

Threadneedle Pan European Equity Dividend Fund

Investment Objective and Policy

The aim of the Fund is to provide income with the potential to grow the amount you invested as well.

The Fund invests at least two-thirds of its assets in shares of companies in Continental Europe and the UK, or companies that have significant operations there.

The Fund will look to invest in companies that have potential to pay an above average income.



Fund Manager(s)
Nick Davis
Since: 01 2011

Fund Facts

Index MSCI Europe (inc UK)
Peer Group² UK Unit Trusts / OEICs (IMA) Europe Including UK

Fund Size £13.2m
Launch Date May 2006
Historic Yield 4.40% p.a.

Pay Dates 30 June, 31 December
XD Dates 1 May, 1 November

Type of Share Income & 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

¹ SI: Since Inception

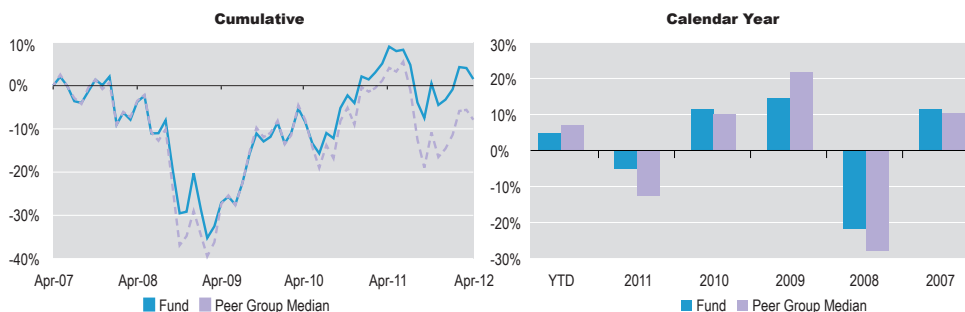
Contact Details

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

*Calls are recorded

PO Box 1331, Swindon, SN38 7TA
For UK Investors only.

5 Year Performance



Fund Performance - Cumulative

	1M%	3M%	YTD%	1Y%	3Y%	5Y%	SI ¹
Fund (Net)	-2.4	2.4	4.9	-6.9	39.2	1.5	26.3
Index (Gross)	-3.7	0.7	3.8	-13.5	29.6	-4.8	16.7
Peer Group Median (Net) ²	-2.4	2.3	7.1	-11.3	27.0	-7.9	13.6
Ranking ²	12/19	9/19	14/19	4/18	5/18	5/15	3/14
Quartile Ranking ²	3	2	3	1	1	2	1

Performance 12 Months Ending

30th Apr 08	30th Apr 09	30th Apr 10	30th Apr 11	30th Apr 12
-3.7%	-24.2%	25.6%	19.0%	-6.9%

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

Top 10 Holdings

Company	%	
Nestle S.A.	5.7	Total % in top 10: 36.5
GlaxoSmithKline PLC	4.7	
BASF SE	4.0	Total Number of Stocks in Portfolio: 43
Novartis AG	3.9	
Schneider Electric S.A.	3.3	
SGS S.A.	3.1	
Tesco PLC	3.0	
Amlin PLC	3.0	
Red Electrica Corp. S.A.	3.0	
TGS-NOPEC Geophysical Co. ASA	3.0	

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

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 © 2012 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.

² The Peer Group Median (Net), Ranking and Quartile Ranking are referenced to the Peer Group.

Sector Weightings

%	Fund	Index	Deviation from Index	
Financials	23.3	18.2		5.2%
Industrials	18.7	11.4		7.3%
Consumer Services	12.8	6.2		6.5%
Consumer Goods	12.2	18.1		-5.9%
Oil & Gas	9.8	11.8		-2.1%
Health Care	8.6	11.0		-2.4%
Basic Materials	6.9	9.9		-3.1%
Utilities	6.3	4.6		1.7%
Technology	0.0	2.9		-2.9%
Telecommunications	0.0	5.9		-5.9%
Unclassified	0.1	0.0		0.1%
Cash	1.4	-		1.4%

Country Weightings

%	Fund	Index	Deviation from Index	
UK	24.3	36.1		-11.8%
Germany	17.1	13.2		3.9%
France	14.0	13.8		0.2%
Switzerland	13.3	13.3		0.0%
Norway	8.4	1.5		6.9%
Spain	6.7	4.0		2.7%
Italy	4.1	3.4		0.7%
Sweden	3.7	5.0		-1.2%
Netherlands	2.9	3.7		-0.8%
Belgium	2.1	1.6		0.5%
Other	2.0	4.5		-2.5%
Cash	1.4	-		1.4%

Risk Analysis

Absolute Volatility	15.02%
Relative Volatility	1.50
Tracking Error	5.21%
Sharpe Ratio	0.72

Additional Information

The Tracking Error is likely to be higher than expected due to a mismatch in the timing of the fund and the index.

Relative Performance Summary

Information Ratio	0.51
Jensen Alpha	4.08%
Beta	0.82
R ²	0.93

Note: Against Index over 3 years

Fund Codes

Retail (Net) Acc GBP

Sedol	B131RB6
ISIN	GB00B131RB65
Bloomberg	-
Reuters	-
MEX ID	ADPDR

Retail (Net) Inc GBP

Sedol	B12Z021
ISIN	GB00B12Z0217
Bloomberg	-
Reuters	-
MEX ID	ADPEE

For further details on fund codes for other classes, please contact Threadneedle.

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: The value of investments can fall as well as rise and investors might not get back the sum originally invested, especially if investments are not held for the long term.

Currency Risk: Where investments are made in assets that are denominated in foreign currency, changes in exchange rates may affect the value of the investments.

Volatility Risk: The fund may exhibit significant price volatility.

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.

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%.

R²: 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 R² 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 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 this or any other fund.

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