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INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC
OCTOBER 2017

THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

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**These pages, together with the investment reports of the individual funds comprise the Authorised Corporate Director's Report.*

Company Information

Company

Threadneedle Specialist Investment Funds ICVC (the Company)
Registered Number IC000232

Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

Director

There is a sole director, the Authorised Corporate Director (the ACD), which is Threadneedle Investment Services Limited.

Board of Directors of the ACD

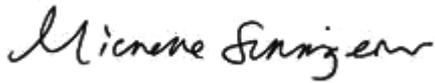
K Cates (non-executive)
D Jordison
D Kremer
A Roughead (non-executive)
M Scrimgeour (Appointed to the Board on 14 August 2017)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 6 months to 31 October 2017.

We hope that you find the report informative. Should you require any further information regarding any aspect of your investment, or about our other products, we would be pleased to help. Alternatively, you may find it helpful to visit columbiathreadneedle.com for further information about Columbia Threadneedle Investments.

Thank you for your continued support.



M Scrimgeour
Director

DIRECTORS' STATEMENTS

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Interim Report and Unaudited Financial Statements for each of the funds listed on page 1 (contents page) on behalf of the Directors of Threadneedle Investment Services Limited.

M Scrimgeour
Director

K Cates
Director

21 December 2017

Threadneedle UK Mid 250 Fund

Investment Report

Investment Objective

The investment objective of the UK Mid 250 Fund is to achieve capital growth from a portfolio of UK 'mid cap' equities.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in a selection of medium sized companies which are constituents of the FTSE 250 (ex Investment Trusts) Index. If the ACD considers it desirable, it may also invest in companies which are not included in that index, and may hold cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Mid 250 Fund has risen from 252.41p to 275.33p.

For comparison, using noon prices, the performance of the Class 1 share class was +9.08% and +9.40% for the Class 2 share class compared to a return of +5.54% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE Mid 250 (ex Investment Trusts) Index was +4.66%.

Market Overview and Portfolio Activity

It was a positive period for UK mid-cap stocks, despite jitters over Brexit and the UK's domestic political and economic prospects. The performance of UK mid-caps was largely driven by generally consensus-beating earnings updates from companies in this area of the market. Another factor fuelling interest in these stocks was the increase in mergers and acquisitions activity. In May, the FTSE 250 index closed above 20,000 for the first time, and it went on to reach 20,227 at the end of the reporting period.

The start of the period was characterised by greater political uncertainty following the prime minister's unexpected decision in April to call a snap general election on 8 June. In the event, the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall majority in parliament. The surprise election result triggered a short-lived sell-off by the market on fears that political instability could have an adverse impact on the UK's Brexit negotiations with the EU. However, the market made a swift recovery, with the FTSE 250 recording solid gains of 4.7% over the reporting period. Nevertheless, the index lagged the broader FTSE All-Share, which gained 5.9% over the six months under review.

The review period was also marked by continued speculation over when the Bank of England (BoE) would begin to raise official UK interest rates. Fuelled by the fall in sterling since the Brexit vote, there has been a pick-up in the annual rate of consumer price inflation, with September's figure of 3.0% the highest since April 2012, and well above the BoE's 2.0% target. Higher inflation and sluggish pay growth has been negative for real wages and a hindrance to retail sales. However, sterling's decline has benefited the UK manufacturing sector, which has seen solid growth in output and new orders.

New additions to the portfolio included Coats Group, a global leader in supplying threads to manufacturers of shoes and clothes. We are positive on the company's expansion into technical fibres, a segment with high margins and high barriers to entry. Other purchases included Cobham, DS Smith, Restaurant Group, Breedon and Spectris. We feel that defence system manufacturer Cobham has a resilient underlying business, offering multiple opportunities for value creation. DS Smith has acquired US business Interstate Resources, which provides access to the US market at a sensible price. For other purchases, we are positive on Restaurant Group's management and turnaround strategy; infrastructure firm

Breedon is run by a proven team; and Spectris (a global leader in test and measurement equipment) is undertaking an efficiency drive that should boost shareholder returns. Another new position was consulting firm First Derivatives.

Among the stocks sold were WS Atkins and Market Tech, following takeover bids for these companies. In addition, we profitably sold out of Rentokil and Victrex. We also closed our position in Paddy Power and used the proceeds to top up GVC; we felt the latter offered stronger prospects for sustainable returns. Other sales included Saga and Amec Foster Wheeler. The latter was acquired by John Wood Group in which we retain a position.

The indicators on the UK economy are mixed and growth is slowing as the UK consumer reduces spending due to the headwind of inflation. Inflation has not slowed as quickly as we would have expected but we still expect it to decline as we move into 2018. Employment remains at historically high levels and the vacancy rate is still high; this should lead to higher wage inflation in 2018 and stop a continued decline in consumer spending next year. The weaker pound does seem to have some benefits for the corporate outlook, with businesses benefiting from their improved competitive positions, but the gains are not as strong as we might have hoped. However, PMI readings indicate demand could be strong in Q4.

While the mid-cap index is perceived to be largely domestic-oriented, many firms are seeing growth opportunities overseas and therefore the UK economy is not the sole driver of the index. We would also note that the fund is positioned with less exposure than the index to UK domestics.

UK mid-caps continue to look attractively valued compared to the wider market, albeit that the differential has narrowed since the start of the year. We still see investment opportunities in stocks where the market is not recognising the intrinsic value of the business.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains/(losses)	8,811	(22)
Revenue	1,307	1,245
Expenses	(581)	(538)
Net revenue before taxation	726	707
Taxation	–	–
Net revenue after taxation	726	707
Total return before equalisation	9,537	685
Equalisation	(47)	(26)
Change in net assets attributable to shareholders from investment activities	9,490	659

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	108,861	111,192
Current assets:		
Debtors	1,177	2,270
Cash and bank balances	1,332	4,318
Total assets	111,370	117,780
Liabilities:		
Creditors:		
Other creditors	(1,470)	(1,498)
Total liabilities	(1,470)	(1,498)
Net assets attributable to shareholders	109,900	116,282

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	116,282	104,659
Amounts receivable on the issue of shares	5,963	7,759
Amounts payable on the cancellation of shares	(21,887)	(15,484)
	(15,924)	(7,725)
Dilution adjustment	52	33
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,490	659
Closing net assets attributable to shareholders	109,900	97,626

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle UK Mid 250 Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	252.12	215.87	213.97	272.68	232.13	228.77
Return before operating charges (p)	25.02	39.91	5.54	27.14	43.14	5.91
Operating charges (p)	(2.14)	(3.66)	(3.64)	(1.51)	(2.59)	(2.55)
Return after operating charges (p)*	22.88	36.25	1.90	25.63	40.55	3.36
Distributions (p)	–	(1.54)	(1.60)	–	(3.04)	(3.08)
Retained distributions on accumulation shares (p)	–	1.54	1.60	–	3.04	3.08
Closing net asset value per share (p)	275.00	252.12	215.87	298.31	272.68	232.13
*after direct transaction costs of (p)	0.43	0.80	0.79	0.46	0.87	0.85
Performance						
Return after charges (%)	9.08	16.79	0.89	9.40	17.47	1.47
Other information						
Closing net asset value (£000)	18,417	14,959	17,692	32,787	41,427	27,386
Closing number of shares	6,696,876	5,933,290	8,196,031	10,990,910	15,192,158	11,797,761
Operating charges (%)**	1.64 [†]	1.65	1.64	1.07 [†]	1.08	1.07
Direct transaction costs (%)***	0.33	0.36	0.36	0.33	0.36	0.36
Prices						
Highest share price (p)	275.33	252.41	231.84	298.65	272.98	248.72
Lowest share price (p)	250.98	189.90	204.01	271.77	204.41	219.11
	Class X – Accumulation shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ¹	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	112.16	94.50	100.00	188.90	160.53	157.92
Return before operating charges (p)	11.18	17.69	(5.50)	18.79	29.86	4.07
Operating charges (p)	(0.01)	(0.03)	–	(0.87)	(1.49)	(1.46)
Return after operating charges (p)*	11.17	17.66	(5.50)	17.92	28.37	2.61
Distributions (p)	–	(2.25)	(1.03)	–	(2.39)	(2.42)
Retained distributions on accumulation shares (p)	–	2.25	1.03	–	2.39	2.42
Closing net asset value per share (p)	123.33	112.16	94.50	206.82	188.90	160.53
*after direct transaction costs of (p)	0.19	0.35	0.14	0.32	0.60	0.59
Performance						
Return after charges (%)	9.96	18.69	(5.50)	9.49	17.67	1.65
Other information						
Closing net asset value (£000)	4	3	3	58,692	59,893	59,578
Closing number of shares	3,000	3,000	3,000	28,378,362	31,707,053	37,114,309
Operating charges (%)**	0.02 [†]	0.03	0.01 [†]	0.89 [†]	0.90	0.89
Direct transaction costs (%)***	0.33	0.36	0.36	0.33	0.36	0.36
Prices						
Highest share price (p)	123.48	112.27	100.90	207.07	189.10	171.88
Lowest share price (p)	111.96	83.37	89.01	188.33	141.41	151.46

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class X – Accumulation shares commenced 2 December 2015.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Mid 250 Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	5,933,290
Shares issued	1,216,698
Shares redeemed	(453,112)
Net conversions	–
Closing shares	<u>6,696,876</u>
Class 2 – Accumulation shares	
Opening shares	15,192,158
Shares issued	641,662
Shares redeemed	(4,785,882)
Net conversions	(57,028)
Closing shares	<u>10,990,910</u>
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class Z – Accumulation shares	
Opening shares	31,707,053
Shares issued	515,773
Shares redeemed	(3,926,771)
Net conversions	82,307
Closing shares	<u>28,378,362</u>

Threadneedle Ethical UK Equity Fund

Investment Report

Investment Objective

The investment objective of the Fund is to achieve a total return by way of income and capital growth by investing in companies that meet the ACD's criteria for responsible and ethical practices.

Investment Policy

The investment policy is to invest predominantly in shares of UK companies that meet the Fund's ethical investment criteria as determined and published by the ACD from time to time.

In doing so, the ACD will have regard to the environmental, social and corporate governance standards and practice of companies and the extent to which they contribute to products, services or practices that enhance quality of life.

Depending on the number of companies that satisfy the ACD's ethical investment criteria from time to time, this may result in a concentrated portfolio of holdings.

The Fund's ethical investment criteria may be amended from time-to-time.

If the ACD considers it desirable, it may also invest in fixed income instruments, money market instruments, cash and near cash.

The Fund is permitted to use derivatives for efficient portfolio management purposes.

Performance of Class Z – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class Z – Accumulation shares in the Threadneedle Ethical UK Equity Fund has risen from 121.05p to 124.93p.

For comparison, using noon prices, the performance of the Class Z share class was +3.21% and +3.00% for the Class T share class compared to a return of +5.54% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI UK IMI extended SRI Index was +3.55%.

Market Overview and Portfolio Activity

It was a positive period for the UK equity market, despite jitters over Brexit and the UK's domestic political and economic prospects. The fund's benchmark index, the MSCI UK IMI Extended SRI index gained 3.6% over the six months under review, underperforming the FTSE All-Share which rose 5.9% over this period.

The start of the period was characterised by greater political uncertainty following the prime minister's unexpected decision in April to call a snap general election on 8 June. In the event, the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall majority in parliament. The surprise election result triggered a short-lived market sell-off on fears that political instability could have an adverse impact on the UK's Brexit negotiations with the EU. However, the market subsequently rallied as concerns eased following a deal with Northern Ireland's Democratic Unionist Party which enabled the Conservatives to stay in power with a working majority.

The reporting period was also marked by continued speculation over when the Bank of England (BoE) would begin to raise official UK interest rates. Fuelled by the fall in sterling since the Brexit vote, there has been a sharp pick-up in the annual rate of consumer price inflation, with September's figure of 3.0% the highest since April 2012, and well above the BoE's 2.0% target. Higher inflation and sluggish pay growth has been negative for real wages and a hindrance to retail sales. However, sterling's decline has benefited the UK manufacturing sector, which has seen solid growth in output and new orders. Overall, the UK economy has continued to expand, with GDP growing at 0.4% in the third quarter, representing an annual growth rate of 1.5%.

New additions to the portfolio included Compass, Just Group, Melrose Industries, Atlantis Resources and Burberry. Compass offers increasing healthy eating choices, both internally and through acquisitions. The company has made efforts to ensure materials are responsibly sourced. We believe there are engagement opportunities around board diversity and remuneration. Just Group is the UK's leading specialist provider of retirement income products

and services. The firm's unique selling point lies in offering better value for money, and a range of products aimed at underserved needs, such as difficult medical conditions and care home provision. Melrose is engaged in fostering clean technology through energy efficiency and smart technology products. The company has strong anti-bribery and anti-corruption programmes in place. Furthermore, management have a good track record of industrial turnarounds and the CEO's large personal shareholding means management and shareholder incentives are well-aligned. Atlantis Resources operates in three parts of the tidal value chain: power generation, project development and technology delivery. It offers exposure to nascent renewable technology in the context of a supportive political environment. Burberry is a luxury goods provider with an increased focus on sustainability, including industry leadership on tracing supply chains and exotic skins. The company has a strong focus on employee training and development.

Among the stocks sold were WS Atkins following the takeover bid for the company. Other sales included Saga, Sirius Minerals, Pennon, Crest Nicholson and Amec Foster Wheeler.

The indicators on the UK economy are mixed and growth is slowing as the UK consumer reduces spending due to the headwind of inflation. Inflation has not slowed as quickly as we would have expected but we still expect it to decline as we move into 2018. Employment remains at historically high levels and the vacancy rate is still high; this should lead to higher wage inflation in 2018 and stop a continued decline in consumer spending next year. The weaker pound does seem to have some benefits for the corporate outlook, with businesses benefiting from their improved competitive positions, but the gains are not as strong as we might have hoped. However, PMI readings indicate demand could be strong in Q4. It is worth noting that the fund is diversified in its exposure; it also invests in UK listed global companies and therefore is not driven solely by the UK domestic economy.

We will continue to use our disciplined process to identify investment opportunities in companies that deliver sustainable, innovative outcomes.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	626	1,549
Revenue	287	322
Expenses	(168)	(151)
Net revenue before taxation	119	171
Taxation	–	–
Net revenue after taxation	119	171
Total return before distributions	745	1,720
Distributions	(119)	(171)
Change in net assets attributable to shareholders from investment activities	626	1,549

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	24,924	24,908
Current assets:		
Debtors	41	168
Cash and bank balances	398	153
Total assets	25,363	25,229
Liabilities:		
Creditors:		
Distribution payable	(111)	(142)
Other creditors	(58)	(237)
Total liabilities	(169)	(379)
Net assets attributable to shareholders	25,194	24,850

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	24,850	21,657
Amounts receivable on the issue of shares	464	339
Amounts payable on the cancellation of shares	(754)	(1,132)
	(290)	(793)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	626	1,549
Retained distribution on accumulation shares	8	1
Closing net assets attributable to shareholders	25,194	22,414

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Dividend distribution in pence per share

Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/10/17	0.5562	–	0.5562	0.7969
Group 2				
01/05/17 to 31/10/17	0.1927	0.3635	0.5562	0.7969
Total distributions in the period			0.5562	0.7969

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/10/17	0.8215	–	0.8215	1.0198
Group 2				
01/05/17 to 31/10/17	0.2588	0.5627	0.8215	1.0198
Total distributions in the period			0.8215	1.0198

Group 2: shares purchased during a distribution period.

Threadneedle Ethical UK Equity Fund

Comparative Table Disclosure

	Class T – Income shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ¹	31/10/2017	30/04/2017	30/04/2016 ²
Change in net assets per share						
Opening net asset value per share (p)	117.30	98.99	100.00	120.71	100.12	100.00
Return before operating charges (p)	4.33	21.24	0.59	4.44	21.67	0.58
Operating charges (p)	(0.81)	(1.44)	(0.67)	(0.58)	(1.08)	(0.46)
Return after operating charges (p)*	3.52	19.80	(0.08)	3.86	20.59	0.12
Distributions (p)	(0.56)	(1.49)	(0.93)	(0.82)	(1.95)	(1.05)
Retained distributions on accumulation shares (p)	–	–	–	0.82	1.95	1.05
Closing net asset value per share (p)	120.26	117.30	98.99	124.57	120.71	100.12
*after direct transaction costs of (p)	0.16	0.21	0.42	0.16	0.22	0.41
Performance						
Return after charges (%)	3.00	20.00	(0.08)	3.20	20.57	0.12
Other information						
Closing net asset value (£000)	23,936	23,837	21,625	1,258	1,013	32
Closing number of shares	19,904,045	20,321,664	21,846,123	1,009,509	839,594	31,808
Operating charges (%)**	1.34 ¹	1.35	1.34 ¹	0.94 ¹	0.96	0.93 ¹
Direct transaction costs (%)***	0.26	0.19	0.42	0.26	0.19	0.42
Prices						
Highest share price (p)	122.46	118.33	103.39	126.26	121.05	103.42
Lowest share price (p)	117.13	92.55	90.13	120.67	93.67	90.23

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class T – Income shares commenced 30 October 2015.

²Class Z – Accumulation shares commenced 30 October 2015.

³The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Ethical UK Equity Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class T – Income shares	
Opening shares	20,321,664
Shares issued	205,634
Shares redeemed	(623,253)
Net conversions	–
Closing shares	<u>19,904,045</u>
Class Z – Accumulation shares	
Opening shares	839,594
Shares issued	177,519
Shares redeemed	(7,604)
Net conversions	–
Closing shares	<u>1,009,509</u>

Threadneedle UK Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the UK Extended Alpha Fund is to achieve above average capital growth from a concentrated portfolio of UK equities.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to a concentrated portfolio of UK equities, i.e. equities of companies domiciled in the UK, or which have significant UK operations, by investing directly or indirectly in such securities. This approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the ACD considers it desirable it may further invest up to one third of the assets of the Fund in markets outside the United Kingdom. The Fund's exposure may be gained through long and short positions.

The ACD may take long and short positions through the use of derivatives and forward transactions. In addition in order to gain long exposure, the ACD may invest in equities, collective investment schemes including exchange traded funds and/or related indices. If the ACD considers it desirable, it may hold a substantial proportion or all of the Fund in cash and/or other securities (including fixed interest securities and money market instruments).

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Extended Alpha Fund has risen from 450.02p to 462.14p.

For comparison, using noon prices, the performance of the Class 1 share class was +2.69% and +2.99% for the Class 2 share class compared to a return of +5.54% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +5.91%.

Market Overview and Portfolio Activity

The FTSE All-Share index posted a total return of 5.9% over the review period despite jitters over Brexit and the UK's domestic political and economic prospects.

The start of the period was characterised by greater political uncertainty in the run-up to the snap general election on 8 June. In the event, the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall majority in parliament. The surprise election result triggered a short-lived market sell-off on fears that political instability could have an adverse impact on the UK's Brexit negotiations with the EU. However, the market subsequently rallied as concerns eased following the Conservatives' 'confidence and supply' deal with Northern Ireland's Democratic Unionist Party.

The reporting period was also marked by speculation over when the Bank of England (BoE) would begin to raise official UK interest rates. Sterling's referendum-induced decline has contributed to a rise in consumer price inflation, the annual rate reached 3% in September. High inflation combined with sluggish pay growth has dented real wages and hurt retail sales. However, sterling's decline has benefited the UK manufacturing sector, which has seen solid growth in output and new orders. Overall, the UK economy has continued to expand, with GDP growing at 0.4% in the third quarter, representing an annual growth rate of 1.5%.

New long-book additions included Rotork, Booker, Sherborne Investors and Cobham. Rotork should see tailwinds from returning oil & gas capex, industry consolidation, and a management team that has invested well through the cycle to enhance the company's offering. Booker is exhibiting improvements in its management team, balance sheet and capital allocation. We believe Booker's shares are attractively valued based on medium-term metrics, and are currently trading at a discount to the value implied by the bid from Tesco. We participated in the latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity. In our view, defence manufacturer Cobham has a resilient underlying business, which offers multiple opportunities for value creation.

We exited Smiths Group and BAE Systems among others. We exited Smiths Group at a profit due to our aversion to industrials at this point of the business cycle and following news of the departure of the firm's well-regarded finance director. We felt BAE Systems'

shares had become fully valued and that the risk-reward profile was likely to turn less attractive. We also sold Amec Foster Wheeler to consolidate our position in John Wood Group.

We initiated new shorts in a global credit scoring company and a UK-based telecom provider among others. We believe the former's very rich valuation is increasingly at risk in the event of a slowdown in US credit formation. We took advantage of a share price recovery in September to re-establish our earlier short in the telecoms firm; the stock trades at a high valuation relative to its rivals although the business is undifferentiated in terms of content and network, and has a very low-quality customer base.

We profitably closed our position in a media conglomerate where the valuation had become too compelling to remain short with any conviction. We also closed our short in a UK value retailer given the strong operating performance of the company in the current domestic environment.

At the time of writing, we are almost exactly halfway between the June 2016 vote to leave the EU and the March 2019 exit date. The ongoing uncertainty about Brexit has led to the consensual unpopularity around the UK equity market in general and has contributed to the sharp polarity between the valuations of stocks of domestically-gearred companies and those of companies with more international exposure.

Nevertheless, we would note that the overall valuation of the market looks reasonable at a price-to-earnings multiple of 14.25x, yielding 4.0% on calendar year 2018 numbers. We would also highlight that there are a wide variety of more internationally exposed stocks in the UK which are trading at unjustifiably cheap valuations relative to their global counterparts. This, along with sterling's weakness, should help UK-listed firms remain attractive takeover targets for overseas companies.

We will remain focused on company fundamentals and believe that volatile markets should provide us with opportunities to build up positions in strong franchises as they become more attractively valued. While equities could be vulnerable to derating if the global economy loses momentum, such a scenario should also provide us with more opportunities to short stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	2,294	5,826
Revenue	2,271	1,851
Expenses	(556)	(447)
Interest payable and similar charges	(323)	(229)
Net revenue before taxation	1,392	1,175
Taxation	–	–
Net revenue after taxation	1,392	1,175
Total return before equalisation	3,686	7,001
Equalisation	(111)	129
Change in net assets attributable to shareholders from investment activities	3,575	7,130

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	119,402	118,536
Current assets:		
Debtors	416	1,446
Cash and bank balances	1,650	6,603
Total assets	121,468	126,585
Liabilities:		
Investment liabilities	–	(99)
Creditors:		
Other creditors	(834)	(959)
Total liabilities	(834)	(1,058)
Net assets attributable to shareholders	120,634	125,527

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	125,527	89,986
Amounts receivable on the issue of shares	8,891	38,109
Amounts payable on the cancellation of shares	(17,372)	(13,160)
	(8,481)	24,949
Dilution adjustment	13	198
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,575	7,130
Closing net assets attributable to shareholders	120,634	122,263

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle UK Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	449.80	385.34	384.21	482.36	410.94	408.45
Return before operating charges (p)	15.28	70.34	6.37	16.42	75.19	5.84
Operating charges (p)	(3.19)	(5.88)	(5.24)	(2.05)	(3.77)	(3.35)
Return after operating charges (p)*	12.09	64.46	1.13	14.37	71.42	2.49
Distributions (p)	–	(7.64)	(7.68)	–	(10.68)	(10.40)
Retained distributions on accumulation shares (p)	–	7.64	7.68	–	10.68	10.40
Closing net asset value per share (p)	461.89	449.80	385.34	496.73	482.36	410.94
*after direct transaction costs of (p)	0.54	1.59	1.33	0.58	1.69	1.41
Performance						
Return after charges (%)	2.69	16.73	0.29	2.98	17.38	0.61
Other information						
Closing net asset value (£000)	5,464	5,743	3,758	115,163	119,778	86,222
Closing number of shares	1,183,077	1,276,758	975,368	23,184,290	24,831,469	20,981,507
Operating charges (%)**	1.39 [†]	1.40	1.40	0.83 [†]	0.84	0.84
Performance fee (%)	–	–	0.86	–	–	1.01
Direct transaction costs (%)***	0.23	0.38	0.35	0.23	0.38	0.35
Prices						
Highest share price (p)	469.05	452.41	396.62	503.26	485.03	421.79
Lowest share price (p)	443.09	367.13	338.13	476.17	391.86	360.23
Class X – Accumulation shares						
	31/10/2017	30/04/2017	30/04/2016			
Change in net assets per share						
Opening net asset value per share (p)	219.21	185.33	180.90			
Return before operating charges (p)	7.47	34.02	4.55			
Operating charges (p)	(0.07)	(0.14)	(0.12)			
Return after operating charges (p)*	7.40	33.88	4.43			
Distributions (p)	–	(6.38)	(6.02)			
Retained distributions on accumulation shares (p)	–	6.38	6.02			
Closing net asset value per share (p)	226.61	219.21	185.33			
*after direct transaction costs of (p)	0.26	0.76	0.63			
Performance						
Return after charges (%)	3.38	18.28	2.45			
Other information						
Closing net asset value (£000)	7	6	6			
Closing number of shares	3,000	3,000	3,000			
Operating charges (%)**	0.06 [†]	0.07	0.07			
Performance fee (%)	–	–	–			
Direct transaction costs (%)***	0.23	0.38	0.35			
Prices						
Highest share price (p)	229.20	220.33	189.70			
Lowest share price (p)	217.02	176.93	162.16			

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	1,276,758
Shares issued	121,006
Shares redeemed	(164,687)
Net conversions	(50,000)
Closing shares	<u>1,183,077</u>
Class 2 – Accumulation shares	
Opening shares	24,831,469
Shares issued	1,709,506
Shares redeemed	(3,403,275)
Net conversions	46,590
Closing shares	<u>23,184,290</u>
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

Threadneedle UK Equity Alpha Income Fund

Investment Report

Investment Objective

The investment objective of the UK Equity Alpha Income Fund is to achieve a reasonable and growing income with the prospects of capital growth from a concentrated portfolio of UK equities.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a concentrated portfolio of predominantly UK equities. The Alpha Income investment approach is a highly focused management style, which gives the ACD the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations.

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Income shares in the Threadneedle UK Equity Alpha Income Fund has fallen from 69.91p to 69.60p.

For comparison, using noon prices, the performance of the Class 1 share class was +1.81% and +2.13% for the Class 2 share class compared to a return of +4.00% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +5.91%.

Market Overview and Portfolio Activity

The FTSE All-Share index posted a total return of 5.9% over the review period despite jitters over Brexit and the UK's domestic political and economic prospects.

The start of the period was characterised by greater political uncertainty in the run-up to the snap general election on 8 June.

In the event, the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall majority in parliament. The surprise election result triggered a short-lived market sell-off on fears that political instability could have an adverse impact on the UK's Brexit negotiations with the EU. However, the market subsequently rallied as concerns eased following the Conservatives' 'confidence and supply' deal with Northern Ireland's Democratic Unionist Party.

The reporting period was also marked by speculation over when the Bank of England (BoE) would begin to raise official UK interest rates. Sterling's referendum-induced decline has contributed to a rise in consumer price inflation; the annual rate reached 3% in September. High inflation combined with sluggish pay growth has dented real wages and hurt retail sales. However, sterling's decline has benefited the UK manufacturing sector, which has seen solid growth in output and new orders. Overall, the UK economy has continued to expand, with GDP growing at 0.4% in the third quarter, representing an annual growth rate of 1.5%.

New additions to the portfolio included Johnson Matthey and Sherborne Investors. We have a favourable view of Johnson Matthey's progress in developing battery technology and in enhancing technology for diesel and gasoline. We also believe there could be potential for further upside as market participants realise this and become less pessimistic about the "death of diesel". We participated in the latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity, which has driven the stock's strong outperformance over the last year.

Over the review period, we also topped up several holdings such as Imperial Brands, Stagecoach and GlaxoSmithKline. Imperial Brands suffered in July following news of the US

FDA's plans to lower nicotine levels in cigarettes; however, we believe the market overreacted. We do not expect any imminent regulatory changes and, in any case, Imperial Brands has shown an ability to adapt to such measures in Europe. In the case of Stagecoach, the market appears to be ascribing no value to its rail business. We also feel the core bus business is undervalued, even assuming depressed levels of profit. We believe GlaxoSmithKline has a strong foothold in areas where prices are already competitive, despite speculation about drug pricing in the US.

We exited BAE Systems; we felt the stock had become relatively fully valued and that the risk-reward profile had become less attractive. We took some profits in Electrocomponents, Rentokil and Legal & General among others; these stocks have performed well in 2017.

We are cautious about how markets will react to the gradual withdrawal of liquidity by central banks in developed countries, given that equities have been among the primary beneficiaries of money printing.

Although we acknowledge that market levels are high, and that the uncertainties about the UK's domestic political and economic prospects remain, we still believe that the outlook for UK equities is more measured. In many cases, these trade at attractive valuations relative to their international counterparts. This, along with sterling's weakness since the Brexit vote is likely to mean that global businesses should continue to find UK-listed companies attractive takeover targets.

We will continue to avoid whipsaw momentum trades and focus instead on bottom-up stock picking. As patient, conviction investors, we can use market volatility to add to favoured names at attractive valuations, while making sure that our portfolio construction remains focused on risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	3,241	46,651
Revenue	18,689	20,055
Expenses	(4,501)	(4,353)
Net revenue before taxation	14,188	15,702
Taxation	–	–
Net revenue after taxation	14,188	15,702
Total return before distributions	17,429	62,353
Distributions	(16,428)	(17,504)
Change in net assets attributable to shareholders from investment activities	1,001	44,849

BALANCE SHEET

as at 31 October 2017

	2017 £000	2017 £000	April 2017 £000
Assets:			
Fixed assets:			
Investments		821,804	816,466
Current assets:			
Debtors		4,663	11,930
Cash and bank balances		1,743	18,820
Total assets		828,210	847,216
Liabilities:			
Creditors:			
Distribution payable		(16,215)	(19,059)
Other creditors		(2,855)	(987)
Total liabilities		(19,070)	(20,046)
Net assets attributable to shareholders		809,140	827,170

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	827,170	894,397
Amounts receivable on the issue of shares	18,957	18,406
Amounts payable on the cancellation of shares	(37,988)	(181,845)
	(19,031)	(163,439)
Dilution adjustment	–	269
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,001	44,849
Closing net assets attributable to shareholders	809,140	776,076

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Dividend distribution in pence per share

Distribution Period	Class 1 – Income shares		Distribution Paid/Payable 2017	Distribution Paid 2016
	Revenue	Equalisation		
Group 1 01/05/17 to 31/10/17	1.3683	–	1.3683	1.3683
Group 2 01/05/17 to 31/10/17	0.5492	0.8191	1.3683	1.3683
Total distributions in the period			1.3683	1.3683
Distribution Period	Class 2 – Income shares		Distribution Paid/Payable 2017	Distribution Paid 2016
	Revenue	Equalisation		
Group 1 01/05/17 to 31/10/17	1.4600	–	1.4600	1.4600
Group 2 01/05/17 to 31/10/17	0.1443	1.3157	1.4600	1.4600
Total distributions in the period			1.4600	1.4600

Threadneedle UK Equity Alpha Income Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	2.2020	–	2.2020	2.2020
Group 2 01/05/17 to 31/10/17	2.2020	–	2.2020	2.2020
Total distributions in the period			2.2020	2.2020

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	2.8380	–	2.8380	2.8380
Group 2 01/05/17 to 31/10/17	1.0332	1.8048	2.8380	2.8380
Total distributions in the period			2.8380	2.8380

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Alpha Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income share		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	68.31	61.29	66.79	72.24	64.48	69.91
Return before operating charges (p)	1.81	11.01	(1.58)	1.90	11.64	(1.66)
Operating charges (p)	(0.57)	(1.07)	(1.04)	(0.39)	(0.74)	(0.70)
Return after operating charges (p)*	1.24	9.94	(2.62)	1.51	10.90	(2.36)
Distributions (p)	(1.37)	(2.92)	(2.88)	(1.46)	(3.14)	(3.07)
Closing net asset value per share (p)	68.18	68.31	61.29	72.29	72.24	64.48
*after direct transaction costs of (p)	0.05	0.08	0.11	0.05	0.08	0.12
Performance						
Return after charges (%)	1.82	16.22	(3.92)	2.09	16.90	(3.38)
Other information						
Closing net asset value (£000)	94,750	101,101	105,816	473,909	480,324	569,415
Closing number of shares	138,976,208	147,998,197	172,645,151	655,527,086	664,928,344	883,036,374
Operating charges (%)**	1.63 [†]	1.63	1.62	1.06 [†]	1.06	1.05
Direct transaction costs (%)***	0.14	0.12	0.17	0.14	0.12	0.17
Prices						
Highest share price (p)	72.20	70.38	72.26	76.39	74.43	68.99
Lowest share price (p)	67.27	58.59	60.19	71.29	61.70	57.26

	Class X – Income shares			Class Z – Income shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	110.25	97.43	104.60	143.58	127.85	138.27
Return before operating charges (p)	2.90	17.62	(2.50)	3.80	23.06	(3.28)
Operating charges (p)	(0.01)	(0.02)	(0.02)	(0.65)	(1.21)	(1.16)
Return after operating charges (p)*	2.89	17.60	(2.52)	3.15	21.85	(4.44)
Distributions (p)	(2.20)	(4.78)	(4.65)	(2.84)	(6.12)	(5.98)
Closing net asset value per share (p)	110.94	110.25	97.43	143.89	143.58	127.85
*after direct transaction costs of (p)	0.08	0.12	0.18	0.10	0.16	0.23
Performance						
Return after charges (%)	2.62	18.06	(2.41)	2.19	17.09	(3.21)
Other information						
Closing net asset value (£000)	3	3	3	240,478	245,742	219,163
Closing number of shares	3,000	3,000	3,000	167,123,962	171,147,904	171,417,409
Operating charges (%)**	0.02 [†]	0.02	0.02	0.88 [†]	0.88	0.87
Direct transaction costs (%)***	0.14	0.12	0.17	0.14	0.12	0.17
Prices						
Highest share price (p)	116.69	113.59	108.19	151.86	147.89	142.92
Lowest share price (p)	109.22	93.39	90.76	141.80	122.37	119.25

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	147,998,197
Shares issued	961,410
Shares redeemed	(8,385,202)
Net conversions	(1,598,197)
Closing shares	<u>138,976,208</u>
Class 2 – Income shares	
Opening shares	664,928,344
Shares issued	13,841,137
Shares redeemed	(22,315,050)
Net conversions	(927,345)
Closing shares	<u>655,527,086</u>
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class Z – Income shares	
Opening shares	171,147,904
Shares issued	5,813,274
Shares redeemed	(11,062,708)
Net conversions	1,225,492
Closing shares	<u>167,123,962</u>

Threadneedle UK Absolute Alpha Fund

Investment Report

Investment Objective

The investment objective of the UK Absolute Alpha Fund is to achieve an absolute return, irrespective of market conditions, over the long term and a positive return over a 12 month period. There is a risk to capital, and there is no guarantee that such a return will be achieved within 12 months, or any other timescale.

Investment Policy

The ACD's investment policy is to principally invest in: equity securities, or equity related derivatives, of corporate issuers headquartered in the United Kingdom (or corporate issuers who exercise a predominant part of their activity in the United Kingdom) fixed interest securities, cash, or money market instruments. If the ACD considers it desirable, the ACD may invest in securities and derivatives related to corporate issuers headquartered outside the United Kingdom. The Fund's exposure to any equities may be gained through long and short positions.

The ACD may take long and short positions through the use of derivatives and forward transactions. In addition in order to gain long exposure the ACD may invest in equities, collective investment schemes including exchange traded funds and/or related indices.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Absolute Alpha Fund has fallen from 135.74p to 135.48p.

For comparison, using noon prices, the performance of the Class 1 share class was -0.19% and +0.10% for the Class 2 share class compared to a return of +1.42% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the UK LIBOR 3 Month returned +0.15%.

Market Overview and Portfolio Activity

The FTSE All-Share index posted a total return of 5.9% over the review period despite jitters over Brexit, the UK's economy and domestic politics.

The start of the period was characterised by greater political uncertainty in the run-up to the snap general election on 8 June. In the event, the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall parliamentary majority. This triggered a short-lived market sell-off on fears that political instability could adversely affect the UK's Brexit negotiations with the EU. However, the market subsequently rallied as concerns eased following the Conservatives' 'confidence and supply' deal with Northern Ireland's Democratic Unionist Party.

The reporting period was also marked by speculation over when the Bank of England (BoE) would begin to raise interest rates. Sterling's referendum-induced decline has contributed to a rise in consumer price inflation; the annual rate reached 3% in September. High inflation combined with sluggish pay growth has dented real wages and hurt retail sales. However, sterling's decline has benefited the UK manufacturing sector, which has seen solid growth in output and new orders. Overall, the UK economy has continued to expand, with GDP growing at 0.4% in the third quarter, representing an annual growth rate of 1.5%.

New additions to the long book included Rio Tinto and Spectris. We re-established a holding in Rio Tinto, having previously sold out of the stock at higher prices. We believe that Rio's focus on financial discipline and capital returns is a major differentiator in its sector. Spectris is a leading player in the test and measurement space and was trading at valuations below long-run averages. The firm has some of the highest gross margins in the sector with some of the lowest EBIT margins highlighting the prize for the management on the cost base.

Long-book exits included BAE Systems, Smiths Group, AstraZeneca and Howden Joinery. BAE Systems had reached our target price. We also sold Smiths Group profitably due to our aversion to industrials at this point of the business cycle, and following news of the departure of the firm's well-regarded finance director. We sold AstraZeneca due to negative reports for the Imfinzi drug trials. We had materially reduced this position ahead of the statement so the significant sell-off associated with the news was not particularly damaging to the portfolio. We sold Howden Joinery amid concerns about the deteriorating outlook for purchases of big ticket items.

We took advantage of a share price recovery in September to re-establish our earlier short in the telecoms firm; the stock trades at a high valuation relative to its rivals although the business is undifferentiated in terms of content and network, and has a very low-quality customer base. Other new shorts included those in a global credit scoring firm and a defence company. We believe the credit rating agency's very rich valuation is increasingly at risk in the event of a slowdown in US credit formation. In our view, the defence company is now fully valued given the budget pressures facing its largest customer.

We closed our short in a value retailer given the strong operating performance of the company in the current domestic environment. We profitably closed our position in an advertising company as we felt the valuation had become too compelling to remain short with any conviction. Another short book exit was an oil major; as oil prices rallied.

At the time of writing, we are almost exactly halfway between the June 2016 vote to leave the EU and the March 2019 exit date. The ongoing uncertainty about Brexit has led to the consensual unpopularity around the UK equity market in general and has contributed to the sharp polarity between the valuations of stocks of domestically-gear companies and those of companies with more international exposure.

Nevertheless, we note that the overall valuation of the market looks reasonable at a price-to-earnings multiple of 14.25x, yielding 4.0% on calendar year 2018 numbers. We would also highlight that there are several more internationally exposed stocks in the UK which are trading at unjustifiably cheap valuations relative to their global counterparts. This, along with sterling's weakness, should help UK-listed firms remain attractive takeover targets for overseas companies.

With prospects for the investment picture looking decidedly unclear, for now we prefer to remain partially on the sidelines and wait for better opportunities to commit our clients' capital. We are constantly assessing risk versus reward and we feel that after an extremely long bull market, equity markets no longer offer material, asymmetric upside risk. We believe that volatile markets should provide us with opportunities to build up positions in strong franchises as they become more attractively valued. While equities could be vulnerable to derating if the global economy loses momentum, such a scenario should also provide us with more opportunities to short stocks.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	9,756	26,287
Revenue	5,134	4,722
Expenses	(3,291)	(4,864)
Interest payable and similar charges	(4,146)	(2,430)
Net expense before taxation	(2,303)	(2,572)
Taxation	–	–
Net expense after taxation	(2,303)	(2,572)
Total return before equalisation	7,453	23,715
Equalisation	6	16
Change in net assets attributable to shareholders from investment activities	7,459	23,731

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	519,927	471,120
Current assets:		
Debtors	1,434	6,294
Cash and bank balances	188,866	251,900
Total assets	710,227	729,314
Liabilities:		
Investment liabilities	(3,013)	(3,268)
Creditors:		
Other creditors	(2,957)	(39,517)
Total liabilities	(5,970)	(42,785)
Net assets attributable to shareholders	704,257	686,529

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	686,529	999,346
Amounts receivable on the issue of shares	113,943	126,367
Amounts payable on the cancellation of shares	(103,674)	(346,203)
	10,269	(219,836)
Dilution adjustment	–	192
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,459	23,731
Closing net assets attributable to shareholders	704,257	803,433

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 ¹
Change in net assets per share						
Opening net asset value per share (p)	135.67	135.54	132.43	119.37	110.91	100.00
Return before operating charges (p)	0.86	2.29	5.30	5.20	10.34	12.72
Operating charges (p)	(1.11)	(2.16)	(2.19)	(1.02)	(1.88)	(1.81)
Return after operating charges (p)*	(0.25)	0.13	3.11	4.18	8.46	10.91
Distributions (p)	–	–	–	–	–	(0.12)
Retained distributions on accumulation shares (p)	–	–	–	–	–	0.12
Closing net asset value per share (p)	135.42	135.67	135.54	123.55	119.37	110.91
*after direct transaction costs of (p)	0.15	0.39	0.59	0.14	0.34	0.48
Performance						
Return after charges (%)	(0.18)	0.10	2.35	3.50	7.63	10.91
Other information						
Closing net asset value (£000)	17,438	20,954	38,005	12,743	16,262	41,270
Closing number of shares	12,877,451	15,444,784	28,039,213	10,314,587	13,623,761	37,209,977
Operating charges (%)**	1.63 [†]	1.63	1.62	1.63 [†]	1.62	1.64 [†]
Performance fee (%)	–	–	1.11	–	–	0.52
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	137.03	137.31	138.25	129.93	125.12	116.13
Lowest share price (p)	134.20	129.09	132.01	118.97	108.49	99.55
	Class 2 – Income shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	106.56	105.87	102.70	139.50	138.57	134.78
Return before operating charges (p)	0.65	1.77	4.25	0.88	2.37	5.24
Operating charges (p)	(0.55)	(1.08)	(1.08)	(0.74)	(1.44)	(1.45)
Return after operating charges (p)*	0.10	0.69	3.17	0.14	0.93	3.79
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	106.66	106.56	105.87	139.64	139.50	138.57
*after direct transaction costs of (p)	0.12	0.30	0.46	0.16	0.40	0.61
Performance						
Return after charges (%)	0.09	0.65	3.09	0.10	0.67	2.81
Other information						
Closing net asset value (£000)	3	3	3	95,091	95,196	134,956
Closing number of shares	3,000	3,000	3,000	68,095,952	68,240,443	97,391,528
Operating charges (%)**	1.03 [†]	1.05	1.03	1.06 [†]	1.06	1.05
Performance fee (%)	–	–	0.96	–	–	1.20
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	107.69	107.28	107.77	140.97	140.44	141.06
Lowest share price (p)	105.63	101.15	102.49	138.28	132.41	134.47

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 ²
Change in net assets per share						
Opening net asset value per share (p)	130.09	120.15	109.53	101.50	100.03	100.00
Return before operating charges (p)	5.66	11.28	11.83	0.56	1.53	0.05
Operating charges (p)	(0.72)	(1.34)	(1.21)	(0.03)	(0.06)	(0.02)
Return after operating charges (p)*	4.94	9.94	10.62	0.53	1.47	0.03
Distributions (p)	–	–	(0.09)	–	(0.75)	(0.40)
Retained distributions on accumulation shares (p)	–	–	0.09	–	0.75	0.40
Closing net asset value per share (p)	135.03	130.09	120.15	102.03	101.50	100.03
*after direct transaction costs of (p)	0.15	0.37	0.51	0.12	0.29	0.43
Performance						
Return after charges (%)	3.80	8.27	9.70	0.52	1.47	0.03
Other information						
Closing net asset value (£000)	85,661	135,089	371,387	51,296	49,162	3
Closing number of shares	63,438,355	103,842,844	309,103,768	50,275,583	48,436,200	3,000
Operating charges (%)**	1.06 [†]	1.06	1.05	0.06 [†]	0.06	0.02 [†]
Performance fee (%)	–	–	1.03	0.09	0.81	–
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	141.86	135.88	125.75	102.47	101.59	100.82
Lowest share price (p)	129.67	117.62	106.77	101.10	96.08	99.83
	Class Z – Income shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	105.98	105.09	102.20	124.22	123.18	119.65
Return before operating charges (p)	0.68	1.80	4.00	0.79	2.10	4.60
Operating charges (p)	(0.47)	(0.91)	(0.91)	(0.55)	(1.06)	(1.07)
Return after operating charges (p)*	0.21	0.89	3.09	0.24	1.04	3.53
Distributions (p)	–	–	(0.20)	–	–	(0.21)
Retained distributions on accumulation shares (p)	–	–	–	–	–	0.21
Closing net asset value per share (p)	106.19	105.98	105.09	124.46	124.22	123.18
*after direct transaction costs of (p)	0.12	0.30	0.46	0.14	0.35	0.54
Performance						
Return after charges (%)	0.20	0.85	3.02	0.19	0.84	2.95
Other information						
Closing net asset value (£000)	70,585	57,997	63,832	293,088	296,436	323,935
Closing number of shares	66,472,940	54,723,180	60,739,726	235,493,239	238,637,618	262,986,098
Operating charges (%)**	0.88 [†]	0.88	0.87	0.88 [†]	0.88	0.87
Performance fee (%)	–	–	1.12	–	–	1.17
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	107.12	106.52	107.12	125.55	124.85	125.32
Lowest share price (p)	105.13	100.51	101.99	123.22	117.81	119.37

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ⁵	31/10/2017	30/04/2017	30/04/2016 ⁴
Change in net assets per share						
Opening net asset value per share (p)	115.41	105.81	100.00	115.49	106.45	100.00
Return before operating charges (p)	(3.21)	10.87	6.72	5.06	10.03	7.39
Operating charges (p)	(0.65)	(1.27)	(0.91)	(0.54)	(0.99)	(0.94)
Return after operating charges (p)*	(3.86)	9.60	5.81	4.52	9.04	6.45
Distributions (p)	–	–	(0.13)	–	–	(0.26)
Retained distributions on accumulation shares (p)	–	–	0.13	–	–	0.26
Closing net asset value per share (p)	111.55	115.41	105.81	120.01	115.49	106.45
*after direct transaction costs of (p)	0.17	0.42	0.45	0.14	0.33	0.46
Performance						
Return after charges (%)	(3.34)	9.07	5.81	3.91	8.49	6.45
Other information						
Closing net asset value (£000)	370	396	7,480	76,318	12,585	15,789
Closing number of shares	331,997	342,397	7,069,856	63,594,403	10,896,822	14,832,227
Operating charges (%)**	0.88 [†]	0.87	0.88 [†]	0.88 [†]	0.88	0.89 [†]
Performance fee (%)	–	–	0.67	–	–	0.37
Direct transaction costs (%)***	0.23	0.29	0.44	0.23	0.29	0.44
Prices						
Highest share price (p)	121.03	119.74	111.55	126.04	120.50	111.40
Lowest share price (p)	111.61	102.82	96.82	115.13	104.24	96.18

	Class Z USD Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ⁵
Change in net assets per share			
Opening net asset value per share (p)	120.87	105.20	100.00
Return before operating charges (p)	(1.17)	16.70	6.13
Operating charges (p)	(0.53)	(1.03)	(0.93)
Return after operating charges (p)*	(1.70)	15.67	5.20
Distributions (p)	–	–	(0.21)
Retained distributions on accumulation shares (p)	–	–	0.21
Closing net asset value per share (p)	119.17	120.87	105.20
*after direct transaction costs of (p)	0.14	0.34	0.47
Performance			
Return after charges (%)	(1.41)	14.90	5.20
Other information			
Closing net asset value (£000)	1,664	2,449	2,686
Closing number of shares	1,396,034	2,026,405	2,553,384
Operating charges (%)**	0.88 [†]	0.88	0.88 [†]
Performance fee (%)	–	–	0.60
Direct transaction costs (%)***	0.23	0.29	0.44
Prices			
Highest share price (p)	124.67	127.30	111.42
Lowest share price (p)	114.68	103.42	97.81

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class 1 EUR Hedged – Accumulation shares commenced 1 July 2015.

²Class X – Accumulation shares commenced 16 March 2016.

³Class Z CHF Hedged – Accumulation shares commenced 30 September 2015.

⁴Class Z EUR Hedged – Accumulation shares commenced 30 September 2015.

⁵Class Z USD Hedged – Accumulation shares commenced 30 September 2015.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	15,444,784
Shares issued	147,386
Shares redeemed	(2,714,719)
Net conversions	–
Closing shares	<u>12,877,451</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	13,623,761
Shares issued	2,137,615
Shares redeemed	(5,446,789)
Net conversions	–
Closing shares	<u>10,314,587</u>
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 2 – Accumulation shares	
Opening shares	68,240,443
Shares issued	1,503,448
Shares redeemed	(1,647,939)
Net conversions	–
Closing shares	<u>68,095,952</u>
Class 2 EUR Hedged – Accumulation shares	
Opening shares	103,842,844
Shares issued	9,087,443
Shares redeemed	(49,196,932)
Net conversions	(295,000)
Closing shares	<u>63,438,355</u>
Class X – Accumulation shares	
Opening shares	48,436,200
Shares issued	1,839,383
Shares redeemed	–
Net conversions	–
Closing shares	<u>50,275,583</u>
Class Z – Income shares	
Opening shares	54,723,180
Shares issued	14,553,450
Shares redeemed	(2,902,664)
Net conversions	98,974
Closing shares	<u>66,472,940</u>

	2017
Class Z – Accumulation shares	
Opening shares	238,637,618
Shares issued	10,554,978
Shares redeemed	(13,614,919)
Net conversions	(84,438)
Closing shares	<u>235,493,239</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	342,397
Shares issued	–
Shares redeemed	(10,400)
Net conversions	–
Closing shares	<u>331,997</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	10,896,822
Shares issued	54,725,316
Shares redeemed	(2,359,897)
Net conversions	332,162
Closing shares	<u>63,594,403</u>
Class Z USD Hedged – Accumulation shares	
Opening shares	2,026,405
Shares issued	509,675
Shares redeemed	(1,140,046)
Net conversions	–
Closing shares	<u>1,396,034</u>

Threadneedle Absolute Return Bond Fund

Investment Report

Investment Objective

The investment objective of the Absolute Return Bond Fund is to achieve a total positive return over a 12 month period in all market conditions. There is a risk to capital, and there is no guarantee that such a return will be achieved within 12 months, or any other timescale.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund so as to gain exposure to global bond and currency markets. The ACD will invest primarily in derivatives, cash and near cash, fixed interest securities, index linked securities, money market instruments and deposits. At times the portfolio may be concentrated in any one or a combination of such assets. The ACD may take long and short positions through derivatives in such issues.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 - Accumulation shares in the Threadneedle Absolute Return Bond Fund has fallen from 57.07p to 56.59p.

Using noon prices, the performance of the Class 1 share class was -0.84% and -0.64% for the Class 2 share class compared to a return of +1.42% for the Morningstar UK Unit Trusts/OEICs – (IA) Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the LIBOR 3 Month Deposit Rate returned +0.15%.

Market Overview and Portfolio Activity

Risk assets performed well over the review period. Generally strong economic markers, better-than-expected company earnings, higher commodity prices and an increase in takeover activity helped these assets overcome jitters over geopolitics and the Trump administration's difficulties. Equities generally outperformed government bonds. The US dollar drifted lower but the euro strengthened.

For much of the review period, scepticism about President Trump's ability to enact his policy agenda helped core bonds. However, in late September, better news regarding the president's tax-reform proposals reignited the so-called 'Trumpflation trade'. In Europe, Emmanuel Macron's triumph in the French presidential election appeased investors' fears over the eurozone's future. But in September, investors grew more anxious about the political landscape due to the smaller-than-expected victory of Chancellor Merkel's party in the German federal election and Catalonia's bid to secede from Spain.

Monetary policy also garnered attention. Macron's triumph and stronger economic data in the eurozone led investors to anticipate that the European Central Bank (ECB) would soon taper its quantitative easing (QE) programme. These expectations were fulfilled in October when the ECB announced plans to halve its monthly bond purchases to €30 bn from January. However, core sovereigns – particularly bunds – rallied on this news as investors welcomed the fact that the QE programme would be retained until at least September 2018. Hawkish comments from key Bank of England officials, along with high inflation prints, led investors to correctly price in a UK rate hike before year-end. The US Federal Reserve (Fed) unsurprisingly delivered a quarter-point rate hike in June. Later, some dovish rhetoric from key officials, along with some below-forecast inflation prints, caused investors to discount the probability of a third rate hike this year until the Fed's meeting in September when policymakers retained projections for such a hike and for three hikes next year. This meeting also saw the Fed outline plans to unwind its balance sheet from October. Towards the end of the review period, speculation about the next Fed chairman influenced markets.

Within rates strategies, we generally favoured US Treasuries relative to German bunds given the attractive spreads and our expectations of relative monetary policy movements.

In the first half of the period, we held curve steepening exposure at the front end of the US money market curve, where expectations for policy tightening looked under-priced. We also positioned for

the re-steepening of the bund curve, where we expected policy normalisation to come in the form of tapering of bond purchases rather than rate hikes.

In the second half of the review period, we broadly held a long duration bias as we viewed the drivers of lower yields as remaining generally intact. We added a position in Italian bonds versus core European bonds. We also added exposure to rising Fed rate expectations when these bottomed in September.

Within currency strategies, we initially maintained a long euro bias given the improving economic backdrop, reduced political risk and increased market focus on the ECB's tapering. This was held against shorts in the yen and the pound; we expected no hawkish shifts from central banks in the UK and Japan.

We later pared back our long euro bias to leave the portfolio neutral on the euro given that pricing under the euro and the dollar had become asymmetric with regards to central bank policy and political risks.

As we head into year end, it is evident that global monetary policy is becoming less accommodative, with the ECB set to taper its stimulus and the Fed continuing its rate normalisation process and tapering reinvestments. While this should see upward pressure on global bond markets via a reduction in term premium, the secular forces that have kept bond yields low remain in place, as the factors that had increased global inflation appear to be dissipating. Against this backdrop, US Treasuries look to have compelling value against bunds and we maintain the relative value position as well as aggregate longs in fixed income markets. The risk to this view comes from the delivery of a substantive tax reform package in the US.

The outlook for major currencies is at something of a crossroads. A significant repricing has occurred this year. In the short term, the risks appear skewed to near-term dollar strength given the subdued pricing of future Fed rate hikes and limited expectations of dollar-positive tax reform. In the longer term, we expect the forces of positive current account and flow dynamics coupled with cheap valuations to support the euro. We would look for a rally in the dollar to fade to reinstate long euro positions.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital losses	(531)	(4,520)
Revenue	431	1,182
Expenses	(168)	(622)
Interest payable and similar charges	–	(453)
Net revenue before taxation	263	107
Taxation	–	–
Net revenue after taxation	263	107
Total return before equalisation	(268)	(4,413)
Equalisation	(29)	(54)
Change in net assets attributable to shareholders from investment activities	(297)	(4,467)

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	32,963	41,597
Current assets:		
Debtors	602	461
Cash and bank balances	2,799	2,795
Total assets	36,364	44,853
Liabilities:		
Investment liabilities	(1,429)	(636)
Creditors:		
Bank overdrafts	(388)	(135)
Other creditors	(305)	(184)
Total liabilities	(2,122)	(955)
Net assets attributable to shareholders	34,242	43,898

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	43,898	181,381
Amounts receivable on the issue of shares	606	2,781
Amounts payable on the cancellation of shares	(9,966)	(87,942)
	(9,360)	(85,161)
Dilution adjustment	1	38
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(297)	(4,467)
Closing net assets attributable to shareholders	34,242	91,791

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 ¹
Change in net assets per share						
Opening net asset value per share (p)	57.04	60.43	64.97	99.80	98.58	100.00
Return before operating charges (p)	(0.18)	(2.61)	(3.67)	3.37	2.57	(1.18)
Operating charges (p)	(0.30)	(0.78)	(0.87)	(0.54)	(1.35)	(0.24)
Return after operating charges (p)*	(0.48)	(3.39)	(4.54)	2.83	1.22	(1.42)
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	56.56	57.04	60.43	102.63	99.80	98.58
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.84)	(5.61)	(6.99)	2.84	1.24	(1.42)
Other information						
Closing net asset value (£000)	16,565	19,887	30,697	10	10	10
Closing number of shares	29,289,983	34,866,304	50,794,716	10,000	10,000	10,000
Operating charges (%)**	1.05 [†]	1.33	1.38	1.04 [†]	1.31	1.37 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	57.21	60.99	66.90	109.31	110.37	102.95
Lowest share price (p)	56.49	56.86	58.96	98.99	93.82	98.00
	Class 1 – Gross accumulation shares [§]			Class 1 EUR Hedged – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/16 ²
Change in net assets per share						
Opening net asset value per share (p)	58.44	61.92	66.56	99.80	98.58	100.00
Return before operating charges (p)	(0.19)	(2.64)	(3.75)	3.37	2.57	(1.18)
Operating charges (p)	(0.31)	(0.84)	(0.89)	(0.54)	(1.35)	(0.24)
Return after operating charges (p)*	(0.50)	(3.48)	(4.64)	2.83	1.22	(1.42)
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	57.94	58.44	61.92	102.63	99.80	98.58
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.86)	(5.62)	(6.97)	2.84	1.24	(1.42)
Other information						
Closing net asset value (£000)	1,885	2,002	39,830	10	10	10
Closing number of shares	3,253,369	3,425,285	64,329,631	10,000	10,000	10,000
Operating charges (%)**	1.05 [†]	1.38	1.38	1.04 [†]	1.31	1.37 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	58.61	62.48	68.54	109.31	110.37	102.95
Lowest share price (p)	57.87	58.25	60.41	98.99	93.82	98.03

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Gross accumulation shares [§]			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 [§]	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	101.70	95.00	100.00	61.03	64.25	68.61
Return before operating charges (p)	(1.88)	8.06	(4.76)	(0.20)	(2.78)	(3.89)
Operating charges (p)	(0.53)	(1.36)	(0.24)	(0.19)	(0.44)	(0.47)
Return after operating charges (p)*	(2.41)	6.70	(5.00)	(0.39)	(3.22)	(4.36)
Distributions (p)	–	–	–	–	(0.37)	–
Retained distributions on accumulation shares (p)	–	–	–	–	0.37	–
Closing net asset value per share (p)	99.29	101.70	95.00	60.64	61.03	64.25
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.37)	7.05	(5.00)	(0.64)	(5.01)	(6.35)
Other information						
Closing net asset value (£000)	10	10	10	15,114	17,932	40,212
Closing number of shares	10,000	10,000	10,000	24,923,970	29,384,069	62,586,519
Operating charges (%)**	1.04 [†]	1.31	1.38 [†]	0.63 [†]	0.71	0.71
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	103.77	111.14	100.48	61.29	64.85	70.69
Lowest share price (p)	97.16	90.52	95.10	60.56	60.82	62.60
	Class 2 – Gross accumulation shares [§]			Class 2 EUR Hedged – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 [§]
Change in net assets per share						
Opening net asset value per share (p)	63.15	66.50	71.01	100.53	98.67	100.00
Return before operating charges (p)	(0.19)	(2.89)	(4.02)	3.40	2.58	(1.21)
Operating charges (p)	(0.20)	(0.46)	(0.49)	(0.33)	(0.72)	(0.12)
Return after operating charges (p)*	(0.39)	(3.35)	(4.51)	3.07	1.86	(1.33)
Distributions (p)	–	(0.38)	–	–	(0.61)	(0.04)
Retained distributions on accumulation shares (p)	–	0.38	–	–	0.61	0.04
Closing net asset value per share (p)	62.76	63.15	66.50	103.60	100.53	98.67
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.62)	(5.04)	(6.35)	3.05	1.89	(1.33)
Other information						
Closing net asset value (£000)	634	4,034	70,599	11	10	10
Closing number of shares	1,009,935	6,387,577	106,168,549	10,000	10,000	10,000
Operating charges (%)**	0.63 [†]	0.71	0.71	0.62 [†]	0.70	0.70 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	63.43	67.12	73.16	110.26	110.84	103.03
Lowest share price (p)	62.68	62.95	64.79	99.72	94.06	98.03

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares ⁶		
	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	98.53	103.07	109.33
Return before operating charges (p)	(0.31)	(4.50)	(6.24)
Operating charges (p)	(0.03)	(0.04)	(0.02)
Return after operating charges (p)*	(0.34)	(4.54)	(6.26)
Distributions (p)	–	(1.24)	(0.29)
Retained distributions on accumulation shares (p)	–	1.24	0.29
Closing net asset value per share (p)	98.19	98.53	103.07
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(0.35)	(4.40)	(5.73)
Other information			
Closing net asset value (£000)	3	3	3
Closing number of shares	3,001	3,001	3,001
Operating charges (%)**	0.06 ¹	0.04	0.02
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	99.16	104.05	112.71
Lowest share price (p)	98.06	98.20	100.28

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

⁶Only available to eligible investors.

¹Class 1 EUR Hedged – Accumulation shares commenced 24 February 2016.

²Class 1 EUR Hedged – Gross accumulation shares commenced 24 February 2016.

³Class 1 USD Hedged – Gross accumulation shares commenced 24 February 2016.

⁴Class 2 EUR Hedged – Gross accumulation shares commenced 24 February 2016.

¹The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	34,866,304
Shares issued	458,264
Shares redeemed	(5,078,254)
Net conversions	(956,331)
Closing shares	<u>29,289,983</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 1 – Gross accumulation shares	
Opening shares	3,425,285
Shares issued	148,625
Shares redeemed	(255,303)
Net conversions	(65,238)
Closing shares	<u>3,253,369</u>
Class 1 EUR Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 1 USD Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 2 – Accumulation shares	
Opening shares	29,384,069
Shares issued	422,303
Shares redeemed	(5,775,326)
Net conversions	892,924
Closing shares	<u>24,923,970</u>
Class 2 – Gross accumulation shares	
Opening shares	6,387,577
Shares issued	3,914
Shares redeemed	(5,441,888)
Net conversions	60,332
Closing shares	<u>1,009,935</u>
Class 2 EUR Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

	2017
Class X – Gross accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund*

Investment Report

Investment Objective

The objective of the Sterling Medium and Long-Dated Corporate Bond Fund is to achieve a long-term total return.

Investment Policy

The policy of the Sterling Medium and Long-Dated Corporate Bond Fund is to invest principally in investment grade Sterling denominated corporate bonds, predominately those with a maturity of more than 5 years. In addition, the Fund may invest in, non-Sterling investment grade bonds, sub-investment grade bonds, convertible bonds and preference shares, of any maturity. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.

Performance of Class 2 – Gross Income shares**

Over the six months to 31 October 2017, the published share price of Class 2 – Gross Income shares in the Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund has fallen from 133.31p to 132.92p.

For comparison, using noon prices, the performance of the Class 2 share class was +0.95% compared to a return of +1.15% for the Morningstar UK Unit Trusts/OEICs – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (5+ Y) was +0.62%.

Market Overview and Portfolio Activity

The UK corporate-bond market delivered a modest positive return over the six months in review. Gilt yields rose but credit spreads tightened. Fluctuations in gilt yields were primarily driven by political developments and changing expectations regarding central-bank policy. The tightening spreads were partly due to strong corporate earnings, but central banks and

politics played a part here too. The European Central Bank (ECB) continued to purchase large amounts of corporate credit in pursuit of its stimulus programme, while market-friendly results in French elections and, late in the period, growing optimism over US tax reform buoyed general appetite for risk.

Yields rose early in the period in anticipation that Emmanuel Macron would beat his euro-sceptic rival to the French presidency. Some better-than-expected UK manufacturing and services data also bolstered risk appetite. Macron's subsequent victory was seen as a boost for Europe's political and economic prospects and provided a firm base for the strong performance of risk assets over the rest of May.

In June, the UK Conservative Party's shock failure to retain its outright parliamentary majority put pressure on sterling and caused a short-lived spike in gilt yields. Later, the US Federal Reserve (Fed) announced another interest-rate hike, but a seemingly coordinated shift in tone from the ECB and Bank of England (BoE) had a bigger market impact: bond yields rose sharply at the end of June as ECB chief Mario Draghi hinted that the bank's stimulus could be reined in sooner than expected, while BoE governor Mark Carney suggested he would vote for a rate hike if business investment picked up.

Yields fell back over July and August, aided by receding fears of an imminent UK interest-rate hike and growing geopolitical tensions as US president Donald Trump and North Korean leader Kim Jong-un traded threats. However, the bond rally abruptly reversed in September as higher-than-expected UK inflation and some hawkish signals from the BoE pushed yields sharply higher.

The bond market was calmer in October. The ECB's long-awaited plan to wind down its stimulus efforts was more dovish than had been feared. In the UK, concern about the economic impact of a possible 'hard Brexit' buoyed demand for gilts. At the same time, however, a strong start to the

third-quarter corporate results season helped credit spreads over gilts to tighten.

We ran the portfolio broadly in line with the benchmark in terms of duration (sensitivity to changes in the outlook for interest rates) and very modestly overweight in terms of credit-spread risk. As spreads ground tighter we increasingly saw higher-quality bonds as offering better relative value. Activity in the primary market was elevated over the period. Issuance was particularly strong either side of the seasonal summer lull and was dominated by the financials sector. We participated in a number of new deals, including issues from Anheuser Busch InBev (maturing in 2029), Annington Funding (2034, 2047), Digital Realty (2029), Akelius Residential (2025) and DS Smith (2029).

In the secondary market we added to positions in issuers including Welltower, Aviva, Cadent Gas (formerly known as National Grid Gas), BG Energy, and Vodafone. We also reduced our E.on sterling exposure, switching into the US dollar 2038, and swapped our exposure to GKN out of shorter-dated bonds (2022) into longer-maturity bonds (2032). On the sales side, we reduced holdings including Aspire Defence, Innogy, AIG, Northern Gas Networks, and Greene King. Among the outright exits were Porterbrook Rail Finance, Orsted (formerly known as DONG Energy), Morgan Stanley, Heinz and Statoil.

Looking ahead, the market should remain supported by the ongoing provision of easy monetary policy, including historically low interest rates, though the direction of travel is turning modestly less constructive. The economic outlook of low growth and, in the UK, peaking inflation should rein in corporate excesses but should not be negative enough to prompt financial distress. Meanwhile, market valuations or spreads are not far from long-term averages at a time when demand for the asset class appears robust.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Income	
Net capital losses	(537)
Revenue	3,297
Expenses	(518)
Interest payable and similar charges	(22)
Net revenue before taxation	2,757
Taxation	–
Net revenue after taxation	2,757
Total return before distributions	2,220
Distributions	(2,757)
Change in net assets attributable to shareholders from investment activities	(537)

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	213,992	216,832
Current assets:		
Debtors	3,362	4,695
Cash and bank balances	3,652	5,469
Total assets	221,006	226,996
Liabilities:		
Investment liabilities	(380)	(106)
Creditors:		
Bank overdrafts	(579)	(186)
Distribution payable	(467)	(458)
Other creditors	(91)	(1,875)
Total liabilities	(1,517)	(2,625)
Net assets attributable to shareholders	219,489	224,371

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Opening net assets attributable to shareholders	224,371
Amounts receivable on the issue of shares	11,294
Amounts payable on the cancellation of shares	(15,639)
	(4,345)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(537)
Closing net assets attributable to shareholders	219,489

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable
			2017
Group 1			
01/05/17 to 31/05/17	0.2760	–	0.2760
01/06/17 to 30/06/17	0.2698	–	0.2698
01/07/17 to 31/07/17	0.2818	–	0.2818
01/08/17 to 31/08/17	0.2776	–	0.2776
01/09/17 to 30/09/17	0.2711	–	0.2711
01/10/17 to 31/10/17	0.2813	–	0.2813
Group 2			
01/05/17 to 31/05/17	0.1076	0.1684	0.2760
01/06/17 to 30/06/17	0.0508	0.2190	0.2698
01/07/17 to 31/07/17	0.0663	0.2155	0.2818
01/08/17 to 31/08/17	0.0724	0.2052	0.2776
01/09/17 to 30/09/17	0.0584	0.2127	0.2711
01/10/17 to 31/10/17	0.0672	0.2141	0.2813
Total distributions in the period			1.6576

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

*The Fund was launched on 9 December 2016.

**In pound Sterling and against UK peer group.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 2 – Gross income shares ⁵	
	31/10/2017	30/04/2017 ¹
Change in net assets per share		
Opening net asset value per share (p)	132.51	127.13
Return before operating charges (p)	1.64	6.90
Operating charges (p)	(0.32)	(0.23)
Return after operating charges (p)*	1.32	6.67
Distributions (p)	(1.66)	(1.29)
Closing net asset value per share (p)	132.17	132.51
*after direct transaction costs of (p)	–	–
Performance		
Return after charges (%)	1.00	5.25
Other information		
Closing net asset value (£000)	219,489	224,371
Closing number of shares	166,064,511	169,329,161
Operating charges (%)**	0.47 [†]	0.46 [†]
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	136.34	133.76
Lowest share price (p)	131.66	126.53

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

⁵Only available to eligible investors.

¹Class 2 – Gross income shares commenced 9 December 2016.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 2 – Gross income shares	
Opening shares	169,329,161
Shares issued	8,431,392
Shares redeemed	(11,696,042)
Net conversions	—
Closing shares	<u>166,064,511</u>

Threadneedle Sterling Short-Dated Corporate Bond Fund*

Investment Report

Investment Objective

The objective of the Sterling Short-Dated Corporate Bond Fund is to achieve a long-term total return.

Investment Policy

The policy of the Sterling Short-Dated Corporate Bond Fund is to invest principally in investment grade Sterling denominated corporate bonds, predominantly those with a maturity of up to 5 years. In addition, the Fund may invest in non-Sterling investment grade bonds, government bonds, sub-investment grade bonds, convertible bonds and preference shares, of any maturity.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.

Performance of Class 2 – Income shares**

Over the six months to 31 October 2017, the published share price of Class 2 – Income shares in the Threadneedle Sterling Short-Dated Corporate Bond Fund has fallen from 107.39p to 107.25p.

For comparison, using noon prices, the performance of the Class 2 share class was +0.72% compared to a return of +1.15% for the Morningstar UK Unit Trusts/OEICS – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (1-5 Y) was +0.25%.

Market Overview and Portfolio Activity

The UK corporate-bond market delivered a modest positive return over the six months in review. Gilt yields rose but credit spreads tightened. Fluctuations in gilt yields were primarily driven by political developments and changing expectations

regarding central-bank policy. The tightening spreads were partly due to strong corporate earnings, but central banks and politics played a part here too. The European Central Bank (ECB) continued to purchase large amounts of corporate credit in pursuit of its stimulus programme, while market-friendly results in French elections and, late in the period, growing optimism over US tax reform buoyed general appetite for risk.

Yields rose early in the period in anticipation that Emmanuel Macron would beat his euro-sceptic rival to the French presidency. Some better-than-expected UK manufacturing and services data also bolstered risk appetite. Macron's subsequent victory was seen as a boost for Europe's political and economic prospects and provided a firm base for the strong performance of risk assets over the rest of May.

In June, the UK Conservative Party's shock failure to retain its outright parliamentary majority put pressure on sterling and caused a short-lived spike in gilt yields. Later, the US Federal Reserve (Fed) announced another interest-rate hike, but a seemingly coordinated shift in tone from the ECB and Bank of England (BoE) had a bigger market impact: bond yields rose sharply at the end of June as ECB chief Mario Draghi hinted that the bank's stimulus could be reined in sooner than expected, while BoE governor Mark Carney suggested he would vote for a rate hike if business investment picked up.

Yields fell back over July and August, aided by receding fears of an imminent UK interest-rate hike and growing geopolitical tensions as US president Donald Trump and North Korean leader Kim Jong-un traded threats. However, the bond rally abruptly reversed in September as higher-than-expected UK inflation and some hawkish signals from the BoE pushed yields sharply higher.

The bond market was calmer in October. The ECB's long-awaited plan to wind down its stimulus efforts was more

dovish than had been feared. In the UK, concern about the economic impact of a possible 'hard Brexit' buoyed demand for gilts. At the same time, however, a strong start to the third-quarter corporate results season helped credit spreads over gilts to tighten.

Over the period we ran the fund with a marginally short relative duration position (meaning that it was less sensitive than the index to changes in the interest-rate outlook); we also maintained an overweight as regards credit-spread risk. As spreads ground tighter, we increasingly viewed higher-quality bonds as offering better relative value. We participated in a number of new issues, including deals from Kinder Morgan (maturing in 2023), Wells Fargo (2022), Volkswagen (2022), a hybrid bond from Pennon (callable in 2020) and a range of floating-rate notes including from Reckitt Benckiser (2022), AT&T (2023), Qualcomm (2020 and 2023, both later sold) and UBS (2023). In the secondary market, we bought a new holding in Digital Stout and increased exposure to a range of issuers including Tesco, Credit Suisse, CPM Finance, Imperial Brands and British American Tobacco. We also switched our US dollar-denominated Barclays exposure into a newly issued sterling bond (2023). On the sales side we exited a number of issuers including Chevron, Anheuser Busch InBev, Go-Ahead Group, Severn Trent Water Utilities, and Siemens Finance.

Looking ahead, the market should remain supported by the ongoing provision of easy monetary policy, including historically low interest rates, though the direction of travel is turning modestly less constructive. The economic outlook of low growth and, in the UK, peaking inflation should rein in corporate excesses but should not be negative enough to prompt financial distress. Meanwhile, market valuations or spreads are not far from long-term averages at a time when demand for the asset class appears robust.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Income	
Net capital losses	(1,792)
Revenue	9,659
Expenses	(1,535)
Interest payable and similar charges	(63)
Net revenue before taxation	8,061
Taxation	–
Net revenue after taxation	8,061
Total return before distributions	6,269
Distributions	(8,061)
Change in net assets attributable to shareholders from investment activities	(1,792)

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	931,011	804,458
Current assets:		
Debtors	23,312	31,477
Cash and bank balances	8,735	17,893
Total assets	963,058	853,828
Liabilities:		
Investment liabilities	(213)	(518)
Creditors:		
Distribution payable	(1,347)	(1,261)
Other creditors	(3,145)	(6,706)
Total liabilities	(4,705)	(8,485)
Net assets attributable to shareholders	958,353	845,343

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Opening net assets attributable to shareholders	845,343
Amounts receivable on the issue of shares	150,833
Amounts payable on the cancellation of shares	(36,546)
	114,287
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,792)
Retained distribution on accumulation shares	515
Closing net assets attributable to shareholders	958,353

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 1 – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017
Group 1			
01/05/17 to 31/05/17	0.1000	–	0.1000
01/06/17 to 30/06/17	0.1088	–	0.1088
01/07/17 to 31/07/17	0.1335	–	0.1335
01/08/17 to 31/08/17	0.1037	–	0.1037
01/09/17 to 30/09/17	0.0993	–	0.0993
01/10/17 to 31/10/17	0.1061	–	0.1061
Group 2			
01/05/17 to 31/05/17	0.0759	0.0241	0.1000
01/06/17 to 30/06/17	0.0416	0.0672	0.1088
01/07/17 to 31/07/17	0.0510	0.0825	0.1335
01/08/17 to 31/08/17	0.0445	0.0592	0.1037
01/09/17 to 30/09/17	0.0485	0.0508	0.0993
01/10/17 to 31/10/17	0.0744	0.0317	0.1061
Total distributions in the period			0.6514

*The Fund was launched on 9 December 2016.

**In pound Sterling and against UK peer group.

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/05/17 to 31/05/17	0.1021	–	0.1021
01/06/17 to 30/06/17	0.1112	–	0.1112
01/07/17 to 31/07/17	0.1363	–	0.1363
01/08/17 to 31/08/17	0.1061	–	0.1061
01/09/17 to 30/09/17	0.1015	–	0.1015
01/10/17 to 31/10/17	0.1084	–	0.1084
Group 2			
01/05/17 to 31/05/17	0.1021	–	0.1021
01/06/17 to 30/06/17	0.1112	–	0.1112
01/07/17 to 31/07/17	0.1363	–	0.1363
01/08/17 to 31/08/17	0.1061	–	0.1061
01/09/17 to 30/09/17	0.1015	–	0.1015
01/10/17 to 31/10/17	0.0984	0.0100	0.1084
Total distributions in the period			0.6656

Class 1 EUR Hedged – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/06/17 to 30/06/17	0.0528	–	0.0528
01/07/17 to 31/07/17	0.1320	–	0.1320
01/08/17 to 31/08/17	0.1063	–	0.1063
01/09/17 to 30/09/17	0.0997	–	0.0997
01/10/17 to 31/10/17	0.1054	–	0.1054
Group 2			
01/06/17 to 30/06/17	0.0528	–	0.0528
01/07/17 to 31/07/17	0.1320	–	0.1320
01/08/17 to 31/08/17	0.1063	–	0.1063
01/09/17 to 30/09/17	0.0997	–	0.0997
01/10/17 to 31/10/17	0.1054	–	0.1054
Total distributions in the period			0.4962

Class 2 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/05/17	0.1433	–	0.1433
01/06/17 to 30/06/17	0.1513	–	0.1513
01/07/17 to 31/07/17	0.1780	–	0.1780
01/08/17 to 31/08/17	0.1470	–	0.1470
01/09/17 to 30/09/17	0.1408	–	0.1408
01/10/17 to 31/10/17	0.1490	–	0.1490
Group 2			
01/05/17 to 31/05/17	0.0750	0.0683	0.1433
01/06/17 to 30/06/17	0.0607	0.0906	0.1513
01/07/17 to 31/07/17	0.0904	0.0876	0.1780
01/08/17 to 31/08/17	0.0872	0.0598	0.1470
01/09/17 to 30/09/17	0.0699	0.0709	0.1408
01/10/17 to 31/10/17	0.0690	0.0800	0.1490
Total distributions in the period			0.9094

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/05/17	0.1438	–	0.1438
01/06/17 to 30/06/17	0.1518	–	0.1518
01/07/17 to 31/07/17	0.1786	–	0.1786
01/08/17 to 31/08/17	0.1475	–	0.1475
01/09/17 to 30/09/17	0.1413	–	0.1413
01/10/17 to 31/10/17	0.1495	–	0.1495
Group 2			
01/05/17 to 31/05/17	0.0790	0.0648	0.1438
01/06/17 to 30/06/17	0.0736	0.0782	0.1518
01/07/17 to 31/07/17	0.0782	0.1004	0.1786
01/08/17 to 31/08/17	0.0665	0.0810	0.1475
01/09/17 to 30/09/17	0.0813	0.0600	0.1413
01/10/17 to 31/10/17	0.0792	0.0703	0.1495
Total distributions in the period			0.9125

Class 2 – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/05/17 to 31/05/17	0.0676	–	0.0676
01/06/17 to 30/06/17	0.1426	–	0.1426
01/07/17 to 31/07/17	0.1661	–	0.1661
01/08/17 to 31/08/17	0.1373	–	0.1373
01/09/17 to 30/09/17	0.1320	–	0.1320
01/10/17 to 31/10/17	0.1396	–	0.1396
Group 2			
01/05/17 to 31/05/17	0.0676	–	0.0676
01/06/17 to 30/06/17	0.0833	0.0593	0.1426
01/07/17 to 31/07/17	0.0517	0.1144	0.1661
01/08/17 to 31/08/17	0.0674	0.0699	0.1373
01/09/17 to 30/09/17	0.0510	0.0810	0.1320
01/10/17 to 31/10/17	0.0744	0.0652	0.1396
Total distributions in the period			0.7852

Class 2 EUR Hedged – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/05/17 to 31/05/17	0.0659	–	0.0659
01/06/17 to 30/06/17	0.1455	–	0.1455
01/07/17 to 31/07/17	0.1726	–	0.1726
01/08/17 to 31/08/17	0.1457	–	0.1457
01/09/17 to 30/09/17	0.1377	–	0.1377
01/10/17 to 31/10/17	0.1464	–	0.1464
Group 2			
01/05/17 to 31/05/17	0.0659	–	0.0659
01/06/17 to 30/06/17	0.1455	–	0.1455
01/07/17 to 31/07/17	0.1726	–	0.1726
01/08/17 to 31/08/17	0.0957	0.0500	0.1457
01/09/17 to 30/09/17	0.1377	–	0.1377
01/10/17 to 31/10/17	0.1464	–	0.1464
Total distributions in the period			0.8138

Class X – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/05/17	0.1709	–	0.1709
01/06/17 to 30/06/17	0.1775	–	0.1775
01/07/17 to 31/07/17	0.2039	–	0.2039
01/08/17 to 31/08/17	0.1744	–	0.1744
01/09/17 to 30/09/17	0.1674	–	0.1674
01/10/17 to 31/10/17	0.1760	–	0.1760
Group 2			
01/05/17 to 31/05/17	0.0384	0.1325	0.1709
01/06/17 to 30/06/17	0.1001	0.0774	0.1775
01/07/17 to 31/07/17	0.1564	0.0475	0.2039
01/08/17 to 31/08/17	0.0873	0.0871	0.1744
01/09/17 to 30/09/17	0.0074	0.1600	0.1674
01/10/17 to 31/10/17	0.0825	0.0935	0.1760
Total distributions in the period			1.0701

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/05/17 to 31/05/17	0.1766	–	0.1766
01/06/17 to 30/06/17	0.1836	–	0.1836
01/07/17 to 31/07/17	0.2114	–	0.2114
01/08/17 to 31/08/17	0.1812	–	0.1812
01/09/17 to 30/09/17	0.1742	–	0.1742
01/10/17 to 31/10/17	0.1836	–	0.1836
Group 2			
01/05/17 to 31/05/17	0.1266	0.0500	0.1766
01/06/17 to 30/06/17	0.1836	–	0.1836
01/07/17 to 31/07/17	0.2114	–	0.2114
01/08/17 to 31/08/17	0.1812	–	0.1812
01/09/17 to 30/09/17	0.0642	0.1100	0.1742
01/10/17 to 31/10/17	0.1836	–	0.1836
Total distributions in the period			1.1106

Class Y – Gross Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/05/17	0.1510	–	0.1510
01/06/17 to 30/06/17	0.1600	–	0.1600
01/07/17 to 31/07/17	0.1820	–	0.1820
01/08/17 to 31/08/17	0.1546	–	0.1546
01/09/17 to 30/09/17	0.1490	–	0.1490
01/10/17 to 31/10/17	0.1553	–	0.1553
Group 2			
01/05/17 to 31/05/17	0.1510	–	0.1510
01/06/17 to 30/06/17	0.1600	–	0.1600
01/07/17 to 31/07/17	0.1820	–	0.1820
01/08/17 to 31/08/17	0.1546	–	0.1546
01/09/17 to 30/09/17	0.1490	–	0.1490
01/10/17 to 31/10/17	0.1553	–	0.1553
Total distributions in the period			0.9519

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares		Class 1 – Gross accumulation shares [§]	
	31/10/2017	30/04/2017 ¹	31/10/2017	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	102.45	101.29	104.68	103.43
Return before operating charges (p)	0.94	1.57	0.95	1.60
Operating charges (p)	(0.45)	(0.35)	(0.46)	(0.35)
Return after operating charges (p)*	0.49	1.22	0.49	1.25
Distributions (p)	(0.65)	(0.50)	(0.67)	(0.51)
Retained distributions on accumulation shares (p)**	0.65	0.44	0.67	0.51
Closing net asset value per share (p)	102.94	102.45	105.17	104.68
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	0.48	1.20	0.47	1.21
Other information				
Closing net asset value (£000)	5,142	4,390	195	144
Closing number of shares	4,995,622	4,285,227	185,290	137,694
Operating charges (%)***	0.88 [†]	0.88 [†]	0.88 [†]	0.87 [†]
Direct transaction costs (%)****	–	–	–	–
Prices				
Highest share price (p)	103.41	102.58	105.66	104.81
Lowest share price (p)	102.62	101.21	104.85	103.36
	Class 1 EUR Hedged – Gross accumulation shares [§]		Class 2 – Income shares	
	31/10/2017 ³		31/10/2017	30/04/2017 ⁴
Change in net assets per share				
Opening net asset value per share (p)	100.00		107.11	106.35
Return before operating charges (p)	0.51		0.99	1.65
Operating charges (p)	(0.25)		(0.25)	(0.19)
Return after operating charges (p)*	0.26		0.74	1.46
Distributions (p)	(0.50)		(0.91)	(0.70)
Retained distributions on accumulation shares (p)**	0.50		–	–
Closing net asset value per share (p)	100.26		106.94	107.11
*after direct transaction costs of (p)	–		–	–
Performance				
Return after charges (%)	0.26		0.69	1.37
Other information				
Closing net asset value (£000)	10		197,991	154,712
Closing number of shares	10,001		185,146,562	144,439,030
Operating charges (%)***	0.87 [†]		0.46 [†]	0.46 [†]
Direct transaction costs (%)****	–		–	–
Prices				
Highest share price (p)	106.43		107.75	107.39
Lowest share price (p)	99.51		106.93	106.28

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares [§]		Class 2 – Gross accumulation shares [§]	
	31/10/2017	30/04/2017 [§]	31/10/2017 [§]	
Change in net assets per share				
Opening net asset value per share (p)	107.47	106.71	100.00	
Return before operating charges (p)	0.99	1.65	0.51	
Operating charges (p)	(0.25)	(0.19)	(0.19)	
Return after operating charges (p)*	0.74	1.46	0.32	
Distributions (p)	(0.91)	(0.70)	(0.79)	
Retained distributions on accumulation shares (p)**	–	–	0.79	
Closing net asset value per share (p)	107.30	107.47	100.32	
*after direct transaction costs of (p)	–	–	–	
Performance				
Return after charges (%)	0.69	1.37	0.32	
Other information				
Closing net asset value (£000)	465,328	443,539	936	
Closing number of shares	433,676,425	412,697,442	933,061	
Operating charges (%)***	0.46 [†]	0.46 [†]	0.46 [†]	
Direct transaction costs (%)****	–	–	–	
Prices				
Highest share price (p)	108.11	107.76	100.71	
Lowest share price (p)	107.29	106.64	99.87	
	Class 2 EUR Hedged – Gross accumulation shares [§]		Class X – Gross income shares [§]	
	31/10/2017 [†]		31/10/2017	30/04/2017 [§]
Change in net assets per share				
Opening net asset value per share (p)	100.00		101.81	101.09
Return before operating charges (p)	2.95		0.94	1.56
Operating charges (p)	(0.20)		(0.03)	(0.02)
Return after operating charges (p)*	2.75		0.91	1.54
Distributions (p)	(0.81)		(1.07)	(0.82)
Retained distributions on accumulation shares (p)**	0.81		–	–
Closing net asset value per share (p)	102.75		101.65	101.81
*after direct transaction costs of (p)	–		–	–
Performance				
Return after charges (%)	2.75		0.89	1.52
Other information				
Closing net asset value (£000)	10		244,334	196,037
Closing number of shares	10,000		240,379,045	192,551,783
Operating charges (%)***	0.46 [†]		0.06 [†]	0.06 [†]
Direct transaction costs (%)****	–		–	–
Prices				
Highest share price (p)	109.00		102.45	102.11
Lowest share price (p)	99.83		101.64	101.03

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares ⁶		Class Y – Gross income shares ⁵	
	31/10/2017	30/04/2017 ⁹	31/10/2017	30/04/2017 ¹⁰
Change in net assets per share				
Opening net asset value per share (p)	105.18	103.59	100.12	100.00
Return before operating charges (p)	0.97	1.61	0.91	0.28
Operating charges (p)	(0.03)	(0.02)	(0.13)	–
Return after operating charges (p)*	0.94	1.59	0.78	0.28
Distributions (p)	(1.11)	(0.85)	(0.95)	(0.16)
Retained distributions on accumulation shares (p)**	1.11	0.85	–	–
Closing net asset value per share (p)	106.12	105.18	99.95	100.12
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	0.89	1.53	0.78	0.28
Other information				
Closing net asset value (£000)	44,404	46,518	3	3
Closing number of shares	41,842,439	44,225,469	3,000	3,000
Operating charges (%)**	0.06 [†]	0.06 [†]	0.26 [†]	0.27 [†]
Direct transaction costs (%)**	–	–	–	–
Prices				
Highest share price (p)	106.48	105.31	100.73	100.39
Lowest share price (p)	105.38	103.54	99.95	100.00

**Any difference between the distributions and the retained distributions on accumulation shares is due to the tax withheld.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

****Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Only available to eligible investors.

²Class 1 – Accumulation shares commenced 9 December 2016.

³Class 1 – Gross accumulation shares commenced 9 December 2016.

⁴Class 1 EUR Hedged – Gross accumulation shares commenced 15 June 2017.

⁵Class 2 – Income shares commenced 9 December 2016.

⁶Class 2 – Gross income shares commenced 9 December 2016.

⁷Class 2 – Gross accumulation shares commenced 17 May 2017.

⁸Class 2 EUR Hedged – Gross accumulation shares commenced 17 May 2017.

⁹Class X – Gross income shares commenced 9 December 2016.

¹⁰Class X – Gross accumulation shares commenced 9 December 2016.

¹¹Class Y – Gross income shares commenced 29 March 2017.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	4,285,227
Shares issued	899,456
Shares redeemed	(189,061)
Net conversions	–
Closing shares	<u>4,995,622</u>
Class 1 – Gross accumulation shares	
Opening shares	137,694
Shares issued	47,596
Shares redeemed	–
Net conversions	–
Closing shares	<u>185,290</u>
Class 1 EUR Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
Class 2 – Income shares	
Opening shares	144,439,030
Shares issued	46,982,352
Shares redeemed	(6,125,154)
Net conversions	(149,666)
Closing shares	<u>185,146,562</u>
Class 2 – Gross income shares	
Opening shares	412,697,442
Shares issued	41,737,044
Shares redeemed	(20,907,228)
Net conversions	149,167
Closing shares	<u>433,676,425</u>
Class 2 – Gross accumulation shares*	
Opening shares	–
Shares issued	960,420
Shares redeemed	(27,359)
Net conversions	–
Closing shares	<u>933,061</u>
Class 2 EUR Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	339,704
Shares redeemed	(329,704)
Net conversions	–
Closing shares	<u>10,000</u>

	2017
Class X – Gross income shares	
Opening shares	192,551,783
Shares issued	50,127,713
Shares redeemed	(2,300,451)
Net conversions	–
Closing shares	<u>240,379,045</u>
Class X – Gross accumulation shares	
Opening shares	44,225,469
Shares issued	1,901,963
Shares redeemed	(4,284,993)
Net conversions	–
Closing shares	<u>41,842,439</u>
Class Y – Gross income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle UK Fixed Interest Fund*

Investment Report

Investment Objective

The objective of the UK Fixed Interest Fund is to achieve a long-term total return and to maximise this return whilst moderating the risk of investment at any particular point in the economic and business cycle.

Investment Policy

The policy of the UK Fixed Interest Fund is to invest principally in UK government bonds (gilts), and other Sterling denominated fixed interest securities. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash and hold securities of any duration.

Performance of Class Z – Accumulation shares**

Over the six months to 31 October 2017, the published share price of Class Z – Accumulation shares in the Threadneedle UK Fixed Interest Fund has fallen from 169.56p to 167.08p.

For comparison, using noon prices, the performance of the Class Z share class was -1.46% compared to a return of -1.58% for the Morningstar UK Unit Trusts/OEICS – (IA) UK Gilt Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Government (All stocks) was -1.69%.

Market Overview and Portfolio Activity

Gilts initially struggled as some strong economic indicators and Emmanuel Macron's election as French president dampened demand for safe havens. However, gilts later benefited from doubts over President Trump's policy agenda.

The inconclusive outcome of the UK's election in June triggered a short-lived sell-off in gilts. Investors were more sanguine about the US Federal Reserve's (Fed) quarter-point rate hike later in the month but were rattled by hawkish comments from key UK and eurozone central bank officials at the end of June.

Over most of July and August, investors pushed UK and US rate-hike projections further out; this benefited gilts as did jitters over North Korea and "Trumponomics". The rally ebbed in mid-September as investors grew less anxious about geopolitics but more so about potential UK and US rate hikes as September's inflation readings in both countries beat forecasts. The Bank of England (BoE) struck a hawkish tone at its September meeting. In the US, while investors had expected the Fed to start unwinding its balance sheet from October, they were unnerved by policymakers' projections for a further rate hike this year and three in 2018. Later, news of Trump's plans to move ahead with tax reforms put additional pressure on gilts.

By contrast, the ECB's announcement about its "taper" benefited bonds as investors focused on the bank's plans to maintain asset purchases at least until next September rather than the fact that the monthly amount would be halved to €30 billion from January. Towards the end of October, gilts also gained from renewed jitters over alleged Russian involvement in Trump's campaign and speculation that Jerome Powell – a policy "dove" – could become the Fed's next chief.

The fund started the review period with a duration of 0.3 years long (relative to the benchmark).

Ahead of the syndication of 2057 gilts in mid-May, we temporarily moved the portfolio to a neutral position in the ultra-long segment. We also added some duration in the 10-year space, which brought portfolio duration to +0.3 years. We retained overall duration at this level for the rest of May.

Immediately before the UK's election in June, we moved to a neutral-duration position. On election day, we sold 27s into 32s to pick up around 30 basis points of yield. Later, we used the spike in yields following May's above-consensus inflation print to move to a long duration position of 0.20 years. We then increased duration by 0.1 years via 15-year papers.

Following the BoE's June meeting, we sold 20-year and 30-year bonds but bought 5-year bonds. In the third week of June, we entered into a long end steepener, by selling ultra-long gilts into 30-year papers. In the final week of June, we added duration in the

10-year and ultra-long segments as yields rose following a series of hawkish comments from various central bankers.

Activity was light in July and the first three weeks of August; we retained overall duration at 0.5 years long. At the end of August, we halved the size of the 30s/ultra-long steepener trade. In early September, we trimmed exposure in the 10-year and 30-year buckets and added to 40-year and 50-year bonds to bring ultra-long duration to 0.15 years long. We also sold 10-years (to flat) and 30-years (to flat) into 20-years, which brought this segment's duration to 0.25 years long. We sold 10-year bonds, ahead of auction and employment data but bought them back after these reports. We cut back duration by 0.2 years after the BoE's meeting.

Through October, we made numerous relative value switches within maturity buckets, and also conducted some trades to reduce exposure to ultra-longs, moving duration into the 10- and 30-year areas. After the strong GDP print in the final week of October, we moved outright duration to 0.7 long via a purchase of 10-year bonds.

Our basic prognosis is one of sluggish global growth and low long-term real rates in developed markets (DMs). Demographic trends, weak productivity growth and low levels of investment relative to savings are likely to keep yields depressed, relative to history. Within this context, Europe and other DMs are currently experiencing cyclical upturns.

The Fed has already started to rein in its accommodative policy stance. We expect a total of just three hikes between now and end-2018, as Fed members continue to analyse the lacklustre pace of wage and price growth. In time, the unwinding of the Fed's balance sheet could lead to higher yields as supply increases, but for now the taper path is so gradual that we see little chance of market disruption.

Elsewhere, policymakers are faced with the challenge of normalising policy while there are uncertainties over politics and the sustainability of current inflation trends. We remain sceptical about the scale of normalisation that will prove possible but acknowledge some unwinding of the 'quantitative easing premium' that has depressed yields over recent years.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Income	
Net capital losses	(8,461)
Revenue	2,733
Expenses	(822)
Net revenue before taxation	1,911
Taxation	–
Net revenue after taxation	1,911
Total return before distributions	(6,550)
Distributions	(1,910)
Change in net assets attributable to shareholders from investment activities	(8,460)

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	452,208	462,454
Current assets:		
Debtors	2,900	6,605
Cash and bank balances	5,824	3,477
Total assets	460,932	472,536
Liabilities:		
Creditors:		
Distribution payable	(1,857)	(1,521)
Other creditors	(200)	(2,087)
Total liabilities	(2,057)	(3,608)
Net assets attributable to shareholders	458,875	468,928

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Opening net assets attributable to shareholders	468,928
Amounts receivable on the issue of shares	35,661
Amounts payable on the cancellation of shares	(37,339)
	(1,678)
Dilution adjustment	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,460)
Retained distribution on accumulation shares	84
Closing net assets attributable to shareholders	458,875

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 1 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/10/17	0.4476	–	0.4476
Group 2			
01/05/17 to 31/10/17	0.1200	0.3276	0.4476
Total distributions in the period			0.4476

Class 1 – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017
Group 1			
01/05/17 to 31/10/17	0.5455	–	0.5455
Group 2			
01/05/17 to 31/10/17	0.3520	0.1935	0.5455
Total distributions in the period			0.5455

*The Fund was launched on 9 December 2016.

**In pound Sterling and against UK peer group.

Threadneedle UK Fixed Interest Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1 01/05/17 to 31/10/17	0.4423	–	0.4423
Group 2 01/05/17 to 31/10/17	0.2266	0.2157	0.4423
Total distributions in the period			0.4423

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1 01/05/17 to 31/10/17	0.5554	–	0.5554
Group 2 01/05/17 to 31/10/17	0.2661	0.2893	0.5554
Total distributions in the period			0.5554

Class Z – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017
Group 1 01/05/17 to 31/10/17	0.6837	–	0.6837
Group 2 01/05/17 to 31/10/17	0.3676	0.3161	0.6837
Total distributions in the period			0.6837

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares	
	31/10/2017	30/04/2017 ¹	31/10/2017	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	136.45	131.87	166.35	160.32
Return before operating charges (p)	(1.73)	5.24	(2.12)	6.36
Operating charges (p)	(0.36)	(0.28)	(0.44)	(0.33)
Return after operating charges (p)*	(2.09)	4.96	(2.56)	6.03
Distributions (p)	(0.45)	(0.38)	(0.55)	(0.46)
Retained distributions on accumulation shares (p)	–	–	0.55	0.46
Closing net asset value per share (p)	133.91	136.45	163.79	166.35
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(1.53)	3.76	(1.54)	3.76
Other information				
Closing net asset value (£000)	567	648	508	561
Closing number of shares	423,484	474,812	310,054	336,991
Operating charges (%)**	0.53 [†]	0.53 [†]	0.53 [†]	0.52 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	138.69	138.20	169.07	168.01
Lowest share price (p)	133.29	131.00	162.49	159.26
	Class 2 – Income shares		Class 2 – Gross income shares ⁵	
	31/10/2017	30/04/2017 ³	31/10/2017	30/04/2017 ⁴
Change in net assets per share				
Opening net asset value per share (p)	105.69	102.13	133.53	129.05
Return before operating charges (p)	(1.35)	4.07	(1.69)	5.12
Operating charges (p)	(0.19)	(0.15)	(0.24)	(0.18)
Return after operating charges (p)*	(1.54)	3.92	(1.93)	4.94
Distributions (p)	(0.44)	(0.36)	(0.56)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	103.71	105.69	131.04	133.53
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(1.46)	3.84	(1.45)	3.83
Other information				
Closing net asset value (£000)	24	29	437,629	443,227
Closing number of shares	22,793	27,798	333,964,528	331,920,395
Operating charges (%)**	0.36 [†]	0.36 [†]	0.36 [†]	0.36 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	107.49	107.10	135.81	135.32
Lowest share price (p)	103.31	101.46	130.53	128.20

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares	
	31/10/2017	30/04/2017 ⁵
Change in net assets per share		
Opening net asset value per share (p)	169.50	163.26
Return before operating charges (p)	(2.16)	6.49
Operating charges (p)	(0.32)	(0.25)
Return after operating charges (p)*	(2.48)	6.24
Distributions (p)	(0.68)	(0.56)
Retained distributions on accumulation shares (p)	0.68	0.56
Closing net asset value per share (p)	167.02	169.50
*after direct transaction costs of (p)	–	–
Performance		
Return after charges (%)	(1.46)	3.82
Other information		
Closing net asset value (£000)	20,147	24,463
Closing number of shares	12,062,956	14,432,487
Operating charges (%)**	0.38 [†]	0.38 [†]
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	172.37	171.19
Lowest share price (p)	165.67	162.19

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

⁵Only available to eligible investors.

¹Class 1 – Income shares commenced 9 December 2016.

²Class 1 – Accumulation shares commenced 9 December 2016.

³Class 2 – Income shares commenced 9 December 2016.

⁴Class 2 – Gross income shares commenced 9 December 2016.

⁵Class Z – Accumulation shares commenced 9 December 2016.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	474,812
Shares issued	30,233
Shares redeemed	(81,561)
Net conversions	–
Closing shares	<u>423,484</u>
Class 1 – Accumulation shares	
Opening shares	336,991
Shares issued	16,116
Shares redeemed	(43,053)
Net conversions	–
Closing shares	<u>310,054</u>
Class 2 – Income shares	
Opening shares	27,798
Shares issued	232
Shares redeemed	(5,237)
Net conversions	–
Closing shares	<u>22,793</u>
Class 2 – Gross income shares	
Opening shares	331,920,395
Shares issued	26,062,355
Shares redeemed	(24,018,222)
Net conversions	–
Closing shares	<u>333,964,528</u>
Class Z – Accumulation shares	
Opening shares	14,432,487
Shares issued	636,758
Shares redeemed	(3,006,289)
Net conversions	–
Closing shares	<u>12,062,956</u>

Threadneedle UK Index Linked Fund*

Investment Report

Investment Objective

The objective of the UK Index Linked Fund is to achieve a long-term total return and to maximise this return whilst moderating the risk of investment at any particular point in the economic and business cycle.

Investment Policy

The policy of the UK Index Linked Fund is to invest principally in UK index linked gilts and other Sterling denominated index linked securities. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash and hold securities of any duration.

Performance of Class 2 – Accumulation shares**

Over the six months to 31 October 2017, the published share price of Class 2 – Accumulation shares in the Threadneedle UK Index Linked Fund has fallen from 206.89p to 199.06p.

For comparison, using noon prices, the performance of the Class 2 share class was -3.78% compared to a return of -3.63% for the Morningstar UK Unit Trusts/OEICS – (IA) UK Index Linked Gilts Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Index Linked Government (All stocks) was -4.44%.

Market Overview and Portfolio Activity

Gilts initially struggled as some strong economic indicators and Emmanuel Macron's victory in the French presidential election dampened demand for safe havens. However, gilts later benefited from doubts over President Trump's policy agenda.

The inconclusive outcome of the UK's snap general election in June triggered a short-lived sell-off in gilts. Investors were more sanguine about the US Federal Reserve's (Fed) quarter-point rate hike later in

the month. The same could not be said about the hawkish comments from key UK and eurozone central bank officials at the end of June; these led to spikes in gilt yields.

Yields trended lower through July and August amid jitters over North Korea and Trump's ability to enact his growth-friendly policies. Dovish noises from UK and US central bank officials and some below-forecast inflation prints also proved supportive for gilts although investors found it hard to shake off their expectations that the European Central Bank (ECB) would soon rein in its stimulus.

In the second week of September, gilt yields rose as investors grew less anxious over North Korea but more so about potentially higher rates in the UK and US. In the UK, stronger-than-expected inflation figures and hawkish noises from the Bank of England's September meeting led investors to become more convinced about a rate hike this year. In the US, while investors had expected the Fed to start unwinding its balance sheet from October, they were unnerved by policymakers' projections for a further rate hike this year and three in 2018.

In late September, news of President Trump's plans to overhaul the tax code reignited the so-called "Trumpflation trade" which accelerated the sell-off in gilts. By contrast, the ECB's announcement about its "taper" benefited bonds as investors focused on the bank's plans to maintain asset purchases at least until next September rather than the fact that the monthly amount would be halved to €30 billion from January. Towards the end of the review period, gilts also gained from renewed jitters over alleged Russian involvement in Trump's election campaign and speculation that Jerome Powell – a policy dove – could succeed Janet Yellen as the Fed's chief.

The fund started the review period with a duration of 0.2 years long (relative to the benchmark). In the third week of May, we sold 10- and 30-year papers into 20-year papers. Towards the end of June, we moved duration to +0.5 years following the sell-off which was triggered by hawkish comments from various central bankers.

Over the third quarter of 2017, we retained duration at around 0.5 years long, making some minor positioning changes in August. In the last week of August, we undertook some relative value trading within maturity buckets (27s into 29s, 36s into 37s and 40s; all these trades were duration neutral).

On 18 September, we reduced ultra-long maturity via a sale of 65s and reduced duration in the 10-year sector via a sale of 29s. On 19 September, we increased duration in the 30-year sector via a purchase of 47s.

In early October, we switched 65s into 37s, reducing our overweight in ultra longs. In mid October, we switched 5-year and 50-year index linked gilts into conventional gilts believing inflation expectations were overextended. On the final day of October, we sold 0.5 years of duration via 68s following a month-end squeeze.

Our basic prognosis is one of sluggish global growth and low long-term real rates in developed markets (DMs). Demographic trends, weak productivity growth and low levels of investment relative to savings are likely to keep yields depressed, relative to history. Within this context, Europe and other DMs are currently experiencing cyclical upturns.

The Fed has already started to rein in its accommodative policy stance. We expect a total of just three hikes between now and end-2018, as Fed members continue to analyse the lacklustre pace of wage and price growth. In time, the unwinding of the Fed's balance sheet could lead to higher yields as supply increases, but for now the taper path is so gradual that we see little chance of market disruption.

Elsewhere, policymakers are faced with the challenge of normalising policy while there are uncertainties over politics and the sustainability of current inflation trends. We remain sceptical about the scale of normalisation that will prove possible but acknowledge some unwinding of the 'quantitative easing premium' that has depressed yields over recent years.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Income	
Net capital losses	(3,252)
Revenue	357
Expenses	(138)
Net revenue before taxation	219
Taxation	–
Net revenue after taxation	219
Total return before distributions	(3,033)
Distributions	(219)
Change in net assets attributable to shareholders from investment activities	(3,252)

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	66,793	95,691
Current assets:		
Debtors	147	297
Cash and bank balances	84	159
Total assets	67,024	96,147
Liabilities:		
Creditors:		
Distribution payable	(86)	(65)
Other creditors	(67)	(84)
Total liabilities	(153)	(149)
Net assets attributable to shareholders	66,871	95,998

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000
Opening net assets attributable to shareholders	95,998
Amounts receivable on the issue of shares	4,567
Amounts payable on the cancellation of shares	(30,564)
	(25,997)
Dilution adjustment	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(3,252)
Retained distribution on accumulation shares	112
Closing net assets attributable to shareholders	66,871

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 1 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1			
01/05/17 to 31/10/17	0.0144	–	0.0144
Group 2			
01/05/17 to 31/10/17	0.0143	0.0001	0.0144
Total distributions in the period			0.0144

Class 1 – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1			
01/05/17 to 31/10/17	0.0097	–	0.0097
Group 2			
01/05/17 to 31/10/17	0.0097	–	0.0097
Total distributions in the period			0.0097

*Fund launched 25 November 2016.

**In pound Sterling and against UK peer group.

Threadneedle UK Index Linked Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1 01/05/17 to 31/10/17	0.2910	–	0.2910
Group 2 01/05/17 to 31/10/17	0.1910	0.1000	0.2910
Total distributions in the period			0.2910

Class 2 – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017
Group 1 01/05/17 to 31/10/17	0.5011	–	0.5011
Group 2 01/05/17 to 31/10/17	0.2547	0.2464	0.5011
Total distributions in the period			0.5011

Class 2 – Gross income shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
Group 1 01/05/17 to 31/10/17	0.3867	–	0.3867
Group 2 01/05/17 to 31/10/17	0.1503	0.2364	0.3867
Total distributions in the period			0.3867

Class D – Accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1 01/05/17 to 31/10/17	0.3153	–	0.3153
Group 2 01/05/17 to 31/10/17	0.2696	0.0457	0.3153
Total distributions in the period			0.3153

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017
Group 1 01/05/17 to 31/10/17	0.4377	–	0.4377
Group 2 01/05/17 to 31/10/17	0.3573	0.0804	0.4377
Total distributions in the period			0.4377

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Gross accumulation shares ⁵	
	31/10/2017	30/04/2017 ¹	31/10/2017	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	178.36	169.80	122.94	117.00
Return before operating charges (p)	(6.51)	9.21	(4.48)	6.41
Operating charges (p)	(0.79)	(0.65)	(0.55)	(0.47)
Return after operating charges (p)*	(7.30)	8.56	(5.03)	5.94
Distributions (p)	(0.01)	–	(0.01)	–
Retained distributions on accumulation shares (p)	–	–	0.01	–
Closing net asset value per share (p)	171.05	178.36	117.91	122.94
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(4.09)	5.04	(4.09)	5.08
Other information				
Closing net asset value (£000)	421	448	57	60
Closing number of shares	246,337	251,173	48,433	48,433
Operating charges (%)**	0.90 [†]	0.89 [†]	0.91 [†]	0.97 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	181.66	185.69	125.21	127.98
Lowest share price (p)	166.35	165.59	114.66	114.13
	Class 2 – Income shares		Class 2 – Accumulation shares	
	31/10/2017	30/04/2017 ³	31/10/2017	30/04/2017 ⁴
Change in net assets per share				
Opening net asset value per share (p)	120.04	114.20	206.80	196.50
Return before operating charges (p)	(4.38)	6.17	(7.55)	10.65
Operating charges (p)	(0.25)	(0.21)	(0.44)	(0.35)
Return after operating charges (p)*	(4.63)	5.96	(7.99)	10.30
Distributions (p)	(0.29)	(0.12)	(0.50)	(0.21)
Retained distributions on accumulation shares (p)	–	–	0.50	0.21
Closing net asset value per share (p)	115.12	120.04	198.81	206.80
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(3.86)	5.22	(3.86)	5.24
Other information				
Closing net asset value (£000)	66	68	15,131	17,007
Closing number of shares	57,085	57,028	7,610,561	8,223,803
Operating charges (%)**	0.43 [†]	0.42 [†]	0.43 [†]	0.42 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	122.47	125.07	210.99	215.24
Lowest share price (p)	112.07	111.36	193.07	191.65

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares ⁵		Class D – Accumulation shares	
	31/10/2017	30/04/2017 ⁵	31/10/2017	30/04/2017 ⁶
Change in net assets per share				
Opening net asset value per share (p)	159.56	151.70	201.93	192.00
Return before operating charges (p)	(5.80)	8.29	(7.38)	10.41
Operating charges (p)	(0.34)	(0.27)	(0.59)	(0.48)
Return after operating charges (p)*	(6.14)	8.02	(7.97)	9.93
Distributions (p)	(0.39)	(0.16)	(0.32)	(0.05)
Retained distributions on accumulation shares (p)	–	–	0.32	0.05
Closing net asset value per share (p)	153.03	159.56	193.96	201.93
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	(3.85)	5.29	(3.95)	5.17
Other information				
Closing net asset value (£000)	34,019	64,216	143	478
Closing number of shares	22,231,134	40,246,041	73,663	236,471
Operating charges (%)**	0.43 [†]	0.42 [†]	0.60 [†]	0.59 [†]
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	162.81	166.24	205.89	210.20
Lowest share price (p)	148.98	148.02	188.45	187.26
Class X – Gross accumulation shares⁵				
	31/10/2017	30/04/2017 [†]		
Change in net assets per share				
Opening net asset value per share (p)	105.46	100.00		
Return before operating charges (p)	(3.85)	5.49		
Operating charges (p)	(0.05)	(0.03)		
Return after operating charges (p)*	(3.90)	5.46		
Distributions (p)	(0.44)	(0.27)		
Retained distributions on accumulation shares (p)	0.44	0.27		
Closing net asset value per share (p)	101.56	105.46		
*after direct transaction costs of (p)	–	–		
Performance				
Return after charges (%)	(3.70)	5.46		
Other information				
Closing net asset value (£000)	17,034	13,721		
Closing number of shares	16,771,363	13,011,638		
Operating charges (%)**	0.09 [†]	0.07 [†]		
Direct transaction costs (%)***	–	–		
Prices				
Highest share price (p)	107.73	109.74		
Lowest share price (p)	98.53	97.60		

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

⁵Only available to eligible investors.

¹Class 1 – Income shares commenced 25 November 2016.

²Class 1 – Gross accumulation shares commenced 25 November 2016.

³Class 2 – Income shares commenced 25 November 2016.

⁴Class 2 – Accumulation shares commenced 25 November 2016.

⁵Class 2 – Gross income shares commenced 25 November 2016.

⁶Class D – Accumulation shares commenced 25 November 2016.

[†]Class X – Gross accumulation shares commenced 25 November 2016.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle UK Index Linked Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	251,173
Shares issued	9,544
Shares redeemed	(14,380)
Net conversions	–
Closing shares	<u>246,337</u>
Class 1 – Gross accumulation shares	
Opening shares	48,433
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>48,433</u>
Class 2 – Income shares	
Opening shares	57,028
Shares issued	57
Shares redeemed	–
Net conversions	–
Closing shares	<u>57,085</u>
Class 2 – Accumulation shares	
Opening shares	8,223,803
Shares issued	227,577
Shares redeemed	(840,819)
Net conversions	–
Closing shares	<u>7,610,561</u>
Class 2 – Gross income shares	
Opening shares	40,246,041
Shares issued	55,886
Shares redeemed	(18,070,793)
Net conversions	–
Closing shares	<u>22,231,134</u>
Class D – Accumulation shares	
Opening shares	236,471
Shares issued	329
Shares redeemed	(163,137)
Net conversions	–
Closing shares	<u>73,663</u>
Class X – Gross accumulation shares	
Opening shares	13,011,638
Shares issued	3,829,479
Shares redeemed	(69,754)
Net conversions	–
Closing shares	<u>16,771,363</u>

Threadneedle Pan European Focus Fund

Investment Report

Investment Objective

The investment objective of the Pan European Focus Fund is to achieve above average capital growth.

Investment Policy

The ACD's investment policy is to actively manage a concentrated portfolio of primarily European equities including UK Equities with the ability to hold cash and/or money market securities in order to enable the pursuit of the Fund's investment objective. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility. The portfolio will primarily consist of equities of companies domiciled in Europe including the UK or which have a significant part of their economic activities in Europe and/or the UK. Where securities are non-euro denominated they may be hedged into Euros. If the ACD considers it desirable it may hold a substantial proportion or all of the Funds in cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle Pan European Focus Fund has risen from 238.23p to 264.19p in sterling terms and from 2.8272 to 3.0004 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +10.90% and +11.23% for the Class 2 share class compared to a return of +7.63% for the Morningstar UK Unit Trusts/OEICs - (IA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +8.35%.

Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, the European Commission's consumer confidence gauge climbed to its highest level since 2001, and corporate earnings also provided grounds for optimism. Merger and acquisition (M&A) activity was buoyant in a wide variety of sectors.

European economies have now strengthened sufficiently for the European Central Bank to announce that it will start scaling back bond purchases in January 2018, although the duration of the economic stimulus plan has been extended until at least September.

In the UK, business investment and household spending suffered from Brexit-related uncertainty but inflation reached 3% (prompting an interest rate increase in November). The ruling Conservative Party lost its absolute majority in a general election, making Brexit negotiations even more complex and unpredictable.

Following the election of a pro-EU president in France, centrists won a majority in subsequent parliamentary elections, and equity markets staged a relief rally. In Germany's federal election, Angela Merkel's party remained the largest, despite gains for the extremist AfD. In Spain, Catalan separatists held a referendum and declared independence. However, the Spanish government decreed that the vote was unconstitutional and suspended the region's autonomy, taking control of the Catalan parliament. The stakes are high as Catalonia is Spain's most prosperous region.

Equity indices in the US powered ahead, reaching fresh record highs; strength in the US economy has led the Federal

Reserve (Fed) to start tightening interest rates. Some of the positive momentum behind recent stock market rallies in Europe has been generated by optimism that President Trump's economic stimulus agenda will be successful (the US is a key market for European companies).

Geopolitical events jolted equity markets periodically; the presidents of North Korea and the US exchanged threats of military action, while travel and tourism stocks were impacted as Europe suffered a series of terrorist attacks.

We established a new position in Novo Nordisk, which specialises in the growth market of diabetes and obesity treatment. Other new holdings included Hexagon, a specialist in design, measurement and positioning technology; growth is improving and M&A is a possibility. Sales included UK wealth manager St James's Place and French bank BNP Paribas, following a period of good returns.

European equities are benefiting from improving corporate profitability and encouraging GDP growth, and they are cheap relative to US equities. The UK has now embarked on an interest-rate tightening cycle, but any such increases in the eurozone appear some way off.

It will take time before the full effects of Brexit and Catalonia's bid for independence become clear, while Italy is due to hold a general election in the first half of 2018. Other risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour high-quality companies with the pricing power to sustain strong returns, and we also target re-rating opportunities.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	7,600	2,521
Revenue	850	809
Expenses	(455)	(480)
Interest payable and similar charges	–	(3)
Net revenue before taxation	395	326
Taxation	(35)	(56)
Net revenue after taxation	360	270
Total return before equalisation	7,960	2,791
Equalisation	(8)	(41)
Change in net assets attributable to shareholders from investment activities	7,952	2,750

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	78,096	68,643
Current assets:		
Debtors	120	563
Cash and bank balances	84	2,285
Total assets	78,300	71,491
Liabilities:		
Creditors:		
Other creditors	(83)	(114)
Total liabilities	(83)	(114)
Net assets attributable to shareholders	78,217	71,377

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	71,377	76,198
Amounts receivable on the issue of shares	2,686	2,970
Amounts payable on the cancellation of shares	(3,798)	(12,650)
	(1,112)	(9,680)
Dilution adjustment	–	4
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,952	2,750
Closing net assets attributable to shareholders	78,217	69,272

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ¹	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	110.55	101.67	100.00	238.14	217.96	216.94
Return before operating charges (p)	13.03	11.18	3.56	28.10	23.93	4.58
Operating charges (p)	(0.95)	(1.72)	(1.66)	(2.12)	(3.75)	(3.56)
Return after operating charges (p)*	12.08	9.46	1.90	25.98	20.18	1.02
Distributions (p)	–	(0.58)	(0.23)	–	(1.16)	(0.61)
Retained distributions on accumulation shares (p)	–	–	–	–	1.16	0.61
Closing net asset value per share (p)	122.63	110.55	101.67	264.12	238.14	217.96
*after direct transaction costs of (p)	0.25	0.50	0.63	0.55	1.06	1.36
Performance						
Return after charges (%)	10.93	9.30	1.90	10.91	9.26	0.47
Other information						
Closing net asset value (£000)	4	3	3	23,762	21,665	22,205
Closing number of shares	3,000	3,000	3,000	8,996,803	9,097,364	10,187,450
Operating charges (%)**	1.61 [†]	1.65	1.66 [†]	1.66 [†]	1.68	1.65
Direct transaction costs (%)***	0.43	0.48	0.63	0.43	0.48	0.63
Prices						
Highest share price (p)	123.36	111.42	104.41	265.71	238.78	225.00
Lowest share price (p)	110.93	96.15	100.00	238.98	206.12	200.34
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 ²
Change in net assets per share						
Opening net asset value per share (p)	254.04	231.18	228.78	110.32	99.37	100.00
Return before operating charges (p)	30.02	25.49	4.86	13.06	11.05	(0.60)
Operating charges (p)	(1.49)	(2.63)	(2.46)	(0.05)	(0.10)	(0.03)
Return after operating charges (p)*	28.53	22.86	2.40	13.01	10.95	(0.63)
Distributions (p)	–	(2.61)	(1.96)	–	(2.19)	(0.61)
Retained distributions on accumulation shares (p)	–	2.61	1.96	–	2.19	0.61
Closing net asset value per share (p)	282.57	254.04	231.18	123.33	110.32	99.37
*after direct transaction costs of (p)	0.58	1.13	1.44	0.25	0.51	0.62
Performance						
Return after charges (%)	11.23	9.89	1.05	11.79	11.02	(0.63)
Other information						
Closing net asset value (£000)	46,471	41,807	51,127	5,788	5,178	3
Closing number of shares	16,445,699	16,456,859	22,115,405	4,693,111	4,693,111	3,000
Operating charges (%)**	1.09 [†]	1.11	1.08	0.09 [†]	0.09	0.03 [†]
Direct transaction costs (%)***	0.43	0.48	0.63	0.43	0.48	0.63
Prices						
Highest share price (p)	284.18	254.70	238.19	123.97	110.60	102.02
Lowest share price (p)	254.94	218.82	212.23	110.72	94.21	91.01

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	171.91	156.16	154.27
Return before operating charges (p)	20.31	17.24	3.28
Operating charges (p)	(0.84)	(1.49)	(1.39)
Return after operating charges (p)*	19.47	15.75	1.89
Distributions (p)	–	(2.05)	(1.59)
Retained distributions on accumulation shares (p)	–	2.05	1.59
Closing net asset value per share (p)	191.38	171.91	156.16
*after direct transaction costs of (p)	0.39	0.76	0.97
Performance			
Return after charges (%)	11.33	10.09	1.23
Other information			
Closing net asset value (£000)	2,192	2,724	2,860
Closing number of shares	1,145,286	1,584,429	1,831,136
Operating charges (%)**	0.91 ¹	0.93	0.90
Direct transaction costs (%)***	0.43	0.48	0.63
Prices			
Highest share price (p)	192.45	172.35	160.80
Lowest share price (p)	172.52	147.86	143.31

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class 1 – Income shares commenced 24 February 2016.

²Class X – Accumulation shares commenced 2 December 2015.

³The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Pan European Focus Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 1 – Accumulation shares	
Opening shares	9,097,364
Shares issued	506,736
Shares redeemed	(607,297)
Net conversions	–
Closing shares	<u>8,996,803</u>
Class 2 – Accumulation shares	
Opening shares	16,456,859
Shares issued	492,936
Shares redeemed	(504,096)
Net conversions	–
Closing shares	<u>16,445,699</u>
Class X – Accumulation shares	
Opening shares	4,693,111
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>4,693,111</u>
Class Z – Accumulation shares	
Opening shares	1,584,429
Shares issued	46,488
Shares redeemed	(485,631)
Net conversions	–
Closing shares	<u>1,145,286</u>

Threadneedle Pan European Equity Dividend Fund

Investment Report

Investment Objective

The investment objective of the Pan European Equity Dividend Fund is to achieve a growing income combined with prospects for capital growth from a portfolio of Pan European equities.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of companies domiciled in Continental Europe and the UK or with significant Continental European and UK activities.

The ACD will look to invest in companies that exhibit a high potential for paying above average dividends.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities, money market securities, cash and near cash).

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Income shares in the Threadneedle Pan European Equity Dividend Fund has risen from 91.49p to 95.59p in sterling terms and from 1.0858 to 1.0856 Euros.

For comparison, using noon prices, the performance of the Class 1 share class was +6.67% and +6.98% for the Class 2 share class compared to a return of +7.63% for the Morningstar UK Unit Trusts/OEICS – (IA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +8.35%.

Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion,

unemployment fell, the European Commission's consumer confidence gauge climbed to its highest level since 2001, and corporate earnings also provided grounds for optimism. Merger and acquisition activity was buoyant in a wide variety of sectors.

European economies have now strengthened sufficiently for the European Central Bank to announce that it will start scaling back bond purchases in January 2018, although the duration of the economic stimulus plan has been extended until at least September.

In the UK, business investment and household spending suffered from Brexit-related uncertainty but inflation reached 3% (prompting an interest rate increase in November). The ruling Conservative Party lost its absolute majority in a general election, making Brexit negotiations even more complex and unpredictable.

Following the election of a pro-EU president in France, centrists won a majority in subsequent parliamentary elections, and equity markets staged a relief rally. In Germany's federal election, Angela Merkel's party remained the largest, despite gains for the extremist Alternative für Deutschland. In Spain, Catalan separatists held a referendum and declared independence. However, the Spanish government decreed that the vote was unconstitutional and suspended the region's autonomy, taking control of the Catalan parliament. The stakes are high as Catalonia is Spain's most prosperous region.

Equity indices in the US powered ahead, reaching fresh record highs; strength in the US economy has led the Federal Reserve (Fed) to start tightening interest rates. Some of the positive momentum behind recent stock market rallies in Europe has been generated by optimism that President Trump's economic stimulus agenda will be successful (the US is a key market for European companies).

Geopolitical events jolted equity markets periodically; the presidents of North Korea and the US exchanged threats of military action, while travel and tourism stocks were impacted as Europe suffered a series of terrorist attacks.

We established a new position in Pernod Ricard; the US market is moving towards premium brands, and China is recovering. Brown spirits (such as cognac) have barriers to entry and pricing power owing to the ageing process. CRH was another new holding – the building-materials firm is well placed to benefit from improving European economies and the stimulation of infrastructure expenditure in the US.

We sold Ahold; the food-retail sector threatens to become more competitive with Amazon's planned takeover of Whole Foods. Other sales included Berendsen following a share-price rally; the UK laundry-services firm received a takeover bid from French rival Elis.

European equities are benefiting from improving corporate profitability and encouraging GDP growth, and they are cheap relative to US equities. The UK has now embarked on an interest-rate tightening cycle, but any such increases in the eurozone appear some way off.

It will take time before the full effects of Brexit and Catalonia's bid for independence become clear, while Italy is due to hold a general election in the first half of 2018. Other risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour high-quality companies with the pricing power to sustain strong returns and growing dividends.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	5,323	7,978
Revenue	1,377	1,220
Expenses	(588)	(534)
Interest payable and similar charges	(4)	(4)
Net revenue before taxation	785	682
Taxation	(76)	(98)
Net revenue after taxation	709	584
Total return before distributions	6,032	8,562
Distributions	(1,233)	(1,061)
Change in net assets attributable to shareholders from investment activities	4,799	7,501

BALANCE SHEET

as at 31 October 2017

	2017 £000	2017 £000	April 2017 £000
Assets:			
Fixed assets:			
Investments	95,178	84,390	
Current assets:			
Debtors	708	959	
Cash and bank balances	1,401	2,133	
Total assets	97,287	87,482	
Liabilities:			
Creditors:			
Distribution payable	(915)	(1,194)	
Other creditors	(178)	(941)	
Total liabilities	(1,093)	(2,135)	
Net assets attributable to shareholders	96,194	85,347	

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	85,347	70,883
Amounts receivable on the issue of shares	17,261	16,883
Amounts payable on the cancellation of shares	(11,611)	(18,233)
	5,650	(1,350)
Dilution adjustment	18	25
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,799	7,501
Retained distribution on accumulation shares	380	332
Closing net assets attributable to shareholders	96,194	77,391

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	1.2684	–	1.2684	1.2094
Group 2 01/05/17 to 31/10/17	0.2451	1.0233	1.2684	1.2094
Total distributions in the period			1.2684	1.2094

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	1.9752	–	1.9752	1.8198
Group 2 01/05/17 to 31/10/17	0.5486	1.4266	1.9752	1.8198
Total distributions in the period			1.9752	1.8198

Threadneedle Pan European Equity Dividend Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	1.3818	–	1.3818	1.3094
Group 2 01/05/17 to 31/10/17	0.2577	1.1241	1.3818	1.3094
Total distributions in the period			1.3818	1.3094

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	2.1872	–	2.1872	2.0014
Group 2 01/05/17 to 31/10/17	0.3511	1.8361	2.1872	2.0014
Total distributions in the period			2.1872	2.0014

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	1.7463	–	1.7463	1.6386
Group 2 01/05/17 to 31/10/17	1.0268	0.7195	1.7463	1.6386
Total distributions in the period			1.7463	1.6386

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	1.9243	–	1.9243	1.7433
Group 2 01/05/17 to 31/10/17	1.9243	–	1.9243	1.7433
Total distributions in the period			1.9243	1.7433

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	1.9942	–	1.9942	1.8875
Group 2 01/05/17 to 31/10/17	0.7443	1.2499	1.9942	1.8875
Total distributions in the period			1.9942	1.8875

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	1.8488	–	1.8488	1.6911
Group 2 01/05/17 to 31/10/17	0.2392	1.6096	1.8488	1.6911
Total distributions in the period			1.8488	1.6911

Group 2: shares purchased during a distribution period.

Threadneedle Pan European Equity Dividend Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	89.57	80.20	84.24	139.49	120.68	122.07
Return before operating charges (p)	6.77	13.91	0.35	10.54	21.01	0.59
Operating charges (p)	(0.78)	(1.45)	(1.35)	(1.22)	(2.20)	(1.98)
Return after operating charges (p)*	5.99	12.46	(1.00)	9.32	18.81	(1.39)
Distributions (p)	(1.27)	(3.09)	(3.04)	(1.98)	(4.69)	(4.45)
Retained distributions on accumulation shares (p)	–	–	–	1.98	4.69	4.45
Closing net asset value per share (p)	94.29	89.57	80.20	148.81	139.49	120.68
*after direct transaction costs of (p)	0.04	0.15	0.17	0.07	0.23	0.24
Performance						
Return after charges (%)	6.69	15.54	(1.19)	6.68	15.59	(1.14)
Other information						
Closing net asset value (£000)	30,851	29,403	31,556	15,469	16,550	14,903
Closing number of shares	32,717,658	32,826,121	39,344,572	10,394,720	11,864,580	12,349,052
Operating charges (%)**	1.65 [†]	1.67	1.67	1.65 [†]	1.67	1.67
Direct transaction costs (%)***	0.09	0.17	0.21	0.09	0.17	0.21
Prices						
Highest share price (p)	97.35	93.39	85.89	151.60	141.06	124.51
Lowest share price (p)	89.92	77.64	74.67	140.03	116.82	109.79
	Class 2 – Income shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	94.83	84.48	88.29	150.11	129.13	129.89
Return before operating charges (p)	7.17	14.70	0.39	11.36	22.53	0.63
Operating charges (p)	(0.54)	(1.01)	(0.94)	(0.86)	(1.55)	(1.39)
Return after operating charges (p)*	6.63	13.69	(0.55)	10.50	20.98	(0.76)
Distributions (p)	(1.38)	(3.34)	(3.26)	(2.19)	(5.14)	(4.84)
Retained distributions on accumulation shares (p)	–	–	–	2.19	5.14	4.84
Closing net asset value per share (p)	100.08	94.83	84.48	160.61	150.11	129.13
*after direct transaction costs of (p)	0.05	0.16	0.17	0.07	0.24	0.26
Performance						
Return after charges (%)	6.99	16.21	(0.62)	6.99	16.25	(0.59)
Other information						
Closing net asset value (£000)	4,142	4,197	5,784	12,500	11,833	11,759
Closing number of shares	4,138,183	4,426,377	6,845,532	7,782,721	7,882,950	9,106,816
Operating charges (%)**	1.08 [†]	1.10	1.10	1.08 [†]	1.10	1.10
Direct transaction costs (%)***	0.09	0.17	0.21	0.09	0.17	0.21
Prices						
Highest share price (p)	103.34	98.62	90.02	163.57	151.69	133.22
Lowest share price (p)	95.21	81.80	78.58	150.70	125.02	117.34

Threadneedle Pan European Equity Dividend Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	119.67	105.54	109.18	129.35	110.10	109.73
Return before operating charges (p)	9.07	18.44	0.52	9.83	19.30	0.42
Operating charges (p)	(0.05)	(0.12)	(0.11)	(0.03)	(0.05)	(0.05)
Return after operating charges (p)*	9.02	18.32	0.41	9.80	19.25	0.37
Distributions (p)	(1.75)	(4.19)	(4.05)	(1.92)	(4.48)	(4.17)
Retained distributions on accumulation shares (p)	–	–	–	1.92	4.48	4.17
Closing net asset value per share (p)	126.94	119.67	105.54	139.15	129.35	110.10
*after direct transaction costs of (p)	0.06	0.20	0.22	0.06	0.21	0.22
Performance						
Return after charges (%)	7.54	17.36	0.38	7.58	17.48	0.34
Other information						
Closing net asset value (£000)	3,681	2,831	875	4	4	3
Closing number of shares	2,900,014	2,365,594	829,014	3,000	3,000	3,000
Operating charges (%)**	0.08 [†]	0.10	0.10	0.04 [†]	0.04	0.05
Direct transaction costs (%)***	0.09	0.17	0.21	0.09	0.17	0.21
Prices						
Highest share price (p)	130.99	123.76	111.42	141.63	130.55	113.55
Lowest share price (p)	120.15	102.24	97.95	129.87	106.66	99.82
	Class Z – Income shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	140.68	125.01	130.30	130.43	112.01	112.48
Return before operating charges (p)	10.63	21.77	0.59	9.87	19.55	0.55
Operating charges (p)	(0.67)	(1.26)	(1.16)	(0.62)	(1.13)	(1.02)
Return after operating charges (p)*	9.96	20.51	(0.57)	9.25	18.42	(0.47)
Distributions (p)	(1.99)	(4.84)	(4.72)	(1.85)	(4.37)	(4.10)
Retained distributions on accumulation shares (p)	–	–	–	1.85	4.37	4.10
Closing net asset value per share (p)	148.65	140.68	125.01	139.68	130.43	112.01
*after direct transaction costs of (p)	0.07	0.24	0.26	0.06	0.21	0.23
Performance						
Return after charges (%)	7.08	16.41	(0.44)	7.09	16.44	(0.42)
Other information						
Closing net asset value (£000)	29,218	20,242	5,806	329	287	197
Closing number of shares	19,655,028	14,388,985	4,643,822	235,887	220,227	175,631
Operating charges (%)**	0.90 [†]	0.92	0.92	0.90 [†]	0.92	0.93
Direct transaction costs (%)***	0.09	0.17	0.21	0.09	0.17	0.21
Prices						
Highest share price (p)	153.41	146.05	132.86	142.24	131.78	115.56
Lowest share price (p)	141.23	121.06	116.18	130.95	108.46	101.75

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Pan European Equity Dividend Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	32,826,121
Shares issued	1,232,662
Shares redeemed	(1,312,969)
Net conversions	(28,156)
Closing shares	<u>32,717,658</u>
Class 1 – Accumulation shares	
Opening shares	11,864,580
Shares issued	772,116
Shares redeemed	(2,241,976)
Net conversions	–
Closing shares	<u>10,394,720</u>
Class 2 – Income shares	
Opening shares	4,426,377
Shares issued	26,934
Shares redeemed	(315,128)
Net conversions	–
Closing shares	<u>4,138,183</u>
Class 2 – Accumulation shares	
Opening shares	7,882,950
Shares issued	3,493,114
Shares redeemed	(3,593,343)
Net conversions	–
Closing shares	<u>7,782,721</u>
Class X – Income shares	
Opening shares	2,365,594
Shares issued	755,631
Shares redeemed	(221,211)
Net conversions	–
Closing shares	<u>2,900,014</u>
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class Z – Income shares	
Opening shares	14,388,985
Shares issued	5,844,955
Shares redeemed	(601,899)
Net conversions	22,987
Closing shares	<u>19,655,028</u>
Class Z – Accumulation shares	
Opening shares	220,227
Shares issued	25,234
Shares redeemed	(4,091)
Net conversions	(5,483)
Closing shares	<u>235,887</u>

Threadneedle American Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the American Extended Alpha Fund is to achieve above average capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to equities of companies which are domiciled in North America or which have significant North American operations, by investing directly or indirectly in such securities. If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in markets other than in North America. Exposure to North American and other markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 329.84p to 360.85p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +9.40% and +9.86% for the Class 2 share class compared to a return of +6.02% for the Morningstar UK Unit Trusts/OEICs – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +6.29%.

Market Overview and Portfolio Activity

The S&P 500 made solid gains during the period under review, rising by 6.3% in dollar terms. Consistently strong economic markers buoyed sentiment, especially towards the end of the period; this helped markets overcome uncertainties fuelled by geopolitical concerns, severe weather and the Trump administration's ongoing difficulties in passing significant legislative reforms.

Despite falling inflation, the Federal Reserve (Fed) raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 and three in 2018. In the first half of the period, risk assets weakened following North Korean sabre-rattling and concerns about the likely impact from a severe hurricane season. However, market jitters soon gave way to a rally as North Korea opted against a widely-expected missile test, and the hurricanes caused less destruction than feared. Oil prices subsequently strengthened, culminating in a rally as US refiners came back onstream after hurricane-related closures, and OPEC hailed the success of its production-capping strategy.

Towards the end of the period, President Trump's plans to reform the US tax code moved closer to realisation when the Senate approved the Republicans' 2018 budget proposal. On the economic front, keenly watched surveys of manufacturing and services activity in September respectively hit 12 and 13 year highs. Later, a preliminary GDP estimate showed that the economy expanded at an annualised 3.0% in Q3, well ahead of consensus. And of the 306 S&P companies to have reported third-quarter results by the end of October, 73% had beaten expectations on earnings and 66% on revenue.

New long-book positions over the period included NVIDIA (held in the portfolio swap), Tesaro, Facebook, WPX, Starbucks, Macom Technology, CommScope and Snap.

NVIDIA, a market leader in graphics and parallel processing technologies, stands to benefit from several secular growth trends (including artificial intelligence and machine learning, the internet

of things, automotive electronics, gaming, cloud computing and data centres). Biotech company Tesaro's key product Niraparib, a cancer treatment, has received regulatory approval in the US, and we believe the company can gain a dominant market position. The company also has a promising immuno-oncology pipeline.

Facebook's operating margins accelerated over the second quarter and we continue to think the company's top line growth will remain above 35% next year. With WPX having recently boosted its oil production guidance, we now see favourable upside in the stock. We believe Starbucks is on the verge of a sustained run of 4-5% growth in its US business and that the longevity of the growth is underappreciated.

Macom Technology is a small-cap communications chip company. Macom benefits from three significant drivers (opticals for data centers, carrier base stations and radar) which could each have a significant positive impact on the company's financials and stock performance. With CommScope, the company reaffirmed its expectations for positive mobility growth drivers in 2018 such as FirstNet, 5G transition, wireless densification and small cells. Management also reiterated its commitment to mid-to-single digit growth and a 40% gross margin. Finally, Snap's shares have bounced back since the lock-up expiration. Advertisers appear to be confident about Snap, with agencies such as WPP reiterating their intent to double their spend on the platform.

During the period, we exited positions including General Dynamics, Molson Coors and Devon Energy.

As we approach the first anniversary of President Trump's election, leading indicators continue to suggest a strong pace of economic momentum and a strengthening global business cycle, despite recent natural disasters. In the political arena, both the House and Senate made progress recently towards passing tax reform without support from Democrats, providing domestic businesses with the first sign of optimism following lacklustre progress since reform was announced.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	16,824	46,619
Revenue	1,308	1,798
Expenses	(1,135)	(1,284)
Interest payable and similar charges	(342)	(444)
Net (expense)/revenue before taxation	(169)	70
Taxation	(174)	(180)
Net expense after taxation	(343)	(110)
Total return before equalisation	16,481	46,509
Equalisation	(9)	(17)
Change in net assets attributable to shareholders from investment activities	16,472	46,492

BALANCE SHEET

as at 31 October 2017

	2017 £000	2017 £000	April 2017 £000
Assets:			
Fixed assets:			
Investments		166,738	163,783
Current assets:			
Debtors		2,537	788
Cash and bank balances		9,345	16,915
Total assets		178,620	181,486
Liabilities:			
Investment liabilities		(214)	(2)
Creditors:			
Bank overdrafts		(1,736)	(1,766)
Other creditors		(498)	(883)
Total liabilities		(2,448)	(2,651)
Net assets attributable to shareholders		176,172	178,835

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	178,835	206,592
Amounts receivable on the issue of shares	25,593	4,867
Amounts payable on the cancellation of shares	(44,767)	(42,141)
	(19,174)	(37,274)
Dilution adjustment	39	34
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	16,472	46,492
Closing net assets attributable to shareholders	176,172	215,844

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	329.82	242.77	232.37	266.31	207.27	194.52
Return before operating charges (p)	33.75	91.91	14.29	42.52	63.01	15.97
Operating charges (p)	(2.81)	(4.86)	(3.89)	(2.39)	(3.97)	(3.22)
Return after operating charges (p)*	30.94	87.05	10.40	40.13	59.04	12.75
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	360.76	329.82	242.77	306.44	266.31	207.27
*after direct transaction costs of (p)	0.10	0.50	0.29	0.09	0.40	0.24
Performance						
Return after charges (%)	9.38	35.86	4.48	15.07	28.48	6.55
Other information						
Closing net asset value (£000)	79,003	86,608	94,137	2,611	2,007	1,312
Closing number of shares	21,898,861	26,258,801	38,776,171	852,120	753,580	632,927
Operating charges (%)**	1.64 [†]	1.64	1.64	1.64 [†]	1.64	1.64
Direct transaction costs (%)***	0.06	0.16	0.12	0.06	0.16	0.12
Prices						
Highest share price (p)	361.77	347.99	254.95	307.11	273.65	217.46
Lowest share price (p)	325.03	238.42	214.62	266.56	201.79	183.82
	Class 2 – Accumulation shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	353.41	258.00	244.92	180.24	131.68	125.08
Return before operating charges (p)	36.27	97.98	15.14	18.50	50.03	7.75
Operating charges (p)	(1.51)	(2.57)	(2.06)	(0.84)	(1.47)	(1.15)
Return after operating charges (p)*	34.76	95.41	13.08	17.66	48.56	6.60
Distributions (p)	–	(0.96)	(0.77)	–	(0.37)	(0.30)
Retained distributions on accumulation shares (p)	–	0.96	0.77	–	0.37	0.30
Closing net asset value per share (p)	388.17	353.41	258.00	197.90	180.24	131.68
*after direct transaction costs of (p)	0.11	0.52	0.31	0.06	0.28	0.16
Performance						
Return after charges (%)	9.84	36.98	5.34	9.80	36.88	5.28
Other information						
Closing net asset value (£000)	86,976	88,084	110,300	7,582	2,136	843
Closing number of shares	22,406,521	24,923,929	42,752,521	3,830,968	1,185,323	640,388
Operating charges (%)**	0.82 [†]	0.82	0.82	0.89 [†]	0.89	0.89
Direct transaction costs (%)***	0.06	0.16	0.12	0.06	0.16	0.12
Prices						
Highest share price (p)	389.25	372.48	270.79	198.45	189.99	138.22
Lowest share price (p)	348.42	253.67	226.80	177.69	129.46	115.82

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle American Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	26,258,801
Shares issued	813,438
Shares redeemed	(5,129,197)
Net conversions	(44,181)
Closing shares	<u>21,898,861</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	753,580
Shares issued	2,905,563
Shares redeemed	(2,808,089)
Net conversions	1,066
Closing shares	<u>852,120</u>
Class 2 – Accumulation shares	
Opening shares	24,923,929
Shares issued	2,485,499
Shares redeemed	(5,043,219)
Net conversions	40,312
Closing shares	<u>22,406,521</u>
Class Z – Accumulation shares	
Opening shares	1,185,323
Shares issued	2,944,934
Shares redeemed	(299,289)
Net conversions	–
Closing shares	<u>3,830,968</u>

Threadneedle US Equity Income Fund

Investment Report

Investment Objective

The objective of the Fund is to achieve a high level of income combined with the potential for long-term capital growth.

Investment Policy

The Fund will invest principally in a portfolio of US equities, unconstrained by company size or sector classification. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, and cash and near cash when deemed appropriate.

The ACD will look to invest in companies that exhibit a high potential for paying above average income.

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Income shares in the Threadneedle US Equity Income Fund has risen from 127.53p to 130.64p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +3.85% and +4.15% for the Class 2 share class compared to a return of +6.02% for the Morningstar UK Unit Trusts/OEICs – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +6.29%.

Market Overview and Portfolio Activity

The S&P 500 made solid gains during the period under review, rising by 6.3% in dollar terms. Consistently strong economic markers buoyed sentiment, especially towards the end of the period; this

helped markets overcome uncertainties fuelled by geopolitical concerns, severe weather and the Trump administration's ongoing difficulties in passing significant legislative reforms.

Despite falling inflation, the Federal Reserve (Fed) raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 and three in 2018. In the first half of the period, risk assets weakened following North Korean sabre-rattling and concerns about the likely impact from a severe hurricane season. However, market jitters soon gave way to a rally as North Korea opted against a widely-expected missile test, and the hurricanes caused less destruction than feared. Oil prices subsequently strengthened, culminating in a rally as US refiners came back onstream after hurricane-related closures, and OPEC hailed the success of its production-capping strategy.

Towards the end of the period, President Trump's plans to reform the US tax code moved closer to realisation when the Senate approved the Republicans' 2018 budget proposal. On the economic front, keenly watched surveys of manufacturing and services activity in September respectively hit 12- and 13-year highs. Later, a preliminary GDP estimate showed that the economy expanded at an annualised 3.0% in Q3, well ahead of consensus. And of the 306 S&P companies to have reported third-quarter results by the end of October, 73% had beaten expectations on earnings and 66% on revenue.

During the period, new positions included NiSource (utilities), General Mills (food), Bristol-Myers Squibb (pharmaceuticals), Medtronic (medical technology) and Citizens Financial Group (regional bank).

Working primarily across seven states in the eastern US, NiSource operates gas utilities that have ample opportunities for rate-base growth. The stock trades at a discount to peers despite a comparable growth profile. General Mills expects to see revenue

improvement, driven by innovation and core renovation efforts. Additionally, the company completed most of its major supply chain restructurings, reducing its cost structure. The 3% dividend yield is relatively attractive and productivity should help sustain mid-single digit profit growth.

Bristol-Myers is a leader in immuno-oncology, with a broad asset base and a first mover advantage with its two commercialised drugs Yervoy and Optivo. Though the stock suffered a setback last year on disappointing trial results, we believe the sell-off was overdone and that the company should still enjoy significant operational leverage in its business, as Optivo continues to drive sales.

Medtronic is diversified across a vast number of medical verticals. Its portfolio should generate around 4% organic growth – through new product introductions, emerging markets exposure, and the build out of services – and the company's breadth and scale should lead to an expansion in operating margins. Operating in the New England and mid-Atlantic region, Citizens Financial Group combines strong capital ratios, mid-single digit revenue growth and strong credit quality with an attractive valuation relative to peers. We believe the company should see continued dividend growth given its strong capital position.

We exited names including General Dynamics, General Electric, WEC Energy and Dover.

As we approach the first anniversary of President Trump's election, leading indicators continue to suggest a strong pace of economic momentum and a strengthening global business cycle, despite recent natural disasters. In the political arena, both the House and Senate made progress recently towards passing tax reform without support from Democrats, providing domestic businesses with the first sign of optimism following lacklustre progress since reform was announced.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	3,441	22,345
Revenue	1,848	1,413
Expenses	(160)	(85)
Net revenue before taxation	1,688	1,328
Taxation	(241)	(197)
Net revenue after taxation	1,447	1,131
Total return before distributions	4,888	23,476
Distributions	(1,599)	(1,210)
Change in net assets attributable to shareholders from investment activities	3,289	22,266

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	103,477	116,240
Current assets:		
Debtors	118	286
Cash and bank balances	1,918	3,553
Total assets	105,513	120,079
Liabilities:		
Investment liabilities	(1)	–
Creditors:		
Distribution payable	(668)	(772)
Other creditors	(142)	(561)
Total liabilities	(811)	(1,333)
Net assets attributable to shareholders	104,702	118,746

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	118,746	–
Amounts receivable on the issue of shares	17,217	13,109
Amounts payable on the cancellation of shares	(34,591)	(16,584)
Amounts receivable on inspecie transfers	–	93,473
	(17,374)	89,998
Dilution adjustment	40	14
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,289	22,266
Retained distribution on accumulation shares	1	–
Closing net assets attributable to shareholders	104,702	112,278

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Dividend distribution in pence per share

Class 1 – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	0.8895	–	0.8895	0.4476
01/08/17 to 31/10/17	0.8329	–	0.8329	0.8256
Group 2				
01/05/17 to 31/07/17	0.1896	0.6999	0.8895	0.4476
01/08/17 to 31/10/17	0.1930	0.6399	0.8329	0.8256
Total distributions in the period			1.7224	1.2732

Class 1 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.7656	–	0.7656	–
01/08/17 to 31/10/17	0.7250	–	0.7250	0.0743
Group 2				
01/05/17 to 31/07/17	0.7656	–	0.7656	–
01/08/17 to 31/10/17	0.7250	–	0.7250	0.0743
Total distributions in the period			1.4906	0.0743

*In pound Sterling and against UK peer group.

Threadneedle US Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.7631	–	0.7631	
01/08/17 to 31/10/17	0.7577	–	0.7577	0.0855
Group 2				
01/05/17 to 31/07/17	0.7631	–	0.7631	
01/08/17 to 31/10/17	0.7577	–	0.7577	0.0855
Total distributions in the period			1.5208	0.0855

Class 2 – Income shares *

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	0.8893	–	0.8893	0.4490
01/08/17 to 31/10/17	0.8383	–	0.8383	0.8263
Group 2				
01/05/17 to 31/07/17	0.8893	–	0.8893	0.4490
01/08/17 to 31/10/17	0.8383	–	0.8383	0.8263
Total distributions in the period			1.7276	1.2753

Class 2 EUR Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	0.8760	–	0.8760	0.4490
01/08/17 to 31/10/17	0.8685	–	0.8685	0.8236
Group 2				
01/05/17 to 31/07/17	0.8760	–	0.8760	0.4490
01/08/17 to 31/10/17	0.8685	–	0.8685	0.8236
Total distributions in the period			1.7445	1.2726

Class 2 EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.7652	–	0.7652	
01/08/17 to 31/10/17	0.7608	–	0.7608	0.0855
Group 2				
01/05/17 to 31/07/17	0.7652	–	0.7652	
01/08/17 to 31/10/17	0.7608	–	0.7608	0.0855
Total distributions in the period			1.5260	0.0855

Class L – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.4640	–	1.4640	0.7366
01/08/17 to 31/10/17	1.3731	–	1.3731	1.3609
Group 2				
01/05/17 to 31/07/17	0.6669	0.7971	1.4640	0.7366
01/08/17 to 31/10/17	0.8172	0.5559	1.3731	1.3609
Total distributions in the period			2.8371	2.0975

Class X – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.5055	–	1.5055	0.7490
01/08/17 to 31/10/17	1.4175	–	1.4175	1.3888
Group 2				
01/05/17 to 31/07/17	0.3155	1.1900	1.5055	0.7490
01/08/17 to 31/10/17	0.3275	1.0900	1.4175	1.3888
Total distributions in the period			2.9230	2.1378

Class Z – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	0.9283	–	0.9283	0.4486
01/08/17 to 31/10/17	0.8391	–	0.8391	0.8261
Group 2				
01/05/17 to 31/07/17	0.0313	0.8970	0.9283	0.4486
01/08/17 to 31/10/17	0.2877	0.5514	0.8391	0.8261
Total distributions in the period			1.7674	1.2747

Class Z CHF Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	0.7546	–	0.7546	
01/08/17 to 31/10/17	0.7106	–	0.7106	0.0856
Group 2				
01/05/17 to 31/07/17	0.7546	–	0.7546	
01/08/17 to 31/10/17	0.7106	–	0.7106	0.0856
Total distributions in the period			1.4652	0.0856

Class Z – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.7700	–	0.7700	
01/08/17 to 31/10/17	0.7283	–	0.7283	0.0743
Group 2				
01/05/17 to 31/07/17	0.7700	–	0.7700	
01/08/17 to 31/10/17	0.7283	–	0.7283	0.0743
Total distributions in the period			1.4983	0.0743

Class Z CHF Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.2302	–	0.2302	
01/08/17 to 31/10/17	0.6420	–	0.6420	
Group 2				
01/05/17 to 31/07/17	0.2302	–	0.2302	
01/08/17 to 31/10/17	0.6420	–	0.6420	
Total distributions in the period			0.8722	

Class Z EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	0.7661	–	0.7661	
01/08/17 to 31/10/17	0.7618	–	0.7618	0.0854
Group 2				
01/05/17 to 31/07/17	0.7661	–	0.7661	
01/08/17 to 31/10/17	0.7618	–	0.7618	0.0854
Total distributions in the period			1.5279	0.0854

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle US Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares	
	31/10/2017	30/04/2017 ¹	31/10/2017	30/04/2017 ²
Change in net assets per share				
Opening net asset value per share (p)	126.67	100.00	109.71	100.00
Return before operating charges (p)	5.87	31.64	5.13	10.32
Operating charges (p)	(1.04)	(1.98)	(0.90)	(0.61)
Return after operating charges (p)*	4.83	29.66	4.23	9.71
Distributions (p)	(1.72)	(2.99)	(1.49)	(1.55)
Retained distributions on accumulation shares (p)	–	–	1.49	1.55
Closing net asset value per share (p)	129.78	126.67	113.94	109.71
*after direct transaction costs of (p)	0.04	0.06	0.03	0.03
Performance				
Return after charges (%)	3.81	29.66	3.86	9.71
Other information				
Closing net asset value (£000)	286	288	3	3
Closing number of shares	220,565	227,050	3,000	3,000
Operating charges (%)**	1.63 [†]	1.67 [†]	1.61 [†]	1.63 [†]
Direct transaction costs (%)***	0.06	0.05	0.06	0.05
Prices				
Highest share price (p)	132.06	136.28	114.84	117.23
Lowest share price (p)	123.41	98.94	107.05	99.54
	Class 1 EUR Hedged – Accumulation shares		Class 2 – Income shares	
	31/10/2017	30/04/2017 ³	31/10/2017	30/04/2017 ⁴
Change in net assets per share				
Opening net asset value per share (p)	106.64	100.00	127.27	100.00
Return before operating charges (p)	10.98	7.23	5.90	31.44
Operating charges (p)	(0.92)	(0.59)	(0.65)	(1.17)
Return after operating charges (p)*	10.06	6.64	5.25	30.27
Distributions (p)	(1.52)	(1.48)	(1.73)	(3.00)
Retained distributions on accumulation shares (p)	1.52	1.48	–	–
Closing net asset value per share (p)	116.70	106.64	130.79	127.27
*after direct transaction costs of (p)	0.03	0.03	0.04	0.06
Performance				
Return after charges (%)	9.43	6.64	4.13	30.27
Other information				
Closing net asset value (£000)	12	11	4	4
Closing number of shares	10,000	10,000	3,000	3,000
Operating charges (%)**	1.62 [†]	1.65 [†]	1.01 [†]	1.03 [†]
Direct transaction costs (%)***	0.06	0.05	0.06	0.05
Prices				
Highest share price (p)	119.21	110.91	132.80	136.82
Lowest share price (p)	105.48	98.76	124.22	98.95

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares		Class 2 EUR Hedged – Accumulation shares	
	31/10/2017	30/04/2017 ⁵	31/10/2017	30/04/2017 ⁶
Change in net assets per share				
Opening net asset value per share (p)	122.53	100.00	106.92	100.00
Return before operating charges (p)	12.60	26.61	10.99	7.31
Operating charges (p)	(0.68)	(1.18)	(0.59)	(0.39)
Return after operating charges (p)*	11.92	25.43	10.40	6.92
Distributions (p)	(1.74)	(2.90)	(1.53)	(1.48)
Retained distributions on accumulation shares (p)	–	–	1.53	1.48
Closing net asset value per share (p)	132.71	122.53	117.32	106.92
*after direct transaction costs of (p)	0.04	0.06	0.03	0.03
Performance				
Return after charges (%)	9.73	25.43	9.73	6.92
Other information				
Closing net asset value (£000)	13	12	12	11
Closing number of shares	10,000	10,000	10,000	10,000
Operating charges (%)**	1.04 [†]	1.07 [†]	1.04 [†]	1.08 [†]
Direct transaction costs (%)***	0.06	0.05	0.06	0.05
Prices				
Highest share price (p)	136.41	128.18	119.81	111.15
Lowest share price (p)	121.20	98.75	105.77	98.80
	Class L – Income shares		Class X – Income shares	
	31/10/2017	30/04/2017 ⁷	31/10/2017	30/04/2017 ⁸
Change in net assets per share				
Opening net asset value per share (p)	208.26	163.20	215.49	168.05
Return before operating charges (p)	9.64	51.25	9.96	52.61
Operating charges (p)	(0.70)	(1.28)	(0.07)	(0.15)
Return after operating charges (p)*	8.94	49.97	9.89	52.46
Distributions (p)	(2.84)	(4.91)	(2.92)	(5.02)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	214.36	208.26	222.46	215.49
*after direct transaction costs of (p)	0.06	0.10	0.07	0.10
Performance				
Return after charges (%)	4.29	30.62	4.59	31.22
Other information				
Closing net asset value (£000)	38,608	32,363	59,479	86,005
Closing number of shares	18,010,724	15,540,116	26,737,496	39,910,418
Operating charges (%)**	0.66 [†]	0.68 [†]	0.06 [†]	0.08 [†]
Direct transaction costs (%)***	0.06	0.05	0.06	0.05
Prices				
Highest share price (p)	217.42	223.81	225.60	231.46
Lowest share price (p)	203.29	161.48	210.42	166.28

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares		Class Z CHF Hedged – Income shares	
	31/10/2017	30/04/2017 ⁹	31/10/2017	30/04/2017 ¹⁰
Change in net assets per share				
Opening net asset value per share (p)	127.38	100.00	106.29	100.00
Return before operating charges (p)	5.90	31.44	2.89	8.12
Operating charges (p)	(0.57)	(1.05)	(0.47)	(0.33)
Return after operating charges (p)*	5.33	30.39	2.42	7.79
Distributions (p)	(1.77)	(3.01)	(1.47)	(1.50)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	130.94	127.38	107.24	106.29
*after direct transaction costs of (p)	0.04	0.06	0.03	0.03
Performance				
Return after charges (%)	4.18	30.39	2.28	7.79
Other information				
Closing net asset value (£000)	6,249	24	11	11
Closing number of shares	4,772,729	19,166	10,000	10,000
Operating charges (%)**	0.89 [†]	0.89 [†]	0.87 [†]	0.90 [†]
Direct transaction costs (%)***	0.06	0.05	0.06	0.05
Prices				
Highest share price (p)	132.93	136.99	112.46	112.61
Lowest share price (p)	124.33	98.95	104.06	99.98
	Class Z – Accumulation shares		Class Z CHF Hedged – Accumulation shares	
	31/10/2017	30/04/2017 ¹¹	31/10/2017 ¹²	
Change in net assets per share				
Opening net asset value per share (p)	110.08	100.00	100.00	
Return before operating charges (p)	5.13	10.41	(2.17)	
Operating charges (p)	(0.48)	(0.33)	(0.22)	
Return after operating charges (p)*	4.65	10.08	(2.39)	
Distributions (p)	(1.50)	(1.55)	(0.87)	
Retained distributions on accumulation shares (p)	1.50	1.55	0.87	
Closing net asset value per share (p)	114.73	110.08	97.61	
*after direct transaction costs of (p)	0.03	0.03	0.02	
Performance				
Return after charges (%)	4.22	10.08	(2.39)	
Other information				
Closing net asset value (£000)	3	3	10	
Closing number of shares	3,000	3,000	10,001	
Operating charges (%)**	0.86 [†]	0.88 [†]	0.86 [†]	
Direct transaction costs (%)***	0.06	0.05	0.06	
Prices				
Highest share price (p)	115.63	117.55	100.93	
Lowest share price (p)	107.45	99.60	95.44	

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares	
	31/10/2017	30/04/2017 ¹³
Change in net assets per share		
Opening net asset value per share (p)	107.01	100.00
Return before operating charges (p)	11.00	7.33
Operating charges (p)	(0.50)	(0.32)
Return after operating charges (p)*	10.50	7.01
Distributions (p)	(1.53)	(1.48)
Retained distributions on accumulation shares (p)	1.53	1.48
Closing net asset value per share (p)	117.51	107.01
*after direct transaction costs of (p)	0.03	0.03
Performance		
Return after charges (%)	9.81	7.01
Other information		
Closing net asset value (£000)	12	11
Closing number of shares	10,000	10,000
Operating charges (%)**	0.87 [†]	0.90 [†]
Direct transaction costs (%)***	0.06	0.05
Prices		
Highest share price (p)	119.99	111.23
Lowest share price (p)	105.86	98.81

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class 1 – Income shares commenced 23 May 2016.

²Class 1 – Accumulation shares commenced 4 October 2016.

³Class 1 EUR Hedged – Accumulation shares commenced 4 October 2016.

⁴Class 2 – Income shares commenced 23 May 2016.

⁵Class 2 EUR Hedged – Income shares commenced 23 May 2016.

⁶Class 2 EUR Hedged – Accumulation shares commenced 4 October 2016.

⁷Class L – Income shares commenced 23 May 2016.

⁸Class X – Income shares commenced 23 May 2016.

⁹Class Z – Income shares commenced 23 May 2016.

¹⁰Class Z CHF Hedged – Income shares commenced 4 October 2016.

¹¹Class Z – Accumulation shares commenced 4 October 2016.

¹²Class Z CHF Hedged – Accumulation shares commenced 22 June 2017.

¹³Class Z EUR Hedged – Accumulation shares commenced 4 October 2016.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle US Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	227,050
Shares issued	181
Shares redeemed	(6,666)
Net conversions	–
Closing shares	<u>220,565</u>
Class 1 – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 2 EUR Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 2 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class L – Income shares	
Opening shares	15,540,116
Shares issued	4,401,959
Shares redeemed	(1,931,351)
Net conversions	–
Closing shares	<u>18,010,724</u>
Class X – Income shares	
Opening shares	39,910,418
Shares issued	518,648
Shares redeemed	(13,691,570)
Net conversions	–
Closing shares	<u>26,737,496</u>

	2017
Class Z – Income shares	
Opening shares	19,166
Shares issued	5,406,013
Shares redeemed	(652,450)
Net conversions	–
Closing shares	<u>4,772,729</u>
Class Z CHF Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class Z – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class Z CHF Hedged – Accumulation shares*	
Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle China Opportunities Fund

Investment Report

Investment Objective

The investment objective of the China Opportunities Fund is to achieve long-term capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities and equity related securities of Chinese companies. These are defined as companies domiciled in and/or whose significant activities are in the People's Republic of China.

If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities, other equities, money market securities and cash).

In exceptional circumstances and on a temporary basis, the ACD may hold a substantial proportion of the Fund in cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle China Opportunities Fund has risen from 287.31p to 353.09p.

For comparison, using noon prices, the performance of the Class 1 share class was +22.90% and +23.27% for the Class 2 share class compared to a return of +20.05% for the Morningstar UK Unit Trusts/OEICs – (IA) China – Greater China Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI China Index was +23.04%.

Market Overview and Portfolio Activity

It was a strong period for the Chinese equity market. The MSCI China 10/40 index rose by more than 20% in local currency terms, bringing the total return for the year to date to 42%. Returns were lower in sterling terms as the pound strengthened over the six months under review.

Chinese equities continued to benefit from stronger-than-expected company earnings and further signs of economic stabilisation in China. The economy expanded at an annual rate of 6.8% in the third quarter of 2017, only marginally below the figure of 6.9% reported in the second quarter. Chinese exporters have benefited from the synchronised global economic recovery, while the growth in consumer spending has supported domestically focused companies. Retail sales rose by 10.3% year-on-year in September.

Positive sentiment towards global technology stocks supported China's technology giants such as Alibaba, Tencent and Hikvision (A-shares) and the fund has remained overweight in this sector. Moreover, companies operating in traditional sectors of the Chinese economy have also done well, aided by the improvement in producer price inflation, cost-saving initiatives and lower capital expenditure.

A key theme we have focused on is the improving outlook for consumption in China. In this respect, the fund has benefited from its A-share holdings in alcoholic beverage producers, such as Kweichow Moutai, and dairy companies like Yili. During the period, we established a new holding in Li Ning, a leading domestic sportswear company that is significantly increasing its e-commerce sales. We also purchased a new position in fast-food restaurant group Yum China, which is using new technology to improve growth through digital marketing,

smartphone payments and delivery services for online orders. In other sectors, new holdings included Zhuzhou CRRC Times Electric, China's high-speed train manufacturer, and Sina, the parent company of Weibo – a leading social media platform in China.

To fund this activity, we reduced the holding in China Mobile on concerns over the likely magnitude of 5G capex spending and sold out of PetroChina in the energy sector on unexciting growth prospects. We also realised some gains by trimming the holdings in e-commerce giants Alibaba and Tencent.

Growth stability remains a priority for the authorities and while public investment has started to moderate, China's economy is benefiting from an improvement in exports, a recovery in private investment and solid domestic consumption. The political backdrop remains stable and President Xi Jinping has strengthened his position following the 19th national congress of China's communist party in October. Leading policymakers should continue supply-side reforms and the deleveraging of state-owned enterprises.

At the company level, we should continue to see corporate reforms result in a reduction in capital expenditure, leading to cashflow improvements and stronger balance sheets. The fund currently favours domestically oriented stocks in China, particularly those in the services space which can tap into the structural growth of China's middle class, and those that stand to benefit from demand and supply rebalancing.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	18,454	24,749
Revenue	2,081	2,043
Expenses	(599)	(543)
Net revenue before taxation	1,482	1,500
Taxation	(160)	(145)
Net revenue after taxation	1,322	1,355
Total return before equalisation	19,776	26,104
Equalisation	43	(207)
Change in net assets attributable to shareholders from investment activities	19,819	25,897

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	108,305	84,156
Current assets:		
Debtors	178	858
Cash and bank balances	4,202	807
Total assets	112,685	85,821
Liabilities:		
Creditors:		
Other creditors	(3,152)	(1,074)
Total liabilities	(3,152)	(1,074)
Net assets attributable to shareholders	109,533	84,747

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	84,747	84,503
Amounts receivable on the issue of shares	44,099	23,583
Amounts payable on the cancellation of shares	(39,219)	(38,715)
	4,880	(15,132)
Dilution adjustment	87	103
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,819	25,897
Closing net assets attributable to shareholders	109,533	95,371

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle China Opportunities Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	287.12	213.82	288.65	303.92	225.02	302.03
Return before operating charges (p)	68.63	77.60	(70.94)	72.74	81.91	(74.35)
Operating charges (p)	(2.71)	(4.30)	(3.89)	(1.88)	(3.01)	(2.66)
Return after operating charges (p)*	65.92	73.30	(74.83)	70.86	78.90	(77.01)
Distributions (p)	–	(0.78)	(3.57)	–	(2.40)	(4.82)
Retained distributions on accumulation shares (p)	–	0.78	3.57	–	2.40	4.82
Closing net asset value per share (p)	353.04	287.12	213.82	374.78	303.92	225.02
*after direct transaction costs of (p)	0.41	0.48	0.55	0.43	0.51	0.58
Performance						
Return after charges (%)	22.96	34.28	(25.92)	23.32	35.06	(25.50)
Other information						
Closing net asset value (£000)	29,533	21,531	20,131	56,499	45,160	35,160
Closing number of shares	8,365,375	7,498,733	9,414,761	15,075,521	14,859,167	15,624,961
Operating charges (%)**	1.65 [†]	1.65	1.67	1.08 [†]	1.09	1.09
Direct transaction costs (%)***	0.25	0.18	0.23	0.25	0.18	0.23
Prices						
Highest share price (p)	358.99	297.31	294.24	381.01	314.49	308.00
Lowest share price (p)	282.93	200.65	183.40	299.50	211.23	192.76
Class Z – Accumulation shares						
	31/10/2017	30/04/2017	30/04/2016			
Change in net assets per share						
Opening net asset value per share (p)	194.47	143.75	192.60			
Return before operating charges (p)	46.55	52.28	(47.45)			
Operating charges (p)	(1.00)	(1.56)	(1.40)			
Return after operating charges (p)*	45.55	50.72	(48.85)			
Distributions (p)	–	(1.84)	(2.78)			
Retained distributions on accumulation shares (p)	–	1.84	2.78			
Closing net asset value per share (p)	240.02	194.47	143.75			
*after direct transaction costs of (p)	0.27	0.32	0.37			
Performance						
Return after charges (%)	23.42	35.28	(25.36)			
Other information						
Closing net asset value (£000)	23,501	18,056	29,212			
Closing number of shares	9,791,037	9,284,713	20,321,337			
Operating charges (%)**	0.90 [†]	0.91	0.91			
Direct transaction costs (%)***	0.25	0.18	0.23			
Prices						
Highest share price (p)	244.00	201.21	196.44			
Lowest share price (p)	191.65	134.95	123.10			

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle China Opportunities Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	7,498,733
Shares issued	9,111,181
Shares redeemed	(8,229,036)
Net conversions	(15,503)
Closing shares	<u>8,365,375</u>
Class 2 – Accumulation shares	
Opening shares	14,859,167
Shares issued	2,629,304
Shares redeemed	(2,412,950)
Net conversions	–
Closing shares	<u>15,075,521</u>
Class Z – Accumulation shares	
Opening shares	9,284,713
Shares issued	2,253,182
Shares redeemed	(1,769,718)
Net conversions	22,860
Closing shares	<u>9,791,037</u>

Threadneedle Global Emerging Markets Equity Fund

Investment Report

Investment Objective

The investment objective of the Global Emerging Markets Equity Fund is to achieve long-term capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of Emerging Markets companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations or the MSCI Emerging Markets Free Index.

If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities).

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has risen from 105.14p to 115.93p.

For comparison, using noon prices, the performance of the Class 1 share class was +10.26% and +10.58% for the Class 2 share class compared to a return of +12.63% for the Morningstar UK Unit Trusts/OEICS – (IA) Global Emerging Markets Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Emerging Markets Index was +13.40%.

Market Overview and Portfolio Activity

In the six months to October 31, emerging markets (EMs) continued to outperform developed markets. The MSCI Emerging Markets index gained 16.4% in US dollar terms. China, Korea and Taiwan were among the standout performers, and technology names mirrored the global trend of strong performance for the sector.

Persistently low inflation and the failure of the Trump administration to pass reforms have raised questions over the pace of future Federal Reserve (Fed) rate hikes. The resultant dollar weakness has improved the outlook for riskier assets. Furthermore, the rally in commodities proved supportive to commodity exporters within emerging markets.

Regionally, Asian equities, led by China, continued their strong run. The technology sector was particularly strong over the period reviewed. In India, equities reached near all-time highs, but retreated late in the period due to the implementation of the goods and services (GST) tax bill, which led to softening economic growth. The Korean market performed strongly over the period, in light of impressive corporate earnings.

Latin American equities delivered mixed performance. In Brazil, optimism around growth is returning, supported by positive economic data. The much-anticipated labour market reform was approved by the lower house of Congress and the social security reform report continued to make progress. The dismissal of corruption charges against President Temer reinvigorated the prospects for further reform measures. Mexico initially recovered on the back of softening of US protectionist rhetoric, but these gains were clawed back towards the end of the period as the fourth round of North American Free Trade Agreement talks concluded amid escalating demands from the US, but with its counterparts rejecting these proposals. GDP data remained strong, buoyed by a tight labour market and strong trade.

Over the period in question, the fund increased its exposure to South Africa following a market correction, as valuation opportunities proved compelling. These included Imperial Holdings and Standard Bank. Standard Bank has a diversified earnings base and has

exposure to pan-Africa, a market showing significant growth potential. The fund also increased its exposure to Brazil, as the recovery gained momentum, targeting beneficiaries within the consumer and industrial sectors. Purchases included the likes of lochpe and B2W. In the case of the latter, we expect e-commerce momentum to pick up as the economy recovers, and gain additional traction from the lower rate environment. On a stock-specific basis, we see cash flow improvement in conjunction with the improved earnings outlook and the lower capex environment.

Corporate earnings growth in EMs continues to rise and is broad based, outpacing the levels evident in developed markets. Growth is accelerating on the back of resilient domestic demand and a recovery in global trade. In addition, we expect accommodative fiscal and monetary policy to remain supportive. Overall, EMs are in better shape to deal with market volatility. Structural progress is ongoing, with reforms and favourable demographics providing a compelling investment argument.

Eastern Europe is benefiting from the growth acceleration in western Europe. Consumer spending is strong and has been helped by healthy balance sheets, record low unemployment rates and the growth in real wages. Corporates are still gaining from industrial production growth in the wider European region.

We have concerns over China, as the high level of corporate debt and over-supply in the property market could put pressure on economic growth. However, we feel there are many opportunities and are focusing on those companies that are successfully moving up the value chain.

EMs are trading at undemanding valuations; combined with the domestic demand theme, this creates a strong case for investment into the asset class using our active approach.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	31,823	63,111
Revenue	5,568	3,780
Expenses	(1,723)	(1,528)
Net revenue before taxation	3,845	2,252
Taxation	(571)	(356)
Net revenue after taxation	3,274	1,896
Total return before equalisation	35,097	65,007
Equalisation	263	45
Change in net assets attributable to shareholders from investment activities	35,360	65,052

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	356,057	305,884
Current assets:		
Debtors	528	5,108
Cash and bank balances	30,539	15,585
Total assets	387,124	326,577
Liabilities:		
Creditors:		
Bank overdrafts	–	(2,253)
Other creditors	(7,579)	(4,994)
Total liabilities	(7,579)	(7,247)
Net assets attributable to shareholders	379,545	319,330

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	319,330	246,904
Amounts receivable on the issue of shares	47,212	60,057
Amounts payable on the cancellation of shares	(22,428)	(49,536)
	24,784	10,521
Dilution adjustment	71	123
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	35,360	65,052
Closing net assets attributable to shareholders	379,545	322,600

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	105.03	84.26	96.07	112.22	89.51	101.48
Return before operating charges (p)	11.77	22.40	(10.39)	12.59	23.85	(11.02)
Operating charges (p)	(0.94)	(1.63)	(1.42)	(0.66)	(1.14)	(0.95)
Return after operating charges (p)*	10.83	20.77	(11.81)	11.93	22.71	(11.97)
Distributions (p)	–	(0.28)	(0.64)	–	(0.90)	(1.05)
Retained distributions on accumulation shares (p)	–	0.28	0.64	–	0.90	1.05
Closing net asset value per share (p)	115.86	105.03	84.26	124.15	112.22	89.51
*after direct transaction costs of (p)	0.19	0.45	0.55	0.20	0.48	0.56
Performance						
Return after charges (%)	10.31	24.65	(12.29)	10.63	25.37	(11.80)
Other information						
Closing net asset value (£000)	90,721	83,187	70,692	147,944	132,690	110,847
Closing number of shares	78,301,044	79,200,870	83,901,872	119,168,670	118,241,653	123,843,226
Operating charges (%)**	1.67 [†]	1.66	1.68	1.10 [†]	1.09	1.10
Direct transaction costs (%)***	0.34	0.46	0.65	0.34	0.46	0.65
Prices						
Highest share price (p)	117.31	107.76	97.13	125.66	114.79	102.60
Lowest share price (p)	105.14	80.61	72.32	112.34	85.66	76.53
	Class X – Income shares			Class X – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	115.68	92.93	106.60	98.77	78.02	87.59
Return before operating charges (p)	13.01	24.81	(11.60)	11.11	20.84	(9.49)
Operating charges (p)	(0.04)	(0.05)	(0.05)	(0.06)	(0.09)	(0.08)
Return after operating charges (p)*	12.97	24.76	(11.65)	11.05	20.75	(9.57)
Distributions (p)	–	(2.01)	(2.02)	–	(1.66)	(1.71)
Retained distributions on accumulation shares (p)	–	–	–	–	1.66	1.71
Closing net asset value per share (p)	128.65	115.68	92.93	109.82	98.77	78.02
*after direct transaction costs of (p)	0.21	0.50	0.59	0.18	0.43	0.49
Performance						
Return after charges (%)	11.21	26.64	(10.93)	11.19	26.60	(10.93)
Other information						
Closing net asset value (£000)	4	3	3	111,403	72,418	29,584
Closing number of shares	3,000	3,000	3,000	101,443,224	73,320,963	37,916,932
Operating charges (%)**	0.06 [†]	0.05	0.05	0.11 [†]	0.10	0.10
Direct transaction costs (%)***	0.34	0.46	0.65	0.34	0.46	0.65
Prices						
Highest share price (p)	130.14	120.07	107.79	111.09	100.78	88.59
Lowest share price (p)	115.82	89.00	80.65	98.89	74.73	66.27

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	132.91	105.83	119.78
Return before operating charges (p)	14.91	28.20	(13.01)
Operating charges (p)	(0.65)	(1.12)	(0.94)
Return after operating charges (p)*	14.26	27.08	(13.95)
Distributions (p)	–	(1.27)	(1.22)
Retained distributions on accumulation shares (p)	–	1.27	1.22
Closing net asset value per share (p)	147.17	132.91	105.83
*after direct transaction costs of (p)	0.24	0.57	0.66
Performance			
Return after charges (%)	10.73	25.59	(11.65)
Other information			
Closing net asset value (£000)	29,473	31,032	35,778
Closing number of shares	20,027,163	23,348,073	33,806,826
Operating charges (%)**	0.92 [†]	0.91	0.92
Direct transaction costs (%)***	0.34	0.46	0.65
Prices			
Highest share price (p)	148.94	135.84	121.11
Lowest share price (p)	133.06	101.29	90.38

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Accumulation shares	
Opening shares	79,200,870
Shares issued	4,879,034
Shares redeemed	(5,778,860)
Net conversions	–
Closing shares	<u>78,301,044</u>
Class 2 – Accumulation shares	
Opening shares	118,241,653
Shares issued	8,758,687
Shares redeemed	(7,831,670)
Net conversions	–
Closing shares	<u>119,168,670</u>
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class X – Accumulation shares	
Opening shares	73,320,963
Shares issued	29,062,652
Shares redeemed	(940,391)
Net conversions	–
Closing shares	<u>101,443,224</u>
Class Z – Accumulation shares	
Opening shares	23,348,073
Shares issued	670,715
Shares redeemed	(3,991,625)
Net conversions	–
Closing shares	<u>20,027,163</u>

Threadneedle Emerging Market Local Fund

Investment Report

Investment Objective

The investment objective of the Emerging Market Local Fund is to achieve a total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to emerging market local currencies and debt securities issued by governments in Emerging Markets and/or companies which are domiciled or have significant operations in an Emerging Market. Those debt securities may be denominated in any currency, but at least two-thirds of the Fund will be invested in securities denominated in the local emerging market currency. Emerging markets countries are those characterised as developing or emerging by the MSCI Emerging Markets Index or those not listed in the OECD country list. If the ACD considers it desirable the Fund may gain exposure of up to one third of the total assets of the Fund to non-emerging market currencies and non-emerging market government/corporate debt securities.

The ACD will utilise the following investments to obtain the Funds exposure: government bonds, treasury bills, corporate bonds, cash or near cash, securitised notes, foreign exchange forward transactions, swaps (including but not limited to cross currency interest rate and credit default swaps) and other types of derivative. At times the portfolio may be concentrated in any one or a combination of such assets.

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of the Class 1 – Income shares in the Threadneedle Emerging Market Local Fund has fallen from 92.75p to 90.59p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.52%. The performance of the Class 1 gross accumulation share class was +0.53% and +0.96% for the Class 2 gross accumulation share class.

For information purposes, using global close prices, the total return of the JPM GBI-EM Global Diversified Composite was +0.42%.

Market Overview and Portfolio Activity

Emerging market (EM) local-currency bonds performed well in the period to 31 October, with fundamentals for the asset class generally improving, risk assets gaining support and yields remaining attractive. Messages from the US on trade were mixed, with the Trump administration alternating emollient sentiment with more hawkish rhetoric.

In Brazil, the period started off well as labour-market reform was approved by the lower house of Congress and social-security reform continued to make progress. Later in the period, the government announced a package of 57 privatisations against a backdrop of better-than-expected second-quarter GDP figures.

For much of the period, Mexico continued its recovery on the back of a softening of US protectionist rhetoric. GDP data remained robust, buoyed by a tight labour market and strong trade data. Later in the period, however, investors grew anxious about the prospects for the North American Free Trade Agreement negotiations, and two devastating earthquakes in Mexico City appeared likely to hinder sentiment and growth for the rest of the year.

Venezuela continued to suffer serious political unrest amid a long-running standoff between the opposition-controlled National Assembly and the government of President Nicolas Maduro. With the economy hit by the effects of international sanctions, the country was facing the prospect of defaulting on its sovereign debt as the period drew to a close.

Elsewhere, emerging Europe and Russia improved as the period progressed, with both benefiting from the recovery in Western Europe and Russia also seeing gains from firmer oil prices. Towards the end of the period, Russia benefited from a 50 basis-point cut in interest rates. In Asia, Korean markets remained resilient despite persistent geopolitical concerns and the conviction of Samsung's de facto boss on corruption charges.

Early in the period, we closed our underweight in Turkish rates through the purchase of Turkey '22s and '26s. We subsequently purchased Indonesian government bonds as we felt they offered a good opportunity to gain

exposure to a country with improving fundamentals and a stable currency; there is also an attractive carry.

During the period, we initiated and then built up exposure to Egypt through the purchase of the country's Treasury bills. In our view, Egypt's higher carry and stable currency environment are providing a positive outlook. We also increased our exposure to Russian local debt as we feel there is now an increased likelihood of more extensive easing and the inflation dynamic is very supportive. Conversely, we exited a new issue from Belarus after it reached our expected spread level.

Later in the period, we opted to switch some of our Brazilian bond exposure to further down the curve, selling Government of Brazil Zero Coupon 20s and Government of Brazil 10% Coupon 21s, and switching into Government of Brazil 10% Coupon 23s, 25s and 27s. We felt that the short-end bonds were substantially pricing in potential policy easing by the central bank and saw more value extending down the curve, where there was more opportunity for rates to rally given that the curve appeared too steep. We established a flattener position on the Brazil curve by paying Brazil 21 via an interest rate swap to control our overall duration risk.

With improving fundamentals and a higher carry on many issues, EM debt continues to offer opportunities. EM governments are showing far greater fiscal discipline, meaning that current account balances look much healthier than they did four years ago. Having come to terms with a series of major challenges – including lower commodity prices and currency devaluation – key EM economies appear to be turning the corner, not least Brazil and Russia. Venezuela aside, the political situation is showing signs of improvement in much of Latin America, particularly in Argentina and Peru.

Meanwhile, falling inflation in key EM economies is providing room for policy easing, as are generally higher levels of currency reserves. EM inflows also remain strong, having exceeded US\$70bn this year. Though we are broadly positive on the picture for EMs, we remain mindful of medium-term risks, including election cycles and further monetary tightening in the US and the eurozone.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(2,548)	7,921
Revenue	3,306	2,066
Expenses	(350)	(302)
Interest payable and similar charges	(35)	(4)
Net revenue before taxation	2,921	1,760
Taxation	–	–
Net revenue after taxation	2,921	1,760
Total return before distributions	373	9,681
Distributions	(3,216)	(2,021)
Change in net assets attributable to shareholders from investment activities	(2,843)	7,660

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	76,118	62,606
Current assets:		
Debtors	1,303	1,292
Cash and bank balances	7,199	10,680
Total assets	84,620	74,578
Liabilities:		
Investment liabilities	(1,629)	(707)
Creditors:		
Bank overdrafts	(41)	(228)
Distribution payable	(143)	(119)
Other creditors	(537)	(61)
Total liabilities	(2,350)	(1,115)
Net assets attributable to shareholders	82,270	73,463

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	73,463	25,057
Amounts receivable on the issue of shares	14,411	52,486
Amounts payable on the cancellation of shares	(5,854)	(7,898)
	8,557	44,588
Dilution adjustment	12	108
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(2,843)	7,660
Retained distribution on accumulation shares	3,081	2,626
Closing net assets attributable to shareholders	82,270	80,039

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 1 – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	3.5208	–	3.5208	2.7469
Group 2 01/05/17 to 31/10/17	1.7437	1.7771	3.5208	2.7469
Total distributions in the period			3.5208	2.7469

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	5.7550	–	5.7550	5.2679
Group 2 01/05/17 to 31/10/17	4.6808	1.0742	5.7550	5.2679
Total distributions in the period			5.7550	5.2679

Threadneedle Emerging Market Local Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	6.7372	–	6.7372	6.1159
Group 2 01/05/17 to 31/10/17	4.6667	2.0705	6.7372	6.1159
Total distributions in the period			6.7372	6.1159

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	3.7897	–	3.7897	3.6423
Group 2 01/05/17 to 31/10/17	3.7897	–	3.7897	3.6423
Total distributions in the period			3.7897	3.6423

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	8.2552	–	8.2552	7.4426
Group 2 01/05/17 to 31/10/17	5.4088	2.8464	8.2552	7.4426
Total distributions in the period			8.2552	7.4426

Class Z – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	3.1438	–	3.1438	2.4326
Group 2 01/05/17 to 31/10/17	0.9547	2.1891	3.1438	2.4326
Total distributions in the period			3.1438	2.4326

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	4.1954	–	4.1954	3.8063
Group 2 01/05/17 to 31/10/17	1.2955	2.8999	4.1954	3.8063
Total distributions in the period			4.1954	3.8063

Group 2: shares purchased during a distribution period.

[†]Distributions paid before 6 April 2017 have been paid net.

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	90.03	80.90	87.18	147.17	124.04	124.82
Return before operating charges (p)	1.21	16.08	0.60	1.98	25.57	1.27
Operating charges (p)	(0.78)	(1.57)	(1.42)	(1.28)	(2.44)	(2.05)
Return after operating charges (p)*	0.43	14.51	(0.82)	0.70	23.13	(0.78)
Distributions (p)	(3.52)	(5.38)	(5.46)	(5.76)	(9.46)	(7.71)
Retained distributions on accumulation shares (p)	–	–	–	5.76	9.46	7.71
Closing net asset value per share (p)	86.94	90.03	80.90	147.87	147.17	124.04
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.48	17.94	(0.94)	0.48	18.65	(0.62)
Other information						
Closing net asset value (£000)	1,049	1,042	390	18,241	19,912	8,587
Closing number of shares	1,206,656	1,157,863	482,384	12,335,923	13,530,180	6,922,799
Operating charges (%)**	1.68 [†]	1.72	1.79	1.68 [†]	1.71	1.78
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	95.86	99.71	88.32	156.70	153.84	127.16
Lowest share price (p)	89.25	76.55	71.89	145.88	117.44	106.52
	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	170.23	142.30	142.02	95.57	84.57	89.58
Return before operating charges (p)	2.28	29.38	1.54	1.28	17.60	0.70
Operating charges (p)	(0.76)	(1.45)	(1.26)	(0.05)	(0.13)	(0.16)
Return after operating charges (p)*	1.52	27.93	0.28	1.23	17.47	0.54
Distributions (p)	(6.74)	(11.01)	(8.98)	(3.79)	(6.47)	(5.55)
Retained distributions on accumulation shares (p)	6.74	11.01	8.98	–	–	–
Closing net asset value per share (p)	171.75	170.23	142.30	93.01	95.57	84.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.89	19.63	0.20	1.29	20.66	0.60
Other information						
Closing net asset value (£000)	33,010	24,351	13,769	251	549	219
Closing number of shares	19,219,218	14,305,251	9,674,891	270,448	574,467	258,972
Operating charges (%)**	0.86 [†]	0.88	0.96	0.11 [†]	0.14	0.20
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	181.76	177.20	145.83	102.31	105.71	90.76
Lowest share price (p)	168.81	134.81	121.61	94.82	80.16	74.71

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	208.18	172.73	171.03	80.21	71.43	76.18
Return before operating charges (p)	2.79	35.72	1.97	1.07	14.21	0.51
Operating charges (p)	(0.12)	(0.27)	(0.27)	(0.32)	(0.65)	(0.61)
Return after operating charges (p)*	2.67	35.45	1.70	0.75	13.56	(0.10)
Distributions (p)	(8.26)	(13.41)	(10.81)	(3.14)	(4.78)	(4.65)
Retained distributions on accumulation shares (p)	8.26	13.41	10.81	–	–	–
Closing net asset value per share (p)	210.85	208.18	172.73	77.82	80.21	71.43
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	1.28	20.52	0.99	0.94	18.98	(0.13)
Other information						
Closing net asset value (£000)	27,203	24,857	5	2,226	2,487	1,635
Closing number of shares	12,901,781	11,940,032	3,000	2,860,812	3,100,397	2,289,633
Operating charges (%)**	0.11 [†]	0.13	0.17	0.78 [†]	0.81	0.88
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	222.86	215.90	176.97	85.66	88.41	77.18
Lowest share price (p)	206.53	163.73	146.94	79.55	67.63	63.15

	Class Z – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share			
Opening net asset value per share (p)	107.04	89.41	89.20
Return before operating charges (p)	1.43	18.46	0.94
Operating charges (p)	(0.43)	(0.83)	(0.73)
Return after operating charges (p)*	1.00	17.63	0.21
Distributions (p)	(4.20)	(6.85)	(5.84)
Retained distributions on accumulation shares (p)	4.20	6.85	5.84
Closing net asset value per share (p)	108.04	107.04	89.41
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.93	19.72	0.24
Other information			
Closing net asset value (£000)	290	265	452
Closing number of shares	268,027	247,652	505,822
Operating charges (%)**	0.78 [†]	0.82	0.88
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	114.32	111.38	91.63
Lowest share price (p)	106.15	84.71	76.41

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[§]Only available to eligible investors.

[†]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Emerging Market Local Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	1,157,863
Shares issued	233,792
Shares redeemed	(184,999)
Net conversions	–
Closing shares	<u>1,206,656</u>
Class 1 – Gross accumulation shares	
Opening shares	13,530,180
Shares issued	1,018,142
Shares redeemed	(2,212,399)
Net conversions	–
Closing shares	<u>12,335,923</u>
Class 2 – Gross accumulation shares	
Opening shares	14,305,251
Shares issued	5,706,892
Shares redeemed	(792,925)
Net conversions	–
Closing shares	<u>19,219,218</u>
Class X – Gross income shares	
Opening shares	574,467
Shares issued	–
Shares redeemed	(304,019)
Net conversions	–
Closing shares	<u>270,448</u>
Class X – Gross accumulation shares	
Opening shares	11,940,032
Shares issued	964,240
Shares redeemed	(2,491)
Net conversions	–
Closing shares	<u>12,901,781</u>
Class Z – Income shares	
Opening shares	3,100,397
Shares issued	690,282
Shares redeemed	(929,867)
Net conversions	–
Closing shares	<u>2,860,812</u>
Class Z – Gross accumulation shares	
Opening shares	247,652
Shares issued	43,586
Shares redeemed	(23,211)
Net conversions	–
Closing shares	<u>268,027</u>

Threadneedle Global Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the Global Extended Alpha Fund is to achieve long term capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure by investing directly or indirectly into equity securities worldwide, including companies located in developed and emerging markets. Exposure to these markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 259.27p to 285.29p.

For comparison, using noon prices, the performance of the Class 1 share class was +10.04% and +10.50% for the Class 2 share class compared to a return of +7.37% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Growth Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

Market Overview and Portfolio Activity

Global equities rose over the period in dollar terms, propelled by growing optimism around the eurozone, an improving picture in Japan and strong corporate results – particularly in the US.

US equities hit new peaks during the period, despite growing scepticism around President Trump's ability to implement pro-business reforms. The S&P 500 rose for a seventh consecutive month in October, driven by earnings in technology, energy and financials. While US inflation was relatively soft through most of the period, the Federal Reserve (Fed) initiated its second quarter-point rate hike of the year in June, as anticipated.

In Europe, economic markers were increasingly positive. The European Central Bank finally announced much-awaited cuts to its stimulus programme, dropping monthly purchases from €60 billion to €30 billion from January: a measure that will remain until at least next September. Asian and emerging markets outpaced developed markets, with confidence bolstered by the weaker dollar and upbeat global growth indicators.

Key movements during the period saw our North American energy and health care exposures increase, through new positions in Halliburton and Tesaro, and top-ups of Diamondback Energy and Centene Corporation.

Halliburton specialises in providing energy, engineering and construction services and products for the energy industry. Despite recent headwinds in the sector's prices, we believe Halliburton stands to benefit from increased capital spending in the US. Our initial switch into Diamondback Energy constituted a reallocation from Royal Dutch Shell – we preferred the prospects for Diamondback, and believe the company is capable of strong future production. Centene, a US-managed care provider, stands to gain from growing healthcare expenditure in the country and has benefited from industry consolidation through a series of acquisitions. Ultimately, we expect these to continue. Having seen synergies from Centene's latest acquisition start to come through, we took advantage of share-price weakness to buy into the stock. Meanwhile Tesaro, a developer of cancer therapeutics

and supportive care products, should gain from advancements in its treatments. These could eventually be used to treat more than one cancer type, something we believe the market has yet to factor into the company's share price.

Other purchases during the period included our top-up of high quality, rate-sensitive financial Bank of America, and a new position in small-cap communications chip company MACOM, which should benefit from growing cloud and datacentre capex.

By contrast, sales largely consisted of technology names, including our exit from Tencent and reductions in Facebook, Activision Blizzard and Alibaba. In these cases, price performance had somewhat exceeded expectations following the continued rally of the technology sector. While we remain positive on the space as a whole, we reallocated profits towards positions that we believe retain prospects of stronger fundamental growth.

Other exits included Sherwin-Williams, which reached its valuation target; Enterprise Products, where we switched into stronger-conviction energy peers; and Bank of Ireland (held in the portfolio swap), given our current preference for US banks.

Although doubts persist about President Trump's ability to push through market-friendly reforms, the Fed's plans to continue with interest-rate rises suggest that prospects for the US economy remain broadly positive. Improving economic data from Europe continues to provide grounds for optimism. While any tightening of monetary policy in the eurozone and the UK might indicate a welcome move back towards "normality", it could generate headwinds for the global economy in the near term.

Against this backdrop, we believe our quality growth approach will continue to be rewarded. Although sharp cyclical rallies may present short-term headwinds, ultimately we believe that companies with superior fundamentals will prosper. We continue to look for companies with above-average returns and competitive advantages on a medium-to-long term perspective. We believe that seeking companies with these characteristics can continue to create additional value for shareholders.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	22,534	38,765
Revenue	1,944	1,942
Expenses	(1,498)	(1,198)
Interest payable and similar charges	(547)	(686)
Net (expense)/revenue before taxation	(101)	58
Taxation	(195)	(139)
Net expense after taxation	(296)	(81)
Total return before equalisation	22,238	38,684
Equalisation	35	5
Change in net assets attributable to shareholders from investment activities	22,273	38,689

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	238,711	199,219
Current assets:		
Debtors	5,876	1,538
Cash and bank balances	13,436	8,680
Total assets	258,023	209,437
Liabilities:		
Investment liabilities	(759)	–
Creditors:		
Bank overdrafts	(7)	–
Other creditors	(3,365)	(596)
Total liabilities	(4,131)	(596)
Net assets attributable to shareholders	253,892	208,841

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	208,841	165,494
Amounts receivable on the issue of shares	62,997	20,842
Amounts payable on the cancellation of shares	(40,283)	(25,178)
	22,714	(4,336)
Dilution adjustment	64	19
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,273	38,689
Closing net assets attributable to shareholders	253,892	199,866

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ¹	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	133.60	104.07	100.00	259.10	201.74	198.35
Return before operating charges (p)	14.23	31.57	4.39	28.32	61.29	6.65
Operating charges (p)	(1.12)	(2.04)	(0.31)	(2.23)	(3.93)	(3.26)
Return after operating charges (p)*	13.11	29.53	4.08	26.09	57.36	3.39
Distributions (p)	–	–	(0.01)	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	146.71	133.60	104.07	285.19	259.10	201.74
*after direct transaction costs of (p)	0.09	0.18	0.04	0.18	0.35	0.42
Performance						
Return after charges (%)	9.81	28.38	4.08	10.07	28.43	1.71
Other information						
Closing net asset value (£000)	4	8	3	116,060	101,649	99,436
Closing number of shares	3,000	6,311	3,000	40,695,290	39,231,252	49,289,441
Operating charges (%)**	1.60 [†]	1.63	1.65 [†]	1.64 [†]	1.65	1.65
Performance fee (%)	0.23	–	1.33	–	–	–
Direct transaction costs (%)***	0.14	0.14	0.22	0.14	0.14	0.22
Prices						
Highest share price (p)	147.26	136.74	107.67	286.40	265.19	208.99
Lowest share price (p)	133.02	102.79	100.00	257.98	199.65	178.47
	Class 2 – Accumulation shares			Class P – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017 ²		
Change in net assets per share						
Opening net asset value per share (p)	276.96	213.87	209.29	100.00		
Return before operating charges (p)	30.36	65.21	6.30	8.26		
Operating charges (p)	(1.20)	(2.12)	(1.72)	(0.53)		
Return after operating charges (p)*	29.16	63.09	4.58	7.73		
Distributions (p)	–	(0.57)	(0.32)	–		
Retained distributions on accumulation shares (p)	–	0.57	0.32	–		
Closing net asset value per share (p)	306.12	276.96	213.87	107.73		
*after direct transaction costs of (p)	0.20	0.37	0.45	0.06		
Performance						
Return after charges (%)	10.53	29.50	2.19	7.73		
Other information						
Closing net asset value (£000)	104,025	86,416	65,885	3		
Closing number of shares	33,982,123	31,201,424	30,805,568	3,000		
Operating charges (%)**	0.82 [†]	0.83	0.82	1.22 [†]		
Performance fee (%)	–	–	1.44	–		
Direct transaction costs (%)***	0.14	0.14	0.22	0.14		
Prices						
Highest share price (p)	307.24	283.16	221.48	108.16		
Lowest share price (p)	275.88	211.75	188.87	97.30		

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 ³	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	131.16	100.70	100.00	128.41	99.24	96.70
Return before operating charges (p)	13.09	30.55	–	14.06	30.31	3.40
Operating charges (p)	(0.05)	(0.09)	–	(0.60)	(1.14)	(0.86)
Return after operating charges (p)*	13.04	30.46	0.70	13.46	29.17	2.54
Distributions (p)	–	(1.21)	(0.20)	–	(0.18)	(0.15)
Retained distributions on accumulation shares (p)	–	1.21	0.20	–	0.18	0.15
Closing net asset value per share (p)	144.20	131.16	100.70	141.87	128.41	99.24
*after direct transaction costs of (p)	0.09	0.19	0.03	0.09	0.18	0.21
Performance						
Return after charges (%)	9.94	30.25	0.70	10.48	29.39	2.63
Other information						
Closing net asset value (£000)	21,943	13,138	3	11,857	7,630	167
Closing number of shares	15,216,762	10,017,162	3,000	8,357,601	5,941,918	168,525
Operating charges (%)**	0.07 ¹	0.07	0.04 ¹	0.89 ¹	0.91	0.89
Performance fee (%)	0.94	0.62	0.07	–	–	0.74
Direct transaction costs (%)***	0.14	0.14	0.22	0.14	0.14	0.22
Prices						
Highest share price (p)	144.71	134.19	104.09	142.40	131.30	102.77
Lowest share price (p)	130.78	99.51	98.55	127.90	98.25	87.65

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class 1 – Income shares commenced 24 February 2016.

²Class P – Accumulation shares commenced 17 May 2017.

³Class X – Accumulation shares commenced 16 March 2016.

¹The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	6,311
Shares issued	–
Shares redeemed	(3,311)
Net conversions	–
Closing shares	<u>3,000</u>
Class 1 – Accumulation shares	
Opening shares	39,231,252
Shares issued	12,401,480
Shares redeemed	(10,937,442)
Net conversions	–
Closing shares	<u>40,695,290</u>
Class 2 – Accumulation shares	
Opening shares	31,201,424
Shares issued	6,336,488
Shares redeemed	(3,555,789)
Net conversions	–
Closing shares	<u>33,982,123</u>
Class P – Accumulation shares*	
Opening shares	–
Shares issued	3,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class X – Accumulation shares	
Opening shares	10,017,162
Shares issued	5,199,600
Shares redeemed	–
Net conversions	–
Closing shares	<u>15,216,762</u>
Class Z – Accumulation shares	
Opening shares	5,941,918
Shares issued	2,508,713
Shares redeemed	(93,030)
Net conversions	–
Closing shares	<u>8,357,601</u>

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle Global Equity Income Fund

Investment Report

Investment Objective

The investment objective of the Global Equity Income Fund is to achieve a high and growing income over the long term combined with prospects for capital growth.

Investment Policy

The ACD's investment policy is to invest no less than two-thirds of the gross assets of the Fund in global equities. Income will be in the form of dividend distribution.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities and money market securities) deposits and cash.

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Income shares in the Threadneedle Global Equity Income Fund has risen from 137.57p to 139.31p.

For comparison, using noon prices, the performance of the Class 1 share class was +3.46% and +3.74% for the Class 2 share class compared to a return of +5.12% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI AC World Free Index was +7.69%.

Market Overview and Portfolio Activity

Global equities rose over the period in dollar terms, propelled by growing optimism around the eurozone, an improving picture in Japan and strong corporate results – particularly in the US.

US equities continued to hit new peaks during the period, despite growing scepticism around President Trump's ability to implement pro-business reforms. The S&P 500 rose for

a seventh consecutive month in October, driven in particular by earnings in technology, energy and financials. While US inflation softened over the period, the Federal Reserve (Fed) announced its second quarter-point rate hike of the year in June, as anticipated.

In Europe, economic markers were increasingly positive. The European Central Bank finally announced much-awaited cuts to its stimulus programme: the central bank will drop monthly purchases from €60 billion to €30 billion from January, and will keep that measure in place until at least next September. Asian and emerging markets outpaced developed markets, with confidence bolstered by the weaker dollar and upbeat global growth indicators.

Key movements during the period saw the fund move to an overweight in financials, and extend its exposure to consumer staples and the semiconductor space. These moves came about through new positions in companies including Manulife Financial, BNP Paribas, Coca-Cola and Tokyo Electron – the results of bottom-up portfolio construction and analysis.

Manulife, a Canadian insurer, appears set to increase its core return on equity in the coming years. This factor which seems underappreciated by the market at present, and should subsequently drive the stock's re-rating. Banking giant BNP Paribas looks attractively valued and well-placed to exceed its 2020 financial targets, while delivering strong dividend growth. Other new financial holdings during the period included PacWest Bancorp and Siam Commercial Bank; the latter should benefit from a pick-up in loan growth and decreasing credit costs.

Our new position in global beverages company Coca-Cola was driven by its shift in focus from volume to value, which we believe can promote sustainable gains. A strengthening emerging market consumer environment should boost these further. Elsewhere, we opened a new position in Tokyo Electron,

which should benefit from the growth in demand for data storage. This purchase constituted part of a broader increase in our exposure to the positive trends of the semiconductor space, as we initiated a holding in Qualcomm and topped-up high conviction core position, Taiwan Semiconductor.

These purchases were primarily funded by the sales of some consumer discretionary holdings, including ProSiebenSat.1 Media, Six Flags Entertainment and Regal Entertainment. These all represented cases where we believed the company's respective industries were facing structural difficulties, or where growth pathways were undergoing challenges. We exited ProSiebenSat.1 Media due to declining expectations for the German TV advert market, Six Flags due to a weakening conviction in the company's growth outlook and Regal Entertainment given concerns over the rise of premium video-on-demand services, which generated questions over the stock's medium-term dividend sustainability. Other sales included BASF, Kimberly-Clark de Mexico and Challenger.

Although doubts persist about President Trump's ability to push through market-friendly reforms, the Fed's plans to continue with interest-rate rises suggest that prospects for the US economy remain broadly positive. Improving economic data from Europe continues to provide grounds for optimism. While any tightening of monetary policy in the eurozone and the UK might indicate a welcome move back towards "normality", it could generate headwinds for the global economy in the near term.

Against this backdrop, we continue our focus on quality income, seeking competitively advantaged companies that demonstrate strong cash flow generation, sustainable earnings growth and offer high, growing and sustainable dividend streams. In our view, a strategy emphasising both income and growth characteristics should remain attractive to long-term investors.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital gains	43,595	271,272
Revenue	38,216	36,320
Expenses	(8,159)	(7,534)
Interest payable and similar charges	(3)	(3)
Net revenue before taxation	30,054	28,783
Taxation	(3,966)	(3,745)
Net revenue after taxation	26,088	25,038
Total return before distributions	69,683	296,310
Distributions	(33,125)	(31,548)
Change in net assets attributable to shareholders from investment activities	36,558	264,762

BALANCE SHEET

as at 31 October 2017

	2017 £000	April 2017 £000
Assets:		
Fixed assets:		
Investments	1,753,737	1,781,716
Current assets:		
Debtors	37,977	11,905
Cash and bank balances	57,557	16,800
Total assets	1,849,271	1,810,421
Liabilities:		
Investment liabilities	(14)	(30)
Creditors:		
Distribution payable	(9,044)	(12,834)
Other creditors	(41,704)	(5,377)
Total liabilities	(50,762)	(18,241)
Net assets attributable to shareholders	1,798,509	1,792,180

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	1,792,180	1,534,089
Amounts receivable on the issue of shares	290,558	195,143
Amounts payable on the cancellation of shares	(333,006)	(124,363)
	(42,448)	70,780
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	36,558	264,762
Retained distribution on accumulation shares	12,219	11,112
Closing net assets attributable to shareholders	1,798,509	1,880,743

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.3692	–	1.3692	1.1774
01/08/17 to 31/10/17	1.1112	–	1.1112	1.1789
Group 2				
01/05/17 to 31/07/17	0.6967	0.6725	1.3692	1.1774
01/08/17 to 31/10/17	0.1667	0.9445	1.1112	1.1789
Total distributions in the period			2.4804	2.3563

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/05/17	0.4925	–	0.4925	0.3215
01/06/17 to 30/06/17	0.5994	–	0.5994	0.5279
01/07/17 to 31/07/17	0.0899	–	0.0899	0.1672
01/08/17 to 31/08/17	0.5083	–	0.5083	0.3999
01/09/17 to 30/09/17	0.3443	–	0.3443	0.3939
01/10/17 to 31/10/17	0.1073	–	0.1073	0.2232

Group 2				
01/05/17 to 31/05/17	0.4364	0.0561	0.4925	0.3215
01/06/17 to 30/06/17	0.3088	0.2906	0.5994	0.5279
01/07/17 to 31/07/17	0.0598	0.0301	0.0899	0.1672
01/08/17 to 31/08/17	0.2668	0.2415	0.5083	0.3999
01/09/17 to 30/09/17	0.2514	0.0929	0.3443	0.3939
01/10/17 to 31/10/17	0.0628	0.0445	0.1073	0.2232
Total distributions in the period			2.1417	2.0336

Class 1 SGD Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.1241	–	1.1241	0.9923
01/08/17 to 31/10/17	0.9311	–	0.9311	0.9951
Group 2				
01/05/17 to 31/07/17	–	1.1241	1.1241	0.9923
01/08/17 to 31/10/17	–	0.9311	0.9311	0.9951
Total distributions in the period			2.0552	1.9874

Class 1 AUD Hedged – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/05/17	0.4778	–	0.4778	0.3073
01/06/17 to 30/06/17	0.5917	–	0.5917	0.5080
01/07/17 to 31/07/17	0.0924	–	0.0924	0.1630
01/08/17 to 31/08/17	0.5262	–	0.5262	0.3991
01/09/17 to 30/09/17	0.3584	–	0.3584	0.3907
01/10/17 to 31/10/17	0.1090	–	0.1090	0.2225
Group 2				
01/05/17 to 31/05/17	0.1319	0.3459	0.4778	0.3073
01/06/17 to 30/06/17	0.1725	0.4192	0.5917	0.5080
01/07/17 to 31/07/17	0.0365	0.0559	0.0924	0.1630
01/08/17 to 31/08/17	0.3147	0.2115	0.5262	0.3991
01/09/17 to 30/09/17	0.2722	0.0862	0.3584	0.3907
01/10/17 to 31/10/17	0.0188	0.0902	0.1090	0.2225
Total distributions in the period			2.1555	1.9906

Class 1 SGD Hedged – Monthly income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/05/17	0.4815	–	0.4815	0.3225
01/06/17 to 30/06/17	0.5923	–	0.5923	0.5346
01/07/17 to 31/07/17	0.0899	–	0.0899	0.1702
01/08/17 to 31/08/17	0.5092	–	0.5092	0.4091
01/09/17 to 30/09/17	0.3473	–	0.3473	0.3986
01/10/17 to 31/10/17	0.1076	–	0.1076	0.2216

Group 2				
01/05/17 to 31/05/17	–	0.4815	0.4815	0.3225
01/06/17 to 30/06/17	0.1503	0.4420	0.5923	0.5346
01/07/17 to 31/07/17	–	0.0899	0.0899	0.1702
01/08/17 to 31/08/17	–	0.5092	0.5092	0.4091
01/09/17 to 30/09/17	–	0.3473	0.3473	0.3986
01/10/17 to 31/10/17	–	0.1076	0.1076	0.2216
Total distributions in the period			2.1278	2.0566

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	2.1254	–	2.1254	1.7625
01/08/17 to 31/10/17	1.7414	–	1.7414	1.7810
Group 2				
01/05/17 to 31/07/17	1.3968	0.7286	2.1254	1.7625
01/08/17 to 31/10/17	0.5416	1.1998	1.7414	1.7810
Total distributions in the period			3.8668	3.5435

Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.1615	–	1.1615	0.9882
01/08/17 to 31/10/17	0.9545	–	0.9545	0.9938
Group 2				
01/05/17 to 31/07/17	1.1615	–	1.1615	0.9882
01/08/17 to 31/10/17	0.9545	–	0.9545	0.9938
Total distributions in the period			2.1160	1.9820

Class 1 SGD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.2880	–	1.2880	1.0920
01/08/17 to 31/10/17	1.0777	–	1.0777	1.1083
Group 2				
01/05/17 to 31/07/17	0.0632	1.2248	1.2880	1.0920
01/08/17 to 31/10/17	–	1.0777	1.0777	1.1083
Total distributions in the period			2.3657	2.2003

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.4603	–	1.4603	1.2501
01/08/17 to 31/10/17	1.1922	–	1.1922	1.2557
Group 2				
01/05/17 to 31/07/17	0.7349	0.7254	1.4603	1.2501
01/08/17 to 31/10/17	0.4683	0.7239	1.1922	1.2557
Total distributions in the period			2.6525	2.5058

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.0186	–	1.0186	0.8937
01/08/17 to 31/10/17	0.8767	–	0.8767	0.8873
Group 2				
01/05/17 to 31/07/17	1.0186	–	1.0186	0.8937
01/08/17 to 31/10/17	0.8767	–	0.8767	0.8873
Total distributions in the period			1.8953	1.7810

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	2.2832	–	2.2832	1.8851
01/08/17 to 31/10/17	1.8816	–	1.8816	1.9097
Group 2				
01/05/17 to 31/07/17	0.5186	1.7646	2.2832	1.8851
01/08/17 to 31/10/17	0.2462	1.6354	1.8816	1.9097
Total distributions in the period			4.1648	3.7948

Class W – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.0064	–	1.0064	0.8237
01/08/17 to 31/10/17	0.8237	–	0.8237	0.8237
Group 2				
01/05/17 to 31/07/17	0.2630	0.7434	1.0064	0.8237
01/08/17 to 31/10/17	0.3446	0.4791	0.8237	0.8237
Total distributions in the period			1.8301	

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.2918	–	1.2918	1.0652
01/08/17 to 31/10/17	1.0625	–	1.0625	1.0990
Group 2				
01/05/17 to 31/07/17	1.2918	–	1.2918	1.0652
01/08/17 to 31/10/17	0.1337	0.9288	1.0625	1.0990
Total distributions in the period			2.3543	2.1642

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.4683	–	1.4683	1.1682
01/08/17 to 31/10/17	1.2198	–	1.2198	1.2155
Group 2				
01/05/17 to 31/07/17	0.1083	1.3600	1.4683	1.1682
01/08/17 to 31/10/17	1.2198	–	1.2198	1.2155
Total distributions in the period			2.6881	2.3837

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.4753	–	1.4753	1.2591
01/08/17 to 31/10/17	1.1988	–	1.1988	1.2630
Group 2				
01/05/17 to 31/07/17	0.8702	0.6051	1.4753	1.2591
01/08/17 to 31/10/17	0.6187	0.5801	1.1988	1.2630
Total distributions in the period			2.6741	2.5221

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class Z SGD Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/07/17	1.1392	–	1.1392	0.9936
01/08/17 to 31/10/17	0.9470	–	0.9470	1.0029
Group 2				
01/05/17 to 31/07/17	1.1392	–	1.1392	0.9936
01/08/17 to 31/10/17	0.9470	–	0.9470	1.0029
Total distributions in the period			2.0862	1.9965

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.4669	–	1.4669	1.2081
01/08/17 to 31/10/17	1.2040	–	1.2040	1.2227
Group 2				
01/05/17 to 31/07/17	0.3409	1.1260	1.4669	1.2081
01/08/17 to 31/10/17	0.6232	0.5808	1.2040	1.2227
Total distributions in the period			2.6709	2.4308

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.1790	–	1.1790	0.9969
01/08/17 to 31/10/17	0.9710	–	0.9710	1.0035
Group 2				
01/05/17 to 31/07/17	1.1790	–	1.1790	0.9969
01/08/17 to 31/10/17	0.9710	–	0.9710	1.0035
Total distributions in the period			2.1500	2.0004

Class Z SGD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1				
01/05/17 to 31/07/17	1.2735	–	1.2735	1.0743
01/08/17 to 31/10/17	1.0673	–	1.0673	1.0909
Group 2				
01/05/17 to 31/07/17	1.2735	–	1.2735	1.0743
01/08/17 to 31/10/17	1.0673	–	1.0673	1.0909
Total distributions in the period			2.3408	2.1652

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Monthly Income shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	135.91	114.61	116.66	117.61	99.29	101.08
Return before operating charges (p)	5.86	28.25	4.13	5.03	24.34	3.55
Operating charges (p)	(1.14)	(2.13)	(1.81)	(0.98)	(1.87)	(1.56)
Return after operating charges (p)*	4.72	26.12	2.32	4.05	22.47	1.99
Distributions (p)	(2.48)	(4.82)	(4.37)	(2.14)	(4.15)	(3.78)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	138.15	135.91	114.61	119.52	117.61	99.29
*after direct transaction costs of (p)	0.09	0.19	0.15	0.08	0.17	0.13
Performance						
Return after charges (%)	3.47	22.79	1.99	3.44	22.63	1.97
Other information						
Closing net asset value (£000)	167,548	176,453	155,697	1,900	1,003	462
Closing number of shares	121,276,518	129,827,544	135,848,797	1,589,669	852,625	465,137
Operating charges (%)**	1.64 [†]	1.63	1.63	1.64 [†]	1.63	1.63
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	143.58	143.12	118.98	123.73	123.42	103.02
Lowest share price (p)	134.07	111.05	101.42	115.51	96.20	87.93
Class 1 SGD Hedged – Income shares						
	31/10/2017	30/04/2017	30/04/2016	Class 1 AUD Hedged – Monthly Income shares		
				31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	111.14	97.64	100.44	114.99	98.37	102.70
Return before operating charges (p)	7.27	19.23	2.30	8.09	22.52	0.74
Operating charges (p)	(0.95)	(1.75)	(1.49)	(1.00)	(1.82)	(1.46)
Return after operating charges (p)*	6.32	17.48	0.81	7.09	20.70	(0.72)
Distributions (p)	(2.06)	(3.98)	(3.61)	(2.16)	(4.08)	(3.61)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	115.40	111.14	97.64	119.92	114.99	98.37
*after direct transaction costs of (p)	0.08	0.16	0.12	0.08	0.16	0.12
Performance						
Return after charges (%)	5.69	17.90	0.81	6.17	21.04	(0.70)
Other information						
Closing net asset value (£000)	7,089	9,175	12,215	447	427	258
Closing number of shares	6,142,640	8,255,637	12,510,818	372,487	371,044	262,037
Operating charges (%)**	1.64 [†]	1.63	1.63	1.64 [†]	1.63	1.62
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	119.32	116.57	101.34	125.56	124.09	104.47
Lowest share price (p)	110.34	92.03	81.78	113.79	89.82	80.13

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Monthly Income shares			Class 1 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	115.36	101.39	104.17	210.96	171.58	167.94
Return before operating charges (p)	7.51	19.92	2.48	9.13	42.63	6.28
Operating charges (p)	(0.98)	(1.84)	(1.54)	(1.78)	(3.25)	(2.64)
Return after operating charges (p)*	6.53	18.08	0.94	7.35	39.38	3.64
Distributions (p)	(2.13)	(4.11)	(3.72)	(3.87)	(7.32)	(6.38)
Retained distributions on accumulation shares (p)	–	–	–	3.87	7.32	6.38
Closing net asset value per share (p)	119.76	115.36	101.39	218.31	210.96	171.58
*after direct transaction costs of (p)	0.08	0.16	0.13	0.15	0.29	0.22
Performance						
Return after charges (%)	5.66	17.83	0.90	3.48	22.95	2.17
Other information						
Closing net asset value (£000)	321	355	330	66,509	121,084	74,378
Closing number of shares	268,079	308,091	325,460	30,465,180	57,397,197	43,348,183
Operating charges (%)**	1.64 [†]	1.64	1.63	1.64 [†]	1.63	1.63
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	122.95	120.60	104.93	222.86	219.64	175.96
Lowest share price (p)	114.55	95.59	85.04	210.16	166.26	147.55
	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016 [†]	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	113.91	97.62	100.00	127.35	107.87	106.78
Return before operating charges (p)	2.58	18.05	(1.02)	8.32	21.45	2.70
Operating charges (p)	(0.97)	(1.76)	(1.36)	(1.09)	(1.97)	(1.61)
Return after operating charges (p)*	1.61	16.29	(2.38)	7.23	19.48	1.09
Distributions (p)	(2.12)	(4.01)	(3.16)	(2.37)	(4.45)	(3.89)
Retained distributions on accumulation shares (p)	2.12	4.01	3.16	2.37	4.45	3.89
Closing net asset value per share (p)	115.52	113.91	97.62	134.58	127.35	107.87
*after direct transaction costs of (p)	0.08	0.16	0.11	0.09	0.18	(0.13)
Performance						
Return after charges (%)	1.41	16.69	(2.38)	5.68	18.06	1.02
Other information						
Closing net asset value (£000)	12	11	10	1,171	1,242	1,391
Closing number of shares	10,000	10,000	10,000	870,387	974,977	1,289,765
Operating charges (%)**	1.64 [†]	1.62	1.63 [†]	1.64 [†]	1.64	1.63
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	122.40	118.01	100.06	138.05	132.07	110.65
Lowest share price (p)	112.65	91.87	85.00	126.45	101.71	87.93

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR Hedged – Income shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/17	30/04/17	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	142.25	119.39	120.93	96.52	86.07	85.80
Return before operating charges (p)	6.11	29.45	4.30	9.51	14.94	4.37
Operating charges (p)	(0.78)	(1.45)	(1.21)	(0.53)	(0.95)	(0.83)
Return after operating charges (p)*	5.33	28.00	3.09	8.98	13.99	3.54
Distributions (p)	(2.65)	(5.14)	(4.63)	(1.90)	(3.54)	(3.27)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	144.93	142.25	119.39	103.60	96.52	86.07
*after direct transaction costs of (p)	0.10	0.20	0.15	0.07	0.14	0.11
Performance						
Return after charges (%)	3.75	23.45	2.56	9.30	16.25	4.13
Other information						
Closing net asset value (£000)	181,015	161,216	160,323	3	3	3
Closing number of shares	124,895,647	113,332,670	134,280,772	3,001	3,001	3,001
Operating charges (%)**	1.07 [†]	1.06	1.05	1.03 [†]	1.02	1.02
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	150.39	149.74	123.93	108.54	99.82	88.95
Lowest share price (p)	140.58	115.71	105.33	96.45	81.93	76.19
	Class 2 – Accumulation shares			Class W – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017 ²		
Change in net assets per share						
Opening net asset value per share (p)	222.34	179.90	175.21	100.00		
Return before operating charges (p)	9.59	44.65	6.49	3.82		
Operating charges (p)	(1.21)	(2.21)	(1.80)	(0.52)		
Return after operating charges (p)*	8.38	42.44	4.69	3.30		
Distributions (p)	(4.16)	(7.85)	(6.81)	(1.83)		
Retained distributions on accumulation shares (p)	4.16	7.85	6.81	1.83		
Closing net asset value per share (p)	230.72	222.34	179.90	103.30		
*after direct transaction costs of (p)	0.16	0.30	0.23	0.07		
Performance						
Return after charges (%)	3.77	23.59	2.68	3.30		
Other information						
Closing net asset value (£000)	97,363	143,899	143,389	95,052		
Closing number of shares	42,199,871	64,719,749	79,704,909	92,013,178		
Operating charges (%)**	1.06 [†]	1.06	1.06	1.04 [†]		
Direct transaction costs (%)***	0.14	0.15	0.13	0.14		
Prices						
Highest share price (p)	235.12	231.34	184.46	105.27		
Lowest share price (p)	221.72	174.35	154.18	99.26		

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	127.94	106.37	106.68	145.42	116.68	112.54
Return before operating charges (p)	5.47	26.11	3.73	6.24	28.82	4.21
Operating charges (p)	(0.05)	(0.07)	(0.06)	(0.05)	(0.08)	(0.07)
Return after operating charges (p)*	5.42	26.04	3.67	6.19	28.74	4.14
Distributions (p)	(2.35)	(4.47)	(3.98)	(2.69)	(4.97)	(4.26)
Retained distributions on accumulation shares (p)	–	–	–	2.69	4.97	4.26
Closing net asset value per share (p)	131.01	127.94	106.37	151.61	145.42	116.68
*after direct transaction costs of (p)	0.09	0.18	0.14	0.10	0.20	0.15
Performance						
Return after charges (%)	4.24	24.48	3.44	4.26	24.63	3.68
Other information						
Closing net asset value (£000)	72,907	75,430	77,135	265,134	258,410	195,216
Closing number of shares	55,652,312	58,957,425	72,515,632	174,881,142	177,703,368	167,313,429
Operating charges (%)**	0.07 [†]	0.06	0.06	0.07 [†]	0.06	0.06
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	135.44	134.51	110.33	154.43	151.17	119.56
Lowest share price (p)	126.91	103.13	93.22	145.09	113.10	99.47
	Class Z – Income shares			Class Z SGD Hedged – Income shares		
	31/10/17	30/04/17	30/04/16	31/10/17	30/04/17	30/04/16
Change in net assets per share						
Opening net asset value per share (p)	146.31	122.53	123.81	112.08	97.77	99.83
Return before operating charges (p)	6.28	30.20	4.41	7.32	19.26	2.34
Operating charges (p)	(0.67)	(1.24)	(1.04)	(0.50)	(0.94)	(0.80)
Return after operating charges (p)*	5.61	28.96	3.37	6.82	18.32	1.54
Distributions (p)	(2.67)	(5.18)	(4.65)	(2.09)	(4.01)	(3.60)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	149.25	146.31	122.53	116.81	112.08	97.77
*after direct transaction costs of (p)	0.10	0.21	0.16	0.08	0.16	0.12
Performance						
Return after charges (%)	3.83	23.64	2.72	6.08	18.74	1.54
Other information						
Closing net asset value (£000)	691,817	691,613	597,651	3	3	3
Closing number of shares	463,526,002	472,699,311	487,775,570	3,001	3,001	3,001
Operating charges (%)**	0.89 [†]	0.88	0.88	0.85 [†]	0.87	0.87
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	154.73	153.96	127.15	120.74	117.47	101.46
Lowest share price (p)	144.71	118.75	107.92	111.30	92.18	81.50

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016 ³
Change in net assets per share						
Opening net asset value per share (p)	145.47	117.53	114.22	115.56	98.31	100.00
Return before operating charges (p)	6.29	29.14	4.29	2.62	18.20	(0.95)
Operating charges (p)	(0.67)	(1.20)	(0.98)	(0.54)	(0.95)	(0.74)
Return after operating charges (p)*	5.62	27.94	3.31	2.08	17.25	(1.69)
Distributions (p)	(2.67)	(5.03)	(4.36)	(2.15)	(4.05)	(3.17)
Retained distributions on accumulation shares (p)	2.67	5.03	4.36	2.15	4.05	3.17
Closing net asset value per share (p)	151.09	145.47	117.53	117.64	115.56	98.31
*after direct transaction costs of (p)	0.10	0.20	0.15	0.08	0.16	0.11
Performance						
Return after charges (%)	3.86	23.77	2.90	1.80	17.55	(1.69)
Other information						
Closing net asset value (£000)	150,202	151,841	115,615	12	11	10
Closing number of shares	99,415,480	104,377,174	98,371,222	10,000	10,000	10,000
Operating charges (%)**	0.89 ¹	0.88	0.88	0.89 ¹	0.87	0.88 ¹
Direct transaction costs (%)***	0.14	0.15	0.13	0.14	0.15	0.13
Prices						
Highest share price (p)	153.95	151.34	120.49	124.38	119.62	100.76
Lowest share price (p)	145.08	113.91	100.63	114.31	92.56	85.20
Class Z SGD Hedged – Accumulation shares						
	31/10/2017	30/04/2017	30/04/2016			
Change in net assets per share						
Opening net asset value per share (p)	125.26	105.30	103.43			
Return before operating charges (p)	8.18	20.97	2.71			
Operating charges (p)	(0.56)	(1.01)	(0.84)			
Return after operating charges (p)*	7.62	19.96	1.87			
Distributions (p)	(2.34)	(4.39)	(3.79)			
Retained distributions on accumulation shares (p)	2.34	4.39	3.79			
Closing net asset value per share (p)	132.88	125.26	105.30			
*after direct transaction costs of (p)	0.09	0.17	0.13			
Performance						
Return after charges (%)	6.08	18.96	1.81			
Other information						
Closing net asset value (£000)	4	4	3			
Closing number of shares	3,001	3,001	3,001			
Operating charges (%)**	0.86 ¹	0.85	0.87			
Direct transaction costs (%)***	0.14	0.15	0.13			
Prices						
Highest share price (p)	136.24	129.80	108.00			
Lowest share price (p)	124.39	99.32	85.41			

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Class 1 CHF Hedged – Accumulation shares commenced 3 June 2015.

²Class W – Accumulation shares commenced 3 May 2017.

³Class Z CHF Hedged – Accumulation shares commenced 3 June 2015.

⁴The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Global Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017	2017
Class 1 – Income shares		
Opening shares	129,827,544	
Shares issued	5,752,860	
Shares redeemed	(14,043,236)	
Net conversions	(260,650)	
Closing shares	<u>121,276,518</u>	
Class 1 – Monthly Income shares		
Opening shares	852,625	
Shares issued	958,092	
Shares redeemed	(221,048)	
Net conversions	–	
Closing shares	<u>1,589,669</u>	
Class 1 SGD Hedged – Income shares		
Opening shares	8,255,637	
Shares issued	90,044	
Shares redeemed	(2,203,041)	
Net conversions	–	
Closing shares	<u>6,142,640</u>	
Class 1 AUD Hedged – Monthly Income shares		
Opening shares	371,044	
Shares issued	2,484	
Shares redeemed	(1,041)	
Net conversions	–	
Closing shares	<u>372,487</u>	
Class 1 SGD Hedged – Monthly Income shares		
Opening shares	308,091	
Shares issued	140,083	
Shares redeemed	(180,095)	
Net conversions	–	
Closing shares	<u>268,079</u>	
Class 1 – Accumulation shares		
Opening shares	57,397,197	
Shares issued	4,478,238	
Shares redeemed	(31,355,230)	
Net conversions	(55,025)	
Closing shares	<u>30,465,180</u>	
Class 1 CHF Hedged – Accumulation shares		
Opening shares	10,000	
Shares issued	–	
Shares redeemed	–	
Net conversions	–	
Closing shares	<u>10,000</u>	
Class 1 SGD Hedged – Accumulation shares		
Opening shares	974,977	
Shares issued	53,644	
Shares redeemed	(158,234)	
Net conversions	–	
Closing shares	<u>870,387</u>	
Class 2 – Income shares		
Opening shares	113,332,670	
Shares issued	40,596,636	
Shares redeemed	(28,123,923)	
Net conversions	(909,736)	
Closing shares	<u>124,895,647</u>	
Class 2 EUR Hedged – Income shares		
Opening shares	3,001	
Shares issued	–	
Shares redeemed	–	
Net conversions	–	
Closing shares	<u>3,001</u>	
Class 2 – Accumulation shares		
Opening shares	64,719,749	
Shares issued	16,969,848	
Shares redeemed	(39,475,540)	
Net conversions	(14,186)	
Closing shares	<u>42,199,871</u>	
Class W – Accumulation shares*		
Opening shares	–	
Shares issued	100,566,342	
Shares redeemed	(8,553,164)	
Net conversions	–	
Closing shares	<u>92,013,178</u>	
Class X – Income shares		
Opening shares	58,957,425	
Shares issued	146,560	
Shares redeemed	(3,451,673)	
Net conversions	–	
Closing shares	<u>55,652,312</u>	
Class X – Accumulation shares		
Opening shares	177,703,368	
Shares issued	77,786	
Shares redeemed	(2,900,012)	
Net conversions	–	
Closing shares	<u>174,881,142</u>	
Class Z – Income shares		
Opening shares	472,699,311	
Shares issued	30,150,197	
Shares redeemed	(40,472,093)	
Net conversions	1,148,587	
Closing shares	<u>463,526,002</u>	
Class Z SGD Hedged – Income shares		
Opening shares	3,001	
Shares issued	–	
Shares redeemed	–	
Net conversions	–	
Closing shares	<u>3,001</u>	
Class Z – Accumulation shares		
Opening shares	104,377,174	
Shares issued	17,640,592	
Shares redeemed	(22,681,232)	
Net conversions	78,946	
Closing shares	<u>99,415,480</u>	
Class Z CHF Hedged – Accumulation shares		
Opening shares	10,000	
Shares issued	–	
Shares redeemed	–	
Net conversions	–	
Closing shares	<u>10,000</u>	

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

	2017
Class Z SGD Hedged – Accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>

**For launch dates, refer to the footnotes after the comparative tables.*

Threadneedle Global Opportunities Bond Fund

Investment Report

Investment Objective

The Global Opportunities Bond Fund seeks to achieve a total positive return over a 12 month period in all market conditions. There is a risk to capital, and there is no guarantee that such a return will be achieved within 12 months, or any other timescale.

Investment Policy

The ACD's investment policy is to primarily invest the assets of the Fund so as to gain exposure to government and non-government fixed income and floating rate securities either directly or indirectly through derivatives. This includes developed and emerging market government bonds; Investment Grade, Non-Investment Grade and unrated corporate and government bonds; asset-backed transferable securities. In addition, when determined by the ACD to be appropriate, money market instruments, cash and near cash. At times the Fund may be concentrated in any one or a combination of these types of assets. The Fund may take long positions, and short positions through derivatives, in such assets.

Performance of Class 1 – Income shares*

Over the six months to 31 October 2017, the published share price of Class 1 – Income shares in the Threadneedle Global Opportunities Bond Fund has fallen from 90.90p to 90.63p.

For comparison, using noon prices, the performance of the Class 1 share class was -0.30% compared to a return of +1.42% for the Morningstar UK Unit Trusts/OEICs – (IA) Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the Citigroup GBP 1 Month Euro deposit was +0.12%.

Market Overview and Portfolio Activity

Generally strong economic markers, better-than-expected company earnings, higher commodity prices and an increase in takeover activity helped risk assets overcome jitters over geopolitics and the Trump administration's difficulties. Equities generally outperformed government bonds. The US dollar drifted lower but the euro strengthened.

For much of the review period, scepticism about President Trump's ability to enact his policy agenda helped core bonds until late September, when

better news regarding the president's tax-reform proposals reignited "Trumpflation trades". In Europe, Emmanuel Macron's election as French president appeased investors' fears over the eurozone's future. But in September, investors grew more anxious about European politics due to the smaller-than-expected victory of Chancellor Merkel's party in the German federal election and Catalonia's independence referendum.

Macron's triumph and stronger economic data in the eurozone led investors to anticipate that the European Central Bank (ECB) would soon taper its quantitative easing (QE) programme. These expectations were fulfilled in October when the ECB announced plans to halve its monthly bond purchases to €30 bn from January. However, core sovereigns – particularly bonds – rallied on this news as investors welcomed the fact that the purchases would be retained until at least September 2018. Hawkish comments from key Bank of England officials, along with high inflation prints, led investors to correctly price in a UK rate hike before year-end. The US Federal Reserve (Fed) unsurprisingly delivered a quarter-point rate hike in June. Later, some dovish rhetoric from key officials, along with some below-forecast inflation prints, caused investors to discount the probability of a third rate hike this year until the Fed's meeting in September when policymakers retained projections for such a hike and for three hikes next year. This meeting also saw the Fed outline plans to unwind its balance sheet from October. Towards the end of the review period, speculation about the next Fed chairman influenced markets.

Within rates strategies, we generally favoured US Treasuries relative to German bunds given the attractive spreads and our expectations of relative monetary policy movements.

In the first half of the period, we held curve steepening exposure at the front end of the US money market curve, where expectations for policy tightening looked under-priced. We also positioned for the re-steepening of the bond curve, where we expected policy normalisation to come in the form of less QE rather than rate hikes.

In the second half of the review period, we broadly held a long duration bias as we viewed the drivers of lower yields as remaining generally intact. We added a position in Italian bonds versus core European bonds. We also added exposure to rising Fed rate expectations when these bottomed in September.

Within currency strategies, we initially maintained a long euro bias given the improving economic and political backdrop and increased market focus on the ECB's tapering. This was held against shorts in the yen and the pound; we expected no hawkish shifts from central banks in the UK and Japan.

We later pared back our long euro bias to leave the portfolio neutral on the euro given that pricing around the euro and the dollar had become asymmetric with regards to central bank policy and political risks.

We held positive exposure to risk assets over the period. We favoured investment grade bonds and emerging market (EM) bonds over high yield bonds. High-yield spreads looked too tight relative to history, particularly when compared to investment grade bonds. By contrast, EM bonds were less richly valued and we thought these would benefit from slowing inflationary pressures which would allow EM central banks to retain a dovish bias. Additionally, EM economies have generally improved their current account positions since the "taper tantrum", which should make them more resilient to exogenous funding shocks as well as to low foreign participation by historic standards allowing room for inflows to continue.

As we head into year end, it is evident that global monetary policy is becoming less accommodative, with the ECB set to taper its stimulus and the Fed continuing its rate normalisation process and tapering reinvestments. While this should see upward pressure on global bond markets via a reduction in term premium, the secular forces that have kept bond yields low remain in place, as the factors that had increased global inflation appear to be dissipating. Against this backdrop, US Treasuries look to have compelling value against bunds and we maintain the relative value position as well as aggregate longs in fixed income markets. The risk to this view comes from the delivery of a substantive tax reform package in the US.

The outlook for major currencies is at something of a crossroads. A significant repricing has occurred this year. In the short term, the risks appear skewed to near-term dollar strength given the subdued pricing of future Fed rate hikes and limited expectations of dollar-positive tax reform. In the longer term, we expect the forces of positive current account and flow dynamics coupled with cheap valuations to support the euro. We would look for a rally in the dollar to fade to reinstate long euro positions.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Income		
Net capital losses	(749)	(2,142)
Revenue	1,671	1,772
Expenses	(247)	(405)
Interest payable and similar charges	(666)	(898)
Net revenue before taxation	758	469
Taxation	–	–
Net revenue after taxation	758	469
Total return before distributions	9	(1,673)
Distributions	(758)	(469)
Change in net assets attributable to shareholders from investment activities	(749)	(2,142)

BALANCE SHEET

as at 31 October 2017

	2017 £000	2017 £000
Assets:		
Fixed assets:		
Investments	61,379	80,305
Current assets:		
Debtors	813	739
Cash and bank balances	19,260	15,357
Total assets	81,452	96,401
Liabilities:		
Investment liabilities	(3,487)	(3,333)
Creditors:		
Bank overdrafts	(7,953)	(7,103)
Distribution payable	(1)	–
Other creditors	(6,319)	(545)
Total liabilities	(17,760)	(10,981)
Net assets attributable to shareholders	63,692	85,420

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	85,420	114,507
Amounts receivable on the issue of shares	19	3,225
Amounts payable on the cancellation of shares	(21,675)	(23,131)
	(21,656)	(19,906)
Dilution adjustment	–	32
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(749)	(2,142)
Retained distribution on accumulation shares	677	429
Closing net assets attributable to shareholders	63,692	92,920

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 30 April 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 31 October 2016.

*In pound Sterling and against UK peer group.

DISTRIBUTION TABLE

for the accounting period 1 May 2017 to 31 October 2017

Interest distribution in pence per share

Class 1 – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1				
01/05/17 to 31/10/17	0.7046	–	0.7046	0.1790
Group 2				
01/05/17 to 31/10/17	0.7046	–	0.7046	0.1790
Total distributions in the period			0.7046	0.1790

Threadneedle Global Opportunities Bond Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares[†]

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	0.6866	–	0.6866	0.1745
Group 2 01/05/17 to 31/10/17	0.6866	–	0.6866	0.1745
Total distributions in the period			0.6866	0.1745

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	0.7143	–	0.7143	0.2183
Group 2 01/05/17 to 31/10/17	0.7143	–	0.7143	0.2183
Total distributions in the period			0.7143	0.2183

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	1.2696	–	1.2696	0.7977
Group 2 01/05/17 to 31/10/17	1.2696	–	1.2696	0.7977
Total distributions in the period			1.2696	0.7977

Class Z – Income shares[†]

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	0.8978	–	0.8978	0.3458
Group 2 01/05/17 to 31/10/17	0.6787	0.2191	0.8978	0.3458
Total distributions in the period			0.8978	0.3458

Class Z – Accumulation shares[†]

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	0.9068	–	0.9068	0.3473
Group 2 01/05/17 to 31/10/17	0.4505	0.4563	0.9068	0.3473
Total distributions in the period			0.9068	0.3473

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
Group 1 01/05/17 to 31/10/17	0.9120	–	0.9120	0.4357
Group 2 01/05/17 to 31/10/17	0.9120	–	0.9120	0.4357
Total distributions in the period			0.9120	0.4357

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
Group 1 01/05/17 to 31/10/17	0.9089	–	0.9089	0.4347
Group 2 01/05/17 to 31/10/17	0.9089	–	0.9089	0.4347
Total distributions in the period			0.9089	0.4347

Group 2: shares purchased during a distribution period.

[†]Distributions paid before 6 April 2017 have been paid net.

Threadneedle Global Opportunities Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	90.70	93.77	100.33	90.87	93.79	100.32
Return before operating charges (p)	0.27	(1.73)	(5.37)	0.28	(1.70)	(5.34)
Operating charges (p)	(0.55)	(1.12)	(1.19)	(0.57)	(1.17)	(1.17)
Return after operating charges (p)*	(0.28)	(2.85)	(6.56)	(0.29)	(2.87)	(6.51)
Distributions (p)	(0.70)	(0.22)	–	(0.69)	(0.22)	(0.08)
Retained distributions on accumulation shares (p)**	–	–	–	0.69	0.17	0.06
Closing net asset value per share (p)	89.72	90.70	93.77	90.58	90.87	93.79
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.31)	(3.04)	(6.54)	(0.32)	(3.06)	(6.49)
Other information						
Closing net asset value (£000)	3	3	3	41	63	24
Closing number of shares	3,000	3,000	3,000	45,574	69,588	25,101
Operating charges (%)**	1.20 [†]	1.22	1.23	1.26 [†]	1.27	1.23
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	91.18	94.27	102.57	91.35	94.27	102.58
Lowest share price (p)	90.37	90.54	90.15	90.54	90.71	90.18
	Class 1 – Gross accumulation shares [§]			Class X – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016 [†]	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	95.22	98.27	100.00	94.08	95.91	101.41
Return before operating charges (p)	0.29	(1.82)	(1.11)	0.29	(1.70)	(5.47)
Operating charges (p)	(0.60)	(1.23)	(0.62)	(0.04)	(0.13)	(0.03)
Return after operating charges (p)*	(0.31)	(3.05)	(1.73)	0.25	(1.83)	(5.50)
Distributions (p)	(0.71)	(0.22)	(0.11)	(1.27)	(1.31)	(1.11)
Retained distributions on accumulation shares (p)**	0.71	0.22	0.11	1.27	1.31	1.11
Closing net asset value per share (p)	94.91	95.22	98.27	94.33	94.08	95.91
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.33)	(3.10)	(1.73)	0.27	(1.91)	(5.42)
Other information						
Closing net asset value (£000)	3	3	3	14,201	19,607	3
Closing number of shares	3,000	3,000	3,000	15,054,530	20,841,190	3,001
Operating charges (%)**	1.26 [†]	1.27	1.24 [†]	0.09 [†]	0.14	0.03
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	95.72	98.78	101.27	94.88	96.52	103.77
Lowest share price (p)	94.87	95.05	94.47	93.91	93.29	91.98

Threadneedle Global Opportunities Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	91.42	94.50	101.02	92.38	94.96	101.21
Return before operating charges (p)	0.29	(1.73)	(5.37)	0.29	(1.74)	(5.42)
Operating charges (p)	(0.37)	(0.75)	(0.76)	(0.38)	(0.76)	(0.75)
Return after operating charges (p)*	(0.08)	(2.48)	(6.13)	(0.09)	(2.50)	(6.17)
Distributions (p)	(0.90)	(0.60)	(0.39)	(0.91)	(0.60)	(0.42)
Retained distributions on accumulation shares (p)**	–	–	–	0.91	0.52	0.34
Closing net asset value per share (p)	90.44	91.42	94.50	92.29	92.38	94.96
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.09)	(2.62)	(6.07)	(0.10)	(2.63)	(6.10)
Other information						
Closing net asset value (£000)	50	56	74	157	241	5,217
Closing number of shares	55,217	61,548	77,939	169,883	260,730	5,493,832
Operating charges (%)**	0.81 [†]	0.81	0.79	0.81 [†]	0.81	0.79
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	91.96	95.02	103.37	92.93	95.48	103.50
Lowest share price (p)	91.15	91.42	91.09	92.11	92.21	91.24
	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	31/10/2017	30/04/2017	30/04/2016	31/10/2017	30/04/2017	30/04/2016
Change in net assets per share						
Opening net asset value per share (p)	91.78	94.87	101.02	92.59	95.10	101.24
Return before operating charges (p)	0.29	(1.73)	(5.34)	0.29	(1.75)	(5.37)
Operating charges (p)	(0.36)	(0.75)	(0.81)	(0.38)	(0.76)	(0.77)
Return after operating charges (p)*	(0.07)	(2.48)	(6.15)	(0.09)	(2.51)	(6.14)
Distributions (p)	(0.91)	(0.61)	–	(0.91)	(0.60)	(0.39)
Retained distributions on accumulation shares (p)**	–	–	–	0.91	0.60	0.39
Closing net asset value per share (p)	90.80	91.78	94.87	92.50	92.59	95.10
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.08)	(2.61)	(6.09)	(0.10)	(2.64)	(6.06)
Other information						
Closing net asset value (£000)	3	3	45	49,234	65,444	109,138
Closing number of shares	3,000	3,000	47,362	53,226,295	70,679,825	114,767,950
Operating charges (%)**	0.78 [†]	0.80	0.80	0.81 [†]	0.81	0.79
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	92.33	95.41	103.39	93.14	95.63	103.56
Lowest share price (p)	91.51	91.78	91.12	92.32	92.39	91.33

**Any difference between the distributions and the retained distributions on accumulation shares is due to the tax withheld.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

****Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

[§]Only available to eligible investors.

[†]Class 1 – Gross accumulation shares commenced 28 October 2015.

[‡]The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

Threadneedle Global Opportunities Bond Fund

Notes to the financial statements

for the accounting period 1 May 2017 to 31 October 2017

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2017
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 1 – Accumulation shares	
Opening shares	69,588
Shares issued	–
Shares redeemed	(24,014)
Net conversions	–
Closing shares	<u>45,574</u>
Class 1 – Gross accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class X – Gross accumulation shares	
Opening shares	20,841,190
Shares issued	–
Shares redeemed	(5,786,660)
Net conversions	–
Closing shares	<u>15,054,530</u>
Class Z – Income shares	
Opening shares	61,548
Shares issued	368
Shares redeemed	(6,699)
Net conversions	–
Closing shares	<u>55,217</u>
Class Z – Accumulation shares	
Opening shares	260,730
Shares issued	19,898
Shares redeemed	(110,745)
Net conversions	–
Closing shares	<u>169,883</u>
Class Z – Gross income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

	2017
Class Z – Gross accumulation shares	
Opening shares	70,679,825
Shares issued	–
Shares redeemed	(17,453,530)
Net conversions	–
Closing shares	<u>53,226,295</u>

Threadneedle UK Mid 250 Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.62% (1.93%)				Travel & Leisure 7.90% (10.44%)			
	Oil Equipment, Services & Distribution 4.62% (1.93%)			500,281	GVC Holdings	4,663	4.24
709,998	John Wood Group	5,080	4.62	597,559	Restaurant Group	1,783	1.62
	Total Oil & Gas	5,080	4.62	382,552	SSP Group	2,238	2.04
BASIC MATERIALS 3.48% (5.54%)				Total Consumer Services			
	Chemicals 3.48% (4.19%)					21,245	19.33
1,349,213	Elementis	3,818	3.48	FINANCIALS 14.62% (17.00%)			
	Mining 0.00% (1.35%)			Banks 0.00% (1.61%)			
	Total Basic Materials	3,818	3.48	3,258,453	Just Group	5,041	4.59
INDUSTRIALS 30.87% (22.00%)				Life Insurance 4.59% (3.37%)			
	Construction & Materials 6.18% (5.48%)			Real Estate Investment & Services 0.00% (1.41%)			
1,876,603	¹ Breedon Aggregates	1,595	1.45	Real Estate Investment Trusts 1.85% (2.27%)			
1,383,132	Melrose Industries	3,039	2.77	76,327	Derwent London	2,034	1.85
648,078	Tyman	2,156	1.96	Financial Services 6.20% (6.97%)			
	Aerospace & Defence 4.44% (2.06%)			396,374	Intermediate Capital Group	3,857	3.51
1,326,324	Cobham	1,833	1.67	548,205	Tullett Prebon	2,960	2.69
1,075,841	Senior	3,048	2.77	Equity Investment Instruments 1.90% (1.37%)			
	General Industrials 7.40% (0.00%)			111,792	Electra Private Equity	2,084	1.90
5,731,058	Coats Group	4,894	4.45	Nonequity Investment Instruments 0.08% (0.00%)			
624,943	DS Smith	3,247	2.95	69,908	Wilmcote Holdings	91	0.08
	Electronic & Electrical Equipment 5.37% (2.18%)			Total Financials			
264,922	Oxford Instruments	2,570	2.34			16,067	14.62
131,113	Spectris	3,334	3.03	TECHNOLOGY 11.89% (10.63%)			
	Support Services 7.48% (12.28%)			Software & Computer Services 10.01% (8.80%)			
511,140	Howden Joinery Group	2,088	1.90	68,169	¹ First Derivatives	2,438	2.22
586,674	Paysafe Group	3,435	3.13	90,351	AVEVA Group	2,239	2.04
336,936	Sanne Group IPO	2,689	2.45	283,436	FDM Group Holdings IPO	2,745	2.50
	Total Industrials	33,928	30.87	136,498	Micro Focus International	3,578	3.25
CONSUMER GOODS 4.21% (5.31%)				2,136,886	Technology Hardware & Equipment 1.88% (1.83%)		
	Household Goods & Home Construction 2.29% (3.55%)				Spirent Communications	2,067	1.88
710,353	Countryside Properties	2,522	2.29	Total Technology			
	Personal Goods 1.92% (1.76%)					13,067	11.89
75,758	Ted Baker	2,108	1.92	Total value of investments			
	Total Consumer Goods	4,630	4.21			108,861	99.05
HEALTH CARE 10.03% (8.61%)				Net other assets (4.38%)			
	Pharmaceuticals & Biotechnology 10.03% (8.61%)			Net assets			
611,533	BTG	4,611	4.19			109,900	100.00
298,206	¹ Clinigen Group	3,513	3.20	<i>April 2017 comparatives in brackets.</i>			
2,898,700	Vectura Group	2,902	2.64	<i>¹Alternative Investment Market.</i>			
	Total Health Care	11,026	10.03	Total Purchases and Sales			
CONSUMER SERVICES 19.33% (24.60%)				<i>for the accounting period 1 May 2017 to 31 October 2017</i>			
	General Retailers 4.81% (7.50%)					2017	2016
289,659	Just Eat	2,214	2.02			£000	£000
1,005,494	N Brown Group	3,069	2.79	Total purchases for the period		31,196	31,577
	Media 6.62% (6.66%)			Total sales for the period		42,338	39,139
1,524,148	Ascential	5,222	4.75				
179,425	Euromoney Institutional Investor	2,056	1.87				

Threadneedle Ethical UK Equity Fund

Portfolio Statement

as at 31 October 2017

Oil & Gas				CONSUMER SERVICES			
Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.58% (2.83%)				CONSUMER SERVICES 15.56% (14.03%)			
Oil Equipment, Services & Distribution 0.00% (0.99%)				General Retailers 1.49% (3.69%)			
Alternative Energy 2.58% (1.84%)				Media 8.22% (7.86%)			
500,000	¹ Atlantis Resources	205	0.81	108,614	Marks & Spencer Group	376	1.49
2,918,086	¹ Ceres Power Holdings	372	1.48	233,035	Ascential	798	3.17
288,064	¹ Ilika	72	0.29	291,719	ITV	480	1.90
	Total Oil & Gas	649	2.58	45,785	RELX	794	3.15
BASIC MATERIALS 4.69% (4.77%)				Travel & Leisure 5.85% (2.48%)			
Chemicals 4.69% (3.31%)				Compass Group			
26,255	Johnson Matthey	882	3.50	198,331	Gym Group	427	1.70
12,465	Victrex	299	1.19	9,672	InterContinental Hotels Group	404	1.60
	Total Basic Materials	1,181	4.69	Total Consumer Services			
Mining 0.00% (1.46%)				3,921 15.56			
INDUSTRIALS 15.86% (19.61%)				TELECOMMUNICATIONS 0.83% (1.67%)			
Construction & Materials 2.67% (3.79%)				Fixed Line Telecommunications 0.83% (1.67%)			
12,155	Kingspan Group (EUR)	386	1.53	475,038	¹ CityFibre Infrastructure Holdings	209	0.83
131,247	Melrose Industries	288	1.14	Total Telecommunications			
	General Industrials 2.25% (1.79%)			209 0.83			
109,034	DS Smith	567	2.25	UTILITIES 0.00% (1.69%)			
Electronic & Electrical Equipment 2.07% (1.81%)				Gas, Water & Multiutilities 0.00% (1.69%)			
25,000	Dialight	160	0.64	Total Utilities			
146,178	Luceco	359	1.43	- -			
Industrial Engineering 2.84% (1.81%)				FINANCIALS 21.36% (20.60%)			
12,796	Spirax-Sarco Engineering	716	2.84	Banks 1.08% (1.46%)			
Support Services 6.03% (10.41%)				Secure Trust Bank			
88,150	Mears Group	398	1.58	15,000		272	1.08
146,530	Rentokil Initial	489	1.94	Nonlife Insurance 1.96% (1.88%)			
40,346	Ricardo	327	1.30	78,471	RSA Insurance Group	494	1.96
38,322	¹ Smart Metering Systems	306	1.21	Life Insurance 11.69% (9.67%)			
	Total Industrials	3,996	15.86	338,152	Just Group	523	2.08
CONSUMER GOODS 11.65% (11.02%)				320,206	Legal & General Group	851	3.38
Food Producers 2.09% (2.22%)				85,379	Prudential	1,571	6.23
87,294	¹ Hotel Chocolat Group	303	1.20	Financial Services 6.63% (7.59%)			
34,593	Tate & Lyle	223	0.89	171,788	John Laing Group	490	1.94
Household Goods & Home Construction 2.39% (3.11%)				17,637	London Stock Exchange Group	665	2.64
169,810	Countryside Properties	603	2.39	309,914	Xafinity	515	2.05
Personal Goods 7.17% (5.69%)				Total Financials			
15,200	Burberry Group	290	1.15	5,381 21.36			
35,628	Unilever	1,517	6.02	TECHNOLOGY 6.70% (7.15%)			
	Total Consumer Goods	2,936	11.65	Software & Computer Services 6.70% (7.15%)			
HEALTH CARE 19.70% (16.86%)				45,570	FDM Group Holdings IPO	441	1.75
Health Care Equipment & Services 3.26% (2.51%)				8,240	¹ GB Group	36	0.14
163,000	Medica Group	372	1.48	25,543	Micro Focus International	670	2.66
18,745	Smith & Nephew	267	1.06	51,085	Sage Group	380	1.51
470,000	¹ Totally (Suspended)	183	0.72	4,922,011	¹ Shearwater Group	160	0.64
Pharmaceuticals & Biotechnology 16.44% (14.35%)				Total Technology			
21,447	AstraZeneca	1,083	4.30	1,687 6.70			
67,476	BTG	509	2.02	Total value of investments			
16,061	Genus	377	1.50	24,924 98.93			
				Net other assets/ (liabilities) (-0.23%)			
				270 1.07			
				Net assets			
				25,194 100.00			

April 2017 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle Ethical UK Equity Fund

Portfolio Statement

(continued)

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017	2016
	£000	£000
Total purchases for the period	4,754	3,243
Total sales for the period	5,364	4,070

Threadneedle UK Extended Alpha Fund

Portfolio Statement

as at 31 October 2017

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
OIL & GAS 7.06% (6.38%)				Tobacco 7.03% (7.72%)			
	Oil & Gas Producers 3.89% (3.49%)			79,719	British American Tobacco	3,889	3.23
194,431	Royal Dutch Shell 'B' Shares	4,696	3.89	146,879	Imperial Brands	4,581	3.80
	Oil Equipment, Services & Distribution 3.17% (2.89%)			Total Consumer Goods			
201,281	Hunting	1,070	0.89			26,810	22.23
385,038	John Wood Group	2,755	2.28	HEALTH CARE 6.79% (7.99%)			
	Total Oil & Gas	8,521	7.06	Health Care Equipment & Services 1.55% (1.47%)			
				131,007	Smith & Nephew	1,867	1.55
BASIC MATERIALS 6.64% (5.78%)				Pharmaceuticals & Biotechnology 5.24% (6.52%)			
	Chemicals 3.43% (2.20%)			40,418	AstraZeneca	2,041	1.69
123,231	Johnson Matthey	4,141	3.43	313,793	GlaxoSmithKline	4,279	3.55
	Mining 3.21% (3.58%)			Total Health Care			
109,170	Rio Tinto	3,865	3.21			8,187	6.79
	Total Basic Materials	8,006	6.64	CONSUMER SERVICES 13.99% (11.48%)			
INDUSTRIALS 16.30% (15.51%)				Food & Drug Retailers 1.14% (0.00%)			
	Construction & Materials 5.46% (4.48%)			680,686	Booker Group	1,372	1.14
1,853,523	¹ Breedon Aggregates	1,575	1.31	General Retailers 1.04% (1.57%)			
135,107	CRH (London Listing)	3,840	3.18	160,855	Inchcape	1,249	1.04
531,296	Melrose Industries	1,167	0.97	Media 3.68% (3.02%)			
	Aerospace & Defence 2.11% (2.27%)			188,905	Daily Mail & General Trust	1,302	1.08
480,277	Cobham	664	0.55	450,267	Informa	3,138	2.60
195,342	Rolls-Royce Holdings	1,880	1.56	Travel & Leisure 8.13% (6.89%)			
8,985,732	Rolls-Royce Holdings 'C' Shares	–	–	39,150	Carnival	1,954	1.62
	General Industrials 0.73% (2.36%)			99,743	Compass Group	1,642	1.36
170,277	DS Smith	885	0.73	217,434	Greene King	1,176	0.97
	Industrial Engineering 1.64% (0.00%)			25,433	InterContinental Hotels Group	1,062	0.88
534,915	Rotork	1,415	1.17	362,095	Merlin Entertainments	1,371	1.14
28,744	Weir Group	563	0.47	454,220	Stagecoach Group	749	0.62
	Industrial Transportation 1.11% (0.99%)			50,624	Whitbread	1,864	1.54
362,170	Royal Mail	1,335	1.11	Total Consumer Services			
	Support Services 5.25% (5.41%)					16,879	13.99
68,425	Aggreko	641	0.53	TELECOMMUNICATIONS 2.13% (2.51%)			
52,786	Ferguson	2,779	2.30	Fixed Line Telecommunications 2.13% (2.51%)			
275,030	Howden Joinery Group	1,124	0.93	977,708	BT Group	2,567	2.13
539,386	Rentokil Initial	1,799	1.49	Total Telecommunications			
	Total Industrials	19,667	16.30			2,567	2.13
CONSUMER GOODS 22.23% (21.98%)				UTILITIES 0.00% (0.95%)			
	Automobiles & Parts 1.97% (1.54%)			Gas, Water & Multiutilities 0.00% (0.95%)			
746,910	GKN	2,380	1.97	Total Utilities			
	Beverages 4.27% (3.38%)					–	–
199,647	Diageo	5,152	4.27	FINANCIALS 19.82% (18.66%)			
	Household Goods & Home Construction 4.29% (4.42%)			Banks 4.19% (3.67%)			
527,785	Crest Nicholson Holdings	2,971	2.46	1,323,454	Barclays	2,445	2.03
32,519	Reckitt Benckiser Group	2,209	1.83	349,339	Standard Chartered	2,609	2.16
	Personal Goods 4.67% (4.92%)			Nonlife Insurance 1.08% (1.04%)			
84,089	Burberry Group	1,605	1.33	207,420	RSA Insurance Group	1,307	1.08
94,505	Unilever	4,023	3.34	Life Insurance 6.25% (6.54%)			
				311,309	Prudential	5,728	4.75
				153,647	St James's Place	1,810	1.50
				Real Estate Investment Trusts 3.58% (3.50%)			
				80,530	Derwent London	2,146	1.78
				226,054	Land Securities Group REIT	2,167	1.80

Threadneedle UK Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 19.82% (18.66%) (continued)			
Financial Services 4.72% (3.91%)			
83,497	London Stock Exchange Group	3,148	2.61
1,289,394	Sherborne Investors Guernsey	1,354	1.12
221,685	Tullett Prebon	1,197	0.99
	Total Financials	23,911	19.82
TECHNOLOGY 3.92% (3.19%)			
Software & Computer Services 3.92% (3.19%)			
150,938	FDM Group Holdings IPO	1,462	1.21
439,680	Sage Group	3,271	2.71
	Total Technology	4,733	3.92
DERIVATIVES 0.10% (-0.08%)			
Portfolio Swap 0.10% (-0.08%)			
	UBS Portfolio Swap	121	0.10
	Total Derivatives	121	0.10
Total value of investments		119,402	98.98
Net other assets (5.65%)		1,232	1.02
Net assets		120,634	100.00

April 2017 comparatives in brackets.

*Alternative Investment Market.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	23,319	45,122
Total sales for the period	24,444	10,645

Threadneedle UK Equity Alpha Income Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.98% (4.60%)				TELECOMMUNICATIONS 3.18% (2.99%)			
	Oil & Gas Producers 3.98% (4.60%)				Fixed Line Telecommunications 3.18% (2.99%)		
1,333,052	Royal Dutch Shell 'B' Shares	32,200	3.98	9,807,151	BT Group	25,749	3.18
	Total Oil & Gas	32,200	3.98		Total Telecommunications	25,749	3.18
BASIC MATERIALS 2.44% (0.00%)				UTILITIES 6.84% (7.24%)			
	Chemicals 2.44% (0.00%)				Gas, Water & Multiutilities 6.84% (7.24%)		
588,260	Johnson Matthey	19,765	2.44	21,095,220	Centrica	35,925	4.44
	Total Basic Materials	19,765	2.44	2,431,029	Pennon Group	19,363	2.40
					Total Utilities	55,288	6.84
INDUSTRIALS 21.31% (23.70%)				FINANCIALS 16.01% (13.46%)			
	Aerospace & Defence 4.32% (7.15%)				Nonlife Insurance 4.47% (4.41%)		
25,290,748	Cobham	34,952	4.32	5,746,609	RSA Insurance Group	36,204	4.47
	General Industrials 3.11% (3.32%)				Life Insurance 7.30% (6.77%)		
1,602,530	Smiths Group	25,160	3.11	11,225,909	Legal & General Group	29,838	3.69
	Industrial Engineering 1.43% (1.43%)			3,872,040	Phoenix Group Holdings	29,234	3.61
2,568,836	Castings	11,566	1.43		Real Estate Investment Trusts 2.36% (2.28%)		
	Support Services 12.45% (11.80%)			10,832,166	Londonmetric Property REIT	19,065	2.36
8,962,675	Electrocomponents	63,142	7.80		Financial Services 1.88% (0.00%)		
11,271,863	Rentokil Initial	37,603	4.65	14,492,790	Sherborne Investors Guernsey	15,217	1.88
	Total Industrials	172,423	21.31		Total Financials	129,558	16.01
CONSUMER GOODS 12.68% (12.71%)				TECHNOLOGY 2.16% (2.52%)			
	Food Producers 3.30% (3.97%)				Technology Hardware & Equipment 2.16% (2.52%)		
4,134,960	Tate & Lyle	26,691	3.30	18,034,575	Spirent Communications	17,448	2.16
	Personal Goods 3.66% (3.60%)				Total Technology	17,448	2.16
694,974	Unilever	29,582	3.66				
	Tobacco 5.72% (5.14%)				Total value of investments	821,804	101.57
1,485,374	Imperial Brands	46,329	5.72		Net other (liabilities)/assets (1.29%)	(12,664)	(1.57)
	Total Consumer Goods	102,602	12.68		Net assets	809,140	100.00
HEALTH CARE 12.88% (12.19%)				<i>April 2017 comparatives in brackets.</i>			
	Pharmaceuticals & Biotechnology 12.88% (12.19%)				Total Purchases and Sales		
1,225,115	AstraZeneca	61,881	7.65		<i>for the accounting period 1 May 2017 to 31 October 2017</i>		
3,103,715	GlaxoSmithKline	42,319	5.23			2017	2016
	Total Health Care	104,200	12.88			£000	£000
CONSUMER SERVICES 20.09% (19.30%)					Total purchases for the period	111,272	77,534
	Food & Drug Retailers 4.98% (4.86%)				Total sales for the period	109,149	233,138
17,810,047	WM Morrison Supermarkets	40,268	4.98				
	General Retailers 4.30% (3.95%)						
10,054,551	Marks & Spencer Group	34,829	4.30				
	Media 6.20% (6.48%)						
13,087,868	ITV	21,530	2.66				
4,051,547	Pearson	28,644	3.54				
	Travel & Leisure 4.61% (4.01%)						
5,085,791	Restaurant Group	15,171	1.88				
13,419,530	Stagecoach Group	22,129	2.73				
	Total Consumer Services	162,571	20.09				

Threadneedle UK Absolute Alpha Fund

Portfolio Statement

as at 31 October 2017

	Value	% of		Value	% of			
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value	
GOVERNMENT BONDS 23.61% (12.84%)				CONSUMER SERVICES 10.03% (13.62%)				
Government Bonds 23.61% (12.84%)				Media 6.69% (7.63%)				
GBP	46,000,000	United Kingdom Gilt 0% 06/11/2017	45,998	6.53	3,112,926	Ascential	10,665	1.52
GBP	45,000,000	United Kingdom Gilt 0% 20/11/2017	44,992	6.39	1,862,090	Informa	12,979	1.84
GBP	55,000,000	United Kingdom Gilt 0% 27/11/2017	54,987	7.81	4,221,665	ITV	6,945	0.99
GBP	20,291,000	United Kingdom Gilt 0% 11/12/2017	20,285	2.88	951,470	RELX	16,489	2.34
		Total Government Bonds	166,262	23.61				
OIL & GAS 2.11% (2.25%)				Travel & Leisure 3.34% (5.99%)				
Oil & Gas Producers 1.18% (0.83%)				824,812				
	344,439	Royal Dutch Shell 'B' Shares	8,320	1.18	9,169,390	Compass Group	13,576	1.93
						Firstgroup	9,949	1.41
						Total Consumer Services	70,603	10.03
	910,756	John Wood Group	6,516	0.93	FINANCIALS 12.85% (13.87%)			
		Total Oil & Gas	14,836	2.11	Banks 1.01% (2.18%)			
BASIC MATERIALS 6.57% (3.46%)				951,983				
Chemicals 5.11% (3.46%)				Standard Chartered				
	4,801,168	Elementis	13,587	1.93	Life Insurance 5.36% (5.93%)			
	421,201	Johnson Matthey	14,152	2.01	4,029,994			
	345,217	Victrix	8,275	1.17	Legal & General Group			
					897,481			
					Prudential			
					893,189			
					St James's Place			
					1,454,520			
					Intermediate Capital Group			
					282,920			
					London Stock Exchange Group			
					10,552,253			
					Sherborne Investors Guernsey			
					2,522,154			
					Sherborne Investors Guernsey B			
					1,566,250			
					Tullett Prebon			
					8,458			
					Total Financials			
					90,473			
					12.85			
INDUSTRIALS 8.38% (8.36%)				TECHNOLOGY 1.90% (1.51%)				
Construction & Materials 5.15% (4.04%)				Software & Computer Services 1.90% (1.51%)				
	13,892,219	'Breedon Aggregates	11,808	1.68	1,799,749			
	496,086	CRH (London Listing)	14,099	2.00	Sage Group			
	4,705,053	Melrose Industries	10,337	1.47	Total Technology			
					13,390			
					1.90			
					DERIVATIVES -0.33% (-0.26%)			
					Futures and Options -0.15% (0.21%)			
					GBP (930)			
					UBS FTSE 100 Future Expiring			
					December 2017			
					(1,016)			
					(0.15)			
					Forward Foreign Exchange Contracts -0.28% (-0.12%)			
					Sell GBP 373,009			
					Buy CHF 488,648 J.P. Morgan			
					(2)			
					Sell GBP 12,440			
					Buy EUR 14,096 J.P. Morgan			
					-			
					Sell GBP 12,933,957			
					Buy EUR 14,512,170 J.P. Morgan			
					(146)			
					(0.02)			
					Sell GBP 14,293			
					Buy EUR 16,096 J.P. Morgan			
					-			
					Sell GBP 376,424			
					Buy EUR 423,912 J.P. Morgan			
					(3)			
					-			
					Sell GBP 76,869,419			
					Buy EUR 86,249,094 J.P. Morgan			
					(867)			
					(0.12)			
					Sell GBP 86,819,153			
					Buy EUR 97,412,904 J.P. Morgan			
					(979)			
					(0.14)			
					Sell EUR 17,883			
					Buy GBP 15,782 J.P. Morgan			
					-			
					Sell EUR 19,155			
					Buy GBP 17,009 J.P. Morgan			
					-			
					Sell EUR 21,336			
					Buy GBP 18,986 J.P. Morgan			
					-			
					Sell EUR 3,637			
					Buy GBP 3,252 J.P. Morgan			
					-			
					-			
HEALTH CARE 2.08% (4.38%)				CONSUMER GOODS 6.20% (8.12%)				
Health Care Equipment & Services 0.84% (1.04%)				Beverages 1.90% (2.01%)				
	414,611	Smith & Nephew	5,908	0.84	518,258			
					Diageo			
					13,374			
					1.90			
					Household Goods & Home Construction 1.12% (1.88%)			
	1,405,693	Crest Nicholson Holdings	7,914	1.12	1,405,693			
					Personal Goods 0.96% (1.50%)			
					159,409			
					Unilever			
					6,785			
					0.96			
					Tobacco 2.22% (2.73%)			
	320,220	British American Tobacco	15,624	2.22	320,220			
					British American Tobacco			
					15,624			
					2.22			
					Total Consumer Goods			
					43,697			
					6.20			
					HEALTH CARE 2.08% (4.38%)			
					Health Care Equipment & Services 0.84% (1.04%)			
	414,611	Smith & Nephew	5,908	0.84	414,611			
					Pharmaceuticals & Biotechnology 1.24% (3.34%)			
	641,274	GlaxoSmithKline	8,744	1.24	641,274			
					GlaxoSmithKline			
					8,744			
					1.24			
					Total Health Care			
					14,652			
					2.08			

Threadneedle UK Absolute Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.33% (-0.26%) (continued)			
	Sell EUR 35,134		
	Buy GBP 31,266 J.P. Morgan	–	–
	Sell EUR 38,639		
	Buy GBP 34,552 J.P. Morgan	1	–
	Sell GBP 11,317		
	Buy USD 15,001 J.P. Morgan	–	–
	Sell GBP 1,647,986		
	Buy USD 2,183,883 J.P. Morgan	3	–
Portfolio Swap 0.10% (-0.35%)			
	UBS Portfolio Swap	684	0.10
	Total Derivatives	(2,325)	(0.33)
Total value of investments			
		516,914	73.40
Net other assets (31.85%)			
		187,343	26.60
Net assets			
		704,257	100.00

April 2017 comparatives in brackets.

¹Alternative Investment Market.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Net Asset Value
Fixed interest	166,262	32.16
Derivatives	(2,325)	(0.45)
Equity	352,977	68.29
Total value of investments	516,914	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS FTSE 100 Future Expiring December 2017	(69,462)
Total net exposure	(69,462)

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	899,852	936,847
Total sales for the period	861,652	848,129

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

as at 31 October 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 3.00% (3.12%)					BBB 0.00% (0.32%)				
		A 1.39% (1.35%)					Baa3 0.00% (0.23%)		
USD	1,375,000	BHP Billiton Finance 5% 30/09/2043	1,245	0.57			BBB- 0.23% (0.00%)		
USD	960,000	Scentre Management 3.75% 23/03/2027	737	0.34	GBP	510,000	Thames Water Utilities 2.875% 03/05/2027	501	0.23
GBP	485,000	Scentre Management 3.875% 16/07/2026	543	0.25			BB- 0.00% (0.20%)		
GBP	470,000	Vicinity Centres 3.375% 07/04/2026	502	0.23			B 0.19% (0.00%)		
		A- 0.16% (0.16%)			USD	681,000	Noble Holding International 6.95% 01/04/2045	411	0.19
USD	461,000	SGSP Australia Assets 3.25% 29/07/2026	344	0.16			Total Cayman Islands	5,406	2.46
		BBB+ 0.20% (0.37%)							
GBP	369,000	*BHP Billiton Finance 6.5% 22/10/2077	432	0.20	DENMARK 0.00% (0.64%)				
		BBB 0.84% (0.84%)					BBB+ 0.00% (0.52%)		
GBP	1,807,000	APT Pipelines 3.5% 22/03/2030	1,877	0.84			BBB- 0.00% (0.12%)		
		BBB- 0.41% (0.40%)					Total Denmark	-	-
GBP	801,000	Asciano Finance 5% 19/09/2023	897	0.41	FRANCE 4.04% (4.20%)				
		Total Australia	6,577	3.00			A- 2.26% (2.51%)		
AUSTRIA 0.60% (0.54%)					GBP	1,500,000	Electricite de France 5.125% 22/09/2050	1,929	0.88
		Baa2 0.60% (0.54%)			GBP	1,000,000	Electricite de France 5.5% 17/10/2041	1,304	0.59
EUR	1,100,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	1,323	0.60	GBP	500,000	Electricite de France 6% 23/01/2114	712	0.33
		Total Austria	1,323	0.60	GBP	750,000	Electricite de France 6.125% 02/06/2034	1,013	0.46
BELGIUM 0.89% (0.00%)							BBB+ 0.83% (0.73%)		
		A- 0.89% (0.00%)			GBP	368,000	*AXA FRN 16/01/2054	437	0.20
GBP	2,015,000	Anheuser-Busch 2.25% 24/05/2029	1,951	0.89	GBP	280,000	Orange 5.625% 23/01/2034	373	0.17
		Total Belgium	1,951	0.89	GBP	667,000	Orange 8.125% 20/11/2028	1,016	0.46
BRITISH VIRGIN ISLANDS 0.78% (0.77%)							BBB 0.49% (0.46%)		
		BBB 0.78% (0.77%)			GBP	900,000	BPCE 5.25% 16/04/2029	1,068	0.49
GBP	1,546,000	Global Switch Holdings 4.375% 13/12/2022	1,719	0.78			B+ 0.23% (0.22%)		
		Total British Virgin Islands	1,719	0.78	EUR	526,000	Numericable-SFR 5.625% 15/05/2024	503	0.23
CAYMAN ISLANDS 2.46% (3.18%)							Not Rated 0.23% (0.28%)		
		AA+ 0.36% (0.32%)			GBP	433,000	*Credit Agricole 7.5% 31/12/2049	508	0.23
GBP	850,000	*Trafford Centre Finance FRN 28/07/2035 A3	784	0.36			Total France	8,863	4.04
		A 0.58% (0.59%)			GERMANY 2.62% (2.37%)				
GBP	942,000	Dwr Cymru Financing 6.015% 31/03/2028	1,277	0.58			AAA 2.36% (2.37%)		
		A- 0.32% (1.52%)			GBP	3,500,000	KFW 5% 09/06/2036	5,186	2.36
GBP	486,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	701	0.32			BB- 0.26% (0.00%)		
		BBB+ 0.78% (0.00%)			EUR	600,000	Unitymedia NRW 3.5% 15/01/2027	556	0.26
GBP	1,167,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	1,129	0.51			Total Germany	5,742	2.62
GBP	558,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	603	0.27	GUERNSEY 0.66% (0.87%)				
							BBB+ 0.66% (0.87%)		
					GBP	1,420,000	Credit Suisse Group Funding 2.75% 08/08/2025	1,457	0.66
							Total Guernsey	1,457	0.66

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
JERSEY 2.46% (2.95%)					REPUBLIC OF IRELAND 0.96% (0.95%)				
		A- 1.18% (1.27%)					AA- 0.96% (0.95%)		
GBP	310,000	Heathrow Funding 2.75% 09/08/2049	288	0.13	USD	2,593,000	GE Capital International Funding Company 4.418% 15/11/2035	2,106	0.96
GBP	150,000	Heathrow Funding 4.625% 31/10/2046	191	0.09			Total Republic of Ireland	2,106	0.96
GBP	1,468,000	Heathrow Funding 5.875% 13/05/2041	2,122	0.96					
		BBB+ 1.03% (0.90%)					SINGAPORE 0.69% (0.77%)		
GBP	544,000	Gatwick Funding 3.125% 28/09/2039	546	0.25			AAA 0.69% (0.77%)		
GBP	1,460,000	Gatwick Funding 5.25% 23/01/2024	1,719	0.78	GBP	1,040,000	Temasek Financial 5.125% 26/07/2040	1,514	0.69
		BBB 0.25% (0.78%)					Total Singapore	1,514	0.69
GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	543	0.25			SPAIN 0.50% (0.50%)		
		Total Jersey	5,409	2.46			BBB 0.50% (0.50%)		
					GBP	924,000	Telefonica Emisiones 5.375% 02/02/2026	1,105	0.50
LUXEMBOURG 0.00% (0.65%)							Total Spain	1,105	0.50
		BBB 0.00% (0.65%)							
		Total Luxembourg					SUPRANATIONAL 1.59% (1.57%)		
							AAA 0.79% (1.57%)		
MEXICO 1.24% (1.22%)							Aaa 0.80% (0.00%)		
		A- 0.62% (0.61%)			GBP	443,000	European Investment Bank 0% 07/12/2028	363	0.16
GBP	1,136,000	America Movil 5% 27/10/2026	1,363	0.62	GBP	1,071,000	European Investment Bank 3.875% 08/06/2037	1,377	0.63
		BBB+ 0.62% (0.61%)					Total Supranational	3,487	1.59
GBP	1,256,000	United Mexican States 5.625% 19/03/2114	1,352	0.62	GBP	1,825,000	European Investment Bank 1% 21/09/2026	1,747	0.80
		Total Mexico	2,715	1.24					
NETHERLANDS 4.48% (5.07%)							SWEDEN 0.64% (0.22%)		
		AAA 0.57% (0.57%)					BBB+ 0.00% (0.22%)		
GBP	950,000	Bank Nederlandse Gemeenten 5.2% 07/12/2028	1,262	0.57			BBB 0.64% (0.00%)		
		AA- 0.25% (0.25%)			GBP	1,445,000	Akelius Residential 2.375% 15/08/2025	1,413	0.64
GBP	500,000	Deutsche Bahn Finance 3.125% 24/07/2026	552	0.25			Total Sweden	1,413	0.64
		BBB+ 0.57% (0.56%)							
GBP	1,285,000	Deutsche Telekom 2.25% 13/04/2029	1,247	0.57			SWITZERLAND 0.82% (0.79%)		
		BBB 3.09% (1.21%)					BBB+ 0.67% (0.55%)		
GBP	310,000	E.ON International Finance 6.375% 07/06/2032	435	0.20	GBP	670,000	*Credit Suisse 2.125% 12/09/2025	661	0.30
USD	1,090,000	E.ON International Finance 6.65% 30/04/2038	1,074	0.49	USD	1,023,000	UBS 5.125% 15/05/2024	824	0.37
GBP	400,000	E.ON International Finance 6.75% 27/01/2039	618	0.28			BB+ 0.15% (0.24%)		
GBP	641,000	Enel Finance International 5.75% 14/09/2040	868	0.39	USD	370,000	*UBS Group 7% 29/12/2049	320	0.15
GBP	1,050,000	Innogy Finance 6.125% 06/07/2039	1,530	0.70			Total Switzerland	1,805	0.82
GBP	1,658,000	Innogy Finance 6.25% 03/06/2030	2,251	1.03					
		BBB- 0.00% (2.48%)					UNITED KINGDOM 55.48% (52.73%)		
		Total Netherlands	9,837	4.48			AAA 3.28% (5.80%)		
NORWAY 0.12% (0.40%)							Aaa 2.31% (0.00%)		
		A+ 0.00% (0.40%)			GBP	425,000	Broadgate Financing 4.821% 05/07/2033	553	0.25
		A3 0.12% (0.00%)			GBP	885,000	Broadgate Financing 4.949% 05/04/2029	679	0.31
GBP	215,000	WHG Treasury 4.25% 06/10/2045	252	0.12	GBP	2,060,000	Meadowhall Finance 4.986% 12/01/2032	1,967	0.90
		Total Norway	252	0.12	GBP	1,790,000	Santander 5.25% 16/02/2029	2,373	1.08
					GBP	1,185,000	Wellcome Trust Finance 4.625% 25/07/2036	1,616	0.74

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value	
UNITED KINGDOM 55.48% (52.73%) (continued)									
		Aa1 0.00% (0.18%)			GBP	480,000	Greene King Finance 4.0643% 15/03/2035	496	0.23
		Aa1u 0.00% (4.80%)			GBP	1,120,000	Greene King Finance 5.106% 15/03/2034	1,327	0.60
		AA 5.14% (5.41%)			GBP	870,000	HSBC Holdings 2.625% 16/08/2028	879	0.40
GBP	1,759,000	Integrated Accommodation Services 6.48% 31/03/2029	1,444	0.66	GBP	95,000	Legal & General Finance 5.875% 05/04/2033	131	0.06
GBP	655,000	Land Securities Capital Markets 2.399% 08/02/2029	665	0.30	GBP	280,000	Lloyds Bank 6.5% 17/09/2040	450	0.21
GBP	1,000,000	Land Securities Capital Markets 2.75% 22/09/2057	1,012	0.46	GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	1,057	0.48
GBP	1,897,000	LCR Finance 4.5% 07/12/2028	2,423	1.10	GBP	1,150,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	1,197	0.55
GBP	1,741,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	2,444	1.11	GBP	365,000	Penarian Housing 3.212% 07/06/2052	358	0.16
GBP	1,000,000	Octagon Healthcare Funding 5.333% 31/12/2035	1,063	0.48	GBP	515,000	Places For People Homes 2.875% 17/08/2026	501	0.23
GBP	956,000	Southern Gas Networks 4.875% 21/03/2029	1,190	0.54	GBP	465,000	UNITE USAF II 3.921% 30/06/2025	522	0.24
GBP	1,062,000	Telereal Securitisation 5.9478% 10/12/2031	1,086	0.49			A2 0.35% (0.64%)		
GBP	305,000	Merseylink 3.842% 31/03/2043	387	0.18	GBP	727,000	Orbit Capital 3.5% 24/03/2045	771	0.35
		Aa2u 5.44% (0.00%)					A- 3.92% (3.43%)		
GBP	2,960,000	United Kingdom Gilt 1.75% 07/09/2037	2,887	1.32	GBP	1,180,000	Anglian Water Services Financing 1.625% 10/08/2025	1,154	0.53
GBP	1,880,000	United Kingdom Gilt 3.25% 22/01/2044	2,384	1.09	GBP	703,000	Aspire Defence Finance 4.674% 31/03/2040 'B'	817	0.37
GBP	1,720,000	United Kingdom Gilt 3.5% 22/01/2045	2,288	1.04	GBP	520,000	HSBC Bank 5.375% 22/08/2033	674	0.31
GBP	2,714,968	United Kingdom Gilt 3.5% 22/07/2068	4,377	1.99	GBP	1,468,000	Mitchells & Butlers Finance 5.574% 15/12/2030	804	0.37
		AA- 0.92% (0.92%)			GBP	731,000	*Prudential 5.7% 19/12/2063	851	0.39
GBP	1,887,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	2,014	0.92	GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	477	0.22
		Aa3 0.60% (0.00%)			GBP	750,000	United Utilities Water 5.625% 20/12/2027	983	0.45
GBP	350,000	University of Leeds 3.125% 19/12/2050	397	0.18	GBP	200,000	Western Power Distribution East Midlands 6.25% 10/12/2040	306	0.14
GBP	398,000	University of Liverpool 3.375% 25/06/2055	491	0.22	GBP	1,851,000	Western Power Distribution West Midlands 5.75% 16/04/2032	2,496	1.14
GBP	473,000	University of Southampton 2.25% 11/04/2057	447	0.20			A3 0.69% (0.19%)		
		A+ 2.74% (1.77%)			GBP	311,000	Affinity Sutton Capital Markets 4.25% 08/10/2042	383	0.17
GBP	959,000	Aster Treasury 4.5% 18/12/2043	1,218	0.56	GBP	311,000	Circle Anglia Social Housing 5.2% 02/03/2044	433	0.20
GBP	1,084,000	BG Energy Capital 5% 04/11/2036	1,435	0.65	GBP	150,000	Paragon Treasury 3.625% 21/01/2047	163	0.07
GBP	196,000	Cambridgeshire Housing Capital 4.25% 15/09/2045	235	0.11	GBP	405,000	Peabody Capital 4.625% 12/12/2053	554	0.25
GBP	250,000	Catalyst Housing 3.125% 31/10/2047	247	0.11			BBB+ 12.02% (12.08%)		
GBP	607,000	Motability Operations Group 2.375% 14/03/2032	594	0.27	GBP	530,000	BAT International Finance 2.25% 09/09/2052	424	0.19
GBP	620,000	Motability Operations Group 4.375% 08/02/2027	735	0.34	GBP	1,260,000	Cadent Finance 2.625% 22/09/2038	1,186	0.54
GBP	260,000	Notting Hill Housing Trust 3.25% 12/10/2048	259	0.12	GBP	1,765,000	Cadent Finance 2.75% 22/09/2046	1,665	0.76
GBP	710,000	QHT 4% 20/07/2049	685	0.31	GBP	1,185,000	Centrica 4.375% 13/03/2029	1,364	0.62
GBP	530,000	White City Property 5.1202% 17/04/2035	601	0.27	GBP	664,000	CRH Finance UK 4.125% 02/12/2029	755	0.34
		A1 0.00% (0.35%)			GBP	457,000	Eastern Power Network 6.25% 12/11/2036	681	0.31
		A 3.86% (4.40%)			GBP	875,000	Eversholt Funding 3.529% 07/08/2042	864	0.39
GBP	2,300,000	BL Superstore Finance 5.27% 04/07/2025	973	0.44	GBP	570,000	Eversholt Funding 6.697% 22/02/2035	757	0.35
GBP	1,905,000	Canary Wharf Finance II 6.455% 22/04/2030	580	0.26	GBP	575,000	HSBC Holdings 6% 29/03/2040	779	0.36
					GBP	400,000	HSBC Holdings 6.75% 11/09/2028	531	0.24
					GBP	1,546,000	*Legal & General Group 5.5% 27/06/2064	1,709	0.78
					GBP	806,000	*Legal & General Variable Bond 27/10/2045	902	0.41

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 55.48% (52.73%) (continued)									
GBP	312,000	London Power Networks 6.125% 07/06/2027	411	0.19	GBP	451,000	Marks & Spencer 4.75% 12/06/2025	504	0.23
GBP	648,000	NIE Finance 6.375% 02/06/2026	856	0.39	USD	1,906,000	Royal Bank of Scotland 4.8% 05/04/2026	1,550	0.71
GBP	520,000	Northern Gas Networks Finance 4.875% 30/06/2027	636	0.29	GBP	644,000	Stagecoach Group 4% 29/09/2025	695	0.32
GBP	905,000	Northumbrian Water Finance 1.625% 11/10/2026	863	0.39	GBP	406,000	Standard Chartered 5.125% 06/06/2034	449	0.20
GBP	565,000	Northumbrian Water Finance 2.375% 05/10/2027	564	0.26	Baa3 0.50% (0.79%)				
GBP	530,000	Royal Bank of Scotland 7.5% 29/04/2024	699	0.32	GBP	968,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,099	0.50
GBP	896,000	*RSA Insurance Group 5.125% 10/10/2045	1,001	0.46	BB+ 1.04% (1.46%)				
GBP	570,000	Scotland Gas Network 3.25% 08/03/2027	612	0.28	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	591	0.27
GBP	450,000	Scottish Widows 7% 16/06/2043	592	0.27	GBP	800,000	Tesco Property Finance 1 7.6227% 13/07/2039	985	0.45
GBP	650,000	Severn Trent Utilities Finance 2.75% 05/12/2031	661	0.30	GBP	633,000	Tesco Property Finance 6 5.4111% 13/07/2044	712	0.32
GBP	790,000	Severn Trent Utilities Finance 3.625% 16/01/2026	871	0.40	BB- 0.74% (0.79%)				
GBP	682,000	Severn Trent Utilities Finance 4.875% 24/01/2042	904	0.41	GBP	922,000	*Lloyds Banking Group 7.875% 29/12/2049	1,111	0.51
GBP	1,497,000	South Eastern Power Networks 6.375% 12/11/2031	2,152	0.98	GBP	490,000	Virgin Media 4.875% 15/01/2027	509	0.23
GBP	795,000	Southern Gas Networks 2.5% 03/02/2025	820	0.37	B+ 0.29% (0.36%)				
GBP	895,000	Standard Chartered 4.375% 18/01/2038	1,012	0.46	GBP	625,000	*Barclays 5.875% 15/12/2065	632	0.29
GBP	850,000	Telereal Securitisation 6.1645% 10/12/2031	958	0.44	B 0.20% (0.36%)				
GBP	1,067,000	Western Power Distribution 3.625% 06/11/2023	1,148	0.52	USD	513,000	*Royal Bank of Scotland 8% 29/12/2049	442	0.20
		Baa1 0.86% (0.78%)			Not Rated 1.00% (0.78%)				
GBP	687,000	Bupa Finance 2% 05/04/2024	683	0.31	GBP	384,456	British Land 5.26% 24/09/2035	484	0.22
GBP	1,315,000	Vodafone Group 3.375% 08/08/2049	1,205	0.55	GBP	443,000	British Land 5.264% 24/09/2035	556	0.25
		BBB 5.04% (3.77%)			GBP	390,000	Prudential 5.875% 11/05/2029	517	0.24
GBP	510,000	Anglian Water Services Financing 2.625% 15/06/2027	500	0.23	GBP	650,000	United Kingdom Gilt 1.25% 22/07/2027	643	0.29
GBP	550,000	Annington Funding 3.685% 12/07/2034	567	0.26	Total United Kingdom				
GBP	1,195,000	Annington Funding 3.935% 12/07/2047	1,272	0.58			121,764	55.48	
GBP	1,329,000	*Aviva 6.875% 20/05/2058	1,782	0.81	UNITED STATES OF AMERICA 13.19% (12.66%)				
GBP	410,000	Babcock International Group 1.875% 05/10/2026	394	0.18	GBP	342,971	*SLM Student Loan Trusts FRN 15/12/2039	332	0.15
GBP	748,000	*Barclays 2.375% 06/10/2023	752	0.34	AA+ 0.15% (0.14%)				
GBP	871,000	Barclays 3.125% 17/01/2024	904	0.41	GBP	510,000	General Electric Capital 5.25% 07/12/2028	656	0.30
GBP	400,000	Barclays 3.25% 12/02/2027	414	0.19	GBP	1,536,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	1,628	0.74
GBP	400,000	British Sky Broadcasting Group 4% 26/11/2029	447	0.20	GBP	518,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	582	0.26
GBP	1,531,000	Imperial Brands Finance 5.5% 28/09/2026	1,875	0.85	GBP	810,000	Procter & Gamble 1.8% 03/05/2029	786	0.36
GBP	395,000	Lloyds Bank 7.625% 22/04/2025	528	0.24	A 1.49% (1.62%)				
GBP	440,000	*NGG Finance 5.625% 18/06/2073	501	0.23	GBP	840,000	Amgen 5.5% 07/12/2026	1,051	0.48
GBP	1,154,000	RMPA Services 5.337% 30/09/2038	1,146	0.52	GBP	1,143,000	Wells Fargo 2% 28/07/2025	1,132	0.51
		Baa2 1.18% (1.11%)			GBP	1,075,000	Wells Fargo 2.125% 20/12/2023	1,089	0.50
GBP	2,255,000	Bupa Finance 5% 08/12/2026	2,580	1.18	A- 0.62% (0.60%)				
		BBB- 3.18% (1.81%)			USD	1,625,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	1,357	0.62
GBP	1,831,000	*CYBG 4% 22/06/2025	1,861	0.85	BBB+ 7.45% (7.06%)				
GBP	1,065,000	DS Smith 2.875% 26/07/2029	1,043	0.48	GBP	600,000	American International Group 5% 26/04/2023	690	0.31
GBP	860,000	GKN Holdings 3.375% 12/05/2032	850	0.39	GBP	2,780,000	AT&T 4.25% 01/06/2043	2,928	1.33
					GBP	2,459,000	AT&T 4.375% 14/09/2029	2,758	1.26
					GBP	2,200,000	Bank of America 7% 31/07/2028	3,121	1.42

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

as at 31 October 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 3.28% (3.67%)					CAYMAN ISLANDS 1.96% (2.88%)				
		Aaa 0.80% (0.92%)					A 0.14% (0.16%)		
GBP	7,735,000	Commonwealth Bank of Australia 1.125% 22/12/2021	7,707	0.80	GBP	1,085,000	Dwr Cymru Financing 6.907% 31/03/2021	1,292	0.14
		A 0.95% (0.77%)					A- 0.13% (0.16%)		
GBP	8,787,000	Scentre Group Trust 2.375% 08/04/2022	9,071	0.95	GBP	1,145,000	Southern Water Services Finance 5% 31/03/2021	1,284	0.13
		A- 0.81% (0.89%)					BBB+ 0.34% (0.00%)		
GBP	2,622,000	AusNet Services Holdings 7.125% 26/06/2018	2,726	0.28	USD	2,000,000	HPHT Finance 15 2.875% 17/03/2020	1,523	0.16
GBP	4,542,000	SGSP Australia Assets 5.125% 11/02/2021	5,050	0.53	USD	2,250,000	HPHT Finance 17 2.75% 11/09/2022	1,679	0.18
		BBB+ 0.34% (0.38%)					BBB 0.52% (1.67%)		
GBP	2,770,000	*BHP Billiton Finance 6.5% 22/10/2077	3,246	0.34	GBP	3,133,000	South East Water Finance 5.6577% 30/09/2019	3,383	0.35
		BBB 0.00% (0.38%)			GBP	1,500,000	*Southern Water Services Finance 4.5% 31/03/2038	1,643	0.17
		BBB- 0.24% (0.15%)					BBB- 0.77% (0.28%)		
USD	1,715,000	Asciano Finance 5% 07/04/2018	1,311	0.14	GBP	3,960,000	Thames Water Utilities 2.375% 03/05/2023	3,926	0.41
GBP	826,000	Asciano Finance 5% 19/09/2023	925	0.10	USD	4,100,000	Vale Overseas 5.875% 10/06/2021	3,403	0.36
		BB+ 0.00% (0.18%)					Baa3 0.00% (0.31%)		
		BB 0.14% (0.00%)					BB- 0.00% (0.07%)		
EUR	1,500,000	*Origin Energy Finance 7.875% 16/06/2071	1,379	0.14			B 0.06% (0.00%)		
		Total Australia	31,415	3.28	USD	800,000	Noble Holding International 4% 16/03/2018	608	0.06
BELGIUM 0.00% (0.83%)					Not Rated 0.00% (0.23%)				
		A- 0.00% (0.83%)					Total Cayman Islands	18,741	1.96
		Total Belgium	-	-					
BRITISH VIRGIN ISLANDS 1.01% (0.52%)					DENMARK 0.40% (0.46%)				
		BBB 1.01% (0.52%)					BBB+ 0.40% (0.46%)		
GBP	8,700,000	Global Switch Holdings 4.375% 13/12/2022	9,672	1.01	GBP	3,690,000	*Danske Bank 5.375% 29/09/2021	3,816	0.40
		Total British Virgin Islands	9,672	1.01			Total Denmark	3,816	0.40
CANADA 2.79% (2.37%)					FINLAND 0.00% (0.18%)				
		AAA 0.47% (0.24%)					AA+ 0.00% (0.18%)		
GBP	2,500,000	Export Development Canada 0.875% 07/12/2021	2,493	0.26			Total Finland	-	-
GBP	2,000,000	Export Development Canada 1% 15/12/2020	2,010	0.21					
		Aaa 0.81% (0.92%)			FRANCE 2.87% (2.22%)				
GBP	7,700,000	Royal Bank of Canada 1.125% 22/12/2021	7,696	0.81			AA 0.32% (0.37%)		
		BBB+ 0.57% (0.32%)			GBP	3,000,000	Dexia Credit Local 2% 17/06/2020	3,077	0.32
CAD	4,800,000	Canadian Natural Resources 2.89% 14/08/2020	2,862	0.30			A+ 0.71% (0.44%)		
CAD	4,300,000	Canadian Natural Resources 3.05% 19/06/2019	2,567	0.27	GBP	6,500,000	Total Capital International 2.25% 09/06/2022	6,790	0.71
		BBB 0.94% (0.70%)					A 0.36% (0.00%)		
USD	540,000	Cenovus Energy 3% 15/08/2022	405	0.04	GBP	3,500,000	Banque Fédérative du Crédit Mutuel 0.875% 08/06/2020	3,475	0.36
USD	5,650,000	Cenovus Energy 5.7% 15/10/2019	4,528	0.47			BBB+ 0.50% (0.53%)		
GBP	3,615,000	Xstrata Finance Canada 7.375% 27/05/2020	4,145	0.43	USD	3,020,000	*BPCE FRN 22/05/2022	2,315	0.24
		BBB- 0.00% (0.19%)			GBP	1,500,000	*CNP Assurances 7.375% 30/09/2041	1,779	0.19
		Total Canada	26,706	2.79	GBP	575,000	Orange 7.25% 10/11/2020	677	0.07

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of
Holding	Investment	£000	Net Asset	Investment	£000
			Value		Value
FRANCE 2.87% (2.22%) (continued)					
BBB 0.47% (0.48%)					
GBP	1,700,000	*AXA 6.772% 29/10/2049	1,869	0.19	
GBP	1,400,000	*Engie 4.625% 10/01/2049	1,449	0.15	
GBP	1,218,000	RCI Banque 1.875% 08/11/2022	1,220	0.13	
BBB- 0.38% (0.26%)					
GBP	3,250,000	*Orange 5.875% 29/12/49	3,620	0.38	
B+ 0.13% (0.14%)					
EUR	1,375,000	SFR Group 5.375% 15/05/2022	1,265	0.13	
Total France			27,536	2.87	
GERMANY 5.68% (5.25%)					
AAA 3.08% (2.70%)					
GBP	14,700,000	FMS Wertmanagement 0.875% 14/02/2022	14,640	1.53	
GBP	12,800,000	KFW 5.55% 07/06/2021	14,895	1.55	
A 1.36% (1.20%)					
GBP	6,215,000	Daimler 1.5% 13/01/2022	6,224	0.65	
GBP	2,156,000	Daimler 2.375% 16/07/2018	2,177	0.23	
GBP	1,534,000	*Munich Re 7.625% 21/06/2028	1,594	0.17	
GBP	2,500,000	*Munich Rueckversicherungs 6.625% 26/05/2042	2,992	0.31	
BBB- 0.58% (0.81%)					
GBP	5,500,000	Deutsche Bank 1.875% 28/02/2020	5,530	0.58	
BB- 0.66% (0.54%)					
EUR	1,642,000	IHO Verwaltungs PIK 2.75% 15/09/2021	1,488	0.15	
EUR	2,400,000	Unitymedia Hessen 4% 15/01/2025	2,250	0.23	
EUR	4,000,000	Unitymedia Hessen 5.125% 21/01/2023	2,658	0.28	
Total Germany			54,448	5.68	
GUERNSEY 1.29% (0.67%)					
BBB+ 1.29% (0.67%)					
GBP	11,796,000	Credit Suisse 3% 27/05/2022	12,406	1.29	
Total Guernsey			12,406	1.29	
ICELAND 0.71% (0.62%)					
BBB+ 0.71% (0.00%)					
EUR	7,512,000	Arion Bank 1.625% 01/12/2021	6,835	0.71	
BBB 0.00% (0.62%)					
Total Iceland			6,835	0.71	
INDIA 0.20% (0.00%)					
BBB- 0.20% (0.00%)					
USD	2,500,000	Adani Ports and Special Economic Zone 3.95% 19/01/2022	1,944	0.20	
Total India			1,944	0.20	
ITALY 0.52% (0.27%)					
Baa3 0.05% (0.05%)					
GBP	435,000	Acquedotto Pugliese 6.92% 29/06/2018	448	0.05	
BB+ 0.18% (0.22%)					
GBP	1,750,000	Telecom Italia 7.375% 15/12/2017	1,764	0.18	
Ba1 0.29% (0.00%)					
GBP	2,500,000	*Assicurazioni Generali 6.416% 29/12/2049	2,745	0.29	
Total Italy			4,957	0.52	
JAPAN 0.54% (0.15%)					
AA- 0.13% (0.15%)					
USD	1,715,000	Japan Tobacco 2% 13/04/2021	1,279	0.13	
BB+ 0.41% (0.00%)					
USD	5,000,000	Softbank 4.5% 15/04/2020	3,898	0.41	
Total Japan			5,177	0.54	
JERSEY 3.23% (2.72%)					
A+ 0.24% (0.28%)					
GBP	2,211,000	ASIF III Jersey 5% 18/12/2018	2,309	0.24	
A- 0.48% (0.44%)					
USD	2,154,000	Heathrow Funding 4.875% 15/07/2021	1,753	0.18	
GBP	2,239,000	Heathrow Funding 5.225% 15/02/2023	2,615	0.27	
GBP	253,000	Heathrow Funding 9.2% 29/03/2021	317	0.03	
BBB 2.13% (1.71%)					
GBP	10,595,000	CPUK Finance 2.666% 28/02/2020	10,861	1.13	
GBP	2,715,000	Heathrow Funding 6% 20/03/2020	3,007	0.32	
GBP	1,615,000	Heathrow Funding 6.25% 10/09/2018	1,684	0.18	
GBP	4,542,000	Porterbrook Rail Finance 5.5% 20/04/2019	4,814	0.50	
BBB- 0.38% (0.29%)					
GBP	440,000	AA Bond 2.875% 31/01/2022	444	0.05	
GBP	2,945,000	AA Bond 4.2487% 31/07/2020	3,110	0.33	
Total Jersey			30,914	3.23	
LUXEMBOURG 0.99% (0.57%)					
BBB+ 0.00% (0.25%)					
BBB 0.90% (0.22%)					
GBP	1,700,000	Glencore Finance 6.5% 27/01/2019	1,817	0.19	
GBP	5,861,000	Glencore Finance Europe 6% 03/04/2022	6,797	0.71	
B 0.09% (0.10%)					
EUR	1,000,000	Wind Acquisition Finance 7% 23/04/2021	913	0.09	
Total Luxembourg			9,527	0.99	
MEXICO 0.28% (0.46%)					
BBB+ 0.04% (0.00%)					
GBP	263,000	Petroleos Mexicanos 8.25% 02/06/2022	327	0.04	
BBB 0.24% (0.27%)					
GBP	2,095,000	*America Movil 6.375% 06/09/2073	2,320	0.24	
Baa2 0.00% (0.19%)					
Total Mexico			2,647	0.28	

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Value £000	% of Net Asset Value		Value £000	% of Net Asset Value
NETHERLANDS 8.10% (8.79%)					
AAA 2.18% (3.26%)					
GBP 10,900,000 Bank Nederlandse Gemeent 1.125% 24/05/2021	10,958	1.14			
GBP 10,000,000 Nederlandse Waterschapsbank 0.875% 20/12/2021	9,915	1.04			
A+ 0.00% (0.43%)					
A 0.34% (0.00%)					
GBP 3,300,000 ABN AMRO Bank 1% 30/06/2020	3,285	0.34			
BBB+ 2.66% (1.92%)					
GBP 5,200,000 Deutsche Telekom 6.5% 08/04/2022	6,305	0.66			
GBP 8,672,000 *ING Bank 6.875% 29/05/2023	8,945	0.93			
GBP 1,470,000 PostNL 7.5% 14/08/2018	1,542	0.16			
GBP 2,225,000 Volkswagen Finance 1.5% 12/04/2021	2,216	0.23			
GBP 6,500,000 Volkswagen Finance 1.75% 12/09/2022	6,466	0.68			
BBB 2.18% (0.79%)					
GBP 3,550,000 E.ON International Finance 6% 30/10/2019	3,890	0.41			
EUR 3,050,000 *Eneco Holding 3.25% 29/12/2049	2,900	0.30			
GBP 2,500,000 Innogy Finance 5.5% 06/07/2022	2,933	0.31			
GBP 1,428,000 Innogy Finance 5.625% 06/12/2023	1,727	0.18			
GBP 8,047,000 Innogy Finance 6.5% 20/04/2021	9,418	0.98			
BBB- 0.40% (1.78%)					
USD 2,816,000 Teva Pharmaceutical 1.7% 19/07/2019	2,087	0.22			
EUR 1,800,000 *Vonovia Finance 4% 29/12/2049	1,745	0.18			
BB+ 0.08% (0.40%)					
EUR 857,000 Schaeffler Holding Finance 2.5% 15/05/2020	765	0.08			
B 0.26% (0.21%)					
EUR 2,550,000 LGE HoldCo VI 7.125% 15/05/2024	2,526	0.26			
Total Netherlands	77,623	8.10			
NEW ZEALAND 0.25% (0.26%)					
AA- 0.25% (0.26%)					
GBP 2,450,000 ASB Finance 1% 07/09/2020	2,431	0.25			
Total New Zealand	2,431	0.25			
NORWAY 0.75% (0.92%)					
A+ 0.75% (0.87%)					
USD 9,300,000 *DNB Bank FRN 02/06/2021	7,189	0.75			
BBB+ 0.00% (0.05%)					
Total Norway	7,189	0.75			
PORTUGAL 0.03% (0.03%)					
Not Rated 0.03% (0.03%)					
EUR 1,100,000 Banco Espirito Santo 4% 21/01/2019 (Defaulted)	271	0.03			
Total Portugal	271	0.03			
REPUBLIC OF IRELAND 2.01% (1.92%)					
AA- 1.07% (1.25%)					
GBP 7,550,000 GE Capital UK Funding 4.375% 31/07/2019	7,976	0.83			
GBP 1,996,000 GE Capital UK Funding 5.875% 04/11/2020	2,268	0.24			
BBB 0.44% (0.00%)			GBP 4,230,000 FCA Capital Ireland 1.625% 29/09/2021	4,200	0.44
BBB- 0.00% (0.49%)					
BB- 0.10% (0.10%)			EUR 950,000 *Governor & Co of the Bank of Ireland 7.375% 29/12/2049	948	0.10
Not Rated 0.40% (0.08%)					
GBP 3,635,000 PGH Capital 4.125% 20/07/2022	3,823	0.40			
Total Republic of Ireland	19,215	2.01			
SINGAPORE 0.26% (0.22%)					
AAA 0.26% (0.22%)					
GBP 2,150,000 Temasek Financial I 4.625% 26/07/2022	2,477	0.26			
Total Singapore	2,477	0.26			
SOUTH KOREA 0.37% (0.43%)					
AA 0.22% (0.26%)					
USD 1,790,000 *Export-Import Bank of Korea FRN 21/10/2019	1,351	0.14			
USD 1,080,000 *Korea Development Bank FRN 27/02/2020	814	0.08			
Aa2 0.15% (0.17%)					
GBP 1,400,000 Korea Development Bank 2% 20/12/2018	1,414	0.15			
Total South Korea	3,579	0.37			
SPAIN 0.84% (1.01%)					
BBB 0.84% (0.95%)					
GBP 2,228,000 Telefonica Emisiones 5.375% 02/02/2018	2,253	0.23			
GBP 5,300,000 Telefonica Emisiones 5.597% 12/03/2020	5,823	0.61			
BB 0.00% (0.06%)					
Total Spain	8,076	0.84			
SUPRANATIONAL 1.11% (1.09%)					
AAA 1.11% (0.18%)					
GBP 10,000,000 European Investment Bank 2.5% 31/10/2022	10,678	1.11			
Aaa 0.00% (0.91%)					
Total Supranational	10,678	1.11			
SWEDEN 2.16% (2.71%)					
AAA 0.76% (1.10%)					
GBP 7,230,000 Swedbank 1.125% 07/12/2021	7,226	0.76			
AA- 0.00% (0.30%)					
BBB 1.40% (0.16%)					
EUR 10,127,000 Akelius Residential 1.5% 23/01/2022	9,238	0.96			
EUR 3,023,000 Akelius Residential 3.375% 23/09/2020	2,900	0.30			
USD 1,810,000 *Swedish Export 2.88% 14/11/2023	1,368	0.14			
BBB- 0.00% (1.15%)					
Total Sweden	20,732	2.16			

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value	
SWITZERLAND 1.17% (0.85%)									
		A- 0.78% (0.43%)			GBP	6,272,000	Eastern Power Network 4.75% 30/09/2021	7,060	0.74
USD	4,700,000	*UBS Group Funding FRN 23/05/2023	3,622	0.38	GBP	8,827,000	ENW Finance 6.125% 21/07/2021	10,321	1.08
USD	5,000,000	*UBS Group Funding FRN 15/08/2023	3,796	0.40	GBP	7,933,000	Eversholt Funding 5.831% 02/12/2020	8,952	0.93
		BBB+ 0.11% (0.13%)			GBP	5,026,000	Everything Everywhere 4.375% 28/03/2019	5,249	0.55
GBP	978,000	*UBS Jersey 6.375% 19/11/2024	1,064	0.11	GBP	2,650,000	*Legal & General Group 5.875% 29/03/2049	2,784	0.29
		BB+ 0.28% (0.29%)			GBP	3,885,000	*Legal & General Group 10% 23/07/2041	4,959	0.52
EUR	2,650,000	*UBS Group 5.75% 29/12/2049	2,708	0.28	GBP	1,000,000	*Marstons Issuer FRN 15/07/2020	231	0.02
		Total Switzerland	11,190	1.17	GBP	13,889,000	National Grid Gas 1.125% 22/09/2021	13,772	1.44
					GBP	1,054,000	Northern Gas Networks Finance 5.875% 08/07/2019	1,138	0.12
UNITED KINGDOM 39.69% (39.24%)									
		AAA 0.93% (2.06%)			GBP	1,800,000	Reed Elsevier Investments 2.75% 01/08/2019	1,842	0.19
GBP	6,793,000	*Towd Point Mortgage Funding 2016 FRN 20/04/2045	6,059	0.63	GBP	1,800,000	Reed Elsevier Investments 7% 11/12/2017	1,812	0.19
GBP	2,560,000	Wellcome Trust Finance 4.75% 28/05/2021	2,894	0.30	GBP	1,935,000	Southern Gas Networks 4.875% 21/12/2020	2,145	0.22
		Aa1u 0.00% (0.48%)			GBP	3,710,000	Southern Gas Networks 5.125% 02/11/2018	3,858	0.40
GBP	1,250,000	Prudential 1.75% 27/11/2018	1,261	0.13	GBP	5,400,000	*Telereal Securitisation 4.0902% 10/12/2033	5,651	0.59
		A1u 0.00% (0.29%)			GBP	5,700,000	Thames Water Utilities Finance 5.05% 30/06/2020	6,217	0.65
GBP	2,126,000	Abbey National Treasury Services 1.875% 17/02/2020	2,163	0.23	GBP	700,000	Vodafone 8.125% 26/11/2018	752	0.08
GBP	1,330,000	*Greene King Finance FRN 09/2021 A3	420	0.04	GBP	5,730,000	Vodafone Group 5.375% 05/12/2017	5,753	0.60
USD	3,000,000	*HSBC Holdings FRN 25/05/2021	2,354	0.25	GBP	650,000	Wessex Water Services Finance 4% 24/09/2021	715	0.07
GBP	125,000	Northern Electric Finance 8.875% 16/10/2020	152	0.02	GBP	15,353,000	Baa1 1.71% (1.93%) Bupa Finance 3.375% 17/06/2021	16,346	1.71
		A2u 0.25% (0.00%)			GBP	1,440,000	BBB 7.94% (6.91%) *Aviva 6.125% 29/09/2049	1,634	0.17
GBP	2,175,000	Northern Rock 6.375% 02/12/2019	2,388	0.25	GBP	10,135,000	*Aviva 6.625% 03/06/2041	11,580	1.21
		A- 2.70% (2.50%)			GBP	3,795,000	BAE Systems 4.125% 08/06/2022	4,218	0.44
GBP	2,876,000	*BG Energy Capital 6.5% 30/11/2072	2,886	0.30	GBP	2,150,000	Bank of Scotland 9.375% 15/05/2021	2,707	0.28
GBP	3,534,000	Experian Finance 3.5% 15/10/2021	3,809	0.40	GBP	6,413,000	*Barclays 2.375% 06/10/2023	6,451	0.67
GBP	1,278,000	Experian Finance 4.75% 23/11/2018	1,328	0.14	GBP	1,000,000	FCE Bank 2.625% 20/11/2018	1,015	0.11
GBP	1,357,000	Mitchells & Butlers Finance 5.965% 15/12/2023	512	0.05	GBP	2,250,000	FCE Bank 2.727% 03/06/2022	2,327	0.24
GBP	3,267,000	*Prudential 11.375% 29/05/2039	3,765	0.39	GBP	5,050,000	FCE Bank 2.759% 13/11/2019	5,192	0.54
USD	8,000,000	*Reckitt Benckiser FRN 24/06/2022	6,062	0.63	GBP	7,934,000	Imperial Brands Finance 7.75% 24/06/2019	8,769	0.92
GBP	582,000	Southern Water Services Finance 6.125% 31/03/2019	623	0.07	GBP	8,582,000	Imperial Tobacco Finance 9% 17/02/2022	11,137	1.16
GBP	2,678,000	Western Power Distribution East Midlands 5.25% 17/01/2023	3,126	0.33	GBP	1,350,000	InterContinental Hotels 3.875% 28/11/2022	1,480	0.15
GBP	3,014,000	Western Power Distribution South Wales 9.25% 09/11/2020	3,723	0.39	GBP	5,385,000	*Lloyds Bank 5.75% 09/07/2025	5,895	0.62
		BBB+ 11.61% (11.00%)			EUR	3,115,000	*NGG Finance 4.25% 18/06/2076	2,985	0.31
GBP	13,453,000	BAT International Finance 1.75% 05/07/2021	13,588	1.42	GBP	1,700,000	Porterbrook Rail Finance 6.5% 20/10/2020	1,940	0.20
GBP	2,750,000	BAT International Finance 6% 29/06/2022	3,272	0.34	GBP	3,767,000	Sky 2.875% 24/11/2020	3,941	0.41
GBP	2,500,000	British Telecommunications 8.625% 26/03/2020	2,937	0.31	GBP	3,273,000	Tate & Lyle International Finance 6.75% 25/11/2019	3,643	0.38
GBP	2,700,000	Centrica 6.375% 10/03/2022	3,242	0.34	GBP	1,225,000	*Wales & West Utilities Finance 6.75% 17/12/2036	1,290	0.13
GBP	1,112,000	Centrica 7% 19/09/2018	1,169	0.12	GBP	2,679,000	Baa2 0.31% (0.00%) Co-Operative Bank United Kingdom 4.75% 11/11/2021	2,939	0.31
GBP	2,953,000	*Direct Line Insurance 9.25% 27/04/2042	3,792	0.40					

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 13.95% (12.73%) (continued)									
USD	3,980,000	*Discovery Communications FRN 20/09/2019	3,030	0.32			Sell EUR 71,235,000		
USD	1,340,000	*Hartford Financial Services 8.125% 15/06/2038	1,048	0.11			Buy GBP 65,949,648 Lloyds	3,189	0.33
USD	11,720,000	Kinder Morgan 3.15% 15/01/2023	8,930	0.93			Sell USD 1,000,000		
USD	1,571,000	Kinder Morgan Energy Partners 5% 15/02/2021	1,272	0.13			Buy GBP 735,325 Lloyds	(21)	–
CAD	15,200,000	Molson Coors Brewing 2.75% 18/09/2020	9,042	0.94			Sell EUR 1,000,000		
USD	6,365,000	Plains All American Pipeline 3.65% 01/06/2022	4,859	0.51			Buy GBP 892,705 Citigroup	12	–
USD	2,600,000	Plains All American Pipeline 5% 01/02/2021	2,083	0.22			Sell GBP 961,671		
USD	556,000	Plains All American Pipeline 6.5% 01/05/2018	429	0.04			Buy USD 1,300,000 Citigroup	21	–
							Sell GBP 1,206,970		
							Buy USD 1,590,000 Citigroup	(5)	–
							Sell GBP 11,391,272		
							Buy USD 15,000,000 Citigroup	(51)	(0.01)
							Total Derivatives	6,524	0.68
							Total value of investments	930,798	97.12
							Net other assets (4.90%)	27,555	2.88
							Net assets	958,353	100.00
USD	1,575,000	Continental Resources 5% 15/09/2022	1,208	0.13					
EUR	4,000,000	Equinix 2.875% 01/10/2025	3,609	0.38					
EUR	3,225,000	Quintiles IMS 3.25% 15/03/2025	2,936	0.31					
		BB+ 0.82% (0.46%)							
		BB 0.00% (0.35%)							
		Total United States of America	133,733	13.95					

April 2017 comparatives in brackets.
*Variable rate bonds.

DERIVATIVES 0.68% (1.06%)

	Holding	Investment	Value £000	% of Net Asset Value
Futures and Options 0.02% (0.00%)				
EUR	(235)	UBS EURO-Bobl Future Expiring December 2017	(43)	–
USD	(414)	UBS US 5 Year Note Future Expiring December 2017	233	0.02

Forward Foreign Exchange Contracts 0.66% (1.06%)

		Sell GBP 98,384		
		Buy CAD 164,000 Citigroup	(2)	–
		Sell GBP 137,644		
		Buy CAD 229,000 Citigroup	(3)	–
		Sell GBP 10,148		
		Buy EUR 11,386 J.P. Morgan	–	–
		Sell GBP 10,398		
		Buy EUR 11,667 J.P. Morgan	–	–
		Sell GBP 3,248,539		
		Buy EUR 3,600,000 Citigroup	(77)	(0.01)
		Sell GBP 499,929		
		Buy EUR 560,000 Citigroup	(6)	–
		Sell USD 1,900,000		
		Buy GBP 1,441,257 Citigroup	5	–
		Sell EUR 2,000,000		
		Buy GBP 1,787,094 Lloyds	25	–
		Sell CAD 200,000		
		Buy GBP 121,203 Citigroup	4	–
		Sell USD 18,800,000		
		Buy GBP 14,208,249 Lloyds	(5)	–
		Sell CAD 32,146,000		
		Buy GBP 19,809,734 Citigroup	890	0.10
		Sell EUR 470,000		
		Buy GBP 417,881 Lloyds	4	–
		Sell USD 75,822,175		
		Buy GBP 58,497,046 Lloyds	1,176	0.12
		Sell USD 75,822,175		
		Buy GBP 58,499,240 Citigroup	1,178	0.13

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	731,471	78.59
Floating rate notes	192,803	20.71
Derivatives	6,524	0.70
Total value of investments	930,798	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring December 2017	(27,257)
UBS US 5 Year Note Future Expiring December 2017	(36,705)
Total net exposure	(63,962)
Total Purchases and Sales	
<i>for the accounting period 1 May 2017 to 31 October 2017</i>	
	2017
	£000
Total purchases for the period	411,336
Total sales for the period	273,155

Threadneedle UK Fixed Interest Fund

Portfolio Statement

as at 31 October 2017

	Value	% of		Value	% of
Holding	Investment	£000	Net Asset	Value	Value
CANADA 1.81% (1.73%)					
AAA 0.99% (0.92%)					
GBP	4,550,000	Export Development Canada 0.875% 07/12/2021	4,536	0.99	
Aaa 0.82% (0.81%)					
GBP	3,750,000	Royal Bank of Canada 1.125% 22/12/2021	3,748	0.82	
Total Canada			8,284	1.81	
FINLAND 0.92% (0.91%)					
AA+ 0.92% (0.91%)					
GBP	4,190,000	Municipality Finance 1.25% 07/03/2019	4,219	0.92	
Total Finland			4,219	0.92	
GERMANY 1.88% (1.86%)					
AAA 1.88% (1.86%)					
GBP	4,300,000	FMS Wertmanagement 1.25% 08/03/2019	4,334	0.94	
GBP	4,235,000	KFW 1.375% 01/02/2021	4,303	0.94	
Total Germany			8,637	1.88	
SUPRANATIONAL 1.04% (1.03%)					
Aaa 1.04% (1.03%)					
GBP	2,295,000	European Investment Bank 0.625% 17/01/2020	2,292	0.50	
GBP	2,600,000	European Investment Bank 1% 21/09/2026	2,488	0.54	
Total Supranational			4,780	1.04	
UNITED KINGDOM 92.90% (93.09%)					
Aa1u 0.00% (85.57%)					
AA 2.02% (2.03%)					
GBP	1,775,000	LCR Finance 4.5% 07/12/2028	2,267	0.49	
GBP	4,500,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	4,969	1.08	
GBP	2,010,000	Transport for London 2.125% 24/04/2025	2,083	0.45	
Aa2u 81.14% (0.00%)					
GBP	16,499,000	United Kingdom Gilt 0.5% 22/07/2022	16,288	3.55	
GBP	11,081,000	United Kingdom Gilt 1.25% 22/07/2018	11,145	2.43	
GBP	29,606,000	United Kingdom Gilt 1.5% 22/07/2047	26,927	5.87	
GBP	51,959,000	United Kingdom Gilt 1.75% 22/07/2019	53,112	11.57	
GBP	50,482,000	United Kingdom Gilt 1.75% 07/09/2037	49,242	10.73	
GBP	4,784,000	United Kingdom Gilt 1.75% 22/07/2057	4,778	1.04	
GBP	10,555,000	United Kingdom Gilt 2% 22/07/2020	10,973	2.39	
GBP	2,946,000	United Kingdom Gilt 2% 07/09/2025	3,141	0.68	
GBP	15,998,000	United Kingdom Gilt 2.5% 22/07/2065	20,153	4.39	
GBP	12,498,000	United Kingdom Gilt 2.75% 07/09/2024	13,935	3.04	
GBP	13,265,000	United Kingdom Gilt 3.25% 22/01/2044	16,822	3.67	
GBP	13,393,000	United Kingdom Gilt 3.5% 22/01/2045	17,812	3.88	
GBP	14,026,000	United Kingdom Gilt 3.75% 07/09/2021	15,695	3.42	
GBP	6,121,000	United Kingdom Gilt 3.75% 22/07/2052	9,163	2.00	
GBP	2,887,000	United Kingdom Gilt 4% 22/01/2060	4,846	1.06	
GBP	10,348,000	United Kingdom Gilt 4.25% 07/12/2027	13,194	2.88	
GBP	8,000,000	United Kingdom Gilt 4.25% 07/06/2032	10,673	2.33	
GBP	5,952,000	United Kingdom Gilt 4.25% 07/12/2040	8,551	1.86	
GBP	3,104,000	United Kingdom Gilt 4.25% 07/12/2046	4,718	1.03	
GBP	12,315,000	United Kingdom Gilt 4.25% 07/12/2055	20,782	4.53	
GBP	29,300,000	United Kingdom Gilt 4.75% 07/12/2030	40,337	8.79	
Not Rated 9.74% (5.49%)					
GBP	20,718,000	United Kingdom Gilt 0.75% 22/07/2023	20,518	4.47	
GBP	24,427,000	United Kingdom Gilt 1.25% 22/07/2027	24,164	5.27	
Total United Kingdom			426,288	92.90	
Total value of investments			452,208	98.55	
Net other assets (1.38%)			6,667	1.45	
Net assets			458,875	100.00	

April 2017 comparatives in brackets.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017
	£000
Total purchases for the period	559,824
Total sales for the period	559,869

Threadneedle UK Index Linked Fund

Portfolio Statement

as at 31 October 2017

	Value £000	% of Net Asset Value	Total Purchases and Sales for the accounting period 1 May 2017 to 31 October 2017	2017 £000
FIXED INTEREST 99.88% (99.68%)				
Aa1u 0.00% (97.83%)			Total purchases for the period	28,518
			Total sales for the period	54,100
AA 3.47% (1.15%)				
GBP 500,000 Network Rail Infrastructure Finance 1.375% 22/11/2037	1,079	1.61		
GBP 510,000 Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	1,243	1.86		
Aa2u 96.41% (0.00%)				
GBP 2,940,000 United Kingdom Gilt 0.5% 22/07/2022	2,902	4.34		
GBP 515,000 United Kingdom Gilt 4.25% 07/12/2055	869	1.30		
GBP 2,800,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2019	3,260	4.88		
GBP 1,432,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2026	1,781	2.66		
GBP 4,228,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2029	5,971	8.93		
GBP 514,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2044	884	1.32		
GBP 2,008,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2046	3,338	4.99		
GBP 715,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2056	1,371	2.05		
GBP 1,188,667 United Kingdom Index-Linked Gilt 0.125% 22/03/2058	2,423	3.62		
GBP 1,358,468 United Kingdom Index-Linked Gilt 0.125% 22/03/2068	3,423	5.12		
GBP 1,695,000 United Kingdom Index-Linked Gilt 0.25% 22/03/2052	3,419	5.11		
GBP 1,334,000 United Kingdom Index-Linked Gilt 0.375% 22/03/2062	3,417	5.11		
GBP 1,246,000 United Kingdom Index-Linked Gilt 0.5% 22/03/2050	2,918	4.36		
GBP 1,840,000 United Kingdom Index-Linked Gilt 0.625% 22/03/2040	3,667	5.49		
GBP 1,605,000 United Kingdom Index-Linked Gilt 0.75% 22/11/2047	3,907	5.84		
GBP 2,626,000 United Kingdom Index-Linked Gilt 1.125% 22/11/2037	5,793	8.66		
GBP 1,458,000 United Kingdom Index-Linked Gilt 1.25% 22/11/2032	2,740	4.10		
GBP 62,000 United Kingdom Index-Linked Gilt 1.25% 22/11/2055	213	0.32		
GBP 5,303,000 United Kingdom Index-Linked Gilt 1.875% 22/11/2022	8,620	12.89		
GBP 1,547,000 United Kingdom Index-Linked Gilt 8% 22/11/2065	3,555	5.32		
Not Rated 0.00% (0.70%)				
Total Fixed Interest	66,793	99.88		
Total value of investments	66,793	99.88		
Net other assets (0.32%)	78	0.12		
Net assets	66,871	100.00		

April 2017 comparatives in brackets.

Threadneedle Pan European Focus Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 0.94% (1.04%)				NETHERLANDS 11.11% (5.91%)			
	Pharmaceuticals & Biotechnology 0.94% (0.00%)				Personal Goods 1.80% (0.00%)		
10,000	Galapagos	735	0.94	32,360	Unilever (EUR)	1,411	1.80
	Technology Hardware & Equipment 0.00% (1.04%)				Media 4.28% (3.47%)		
	Total Belgium	735	0.94	197,096	RELX (EUR)	3,349	4.28
DENMARK 8.80% (2.00%)					Technology Hardware & Equipment 5.03% (2.44%)		
	Alternative Energy 3.96% (2.00%)			28,984	ASML	3,934	5.03
46,228	Vestas Wind Systems	3,096	3.96		Total Netherlands	8,694	11.11
	Pharmaceuticals & Biotechnology 4.84% (0.00%)			NORWAY 1.80% (0.89%)			
100,695	Novo Nordisk	3,787	4.84		Banks 1.80% (0.89%)		
	Total Denmark	6,883	8.80	96,453	DnB NOR Bank	1,405	1.80
FINLAND 1.96% (3.88%)					Total Norway	1,405	1.80
	Nonlife Insurance 1.96% (3.88%)			REPUBLIC OF IRELAND 4.48% (5.35%)			
38,484	Sampo	1,533	1.96		Travel & Leisure 4.48% (5.35%)		
	Total Finland	1,533	1.96	15,000	Ryanair Holdings (Dublin Listing)	223	0.28
FRANCE 18.24% (12.90%)				221,000	Ryanair Holdings (London Listing)	3,283	4.20
	Electronic & Electrical Equipment 4.96% (3.51%)				Total Republic of Ireland	3,506	4.48
69,566	Legrand	3,876	4.96	SPAIN 4.60% (2.08%)			
	Support Services 3.35% (0.00%)				Support Services 0.00% (1.06%)		
134,280	Elis	2,619	3.35		Mobile Telecommunications 4.60% (1.02%)		
	Personal Goods 4.92% (5.01%)			190,956	Cellnex Telecom	3,600	4.60
22,857	L'Oreal	3,850	4.92		Total Spain	3,600	4.60
	Banks 0.00% (1.89%)			SWEDEN 12.91% (6.34%)			
	Software & Computer Services 5.01% (2.49%)				Industrial Engineering 4.96% (1.64%)		
49,388	Dassault Systems	3,922	5.01	257,999	Volvo	3,877	4.96
	Total France	14,267	18.24		Banks 3.85% (4.70%)		
GERMANY 9.06% (21.38%)				172,002	Nordea Bank	1,579	2.02
	Chemicals 0.00% (6.69%)			132,041	Svenska Handelsbanken	1,430	1.83
	Health Care Equipment & Services 0.00% (4.41%)				Software & Computer Services 4.10% (0.00%)		
	Pharmaceuticals & Biotechnology 0.00% (1.13%)			83,113	Hexagon	3,211	4.10
	Mobile Telecommunications 4.03% (4.71%)				Total Sweden	10,097	12.91
228,637	Deutsche Telekom	3,150	4.03	SWITZERLAND 4.81% (5.28%)			
	Software & Computer Services 5.03% (4.44%)				Construction & Materials 4.81% (5.28%)		
45,771	SAP	3,935	5.03	680	Sika	3,760	4.81
	Total Germany	7,085	9.06		Total Switzerland	3,760	4.81
ITALY 13.36% (10.24%)				UNITED KINGDOM 7.78% (18.88%)			
	Electronic & Electrical Equipment 5.06% (1.08%)				Household Goods & Home Construction 0.77% (3.76%)		
152,177	Prysmian	3,955	5.06	8,785	Reckitt Benckiser Group	597	0.77
	Beverages 4.41% (2.16%)				Personal Goods 3.05% (2.95%)		
573,725	Davide Campari-Milano	3,448	4.41	56,093	Unilever	2,388	3.05
	Personal Goods 0.00% (2.09%)				Media 1.14% (1.14%)		
	Mobile Telecommunications 3.89% (4.91%)			51,467	RELX	892	1.14
596,833	Infrastructure Wireless Italia	3,045	3.89		Travel & Leisure 0.00% (2.95%)		
	Total Italy	10,448	13.36		Banks 0.00% (1.00%)		
					Life Insurance 1.40% (7.08%)		
				59,415	Prudential	1,093	1.40

Threadneedle Pan European Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 7.78% (18.88%) (continued)			
Financial Services 1.42% (0.00%)			
116,033	3i Group	1,113	1.42
	Total United Kingdom	6,083	7.78
Total value of investments		78,096	99.85
Net other assets (3.83%)		121	0.15
Net assets		78,217	100.00

April 2017 comparatives in brackets.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	50,306	56,866
Total sales for the period	48,450	66,387

Threadneedle Pan European Equity Dividend Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 8.71% (8.56%)				NETHERLANDS 14.13% (14.23%)			
	Industrial Transportation 2.16% (2.17%)				Chemicals 1.73% (1.50%)		
97,500	bpost	2,075	2.16	24,156	Akzo Nobel	1,669	1.73
	Beverages 4.58% (4.18%)				Personal Goods 5.01% (4.91%)		
47,894	Anheuser-Busch InBev	4,411	4.58	110,432	Unilever	4,816	5.01
	Banks 1.97% (2.21%)				Food & Drug Retailers 0.00% (2.03%)		
30,165	KBC Groep	1,894	1.97		Media 7.39% (5.79%)		
	Total Belgium	8,380	8.71	292,570	RELX	4,971	5.17
				58,014	Wolters Kluwer	2,141	2.22
					Total Netherlands	13,597	14.13
DENMARK 3.56% (2.80%)				NORWAY 1.95% (1.75%)			
	Nonlife Insurance 3.56% (2.80%)				Banks 1.95% (1.75%)		
190,287	Tryg	3,423	3.56	128,659	DnB NOR Bank	1,874	1.95
	Total Denmark	3,423	3.56		Total Norway	1,874	1.95
FINLAND 6.21% (5.31%)				REPUBLIC OF IRELAND 1.57% (0.00%)			
	Industrial Engineering 2.21% (1.47%)				Construction & Materials 1.57% (0.00%)		
51,799	Kone	2,126	2.21	53,289	CRH	1,514	1.57
	Nonlife Insurance 4.00% (3.84%)				Total Republic of Ireland	1,514	1.57
96,705	Sampo	3,853	4.00				
	Total Finland	5,979	6.21				
FRANCE 3.60% (1.78%)				SWEDEN 8.75% (9.53%)			
	Beverages 2.15% (0.00%)				Industrial Engineering 2.45% (2.32%)		
18,218	Pernod Ricard	2,068	2.15	78,546	Atlas Copco 'B' Shares	2,355	2.45
	Banks 1.45% (1.78%)				Banks 6.30% (7.21%)		
23,692	BNP Paribas	1,392	1.45	315,516	Nordea Bank	2,896	3.01
	Total France	3,460	3.60	292,706	Svenska Handelsbanken	3,171	3.29
					Total Sweden	8,422	8.75
GERMANY 8.69% (8.54%)				SWITZERLAND 8.85% (10.90%)			
	Chemicals 4.10% (3.91%)				Chemicals 1.55% (2.79%)		
25,664	BASF	2,112	2.20	882	Givaudan	1,492	1.55
42,720	Brenntag	1,829	1.90		Personal Goods 1.92% (1.89%)		
	Automobiles & Parts 1.57% (1.54%)			26,378	Cie Financiere Richemont	1,845	1.92
7,879	Continental	1,510	1.57		Pharmaceuticals & Biotechnology 5.38% (6.22%)		
	Mobile Telecommunications 3.02% (3.09%)			35,611	Novartis	2,221	2.31
211,044	Deutsche Telekom	2,907	3.02	16,911	Roche	2,954	3.07
	Total Germany	8,358	8.69		Total Switzerland	8,512	8.85
ITALY 7.67% (7.84%)				UNITED KINGDOM 21.13% (23.96%)			
	Food & Drug Retailers 2.54% (3.08%)				Oil & Gas Producers 2.21% (2.23%)		
126,453	MARR	2,445	2.54	90,152	Royal Dutch Shell A Shares	2,128	2.21
	Mobile Telecommunications 1.90% (1.73%)				General Industrials 2.37% (2.01%)		
358,541	Infrastructure Wireless Italia	1,829	1.90	438,786	DS Smith	2,280	2.37
	Gas, Water & Multiutilities 3.23% (3.03%)				Support Services 0.00% (1.22%)		
806,578	Snam Rete Gas	3,105	3.23		Beverages 2.15% (2.60%)		
	Total Italy	7,379	7.67	80,281	Diageo	2,072	2.15
JERSEY 2.10% (1.69%)					Tobacco 5.56% (5.98%)		
	Media 2.10% (1.69%)			78,025	British American Tobacco	3,807	3.96
289,191	UBM	2,017	2.10	49,284	Imperial Brands	1,537	1.60
	Total Jersey	2,017	2.10				

Threadneedle Pan European Equity Dividend Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 21.13% (23.96%) (continued)			
Pharmaceuticals & Biotechnology 5.01% (5.78%)			
37,132	AstraZeneca	1,876	1.95
215,727	GlaxoSmithKline	2,941	3.06
Fixed Line Telecommunications 1.19% (1.49%)			
436,829	BT Group	1,147	1.19
Life Insurance 2.64% (2.65%)			
953,449	Legal & General Group	2,534	2.64
Total United Kingdom		20,322	21.13
UNITED STATES OF AMERICA 2.02% (1.99%)			
Automobiles & Parts 2.02% (1.99%)			
20,718	Autoliv (SDR)	1,941	2.02
Total United States of America		1,941	2.02
Total value of investments		95,178	98.94
Net other assets (1.12%)		1,016	1.06
Net assets		96,194	100.00

April 2017 comparatives in brackets.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	13,636	24,237
Total sales for the period	8,094	25,030

Threadneedle American Extended Alpha Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
SINGAPORE 0.71% (1.55%)				Software & Computer Services 15.84% (14.25%)			
Technology Hardware & Equipment 0.71% (1.55%)				2,509	Adobe Systems	334	0.19
6,320	Broadcom	1,249	0.71	15,039	Alphabet Class A	11,747	6.67
Total Singapore 1,249 0.71				15,978	Facebook	2,174	1.23
UNITED STATES OF AMERICA 93.93% (89.69%)				179,095	Microsoft	11,358	6.45
Oil & Gas Producers 5.34% (4.45%)				34,191	Nutanix	731	0.41
95,747	Phillips 66	6,592	3.74	132,822	Snap	1,577	0.89
36,665	RSP Permian	929	0.53	Technology Hardware & Equipment 13.73% (12.89%)			
228,373	WPX Energy	1,888	1.07	66,029	Analog Devices	4,560	2.59
Chemicals 3.03% (2.68%)				86,829	Apple	10,951	6.22
98,321	Dowdupont	5,331	3.03	33,318	Commscope Holding	807	0.46
Aerospace & Defence 1.49% (3.53%)				44,173	Lam Research	6,890	3.91
11,275	Lockheed Martin	2,633	1.49	23,464	Qualcomm	970	0.55
Electronic & Electrical Equipment 0.89% (0.00%)				Total United States of America 165,489 93.93			
51,577	Macom Technology Solutions	1,562	0.89	DERIVATIVES -0.12% (0.34%)			
Industrial Transportation 3.29% (2.97%)				Forward Foreign Exchange Contracts -0.02% (0.01%)			
57,749	Norfolk Southern	5,800	3.29	Sell USD 3,726,061			
Beverages 0.00% (1.65%)				Buy EUR 3,154,939 J.P. Morgan (36) (0.02)			
Household Goods & Home Construction 0.00% (1.55%)				Sell EUR 237,089			
Personal Goods 0.00% (1.01%)				Buy USD 276,190 J.P. Morgan - -			
Health Care Equipment & Services 9.44% (7.90%)				Sell EUR 3,199			
43,420	Cigna	6,495	3.69	Buy USD 3,725 J.P. Morgan - -			
28,689	Edwards Lifesciences	2,205	1.25	Portfolio Swap -0.10% (0.33%)			
50,021	UnitedHealth Group	7,923	4.50	Merrill Lynch Portfolio Swap (178) (0.10)			
Pharmaceuticals & Biotechnology 4.49% (2.91%)				Total Derivatives (214) (0.12)			
13,657	Alexion Pharmaceuticals	1,320	0.75	Total value of investments 166,524 94.52			
67,081	Biomarin Pharmaceutical	4,160	2.36	Net other assets (8.42%) 9,648 5.48			
22,066	Celgene	1,685	0.96	Net assets 176,172 100.00			
8,545	Tesaro	741	0.42	<i>April 2017 comparatives in brackets.</i>			
General Retailers 6.42% (9.52%)				Total Purchases and Sales			
8,706	Amazon.com	7,310	4.15	<i>for the accounting period 1 May 2017 to 31 October 2017</i>			
33,028	Costco Wholesale	4,003	2.27	2017 2016			
Travel & Leisure 1.19% (0.00%)				£000 £000			
3,941	Expedia	359	0.20	Total purchases for the period 32,287 122,736			
41,952	Starbucks	1,751	0.99	Total sales for the period 47,171 140,261			
Banks 9.34% (6.17%)							
390,820	Bank of America	8,157	4.63				
108,184	JPMorgan Chase	8,297	4.71				
Nonlife Insurance 6.81% (6.08%)							
84,440	Berkshire Hathaway	11,998	6.81				
Life Insurance 3.37% (2.96%)							
11,957	Brighthouse Financial	565	0.32				
131,535	Metlife	5,368	3.05				
Financial Services 9.26% (9.17%)							
55,425	MasterCard Class A	6,244	3.54				
121,014	Visa 'A' Shares	10,074	5.72				

Threadneedle US Equity Income Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 8.85% (8.51%)				HEALTH CARE 12.05% (7.87%)			
Oil & Gas Producers 7.90% (8.07%)				Health Care Equipment & Services 1.62% (0.00%)			
24,758	Chevron	2,143	2.05	27,879	Medtronic	1,698	1.62
27,078	Exxon Mobil	1,711	1.63	Pharmaceuticals & Biotechnology 10.43% (7.87%)			
22,700	Hess	942	0.90	21,220	AbbVie	1,460	1.39
28,070	Occidental Petroleum	1,379	1.32	2,500	Allergan	1,224	1.17
49,615	Suncor Energy (USD)	1,271	1.21	23,539	Bristol-Myrs Squibb	1,083	1.03
13,917	Valero Energy	825	0.79	25,863	Johnson & Johnson	2,738	2.62
Oil Equipment, Services & Distribution 0.50% (0.00%)				43,554	Merck & Co	1,802	1.72
12,904	Helmerich & Payne	525	0.50	98,484	Pfizer	2,617	2.50
Alternative Energy 0.45% (0.44%)				Total Health Care			
27,123	Pattern Energy Group	469	0.45			12,622	12.05
Total Oil & Gas				CONSUMER SERVICES 7.29% (6.72%)			
		9,265	8.85	General Retailers 0.75% (1.31%)			
BASIC MATERIALS 5.37% (5.06%)				6,488	Costco Wholesale	786	0.75
Chemicals 2.03% (2.35%)				Travel & Leisure 6.54% (5.41%)			
39,088	Dowdupont	2,119	2.03	37,369	Cinemark Holdings	1,022	0.98
Forestry & Paper 2.01% (1.29%)				125,505	Extended Stay America	1,879	1.79
48,710	International Paper	2,107	2.01	18,326	McDonald's	2,304	2.20
Industrial Metals & Mining 1.33% (1.42%)				35,023	Six Flags Entertainment	1,642	1.57
31,457	Nucor	1,392	1.33	Total Consumer Services			
Total Basic Materials						7,633	7.29
		5,618	5.37	TELECOMMUNICATIONS 1.22% (2.39%)			
INDUSTRIALS 7.45% (8.87%)				Fixed Line Telecommunications 1.22% (2.39%)			
Construction & Materials 1.47% (1.25%)				28,405	AT&T	721	0.69
12,292	Watsco	1,536	1.47	15,442	Verizon Communications	559	0.53
Aerospace & Defence 1.47% (2.29%)				Total Telecommunications			
6,589	Lockheed Martin	1,539	1.47			1,280	1.22
General Industrials 2.06% (3.23%)				UTILITIES 6.84% (6.46%)			
36,045	Eaton	2,161	2.06	Electricity 5.29% (5.31%)			
Industrial Engineering 1.46% (2.10%)				25,178	Edison International	1,516	1.45
14,782	Caterpillar	1,526	1.46	14,805	FPL Group	1,739	1.66
Industrial Transportation 0.99% (0.00%)				24,288	Westar Energy	982	0.94
11,619	United Parcel Service	1,038	0.99	34,927	Xcel Energy	1,302	1.24
Total Industrials				Gas, Water & Multiutilities 1.55% (1.15%)			
		7,800	7.45	81,541	Nisource	1,619	1.55
CONSUMER GOODS 9.95% (11.51%)				Total Utilities			
Food Producers 1.84% (1.80%)						7,158	6.84
24,419	General Mills	936	0.90	FINANCIALS 20.22% (20.63%)			
24,255	Pinnacle Foods	985	0.94	Banks 9.23% (8.90%)			
Household Goods & Home Construction 1.61% (1.65%)				40,022	BankUnited	1,072	1.02
25,808	Procter & Gamble	1,684	1.61	57,942	BB&T	2,152	2.06
Leisure Goods 1.26% (1.04%)				29,680	Citizens Finance Group	855	0.82
18,320	Hasbro	1,323	1.26	31,091	JPMorgan Chase	2,384	2.28
Personal Goods 1.28% (2.68%)				23,825	Pacwest Bancorp	870	0.83
44,523	Coach	1,344	1.28	22,407	PNC Financials	2,325	2.22
Tobacco 3.96% (4.34%)				Nonlife Insurance 1.60% (1.47%)			
46,210	Altria Group	2,239	2.14	14,523	Chubb	1,680	1.60
24,033	Philip Morris International	1,904	1.82	Life Insurance 1.76% (1.54%)			
Total Consumer Goods				45,072	Metlife	1,840	1.76
		10,415	9.95	Real Estate Investment Trusts 5.96% (6.43%)			
				11,640	Alexandria Real Estate Equities	1,071	1.02
				12,399	Crown Castle International	995	0.95
				25,117	CyrusOne	1,173	1.12

Threadneedle US Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 20.22% (20.63%) (continued)			
48,567	Outfront Media	865	0.83
22,755	Prologis REIT	1,103	1.05
46,318	Rayonier	1,038	0.99
Financial Services 1.67% (2.29%)			
17,029	CME Group	1,753	1.67
Total Financials		21,176	20.22
TECHNOLOGY 19.59% (19.87%)			
Software & Computer Services 5.24% (5.16%)			
25,718	Leidos	1,205	1.15
67,494	Microsoft	4,280	4.09
Technology Hardware & Equipment 14.35% (14.71%)			
19,376	Analog Devices	1,338	1.28
41,737	Apple	5,264	5.03
129,251	Cisco Systems	3,326	3.18
74,025	Cypress Semiconductor	913	0.87
29,608	Maxim Integrated Products	1,173	1.12
15,570	Qualcomm	644	0.61
13,422	Texas Instruments	975	0.93
25,188	Xilinx	1,392	1.33
Total Technology		20,510	19.59
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
Sell USD 13,056			
Buy CHF 12,906 J.P. Morgan		–	–
Sell USD 14,439			
Buy CHF 14,273 J.P. Morgan		–	–
Sell USD 15,685			
Buy EUR 13,281 J.P. Morgan		–	–
Sell USD 15,767			
Buy EUR 13,350 J.P. Morgan		–	–
Sell USD 15,792			
Buy EUR 13,372 J.P. Morgan		–	–
Sell USD 17,952			
Buy EUR 15,200 J.P. Morgan		(1)	–
Total Derivatives		(1)	–
Total value of investments		103,476	98.83
Net other assets (2.11%)		1,226	1.17
Net assets		104,702	100.00

April 2017 comparatives in brackets.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	28,016	113,358
Total sales for the period	44,108	23,555

Threadneedle China Opportunities Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BERMUDA 0.65% (0.90%)				Industrial Engineering 0.91% (0.00%)			
1,446,000	Oil Equipment, Services & Distribution 0.65% (0.00%) Sinopec Kantons Holdings	708	0.65	224,200	Zhuzhou CRRC Times Electric	993	0.91
	Gas, Water & Multiutilities 0.00% (0.90%)			Automobiles & Parts 0.00% (0.64%)			
	Total Bermuda	708	0.65	Pharmaceuticals & Biotechnology 0.00% (1.08%)			
CAYMAN ISLANDS 43.06% (40.57%)				General Retailers 1.30% (1.55%)			
	Construction & Materials 0.44% (0.83%)			22,757	New Oriental Education & Technology Group ADR	1,425	1.30
940,000	China Resources Cement Holdings	480	0.44	Banks 18.96% (16.71%)			
	Electronic & Electrical Equipment 1.96% (1.04%)			13,289,000	Bank of China	5,013	4.58
48,500	AAC Technologies Holdings	672	0.61	12,342,000	China Construction Bank	8,331	7.60
133,000	Sunny Optical Technology Group	1,473	1.35	1,054,500	China Merchants Bank	3,042	2.78
	Automobiles & Parts 1.79% (0.53%)			7,300,000	Industrial & Commercial Bank of China	4,382	4.00
299,000	Geely Automobile Holdings	700	0.64	Life Insurance 5.02% (6.76%)			
310,000	Minth Group	1,264	1.15	456,000	China Life Insurance	1,141	1.04
	Food Producers 1.11% (0.00%)			656,500	Ping An Insurance Group	4,361	3.98
582,000	China Mengniu Dairy	1,219	1.11	Real Estate Investment & Services 1.10% (0.00%)			
	Personal Goods 1.27% (1.08%)			446,300	China Vanke	1,201	1.10
253,000	Anta Sports Products	855	0.78	Total China			
752,000	Regina Miracle International	538	0.49			32,981	30.11
	Pharmaceuticals & Biotechnology 1.29% (0.74%)			HONG KONG 14.42% (15.86%)			
7,630	China Biologic Products	450	0.41	Oil & Gas Producers 2.49% (2.85%)			
226,000	Wuxi Biologics Cayman	968	0.88	2,650,000	CNOOC	2,724	2.49
	General Retailers 11.89% (12.80%)			Automobiles & Parts 1.47% (1.05%)			
76,547	Alibaba Group ADR	10,520	9.61	842,000	Brilliance China Automotive	1,610	1.47
88,312	JD.com ADR	2,499	2.28	Personal Goods 1.13% (0.00%)			
	Travel & Leisure 2.45% (2.61%)			1,872,500	Li-Ning	1,237	1.13
56,187	Ctrip.Com International ADS	1,998	1.82	Pharmaceuticals & Biotechnology 1.96% (2.26%)			
194,400	Sands China	693	0.63	1,630,000	CSPC Pharmaceutical Group	2,144	1.96
	Real Estate Investment & Services 1.00% (2.00%)			Mobile Telecommunications 3.21% (5.04%)			
484,000	China Resources Land	1,091	1.00	463,500	China Mobile	3,520	3.21
	Financial Services 0.11% (0.00%)			Gas, Water & Multiutilities 0.00% (0.51%)			
6,923	Qudian ADR	116	0.11	Life Insurance 2.44% (2.49%)			
	Software & Computer Services 19.75% (18.94%)			469,800	AIA Group	2,675	2.44
33,617	Baidu ADR	6,011	5.49	Real Estate Investment & Services 1.72% (1.66%)			
21,151	Baozun	500	0.46	770,000	China Overseas Land & Investment	1,889	1.72
1,756,000	Kingdee International Software Group	712	0.65	Total Hong Kong			
10,585	Netease	2,213	2.02			15,799	14.42
13,756	Sina	1,097	1.00	LUXEMBOURG 8.68% (7.53%)			
308,700	Tencent Holdings	10,472	9.56	Industrial Metals & Mining 1.16% (0.66%)			
9,161	Weibo ADR	623	0.57	1,459,611	JP Morgan Structured Notes Warrant (Baoshan Iron & Steel) 28/04/2020	1,277	1.16
	Total Cayman Islands	47,164	43.06	Construction & Materials 0.51% (0.54%)			
CHINA 30.11% (33.60%)				187,810	JP Morgan Structured Notes Warrant (Anhui Conch Cement) 12/04/2021	560	0.51
	Oil & Gas Producers 1.62% (5.13%)			Electronic & Electrical Equipment 0.71% (1.67%)			
3,198,000	China Petroleum & Chemical	1,777	1.62	173,320	JP Morgan Structured Notes Warrant (Hangzhou Hikvision Digital Technology) 16/04/2020	777	0.71
	Mining 0.85% (0.76%)						
513,500	China Shenhua Energy	928	0.85				
	Construction & Materials 0.35% (0.97%)						
119,500	Anhui Conch Cement	387	0.35				

Threadneedle China Opportunities Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 8.68% (7.53%) (continued)			
Beverages 2.96% (2.10%)			
22,125	JP Morgan Structured Note Warrant (Kweichow Moutai) 10/07/2020	1,563	1.43
220,650	Jp Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	1,677	1.53
Food Producers 1.21% (0.74%)			
391,851	JP Morgan Structured Notes Warrant (Inner Mongolia) 24/10/2019	1,321	1.21
Life Insurance 2.13% (1.82%)			
318,307	JP Morgan Structured Notes Warrant (Ping An of China) 12/04/2021	2,337	2.13
	Total Luxembourg	9,512	8.68
UNITED STATES OF AMERICA 1.96% (0.84%)			
Pharmaceuticals & Biotechnology 0.00% (0.84%)			
Travel & Leisure 1.96% (0.00%)			
70,015	Yum China Holdings	2,141	1.96
	Total United States of America	2,141	1.96
Total value of investments		108,305	98.88
Net other assets (0.70%)		1,228	1.12
Net assets		109,533	100.00

April 2017 comparatives in brackets.

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	34,019	19,856
Total sales for the period	28,308	31,621

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

as at 31 October 2017

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
ARGENTINA 1.03% (0.50%)							
	Oil & Gas Producers 1.03% (0.50%)						
211,623	YPF	3,914	1.03				
	Total Argentina	3,914	1.03				
AUSTRIA 0.75% (0.00%)							
	Banks 0.75% (0.00%)						
87,442	Erste Group Bank	2,856	0.75				
	Total Austria	2,856	0.75				
BRAZIL 9.39% (7.64%)							
	Oil & Gas Producers 1.83% (0.95%)						
898,797	Petroleo Brasileiro ADR	6,962	1.83				
	Mining 0.00% (0.64%)						
	General Industrials 1.07% (0.87%)						
928,600	Klabin	4,078	1.07				
	Industrial Transportation 0.93% (0.89%)						
843,100	CCR	3,512	0.93				
	Automobiles & Parts 1.36% (0.54%)						
986,600	Iochpe-Maxion	5,168	1.36				
	Food Producers 0.54% (0.25%)						
201,440	BRF ADR	2,037	0.54				
	Personal Goods 0.91% (1.35%)						
833,237	Alpargatas	3,455	0.91				
	General Retailers 0.80% (0.00%)						
633,100	B2W Digital	3,042	0.80				
	Fixed Line Telecommunications 0.69% (1.76%)						
226,278	Telefonica Brasil ADR	2,624	0.69				
	Mobile Telecommunications 0.00% (0.16%)						
	Electricity 0.37% (0.23%)						
293,200	Transmissora Alianca de Energia Eletrica	1,386	0.37				
	Real Estate Investment & Services 0.89% (0.00%)						
838,500	Cyrela Brazil Realty	2,494	0.66				
98,400	Iguatemi Empresa de Shopping Centers	883	0.23				
	Total Brazil	35,641	9.39				
BRITISH VIRGIN ISLANDS 0.68% (0.00%)							
	Travel & Leisure 0.28% (0.00%)						
47,576	Despegar.Com	1,077	0.28				
	Software & Computer Services 0.40% (0.00%)						
60,731	Mail.Ru Group GDR	1,500	0.40				
	Total British Virgin Islands	2,577	0.68				
CAYMAN ISLANDS 13.98% (9.61%)							
	Electronic & Electrical Equipment 0.00% (0.30%)						
	Automobiles & Parts 0.74% (0.00%)						
1,889,000	Nexteer Automotive Group	2,796	0.74				
	Pharmaceuticals & Biotechnology 0.71% (0.00%)						
625,500	Wuxi Biologics Cayman	2,678	0.71				
	General Retailers 4.59% (3.50%)						
126,667	Alibaba Group ADR	17,408	4.59				
	Travel & Leisure 0.35% (0.00%)						
37,896	Ctrip.Com International ADS	1,348	0.35				
	Software & Computer Services 7.59% (5.81%)						
27,075	Baidu ADR	4,841	1.27				
7,856	Netease	1,643	0.43				
41,276	Sea ADR	441	0.12				
645,900	Tencent Holdings	21,912	5.77				
	Total Cayman Islands	53,067	13.98				
CHINA 0.48% (0.34%)							
	Life Insurance 0.48% (0.34%)						
272,000	Ping An Insurance Group	1,807	0.48				
	Total China	1,807	0.48				
COLOMBIA 0.84% (1.14%)							
	Banks 0.84% (1.14%)						
110,214	Bancolombia ADR	3,171	0.84				
	Total Colombia	3,171	0.84				
CZECH REPUBLIC 2.23% (2.25%)							
	Banks 2.23% (2.25%)						
258,404	Komerční Banka	8,459	2.23				
	Total Czech Republic	8,459	2.23				
HONG KONG 3.02% (4.64%)							
	Oil & Gas Producers 1.13% (1.90%)						
4,192,000	CNOOC	4,309	1.13				
	Personal Goods 0.65% (0.56%)						
333,000	Hengan International Group	2,477	0.65				
	Mobile Telecommunications 1.24% (2.18%)						
617,500	China Mobile	4,689	1.24				
	Total Hong Kong	11,475	3.02				
INDIA 9.46% (12.66%)							
	Oil & Gas Producers 1.70% (0.00%)						
584,942	Reliance Industries	6,450	1.70				
	Construction & Materials 1.63% (3.06%)						
82,370	Asian Paints	1,136	0.30				
182,936	Larsen & Toubro	2,613	0.69				
47,450	Ultratech Cement	2,436	0.64				
	Industrial Engineering 0.80% (1.13%)						
8,088	Eicher Motors	3,043	0.80				
	Industrial Transportation 0.93% (0.80%)						
702,004	Adani Ports And Special Economic Zone	3,533	0.93				
	Automobiles & Parts 0.53% (0.52%)						
44,500	Hero Honda	2,001	0.53				

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
INDIA 9.46% (12.66%) (continued)				Mobile Telecommunications 0.30% (0.65%)			
	Personal Goods 0.00% (1.84%)			87,466	America Movil ADR	1,124	0.30
	Health Care Equipment & Services 0.64% (0.87%)			Banks 0.21% (1.68%)			
202,057	Apollo Hospitals Enterprise	2,443	0.64	173,039	Grupo Financiero Banorte	785	0.21
	General Retailers 0.55% (0.00%)			Total Mexico			
344,821	Future Retail	2,090	0.55			22,240	5.86
	Media 0.00% (1.46%)			NETHERLANDS 2.09% (1.11%)			
	Banks 2.25% (2.51%)			918,481	DP Eurasia	2,080	0.55
65,841	HDFC Bank ADR	4,517	1.19	Travel & Leisure 0.55% (0.00%)			
587,457	ICICI Bank ADR	4,017	1.06	233,618	Yandex	5,851	1.54
	Software & Computer Services 0.43% (0.47%)			Total Netherlands			
143,089	Infosys ADR	1,612	0.43			7,931	2.09
	Total India	35,891	9.46	PHILIPPINES 0.72% (0.28%)			
				9,485,300	Metro Pacific Investments	945	0.25
INDONESIA 1.26% (4.37%)				Gas, Water & Multiutilities 0.25% (0.28%)			
	Automobiles & Parts 0.00% (1.02%)			1,401,830	Metropolitan Bank & Trust	1,778	0.47
	Food Producers 0.00% (0.88%)			Total Philippines			
	General Retailers 0.00% (0.57%)					2,723	0.72
	Fixed Line Telecommunications 0.73% (0.90%)			POLAND 3.20% (3.65%)			
12,284,100	Telekomunikasi Indonesia	2,761	0.73	323,531	Dino Polska	4,604	1.21
	Banks 0.53% (1.00%)			Food & Drug Retailers 1.21% (0.64%)			
2,330,500	Bank Rakyat Indonesia	2,028	0.53	37,356	Bank Pekao	919	0.24
	Total Indonesia	4,789	1.26	Banks 0.24% (2.21%)			
				684,613	PZU	6,641	1.75
ITALY 0.44% (0.00%)				Nonlife Insurance 1.75% (0.80%)			
	Personal Goods 0.44% (0.00%)			Total Poland			
644,700	Prada	1,682	0.44			12,164	3.20
	Total Italy	1,682	0.44	RUSSIA 5.20% (6.32%)			
				415,824	MMC Norilsk Nickel	5,878	1.55
LUXEMBOURG 1.18% (1.05%)				Industrial Metals & Mining 1.55% (0.00%)			
	Household Goods & Home Construction 1.18% (1.05%)			92,191	Polyus GDR	2,848	0.75
1,429,500	Samsonite International	4,499	1.18	Mining 0.75% (0.86%)			
	Total Luxembourg	4,499	1.18	40,599	Magnit GDR	906	0.24
				32,694	X5 Retail Group	1,036	0.27
MEXICO 5.86% (8.69%)				Food & Drug Retailers 0.51% (1.61%)			
	Industrial Metals & Mining 0.53% (0.00%)			909,800	Aeroflot	2,125	0.56
818,200	Grupo Mexico	2,008	0.53	Travel & Leisure 0.56% (0.70%)			
	Construction & Materials 1.89% (3.55%)			Mobile Telecommunications 0.00% (0.60%)			
4,097,198	Cemex	2,506	0.66	Banks 1.83% (1.76%)			
627,441	Cemex ADR	3,816	1.01	633,595	Sberbank of Russia	6,928	1.83
115,905	Promotora y Operadora de Infraestructura	839	0.22	Financial Services 0.00% (0.79%)			
	Beverages 0.77% (0.30%)			Total Russia			
439,000	Fomento Economico Mexicano	2,942	0.77			19,721	5.20
	Food Producers 1.01% (1.08%)			SOUTH AFRICA 8.47% (6.61%)			
375,775	Gruma	3,839	1.01	Chemicals 0.49% (0.00%)			
	General Retailers 1.15% (1.43%)			66,778	Sasol	1,458	0.39
2,605,901	Wal-Mart de Mexico	4,381	1.15	18,097	Sasol ADR	395	0.10

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
SOUTH AFRICA 8.47% (6.61%) (continued)				Technology Hardware & Equipment 5.03% (3.46%)			
	Mining 1.82% (2.09%)			389,000	MediaTek	3,342	0.88
239,934	Anglo Platinum	5,141	1.36	75,289	Taiwan Semiconductor Manufacturing	459	0.12
22,319	AngloGold Ashanti	158	0.04	479,537	Taiwan Semiconductor Manufacturing ADR	15,280	4.03
572,729	Northam Platinum	1,608	0.42		Total Taiwan	34,629	9.12
	Industrial Transportation 0.70% (0.00%)			THAILAND 3.79% (3.40%)			
245,705	Imperial Holdings	2,667	0.70		Oil & Gas Producers 0.50% (0.50%)		
	Food Producers 0.50% (0.00%)			195,700	PTT	1,872	0.50
362,253	AVI	1,907	0.50		Mobile Telecommunications 0.71% (0.00%)		
	Pharmaceuticals & Biotechnology 0.00% (0.89%)			611,400	Advanced Info Service	2,701	0.71
	General Retailers 0.88% (0.00%)				Banks 1.05% (0.50%)		
356,657	Mr Price Group	3,334	0.88	799,600	Kasikornbank	3,988	1.05
	Media 2.74% (2.88%)				Real Estate Investment & Services 1.53% (2.40%)		
56,302	Naspers	10,409	2.74	1,196,700	Central Pattana REIT	2,166	0.57
	Banks 0.93% (0.29%)			14,812,200	Land & Houses	3,643	0.96
401,552	Standard Bank	3,519	0.93		Total Thailand	14,370	3.79
	Life Insurance 0.41% (0.46%)			TURKEY 0.72% (2.33%)			
201,297	Discovery	1,565	0.41		Automobiles & Parts 0.50% (0.57%)		
	Total South Africa	32,161	8.47	311,296	Tofas Turk Otomobil Fabrikasi	1,888	0.50
SOUTH KOREA 9.90% (9.83%)					Household Goods & Home Construction 0.00% (0.71%)		
	Electronic & Electrical Equipment 1.18% (0.87%)				Banks 0.22% (1.05%)		
32,079	Samsung SDI	4,462	1.18	425,150	Akbank	837	0.22
	Leisure Goods 6.71% (5.46%)				Total Turkey	2,725	0.72
13,694	Samsung Electronics	25,465	6.71	UNITED STATES OF AMERICA 0.00% (0.82%)			
	Food & Drug Retailers 0.00% (0.52%)				Pharmaceuticals & Biotechnology 0.00% (0.82%)		
	General Retailers 0.58% (0.43%)				Total United States of America	-	-
14,567	E-Mart	2,193	0.58	Total value of investments			
	Mobile Telecommunications 0.00% (0.36%)					356,057	93.81
	Electricity 0.00% (0.50%)			Net other assets (4.21%)			
	Life Insurance 0.00% (0.89%)					23,488	6.19
	Software & Computer Services 1.43% (0.80%)			Net assets			
9,031	NAVER	5,445	1.43			379,545	100.00
	Total South Korea	37,565	9.90	<i>April 2017 comparatives in brackets.</i>			
TAIWAN 9.12% (8.55%)				Total Purchases and Sales			
	Electronic & Electrical Equipment 1.20% (1.20%)			<i>for the accounting period 1 May 2017 to 31 October 2017</i>			
1,629,000	Hon Hai Precision Industry	4,576	1.20			2017	2016
	Food & Drug Retailers 1.24% (1.35%)					£000	£000
690,000	President Chain Store	4,690	1.24	Total purchases for the period		170,746	150,077
	Mobile Telecommunications 0.00% (0.80%)			Total sales for the period		153,154	140,194
	Banks 0.74% (0.74%)						
6,110,274	E.Sun Financial	2,812	0.74				
	Life Insurance 0.91% (1.00%)						
2,778,000	Cathay Financial Holdings	3,470	0.91				

Threadneedle Emerging Market Local Fund

Portfolio Statement

as at 31 October 2017

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value	
ARGENTINA 2.08% (0.51%)					HUNGARY 3.47% (3.57%)					
B 0.00% (0.51%)					BBB- 3.47% (3.57%)					
USD	1,070,000	B+ 2.08% (0.00%) Provincia de Cordoba 7.45% 01/09/2024	888	1.08	HUF	225,240,000	Hungary Government Bond 5.5% 24/06/2025	788	0.96	
ARS	20,553,780	YPF Sociedad Anonima 16.5% 09/05/2022	824	1.00	HUF	479,360,000	Hungary Government Bond 6% 24/11/2023	1,716	2.09	
Total Argentina				1,712	2.08	HUF	49,540,000	Hungary Government Bond 7% 24/06/2022	177	0.21
BELARUS 0.75% (0.00%)					HUNGARY 3.47% (3.57%)					
B 0.75% (0.00%)					BBB- 3.47% (3.57%)					
USD	770,000	Republic of Belarus 6.875% 28/02/2023	620	0.75	HUF	51,390,000	Hungary Government Bond 7.5% 12/11/2020	175	0.21	
Total Belarus				620	0.75	Total Hungary				
BRAZIL 15.59% (17.73%)					INDONESIA 10.25% (8.48%)					
BB 15.59% (13.58%)					Baa3 7.08% (4.82%)					
BRL	19,688	Brazil Government International Bond 10% 01/01/2023	4,786	5.82	IDR	24,152,000,000	Indonesia Government International Bond 5.625% 15/05/2023	1,288	1.56	
BRL	17,353	Brazil Government International Bond 10% 01/01/2025	4,209	5.11	IDR	29,996,000,000	Indonesia Government International Bond 6.625% 15/05/2033	1,549	1.88	
BRL	15,845	Brazil Government International Bond 10% 01/01/2027	3,834	4.66	IDR	27,600,000,000	Indonesia Government International Bond 7% 15/05/2027	1,561	1.90	
Total Brazil				12,829	15.59	IDR	14,200,000,000	Indonesia Government International Bond 9% 15/03/2029	896	1.09
COLOMBIA 5.46% (6.51%)					INDONESIA 10.25% (8.48%)					
BBB 2.46% (3.01%)					Baa3 7.08% (4.82%)					
COP	797,000,000	Colombia Government International Bond 7.75% 14/04/2021	213	0.26	IDR	8,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	533	0.65	
COP	5,769,000,000	Colombia Government International Bond 9.85% 28/06/2027	1,808	2.20	IDR	34,257,000,000	Indonesia Government International Bond 8.375% 15/09/2026	2,094	2.55	
Total Colombia				4,493	5.46	IDR	8,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031	512	0.62
CROATIA 1.59% (1.83%)					INDONESIA 10.25% (8.48%)					
BB 1.59% (1.83%)					Not Rated 3.17% (3.66%)					
USD	1,600,000	Croatia Government International Bond 6.75% 05/11/2019	1,305	1.59	IDR	34,257,000,000	Indonesia Government International Bond 8.375% 15/09/2026	2,094	2.55	
Total Croatia				1,305	1.59	IDR	8,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031	512	0.62
DOMINICAN REPUBLIC 4.07% (0.59%)					MALAYSIA 2.50% (2.80%)					
Not Rated 4.07% (0.59%)					A3 2.50% (2.80%)					
DOP	26,270,000	Dominican Republic International Bond 11% 05/01/2018	415	0.51	MYR	6,253,000	Malaysian Government Bond 3.84% 15/04/2033	1,034	1.26	
DOP	25,900,000	Dominican Republic International Bond 14% 08/06/2018	423	0.51	MYR	5,601,000	Malaysian Government Bond 4.392% 15/04/2026	1,021	1.24	
DOP	130,700,000	Dominican Republic International Bond 15.95% 04/06/2021	2,510	3.05	Total Malaysia					
Total Dominican Republic				3,348	4.07	2,055				
EGYPT 4.87% (0.00%)					MEXICO 3.99% (5.83%)					
Not Rated 4.87% (0.00%)					A 3.55% (5.33%)					
EGP	45,000,000	Egypt Treasury Bill 0% 12/06/2018	1,733	2.11	MXN	37,767,700	Mexican Bonos 7.5% 03/06/2027	1,513	1.84	
EGP	36,000,000	Egypt Treasury Bill 0% 24/07/2018	1,365	1.66	MXN	2,044,100	Mexican Bonos 7.75% 29/05/2031	83	0.10	
EGP	24,000,000	Egypt Treasury Bill 0% 07/08/2018	905	1.10	MXN	29,003,900	Mexican Bonos 10% 05/12/2024	1,324	1.61	
Total Egypt				4,003	4.87	Total Mexico				
PERU 5.32% (3.93%)					A3 0.44% (0.50%)					
A- 3.55% (3.93%)					A3 0.44% (0.50%)					
PEN	10,300,000	Peruvian Government International Bond 8.2% 12/08/2026	2,922	3.55	MXN	10,000,000	Mexican Bonos 5.75% 05/03/2026	359	0.44	
Total Peru				4,379	5.32	3,279				

Threadneedle Emerging Market Local Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
PHILIPPINES 0.26% (0.30%)					TURKEY 6.39% (4.31%)					
		BBB- 0.26% (0.30%)					Not Rated 6.39% (4.31%)			
PHP	14,000,000	Philippine Government International Bond 4.95% 15/01/2021	211	0.26	TRY	10,314,707	Turkey Government Bond 8.5% 14/09/2022	1,817	2.21	
		Total Philippines	211	0.26	TRY	8,268,476	Turkey Government Bond 9.4% 08/07/2020	1,545	1.88	
REPUBLIC OF IRELAND 0.31% (0.36%)						TRY	644,929	Turkey Government Bond 10.4% 27/03/2019	125	0.15
		BBB- 0.31% (0.36%)			TRY	6,240,000	Turkey Government Bond 10.6% 11/02/2026	1,190	1.45	
RUB	19,500,000	Russian Railways via RZD Capital 8.3% 02/04/2019	254	0.31	TRY	3,000,000	Turkey Government Bond 11% 24/02/2027	581	0.70	
		Total Republic of Ireland	254	0.31			Total Turkey	5,258	6.39	
ROMANIA 0.00% (2.53%)							UKRAINE 0.78% (0.00%)			
		Not Rated 0.00% (2.53%)					B- 0.78% (0.00%)			
		Total Romania	-	-	USD	800,000	Ukraine Government 7.75% 01/09/2020	645	0.78	
RUSSIA 13.35% (12.87%)							Total Ukraine	645	0.78	
		BBB- 6.93% (7.56%)			URUGUAY 1.82% (0.00%)					
RUB	34,000	Russian Federal Bond 7% 25/01/2023	-	-			BBB 1.05% (0.00%)			
RUB	150,210,000	Russian Federal Bond 7% 16/08/2023	1,920	2.33	UYU	13,000,000	Uruguay Government International Bond 4.25% 05/04/2027	864	1.05	
RUB	224,527,000	Russian Federal Bond 7.05% 19/01/2028	2,830	3.44			Not Rated 0.77% (0.00%)			
RUB	8,848,000	Russian Federal Bond 7.6% 14/04/2021	116	0.14	UYU	24,478,000	Uruguay Government International Bond 8.5% 15/03/2028	634	0.77	
RUB	61,993,000	Russian Federal Bond 8.15% 03/02/2027	842	1.02			Total Uruguay	1,498	1.82	
		Not Rated 6.42% (5.31%)			DERIVATIVES -0.85% (0.63%)					
RUB	150,000,000	Russian Federal Bond 7.5% 18/08/2021	1,955	2.38			Credit Default Swaps 0.02% (0.00%)			
RUB	66,000,000	Russian Federal Bond 7.7% 23/03/2033	859	1.04	USD	(6,000,000)	J.P. Morgan UTD Mexican Credit Default Swap Buy Protection 20/12/2022 Spread 100	19	0.02	
RUB	175,457,000	Russian Federal Bond 8.5% 17/09/2031	2,464	3.00			Interest Rate Swaps -0.26% (-0.16%)			
		Total Russia	10,986	13.35	HUF	1,600,000,000	HSBC Interest Rate Swap Receive HUF Babor Pay 1.45% 11/01/2022	(151)	(0.18)	
SERBIA 0.00% (0.92%)										
		Not Rated 0.00% (0.92%)			MXN	135,000,000	HSBC Interest Rate Swap Receive MXN 7.7% Pay Tite 4W 15/06/2022	(48)	(0.06)	
		Total Serbia	-	-	PLN	17,000,000	HSBC Interest Rate Swap Receive PLN 2.29% Pay Wibor 6M 20/09/2026	(172)	(0.21)	
SOUTH AFRICA 6.92% (8.68%)										
		Baa2 0.00% (5.92%)			BRL	36,649,071	J.P. Morgan Interest Rate Swap Receive BRL Brlcdi 1D Pay .89% 04/01/2021	78	0.09	
		BBB- 6.92% (2.76%)			COP	21,000,000,000	J.P. Morgan Interest Rate Swap Receive COP Ibr 1D Pay .36% 22/06/2022	(15)	(0.02)	
ZAR	1,801,941	South Africa Government Bond 6.25% 31/03/2036	67	0.08	CZK	41,500,000	UBS Interest Rate Swap Receive CZK Pribor Pay 1.04% 20/05/2025	63	0.08	
ZAR	33,802,420	South Africa Government Bond 6.5% 28/02/2041 R214	1,238	1.51	ZAR	15,600,000	UBS Interest Rate Swap Receive ZAR 8.8% Pay Jibar-Safex 03/06/2026	32	0.04	
ZAR	10,714,786	South Africa Government Bond 7.75% 28/02/2023	560	0.68	Forward Foreign Exchange Contracts -0.61% (0.79%)					
ZAR	15,675,932	South Africa Government Bond 8% 31/01/2030	744	0.90			Sell USD 2,376,791			
ZAR	14,096,413	South Africa Government Bond 8.25% 31/03/2032	665	0.81			Buy CLP 1,487,989,826 HSBC	(33)	(0.04)	
ZAR	12,919,734	South Africa Government Bond 8.5% 31/01/2037	602	0.73			Sell USD 8,371,697			
ZAR	31,256,203	South Africa Government Bond 10.5% 21/12/2026	1,818	2.21			Buy CNY 57,848,425 Citigroup	220	0.27	
		Total South Africa	5,694	6.92			Sell USD 2,317,252			
SUPRANATIONAL 1.62% (1.88%)							Buy COP 6,874,129,423 Goldman Sachs	(35)	(0.04)	
		BB- 1.62% (1.88%)								
USD	1,700,000	Republic of Serbia 5.875% 03/12/2018	1,330	1.62						
		Total Supranational	1,330	1.62						

Threadneedle Global Extended Alpha Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	% of		Holding	Investment	% of		
		Value £000	Net Asset Value			Value £000	Net Asset Value	
BELGIUM 1.87% (1.95%)				Software & Computer Services 0.31% (0.00%)				
	Beverages 1.87% (1.95%)			76,755	Matrimony.Com	791	0.31	
51,594	Anheuser-Busch InBev	4,752	1.87	Total India				
	Total Belgium	4,752	1.87			6,414	2.53	
BERMUDA 1.09% (1.77%)				INDONESIA 1.39% (2.35%)				
	Financial Services 1.09% (1.77%)			4,053,600	Bank Rakyat Indonesia	3,527	1.39	
86,377	Ihs Markit	2,774	1.09	Total Indonesia				
	Total Bermuda	2,774	1.09			3,527	1.39	
BRAZIL 0.00% (0.75%)				JAPAN 5.55% (4.56%)				
	General Retailers 0.00% (0.75%)				Industrial Engineering 2.32% (1.40%)			
	Total Brazil			214,100	Kubota	3,030	1.19	
				106,500	Yaskawa Electric	2,868	1.13	
CANADA 1.46% (1.51%)					Automobiles & Parts 1.33% (1.51%)			
	Oil & Gas Producers 1.46% (1.51%)			93,900	Bridgestone	3,377	1.33	
144,358	Suncor Energy (USD)	3,697	1.46	Household Goods & Home Construction 1.35% (1.20%)				
	Total Canada	3,697	1.46	224,800	Sekisui Chemical	3,414	1.35	
CAYMAN ISLANDS 1.25% (3.60%)					Leisure Goods 0.55% (0.45%)			
	General Retailers 1.25% (1.75%)			4,800	Nintendo	1,403	0.55	
23,116	Alibaba Group ADR	3,177	1.25	Total Japan				
	Software & Computer Services 0.00% (1.85%)					14,092	5.55	
	Total Cayman Islands	3,177	1.25	JERSEY 0.81% (1.19%)				
CHINA 3.47% (3.27%)					Support Services 0.81% (1.19%)			
	Pharmaceuticals & Biotechnology 1.26% (1.33%)			38,936	Ferguson	2,050	0.81	
948,400	Sinopharm Group	3,205	1.26	Total Jersey				
	Life Insurance 2.21% (1.94%)					2,050	0.81	
844,000	Ping An Insurance Group	5,607	2.21	NETHERLANDS 1.46% (1.24%)				
	Total China	8,812	3.47		Media 1.46% (1.24%)			
DENMARK 0.96% (0.91%)					218,247	RELX (EUR)	3,708	1.46
	Pharmaceuticals & Biotechnology 0.96% (0.91%)			Total Netherlands				
65,021	Novo Nordisk	2,445	0.96			3,708	1.46	
	Total Denmark	2,445	0.96	REPUBLIC OF IRELAND 3.23% (3.03%)				
GERMANY 1.00% (1.11%)					Construction & Materials 1.81% (1.36%)			
	Chemicals 0.00% (0.14%)			161,804	CRH (Dublin Listing)	4,600	1.81	
	Mobile Telecommunications 1.00% (0.97%)			Support Services 1.04% (1.13%)				
184,140	Deutsche Telekom	2,537	1.00	82,809	Johnson Controls International	2,640	1.04	
	Total Germany	2,537	1.00	Pharmaceuticals & Biotechnology 0.38% (0.54%)				
HONG KONG 2.24% (1.62%)					25,982	Alkermes	961	0.38
	Life Insurance 2.24% (1.62%)			Total Republic of Ireland				
1,000,600	AIA Group	5,696	2.24			8,201	3.23	
	Total Hong Kong	5,696	2.24	SINGAPORE 1.05% (1.11%)				
INDIA 2.53% (2.01%)					Technology Hardware & Equipment 1.05% (1.11%)			
	Media 0.56% (0.52%)			13,494	Broadcom	2,667	1.05	
109,000	Info Edge India	1,427	0.56	Total Singapore				
	Banks 1.66% (1.49%)					2,667	1.05	
198,386	HDFC Bank	4,196	1.66	SPAIN 0.38% (0.41%)				
INDONESIA 1.39% (2.35%)					General Retailers 0.38% (0.41%)			
	Software & Computer Services 0.31% (0.00%)			33,797	Inditex	961	0.38	
	Matrimony.Com			Total Spain				
						961	0.38	
JAPAN 5.55% (4.56%)				SWITZERLAND 3.54% (4.18%)				
	Industrial Engineering 2.32% (1.40%)				Electronic & Electrical Equipment 1.37% (1.46%)			
	Automobiles & Parts 1.33% (1.51%)			51,210	TE Connectivity	3,467	1.37	
	Household Goods & Home Construction 1.35% (1.20%)			Total Switzerland				
	Leisure Goods 0.55% (0.45%)					3,467	1.37	

Threadneedle Global Equity Income Fund

Portfolio Statement

as at 31 October 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 4.52% (5.97%)				FRANCE 1.60% (0.00%)			
	Construction & Materials 1.10% (1.00%)				Banks 1.60% (0.00%)		
4,629,643	Dulux Group	19,714	1.10	489,247	BNP Paribas	28,742	1.60
	General Industrials 1.16% (1.14%)				Total France	28,742	1.60
2,281,694	Amcor	20,873	1.16				
	Industrial Transportation 1.24% (1.42%)			GERMANY 5.49% (6.62%)			
5,422,038	Sydney Airport	22,335	1.24		Chemicals 1.05% (1.34%)		
	Life Insurance 0.00% (1.00%)			685,418	Evonik Industries	18,827	1.05
	Real Estate Investment Trusts 1.02% (1.41%)				Automobiles & Parts 0.00% (0.80%)		
3,808,284	Goodman Group	18,401	1.02		Media 1.09% (1.61%)		
	Total Australia	81,323	4.52	386,883	Axel Springer	19,714	1.09
					Mobile Telecommunications 3.35% (2.87%)		
AUSTRIA 0.49% (0.00%)							
	Banks 0.49% (0.00%)			3,677,750	Deutsche Telekom	50,663	2.82
271,388	Erste Group Bank	8,865	0.49	180,084	Drillisch	9,561	0.53
	Total Austria	8,865	0.49		Total Germany	98,765	5.49
BRAZIL 1.79% (2.25%)				HONG KONG 1.85% (2.97%)			
	Beverages 1.17% (1.15%)				Fixed Line Telecommunications 1.38% (1.46%)		
4,376,127	Ambev	21,166	1.17	26,832,000	HKT Trust & HKT	24,773	1.38
	General Retailers 0.62% (1.10%)				Banks 0.47% (1.51%)		
2,671,800	Kroton Educacional	11,104	0.62	2,382,000	BOC Hong Kong Holdings	8,582	0.47
	Total Brazil	32,270	1.79		Total Hong Kong	33,355	1.85
CANADA 5.55% (3.02%)				INDONESIA 1.47% (0.00%)			
	Oil & Gas Producers 0.74% (0.68%)				Fixed Line Telecommunications 1.47% (0.00%)		
523,800	Suncor Energy CAD	13,386	0.74	117,787,000	Telekomunikasi Indonesia	26,476	1.47
	Oil Equipment, Services & Distribution 1.42% (1.41%)				Total Indonesia	26,476	1.47
711,600	TransCanada	25,589	1.42				
	Chemicals 1.05% (0.93%)			ISLE OF MAN 0.97% (0.55%)			
230,156	Agrium	18,865	1.05		Travel & Leisure 0.97% (0.55%)		
	Life Insurance 2.34% (0.00%)			1,866,304	GVC Holdings	17,394	0.97
2,751,000	Manulife Financial	42,019	2.34		Total Isle of Man	17,394	0.97
	Total Canada	99,859	5.55				
				JAPAN 4.88% (3.72%)			
CAYMAN ISLANDS 0.09% (0.00%)					Automobiles & Parts 1.19% (1.64%)		
	Personal Goods 0.09% (0.00%)			593,700	Bridgestone	21,353	1.19
468,000	Anta Sports Products	1,582	0.09		Real Estate Investment Trusts 0.54% (0.56%)		
	Total Cayman Islands	1,582	0.09	19,366	Japan Hotel Investment REIT	9,695	0.54
					Financial Services 2.19% (1.52%)		
DENMARK 0.00% (0.88%)							
	Pharmaceuticals & Biotechnology 0.00% (0.88%)			8,385,000	Daiwa Securities Group	39,454	2.19
	Total Denmark	-	-		Technology Hardware & Equipment 0.96% (0.00%)		
				130,800	Tokyo Electron	17,209	0.96
					Total Japan	87,711	4.88
FINLAND 1.26% (0.75%)				MEXICO 0.70% (2.20%)			
	Banks 0.00% (0.00%)				Personal Goods 0.00% (1.15%)		
	Nonlife Insurance 1.26% (0.75%)				General Retailers 0.70% (1.05%)		
566,906	Sampo	22,587	1.26	7,461,100	Wal-Mart de Mexico	12,544	0.70
	Total Finland	22,587	1.26		Total Mexico	12,544	0.70

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
NETHERLANDS 3.35% (3.60%)							
	Chemicals 1.08% (1.18%)			4,117,956	Media 0.74% (0.94%)		
242,022	LyondellBasell Industries	19,405	1.08		Moneysupermarket.com Group	13,367	0.74
	Personal Goods 2.27% (2.42%)			7,813,757	Fixed Line Telecommunications 1.14% (0.97%)		
934,775	Unilever (EUR)	40,767	2.27		BT Group	20,515	1.14
	Total Netherlands	60,172	3.35		Gas, Water & Multiutilities 0.00% (0.88%)		
					Banks 0.50% (1.18%)		
SOUTH AFRICA 0.35% (0.41%)				1,220,980	HSBC Holdings	9,001	0.50
	Food & Drug Retailers 0.35% (0.41%)				Life Insurance 1.50% (2.39%)		
700,809	SPAR Group	6,250	0.35	5,029,667	Legal & General Group	13,369	0.75
	Total South Africa	6,250	0.35	1,145,243	St James's Place	13,491	0.75
					UK bond 0.00% (0.73%)		
SPAIN 1.19% (0.84%)				12,044	Threadneedle Sterling Fund	12	–
	Construction & Materials 1.19% (0.84%)				Total United Kingdom	234,340	13.03
1,301,360	Ferrovial	21,393	1.19				
1,301,360	Ferrovial Rights	–	–				
	Total Spain	21,393	1.19				
SWITZERLAND 5.03% (5.48%)					UNITED STATES OF AMERICA 39.29% (41.03%)		
	Chemicals 0.78% (1.28%)			582,951	Oil & Gas Producers 3.07% (2.97%)		
8,253	Givaudan	13,961	0.78	447,603	Occidental Petroleum	28,638	1.59
	Pharmaceuticals & Biotechnology 1.84% (1.94%)			1,444,913	Valero Energy	26,540	1.48
531,208	Novartis	33,135	1.84		Oil Equipment, Services & Distribution 1.51% (1.67%)		
	Banks 2.41% (2.26%)			143,751	Enterprise Products Partners	27,097	1.51
3,368,170	UBS Group	43,449	2.41		Chemicals 0.43% (1.47%)		
	Total Switzerland	90,545	5.03	173,762	Dowdupont	7,794	0.43
					Construction & Materials 1.21% (1.04%)		
TAIWAN 3.08% (3.52%)				1,798,260	Watsco	21,709	1.21
	Technology Hardware & Equipment 3.08% (3.52%)				General Industrials 1.54% (1.70%)		
14,179,141	Advanced Semiconductor Engineering	12,928	0.72	1,798,260	General Electric	27,765	1.54
6,978,000	Taiwan Semiconductor Manufacturing	42,532	2.36		Support Services 1.56% (1.47%)		
	Total Taiwan	55,460	3.08	576,794	Paychex	28,131	1.56
					Automobiles & Parts 1.45% (1.80%)		
THAILAND 1.53% (0.00%)				797,111	General Motors	26,146	1.45
	Beverages 0.54% (0.00%)				Beverages 2.28% (0.00%)		
17,832,300	Thai Beverage	9,656	0.54	1,183,164	Coca-Cola	41,038	2.28
	Banks 0.99% (0.00%)				Personal Goods 0.00% (1.30%)		
5,342,100	Siam Commercial Bank	17,822	0.99		Tobacco 2.92% (4.18%)		
	Total Thailand	27,478	1.53	645,958	Altria Group	31,299	1.74
				266,971	Philip Morris International	21,147	1.18
UNITED KINGDOM 13.03% (15.60%)				130,193	Pharmaceuticals & Biotechnology 4.21% (4.10%)		
	Oil & Gas Producers 2.15% (1.82%)			571,737	AbbVie	8,956	0.50
1,639,466	Royal Dutch Shell A Shares (UK Listing)	38,708	2.15	1,618,904	Merck & Co	23,658	1.32
	Mining 1.31% (1.13%)				Pfizer	43,023	2.39
662,759	Rio Tinto	23,462	1.31		General Retailers 1.43% (1.42%)		
	Aerospace & Defence 0.76% (1.04%)			795,110	L Brands	25,756	1.43
2,320,067	BAE Systems	13,723	0.76		Travel & Leisure 1.60% (3.84%)		
	Tobacco 2.62% (1.84%)			618,948	Las Vegas Sands	28,768	1.60
965,639	British American Tobacco	47,113	2.62		Electricity 2.14% (1.90%)		
	Pharmaceuticals & Biotechnology 2.31% (2.68%)			2,449,113	AES	19,898	1.11
352,809	AstraZeneca	17,820	0.99	428,497	PG&E	18,564	1.03
1,742,516	GlaxoSmithKline	23,759	1.32				

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales for the accounting period 1 May 2017 to 31 October 2017	2017 £000	2016 £000
UNITED STATES OF AMERICA 39.29% (41.03%) (continued)				Total purchases for the period	561,992	510,971
Banks 3.83% (1.92%)				Total sales for the period	634,704	428,936
766,493	Pacwest Bancorp	27,983	1.56			
965,244	Wells Fargo	40,774	2.27			
Real Estate Investment Trusts 0.97% (1.95%)						
1,074,903	Starwood Property Trust	17,458	0.97			
Financial Services 2.38% (2.16%)						
333,270	Apollo Global Management – A	7,916	0.44			
367,026	Blackstone Group	9,174	0.51			
249,168	CME Group	25,654	1.43			
Equity Investment Instruments 1.02% (1.12%)						
1,509,661	Ares Capital	18,421	1.02			
Technology Hardware & Equipment 5.74% (5.02%)						
1,678,145	Cisco Systems	43,188	2.40			
1,513,616	Cypress Semiconductor	18,675	1.04			
706,326	Maxim Integrated Products	27,972	1.55			
326,078	Qualcomm	13,483	0.75			
Total United States of America		706,625	39.29			
DERIVATIVES 0.00% (0.00%)						
Forward Foreign Exchange Contracts 0.00% (0.00%)						
	Sell USD 117					
	Buy AUD 152 J.P. Morgan	–	–			
	Sell USD 600,750					
	Buy AUD 778,735 J.P. Morgan	(4)	–			
	Sell USD 15,566					
	Buy CHF 15,387 J.P. Morgan	–	–			
	Sell USD 15,849					
	Buy CHF 15,667 J.P. Morgan	–	–			
	Sell USD 4,245					
	Buy EUR 3,594 J.P. Morgan	–	–			
	Sell USD 9,642,337					
	Buy SGD 13,116,278 J.P. Morgan	(8)	–			
	Sell USD 108,499					
	Buy SGD 148,500 J.P. Morgan	1	–			
	Sell USD 1,557,559					
	Buy SGD 2,118,716 J.P. Morgan	(1)	–			
	Sell USD 429,230					
	Buy SGD 583,873 J.P. Morgan	(1)	–			
	Sell USD 4,720					
	Buy SGD 6,421 J.P. Morgan	–	–			
	Sell USD 5,327					
	Buy SGD 7,246 J.P. Morgan	–	–			
	Sell SGD 56,612					
	Buy USD 41,556 J.P. Morgan	–	–			
	Sell SGD 12,639					
	Buy USD 9,273 J.P. Morgan	–	–			
Total Derivatives		(13)	–			
Total value of investments		1,753,723	97.51			
Net other assets (0.59%)		44,786	2.49			
Net assets		1,798,509	100.00			

April 2017 comparatives in brackets.

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

as at 31 October 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 1.15% (0.00%)									
		B+ 1.15% (0.00%)							
USD	881,000	Provincia de Cordoba 7.45% 01/09/2024	731	1.15					
		Total Argentina	731	1.15					
AUSTRALIA 2.35% (4.41%)									
		Aaa 0.00% (1.61%)							
		A- 0.92% (0.67%)							
EUR	304,000	SGSP Australia Assets 2% 30/06/2022	287	0.45					
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	299	0.47					
		BBB+ 0.71% (1.59%)							
EUR	200,000	Aurizon Network 2% 18/09/2024	187	0.29					
AUD	180,000	Aurizon Network 4% 21/06/2024	105	0.16					
EUR	150,000	*BHP Billiton Finance 5.625% 22/10/2079	163	0.26					
		BBB 0.18% (0.14%)							
USD	145,000	APT Pipelines 4.25% 15/07/2027	113	0.18					
		BBB- 0.54% (0.40%)							
USD	240,000	Asciano Finance 5% 07/04/2018	184	0.29					
GBP	139,000	Asciano Finance 5% 19/09/2023	156	0.25					
		Total Australia	1,494	2.35					
AUSTRIA 0.38% (0.52%)									
		Baa2 0.38% (0.52%)							
EUR	200,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	241	0.38					
		Total Austria	241	0.38					
BRITISH VIRGIN ISLANDS 0.26% (0.40%)									
		BBB 0.26% (0.40%)							
GBP	150,000	Global Switch Holdings 4.375% 13/12/2022	167	0.26					
		Total British Virgin Islands	167	0.26					
CANADA 1.14% (0.47%)									
		BBB 0.53% (0.19%)							
USD	215,000	Cenovus Energy 3.8% 15/09/2023	166	0.26					
USD	231,000	Cenovus Energy 4.25% 15/04/2027	175	0.27					
		BB- 0.61% (0.28%)							
USD	187,000	Valeant 5.5% 01/11/2025	143	0.22					
USD	110,000	Valeant 6.5% 15/03/2022	88	0.14					
USD	190,000	Valeant 7% 15/03/2024	156	0.25					
		Total Canada	728	1.14					
CAYMAN ISLANDS 0.70% (1.62%)									
		BBB 0.00% (1.01%)							
		BBB- 0.20% (0.00%)							
USD	149,000	Vale Overseas 6.25% 10/08/2026	130	0.20					
		Baa3 0.00% (0.20%)							
		BB- 0.00% (0.41%)							
		B 0.50% (0.00%)							
USD	525,000	Noble Holding International 6.95% 01/04/2045	317	0.50					
		Total Cayman Islands	447	0.70					
CROATIA 0.00% (1.03%)									
		BB 0.00% (1.03%)							
		Total Croatia	-	-					
DOMINICAN REPUBLIC 1.31% (1.44%)									
		BB- 1.31% (1.44%)							
USD	999,000	Dominican Republic International Bond 7.5% 06/05/2021	835	1.31					
		Total Dominican Republic	835	1.31					
EGYPT 1.44% (0.00%)									
		B3 1.44% (0.00%)							
USD	1,095,000	Republic of Egypt 7.5% 31/01/2027	917	1.44					
		Total Egypt	917	1.44					
FRANCE 1.38% (1.02%)									
		BBB 0.55% (0.43%)							
USD	440,000	*Credit Agricole 8.125% 19/09/2033	349	0.55					
		BB 0.29% (0.20%)							
EUR	200,000	SPIE 3.125% 22/03/2024	184	0.29					
		B+ 0.54% (0.39%)							
EUR	375,000	Paprec Holding 5.25% 01/04/2022	344	0.54					
		Total France	877	1.38					
GERMANY 9.01% (12.20%)									
		Aaa 7.54% (11.12%)							
EUR	5,560,000	Bundesrepublik Deutschland 0% 15/08/2026	4,803	7.54					
		A 0.06% (0.04%)							
GBP	34,000	*Munich Re 7.625% 21/06/2028	35	0.06					
		BBB 0.46% (0.00%)							
EUR	220,000	Innogy Finance II 5.75% 14/02/2033	294	0.46					
		BBB- 0.00% (0.32%)							
		BB 0.67% (0.49%)							
GBP	400,000	*RWWE 7% 29/03/2049	426	0.67					
		BB- 0.28% (0.23%)							
EUR	270,000	Unitymedia Hessen 5.125% 21/01/2023	179	0.28					
		Total Germany	5,737	9.01					
HONDURAS 1.59% (0.00%)									
		BB- 1.59% (0.00%)							
USD	1,181,000	Republic of Honduras 7.5% 15/03/2024	1,013	1.59					
		Total Honduras	1,013	1.59					
HUNGARY 0.00% (1.40%)									
		Baa3 0.00% (1.40%)							
		Total Hungary	-	-					

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
ICELAND 0.69% (0.49%)					MEXICO 5.21% (2.33%)				
		BBB+ 0.69% (0.49%)					BBB+ 3.65% (2.33%)		
EUR	485,000	Arion Bank 1.625% 01/12/2021	441	0.69	USD	2,500,000	Petroleos Mexicanos 5.75% 01/03/2018	1,913	3.00
		Total Iceland	441	0.69	USD	498,000	Petroleos Mexicanos 6.5% 13/03/2027	411	0.65
ITALY 0.67% (0.52%)					NETHERLANDS 4.25% (4.06%)				
		BB+ 0.67% (0.32%)					BB 1.56% (0.00%)		
EUR	300,000	*Enel 5% 15/01/2075	288	0.45	USD	1,160,000	Cemex 7.75% 16/04/2026	994	1.56
EUR	156,000	Leonardo 1.5% 07/06/2024	141	0.22			Total Mexico	3,318	5.21
		B3 0.00% (0.20%)			NETHERLANDS 4.25% (4.06%)				
		Total Italy	429	0.67			BBB+ 0.37% (0.80%)		
IVORY COAST 1.44% (1.06%)					GBP	225,000	PostNL 7.5% 14/08/2018	236	0.37
		Ba3 1.44% (1.06%)					BBB 0.46% (0.43%)		
USD	1,200,000	Ivory Coast 5.375% 23/07/2024	917	1.44	EUR	215,000	*Eneco Holding 3.25% 29/12/2049	204	0.32
		Total Ivory Coast	917	1.44	GBP	67,000	Innogy Finance 6.25% 03/06/2030	91	0.14
JAPAN 0.76% (0.54%)							BBB- 0.76% (0.84%)		
		BB+ 0.76% (0.54%)			USD	149,000	Teva Pharmaceutical 1.7% 19/07/2019	110	0.17
EUR	500,000	Softbank Group 4% 30/07/2022	482	0.76	EUR	200,000	*Vonovia Finance 4% 29/12/2049	194	0.30
		Total Japan	482	0.76	EUR	200,000	*Vonovia Finance 4.625% 08/04/2074	186	0.29
JERSEY 1.91% (0.98%)							BB+ 1.20% (1.33%)		
		(P)Ba2 0.40% (0.00%)			GBP	400,000	*Telefonica Europe 6.75% Perpetual	442	0.69
EUR	280,000	LHC Three PIK 4.125% 15/08/2024	254	0.40	EUR	351,000	*Tennet Holding 2.995% 01/06/2024	322	0.51
		B 0.89% (0.47%)					BB- 0.97% (0.31%)		
GBP	130,000	CPUK Finance 4.25% 28/08/2022	133	0.21	USD	398,000	Petrobras Global Finance 7.375% 17/01/2027	335	0.53
GBP	100,000	CPUK Finance 4.875% 28/08/2025	102	0.16	EUR	300,000	Ziggo Secured Finance 3.75% 15/01/2025	278	0.44
EUR	360,000	Mercury Bondco PIK 8.25% 30/05/2021	334	0.52			B 0.49% (0.35%)		
		B- 0.62% (0.51%)			EUR	315,000	LGE HoldCo VI 7.125% 15/05/2024	312	0.49
GBP	395,000	TVL Finance 8.5% 15/05/2023	393	0.62			Total Netherlands	2,710	4.25
		Total Jersey	1,216	1.91	NORWAY 0.26% (0.41%)				
LUXEMBOURG 5.33% (9.52%)							AA- 0.00% (0.21%)		
		BBB+ 0.85% (0.59%)			USD	215,000	*DNB Bank FRN 02/06/2021	166	0.26
EUR	600,000	Grand City Properties 1.5% 17/04/2025	543	0.85			Total Norway	166	0.26
		BBB 0.00% (0.29%)			PORTUGAL 0.66% (0.48%)				
		Baa2 0.63% (0.27%)					Not Rated 0.66% (0.48%)		
EUR	457,000	SELP Finance 1.25% 25/10/2023	403	0.63	EUR	1,700,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	419	0.66
		Ba1 0.00% (0.96%)					Total Portugal	419	0.66
		BB 0.45% (0.41%)			REPUBLIC OF IRELAND 0.89% (1.37%)				
EUR	300,000	Hanesbrands 3.5% 15/06/2024	285	0.45			BBB 0.00% (0.16%)		
		B 3.38% (2.25%)					BB- 0.40% (0.95%)		
EUR	490,000	Altice 6.25% 15/02/2025	476	0.75	EUR	260,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	259	0.40
EUR	400,000	Altice 7.25% 15/05/2022	375	0.59			B2u 0.00% (0.26%)		
EUR	320,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	294	0.46			B- 0.49% (0.00%)		
EUR	513,000	Crystal Almond 10% 01/11/2021	511	0.80	EUR	345,000	Europcar Drive DAC 4.125% 15/11/2024	311	0.49
EUR	620,000	*Matterhorn FRN 01/02/2023	495	0.78			Total Republic of Ireland	570	0.89
		Collective Investment Schemes 0.02% (4.75%)			Total Luxembourg				
USD	409	Threadneedle (Lux) – US High Yield Bond Fund	10	0.02			3,392	5.33	

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value	
RUSSIA 16.31% (14.07%)					A- 0.91% (0.48%)					
Not Rated 16.31% (14.07%)					USD	520,000	*BG Energy Capital 6.5% 30/11/2072 (USD)	394	0.62	
RUB	796,999,000	Russian Federal Bond 7.5% 18/08/2021	10,390	16.31	GBP	185,000	*HSBC Bank 5% 20/03/2023	188	0.29	
Total Russia				10,390	16.31	BBB+ 2.62% (2.82%)				
SENEGAL 1.46% (0.00%)					EUR	224,000	Cadent Finance 0.625% 22/09/2024	194	0.30	
B+ 1.46% (0.00%)					GBP	210,000	Cadent Finance 2.125% 22/09/2028	203	0.32	
USD	1,149,000	Senegal Government International Bond 6.25% 30/07/2024	933	1.46	GBP	100,000	Cadent Finance 2.75% 22/09/2046	94	0.15	
Total Senegal				933	1.46	GBP	175,000	*Legal & General Group 10% 23/07/2041	223	0.35
SPAIN 0.25% (0.10%)					GBP	175,000	Lloyds Banking Group 2.25% 16/10/2024	176	0.28	
BBB- 0.25% (0.00%)					GBP	100,000	Standard Chartered 4.375% 18/01/2038	113	0.18	
EUR	180,000	Nortegas Energia 2.065% 28/09/2027	162	0.25	GBP	156,000	Telereal Securitisation 5.4252% 10/12/2031	166	0.26	
BB 0.00% (0.10%)					GBP	463,000	Western Power Distribution 3.625% 06/11/2023	498	0.78	
Total Spain				162	0.25	Baa1 0.22% (0.16%)				
SWEDEN 2.13% (1.18%)					GBP	139,000	Bupa Finance 2% 05/04/2024	138	0.22	
BBB 1.72% (0.44%)					BBB 0.93% (0.92%)					
EUR	265,000	Akelius 1.75% 07/02/2025	238	0.38	GBP	135,000	Annington Funding 3.935% 12/07/2047	144	0.23	
EUR	530,000	Akelius Residential 1.5% 23/01/2022	483	0.76	USD	563,000	Barclays 4.337% 10/01/2028	444	0.70	
USD	490,000	*Swedish Export 2.88% 14/11/2023	370	0.58	Baa2 0.47% (0.34%)					
BB+ 0.41% (0.74%)					GBP	264,000	Bupa Finance 5% 08/12/2026	302	0.47	
EUR	192,000	Intrum Justitia 2.75% 15/07/2022	173	0.27	BBB- 2.78% (1.89%)					
EUR	100,000	Intrum Justitia 3.125% 15/07/2024	90	0.14	GBP	335,000	Barclays Bank 10% 21/05/2021	424	0.67	
Total Sweden				1,354	2.13	GBP	100,000	*CYBG 4% 22/06/2025	102	0.16
SWITZERLAND 3.34% (3.14%)					EUR	427,000	DS Smith 1.375% 26/07/2024	381	0.60	
A- 0.36% (0.27%)					GBP	125,000	G4S 7.75% 13/05/2019	137	0.21	
USD	300,000	*UBS Group Funding FRN 23/05/2023	231	0.36	EUR	310,000	G4S International Finance 1.5% 09/01/2023	281	0.44	
BBB+ 0.56% (0.77%)					EUR	275,000	G4S International Finance 1.5% 02/06/2024	246	0.39	
EUR	365,000	*UBS 4.75% 12/02/2026	358	0.56	GBP	200,000	GKN Holdings 3.375% 12/05/2032	198	0.31	
BBB 1.58% (1.51%)					Baa3 0.97% (0.67%)					
EUR	1,005,000	*Credit Suisse 5.75% 18/09/2025	1,004	1.58	USD	200,000	*HSBC Holdings 6% 22/05/2162	160	0.25	
BB+ 0.84% (0.59%)					GBP	200,000	*TSB Banking Group 5.75% 06/05/2026	219	0.34	
EUR	248,000	*UBS Group 5.75% 29/12/2049	254	0.40	GBP	215,000	WM Morrison Supermarkets 4.625% 08/12/2023	244	0.38	
USD	325,000	*UBS Group 7% 29/12/2049	281	0.44	BB+ 0.70% (1.33%)					
Total Switzerland				2,128	3.34	GBP	140,000	National Westminster Bank 6.5% 07/09/2021	163	0.26
UNITED KINGDOM 14.75% (19.14%)					GBP	245,000	Tesco Property Finance 5.5% 13/10/2041	283	0.44	
AAA 0.64% (0.51%)					BB 0.47% (0.94%)					
GBP	454,000	*Towd Point Mortgage Funding 2016 FRN 20/04/2045	405	0.64	GBP	150,000	*Barclays Bank 14% 29/11/2049	176	0.28	
Aa1u 0.00% (5.87%)					GBP	113,000	*CYBG 5% 09/02/2026	119	0.19	
AA 0.34% (0.26%)					BB- 0.64% (0.23%)					
GBP	266,000	Telereal Securitisation 4.9741% 10/09/2027	214	0.34	GBP	170,000	*Lloyds Banking Group 7.875% 29/12/2049	205	0.32	
A 0.18% (0.14%)					GBP	200,000	Miller Homes Group Holdings 5.5% 15/10/2024	206	0.32	
GBP	112,000	Greene King Finance 4.0643% 15/03/2035	116	0.18	B+ 0.32% (0.00%)					
Total United Kingdom					GBP	200,000	Voyage Care 5.875% 01/05/2023	203	0.32	

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 14.75% (19.14%) (continued)									
		B 0.91% (0.67%)			USD	555,000	Kinder Morgan Energy Partners 4.25% 01/09/2024	440	0.69
USD	200,000	*Royal Bank of Scotland 8.625% 29/12/2049	171	0.27	EUR	235,000	Molson Coors Brewing 1.25% 15/07/2024	210	0.33
GBP	380,000	Virgin Media Finance 6.375% 15/10/2024	411	0.64	USD	485,000	Molson Coors Brewing 5% 01/05/2042	407	0.64
		B2e 0.00% (0.24%)			USD	574,000	Plains All American Pipeline 4.65% 15/10/2025	450	0.71
		B3 0.63% (0.00%)			USD	450,000	Continental Resources 5% 15/09/2022	345	0.54
GBP	390,000	KIRS Midco 3 8.375% 15/07/2023	402	0.63	EUR	360,000	Equinix 2.875% 01/10/2025	325	0.51
		CCC+ 0.56% (0.64%)			USD	110,000	Equinix 5.375% 15/05/2027	89	0.14
USD	660,384	EnQuest PIK 7% 15/04/2022	358	0.56	EUR	501,000	Quintiles IMS 3.25% 15/03/2025	456	0.72
		Not Rated 0.46% (1.03%)			EUR	390,000	Sealed Air 4.5% 15/09/2023	393	0.62
GBP	290,000	*Pennon Group Perpetual Variable 22/05/2066	292	0.46			BB 0.00% (0.43%)		
		Total United Kingdom	9,393	14.75	EUR	190,000	Iron Mountain 3% 15/01/2025	170	0.27
UNITED STATES OF AMERICA 12.85% (8.29%)									
		A+ 0.00% (0.19%)			EUR	105,000	Kronos International 3.75% 15/09/2025	96	0.15
		A 0.25% (0.00%)					B 0.34% (0.00%)		
USD	204,000	Loews 3.75% 01/04/2026	160	0.25	EUR	240,000	Avantor 4.75% 01/10/2024	215	0.34
		A- 0.46% (0.35%)					Total United States of America	8,185	12.85
USD	375,000	Anheuser-Busch InBev 3.3% 01/02/2023	293	0.46	DERIVATIVES -2.98% (-2.08%)				
		BBB+ 4.44% (2.93%)			EUR	(430,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(32)	(0.05)
EUR	225,000	American International Group 1.875% 21/06/2027	202	0.32	EUR	(3,800,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(85)	(0.13)
GBP	300,000	American International Group 5% 26/04/2023	345	0.54	EUR	(240,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(5)	(0.01)
USD	361,000	AT&T 3.4% 14/08/2024	273	0.43	EUR	(1,810,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(32)	(0.05)
USD	350,000	AT&T 3.6% 17/02/2023	272	0.43	USD	(1,550,000)	Citigroup CDX-NAHYS27V3-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(104)	(0.16)
EUR	315,000	*AT&T FRN 04/09/2023	285	0.45	EUR	(1,100,000)	Citigroup Credit Agricole Credit Default Swap Buy Protection 20/12/2018 Spread 500	(53)	(0.08)
USD	470,000	BAT Capital 3.222% 15/08/2024	357	0.56	EUR	(1,600,000)	Citigroup Gas Natural Capital Credit Default Swap Buy Protection 20/03/2020 Spread 100	(27)	(0.04)
USD	192,000	Becton Dickinson 3.7% 06/06/2027	147	0.23	EUR	(1,800,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(209)	(0.33)
USD	280,000	*Becton Dickinson FRN 06/06/2022	213	0.33	EUR	(1,250,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(20)	(0.03)
USD	355,000	*Prudential Financial 8.875% 15/06/2038	279	0.44	EUR	(370,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(8)	(0.01)
USD	215,000	Sempra Energy 3.55% 15/06/2024	168	0.26	EUR	(925,000)	Citigroup Tesco Credit Default Swap Buy Protection 20/06/2020 Spread 100	(13)	(0.02)
USD	230,000	Verizon Communications 4.4% 01/11/2034	175	0.27	USD	(5,295,000)	Goldman Sachs CDX-NAHYS27V3- 5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(355)	(0.56)
GBP	100,000	Welltower 4.8% 20/11/2028	116	0.18					
		BBB 1.40% (1.77%)							
GBP	170,000	Digital Stout 3.3% 19/07/2029	173	0.27					
USD	235,000	Ford Motor Credit 2.979% 03/08/2022	178	0.28					
EUR	146,000	Liberty Mutual 2.75% 04/05/2026	140	0.22					
USD	405,000	Scripps Networks 2.8% 15/06/2020	309	0.48					
USD	130,000	Voya Financial 3.125% 15/07/2024	97	0.15					
		BBB- 3.01% (2.11%)							
USD	105,000	Charter Communications Operating 5.375% 01/05/2047	81	0.13					
USD	120,000	*Discovery Communications FRN 20/09/2019	91	0.14					
USD	300,000	*Hartford Financial Services 8.125% 15/06/2038	235	0.37					

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
DERIVATIVES -2.98% (-2.08%) (continued)					USD	285	UBS US 10 Year Note Future Expiring December 2017	(237)	(0.37)
EUR	(7,800,000)	Goldman Sachs Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(907)	(1.42)	USD	(3)	UBS US 10 Year Ultra Fut Future Expiring December 2017	5	0.01
EUR	(2,050,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(35)	(0.05)	USD	(6)	UBS US Long Bond Future Expiring December 2017	16	0.03
EUR	(260,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(6)	(0.01)	Forward Foreign Exchange Contracts 0.60% (0.65%)				
EUR	(1,375,000)	Goldman Sachs UBS Credit Default Swap Buy Protection 20/03/2019 Spread 300	(50)	(0.08)			Sell USD 365,218		
EUR	(1,130,000)	Goldman Sachs United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(18)	(0.03)			Buy AUD 475,489 Goldman Sachs	(1)	-
USD	(2,100,000)	Goldman Sachs Westpac Banking Credit Default Swap Buy Protection 20/03/2020 Spread 100	(30)	(0.05)			Sell USD 7,346,431		
EUR	(5,400,000)	HSBC Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(121)	(0.19)			Buy CAD 9,307,205 J.P. Morgan	(73)	(0.11)
USD	(1,115,390)	HSBC Republic of South Africa Credit Default Swap Buy Protection 20/06/2022 Spread 100	25	0.04			Sell EUR 5,391,680		
EUR	(360,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(8)	(0.01)			Buy CZK 138,020,260 HSBC	(11)	(0.02)
USD	(6,300,000)	J.P. Morgan CDX-NAIGS27V1-5Y Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	(108)	(0.17)			Sell EUR 5,293,662		
USD	(470,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/12/2022 Spread 500	(72)	(0.11)			Buy CZK 141,687,938 HSBC	201	0.32
		Interest Rate Swaps -0.05% (-0.08%)					Sell EUR 5,362,175		
COP	17,920,206,422	Citigroup Interest Rate Swap Receive COP 1br 1D Pay .45% 10/07/2022	(29)	(0.05)			Buy CZK 144,135,263 Barclays	226	0.35
		Futures and Options 0.02% (-0.34%)					Sell EUR 5,381,579		
USD	170	UBS 90 Day EURO Future Expiring December 2017	45	0.07			Buy CZK 144,215,550 J.P. Morgan	210	0.33
USD	(340)	UBS 90 Day EURO Future Expiring December 2018	(193)	(0.30)			Sell EUR 5,766,189		
AUD	180	UBS Australia 3 Year Bond Future Expiring December 2017	39	0.06			Buy CZK 147,638,073 HSBC	(10)	(0.02)
EUR	(133)	UBS EURO-Bobl Future Expiring December 2017	(2)	-			Sell EUR 324,365		
EUR	65	UBS EURO-Btp Bond Future Expiring December 2017	187	0.29			Buy CZK 8,670,031 Citigroup	12	0.02
EUR	(149)	UBS EURO Bond Future Expiring December 2017	(45)	(0.07)			Sell USD 2,262,501		
EUR	12	UBS EURO Buxl 30 Year Future Expiring December 2017	(6)	(0.01)			Buy EUR 1,925,616 J.P. Morgan	(8)	(0.01)
EUR	(14)	UBS EURO-Oat Future Expiring December 2017	(10)	(0.02)			Sell CZK 275,231,181		
EUR	(184)	UBS EURO Schatz Future Expiring December 2017	(10)	(0.02)			Buy EUR 10,396,675 Barclays	(292)	(0.46)
GBP	(49)	UBS Long Gilt Future Expiring December 2017	156	0.24			Sell CZK 3,971,297		
USD	(71)	UBS US 5 Year Note Future Expiring December 2017	67	0.11			Buy EUR 150,219 Barclays	(4)	(0.01)
							Sell CZK 8,192,550		
							Buy EUR 305,783 J.P. Morgan	(12)	(0.02)
							Sell CZK 129,827,711		
							Buy EUR 4,931,337 Barclays	(113)	(0.18)
							Sell CZK 141,687,938		
							Buy EUR 5,534,847 HSBC	12	0.02
							Sell CZK 144,215,550		
							Buy EUR 5,633,310 HSBC	12	0.02
							Sell CZK 21,240,889		
							Buy EUR 792,027 HSBC	(32)	(0.05)
							Sell EUR 1,444,251		
							Buy GBP 1,282,223 J.P. Morgan	10	0.02
							Sell USD 175,983		
							Buy GBP 134,174 J.P. Morgan	1	-
							Sell EUR 21,391,753		
							Buy GBP 19,051,106 HSBC	177	0.28
							Sell USD 32,076,975		
							Buy GBP 24,126,970 J.P. Morgan	(81)	(0.13)
							Sell USD 590,211		
							Buy JPY 66,958,920 Bank of Scotland	2	-
							Sell EUR 3,908,918		
							Buy SEK 37,875,063 Citigroup	(16)	(0.03)
							Sell GBP 1,286,074		
							Buy USD 1,698,596 Goldman Sachs	(4)	(0.01)
							Sell RUB 810,328,058		
							Buy USD 14,047,344 HSBC	144	0.23
							Sell NZD 28,857		
							Buy USD 19,825 Bank of Scotland	-	-
							Sell MXN 408,389		
							Buy USD 21,162 UBS	-	-

Threadneedle Global Opportunities Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -2.98% (-2.08%) (continued)			
	Sell EUR 214,443		
	Buy USD 250,417 J.P. Morgan	–	–
	Sell CHF 26,542		
	Buy USD 26,939 HSBC	–	–
	Sell SEK 3,099,713		
	Buy USD 374,199 Barclays	1	–
	Sell CAD 614,513		
	Buy USD 479,498 J.P. Morgan	1	–
	Sell AUD 9,202,303		
	Buy USD 7,092,638 Citigroup	38	0.06
	Sell SEK 76,369		
	Buy USD 9,345 Citigroup	–	–
	Total Derivatives	(1,900)	(2.98)
Total value of investments		57,892	90.89
Net other assets (9.89%)		5,800	9.11
Net assets		63,692	100.00

April 2017 comparatives in brackets.

*Variable rate bonds.

(P) refers to provisional rating.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	49,998	86.36
Floating rate notes	9,784	16.90
Derivatives	(1,900)	(3.28)
Collective investment schemes	10	0.02
Total value of investments	57,892	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

UBS 90 Day EURO Future Expiring December 2017	31,666
UBS 90 Day EURO Future Expiring December 2018	(63,068)
UBS Australia 3 Year Bond Future Expiring December 2017	11,632
UBS EURO-Bobl Future Expiring December 2017	(15,426)
UBS EURO-Btp Bond Future Expiring December 2017	7,963
UBS EURO Bond Future Expiring December 2017	(21,324)
UBS EURO Buxl 30 Year Future Expiring December 2017	1,746
UBS EURO-Oat Future Expiring December 2017	(1,938)
UBS EURO Schatz Future Expiring December 2017	(18,188)
UBS Long Gilt Future Expiring December 2017	(6,094)
UBS US 5 Year Note Future Expiring December 2017	(6,295)
UBS US 10 Year Note Future Expiring December 2017	26,935
UBS US 10 Year Ultra Fut Future Expiring December 2017	(304)
UBS US Long Bond Future Expiring December 2017	(691)
Total net exposure	(53,386)

Total Purchases and Sales

for the accounting period 1 May 2017 to 31 October 2017

	2017 £000	2016 £000
Total purchases for the period	15,618	104,743
Total sales for the period	35,923	115,414

Performance Summary for the six months ended 31 October 2017 – UK Universe

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
UK Mid 250 Fund	(IA) UK All Companies	FTSE 250 x Investment Trusts*	+9.08	+9.40	+5.54	+10.11	+4.66
Ethical UK Equity Fund ¹	(IA) UK All Companies	MSCI UK IMI extended SRI	+3.00	+3.21	+5.54	+4.03	+3.55
UK Extended Alpha Fund	(IA) UK All Companies	FTSE All-Share*	+2.69	+2.99	+5.54	+3.70	+5.91
UK Equity Alpha Income Fund	(IA) UK Equity Income*	FTSE All-Share	+1.81	+2.13	+4.00	+2.53	+5.91
UK Absolute Alpha Fund	(IA) Absolute Return	UK LIBOR 3 Month	-0.19	+0.10	+1.42	+0.83	+0.15
Absolute Return Bond Fund	(IA) Absolute Return	UK LIBOR 3 Month	-0.84	-0.64	+1.42	+0.00	+0.15
Sterling Medium and Long-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (5+Y)	–	+0.95	+1.15	+0.83	+0.62
Sterling Short-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (1-5 Y)	+0.50	+0.72	+1.15	+0.92	+0.25
UK Fixed Interest Fund	(IA) UK Gilt	FTSE UK Gilts Index Linked Government (All stocks)	-1.46	-1.45	-1.58	-1.62	-1.69
UK Index Linked Fund	(IA) UK Index Linked Gilts	FTSE UK Gilts Index Linked Government (All stocks)	-4.02	-3.78	-3.63	-4.66	-4.44
Pan European Focus Fund	(IA) Europe Including UK	MSCI Europe*	+10.90	+11.23	+7.63	+12.15	+8.35
Pan European Equity Dividend Fund	(IA) Europe Including UK*	MSCI Europe	+6.67	+6.98	+7.63	+7.69	+8.35
American Extended Alpha Fund	(IA) North America*	S&P 500	+9.40	+9.86	+6.02	+10.01	+6.29
US Equity Income Fund	(IA) North America	S&P 500*	+3.85	+4.15	+6.02	+5.57	+6.29
China Opportunities Fund	(IA) China – Greater China	MSCI China*	+22.90	+23.27	+20.05	+23.89	+23.04
Global Emerging Markets Equity Fund	(IA) Global Emerging Markets	MSCI EM (Emerging Markets)*	+10.26	+10.58	+12.63	+10.80	+13.40
Emerging Market Local Fund ¹	(IA) Global Emerging Markets Bond	JPM GBI-EM Global Diversified Composite*	+0.53**	+0.96**	+1.11	+1.20	+0.42
Global Extended Alpha Fund	(IA) Global Growth	MSCI AC World*	+10.04	+10.50	+7.37	+10.60	+7.69
Global Equity Income Fund	(IA) Global Equity Income	MSCI AC World*	+3.46	+3.74	+5.12	+4.25	+7.69
Global Opportunities Bond	(IA) Absolute Return	Citigroup GBP 1 Month Euro deposit	-0.30	–	+1.42	+1.07	+0.12

The Fund Sector is taken from the UK Unit Trusts/OEICs universe. Comparing the fund's performance to this Fund Sector is only relevant for UK Investors.

¹These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Association) is not felt to be representative.

*Denotes official benchmark of the fund.

**Performance information for this fund is shown on a gross income basis.

¹Shown is the Class T – Income shares and Class Z – Accumulation shares.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

Performance Summary for the six months ended 31 October 2017 – Offshore Universe

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
UK Mid 250 Fund	GIFS Offshore – UK Mid Cap Equity	FTSE 250 x Investment Trusts*	+9.08	+9.40	+4.57	+10.11	+4.66	GBP
Ethical UK Equity Fund**	GIFS Offshore – UK Large Cap Blend	MSCI UK IMI extended SRI	+3.00	+3.21	+5.43	+4.03	+3.55	GBP
UK Extended Alpha Fund	GIFS Offshore – UK Large Cap Blend	FTSE All-Share*	+2.69	+2.99	+5.43	+3.70	+5.91	GBP
UK Equity Alpha Income Fund	GIFS Offshore – UK Large Cap Value	FTSE All-Share	+1.81	+2.13	+2.80	+2.53	+5.91	GBP
UK Absolute Alpha Fund	GIFS Offshore – Alternative Long/Short UK	UK LIBOR 3 Month	-0.19	+0.10	+2.61	+0.83	+0.15	GBP
Absolute Return Bond Fund	GIFS Offshore – Alternative Long/Short Debt	UK LIBOR 3 Month	-0.84	-0.64	+2.20	+0.00	+0.15	GBP
Pan European Focus Fund	GIFS Offshore – Europe Large Cap Growth	MSCI Europe*	+6.46	+6.78	+3.61	+7.60	+3.96	EUR
Pan European Equity Dividend Fund	GIFS Offshore – Europe Large Cap Value	MSCI Europe	+2.31	+2.61	+3.31	+3.33	+3.96	EUR
American Extended Alpha Fund	GIFS Offshore – US Large Cap Growth	S&P 500	+11.75	+12.22	+9.88	+12.92	+9.10	USD
US Equity Income Fund	GIFS Offshore – US Large Cap Value	S&P 500*	+6.59	+6.91	+3.31	+8.36	+9.10	USD
China Opportunities Fund	GIFS Offshore – China Equity	MSCI China*	+25.53	+25.91	+23.60	+27.16	+26.29	USD
Global Emerging Markets Equity Fund	GIFS Offshore – Global Emerging Markets Equity	MSCI EM (Emerging Markets)*	+12.63	+12.95	+14.76	+13.73	+16.40	USD
Emerging Market Local Fund	GIFS Offshore – Global Emerging Markets Bond Local	JPM GBI-EM Global Diversified Composite*	+3.19	+3.63	+2.51	+3.88	+3.07	USD
Global Extended Alpha Fund	GIFS Offshore – Global Large Cap Blend	MSCI AC World*	+12.40	+12.87	+9.45	+13.52	+10.54	USD
Global Equity Income Fund	GIFS Offshore – Global Large Cap Value	MSCI AC World*	+5.67	+5.96	+8.36	+7.01	+10.54	USD
Global Opportunities Bond	–	Citigroup GBP 1 Month Euro deposit	-0.30	–	–	+1.07	+0.12	GBP

Morningstar changed its definition of the GIFS Offshore Universe as at February 2011. This resulted in Threadneedle OEIC Funds being removed from it. For the purposes of comparison, Threadneedle continues to use this Universe with its OEICs included.

Performance data is shown on a gross of tax basis.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with unadjusted income and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in Fund Currency.

*Denotes official benchmark of the fund.

**Shown is the Class T – Income shares and Class Z – Accumulation shares.

Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Mid 250 Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
Ethical UK Equity Fund	Class T – Income shares	5
	Class Z – Accumulation shares	5
UK Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
UK Equity Alpha Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
UK Absolute Alpha Fund	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
Class Z USD Hedged – Accumulation shares	5	
Absolute Return Bond Fund	Class 1 – Accumulation shares	3
	Class 1 EUR Hedged – Accumulation shares	4
	Class 1 – Gross accumulation shares	3
	Class 1 EUR Hedged – Gross accumulation shares	4
	Class 1 USD Hedged – Gross accumulation shares	4
	Class 2 – Accumulation shares	3
	Class 2 – Gross accumulation shares	3
	Class 2 EUR Hedged – Gross accumulation shares	4
	Class X – Gross accumulation shares	3
Sterling Medium and Long-Dated Corporate Bond Fund	Class 2 – Gross income shares	4
Sterling Short-Dated Corporate Bond Fund	Class 1 – Accumulation shares	2
	Class 1 – Gross accumulation shares	2
	**Class 1 EUR Hedged – Gross accumulation shares	2
	Class 2 – Income shares	2
	Class 2 – Gross income shares	2
	**Class 2 – Gross accumulation shares	2
	**Class 2 EUR Hedged – Gross accumulation shares	2
	Class X – Gross income shares	2
	Class X – Gross accumulation shares	2
	Class Y – Gross income shares	2
UK Fixed Interest Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class Z – Accumulation shares	4
UK Index Linked Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 – Gross income shares	5
	Class D – Accumulation shares	5
	Class X – Gross accumulation shares	5
Pan European Focus Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	5

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Pan European Equity Dividend Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
American Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class Z – Accumulation shares	5
US Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class L – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z CHF Hedged – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z CHF Hedged – Accumulation shares	5
Class Z EUR Hedged – Accumulation shares	5	
China Opportunities Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class Z – Accumulation shares	6
Global Emerging Markets Equity Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
Emerging Market Local Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Gross accumulation shares	5
Global Extended Alpha Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class P – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	6
Global Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Monthly Income shares	5
	Class 1 SGD Hedged – Income shares	5
	Class 1 AUD Hedged – Monthly Income shares	5
	Class 1 SGD Hedged – Monthly Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 1 SGD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 – Accumulation shares	5
	**Class W – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z SGD Hedged – Income shares	5

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Equity Income Fund (continued)	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z SGD Hedged – Accumulation shares	5
Global Opportunities Bond Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4

*As at 31 October 2017 the synthetic risk and reward indicator (SRRI) is explained in the table below:

**For launch dates, refer to the footnotes after the fund's comparative table.

SRRI	
1	The fund is in this specific category because historically it has shown a low level of volatility (how much the value of the fund went up and down compared to other categories).
2	The fund is in this specific category because historically it has shown a relatively low level of volatility (how much the value of the fund went up and down compared to other categories).
3	The fund is in this specific category because historically it has shown a medium to low level of volatility (how much the value of the fund went up and down compared to other categories).
4	The fund is in this specific category because historically it has shown a medium level of volatility (how much the value of the fund went up and down compared to other categories).
5	The fund is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the fund went up and down compared to other categories).
6	The fund is in this specific category because historically it has shown a high level of volatility (how much the value of the fund went up and down compared to other categories).
7	The fund is in this specific category because historically it has shown a very high level of volatility (how much the value of the fund went up and down compared to other categories).

The Risk and Reward Profile is based on past performance data in pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the fund.

Historical data may not be a reliable indication of the future risk profile of the funds.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

Important Information

Threadneedle Specialist Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, DST Financial Services Europe Limited¹, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FCA rules).

Other funds may be launched in the future.

Key Investor Information Document – Subscription requirements

The KIID is a pre contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from columbiathreadneedle.com.

Changes to the management of the ACD

The following changes have been made to the directors of the ACD:

- Appointment of Michelle Scrimgeour on 14 August 2017.

Changes to the Prospectus

The main changes to the prospectus of the Company during the period from 1 May 2017 to 31 October 2017 were as follows:

- Updates to include disclosures required as a result of implementation of the Securities Financing Transaction Regulation (SFTR) in relation to Funds investing in total return swaps;
- Updates to reflect changes being made to UK tax on distributions (gross vs net shares, as well as tax changes more generally);
- Updates to the list of funds managed by the ACD and the directors of the ACD;
- Addition of W Shares available to investors in the Global Equity Income Fund;
- Update to list of countries where the funds are available;
- Updates to performance, dilution adjustments and available share classes.

Changes to the Instrument of Incorporation

There were no changes to the instrument of incorporation of the Company during the period from 1 May 2017 to 31 October 2017.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 20 different sub-funds. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

Share Class	Currency	Minimum Investment	Eligibility
Class 1	Class 1 GBP	GBP 2,000	Available to retail and institutional investors seeking income or growth (or a combination of both) over the medium to long-term
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500 – EUR 3,000	
	Class 1 USD (including Class 1 Hedged Shares)	USD 2,500 – USD 3,000	
	Class 1 CHF (including Class 1 Hedged Shares)	CHF 4,000	
	Class 1 SGD (including Class 1 Hedged Shares)	SGD 4,000	
	Class 1 SEK (Hedged Shares)	SEK 25,000	
Class 2	Class 2 GBP	GBP 50,000 – GBP 500,000	Available to non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 100,000 – EUR 800,000	
	Class 2 USD (including Class 1 Hedged Shares)	USD 750,000 – USD 800,000	
	Class 2 SEK (Hedged Shares)	SEK 6 – 7 million	
	Class 2 CHF (Hedged Share Class)	CHF 1,200,000	

¹International Financial Data Services (UK) Limited changed its name to DST Financial Services Europe Limited on 15 August 2017.

Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
Class D	Class D GBP	GBP 2,000	Available only to certain investors in the UK Index Linked Fund
Class L	Class L GBP	GBP 500,000	Available only to certain investors in the US Equity Income Fund
Class M	Class M GBP	GBP 2,000	Available to retail and institutional investors (distributions paid monthly) seeking income or growth (or a combination of both) over the medium to long-term
	Class M AUD (including Class M Hedge Shares)	AUD 3,000	
	Class M SGD (including Class M Hedge Shares)	SGD 4,000	
	Class M USD (including Class M Hedge Shares)	USD 3,000	
Class P	Class P GBP	GBP 50 million	Available to non-retail investors in the Global Extended Alpha Fund (no performance fee)
	Class P USD	USD 80 million	
Class T	Class T GBP	GBP 2,000	Available only to certain investors in the Ethical UK Equity Fund
Class W	Class W GBP	GBP 80 million	Available only to Eligible Shareholders in the Global Equity Income Fund
	Class W EUR	EUR 100 million	
Class X	Class X GBP	GBP 3 million	Available only to Eligible Shareholders
	Class X EUR	EUR 5 million	
	Class X USD	USD 5 million	
	Class X JPY	JPY 420 million	
	Class X AUD (Hedged Share Class)	AUD 5 million	
Class Y	Class Y GBP	GBP 150 million	Available to Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund

Share Class	Currency	Minimum Investment	Eligibility
Class Z*	Class Z GBP	GBP 1 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients
	Class Z EUR (including Class Z Hedged Shares)	EUR 1.5 million	
	Class Z USD (including Class Z Hedged Shares)	USD 1.5 million	
	Class Z JPY	JPY 140 million	
	Class Z CHF (Hedged Share Class)	CHF 1.5 million	
Class Z SGD (Hedged Share Class)	SGD 2 million		

*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

Changes to the share class names

With effect from 6 April 2017, all payments from the Funds are paid gross of UK tax, following changes to the way savings and investments are taxed in the UK. As a result of the change, the word "net" has been removed from the names of all the share classes that were previously "net" paying shares.

Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

Income Equalisation

The first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject

Important Information

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to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

Investor Reports

At the end of each reporting period short form reports are available on our website columbiathreadneedle.com/shortform and from Threadneedle Investment Services Limited P.O. Box 10033, Chelmsford, Essex CM99 2AL. The annual accounting period for the Company ends on 30 April and the interim reporting period ends on 31 October.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual reporting period for the funds ends on 30 April and the interim reporting period ends on 31 October.

Foreign Account Tax Compliance Act (FATCA)

Threadneedle and its funds (Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Threadneedle should not suffer withholding under FATCA.

Common reporting standard (CRS)

The Common Reporting Standard (CRS) has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development (OECD). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

Holdings in shares of other funds of the Company

None of the funds of the Company held shares in other funds of the Company (listed on the contents page on page 1) at the end of the period.

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Securities Financing Transaction Regulation

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps. A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 31 October 2017 the ICVC held Portfolio Swaps which are a type of instrument in scope of the SFTR.

Global data

Name of Portfolio	Type of asset	Unrealised gain and loss in the portfolio base currency and in absolute value	% of Net Assets
Threadneedle UK Extended Alpha Fund	Portfolio Swap	120,831	0.10
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	684,259	0.10
Threadneedle American Extended Alpha Fund	Portfolio Swap	178,074	0.10
Threadneedle Global Extended Alpha Fund	Portfolio Swap	759,324	0.30

Data on collateral reuse

There was no collateral reuse during the period ended 31 October 2017.

Concentration data

All collateral received in respect of Portfolio Swaps as at 31 October 2017 is cash collateral. The ten largest issuers disclosure is therefore not applicable.

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions) in respect of the Portfolio Swaps held per portfolio as at 31 October 2017:

Name of Portfolio	Type of asset	Counterparty	Unrealised gain and loss in the portfolio base currency and in absolute value
Threadneedle UK Extended Alpha Fund	Portfolio Swap	UBS	120,831
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	UBS	684,259
Threadneedle American Extended Alpha Fund	Portfolio Swap	Merill Lynch	178,074
Threadneedle Global Extended Alpha Fund	Portfolio Swap	UBS	759,324

Safekeeping of collateral received

Cash collateral is received on each Portfolio's cash account at Citibank Europe plc, London Branch.

The amount of collateral received for Portfolio Swaps as at 31 October 2017 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral
Threadneedle UK Extended Alpha Fund	Cash	UBS	GBP	160,000
		Total	GBP	160,000

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Aggregate transaction data

Name of Portfolio	Type of collateral	Maturity tenor (collateral)	Currency of collateral	Maturity tenor (SFT/TRS)	Country of establishment (counterparty)	Settlement and clearing	Quality of collateral
Threadneedle UK Extended Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle UK Absolute Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle American Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle Global Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash

Safekeeping of collateral granted

Cash and security collateral paid to the counterparties is delivered to segregated accounts at the counterparty.

The amount of collateral granted for Portfolio Swaps as at 31 October 2017 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral	% of collateral held at year-end by category
Threadneedle UK Absolute Alpha Fund	Cash	UBS	GBP	190,000*	0.03
		Total	GBP	190,000	0.03
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	890,000	0.38
		Total	USD	890,000	0.38
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	2,040,000	0.61
		Total	USD	2,040,000	0.61

Return/Costs

Return and costs of Portfolio Swap transactions for the period ended 31 October 2017 are disclosed in the Statement of Total Return of the relevant Fund under the headings, "Net capital gains/(losses)", "Revenue" and "Interest payable and similar charges".

*This collateral amount may be related to transactions other than TRS which are not covered by SFTR disclosure.

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Key Risks of the fund:

The following table below shows the key risks applying to each Fund. A definition of the key risks can be found overleaf.

Funds/Key risks	Investment	Currency	No Capital Guarantee	Counterparty	Issuer	Political and Financial	Liquidity	Effect of Portfolio Concentration	Inflation	Interest Rate	Valuation	Active Currency Investment	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM/Hedging	Volatility	High Volatility
UK Mid 250 Fund	X	X														X		X
Ethical UK Equity Fund	X						X									X	X	
UK Extended Alpha Fund	X	X		X							X		X	X	X		X	
UK Equity Alpha Income Fund	X	X					X									X		X
UK Absolute Alpha Fund	X	X	X	X							X		X	X	X		X	
Absolute Return Bond Fund	X	X	X	X	X		X		X	X	X	X	X	X	X			
Sterling Medium and Long-Dated Corporate Bond Fund	X	X			X		X		X	X						X		
Sterling Short-Dated Corporate Bond Fund	X	X			X		X		X	X						X		
UK Fixed Interest Fund	X	X			X		X		X	X						X		
UK Index Linked Fund	X	X			X					X						X		
Pan European Focus Fund	X	X					X									X		X
Pan European Equity Dividend Fund	X	X														X	X	
American Extended Alpha Fund	X	X		X							X		X	X	X		X	
US Equity Income Fund	X	X														X		X
China Opportunities Fund	X	X				X	X									X		X
Global Emerging Markets Equity Fund	X	X				X	X									X		X
Emerging Market Local Fund	X	X		X	X	X	X		X	X	X		X	X	X		X	
Global Extended Alpha Fund	X	X		X		X					X		X	X	X		X	
Global Equity Income Fund	X	X														X		X
Global Opportunities Bond Fund	X	X	X	X	X		X		X	X	X		X	X	X		X	

Description of the Key Risks:

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

Currency Risk: Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.

No Capital Guarantee Risk: Positive returns are not guaranteed and no form of capital protection applies.

Counterparty Risk: The fund may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of fund assets.

Issuer Risk: The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.

Political and Financial Risk: The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

Liquidity Risk: The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

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Effect of Portfolio Concentration Risk: The Fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to 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.

Valuation Risk: The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

Active Currency Investment Risk: The fund actively invests directly in foreign currency instruments. Currency markets are complex and exchange rates are sensitive to political and market events. This aspect of the fund's investment policy may affect the value of your investments.

Short Selling Risk: Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

Investment in Derivatives Risk: The Investment Policy of the fund allows it to invest materially in derivatives.

Leverage Risk: Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

Derivatives for EPM/Hedging Risk: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

High Volatility Risk: The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

Further risks applicable to the fund can be found in the Prospectus.

Directory

Registered Office

Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD)

Threadneedle Investment Services Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Registrar

Threadneedle Investment Services Limited
Delegated to:
DST Financial Services Europe Limited*
(Authorised and regulated by the Financial Conduct Authority (FCA))
St Nicholas Lane
Basildon
Essex SS15 5FS

Investment Manager

Threadneedle Asset Management Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Depositary

Citibank Europe plc, UK branch
(Authorised by the Prudential Regulatory Authority (PRA)
and regulated by the FCA and PRA)
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB

Legal Advisers

Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Baum Financial Services Law Team
Grosser Burstah 42
20457 Hamburg
Germany

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorised Corporate Director Client Services Details

UK Investors

Address: Threadneedle Investment Services Limited
PO Box 10033
Chelmsford
Essex CM99 2AL
Telephone (dealing & customer enquiries): 0800 953 0134**
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

Asian Investors

Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +852 3667 7111**
Fax (dealing): +352 2452 9807
Email (enquiries): threadneedleenquiries@statestreet.com

All Other Investors

Address: Threadneedle Investment Services Limited
International Financial Data Services
47, avenue JF Kennedy
L-1855 Luxembourg
Telephone (dealing & customer enquiries): +352 464 010 7020**
Fax (dealing): +352 2452 9807
Email (enquiries): questions@service.columbiathreadneedle.co.uk
Website: columbiathreadneedle.com

Paying and Information Agent in Austria

Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Vienna
Austria

Paying and Information Agent in Belgium

CACEIS Belgium S.A.
avenue du Port 86 C b 320
1000 Brussels
Belgium

Paying and Information Agent in France

BNP Paribas Securities Services
66 rue de la Victoire
75009 Paris
France

Paying and Information Agent in Germany

J.P. Morgan AG
Junghofstr. 14
60311 Frankfurt am Main
Germany

Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited
Services Transfer Agency, Fund Services
1 Queen's Road Central
Hong Kong

Paying and Information Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited
J.P. Morgan House, International Financial Services Centre
Dublin 1
Ireland

Paying and Information Agent in Italy

Allfunds Bank S.A. (filiale di Milano)
via Bocchetto, 6
20123 Milan
Italy

BNP Paribas Securities Services
Piazza Lina Bo Bardi, 3
20124 Milan
Italy

Société Générale Securities Services S.p.A.
via Benigno Crespi 19/A – MAC2
20159 Milan
Italy

State Street Bank S.p.A.
Via Ferrante Aporti, 10
20125 Milan
Italy

Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.
49 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

*International Financial Data Services (UK) Limited changed its name to DST Financial Services Europe Limited on 15 August 2017.

**Calls will be recorded.

Directory

(continued)

Information Agent in Spain

Threadneedle Specialist Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 481 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15. 2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended.

A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

Paying and Information Agent in Sweden

Skandinaviska Enskilda Banken AB

Kungsträdgårdsgatan

SE - 10640

Stockholm

Sweden

Representative and Paying Agent in Switzerland

BNP Paribas Securities Services, Paris, succursale de Zurich

Selnaustrasse 16

8002 Zurich

Switzerland

To find out more visit columbiathreadneedle.com



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