

**Morningstar Rating**  
**OBSR Rating**

★★★  
AA



Fund Manager(s)  
**Cormac Weldon**  
Since: 11 2001

### Fund Aim

The fund aims to achieve above average capital growth through investing in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular sector specialisation.

### Fund Facts

Index S&P 500  
Benchmark UK Unit Trusts / OEICs  
Sector<sup>1</sup> (IMA) North America

Fund Size £1,336.1m

Launch Date March 1982

Historic Yield 0.00% p.a.

Pay Dates 7 May

XD Dates 8 March

Type of Share Accumulation

### Share Class & General

	Retail	Inst
Initial Charge	3.75%	0.00%
Annual	1.50%	1.00%
Min. Investment	£2,000	£500,000
ISA	Yes	

All information expressed in UK Sterling

### Contact Details

Intermediary Line 0800 068 4000\*  
Client Line 0800 068 3000\*

\*Calls are recorded

PO Box 1331, Swindon, SN38 7TA

For UK Investors only.

All data as at 30 06 10

**threadneedle.**

# Threadneedle American Select Fund

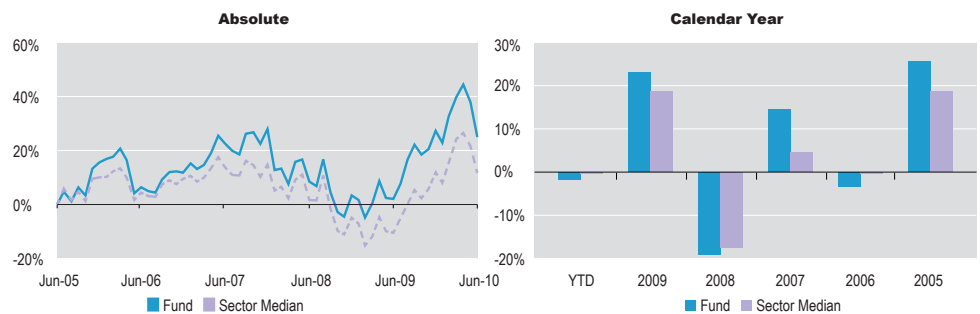
## Commentary and Outlook

US stocks declined further due to concerns about the sustainability of the economic recovery. Despite mixed economic data, US corporate news remains generally positive (although outlook statements have been tempered).

Good stock selection within the energy and IT sectors added value, but stock selection within consumer discretionary, healthcare and financials detracted. Accenture, the management and technology consulting services provider, was among the top contributors to returns after it reported better-than-expected third-quarter profits. However, Brinker International, the restaurant operator, and Tenet Healthcare were among the main detractors. Notable purchases included Laboratory Corporation of America, the laboratory testing company. Continuing consolidation should benefit this company. Meanwhile, the fund sold its stake in Sandisk, the supplier of flash data-storage products, after it reached our price target.

US equities offer good value, while strong corporate balance sheets and good free cash-flow generation further underpin our positive view of the market's medium- to longer-term prospects. We certainly continue to find attractive opportunities at the stock level.

## 5 Year Performance



## Fund Performance

	1M%	3M%	YTD%	1Y%	3Y%	5Y%	10Y%
<b>Fund (Net)</b>	-9.4	-10.6	-1.8	22.4	1.9	25.0	-25.3
<b>Index (Gross)</b>	-8.0	-10.2	0.8	26.0	-1.6	15.1	-13.8
<b>Sector Median (Net)<sup>1</sup></b>	-8.8	-10.6	-0.3	24.2	-2.9	11.7	-24.3
<b>Ranking<sup>1</sup></b>	60/80	41/80	66/80	56/80	15/65	7/58	23/42
<b>Quartile Ranking<sup>1</sup></b>	3	3	4	3	1	1	3

## Performance 12 Months Ending

30th Jun 06	29th Jun 07	30th Jun 08	30th Jun 09	30th Jun 10
6.4%	15.3%	-11.5%	-5.9%	22.4%

Note: All performance figures relate to the Net Acc Class 1 (Retail) GBP share class.

## Top 10 Holdings

Company	%	Total % in top 10: 30.8	Total Number of Stocks in Portfolio: 63
Thermo Fisher Scientific Inc.	5.6		
Apple Inc.	5.2		
Wells Fargo & Co.	3.7		
JPMorgan Chase & Co.	2.6		
Nike Inc. (CI B)	2.6		
CA Inc.	2.4		
Republic Services Inc.	2.3		
IBM Corp.	2.2		
Costco Wholesale Corp.	2.1		
Hewlett-Packard Co.	2.1		

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

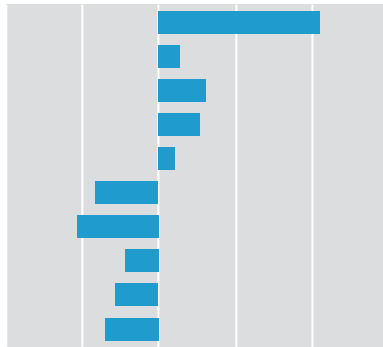
Index returns assume reinvestment of dividends and capital gains and unlike fund returns do not reflect fees or expenses. The index is unmanaged and cannot be invested in directly.

Source performance: Copyright © 2010 Morningstar UK Limited, assumes income is reinvested for a basic rate taxpayer, bid to bid (which means performance does not include the effect of any initial charge). Source other: Threadneedle. All performance and information is quoted in retail share class terms.

<sup>1</sup> The Sector Median (Net), Ranking and Quartile Ranking are referenced to the Benchmark Sector.

## Sector Weightings

%	Fund	Index	Deviation from Index	
Information Technology	26.9	18.7		8.2%
Financials	16.4	16.3		0.1%
Industrials	13.6	10.4		3.2%
Health Care	13.5	12.1		1.4%
Consumer Discretionary	11.0	10.1		0.9%
Consumer Staples	7.4	11.5		-4.1%
Energy	6.2	10.7		-4.5%
Materials	1.2	3.4		-2.2%
Telecom Services	0.0	3.0		-3.0%
Utilities	0.0	3.8		-3.8%
Cash	3.8	-		3.8%



## Fund Codes

### Retail (Net) Acc GBP

<b>Sedol</b>	152923
<b>ISIN</b>	GB0001529238
<b>Bloomberg</b>	TDNASGI LN
<b>Reuters</b>	258181X.DX
<b>MEX ID</b>	ADAMSR

For further details on fund codes for other classes, please refer to the rear of the Databook or contact Threadneedle

## Risk Analysis\*

<b>Absolute Volatility</b>	20.28%
<b>Absolute Sharpe Ratio</b>	-0.16

## Important Information

\*Due to timing differences some statistics have been omitted. Please contact Threadneedle for more information. Any opinions expressed are made in good faith but are subject to change without notice.

Standard & Poor's Fund Services is an independent company that awards ratings based on a wide variety of factors including performance, fund management style, overall investment process, corporate profile and stability of investment team. Fund Management Ratings range from 'A' to 'AAA'.

Investment Management Association (IMA) is the trade body representing the UK investment management industry.

Please refer to further Risk Warnings and Glossary at the rear of this document.

## Risk Warnings

**MARKET RISK:** Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up, and an investor may not get back the amount invested.

**CONCENTRATION RISK:** The fund has a concentrated portfolio (holds a limited number of investments) and if one or more of those investments declines or is otherwise adversely affected, it may have a pronounced effect on the fund's value.

**CURRENCY RISK:** If the investment returns are not denominated in an investor's currency, investors are exposed to fluctuations in exchange rates. Changes in exchange rates may also cause the value of investments to fall as well as rise.

## Summarised Glossary

In addition to the above specific risk warnings applicable to the fund, the second page of the factsheet includes a number of statistical measures that should also assist investors and/or their advisors in selecting funds that meets both their investment objectives and appetite for risk.

**ABSOLUTE SHARPE RATIO:** This measure is a risk-adjusted return statistic. It measures the fund's return over and above cash (excess return over a risk free asset) divided by the absolute volatility of the fund. It shows the trade-off between risk and return. The greater the result, the better the return the fund has delivered given the risks within the fund.

**ABSOLUTE VOLATILITY:** One of the main ways in which the risk of an investment is measured is calculating the degree to which its value fluctuates around an average. The standard method for calculating this volatility is standard deviation. Absolute volatility is the standard deviation of the fund's last three years' performance which is then expressed as a percentage. All the other risk measures below are also based on the last 3 year's fund performance.

**AVERAGE LIFE:** This is the weight adjusted average life of the bonds held in the portfolio i.e. on average how many years to go before their expected redemption.

**BETA:** This is a measure of the volatility of the fund relative to its benchmark. A figure greater than 1 indicates that the fund will tend to outperform in a rising market and under perform in a falling one. I.e. is more volatile than the market. The reverse applies to a Beta of less than 1.

**INFORMATION RATIO:** This statistic is commonly used to measure a fund manager's skill against the benchmark. The out/underperformance of the fund relative to its peer group is divided by the tracking error. Therefore, anything positive is above average and anything negative is below average. The larger the number the better.

**JENSEN ALPHA:** A risk-adjusted performance measure that represents the average return on the fund over and above that predicted by the CAPM (Capital Asset Pricing Model), given the fund's beta and the average market return as represented by the benchmark. If the value is positive then the fund has outperformed the market and if it is negative then the opposite is true.

**MODIFIED DURATION:** Is a measure of risk for fixed interest securities as it predicts the sensitivity of the value of the fund's portfolio to a change in interest rates. The higher the value the greater the volatility of the fund's performance resulting from changes to interest rates. If the modified duration of a fund is 5 years then the average price movement of the fund resulting from a +/- 1% change in interest rates is 5%.

**R<sup>2</sup>:** This is a measure of how close the portfolio of a fund is correlated (or can be explained by) the performance of the benchmark. A result of 1 means a perfect correlation whilst 0 means there is effectively no relationship between the two performances. The degree of reliance that can be placed on the result is not linear, however. Generally, a correlation is only significant for values of 0.75 and above. Finally, it is worth noting that the higher the R<sup>2</sup> the greater the reliance that can be placed on the beta result.

**RELATIVE VOLATILITY:** Shows how much more or less volatile the fund has been relative to its benchmark which for all risk measures will be an index. For example if the fund's absolute volatility is 9% and the benchmark's is 10% then the relative volatility is 0.90.

**TRACKING ERROR:** Indicates how closely the fund tracks the benchmark. It is the standard deviation of the monthly returns of the fund divided by the monthly returns of its benchmark. The lower the number the closer the fund follows its benchmark.

Please refer to the Databook or [threadneedle.com](https://www.threadneedle.com) for a full Glossary of Terms.

Subscriptions to a fund may only be made on the basis of the current Prospectus. Investors should note the "Risk factors" section of the Prospectus in terms of risks applicable to investing in any fund.

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