Threadneedle Equity and Bond Fund

About the Fund
The Fund aims to achieve capital growth and income from investment in a portfolio of funds managed by Threadneedle Investments. The portfolio will normally include lower risk funds from the Threadneedle range.

Key selling points
- Threadneedle has been running managed funds since 1994 and currently manages over £20billion* of assets.
- Co-managed by Alex Lyle, Head of Asset Allocation and Mark Burgess, Chief Investment Officer.
- A nimble fund, able to capitalise on any changes in the market or investor sentiment quickly.
- The Fund has been awarded an A-rating from ONSR, independent researchers. This highlights the robust investment processes and performance of the Fund.
- The Fund benefits from access to Threadneedle’s award winning range of funds from which the co-managers select to construct the portfolio.
- Well-resourced investment team – the co-fund managers operate within Threadneedle’s wider team of more than 120 investment professionals.

Where does the Fund sit on the risk/return spectrum?
Our range of managed funds is designed to reflect different attitudes to risk and reward and invests in a blend of assets including bonds, cash and equities. This allows investors to choose between a very cautious, risk-adverse fund, through to a fund with a lower attitude to risk with higher potential returns or somewhere in between.

Threadneedle Equity and Bond Fund sits at the lower end of our Managed Funds range on the potential risk/return spectrum. This is because the portfolio is built using a combination of Threadneedle funds which will normally include less volatile funds from the range.

The risk/return spectrum

Source: Threadneedle. For illustrative purposes only.

Investor profile
The Fund may be suitable for investors with a long term investment horizon seeking capital growth and income who are prepared to tolerate moderate price fluctuations. If investors are uncertain if the fund is suitable for them, they are advised to contact a financial adviser.
Threadneedle managed fund capabilities

Investment process

Threadneedle multi asset funds 3 step process

Stage 1 – asset allocation

Monthly meetings
- Economic Background
- Sectors and Themes
- Asset Allocation
- Valuation Framework

Threadneedle Asset Allocation Committee
- Chairman
- CIO
- Head of Managed Funds
- Head of Global Equities
- Head of UK Equities
- Head of European Equities
- Head of Bonds
- Head of Government Bonds

Stage 2 – fund selection

Weekly meeting
- Strategic views
- Valuation
- Fund manager fund selection
- Fund constraints
- Benchmark

Stage 3 – risk control

- Portfolio
- Risk management

Risk management

The rigour that underpins the process allows the fund manager to invest with real conviction.

An independent risk team performs in-depth analysis of a range of portfolio metrics to ensure that this conviction does not result in undue concentration at a stock or sector level.

Key risks

If the fund you choose invests in overseas stockmarkets, changes in rates of exchange between currencies may also cause the value of your investment to rise or fall. The use of derivatives is for efficient portfolio management only. Bond yield levels are not guaranteed and can fluctuate. Additionally, the interest rate on corporate bonds and most government bonds will not increase in line with the rate of inflation. Thus, over time, the real value of your income is likely to fall. Where the running yield (an estimate of the income return) of a bond fund is greater than the redemption yield (the total return if all the bonds in a fund were held to maturity) this may signify a potential erosion of capital.

Important information

Data as at 28.02.2011. Past performance is not a guide to future returns. The value of investments can fluctuate. Subscriptions to a fund may only be made on the basis of the current Prospectus or Simplified Prospectus and the latest annual or interim reports, which can be obtained free of charge on request. Investors should note the “Risk factors” section of the Prospectus in terms of risks applicable to investing in any Fund. Fund Management Ratings range from ‘A’ to ‘AAA’.

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Find out more

For more information on how the Threadneedle Equity and Bond Fund could make a difference to your clients’ portfolio, please speak to your usual Threadneedle contact or visit threadneedle.com.

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