

Threadneedle (Lux) Global Asset Allocation

Fund Objective and Policy

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

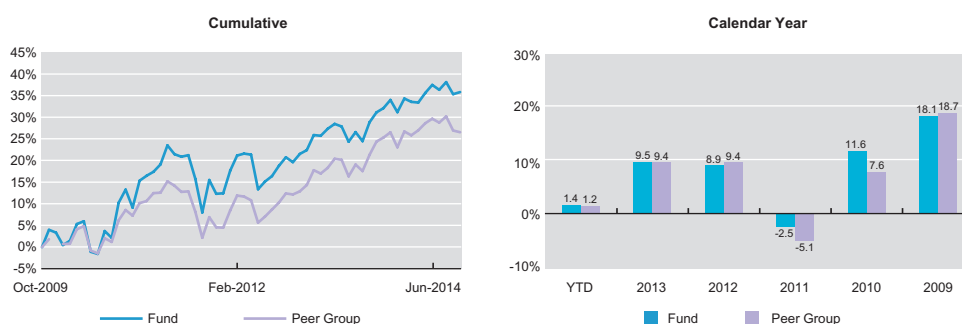
The Fund invests at least two-thirds of its assets in shares of companies and bonds (which are similar to a loan and pay a fixed or variable interest rate) issued by companies and governments worldwide.

The Fund invests directly in these assets or by using derivatives. Derivatives are sophisticated investment instruments linked to the rise and fall of the price of other assets.

The Fund may invest in commodities through other funds or derivatives. Commodities are physical materials such as oil, food and metals.

The fund has the flexibility to vary its exposure between asset classes in order to achieve the investment objective.

5 Year Performance



Fund Manager(s)

**Alex Lyle / Toby Nangle /
Neil Robson / Dave Chappell,
Threadneedle Asset Management
Limited**

Since: 09 2009 / 07 2012 / 12 2011 / 09 2009

Fund Facts

Target	Equity – like returns with up to two – thirds equity volatility
Peer Group ¹	GIFS Offshore – USD Moderate Allocation
Fund Size	\$85.4m
Launch Date	April, 1986
Type of Share	For available share classes please see prospectus.

Share Class & General

	A	D	I
Initial Charge	5%	1%	0%
Annual	1.50%	2.25%	0.75%
Min. Investment	\$2,500	\$2,500	\$100,000

All information expressed in US Dollars

Fund Performance - Cumulative

	1M%	3M%	YTD%	1Y%	3Y%	5Y%	10Y%
Fund (Net)	0.4	-0.4	1.4	3.6	17.6	35.9	80.9
Peer Group (Net)	-0.4	-1.6	1.2	2.1	18.8	26.3	54.1
Ranking¹	54/187	49/183	82/171	56/164	73/125	22/87	5/40
Quartile Ranking¹	2	2	2	2	3	1	1

Performance 12 Months Ending

	31st Oct 10	31st Oct 11	31st Oct 12	31st Oct 13	31st Oct 14
	13.3%	2.0%	3.6%	9.6%	3.6%

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

Past performance is not a guide to future performance.

The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested.

Please note that this fund has Reporting Fund status in the UK. Tax treatment depends on individual circumstances. Tax concessions are not guaranteed and tax legislation may change in the future. For additional information please refer to the Prospectus.

Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

Top 10 Holdings

	%	
TOPIX INDX FUTR Dec14	6.2	
TLUX ENHANCED COMMODITY	5.6	
Government Of Australia 3.25% 21-apr-2029	4.3	
Government Of Australia 2.75% 21-apr-2024	2.9	Total % in top 10: 34.5
Government Of The United States Of America 0.0% 11-dec-2014	2.9	
Government Of The United States Of America 0.0% 05-feb-2015	2.9	Total Number of Stocks in Portfolio: 103
Government Of The United States Of America 0.0% 05-mar-2015	2.9	
Government Of Australia 5.5% 21-apr-2023	2.4	
Government Of The United States Of America 0.0% 13-nov-2014	2.3	
Government Of Mexico 6.5% 09-jun-2022	2.1	

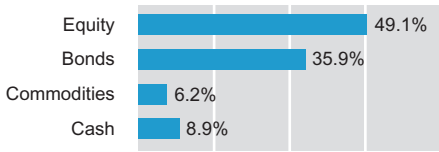
The mention of any specific shares or bonds should not be taken as a recommendation to deal.

For more information on Threadneedle's SICAV funds please visit our website at threadneedle.com/lux.

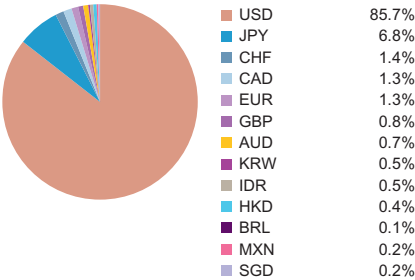
Source performance: Copyright © 2014 Morningstar UK Limited. Source other: Threadneedle.

¹The Ranking and Quartile Ranking are referenced to the Peer Group

Asset Allocation



Currency Breakdown



Risk Analysis

Absolute Volatility	7.13%
Sharpe Ratio	0.73

Additional Information

Threadneedle Asset Management assumed management of the equity portion of the fund on 17 November 2003. Threadneedle assumed management of the fixed income portion of the fund on 16 September 2009. The fixed income portion of the fund was previously managed by RiverSource prior to 16 September 2009. On 16 November 2007, the Global Balanced Portfolio was renamed Global Asset Allocation Portfolio.

The Fund changed Investment Objective and Policy on 1 January 2012. The Fund now has a broader and more flexible investment policy. In addition to global equities and fixed income securities the Fund may also gain indirect exposure to commodities.

Until 21 August 2012 the Fund was managed with reference to the 60% MSCI World / 40% JPM GBI composite index.

Please note this fund may not be registered or authorised in all jurisdictions. For detailed information please consult threadneedle.com

Fund Codes
Class A Acc USD

Sedol	B1HJ7Q1
ISIN	LU0061474705
Bloomberg	EPCGSBE LX
WKN	974978
Valoren	684464

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

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.

ISSUER RISK: The fund invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay.

LIQUIDITY RISK: The fund invests in assets that are not always readily saleable without suffering a discount to fair value. The portfolio may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.

INFLATION RISK: Most bond funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the value of capital and income over time.

INTEREST RATE RISK: Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

VALUATION RISK: The fund's assets may sometimes be difficult to value objectively and the true value may not be recognised until assets are sold.

DERIVATIVES RISK: Investment in derivatives may result in losses in excess of the amount invested.

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.

Important Information

Threadneedle (Lux) is an investment company with variable capital (Société d'investissement à capital variable, or "SICAV") formed under the laws of the Grand Duchy of Luxembourg. The SICAV issues, redeems and exchanges shares of different classes, which are listed on the Luxembourg Stock Exchange. The management company of the SICAV is Threadneedle Management Luxembourg S.A, who is advised by Threadneedle Asset Management Ltd. and/or selected sub-advisors.

The SICAV is registered in Austria, Belgium, France, Finland, Germany, Hong Kong, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden, Switzerland, Taiwan and the UK; however, this is subject to applicable jurisdictions and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the Funds may not be offered to the public in any other country and this document must not be issued, circulated or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with applicable local legislation.

This material is for information only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments, or to provide investment advice or services.

Subscriptions to a Fund may only be made on the basis of the current Prospectus, the Key Investor Information Document, the latest annual or interim reports and the applicable Terms & Conditions. Investors should note the 'Risk Factors' section of the Prospectus in terms of risks applicable to investing in any fund and specifically this Fund. The above documents are available free of charge on request from the SICAV's registered office at 69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg, or

- in Austria from Erste Bank, Petersplatz 7, 1010 Wien
- in Belgium: J.P. Morgan Chase Bank Brussels, 1, Boulevard du Roi Albert II, 1210 Brussels;
- in France from CACEIS Bank, 1/3 Place Valhubert, 75013 Paris;
- in Finland from Eufex Bank Plc, Keilaranta 19, 02150 Espoo, Finland
- in Germany from JP Morgan AG, Junghofstr. 14, 60311 Frankfurt,
- in the UK from JPMorgan Worldwide Securities Services, 60 Victoria Embankment, London EC4Y 0JP.

The above documents and the instrument of incorporation can be obtained – in Switzerland from our representative and Paying Agent RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstr.567, 8066 Zürich.

Threadneedle does not give any investment advice. If you are in doubt about the suitability of any investment, you should speak to your financial adviser.

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