



The Threadneedle Global Equity Fund invests into the Threadneedle Global Select Fund USD Class (Underlying Fund), which provides exposure to an actively managed portfolio of international listed shares. The fund's objective is to achieve above average capital growth through investment in equities issued by companies worldwide. The Threadneedle team draws on its experience to target relevant information, with the aim of identifying companies that have the potential for growth over a two (2) year time horizon.

### Portfolio update

The Threadneedle Global Equity Fund returned 3.36% for January 2012. As a reference, the MSCI AC World (AUD) returned 2.10% for the month.

### Market overview

Global equities enjoyed a very strong start to the year on the back of improving data from around the globe. The US saw a bigger than expected increase in non-farm payrolls and a drop in the jobless rate to a new three-year low of 8.5%, and there were also signs that the housing market could be bottoming out. Hopes for global growth were further lifted by heartening manufacturing data from China and India, and a drop in German unemployment to a post-reunification low. More positive data emerged from China later in the month with the news that the country's fourth quarter GDP was slightly better than expected, a development that reinforced hopes that the world's second largest economy would achieve a soft landing. The return of risk appetite led investors to switch into sectors and stocks that had fared poorly towards the end of last year when fears about the eurozone and the outlook for the global economy were particularly acute.

### Portfolio activity

The fund strongly outperformed the index on a gross return basis, largely as a result of stock selection, although sector allocation was also positive. Stock selection was particularly strong in the industrials, healthcare and energy sectors. Stocks that added value included BMW and Renault, which gained on increasing optimism over global growth prospects; while Wesco International, the US electrical products distributor, reported very strong fourth quarter earnings. Stocks that detracted included the Swiss drug maker Novartis, which suffered from disappointing news concerning one of its drugs, and Google and Yamada Denki. The technology giant Google reported a 27% increase in revenues for the last three months of 2011, but still failed to meet expectations and its share price tumbled. Finally Yamada Denki, the Japanese electronics retailer, came under pressure as Japanese stocks in general underperformed global markets over the month.

During January Threadneedle established a new holding in Lam Research of the US, which supplies wafer fabrication equipment and services to the worldwide semiconductor industry. A recent acquisition should lead to cost savings and boost the company's relationship with leading chipmakers such as Intel. The fund added to JPMorgan Chase, which should benefit from improving sentiment towards the financial sector and an upturn in US economic activity. They also exploited share price weakness to add to the carmaker Renault, which is benefiting from strong demand in the US through its alliance with Nissan. The fund banked profits from the sale of various holdings including the US medical equipment supplier Thermo Fisher, the US coal miner Cloud Peak and the world's biggest gold supplier Barrick Gold, which is based in Canada.

### Strategy outlook

While Threadneedle does not believe the robust start to the year can be sustained, it is based on encouraging economic news from China and the US. The eurozone crisis remains the key threat to the global economy and has yet to be resolved. However, equities are attractively valued and, as we have seen in January, can rebound sharply as investor confidence improves.

### Portfolio facts & fees <sup>1</sup>

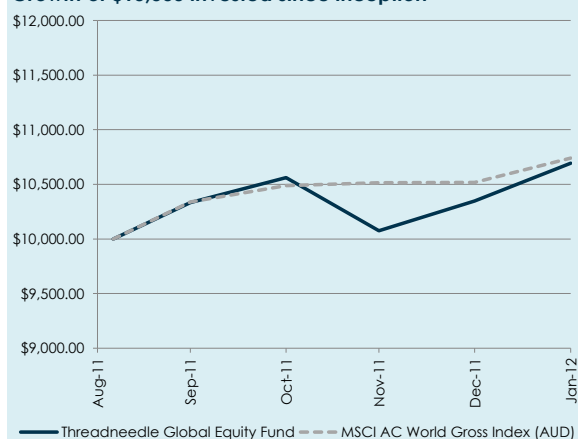
APIR code	HFL0028AU
Unit price	\$1.069350
Management costs	1.28% p.a.
Performance fee	Nil
Buy/Sell spread	Nil

Inception date	05 September 2011
Portfolio value (\$M)	\$0.62
No. of stocks	91
Income distribution	Annual, 30 June
Liquidity	Daily (1/1)

### Performance <sup>2</sup>

	TGEF Unhedged (AUD) %	MSCI AC World (AUD) %
1 month	3.36	2.10
3 months	1.26	2.38
6 months	N/A	N/A
12 months	N/A	N/A
2 years p.a.	N/A	N/A
3 years p.a.	N/A	N/A
5 years p.a.	N/A	N/A
7 years p.a.	N/A	N/A
10 years p.a.	N/A	N/A
Since inception	6.94	7.39
Volatility	N/A	N/A

### Growth of \$10,000 invested since inception <sup>2</sup>



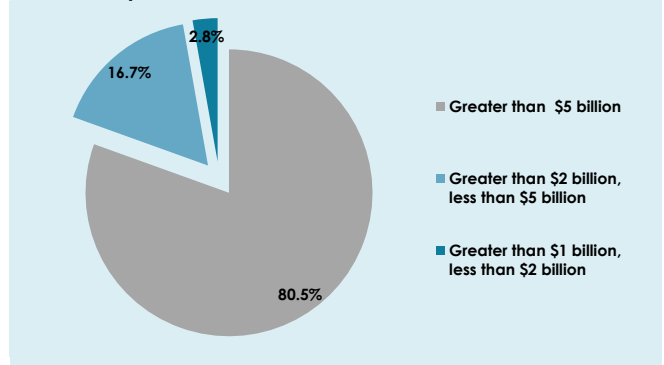
Past performance is not a reliable indicator of future performance.  
Source: Certitude Global Investments Limited, Morningstar.

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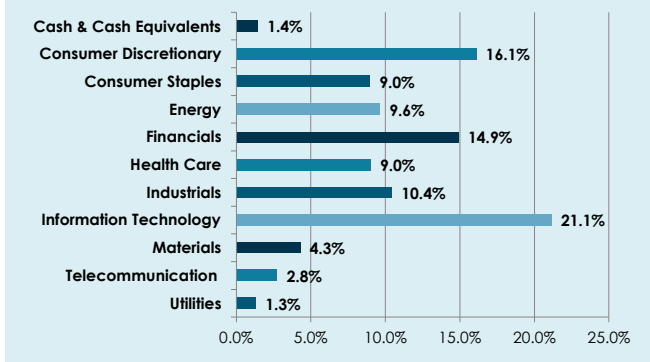
### Top positions & sector<sup>3</sup>

Top 10 positions	Weight %	Sector
Apple Inc.	3.0	Information Technology
JPMorgan Chase & Co.	2.5	Financials
Novartis AG	2.3	Health Care
Wal-Mart Stores Inc.	2.1	Consumer Staples
PepsiCo Inc.	2.1	Consumer Staples
BG Group PLC	2.0	Energy
Oracle Corp.	1.9	Information Technology
Laboratory Corp.	1.8	Health Care
Kraft Foods Inc.	1.8	Consumer Staples
McDonald's Corp.	1.7	Consumer Discretionary

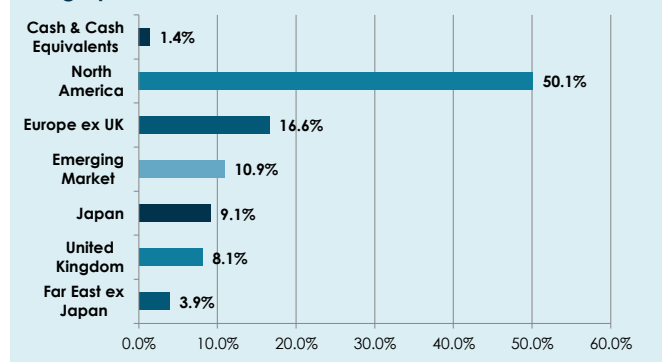
### Market Cap<sup>3</sup>



### Sector allocation<sup>3</sup>



### Geographic allocation<sup>3</sup>



### Fund ratings



The Zenith Investment Partners ("Zenith") ABN 60 322 047 314 rating (assigned August 2011) referred to in this document is limited to "General Advice" (as defined by section 766B of Corporations Act 2001) and based solely on the assessment of the investment merits of the financial product on this basis. It is not a specific recommendation to purchase, sell or hold the relevant product(s), and Zenith advises that individual investors should seek their own independent financial advice before investing in this product. The rating is subject to change without notice and Zenith has no obligation to update this document following publication. Zenith usually receives a fee for rating the fund manager and product against accepted criteria considered comprehensive and objective.



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### Further information

Please contact 1300 30 90 92 or visit the website at [www.certitudeglobal.com.au](http://www.certitudeglobal.com.au) for further information.

**Phone: 1300 30 90 92**

**[www.certitudeglobal.com.au](http://www.certitudeglobal.com.au)**

### Disclaimers

- Total management costs include 1.1275% p.a. management fee, 0.1025% p.a. administrative fee and 0.048% p.a. administration costs of the TGS Fund in which the Fund invests. Costs incurred by the 0.048% p.a. TGS Fund administration costs are reflected in the price of units in the TGS Fund. Income is distributed annually for the period ending 30 June each year where income is available.
- TGEF returns to 31 January 2012 assume distributions are reinvested and are net of all fees. The MSCI AC World Gross AUD is provided as a reference only.
- Allocations are for the underlying fund, are current as at the date of this report and are not necessarily indicative of future strategy allocations. Further details of TGEF can be found on the website at [www.certitudeglobal.com.au](http://www.certitudeglobal.com.au).

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