, TML has worked with BNYML to develop a dealing form. To obtain a copy contact BNYS or your CST representative.

If you choose not to use the form, at a minimum, the following information is necessary to place a switch order:

- Sub-Distributor¹ Name and BNYML Code (if known)
- Shareholder² Name (if applicable) and Account Number
- Switch Out Portfolio Name and Share Class (Fund Identifier Code, such as ISIN, may also be accepted)
- Switch In Portfolio Name and Share Class (Fund Identifier Code, such as ISIN, may also be accepted)
- Trade Quality Indicator, which identifies if the trade is in 'Currency' or 'Shares'
- Amount of trade
- Switch Fee Amount (if applicable)
- Sales Representative Name or Operational Contact Person
- Signature of authorised person

¹ Distributor – This is Company or Group that has signed a Distribution Agreement with Threadneedle Asset Management Ltd.

² Shareholder – This is the registered name on the BNYML account

No trade will be processed without an authorised signature appearing on the form.

We request that amounts be written without a thousands separator. For example 1000.00 would represent a trade for one-thousand. Currency trades should be specified to two decimals, 1000.54. Share trades should be specified to three decimals, 1500.754. You may also elect to write the amount instead of the number, 'One Thousand US Dollars and Fifty Four cents' for example.

Maintenance requests

From time to time it may be necessary to update account information. Requests for shareholder updates must be made in writing and sent directly to the Bank of New York Mellon. All requests should be signed by the relevant authorised signatures and certified copies of documents submitted where applicable. Requests by fax will not be accepted.

Requests for distributor updates should be sent to your CST representative. Updated documents may be required in order to process the update.

Settlement information

Subscription settlement

All subscription trades must be settled on the respective settlement date to the appropriate wire instructions provided below. Failure to remit on time or to remit to an errant location or with incomplete instructions may result in a delay of settlement.

Delays may also result in interest charges. A daily rate is applied to the subscription amount for each day the trade is unpaid. A CST representative will provide details if interest charges are applied to trades settled late.

Habitual tardiness may result in the cancellation of the trade(s) and/or Distribution Agreement.

The settlement instructions for the SICAV:

EUR

Deutsche Bank, Frankfurt
 BLZ 500 700 10 OR Swift Code DEUTDEFF
 FCT: The Bank of New York Mellon (Luxembourg) SA
 IBAN a/c no. 100 938-2946 03
 FFCT: [Threadneedle (Lux) + Deal Reference]*

USD

The Bank of New York Mellon, New York
 ABA 021 0000 18 OR Swift Code: IRVTUS3N
 FCT: The Bank of New York Mellon (Luxembourg) SA
 Account no. 890-0574-100
 FFCT: [Threadneedle (Lux) + Deal Reference]*

CHF

Credit Suisse First Boston, Zurich
 Swift Code: CRESCHZZ80A
 FCT: The Bank of New York Mellon (Luxembourg) S.A.
 (IRVTLULXLTA)
 Account no: 0835-0674144-33-000
 FFCT: Threadneedle SICAV + Deal Reference*

GBP

The Bank of New York Mellon, New York
 Sort Code 70 02 25
 Swift Code IRVTGB2X
 FCT: The Bank of New York Mellon (Luxembourg) S.A.
 (IRVTLULXLTA)
 Account no. 2200438260
 FFCT: Threadneedle SICAV + Deal Reference*

The section marked in * should be populated with information relevant to the trades being settled. Include as much information about the trade as possible to facilitate proper settlement. Key information that assists with settlement includes:

- BNYML Sub-Distributor Code (if known)¹
- Shareholder Account Number²
- Trade or Contract Number³

¹BNYML Sub-Distributor Code is an assigned code by BNYML that uniquely identifies each intermediary.

²Shareholder Account Number is the unique account number assigned to every shareholder maintained by BNYML.

³Every trade has a unique number assigned by BNYML. Also, every contract note issued by BNYML has a specific document number. If individual trades are being settled, the instructions should reference the specific deals in the wire details. If all trades in that contract are being settled as one payment, you may reference the document number in the wire details.

Redemption settlement

All redemption payments are sent by wire using the default mandate details advised during the account opening process. If the mandate details provided on the trade request are different from those held on file the proceeds will be held until confirmed. It is required to provide the mandate details at the time the account is opened. Payment to third parties is not permitted.

Settlement during observed holidays

Settlement cycles are impacted by Luxembourg and United States holidays. In the event of a Luxembourg holiday, EUR, USD, GBP and CHF settlement is affected. The EUR, USD, GBP and CHF settlement date will be adjusted to the next Luxembourg business day.

In the event the United States is closed for a holiday, USD settlement will be adjusted to the next Luxembourg business day. A United States holiday does not affect the standard settlement cycle for EUR, GBP or CHF trades.

In the event of a holiday in countries other than Luxembourg, the United States, Great Britain, or Switzerland EUR, USD GBP and CHF settlement is not affected.

Actual Settlement Dates appear on contract notes for the Luxembourg holiday schedule only.

Example 1: Luxembourg Holiday on May 1, 2009 for a standard T+3 settlement cycle in either currency

- Trade date 28 April - Settle date 4 May
– Contract Note reflects 4 May (3 business days)
- Trade date 29 April - Settle date 5 May
– Contract Note reflects 5 May (3 business days)
- Trade date 30 April - Settle date 6 May
– Contract Note reflects 6 May (3 business days)

Example 2: United States Holiday on September 7, 2009 for a standard T+3 settlement cycle in USD currency

- Trade date 2 September – Settle date 8 September
– Contract Note reflects 7 September
- Trade date 3 September – Settle date 9 September
– Contract Note reflects 9 September
- Trade date 4 September – Settle date 10 September
– Contract Note reflects 10 September

Retrocession

Intermediaries often receive remuneration from the Distributor, Threadneedle Management Luxembourg S.A., for servicing the underlying shareholder. The fees are paid retroactively and are called Retrocession.

Retrocession is paid on a quarterly basis. TML standard is to release the statement and funding by the 15th business day after the end of the calendar quarter.

The calculation method for retrocession is to multiply daily share balance by the corresponding daily net asset value for each share class of a Portfolio (daily asset) and then multiply this value by a daily retrocession rate. The total value is summed for a quarter and paid in the month following the quarter end. Retrocession rates will usually be quoted as a per annum number expressed in basis points. A basis point is equal to 0.01%.

Retrocession is calculated in a preferred currency, which you must specify at the time documents are requested. Please see the Establishing an Account section for details on required documents. Your CST representative will contact you regarding account preferences. If you hold Shares in a currency that is other than your preferred currency, a foreign exchange rate is applied to those holdings. The foreign exchange rate is applied at the point just prior to release of funding. The foreign exchange rate will be quoted on the statement.

Payments are sent via wire. Payments cannot be directed to multiple destinations and only one party can accrue a fee on a shareholder's asset. Mandate details will be requested during the Establishing an Account process. Failure to provide this information at that time may result in a delay receiving a retrocession payment.

If the total accrued quarterly fee is less than 100 EUR/USD/GBP or 150 CHF, the amount will be warehoused for up to one year or until the minimum threshold is reached. If the minimum is not met in one year, the amount is forfeited.

If there is any change to a fee agreement, the rates will be effective at the start of the following quarter. If a recalculation of retrocession is required and the estimated amount is less than 100 USD/EUR/GBP, or 150 CHF there will be a 50 EUR/USD/GBP or 75 CHF processing charge.

Payments and statements can be sent to a main office or another preferred contact or to an individual branch.

Although retrocession accrual begins when a trade is placed, failure to have a signed Distribution Agreement or any necessary supporting documentation will result in the remuneration being withheld. If the quarter ends without proper documents signed, the amount may be forfeited. At a minimum a recalculation may be necessary and may incur a processing charge.

If you have any questions relating to retrocession, please call your CST representative.

Customer Communication

Contract notes

All subscription, redemption, and switch trades processed by BNYML will be confirmed the business day following the trade date (T+1). A Contract Note will be created and faxed with critical information regarding the trade.

Contract Notes will be dispatched usually at 10:00 Central European time (CET) the business day after the trade date (T+1). Due to the time sensitive material, all Contract Notes are faxed. It is imperative to keep fax numbers up to date with BNYML. Contact either BNYML or your CST representative if your fax number changes.

The Contract Note constitutes confirmation the trade has been processed by the Transfer Agent. All Contract Notes should be reviewed immediately to confirm the trade details. If any discrepancy is detected, please call your local CST representative or BNYML immediately.

Failure to receive a Contract Note in a timely manner could be an indication the trade was not successfully placed. If you do not receive a Contract Note in a timely manner, please call your CST representative or BNYML immediately.

Failure to contact either party immediately may void any claim for corrective action of a trade. Any correction required will be the responsibility of the Intermediary. If contact is made immediately, situations will be reviewed on a case by case basis to determine the proper course of action.

Statements

Statements are produced on a periodic basis. The current policy is to send statements on a monthly basis. Statement frequency can be set to Quarterly, Semi-Annually, Annually or suppressed.

The statement displays the value and position of each shareholder for the close of the period. Values are based on the currency holding. In addition, a summary of transactions is displayed for the previous period for reconciliation purposes.

Statements can be produced for a shareholder, an Intermediary, or both. The periodic frequency is set at the shareholder level and a copy is mailed to the Intermediary. If multiple shareholders exist for an Intermediary, the statement summarizes the holdings of all shareholders for that Intermediary. The default setting is to suppress shareholder statements.

Statements can be produced in a preferred language: English, French, German, Mandarin, Italian or Spanish. English is the default. Please contact your CST representative to request any changes.

Statements are usually mailed due to the number of pages for most statements. TML is currently looking into other solutions that may make statement delivery faster. Only in exception cases are statements faxed.

The statement constitutes a representation of the account holding as of the close of the period indicated on the statement. The validation of the value, holdings of Shares of all Portfolios, all transaction activity for that period, as well as any account details should be verified upon receipt. Failure to notify either BNYML or your CST representative of an error in a timely fashion, usually within 30 days, may void any right to a correction.

Redemption settlement

Retrocession statements are created every quarter. The statement represents the previous calendar quarter activity in terms of assets held for each position by an Intermediary.

Statements display holdings for each shareholder position for simple reconciliation.

The statement also provides an average net asset value for the period and the approximate basis point amount applied in that quarter. The actual calculation was outlined in the Retrocession section above. However, the information on the statement allows for very close approximates of the actual amounts sent to the customer.

If an Intermediary requested preferred currency, the statement will reflect the foreign rate used to exchange non-preferred currency into preferred currency.

If the minimum distribution amount was not met, no statement is produced. Statements are mailed and are only sent to the Intermediary.

Important information

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