

DON'T MISS OUT ON THE BENEFITS OF SOCIAL ALPHA INVESTING SAY FINANCIAL SERVICES INDUSTRY AND SOCIAL SECTOR

LONDON - 12 March 2014: Later today at Southwark Cathedral, leading figures from the social and fund management sectors will celebrate the growing spirit of collaboration between the social sector and the City, and inaugurate the concept of 'social alpha' investing.

Campbell Fleming, Chief Executive Officer of Threadneedle Investments, will say: "A crisis is often followed by a period of renewed creativity. Six years on from the financial crisis, and in light of its fallout in terms of job losses and public spending cuts, we are seeing innovative and dynamic partnerships between the social sector and the City spring up across Britain. Investors continue to seek out yield in new areas and the social sector promises credible investment opportunities. Our industry has an important role to play in allocating capital efficiently within the economy, not only to generate returns for savers and pension fund beneficiaries but also in a way that benefits our communities and society.

"We are entering the era of 'social alpha', a time when the fund management industry's commitment to delivering financial returns for investors is brought to bear while also delivering positive social returns. By combining the knowledge, networks and capital of the City with the experience of the social sector we can achieve a powerful multiple - crystallising returns for investors, while supporting positive change in communities across Britain."

The Hon Nick Hurd MP, Minister for Civil Society, said: "Britain is leading the way into a new era of social investing. People are increasingly telling us that they want to invest their money into organisations that make a positive impact in society. That's why I welcome Threadneedle and Big Issue Invest's partnership, bringing their respective expertise together to develop this ground-breaking fund. Big Society Capital was established to support exactly this type of innovation, and I am pleased to see that their investment has supported the fund's establishment. I hope that the Social Bond Fund will lead the way for more retail social investment opportunities in the future."

Nigel Kershaw, Chief Executive of Big Issue Invest, will say: “The Big Issue is about self-help, prevention and job creation by building business solutions to social challenges. We conceived the UK Social Bond Fund with Threadneedle to extend and support The Big Issue’s mission. This is not about charity, but enables retail and institutional investors to direct their savings and investments into organisations that are tackling the UK’s social problems - including investing in infrastructure providing affordable housing, improving health and education, and job creation particularly in areas of high unemployment in the UK.

Today’s event takes place following the launch of the Threadneedle UK Social Bond Fund in January 2014, which was established with £10 million of seed investment from Big Society Capital and £5 million from Threadneedle Investments. The Threadneedle UK Social Bond Fund aims to achieve both an investment return and a positive social outcome by investing in fixed income securities of organisations which support socially beneficial activities and economic development. It is the first fund of its kind with daily liquidity, offering retail investors access to the increasingly popular social investment space. The fund, requiring a minimum investment of £2,000, is already seeing interest from retail and institutional investors and is now available on a number of platforms including Ascentric, Aviva, AXA Elevate, Cofunds, Fidelity Funds Network, Novia, Nucleus, Raymond James, Standard Life, Hargreaves Lansdown Vantage and Alliance Trust.

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Notes to Editors

About the Threadneedle UK Social Bond Fund

The Threadneedle UK Social Bond Fund will invest in a portfolio of bonds that aims to deliver both a financial return and a positive social outcome, by supporting socially

beneficial activities or economic development across eight areas. These are affordable housing and property, community services, employment and training, financial inclusion, health and social care, transport and communications, and utilities and the environment.

The Fund may invest in all forms of trade-able debt instruments (primarily investment grade) issued by a supranational, public, private or voluntary and/or charitable sector organisation. These instruments include bonds, notes, bills and loans, whether they have a fixed, floating, variable, index-linked or zero coupon.

Managed by Simon Bond, Credit Fund Manager at Threadneedle, the Fund targets an annual gross return in line with that of a UK corporate bond index such as the Merrill Lynch £ Non Gilt Index, which is currently generating a yield of circa 4% per annum. In making investment decisions, the Fund Manager will be guided by the Social Assessment Methodology to determine suitable investments. The social outcome generated by the resulting portfolio will be monitored and verified by a Social Advisory Committee, made up of six members, including Nigel Kershaw, Iain Richards, Head of Governance and Responsible Investment at Threadneedle, and John Hale, former Manager of Investment Affairs at the Association of British Insurers.

The Fund's minimum investment amount is £2,000 when accessed via UK platforms. It has an Annual Management Charge (AMC) of 0.30% for both retail* and institutional investors, and there is no performance fee. The AMC will be split between Threadneedle and Big Issue Invest, further supporting the work of Big Issue Invest and its parent The Big Issue in financing business solutions to social problems and tackling homelessness. Threadneedle will contribute a portion of its fee to the Threadneedle Foundation, a dedicated entity through which the company provides support for charitable activities.

Based on this assessment, each bond is ranked as either high, medium or low social intensity. The expectation is that two-thirds of the portfolio will have a medium or high social intensity ranking. Investments are taken from this universe to form a portfolio which exhibits the required liquidity and financial return.

The Fund's exposure and assessments will be reviewed by a Social Advisory Committee comprising:

- Nigel Kershaw, Chief Executive of Big Issue Invest and Group Chairman of The Big Issue
- Sarah Forster, Deputy CEO and Development Director, Big Issue Invest
- Mark Hepworth, Head of Research and Policy, Big Issue Invest
- Iain Richards, Head of Governance and Responsible Investment, Threadneedle Investments
- Simon Bond, Credit Fund Manager, Threadneedle Investments
- John Hale, former Manager of Investment Affairs at the Association of British Insurers

See attachment: Target sectors and Social Assessment Methodology.

The fund is available on the following platforms:

B2B Platforms: Ascentric, Aviva, AXA Elevate, Cofunds, Fidelity Funds Network, Novia, Nucleus, Raymond James, Standard Life

D2C Platforms: Hargreaves Lansdown Vantage, Alliance Trust

About Threadneedle Investments

Threadneedle is a leading international investment manager with a strong track record of outperformance across asset classes. We actively manage £89.3 bn (as at 31 December 2013) of assets, investing on behalf of individuals, pension funds, insurers and corporations. We are the 3rd largest UK retail fund manager¹ and the 9th largest UK fund manager¹ by AUM. In Europe we rank in the top 40². Established in 1994 in London, Threadneedle has a presence in 17 countries.

Threadneedle's distinctive investment approach is based on creative thinking, sharing of ideas and rigorous debate. Our c.150 investment professionals invest across developed and emerging market equities, fixed income, commodities and UK property. As at 31 December 2013, 69% of Threadneedle funds outperformed over 1 year, 77% over 3 years and 80% over 5 years³. In 2013, Threadneedle won over 70 prestigious fund management industry awards globally⁴.

Threadneedle is owned by Ameriprise Financial (NYSE: AMP), a leading US diversified financial services company with US\$771 bn in assets under management and administration. As its international investment platform, Threadneedle provides Ameriprise and its retail and institutional clients with world class investment solutions.

¹ UK IMA ranking, Dec 2013, see www.investmentfunds.org.uk

² Europe ranking, Morningstar Rankings ex MM, ex FoF and ex Master/Feeder, Dec 2013

³ All funds managed by Threadneedle, including segregated accounts/portfolios. The data does not include funds sub-advised by third parties or guest funds on a Threadneedle platform. All figures are as at 31 Dec 2013, in GBP unless stated otherwise. Total value of funds outperforming their relevant benchmark expressed as a percentage of total assets under management. This information aims to demonstrate the overall performance capabilities of Threadneedle's asset management team. It is not intended to indicate the performance of individual funds or products. Please refer to product specific documentation in relation to individual funds. The value of investments and any income is not guaranteed and can go down as well as up.

⁴ For details see: <http://www.threadneedle.com/en/About-us/Awards/>

About Big Issue Invest

Big Issue Invest is the social investment arm of The Big Issue, run "by social entrepreneurs for social entrepreneurs". Our mission is to help tackle poverty and inequality by backing business-like solutions to social problems, with self-help and prevention at their core. We help scale up social enterprises and trading arms of charities by providing debt and equity finance from £50,000 to £1,000,000. We work with enterprises that have a track record, as well as a plan to increase trading income and deliver high social impact. Since start of operations in 2007, we have raised and invested £20 million – mainly private capital - in over 170 social enterprises operating in the UK's most disadvantaged communities. As part of our growth plan, we are supporting the launch of social investment products suitable for retail investors that attract a following of socially-minded investors and support our social mission. The Threadneedle UK Social Bond Fund is the first such product.

For more information, visit <http://www.bigissueinvest.com/>

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.

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