



Your success. Our priority.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC  
APRIL 2020

# THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

## Contents

<b>Company Information*</b>	<b>2</b>	<b>Portfolio Statements*:</b>	
<b>Authorised Corporate Director's Report</b>	<b>3</b>	UK Mid 250 Fund	<b>153 – 154</b>
<b>Notes to the Annual Reports and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC</b>	<b>4 – 5</b>	UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)	<b>155 – 156</b>
UK Mid 250 Fund	<b>6 – 11</b>	UK Extended Alpha Fund	<b>157 – 158</b>
UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)	<b>12 – 17</b>	UK Equity Alpha Income Fund	<b>159</b>
UK Extended Alpha Fund	<b>18 – 23</b>	UK Absolute Alpha Fund	<b>160 – 161</b>
UK Equity Alpha Income Fund	<b>24 – 30</b>	Sterling Medium and Long-Dated Corporate Bond Fund	<b>162 – 166</b>
UK Absolute Alpha Fund	<b>31 – 40</b>	Sterling Short-Dated Corporate Bond Fund	<b>167 – 172</b>
Sterling Medium and Long-Dated Corporate Bond Fund	<b>41 – 46</b>	UK Fixed Interest Fund	<b>173</b>
Sterling Short-Dated Corporate Bond Fund	<b>47 – 56</b>	UK Index Linked Fund	<b>174</b>
UK Fixed Interest Fund	<b>57 – 63</b>	Pan European Focus Fund	<b>175 – 176</b>
UK Index Linked Fund	<b>64 – 70</b>	American Extended Alpha Fund	<b>177</b>
Pan European Focus Fund	<b>71 – 77</b>	US Equity Income Fund	<b>178 – 179</b>
American Extended Alpha Fund	<b>78 – 87</b>	China Opportunities Fund	<b>180 – 181</b>
US Equity Income Fund	<b>88 – 96</b>	Global Emerging Markets Equity Fund	<b>182 – 184</b>
China Opportunities Fund	<b>97 – 102</b>	Emerging Market Local Fund	<b>185 – 188</b>
Global Emerging Markets Equity Fund	<b>103 – 111</b>	Global Extended Alpha Fund	<b>189 – 191</b>
Emerging Market Local Fund	<b>112 – 120</b>	Global Equity Income Fund	<b>192 – 194</b>
Global Extended Alpha Fund	<b>121 – 130</b>	Global Focus Fund	<b>195 – 196</b>
Global Equity Income Fund	<b>131 – 144</b>	<b>Performance Summary*</b>	<b>197</b>
Global Focus Fund	<b>145 – 150</b>	<b>Risk and Reward Profiles*</b>	<b>198 – 199</b>
<b>Statement of Authorised Corporate Director's (ACD) Responsibilities</b>	<b>151</b>	<b>Important Information*</b>	<b>200 – 208</b>
<b>Statement of the Depositary's Responsibilities and Report of the Depositary</b>	<b>151</b>	<b>Directory*</b>	<b>209 – 210</b>
<b>Independent Auditors' Report</b>	<b>152</b>		

\*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)  
J Griffiths (Appointed to the Board on 24 September 2019)  
A Roughead (non-executive)  
P Stone (resigned from the Board on 15 June 2020)  
R Vincent (Appointed to the Board on 12 August 2019)  
L Weatherup

## Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 12 months to 30 April 2020.

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

Thank you for your continued support.



**L Weatherup**  
**Director**

## DIRECTORS' STATEMENTS

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



**L Weatherup**  
**Director**



**R Vincent**  
**Director**

21 July 2020

# Notes to the Annual Reports and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 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.

#### (b) Basis of valuation of investments

The investments of the funds are valued at fair market prices as 12 noon (UK time), being the valuation point on the last working day of the accounting period, with the exception of (UK Mid 250 Fund, UK Extended Alpha Fund, UK Equity Alpha Income Fund, US Equity Income Fund and Global Equity Income Fund) which have been valued at close of business due to the movement since 12 noon breaching the 2% threshold set by the Board. Investments are stated at their fair value which generally is the bid valuation of each security.

These bid values are sourced from independent pricing sources; to the extent that an independent pricing source is not available then quotes are obtained from a broker. Where the ACD deems that these valuations are unrepresentative of a fair valuation of the security, a fair valuation adjustment is applied based upon the ACD's opinion of fair value.

The last dealing point in the year has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the funds between the last dealing point and close of business on the balance sheet date.

Derivatives are valued based on counterparty valuations, appropriate pricing models and the ACD's opinion of fair value.

The Fair Value of Collective Investment Schemes (CIS) holdings is the bid price for authorised unit trusts and the quoted price for open-ended investment companies and offshore funds.

#### (c) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in a foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

#### (d) Derivatives

The return in respect of any derivative transaction is treated as capital or revenue depending on the motive and circumstances of the transaction. Where positions are undertaken to protect or enhance capital the returns are capital and where they are generating or protecting revenue the returns are revenue. Where positions generate total returns, the returns are apportioned between capital and revenue to reflect the nature of the transaction. Ongoing premiums on credit default swaps are charged or credited to revenue/expenses on an accruals basis, depending on whether protection is bought or sold.

Any capital gains/losses are included within net capital gains/(losses) and any revenue or expense is included within revenue or interest payable and similar charges respectively in the statement of total return.

Derivative revenue and expense are netted off for the purposes of disclosure. The net balance is disclosed within either the revenue or interest payable and similar charges note depending on whether the balance is in a net revenue or expense position respectively.

The revenue return element in respect of futures is calculated by reference to the quoted yield of the index upon which the future is based compared to LIBOR. The revenue so calculated may represent revenue or expenses in a fund's financial statements, in accordance with whether the fund has held a net long or short position, when considering the accounting period as a whole. The revenue or expense position is reversed where LIBOR exceeds the quoted yield of the relevant index.

Cash held at future brokers as margin is reflected separately within cash and bank balances.

#### (e) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.

Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.

Interest on debt securities and bank and short-term deposits is recognised on an earned basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.

Underwriting commission is recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

Underwriting commission is treated as revenue except for the proportion that is deducted from the cost of shares, which is capital.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Dividends from U.S. Real Estate Investment Trusts (REITs) include a capital element.

Upon receipt, a provision equivalent to 30% of the dividend is made in capital. On an annual basis, once the actual information has been published in the market, the provision will be amended to reflect actual split between capital and revenue.

#### (f) Treatment of expenses (including management expenses)

All expenses other than those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. The ACD may from time to time subsidise costs incurred by any of the Funds including but not limited to the Auditor's fee, to keep the costs of the Fund in line with the published estimated Ongoing Charges Figure or for any other reason. Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

In addition, the ACD is entitled to receive a performance fee in the event of the NAV per share of the Fund outperforming the relevant benchmark index, in respect of the following funds:

American Extended Alpha Fund  
Global Extended Alpha Fund  
UK Absolute Alpha Fund  
UK Extended Alpha Fund

Any fees arising as a result of outperformance are transferred to capital. The performance fee is only chargeable at the end of any Performance Period i.e. 31 December, and will be paid within one month of that date. If no performance fee has been charged since the launch of the Share Class, no performance fee will be payable until such time as there is an Excess Return and there is a performance fee accrual at the end of the Performance Period.

Further details including the relevant benchmark index, can be found within the "Expenses" note of the individual funds.

With effect from 1 January 2020, the application of performance fees has been discontinued on the Funds mentioned above.

#### (g) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

#### (h) Allocation of revenue and expenses to multiple share classes

The allocation of revenue and expenses to each share class is based upon the proportion of the fund's capital net assets attributable to each share class, on the day the revenue is earned or the expense is suffered.

Revenue equalisation, annual management charge and registration fees are specific to each share class.

#### (i) Equalisation policy

The funds operate equalisation to ensure the level of distributable revenue for any share class is not affected by the issue or cancellation of shares.

#### (j) Allocation of return on hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 202). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

#### (k) Deferred tax

Deferred tax liabilities are provided in full in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes and deferred tax assets are recognised to the extent that they are considered recoverable.

Further analysis of the deferred tax assets can be found within the financial statements of the individual funds.

#### (l) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

# Notes to the Annual Reports and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC

## Notes to the financial statements

(continued)

### 2 DISTRIBUTION POLICIES

- (a) In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any share class, a distribution will be made from that share class. Should expenses and taxation exceed revenue for any share class, there will be no distribution for that share class and a transfer from capital will be made to cover the shortfall. Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.
- (b) Where distributions are unclaimed for a period of six years these are brought back into the relevant fund as capital.
- (c) The ACD's charges in respect of the following funds are added back for the purpose of determining the amount available for distribution:
- Emerging Market Local Fund
  - Global Equity Income Fund
  - UK Equity Alpha Income Fund
  - US Equity Income Fund
- (d) In addition to the ACD charge, all other expenses of the US Equity Income Fund are added back for the purpose of determining the amount available for distribution.
- (e) When a transfer is made between the revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of a fund.
- (f) Any fees arising as a result of outperformance are added back for the purpose of determining the amount for distribution.

### 3 RISK MANAGEMENT POLICIES

In pursuing their investment objectives, the funds may hold a number of financial instruments. These financial instruments comprise securities, derivatives and other investments, cash balances, debtors and creditors that arise directly from the funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for cancellations and debtors for accrued revenue.

The funds may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition the funds only execute derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a Risk Management Policy (RMP\*), which is reviewed by the Depositary. The processes detailed within are designed to monitor and measure as frequently as appropriate the risk of the funds' underlying investments, derivative and forward positions and their contribution to the overall risk profile of the funds. The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been consistent for both the current and prior period to which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the funds might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested especially if investments are not held for the long term. Bond funds hold a range of fixed interest instruments which may be difficult to value and/or liquidate.

Investors should consider the degree of exposure of these funds in the context of all their investments.

The funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus.

The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the funds will be exposed.

The value of the investment can fall as well as rise and investors might not get back the sum originally invested, especially if investments are not held for the long term. The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation and the prospectus.

#### Liquidity risk

Liquidity risk is the risk that the funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised. Under normal circumstances, the funds will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of cancellations in the funds, the funds may hold cash and/or more liquid assets.

Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of issues and cancellations enabling the ACD to raise cash from the funds' portfolios in order to meet cancellation requests. In addition the ACD monitors market liquidity of all securities, with particular focus on the Floating Rate Note (FRN) market, seeking to ensure the funds maintain sufficient liquidity to meet known and potential cancellation activity. Fund cash balances are monitored daily by the ACD and Administrator.

Where investments cannot be realised in time to meet any potential liability, the funds may borrow up to 10% of their value to ensure settlement. All of the funds' financial liabilities are payable on demand or in less than one year.

In exceptional circumstances the ACD, with the prior agreement of the Depositary, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The ACD may also, in certain circumstances, require a redeeming shareholder, in lieu of payment, to be transferred property of the fund.

#### Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the funds may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the funds suffering a loss.

In order to manage credit risk the funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

The funds may invest in what are considered riskier bonds (below investment grade, i.e., credit ratings lower than BBB-). This brings the potential for increased risk of default and could affect both the income and the capital value of the fund. Further details can be found in the portfolio statement of the individual funds.

#### Interest rate risk

Interest rate risk is the risk that the value of the funds' investments will fluctuate as a result of changes in interest rates. The income of these funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest rate risk profile for a fund is shown in the notes to the financial statements, contained within the full financial statements.

#### Currency risk

Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. Where a portion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 201. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

### 4 CROSS HOLDINGS

There were no cross holdings in the current or prior year for any funds within the Threadneedle Specialist Investment Funds ICVC.

\*The RMP is available on request from the client services team contact details on page 209.

## Threadneedle UK Mid 250 Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE 250 ex Investment Trusts Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange, predominantly companies domiciled in the UK, or which have significant UK business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, focusing on companies included within the FTSE 250 ex Investment Trusts Index.

The FTSE 250 ex Investment Trusts Index currently comprises approximately 200 companies (excluding Investment Trusts) listed on the London Stock Exchange and is regarded as an appropriate performance measure of medium-sized UK companies. It provides a suitable target benchmark against which the Fund performance will be measured and evaluated over time.

The Fund is relatively concentrated, and typically invests in fewer than 55 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes, when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 - Accumulation shares in the Threadneedle UK Mid 250 Fund has fallen from 263.38p to 227.32p.

For comparison, using noon prices, the performance of the Class 1 share class was -13.69% and -13.20% for the Class 2 share class compared to a return of -14.71% for the Morningstar UK Unit Trusts/DEICs - 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 250 Ex Investment Trusts Index was -17.22%.

#### Market Overview and Portfolio Activity

UK mid-caps lost ground over the review period. These equities rallied strongly in 2019 and outperformed the FTSE All-Share, but were hit particularly hard

in 2020 amid a steep market sell-off on concerns about COVID-19, a virulent coronavirus which originated in China and spread globally.

Over 2019, markets benefited from accommodative monetary policy and easing trade tensions between the US and China. Mid-caps benefited from the resulting appetite for risk and performed particularly well following the Conservatives' decisive victory in December's snap general election. The result removed the tail risk of a hard-left Labour government, and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

The mood swiftly turned negative in 2020 on concerns over the economic toll of COVID-19 and resulting quarantine measures, with global equities experiencing sharp sell-offs. Mid-caps suffered in the ensuing flight towards assets perceived to be safe. A sharp fall in the pound in March was a further headwind for these equities, which are considered vulnerable to the higher imported costs that result from a weak currency.

Firms responded to the crisis with cash conservation measures, often including dividend cuts. Meanwhile, governments launched substantial economic support measures and stimulus packages. Central banks in the UK and elsewhere turned even more accommodative, by unleashing emergency interest-rate cuts and injecting liquidity. The Bank of England also announced that it would temporarily finance government spending directly, bypassing the bond market.

The scale of these accommodative measures helped equities rebound in April, as did some indications that the COVID-19 outbreak was past its peak, as several countries started to ease lockdown measures. However, economic indicators were stark, as they started to reflect the toll of the pandemic.

New additions to the portfolio over the review period included Cineworld, specialist lender OneSavings Bank, media business S4 Capital, and housebuilders Crest Nicholson.

Cineworld is the second-largest cinema operator in the world. The firm has recently concluded a round of returns-enhancing refurbishments. The stock has been hit hard this year as the company has been forced to close cinemas in several countries as a result of the coronavirus, which is likely to hit revenues and impair the company's ability to service its debt. However, we feel that the shares have been oversold. In our view, the market has already priced in the prospect of the company raising equity and, once this is undertaken, the shares will be substantially re-priced. We are also optimistic about Cineworld's move to secure extra credit from lenders.

OneSavings is focused on the underserved areas of the borrowing market.

We bought S4 by participating in the company's placing and open offer, which

was used to finance the takeover of American marketing agency Firewood. S4 is making selected acquisitions, and its slender cost base enables it to offer its services at much lower prices than the big-name, traditional players.

Crest Nicholson had the liquidity to get through a very prolonged pandemic, and in a post-coronavirus world, we believe that the government will focus on expanding social housing, an area in which the company has a very strong position.

We profitably closed our position in Electrocomponents following the stock's strong run in 2019. We also sold Coats and Wood Group, in response to the Covid-19 crisis. In our view, Wood Group was likely to be adversely impacted by sharp falls in oil prices, which could lead to major energy producers deferring capital-expenditure plans. For Coats, we felt that concerns about the company's market position and debt had not yet been priced into the shares.

The virtual shutdown of the consumer sector as a result of the pandemic is expected to bring about a collapse in demand across the economy and, more importantly, a liquidity crisis. Central banks and governments have responded by providing strong support for robust businesses to survive.

We feel that there are three key areas that will drive the performance of the asset class over the next 12 months.

Firstly, we believe there is a strong opportunity in the UK for high-quality small and mid-caps, as these economic "shock" moments provide strong businesses with the ability to become even stronger, increase market share and benefit from structural trends, which tend to accelerate in these times.

Secondly, there are attractive prospects for those businesses perceived to be highly indebted but, at the same time, have strong liquidity and the ability to mitigate costs to protect profitability.

Finally, we feel that the share prices of certain leveraged companies with no liquidity issues already seem to be discounting significant future equity-raising. Many of these firms have high returns and strong market positions, but will require additional capital to see through the current short-term shock. We are ready to be able to take advantage of these opportunities, and indeed have done so in recent weeks, for example by participating in the placing of Blue Prism. In these cases, the medium-term opportunities have either remained unchanged or even strengthened.

We are continuing to monitor companies closely, rigorously adhering to our philosophy and process with the aim of seeking out medium-term opportunities and out-of-favour stocks.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(9,964)	(1,260)
Revenue	3	1,215	1,913
Expenses	4	(554)	(817)
Net revenue before taxation		661	1,096
Taxation	5	—	—
Net revenue after taxation		661	1,096
Total return before distributions		(9,303)	(164)
Distributions	6	(663)	(1,096)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(9,966)</b>	<b>(1,260)</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		49,942	61,517
<b>Current assets:</b>			
Debtors	7	261	1,998
Cash and bank balances		2,144	773
Total assets		52,347	64,288
<b>Liabilities:</b>			
<b>Creditors:</b>			
Other creditors	8	(497)	(138)
Total liabilities		(497)	(138)
<b>Net assets attributable to shareholders</b>		<b>51,850</b>	<b>64,150</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	64,150	96,496
Amounts receivable on the issue of shares	15,792	4,112
Amounts payable on the cancellation of shares	(18,816)	(36,070)
	(3,024)	(31,958)
Dilution adjustment	23	25
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(9,966)	(1,260)
Retained distribution on accumulation shares	667	847
<b>Closing net assets attributable to shareholders</b>	<b>51,850</b>	<b>64,150</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 - Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.8708	—	0.8708	2.0217
<b>Group 2</b>				
01/05/19 to 30/04/20	—	0.8708	0.8708	2.0217
<b>Total distributions in the period</b>			<b>0.8708</b>	<b>2.0217</b>

#### Class 2 - Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	2.5785	—	2.5785	3.8182
<b>Group 2</b>				
01/05/19 to 30/04/20	1.7481	0.8304	2.5785	3.8182
<b>Total distributions in the period</b>			<b>2.5785</b>	<b>3.8182</b>

#### Class X - Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	2.2860	—	2.2860	2.8210
<b>Group 2</b>				
01/05/19 to 30/04/20	2.2860	—	2.2860	2.8210
<b>Total distributions in the period</b>			<b>2.2860</b>	<b>2.8210</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle UK Mid 250 Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	2.1374	–	2.1374	2.9932
<b>Group 2</b>				
01/05/19 to 30/04/20	0.1956	1.9418	2.1374	2.9932
<b>Total distributions in the period</b>			<b>2.1374</b>	<b>2.9932</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Mid 250 Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	262.99	266.89	252.12	287.76	290.35	272.68
Return before operating charges (p)	(36.82)	0.38	19.14	(40.48)	0.55	20.77
Operating charges (p)	(4.31)	(4.28)	(4.37)	(3.11)	(3.14)	(3.10)
Return after operating charges (p)*	(41.13)	(3.90)	14.77	(43.59)	(2.59)	17.67
Distributions (p)	(0.87)	(2.02)	(0.71)	(2.58)	(3.82)	(2.42)
Retained distributions on accumulation shares (p)	0.87	2.02	0.71	2.58	3.82	2.42
Closing net asset value per share (p)	221.86	262.99	266.89	244.17	287.76	290.35
*after direct transaction costs of (p)	0.93	0.93	0.85	1.01	1.06	0.92
<b>Performance</b>						
Return after charges (%)	(15.64)	(1.46)	5.86	(15.15)	(0.89)	6.48
<b>Other information</b>						
Closing net asset value (£000)	5,044	14,377	15,605	3,291	4,769	28,923
Closing number of shares	2,273,412	5,466,947	5,847,185	1,348,068	1,657,249	9,961,319
Operating charges (%)**	1.67	1.66	1.65	1.10	1.07	1.08
Direct transaction costs (%)***	0.36	0.36	0.32	0.36	0.36	0.32
<b>Prices</b>						
Highest share price (p)	295.84	283.29	285.04	325.20	308.42	309.51
Lowest share price (p)	164.80	221.67	250.98	181.25	242.07	271.77

  

	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	120.84	120.66	112.16	200.02	201.47	188.90
Return before operating charges (p)	(17.15)	0.22	8.54	(28.19)	0.33	14.36
Operating charges (p)	(0.11)	(0.04)	(0.04)	(1.81)	(1.78)	(1.79)
Return after operating charges (p)*	(17.26)	0.18	8.50	(30.00)	(1.45)	12.57
Distributions (p)	(2.29)	(2.82)	(2.23)	(2.14)	(2.99)	(2.02)
Retained distributions on accumulation shares (p)	2.29	2.82	2.23	2.14	2.99	2.02
Closing net asset value per share (p)	103.58	120.84	120.66	170.02	200.02	201.47
*after direct transaction costs of (p)	0.43	0.42	0.38	0.70	0.70	0.64
<b>Performance</b>						
Return after charges (%)	(14.28)	0.15	7.58	(15.00)	(0.72)	6.65
<b>Other information</b>						
Closing net asset value (£000)	6,929	4	4	36,586	45,000	51,964
Closing number of shares	6,689,554	3,000	3,000	21,518,986	22,497,816	25,793,053
Operating charges (%)**	0.09	0.03	0.03	0.92	0.91	0.90
Direct transaction costs (%)***	0.36	0.36	0.32	0.36	0.36	0.32
<b>Prices</b>						
Highest share price (p)	137.68	128.32	128.21	226.37	214.05	214.66
Lowest share price (p)	76.80	101.29	111.96	126.18	168.16	188.33

\*\*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](http://columbiathreadneedle.com/fees).

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

## Threadneedle UK Mid 250 Fund

### Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

#### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(9,962)	(1,253)
Other losses	–	(5)
Transaction costs	(2)	(2)
Net capital losses	(9,964)	(1,260)

#### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	1,203	1,900
Overseas dividends	–	2
Bank interest	9	6
Underwriting commission	3	5
Total revenue	1,215	1,913

#### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(464)	(712)
Registration fees	(58)	(73)
	(522)	(785)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(7)	(9)
Safe custody fees	(10)	(10)
	(17)	(19)
Other expenses:		
Regulatory fees	(6)	(4)
Audit fees	(9)	(9)
	(15)	(13)
Total expenses*	(554)	(817)

\*Including irrecoverable VAT where applicable.

#### 5 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	661	1,096
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(132)	(219)
Effects of:		
Revenue not subject to taxation	240	375
Excess expenses	(108)	(156)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £2,436,412 (2019: £2,328,451) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

#### 6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	667	847
	667	847
Add: Revenue deducted on the cancellation of shares	107	278
Deduct: Revenue received on the creation of shares	(111)	(29)
Net distribution for the period	663	1,096
Net revenue after taxation	661	1,096
Equalisation on conversion	2	–
Total distributions	663	1,096

Details of the distribution per share are set out in the table on pages 6 to 7.

#### 7 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	52	105
Sales awaiting settlement	117	1,657
Accrued revenue	92	236
Total debtors	261	1,998

#### 8 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(32)	(75)
Purchases awaiting settlement	(429)	–
Accrued expenses	(4)	(9)
Amounts payable to ACD	(32)	(54)
Total other creditors	(497)	(138)

#### 9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

#### 10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 11 SHAREHOLDER FUNDS

Threadneedle UK Mid 250 Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

## Threadneedle UK Mid 250 Fund

### Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 8. The distribution per share class is given in the distribution table on pages 6 to 7. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	5,466,947
Shares issued	459,812
Shares redeemed	(3,526,797)
Net conversions	(126,550)
Closing shares	<u>2,273,412</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	1,657,249
Shares issued	743,337
Shares redeemed	(1,042,518)
Net conversions	(10,000)
Closing shares	<u>1,348,068</u>
<b>Class X – Accumulation shares</b>	
Opening shares	3,000
Shares issued	6,686,554
Shares redeemed	–
Net conversions	–
Closing shares	<u>6,689,554</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	22,497,816
Shares issued	2,456,721
Shares redeemed	(3,615,599)
Net conversions	180,048
Closing shares	<u>21,518,986</u>

### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

#### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.70% and vice versa (2019: 4.47%).

#### Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling.

Currency 2019	£000
US Dollar	48

#### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

#### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	2,144	–	50,203	52,347
<b>Currency 2019</b>				
UK Sterling	773	–	63,467	64,240
US Dollar	–	–	48	48
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	–	–	(497)	(497)
<b>Currency 2019</b>				
UK Sterling	–	–	(138)	(138)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

### 13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	49,942	–	61,517	–
	<u>49,942</u>	<u>–</u>	<u>61,517</u>	<u>–</u>

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

	Value £000	Commissions £000	%	Taxes £000	%
<b>Purchases</b>					
Equities	37,671	21	0.05	174	0.46
Corporate actions	191	–	–	–	–
<b>Total</b>	<u>37,862</u>	<u>21</u>		<u>174</u>	
<b>Gross purchases total:</b>	<u>38,057</u>				

## Threadneedle UK Mid 250 Fund

### Notes to the financial statements

(continued)

	Value	Commissions		Taxes	
	£000	£000	%	£000	%
<b>Sales</b>					
Equities	39,281	20	0.05	–	–
Corporate actions	409	–	–	–	–
<b>Total</b>	<b>39,690</b>	<b>20</b>		<b>–</b>	

**Total sales net of transaction costs: 39,670**

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.29%

#### 30 April 2019

	Value	Commissions		Taxes	
	£000	£000	%	£000	%
<b>Purchases</b>					
Equities	50,087	25	0.05	213	0.43
Corporate actions	627	–	–	–	–
<b>Total</b>	<b>50,714</b>	<b>25</b>		<b>213</b>	

**Gross purchases total: 50,952**

	Value	Commissions		Taxes	
	£000	£000	%	£000	%
<b>Sales</b>					
Equities	79,761	34	0.04	–	–
Corporate actions	772	–	–	–	–
<b>Total</b>	<b>80,533</b>	<b>34</b>		<b>–</b>	

**Total sales net of transaction costs: 80,499**

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.08%
Taxes:	0.28%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.41% (30 April 2019: 0.31%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 1.83%.

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve a return over the long term consisting of capital growth and some income, achieved through investment in companies that are positively exposed to sustainable themes through their products and services, as well as those with strong or improving environmental, social and governance (ESG) characteristics.

The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the UK, or which have significant UK business operations.

The Fund focusses on selecting companies delivering sustainable outcomes or progressing towards the delivery of sustainable outcomes, as outlined in the Fund's Sustainable Investment Guidelines. Those companies will offer products and services aligned to the Fund's sustainable themes, or demonstrate leadership on sustainability issues through strong environmental, social, and governance practices.

On occasion, the Fund may invest in other securities (including fixed interest securities), and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class Z - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class Z - Accumulation shares in the Threadneedle UK Sustainable Equity Fund has fallen from 128.18p to 119.61p.

For comparison, using noon prices, the performance of the Class T share class was -7.07% and -6.69% for the Class Z share class compared to a return of -14.71% 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 (Previously MSCI UK IMI Extended SRI until 30th June 2019) was -16.13%.

#### Market Overview and Portfolio Activity

Climate change remained at the forefront of the agenda over the review period. In June, the UK became one of the first G7 economies to adopt 2050 goals into law, requiring net zero carbon emissions. Later in the year, the 25th United Nations Climate Change Conference was held in Madrid. The intention was to finalise the rulebook governing the 2015 Paris summit, where countries agreed to limit global carbon emissions to "well below two degrees". After two

weeks of talks, however, this was not achieved, and decisions were postponed until the 2020 conference. At the next Climate Change Conference, postponed to 2021 owing to coronavirus, countries are due to increase their emissions reduction targets.

The review period also included the 'proxy season', where we vote at most of our investee companies. One of the focus issues was that of extravagant executive pensions; this drove many of our dissenting votes at companies where the pension level greatly exceeds that of the general workforce. Another frequent reason for voting against directors in the UK was a low level of board diversity or independence. Generally, we have seen the proportion of female directors improving, but we continue, through active engagement and voting, to ensure companies have boards with sufficient levels of independence and female directors.

In other developments, the UK's Financial Reporting Council updated the UK's Stewardship Code, extending the scope beyond equities and placing a greater emphasis on the importance of stewardship in creating long-term value for clients and sustainable benefits for society, the environment and the economy. Turning to financial markets, UK equities fell over the 12 months under review. Gains accrued during 2019 were erased by sharp declines in 2020 amid a sharp global sell-off.

Over 2019, UK equities rallied amid optimism over Chinese economic stimulus measures, accommodative monetary policy, and reduced trade-war concerns. Towards year-end, stocks also benefited from the Conservatives' decisive victory in December's snap general election. The result removed the risk of a hard-left Labour government and was seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January, with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

UK and global equities sold off in 2020, as a novel coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already fragile global economy. Many firms announced cash-conservation measures in response, such as dividend cuts.

Meanwhile, governments launched substantial economic support measures and stimulus packages. Central banks in the UK and elsewhere unleashed emergency interest-rate cuts and injected liquidity. The scale of these accommodative measures helped equities rebound in April, as did some indications that the COVID-19 outbreak was past its peak. However, economic indicators were stark as they started to reflect the toll of the pandemic. The virus has also brought unprecedented global disruption to society, vastly altering people's ability to work and move freely.

New additions to the portfolio over the review period included consumer-staples giant Reckitt Benckiser, oilfield-services company Wood Group, housebuilder Derwent London, publishing firm Future and payment-services provider Equals Group.

Reckitt Benckiser is one of the world's largest consumer health companies; the stock aligns with our health, wellbeing and food security theme. The company's

strategic focus is on reducing preventable disease, enhancing hygiene, and improving infant and child nutrition.

Wood Group provides expertise that will help facilitate the transition to a low-carbon economy, providing continuity, security and reliability in energy production. At the company's recent Capital Markets Day, management announced a strategic focus on sustainability, energy transition and sustainable infrastructure. For this reason, we upgraded its sustainable outcome rating from 'neutral' to 'contributor', which aligns with our regeneration and infrastructure theme and UN SDG 9 - Industry, Innovation and Infrastructure.

The scale of Derwent's operations means that its sustainability initiatives have great impact. All new buildings and those being leased have a Sustainability Framework, which has integrated science-based targets to ensure low-carbon, energy-efficient buildings.

Sales in Future's media business are increasing, especially in the US. We are optimistic about Future's ambitions to become a leader in the American consumer-technology media segment. The company has products to drive revenue-model optimisation, helping customers to focus on creating the right content to build valuable audiences.

Equals Group focuses on reducing the cost of foreign-exchange transactions for consumers and small businesses; it is a contributor to our financial and technological inclusion theme. The company's future growth potential is attractive. We sold easyJet, DS Smith and Micro Focus International.

The coronavirus has delivered a clear jolt to the world economy, which we feel cannot be entirely offset by the vast monetary and fiscal stimulus measures. That said, the speed and magnitude of stock market falls are factoring this in already to some degree. While the situation is evolving rapidly, the dislocation should create opportunities for us to capture value through our robust process and active management.

A wave of refinancing is sweeping the market as companies seek to shore up liquidity. Just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors to identify decent businesses unduly caught up in the crunch. Elsewhere, the prospects for selected domestic cyclical appear interesting as, before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

We will use our disciplined process to identify investment opportunities in companies that deliver sustainable, innovative outcomes and continue to engage with companies to ensure the best outcomes for our clients. The future winners will be companies that are inherently sustainable and have responded well to the pandemic, treated workers fairly, shown restraint in executive pay, and carefully considered all stakeholders.

93% of the companies held in the portfolio contribute positively to sustainable outcomes. The largest area of thematic exposure in the strategy is to health, wellbeing and food security; the pandemic has shown the importance of medical innovation and collaboration to promote good health in populations.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(2,389)	261
Revenue	3	682	696
Expenses	4	(325)	(319)
Net revenue before taxation		357	377
Taxation	5	-	-
Net revenue after taxation		357	377
Total return before distributions		(2,032)	638
Distributions	6	(358)	(377)
Change in net assets attributable to shareholders from investment activities		(2,390)	261

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		22,225	24,210
<b>Current assets:</b>			
Debtors	7	186	258
Cash and bank balances		619	1,183
Total assets		23,030	25,651
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(126)	(182)
Other creditors	8	(43)	(53)
Total liabilities		(169)	(235)
Net assets attributable to shareholders		22,861	25,416

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	25,416	24,781
Amounts receivable on the issue of shares	3,378	2,305
Amounts payable on the cancellation of shares	(3,607)	(1,973)
	(229)	332
Dilution adjustment	3	-
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(2,390)	261
Retained distribution on accumulation shares	61	42
Closing net assets attributable to shareholders	22,861	25,416

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 2 - Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
<b>Group 1</b>			
01/05/19 to 31/10/19	0.9606	-	0.9606
01/11/19 to 30/04/20	0.9312	-	0.9312
<b>Group 2</b>			
01/05/19 to 31/10/19	0.1114	0.8492	0.9606
01/11/19 to 30/04/20	0.6120	0.3192	0.9312
<b>Total distributions in the period</b>			<b>1.8918</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### DISTRIBUTION TABLE

(continued)

#### Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.9136	–	0.9136	0.8110
01/11/19 to 30/04/20	0.6915	–	0.6915	0.9670
<b>Group 2</b>				
01/05/19 to 31/10/19	0.5094	0.4042	0.9136	0.8110
01/11/19 to 30/04/20	0.5693	0.1222	0.6915	0.9670
<b>Total distributions in the period</b>			<b>1.6051</b>	<b>1.7780</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	1.2328	–	1.2328	1.1050
01/11/19 to 30/04/20	1.0030	–	1.0030	1.2611
<b>Group 2</b>				
01/05/19 to 31/10/19	0.7838	0.4490	1.2328	1.1050
01/11/19 to 30/04/20	0.8009	0.2021	1.0030	1.2611
<b>Total distributions in the period</b>			<b>2.2358</b>	<b>2.3661</b>

#### Class Z – Gross income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020
<b>Group 1</b>			
01/11/19 to 30/04/20	0.6745	–	0.6745
<b>Group 2</b>			
01/11/19 to 30/04/20	0.2979	0.3766	0.6745
<b>Total distributions in the period</b>			<b>0.6745</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Comparative Table Disclosure

	Class 2 – Gross accumulation shares		Class T – Income shares		
	30/04/2020 <sup>1</sup>		30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00		119.96	118.98	117.30
Return before operating charges (p)	(3.73)		(6.75)	4.34	4.71
Operating charges (p)	(0.69)		(1.59)	(1.58)	(1.59)
Return after operating charges (p)*	(4.42)		(8.34)	2.76	3.12
Distributions (p)	(1.89)		(1.61)	(1.78)	(1.44)
Retained distributions on accumulation shares (p)	1.89		–	–	–
Closing net asset value per share (p)	95.58		110.01	119.96	118.98
*after direct transaction costs of (p)	0.13		0.14	0.13	0.21
<b>Performance</b>					
Return after charges (%)	(4.42)		(6.95)	2.32	2.66
<b>Other information</b>					
Closing net asset value (£000)	116		19,313	22,538	23,387
Closing number of shares	121,111		17,556,090	18,788,639	19,655,832
Operating charges (%)**	0.69 <sup>†</sup>		1.32	1.34	1.34
Direct transaction costs (%)***	0.12		0.12	0.11	0.17
<b>Prices</b>					
Highest share price (p)	115.08		133.44	125.71	122.46
Lowest share price (p)	75.73		87.78	107.74	111.36

	Class Z – Accumulation shares			Class Z – Gross income shares
	30/04/2020	30/04/2019	30/04/2018	30/04/2020 <sup>2</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	127.86	124.41	120.71	100.00
Return before operating charges (p)	(7.33)	4.61	4.85	(15.87)
Operating charges (p)	(1.19)	(1.16)	(1.15)	(0.14)
Return after operating charges (p)*	(8.52)	3.45	3.70	(16.01)
Distributions (p)	(2.24)	(2.37)	(1.98)	(0.67)
Retained distributions on accumulation shares (p)	2.24	2.37	1.98	–
Closing net asset value per share (p)	119.34	127.86	124.41	83.32
*after direct transaction costs of (p)	0.15	0.13	0.21	0.09
<b>Performance</b>				
Return after charges (%)	(6.66)	2.77	3.07	(16.01)
<b>Other information</b>				
Closing net asset value (£000)	2,910	2,878	1,394	522
Closing number of shares	2,438,354	2,251,079	1,120,438	626,807
Operating charges (%)**	0.92	0.94	0.94	0.92 <sup>†</sup>
Direct transaction costs (%)***	0.12	0.11	0.17	0.12
<b>Prices</b>				
Highest share price (p)	143.75	131.62	126.26	101.17
Lowest share price (p)	94.59	113.77	115.54	66.58

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 15 May 2019.

<sup>2</sup>Commenced 18 February 2020.

<sup>†</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(2,389)	261
Other gains	1	–
Transaction costs	(1)	–
Net capital (losses)/gains	(2,389)	261

### 3 REVENUE

	2020 £000	2019 £000
UK dividends	676	687
Overseas dividends	(1)	6
Bank interest	7	3
Total revenue	682	696

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(282)	(272)
Registration fees	(28)	(27)
	(310)	(299)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(3)	(3)
Safe custody fees	(9)	(9)
	(12)	(12)
Other expenses:		
Audit fees	(8)	(8)
Expenses cap*	5	–
	(3)	(8)
Total expenses**	(325)	(319)

\*Excess expenses are paid by the ACD.

\*\*Including irrecoverable VAT where applicable.

### 5 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	357	377
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(71)	(75)
Effects of:		
Revenue not subject to taxation	134	138
Excess expenses	(63)	(63)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £280,073 (2019: £217,523) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	202	168
Final	151	210
	353	378
Add: Revenue deducted on the cancellation of shares	14	7
Deduct: Revenue received on the creation of shares	(9)	(8)
Net distribution for the period	358	377
Net revenue after taxation	357	377
Equalisation on conversion	1	–
Total distributions	358	377

Details of the distribution per share are set out in the table on pages 12 to 13.

### 7 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	7	34
Sales awaiting settlement	25	72
Accrued revenue	154	152
Total debtors	186	258

### 8 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(20)	(21)
Accrued expenses	(2)	(7)
Amounts payable to ACD	(21)	(25)
Total other creditors	(43)	(53)

### 9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Notes to the financial statements

(continued)

#### 11 SHAREHOLDER FUNDS

Threadneedle UK Sustainable Equity Fund currently has three share classes; Class 2, Class T and Class Z shares. The charges on each share class are as follows:

##### Annual management charge

Class 2 shares	0.60%
Class T shares	1.15%
Class Z shares	0.75%

##### Registration fees

Class 2 shares	0.035%
Class T shares	0.110%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 14. The distribution per share class is given in the distribution table on pages 12 to 13.

All classes have the same rights on winding up.

##### Reconciliation of shares

	2020
<b>Class 2 – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	264,203
Shares redeemed	(143,092)
Net conversions	–
Closing shares	<u>121,111</u>
<b>Class T – Income shares</b>	
Opening shares	18,788,639
Shares issued	473,352
Shares redeemed	(1,232,486)
Net conversions	(473,415)
Closing shares	<u>17,556,090</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	2,251,079
Shares issued	1,953,411
Shares redeemed	(1,766,136)
Net conversions	–
Closing shares	<u>2,438,354</u>
<b>Class Z – Gross income shares*</b>	
Opening shares	–
Shares issued	2,751
Shares redeemed	–
Net conversions	624,056
Closing shares	<u>626,807</u>

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

#### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.60% and vice versa (2019: 4.01%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
	£000
<b>Currency 2020</b>	
Euro	253
US Dollar	22
<b>Currency 2019</b>	
Euro	283
US Dollar	12

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
Euro	1	–	252	253
UK Sterling	618	–	22,137	22,755
US Dollar	–	–	22	22
<b>Currency 2019</b>				
Euro	–	–	283	283
UK Sterling	1,180	–	24,176	25,356
US Dollar	3	–	9	12

  

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	–	–	(169)	(169)
<b>Currency 2019</b>				
UK Sterling	–	–	(235)	(235)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### 13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1	22,225	–	24,030	–
Level 3	–	–	180	–
	<u>22,225</u>	<u>–</u>	<u>24,210</u>	<u>–</u>

#### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Notes to the financial statements

(continued)

#### 15 PORTFOLIO TRANSACTION COSTS

30 April 2020

	Value	Commissions	Taxes		
Purchases	£000	£000	%	£000	%
Equities	6,196	3	0.04	25	0.41
<b>Total</b>	<b>6,196</b>	<b>3</b>		<b>25</b>	

Gross purchases total:

6,224

	Value	Commissions	Taxes		
Sales	£000	£000	%	£000	%
Equities	5,809	3	0.04	–	–
Corporate actions	14	–	–	–	–
<b>Total</b>	<b>5,823</b>	<b>3</b>		<b>–</b>	

Total sales net of transaction costs: 5,820

Transaction costs as a percentage of average Net Assets

Commissions: 0.02%

Taxes: 0.10%

30 April 2019

	Value	Commissions	Taxes		
Purchases	£000	£000	%	£000	%
Equities	5,186	2	0.05	21	0.40
Corporate actions	109	–	–	–	–
<b>Total</b>	<b>5,295</b>	<b>2</b>		<b>21</b>	

Gross purchases total:

5,318

	Value	Commissions	Taxes		
Sales	£000	£000	%	£000	%
Equities	5,211	3	0.05	–	–
Corporate actions	365	–	–	–	–
<b>Total</b>	<b>5,576</b>	<b>3</b>		<b>–</b>	

Total sales net of transaction costs: 5,573

Transaction costs as a percentage of average Net Assets

Commissions: 0.02%

Taxes: 0.09%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.46% (30 April 2019: 0.53%), being the difference between the respective buying and selling prices for the fund's investments.

#### 16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 1.57%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class Z – Accumulation shares	(15.50)

## Threadneedle UK Extended Alpha Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 90% of its investment exposure to a concentrated portfolio of shares of companies listed on the London Stock Exchange; predominantly companies domiciled in the UK, or which have significant UK business operations.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 85 companies.

The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also invest in other securities (including fixed interest securities), money market instruments, deposits, cash and near cash. These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 - Accumulation shares in the Threadneedle UK Extended Alpha Fund has fallen from 488.81p to 408.68p.

For comparison, using noon prices, the performance of the Class 1 share class

was -16.39% and -15.92% for the Class 2 share class compared to a return of -14.71% 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 -16.68%.

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Gains accrued during 2019 were erased in 2020 amid a steep market sell-off on concerns about COVID-19, a virulent coronavirus which originated in China and spread globally.

Over 2019, markets benefited from accommodative monetary policy, as well as easing trade tensions between the US and China. UK equities were further buoyed by several overseas takeover bids for firms, and towards year-end, receding concerns around Brexit following the Conservatives' decisive victory in December's snap general election. UK stocks, particularly of domestically oriented companies, rallied strongly in response as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for the UK's orderly withdrawal from the EU. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing. The mood swiftly turned negative in 2020 on concerns over the economic toll of COVID-19 and resulting quarantine measures, with global equities experiencing sharp sell-offs. The UK stock market was further pressured as quality names and technology stocks remained in favour, and because of its heavy energy and mining exposure, as prices of these underlying commodities fell amid expectations of a slowdown in demand.

Firms responded to the crisis with cash conservation measures, often including dividend cuts. Meanwhile, governments launched substantial economic support measures and stimulus packages. Central banks in the UK and elsewhere turned even more accommodative, by unleashing emergency interest-rate cuts and injecting liquidity. The Bank of England also announced that it would temporarily finance government spending directly, bypassing the bond market.

The scale of these accommodative measures helped equities rebound in April, as did some indications that the COVID-19 outbreak was past its peak, as several countries started to ease lockdown measures. However, economic indicators were stark, as they started to reflect the toll of the pandemic.

New additions to the long portfolio included SSP, BHP, M&G and Restaurant Group. SSP is a global operator of catering and concession services in airports and railway stations. Our purchase was premised on our belief that start-up costs are masking the underlying future profitability of the business. The shares fell sharply earlier this year on concerns about the virtual halt to travel and tourism as a result of the lockdowns, however, our investment thesis remains intact. The company has announced measures to raise financing and conserve cash by suspending dividends and share buybacks.

We are positive about Restaurant Group's ownership of casual-dining chain Wagamama, as well as the underlying value in the existing pubs and concessions business. In the wake of the coronavirus crisis, the firm has accelerated plans to reduce its less profitable leisure business. The company is also prudently raising extra equity to aid liquidity through the shutdown; we participated in its placing in April. We believe that Restaurant Group will emerge stronger from the crisis as many of its rivals are excessively leveraged.

We received shares in M&G following its demerger from Prudential. We subsequently scaled up the position in M&G meaningfully, due to the extremely attractive valuation proposition.

Miner BHP was added to the portfolio following the steep sell-off this year, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus.

In response to the pandemic, we also rotated the fund's holdings in the consumer sector by exiting Carnival - we felt that the firm's financial risk is now greater owing to the drastic slowdown in travel and tourism - and increasing exposure to less economically sensitive names, such as topping up Imperial Brands.

We profitably sold Merlin Entertainments and Cobham, ahead of the completion of their respective takeovers.

In the short book, we initiated positions in a builders' merchant, a fashion retailer and a credit-scoring agency. We completely covered our shorts in an equipment-rental firm, a water-utility company and a miner.

Following the sharp sell-off in March, we appear to be in the 'post-bounce' period of extreme nervousness, and we expect the market to remain volatile and rangebound for some months until there is clarity as to how and when countries will emerge from lockdowns. The stocks most exposed to this worry are also those that have the most upside in a recovery scenario, but are likely to be the most volatile as short-term news flow evolves. The market will also be more inclined to pay up for safety/resilience.

The coronavirus has delivered a clear jolt to the world economy, which we feel cannot be entirely offset by the substantial monetary and fiscal stimulus packages. While the situation is rapidly evolving, the dislocation should create opportunities for us to capture value through our robust process and active management. The key is to identify decent businesses unduly caught up in the crunch - and, of course, to avoid throwing 'good' money after 'bad'. Meanwhile, the prospects for selected domestic cyclical appear interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

All told, we are confident that a well-constructed, well-balanced portfolio with a diversified set of exposures, coupled with accurate and disciplined active management, can navigate the market vagaries.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(32,276)	2,122
Revenue	3	5,587	5,515
Expenses	4	(1,206)	(1,122)
Interest payable and similar charges	5	(749)	(726)
Net revenue before taxation		3,632	3,667
Taxation	6	-	-
Net revenue after taxation		3,632	3,667
Total return before distributions		(28,644)	5,789
Distributions	7	(3,632)	(3,667)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(32,276)</b>	<b>2,122</b>

#### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		132,257	140,341
<b>Current assets:</b>			
Debtors	8	2,143	1,435
Cash and bank balances		1,837	6,437
Cash equivalents**		3,226	-
Total assets		139,463	148,213
<b>Liabilities:</b>			
<b>Investment liabilities</b>		-	(56)
<b>Creditors:</b>			
Other creditors	9	(1,062)	(2,055)
Total liabilities		(1,062)	(2,111)
<b>Net assets attributable to shareholders</b>		<b>138,401</b>	<b>146,102</b>

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	146,102	127,621
Amounts receivable on the issue of shares	41,549	25,491
Amounts payable on the cancellation of shares	(20,975)	(12,992)
	20,574	12,499
Dilution adjustment	-	17
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(32,276)	2,122
Retained distribution on accumulation shares	4,001	3,843
<b>Closing net assets attributable to shareholders</b>	<b>138,401</b>	<b>146,102</b>

#### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 - Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	8.7462	-	8.7462	10.3796
<b>Group 2</b>				
01/05/19 to 30/04/20	4.0272	4.7190	8.7462	10.3796
<b>Total distributions in the period</b>			<b>8.7462</b>	<b>10.3796</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle UK Extended Alpha Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	12.4141	–	12.4141	14.0411
<b>Group 2</b>				
01/05/19 to 30/04/20	5.7460	6.6681	12.4141	14.0411
<b>Total distributions in the period</b>			<b>12.4141</b>	<b>14.0411</b>

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	7.5887	–	7.5887	8.2236
<b>Group 2</b>				
01/05/19 to 30/04/20	7.5887	–	7.5887	8.2236
<b>Total distributions in the period</b>			<b>7.5887</b>	<b>8.2236</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	488.57	473.27	449.80	529.84	510.38	482.36
Return before operating charges (p)	(84.56)	21.74	29.90	(92.14)	23.62	32.17
Operating charges (p)	(6.61)	(6.44)	(6.43)	(4.28)	(4.16)	(4.15)
Return after operating charges (p)*	(91.17)	15.30	23.47	(96.42)	19.46	28.02
Distributions (p)	(8.75)	(10.38)	(8.15)	(12.41)	(14.04)	(11.53)
Retained distributions on accumulation shares (p)	8.75	10.38	8.15	12.41	14.04	11.53
Closing net asset value per share (p)	397.40	488.57	473.27	433.42	529.84	510.38
*after direct transaction costs of (p)	1.51	1.16	1.68	1.64	1.25	1.81
<b>Performance</b>						
Return after charges (%)	(18.66)	3.23	5.22	(18.20)	3.81	5.81
<b>Other information</b>						
Closing net asset value (£000)	4,168	5,459	5,551	127,107	140,636	122,063
Closing number of shares	1,048,744	1,117,252	1,172,837	29,326,763	26,543,107	23,916,107
Operating charges (%)**	1.39	1.39	1.40	0.83	0.83	0.84
Direct transaction costs (%)***	0.32	0.25	0.37	0.32	0.25	0.37
<b>Prices</b>						
Highest share price (p)	526.27	490.22	480.95	572.83	531.58	517.83
Lowest share price (p)	318.27	413.00	439.96	346.88	447.04	474.18
<b>Class X – Accumulation shares</b>						
	30/04/2020	30/04/2019	30/04/2018			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	244.51	233.73	219.21			
Return before operating charges (p)	(42.80)	10.94	14.68			
Operating charges (p)	(0.17)	(0.16)	(0.16)			
Return after operating charges (p)*	(42.97)	10.78	14.52			
Distributions (p)	(7.59)	(8.22)	(6.99)			
Retained distributions on accumulation shares (p)	7.59	8.22	6.99			
Closing net asset value per share (p)	201.54	244.51	233.73			
*after direct transaction costs of (p)	0.76	0.58	0.83			
<b>Performance</b>						
Return after charges (%)	(17.57)	4.61	6.62			
<b>Other information</b>						
Closing net asset value (£000)	7,126	7	7			
Closing number of shares	3,535,628	3,000	3,000			
Operating charges (%)**	0.07	0.07	0.07			
Direct transaction costs (%)***	0.32	0.25	0.37			
<b>Prices</b>						
Highest share price (p)	265.68	245.28	236.61			
Lowest share price (p)	161.17	205.76	216.98			

\*\*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](http://columbiathreadneedle.com/fees).

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

# Threadneedle UK Extended Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(28,895)	533
Derivative contracts	(3,373)	1,600
Other losses	(6)	(10)
Transaction costs	(2)	(1)
Net capital (losses)/gains	<u>(32,276)</u>	<u>2,122</u>

### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	4,897	4,935
Overseas dividends	–	4
Derivative revenue	645	550
Bank interest	45	24
Underwriting commission	–	2
Total revenue	<u>5,587</u>	<u>5,515</u>

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,085)	(1,012)
Registration fees	(76)	(69)
	<u>(1,161)</u>	<u>(1,081)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(18)	(16)
Safe custody fees	(12)	(11)
	<u>(30)</u>	<u>(27)</u>
Other expenses:		
Regulatory fees	(6)	(5)
Audit fees	(9)	(9)
	<u>(15)</u>	<u>(14)</u>
Total expenses*	<u>(1,206)</u>	<u>(1,122)</u>

The ACD was entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the FTSE All Share Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% was multiplied by the Excess Return. Performance fees were calculated on a calendar basis and may vary substantially from year to year depending on how a fund had performed against its benchmark. As the accounting period fell during the calculation period of the performance fee, the performance fees were accrued at that point in time, but may not represented the actual amount that was paid. Therefore, previously accrued amounts may have been required to be reversed. The performance fee by nature was a capital charge, and was therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2019 (2018: £Nil). With effect from 1 January 2020, the application of performance fees has been discontinued.

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Dividends payable on short positions	(749)	(726)
Total interest payable and similar charges	<u>(749)</u>	<u>(726)</u>

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	3,632	3,667
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(726)	(733)
Effects of:		
Revenue not subject to taxation	967	952
Excess expenses	(241)	(219)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £1,636,782 (2019: £1,395,684) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	4,001	3,843
	<u>4,001</u>	<u>3,843</u>
Add: Revenue deducted on the cancellation of shares	146	117
Deduct: Revenue received on the creation of shares	(515)	(293)
Net distribution for the period	<u>3,632</u>	<u>3,667</u>

Details of the distribution per share are set out in the table on pages 18 to 19.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	1,241	106
Sales awaiting settlement	–	176
Accrued revenue	902	1,153
Total debtors	<u>2,143</u>	<u>1,435</u>

### 9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(15)	(87)
Purchases awaiting settlement	(915)	(1,679)
Accrued expenses	(49)	(192)
Amounts payable to ACD	(83)	(97)
Total other creditors	<u>(1,062)</u>	<u>(2,055)</u>

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

## Threadneedle UK Extended Alpha Fund

### Notes to the financial statements

(continued)

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 12 SHAREHOLDER FUNDS

Threadneedle UK Extended Alpha Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.050%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 20. The distribution per share class is given in the distribution table on pages 18 to 19. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	1,117,252
Shares issued	204,399
Shares redeemed	(272,644)
Net conversions	(263)
Closing shares	<u>1,048,744</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	26,543,107
Shares issued	6,370,133
Shares redeemed	(3,586,719)
Net conversions	242
Closing shares	<u>29,326,763</u>
<b>Class X – Accumulation shares</b>	
Opening shares	3,000
Shares issued	3,864,534
Shares redeemed	(331,906)
Net conversions	–
Closing shares	<u>3,535,628</u>

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark<sup>†</sup> and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 22.8% (2019: 8.2%). This means that there is estimated to be a 1% chance that the fund could lose more than 22.8% (2019: 8.2%) of its value in a month.

At 30 April, 2020 the VaR utilisation was 63% (2019: 61%) (actual VaR/VaR limit). During the year ended 30 April, 2020 the lowest VaR utilisation was 61% (2019: 60%), the highest VaR utilisation was 68% (2019: 64%) and the average utilisation was 65% (2019: 62%).

The official risk model for all portfolio was changed from APT to Blackrock's Aladdin from December 2019. Both models provide VaR on a covariance model basis at the 99% confidence interval over a 1-month holding period. APT uses 180 weeks of input data which is equal weighted and updated monthly. Aladdin

uses 2 years of data in a weekly model which is updated daily with greater weight given to more recent periods.

<sup>†</sup>The benchmark of fund is shown on page 197.

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
<b>Currency 2020</b>	
Euro	62
US Dollar	145
<b>Currency 2019</b>	<b>£000</b>
Euro	24
US Dollar	200

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund held £106,000 (2019: £220,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total £000
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Euro	62	–	–	62
UK Sterling	1,773	3,226	134,257	139,256
US Dollar	2	–	143	145
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Euro	69	–	–	69
UK Sterling	6,341	–	141,576	147,917
US Dollar	27	–	200	227
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total £000
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK Sterling	–	–	(1,062)	(1,062)
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Euro	–	–	(45)	(45)
UK Sterling	–	–	(2,039)	(2,039)
US Dollar	–	–	(27)	(27)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

##### Derivative risks

Derivatives including portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager.

At 30 April 2020, the fund had outstanding portfolio swaps with an asset value of £1,023,000 (2019: £Nil) and a liability value of £Nil (2019: £56,000).

## Threadneedle UK Extended Alpha Fund

### Notes to the financial statements

(continued)

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

#### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	134,460	–	140,341	–
Level 2	1,023	–	–	(56)
	<u>135,483</u>	<u>–</u>	<u>140,341</u>	<u>(56)</u>

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 16 PORTFOLIO TRANSACTION COSTS

##### 30 April 2020

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	82,487	40	0.05	399
Collective investment schemes	34,025	–	–	–
<b>Total</b>	<b>116,512</b>	<b>40</b>		<b>399</b>

**Gross purchases total:** 116,951

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	61,555	34	0.05	–
Collective investment schemes	30,800	–	–	–
Corporate actions	1,619	–	–	–
<b>Total</b>	<b>93,974</b>	<b>34</b>		<b>–</b>

**Total sales net of transaction costs:** 93,940

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.27%

##### 30 April 2019

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	56,170	29	0.05	278
<b>Total</b>	<b>56,170</b>	<b>29</b>		<b>278</b>

**Gross purchases total:** 56,477

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	41,818	21	0.05	–
Corporate actions	283	–	–	–
<b>Total</b>	<b>42,101</b>	<b>21</b>		<b>–</b>

**Total sales net of transaction costs:** 42,080

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.21%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.08% (30 April 2019: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

#### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 4.36%.

## Threadneedle UK Equity Alpha Income Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange, predominantly companies domiciled in the UK, or which have significant UK business operations.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. The Alpha Income investment approach is a highly focused management style, allowing the flexibility for significant share and sector positions to be taken. As a result, investment is usually concentrated in fewer than 35 companies. These companies may be of any size, but investment tends to focus on larger companies included in the FTSE All-Share Index.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time.

The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class 1 - Income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Income shares in the Threadneedle UK Equity Alpha Income Fund has fallen from 65.49p to 55.99p.

For comparison, using noon prices, the performance of the Class 1 share class was -10.51% and -9.97% for the Class 2 share class compared to a return of -16.86% 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 -16.68%

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Gains accrued during 2019 were erased in 2020 amid a steep market sell-off on concerns about COVID-19, a virulent coronavirus which originated in China and spread globally.

Over 2019, markets benefited from accommodative monetary policy and easing trade tensions between the US and China. UK equities were further buoyed by several firms receiving overseas takeover bids and, towards the year, receding concerns around Brexit following the Conservatives' decisive victory in December's snap general election. UK stocks, particularly of domestically oriented companies, rallied strongly in response as the result removed the tail risk of a hard-left Labour government, and was also seen to pave the way for the UK's orderly withdrawal from the bloc. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

The mood swiftly turned negative in 2020 on concerns over the economic toll of COVID-19 and resulting quarantine measures, with UK and global markets experiencing sharp sell-offs. The UK stock market was further pressured as quality names and technology stocks remained in favour, and because of its heavy energy and mining exposure, as prices of these underlying commodities fell amid expectations of a slowdown in demand. Firms responded to the crisis with cash conservation measures, often including dividend cuts. Meanwhile, governments launched substantial economic support measures and stimulus packages. Central banks in the UK and elsewhere turned even more accommodative, by unleashing emergency interest-rate cuts and injecting liquidity. The Bank of England also announced that it would temporarily finance government spending directly, bypassing the bond market.

The scale of these accommodative measures helped equities rebound in April, as did some indications that the COVID-19 outbreak was past its peak, as several countries started to ease lockdown measures. However, economic indicators were stark, as they started to reflect the toll of the pandemic.

We initiated a position in recruitment business Hays, by participating in its placing in April. The move should help the company improve its position amid the fallout of the crisis. Shares have been pressured by Brexit-related uncertainty and weak economic conditions in the eurozone; the latter are likely to be augmented by the coronavirus, with the company downgrading its operating-profit forecast for 2020. Nevertheless, Hays is more diversified by business line and geography than ever before, while progress on its five-year strategic plan remains on track.

Over the review period, we also topped up several holdings, notably Imperial Brands, Unilever and Marks & Spencer.

For Imperial Brands, we feel that the leadership of the new CEO should accelerate the move towards unlocking underappreciated shareholder value. The combustible segment remains robust, and the sale of the premium cigar division should lead to significant optionality for deleveraging and/or investment. In response to the crisis, the company recently announced its first-ever dividend cut since its listing. We had expected this, although the timing was slightly earlier than we had anticipated. The move should allow

Imperial Brands to accelerate debt reduction and strengthen the balance sheet. Unilever has been impacted by a slowdown in demand from restaurants due to the pandemic, which prompted the company to withdraw its guidance for 2020. However, we feel that there are several positive catalysts for the stock. Unilever is a sustainability trailblazer, with a range of iconic brands and a diversified global footprint. The company's enhanced focus on consumer preferences, innovation and digitalisation bode well for its prospects of delivering dependable, long-term growth.

We added to Marks & Spencer via a rights issue, which was launched to fund its share of a joint venture with Ocado. We feel that this route is relatively less disruptive and less capital-intensive than a home-grown approach to help Marks & Spencer move into the online grocery channel. In response to the recent crisis, Marks & Spencer has postponed its final dividend as the clothing and home division faces a potentially lengthy hiatus in trading. While this move is disappointing, it should shore up liquidity and support the company's turnaround in other areas.

We profitably closed our position in Cobham ahead of the completion of the company's takeover. We realised some gains in AstraZeneca, Rentokil and Spirent Communications, which have performed well in recent years. The coronavirus has delivered a clear jolt to the world economy, which we feel cannot be entirely offset by the substantial monetary and fiscal measures. That said, the magnitude of stock-market falls means that this is already factored in, to some degree. While the situation is evolving rapidly, the dislocation should create opportunities for us to capture value through our robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity. Just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors to identify decent businesses unduly caught up in the crunch. Elsewhere, the prospects for selected domestic cyclical appear interesting as, before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum. Although we naturally favour balance-sheet prudence, construct our yield at portfolio level and are differentiated from the market in where we source our dividends, we are not unaffected by the wave of dividend adjustments being announced by companies across multiple sectors. We are in constant dialogue with management teams to ensure rationales are scrutinised and full accountability is maintained.

As patient, conviction investors, we will continue to avoid momentum trades and instead remain agile and concentrate on company fundamentals to target strong, risk-adjusted returns.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(52,765)	(3,652)
Revenue	3	15,799	26,346
Expenses	4	(3,272)	(6,280)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		12,527	20,065
Taxation	6	–	–
Net revenue after taxation		12,527	20,065
Total return before distributions		(40,238)	16,413
Distributions	7	(15,442)	(25,837)
Change in net assets attributable to shareholders from investment activities		(55,680)	(9,424)

#### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		299,763	373,353
<b>Current assets:</b>			
Debtors	8	1,782	2,763
Cash and bank balances		1,786	774
Cash equivalents**		1,512	55
Total assets		304,843	376,945
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(5,395)	(8,121)
Other creditors	9	(584)	(6,505)
Total liabilities		(5,979)	(14,626)
Net assets attributable to shareholders		298,864	362,319

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	362,319	777,198
Amounts receivable on the issue of shares	112,687	24,449
Amounts payable on the cancellation of shares	(122,902)	(115,635)
Amounts receivable on inspecie transfers	–	(314,269)
	(10,215)	(405,455)
Dilution adjustment	50	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(55,680)	(9,424)
Retained distribution on accumulation shares	2,390	–
Closing net assets attributable to shareholders	298,864	362,319

#### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

##### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	1.5568	–	1.5568	1.4367
01/11/19 to 30/04/20	1.1472	–	1.1472	1.4059
<b>Group 2</b>				
01/05/19 to 31/10/19	0.9030	0.6538	1.5568	1.4367
01/11/19 to 30/04/20	0.5536	0.5936	1.1472	1.4059
<b>Total distributions in the period</b>			<b>2.7040</b>	<b>2.8426</b>

##### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	1.6911	–	1.6911	1.5330
01/11/19 to 30/04/20	1.2559	–	1.2559	1.5486

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle UK Equity Alpha Income Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>				
01/05/19 to 31/10/19	1.1068	0.5843	1.6911	1.5330
01/11/19 to 30/04/20	0.6299	0.6260	1.2559	1.5486
<b>Total distributions in the period</b>			<b>2.9470</b>	<b>3.0816</b>

### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	2.6480	–	2.6480	2.3121
01/11/19 to 30/04/20	1.9666	–	1.9666	2.4766
<b>Group 2</b>				
01/05/19 to 31/10/19	2.6480	–	2.6480	2.3121
01/11/19 to 30/04/20	1.9666	–	1.9666	2.4766
<b>Total distributions in the period</b>			<b>4.6146</b>	<b>4.7887</b>

### Class X – Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
<b>Group 1</b>			
01/05/19 to 31/10/19	2.3099	–	2.3099
01/11/19 to 30/04/20	1.9373	–	1.9373
<b>Group 2</b>			
01/05/19 to 31/10/19	2.3099	–	2.3099
01/11/19 to 30/04/20	1.9373	–	1.9373
<b>Total distributions in the period</b>			<b>4.2472</b>

### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	3.3260	–	3.3260	2.9799
01/11/19 to 30/04/20	2.4577	–	2.4577	3.0625
<b>Group 2</b>				
01/05/19 to 31/10/19	1.9643	1.3617	3.3260	2.9799
01/11/19 to 30/04/20	1.1443	1.3134	2.4577	3.0625
<b>Total distributions in the period</b>			<b>5.7837</b>	<b>6.0424</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Equity Alpha Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	64.02	65.70	68.31	68.39	69.83	72.24
Return before operating charges (p)	(6.81)	2.23	1.28	(7.30)	2.39	1.36
Operating charges (p)	(1.02)	(1.07)	(1.10)	(0.71)	(0.75)	(0.76)
Return after operating charges (p)*	(7.83)	1.16	0.18	(8.01)	1.64	0.60
Distributions (p)	(2.70)	(2.84)	(2.79)	(2.95)	(3.08)	(3.01)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	53.49	64.02	65.70	57.43	68.39	69.83
*after direct transaction costs of (p)	0.02	0.02	0.06	0.02	0.03	0.06
<b>Performance</b>						
Return after charges (%)	(12.23)	1.77	0.26	(11.71)	2.35	0.83
<b>Other information</b>						
Closing net asset value (£000)	34,828	66,736	83,269	74,408	127,561	483,456
Closing number of shares	65,110,743	104,243,800	126,739,101	129,565,167	186,530,931	692,353,946
Operating charges (%)**	1.63	1.63	1.63	1.06	1.05	1.06
Direct transaction costs (%)***	0.03	0.03	0.08	0.03	0.03	0.08
<b>Prices</b>						
Highest share price (p)	68.66	70.41	72.20	73.60	74.95	76.39
Lowest share price (p)	44.97	59.42	61.52	48.26	63.39	65.39
	Class X – Income shares			Class X – Gross accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.51	107.65	110.25	100.00		
Return before operating charges (p)	(11.49)	3.67	2.06	(8.53)		
Operating charges (p)	(0.05)	(0.02)	(0.02)	(0.06)		
Return after operating charges (p)*	(11.54)	3.65	2.04	(8.59)		
Distributions (p)	(4.61)	(4.79)	(4.64)	(4.25)		
Retained distributions on accumulation shares (p)	–	–	–	4.25		
Closing net asset value per share (p)	90.36	106.51	107.65	91.41		
*after direct transaction costs of (p)	0.03	0.04	0.09	0.03		
<b>Performance</b>						
Return after charges (%)	(10.83)	3.39	1.85	(8.59)		
<b>Other information</b>						
Closing net asset value (£000)	12,786	3	3	48,521		
Closing number of shares	14,150,865	3,000	3,000	53,078,463		
Operating charges (%)**	0.06	0.02	0.02	0.06 <sup>†</sup>		
Direct transaction costs (%)***	0.03	0.03	0.08	0.03		
<b>Prices</b>						
Highest share price (p)	115.38	115.88	116.69	114.32		
Lowest share price (p)	75.85	98.45	100.74	75.14		

## Threadneedle UK Equity Alpha Income Fund

### Comparative Table Disclosure

	Class Z – Income shares		
	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	136.59	139.15	143.58
Return before operating charges (p)	(14.63)	4.71	2.70
Operating charges (p)	(1.18)	(1.23)	(1.25)
Return after operating charges (p)*	(15.81)	3.48	1.45
Distributions (p)	(5.78)	(6.04)	(5.88)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	115.00	136.59	139.15
*after direct transaction costs of (p)	0.04	0.05	0.12
<b>Performance</b>			
Return after charges (%)	(11.57)	2.50	1.01
<b>Other information</b>			
Closing net asset value (£000)	128,321	168,019	210,470
Closing number of shares	111,582,284	123,009,135	151,257,373
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.03	0.03	0.08
<b>Prices</b>			
Highest share price (p)	147.22	149.43	151.86
Lowest share price (p)	96.59	126.53	130.23

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 9 May 2019.

<sup>1</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle UK Equity Alpha Income Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(52,746)	(3,654)
Other (losses)/gains	(18)	4
Transaction costs	(1)	(2)
Net capital losses	(52,765)	(3,652)

### 3 REVENUE

	2020 £000	2019 £000
UK dividends	15,758	25,037
Overseas dividends	12	1,235
Interest on short term investments	–	12
Bank interest	17	15
Underwriting commission	12	47
Total revenue	15,799	26,346

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,915)	(5,769)
Registration fees	(285)	(407)
	(3,200)	(6,176)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(43)	(70)
Safe custody fees	(16)	(21)
	(59)	(91)
Other expenses:		
Regulatory fees	(5)	(4)
Audit fees	(8)	(9)
	(13)	(13)
Total expenses*	(3,272)	(6,280)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	–	(1)
Total interest payable and similar charges	–	(1)

### 6 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	12,527	20,065
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,505)	(4,013)
Effects of:		
Revenue not subject to taxation	3,071	5,131
Excess expenses	(566)	(1,117)
Retail Distribution Review (RDR) conversion transfer from capital	–	(1)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £12,140,025 (2019: £11,573,940) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	8,674	15,373
Final	6,423	8,121
	15,097	23,494
Add: Revenue deducted on the cancellation of shares	1,448	2,574
Deduct: Revenue received on the creation of shares	(1,103)	(231)
Net distribution for the period	15,442	25,837
Net revenue after taxation	12,527	20,065
Annual management charge to capital	2,915	5,769
Equalisation on conversion	–	3
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	15,442	25,837

Details of the distribution per share are set out in the table on pages 24 to 25.

### 8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	30	101
Sales awaiting settlement	70	–
Accrued revenue	1,682	2,662
Total debtors	1,782	2,763

### 9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(378)	(6,169)
Accrued expenses	(9)	(13)
Amounts payable to ACD	(197)	(323)
Total other creditors	(584)	(6,505)

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

## Threadneedle UK Equity Alpha Income Fund

### Notes to the financial statements

(continued)

#### 12 SHAREHOLDER FUNDS

Threadneedle UK Equity Alpha Income Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

##### Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%

##### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 26 to 27. The distribution per share class is given in the distribution table on pages 24 to 25.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

##### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	104,243,800
Shares issued	1,172,115
Shares redeemed	(36,313,831)
Net conversions	(3,991,341)
Closing shares	<u>65,110,743</u>
<b>Class 2 – Income shares</b>	
Opening shares	186,530,931
Shares issued	50,511,230
Shares redeemed	(107,466,119)
Net conversions	(10,875)
Closing shares	<u>129,565,167</u>
<b>Class X – Income shares</b>	
Opening shares	3,000
Shares issued	14,397,845
Shares redeemed	(249,980)
Net conversions	–
Closing shares	<u>14,150,865</u>
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	61,653,041
Shares redeemed	(8,574,578)
Net conversions	–
Closing shares	<u>53,078,463</u>
<b>Class Z – Income shares</b>	
Opening shares	123,009,135
Shares issued	3,687,704
Shares redeemed	(16,986,224)
Net conversions	1,871,669
Closing shares	<u>111,582,284</u>

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

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.35% and vice versa (2019: 4.75%).

##### Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2019: same).

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
UK Sterling	1,786	1,512	301,545	304,843
<b>Currency 2019</b>				
UK Sterling	829	–	376,116	376,945
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
<b>Currency 2020</b>				
UK Sterling	–	–	(5,979)	(5,979)
<b>Currency 2019</b>				
UK Sterling	–	–	(14,626)	(14,626)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	301,275	–	373,408	–
	301,275	–	373,408	–

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

## Threadneedle UK Equity Alpha Income Fund

### Notes to the financial statements

(continued)

#### 16 PORTFOLIO TRANSACTION COSTS

##### 30 April 2020

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	21,568	7	0.03	81	0.38
Collective investment schemes	22,507	–	–	–	–
Corporate actions	1,625	–	–	–	–
<b>Total</b>	<b>45,700</b>	<b>7</b>		<b>81</b>	

**Gross purchases total:** 45,788

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	44,145	20	0.04	–	–
Collective investment schemes	21,050	–	–	–	–
<b>Total</b>	<b>65,195</b>	<b>20</b>		<b>–</b>	

**Total sales net of transaction costs:** 65,175

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.02%

##### 30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	37,952	9	0.02	188	0.49
Collective investment schemes	14,005	–	–	–	–
Corporate actions	15,274	–	–	–	–
<b>Total</b>	<b>67,231</b>	<b>9</b>		<b>188</b>	

**Gross purchases total:** 67,428

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	136,325	18	0.01	–	–
Collective investment schemes	13,950	–	–	–	–
Inspecie transactions	314,269	–	–	–	–
<b>Total</b>	<b>464,544</b>	<b>18</b>		<b>–</b>	

**Total sales net of transaction costs:** 464,526

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.21% (30 April 2019: 0.19%), being the difference between the respective buying and selling prices for the fund's investments.

#### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 4.45%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Gross accumulation shares	(28.49)

## Threadneedle UK Absolute Alpha Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve a higher rate of return than the ICE BofAML British Pound 3-month Deposit Offered Rate Constant Maturity Index over rolling 3-year periods, after the deduction of charges. The Fund also seeks to deliver a positive return (net of charges) over a 12-month period, irrespective of market conditions. However, 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.

The Fund is actively managed, and seeks to gain at least 70% of its investment exposure to shares of companies domiciled in the UK, or which have significant UK business operations.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions can be taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 90 companies.

The Fund's long and short positions will be obtained, at least in part, by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also invest in other securities (including fixed interest securities), as well as money market instruments, deposits, cash and near cash. These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective.

In addition to using derivatives with the aim of achieving investment gains, derivatives may also be used with the aim of reducing risk or managing the Fund more efficiently.

The ICE BofAML British Pound 3-month Deposit Offered Rate Constant Maturity Index is considered a suitable cash benchmark against which the Fund performance can be measured and evaluated over time.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 - Accumulation shares in the Threadneedle UK Absolute Alpha Fund has fallen from 130.70p to 124.08p.

For comparison, using noon prices, the performance of the Class 1 share class was -5.07% and -4.52% for the Class 2 share class compared to a return of -1.36% for the Morningstar Category Alt - Long/Short - UK Equity Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the ICE BofA British Pound 3-Month Deposit Offered Rate Constant Maturity returned +0.81%

#### Market Overview and Portfolio Activity

UK equities lost ground over the review period. Gains accrued during 2019 were erased in 2020 amid a steep market sell-off on concerns about COVID-19, a virulent coronavirus which originated in China and spread globally.

Over 2019, markets benefited from accommodative monetary policy, as well as easing trade tensions between the US and China. UK equities were further buoyed by several overseas takeover bids for firms, and towards year-end, receding concerns around Brexit following the Conservatives' decisive victory in December's snap general election. UK stocks, particularly of domestically oriented companies, rallied strongly in response as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for the UK's orderly withdrawal from the EU. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

The mood swiftly turned negative in 2020 on concerns over the economic toll of COVID-19 and resulting quarantine measures, with global equities experiencing sharp sell-offs. The UK stock market was further pressured as quality names and technology stocks remained in favour, and because of its heavy energy and mining exposure, as prices of these underlying commodities fell amid expectations of a slowdown in demand.

Firms responded to the crisis with cash conservation measures, often including dividend cuts. Meanwhile, governments launched substantial economic support measures and stimulus packages. Central banks in the UK and elsewhere turned even more accommodative, by unleashing emergency interest-rate cuts and injecting liquidity. The Bank of England also announced that it would temporarily finance government spending directly, bypassing the bond market.

The scale of these accommodative measures helped equities rebound in April, as did some indications that the COVID-19 outbreak was past its peak, as several countries started to ease lockdown measures. However, economic indicators were stark, as they started to reflect the toll of the pandemic.

New additions to the long portfolio included Tate & Lyle, Restaurant Group, Weir, BHP and Morrisons.

Tate & Lyle is transforming itself away from sugar towards speciality ingredients and solutions for the food, beverage, industrials and agriculture sectors around the world. This process should lead to a re-rating and, in the meantime, we are being paid to wait, as the dividend yield is substantial.

We are positive about Restaurant Group's ownership of casual-dining chain Wagamama, as well as the underlying value in the existing pubs and concessions business. In the wake of the coronavirus crisis, the firm has accelerated plans to reduce its less profitable leisure business. The company is also prudently raising extra equity to aid liquidity through the shutdown; we participated in its placing in April.

We believe that Restaurant Group will emerge stronger from the crisis as many of its rivals are excessively leveraged.

Engineering firm Weir is one of the more resilient economically sensitive businesses. We believe that Weir's shares have been excessively penalised in the market turmoil this year, and that the firm's business model is robust. The company's move to spin off its unprofitable oil and gas division should prove beneficial.

We purchased miner BHP following the steep sell-off this year, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus.

The position in supermarket chain Morrisons was initiated as part of our move to rotate the fund's exposure to the consumer sector towards less economically sensitive areas in response to the crisis, and away from holdings such as Informa, which we felt faced higher financial risk.

Other sales included Sherborne Investors, Domino's Pizza and Associated British Foods, as their stop losses were reached.

We focused on repositioning the short book towards stock-specific names and away from the FTSE 100 index futures position, which has been an imperfect hedge for our long exposure.

New additions to the short book over the period included a product-testing firm, as a hedge to our long position in Spectris. We also initiated shorts in a fashion retailer and a builders' merchant.

We completely covered a number of positions, such as in a high-profile litigation funding company. This was subject to a 'bear raid' by a well-regarded US hedge fund, and its shares lost 70% of their value in two trading sessions. We thereby used the opportunity to close this position at a very good price.

Following the sharp sell-off in March, we appear to be in the 'post-bounce' period of extreme nervousness, and we expect the market to remain volatile and rangebound for some months until there is clarity as to how and when countries will emerge from lockdowns. The stocks most exposed to this worry are also those that have the most upside in a recovery scenario, but are likely to be the most volatile as short-term news flow evolves. The market will also be more inclined to pay up for safety/resilience.

The coronavirus has delivered a clear jolt to the world economy, which we feel cannot be entirely offset by the substantial monetary and fiscal stimulus packages. While the situation is rapidly evolving, the dislocation should create opportunities for us to capture value through our robust process and active management. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Meanwhile, the prospects for selected domestic cyclical appear interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

All told, we are confident that a well-constructed, well-balanced portfolio with a diversified set of exposures, coupled with accurate and disciplined active management, can navigate the market vagaries.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
<b>Income</b>			
Net capital losses	2	(12,498)	(18,829)
Revenue	3	5,984	10,869
Expenses	4	(1,322)	(4,347)
Interest payable and similar charges	5	(1,472)	(5,122)
Net revenue before taxation		3,190	1,400
Taxation	6	–	–
Net revenue after taxation		3,190	1,400
<b>Total return before distributions</b>		(9,308)	(17,429)
Distributions	7	(3,190)	(1,507)
<b>Change in net assets attributable to shareholders from investment activities</b>		(12,498)	(18,936)

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		160,126	240,852
<b>Current assets:</b>			
Debtors	8	1,043	2,921
Cash and bank balances	9	36,693	33,309
Cash equivalents**		16,208	28,038
<b>Total assets</b>		<b>214,070</b>	<b>305,120</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(5,865)	(3,218)
<b>Creditors:</b>			
Distribution payable		(130)	(96)
Other creditors	10	(2,578)	(2,105)
<b>Total liabilities</b>		<b>(8,573)</b>	<b>(5,419)</b>
<b>Net assets attributable to shareholders</b>		<b>205,497</b>	<b>299,701</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	299,701	636,362
Amounts receivable on the issue of shares	88,479	32,060
Amounts payable on the cancellation of shares	(172,997)	(286,700)
Amounts receivable on in specie transfers	–	(64,221)
	(84,518)	(318,861)
Dilution adjustment	–	76
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(12,498)	(18,936)
Retained distribution on accumulation shares	2,812	1,060
<b>Closing net assets attributable to shareholders</b>	<b>205,497</b>	<b>299,701</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	0.1440	–	0.1440	–
<b>Group 2</b> 01/05/19 to 30/04/20	0.0627	0.0813	0.1440	–
<b>Total distributions in the period</b>			<b>0.1440</b>	<b>–</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	0.7306	–	0.7306	0.1920

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle UK Absolute Alpha Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>				
01/05/19 to 30/04/20	0.7306	–	0.7306	0.1920
<b>Total distributions in the period</b>			<b>0.7306</b>	<b>0.1920</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.9375	–	0.9375	0.1808
<b>Group 2</b>				
01/05/19 to 30/04/20	0.4024	0.5351	0.9375	0.1808
<b>Total distributions in the period</b>			<b>0.9375</b>	<b>0.1808</b>

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.7107	–	1.7107	1.1393
<b>Group 2</b>				
01/05/19 to 30/04/20	0.9422	0.7685	1.7107	1.1393
<b>Total distributions in the period</b>			<b>1.7107</b>	<b>1.1393</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.8944	–	0.8944	0.3201
<b>Group 2</b>				
01/05/19 to 30/04/20	0.4060	0.4884	0.8944	0.3201
<b>Total distributions in the period</b>			<b>0.8944</b>	<b>0.3201</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.0509	–	1.0509	0.3748
<b>Group 2</b>				
01/05/19 to 30/04/20	0.6104	0.4405	1.0509	0.3748
<b>Total distributions in the period</b>			<b>1.0509</b>	<b>0.3748</b>

#### Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.0911	–	1.0911	0.3646
<b>Group 2</b>				
01/05/19 to 30/04/20	0.3217	0.7694	1.0911	0.3646
<b>Total distributions in the period</b>			<b>1.0911</b>	<b>0.3646</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	30/04/2020	30/04/2019	30/04/2018	25/01/2019 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	130.60	134.21	135.67	135.77	
Return before operating charges (p)	(4.63)	(1.46)	0.74	(6.81)	
Operating charges (p)	(2.13)	(2.15)	(2.20)	(1.51)	
Return after operating charges (p)*	(6.76)	(3.61)	(1.46)	(8.32)	
Distributions (p)	(0.14)	–	–	–	
Retained distributions on accumulation shares (p)	0.14	–	–	–	
Closing net asset value per share (p)	123.84	130.60	134.21	127.45	
*after direct transaction costs of (p)	0.27	0.24	0.31	0.18	
<b>Performance</b>					
Return after charges (%)	(5.18)	(2.69)	(1.08)	(6.13)	
<b>Other information</b>					
Closing net asset value (£000)	2,837	4,205	14,547	–	
Closing number of shares	2,290,682	3,219,274	10,839,143	–	
Operating charges (%)**	1.63	1.63	1.63	–	
Performance fee (%)	–	–	–	–	
Direct transaction costs (%)***	0.20	0.19	0.23	–	
<b>Prices</b>					
Highest share price (p)	133.46	136.25	137.03	135.01	
Lowest share price (p)	116.57	126.86	131.56	126.86	
	Class 1 EUR Hedged – Accumulation shares		Class 2 – Income shares		
	25/01/2019 <sup>2</sup>	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	121.88	119.37	103.63	106.02	106.56
Return before operating charges (p)	(7.67)	4.53	(3.71)	(1.14)	0.56
Operating charges (p)	(1.45)	(2.02)	(1.08)	(1.06)	(1.10)
Return after operating charges (p)*	(9.12)	2.51	(4.79)	(2.20)	(0.54)
Distributions (p)	–	–	(0.73)	(0.19)	–
Retained distributions on accumulation shares (p)	–	–	–	–	–
Closing net asset value per share (p)	112.76	121.88	98.11	103.63	106.02
*after direct transaction costs of (p)	0.17	0.28	0.21	0.19	0.24
<b>Performance</b>					
Return after charges (%)	(7.48)	2.10	(4.62)	(2.08)	(0.51)
<b>Other information</b>					
Closing net asset value (£000)	–	11,433	3	3	3
Closing number of shares	–	9,380,087	3,000	3,000	3,000
Operating charges (%)**	–	1.63	1.04	1.02	1.03
Performance fee (%)	–	–	–	–	–
Direct transaction costs (%)***	–	0.23	0.20	0.19	0.23
<b>Prices</b>					
Highest share price (p)	125.54	129.93	106.32	107.67	107.69
Lowest share price (p)	112.76	118.33	92.96	100.60	103.89

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares	
	30/04/2020	30/04/2019	30/04/2018	25/01/2019 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	135.85	138.80	139.50	140.51	
Return before operating charges (p)	(4.82)	(1.51)	0.78	(7.13)	
Operating charges (p)	(1.48)	(1.44)	(1.48)	(1.02)	
Return after operating charges (p)*	(6.30)	(2.95)	(0.70)	(8.15)	
Distributions (p)	(0.94)	(0.18)	–	–	
Retained distributions on accumulation shares (p)	0.94	0.18	–	–	
Closing net asset value per share (p)	129.55	135.85	138.80	132.36	
*after direct transaction costs of (p)	0.28	0.24	0.32	0.18	
<b>Performance</b>					
Return after charges (%)	(4.64)	(2.13)	(0.50)	(5.80)	
<b>Other information</b>					
Closing net asset value (£000)	2,374	90,331	94,473	–	
Closing number of shares	1,832,414	66,495,255	68,065,164	–	
Operating charges (%)**	1.08	1.06	1.06	–	
Performance fee (%)	–	–	–	–	
Direct transaction costs (%)***	0.20	0.19	0.16	–	
<b>Prices</b>					
Highest share price (p)	139.37	140.96	140.97	139.78	
Lowest share price (p)	121.86	131.67	136.00	131.67	
	Class 2 EUR Hedged – Accumulation shares		Class X – Accumulation shares		
	25/01/2019 <sup>2</sup>	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	133.58	130.09	100.66	101.83	101.50
Return before operating charges (p)	(8.46)	4.92	(3.64)	(1.11)	0.39
Operating charges (p)	(1.04)	(1.43)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	(9.50)	3.49	(3.70)	(1.17)	0.33
Distributions (p)	–	–	(1.71)	(1.14)	(0.66)
Retained distributions on accumulation shares (p)	–	–	1.71	1.14	0.66
Closing net asset value per share (p)	124.08	133.58	96.96	100.66	101.83
*after direct transaction costs of (p)	0.19	0.31	0.21	0.18	0.23
<b>Performance</b>					
Return after charges (%)	(7.11)	2.68	(3.68)	(1.15)	0.33
<b>Other information</b>					
Closing net asset value (£000)	–	48,999	128,840	48,949	52,573
Closing number of shares	–	36,682,370	132,877,476	48,626,848	51,630,949
Operating charges (%)**	–	1.06	0.06	0.06	0.06
Performance fee (%)	–	–	–	–	0.18
Direct transaction costs (%)***	–	0.23	0.20	0.19	0.23
<b>Prices</b>					
Highest share price (p)	137.84	141.86	104.05	103.37	102.89
Lowest share price (p)	124.08	129.66	91.09	97.20	99.70

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	103.25	105.63	105.98	121.39	123.81	124.22
Return before operating charges (p)	(3.70)	(1.14)	0.58	(4.35)	(1.35)	0.68
Operating charges (p)	(0.91)	(0.92)	(0.93)	(1.07)	(1.07)	(1.09)
Return after operating charges (p)*	(4.61)	(2.06)	(0.35)	(5.42)	(2.42)	(0.41)
Distributions (p)	(0.89)	(0.32)	–	(1.05)	(0.37)	–
Retained distributions on accumulation shares (p)	–	–	–	1.05	0.37	–
Closing net asset value per share (p)	97.75	103.25	105.63	115.97	121.39	123.81
*after direct transaction costs of (p)	0.22	0.19	0.24	0.25	0.22	0.28
<b>Performance</b>						
Return after charges (%)	(4.46)	(1.95)	(0.33)	(4.46)	(1.95)	(0.33)
<b>Other information</b>						
Closing net asset value (£000)	14,240	31,114	70,650	57,132	124,981	266,720
Closing number of shares	14,567,222	30,134,843	66,882,172	49,266,619	102,956,502	215,425,163
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Performance fee (%)	–	–	–	–	–	–
Direct transaction costs (%)***	0.20	0.19	0.23	0.20	0.19	0.23
<b>Prices</b>						
Highest share price (p)	106.06	107.29	107.12	124.69	125.75	125.55
Lowest share price (p)	92.77	100.32	103.49	109.06	117.58	121.30
	Class Z CHF Hedged – Accumulation shares		Class Z EUR Hedged – Accumulation shares			
	25/01/2019 <sup>2</sup>	30/04/2018	25/01/2019 <sup>2</sup>	30/04/2018		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.93	115.41	118.83	115.49		
Return before operating charges (p)	(1.22)	(7.47)	(7.56)	4.40		
Operating charges (p)	(0.77)	(1.01)	(0.72)	(1.06)		
Return after operating charges (p)*	(1.99)	(8.48)	(8.28)	3.34		
Distributions (p)	(0.08)	–	(0.08)	–		
Retained distributions on accumulation shares (p)	0.08	–	0.08	–		
Closing net asset value per share (p)	104.94	106.93	110.55	118.83		
*after direct transaction costs of (p)	0.17	0.26	0.15	0.27		
<b>Performance</b>						
Return after charges (%)	(1.86)	(7.35)	(6.97)	2.89		
<b>Other information</b>						
Closing net asset value (£000)	–	185	–	76,578		
Closing number of shares	–	172,625	–	64,442,114		
Operating charges (%)**	–	0.88	–	0.88		
Performance fee (%)	–	–	–	–		
Direct transaction costs (%)***	–	0.23	–	0.23		
<b>Prices</b>						
Highest share price (p)	115.79	121.03	122.68	126.04		
Lowest share price (p)	104.94	104.42	110.55	115.13		

## Threadneedle UK Absolute Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	120.68	114.92	120.87
Return before operating charges (p)	2.23	6.81	(4.91)
Operating charges (p)	(1.10)	(1.05)	(1.04)
Return after operating charges (p)*	1.13	5.76	(5.95)
Distributions (p)	(1.09)	(0.36)	–
Retained distributions on accumulation shares (p)	1.09	0.36	–
Closing net asset value per share (p)	121.81	120.68	114.92
*after direct transaction costs of (p)	0.26	0.21	0.27
<b>Performance</b>			
Return after charges (%)	0.94	5.01	(4.92)
<b>Other information</b>			
Closing net asset value (£000)	71	118	201
Closing number of shares	58,114	97,959	174,518
Operating charges (%)**	0.88	0.88	0.88
Performance fee (%)	–	–	0.05
Direct transaction costs (%)***	0.20	0.19	0.23
<b>Prices</b>			
Highest share price (p)	132.94	124.77	124.67
Lowest share price (p)	116.19	115.36	108.84

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 15 June 2018 and closed 25 January 2019.

<sup>2</sup>Closed 25 January 2019.

# Threadneedle UK Absolute Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(14,272)	(28,641)
Derivative contracts	1,777	11,476
Forward currency contracts	5	(1,654)
Other losses	(6)	(8)
Transaction costs	(2)	(2)
Net capital losses	(12,498)	(18,829)

### 3 REVENUE

	2020 £000	2019 £000
UK dividends	5,254	9,665
Overseas dividends	–	1
Interest on debt securities	328	523
Interest on short term investments	216	324
Bank interest	186	330
Underwriting commission	–	24
Subsidised expense rebate	–	2
Total revenue	5,984	10,869

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,080)	(3,829)
Registration fees	(180)	(423)
	(1,260)	(4,252)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(31)	(60)
Safe custody fees	(12)	(18)
	(43)	(78)
Other expenses:		
Regulatory fees	(5)	(3)
Audit fees	(14)	(14)
	(19)	(17)
Total expenses*	(1,322)	(4,347)

The ACD was entitled to receive a performance fee for each share class in the event of the NAV per share of the share class outperforming the 3 Month LIBOR (with revenue reinvested, calculated at market close). The performance fee rate of 20% was multiplied by the Excess Return. Performance fees were calculated on a calendar basis and may have varied substantially from year to year depending on how a fund had performed against its benchmark. As the accounting period fell during the calculation period of the performance fee, the performance fees were accrued at that point in time, but may not have represented the actual amount that was paid. Therefore, previously accrued amounts may have been required to be reversed. The performance fee by nature was a capital charge, and was therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2019 (2018: £Nil). With effect from 1 January 2020, the application of performance fees has been discontinued.

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Dividends payable on short positions	(1,402)	(2,515)
Interest payable	–	(5)
Derivative expense	(70)	(2,602)
Total interest payable and similar charges	(1,472)	(5,122)

### 6 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	3,190	1,400
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(638)	(280)
Effects of:		
Revenue not subject to taxation	1,015	1,895
Excess expenses	(377)	(1,615)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £10,067,417 (2019: £9,690,358) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Final	2,942	1,156
	2,942	1,156
Add: Revenue deducted on the cancellation of shares	527	366
Deduct: Revenue received on the creation of shares	(279)	(15)
Net distribution for the period	3,190	1,507
Net revenue after taxation	3,190	1,400
Shortfall transfer from capital to revenue	–	107
Total distributions	3,190	1,507

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 31 to 32.

### 8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	3	–
Sales awaiting settlement	–	1,769
Accrued revenue	1,040	1,152
Total debtors	1,043	2,921

### 9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	11,158	5,895
Cash and bank balances	25,535	27,414
Total cash and bank balances	36,693	33,309

## Threadneedle UK Absolute Alpha Fund

### Notes to the financial statements

(continued)

#### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(1,438)	(1,282)
Purchases awaiting settlement	(986)	(270)
Accrued expenses	(90)	(352)
Amounts payable to ACD	(64)	(201)
Total other creditors	(2,578)	(2,105)

#### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

#### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 13 SHAREHOLDER FUNDS

Threadneedle UK Absolute Alpha Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

<b>Annual management charge</b>	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
<b>Registration fees</b>	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 33 to 36. The distribution per share class is given in the distribution table on pages 31 to 32.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	3,219,274
Shares issued	59,037
Shares redeemed	(946,105)
Net conversions	(41,524)
Closing shares	2,290,682
<b>Class 2 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000

<b>Class 2 – Accumulation shares</b>	
Opening shares	66,495,255
Shares issued	764
Shares redeemed	(64,663,605)
Net conversions	–
Closing shares	1,832,414

<b>Class X – Accumulation shares</b>	
Opening shares	48,626,848
Shares issued	85,657,819
Shares redeemed	(1,407,191)
Net conversions	–
Closing shares	132,877,476

<b>Class Z – Income shares</b>	
Opening shares	30,134,843
Shares issued	37,124
Shares redeemed	(15,663,217)
Net conversions	58,472
Closing shares	14,567,222

<b>Class Z – Accumulation shares</b>	
Opening shares	102,956,502
Shares issued	727,614
Shares redeemed	(54,412,270)
Net conversions	(5,227)
Closing shares	49,266,619

<b>Class Z USD Hedged – Accumulation shares</b>	
Opening shares	97,959
Shares issued	29,610
Shares redeemed	(69,455)
Net conversions	–
Closing shares	58,114

#### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes.

VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 10% and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 6.5% (2019: 2.4%). This means that there is estimated to be a 1% chance that the fund could lose more than 6.5% (2019: 2.4%) of its value in a month.

At 30 April, 2020 the VaR utilisation was 65% (2019: 24%) (actual VaR/VaR limit). During the year ended 30 April, 2020 the lowest VaR utilisation was 17% (2019: 17%), the highest VaR utilisation was 70% (2019: 40%) and the average utilisation was 28% (2019: 27%).

The official risk model for all portfolio was changed from APT to Blackrock's Aladdin from December 2019. Both models provide VaR on a covariance model basis at the 99% confidence interval over a 1-month holding period. APT uses 180 weeks of input data which is equal weighted and updated monthly. Aladdin uses 2 years of data in a weekly model which is updated daily with greater weight given to more recent periods.

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
	£000
<b>Currency 2020</b>	
Euro	1
Swiss Franc	3
US Dollar	172

## Threadneedle UK Absolute Alpha Fund

### Notes to the financial statements

(continued)

<b>Currency 2019</b>	<b>£000</b>
Euro	3
Swiss Franc	3
US Dollar	211

#### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

<b>2020</b>	<b>Collateral Pledged</b>
<b>Counterparty</b>	<b>£000</b>
UBS	4,130

<b>2019</b>	<b>Collateral Pledged</b>
<b>Counterparty</b>	<b>£000</b>
UBS	1,705

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
Euro	1	–	–	1
Swiss Franc	3	–	–	3
UK Sterling	36,686	45,264	132,014	213,964
US Dollar	3	–	169	172
<b>Currency 2019</b>				
Euro	3	–	–	3
Swiss Franc	3	–	–	3
UK Sterling	61,309	53,383	190,330	305,022
US Dollar	32	–	179	211
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	–	–	(8,643)	(8,643)
<b>Currency 2019</b>				
UK Sterling	–	–	(5,538)	(5,538)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts, futures and options and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts, futures and options and portfolio swaps with an asset value of £Nil (2019: £Nil) and a liability value of £5,865,000 (2019: £3,218,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period,

whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	176,334	(2,765)	268,890	(2,062)
Level 2	–	(3,100)	–	(1,156)
	<u>176,334</u>	<u>(5,865)</u>	<u>268,890</u>	<u>(3,218)</u>

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

<b>30 April 2020</b>					
	Value £000	Commissions £000	%	Taxes £000	%
<b>Purchases</b>					
Bonds	476,007	–	–	–	–
Equities	90,025	44	0.05	422	0.47
Collective investment schemes	170	–	–	–	–
<b>Total</b>	<u>566,202</u>	<u>44</u>		<u>422</u>	

#### Gross purchases total:

	<b>566,668</b>				
	Value £000	Commissions £000	%	Taxes £000	%
<b>Sales</b>					
Bonds	500,664	–	–	–	–
Equities	132,785	69	0.05	–	–
Collective investment schemes	12,000	–	–	–	–
<b>Total</b>	<u>645,449</u>	<u>69</u>		<u>–</u>	

#### Total sales net of transaction costs: 645,380

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.16%

#### Commissions £000

<b>Futures and Options</b>	<u>4</u>
----------------------------	----------

## Threadneedle UK Absolute Alpha Fund

### Notes to the financial statements

(continued)

#### 30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	872,585	–	–	–	–
Equities	148,256	81	0.05	709	0.48
Collective investment schemes	30,316	–	–	–	–
Corporate actions	3,880	–	–	–	–
<b>Total</b>	<b>1,055,037</b>	<b>81</b>		<b>709</b>	

**Gross purchases total:** 1,055,827

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	931,443	–	–	–	–
Equities	296,251	162	0.05	–	–
Collective investment schemes	52,325	–	–	–	–
Inspecie transactions	52,545	–	–	–	–
Corporate actions	306	–	–	–	–
<b>Total</b>	<b>1,332,870</b>	<b>162</b>		<b>–</b>	

**Total sales net of transaction costs:** 1,332,708

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.14%

**Commissions**  
£000

**Futures and Options** 10

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.21% (30 April 2019: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 52.55%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Accumulation shares	(56.30)
Class Z – Income shares	(52.15)
Class Z – Accumulation shares	(40.35)
Class Z USD Hedged – Accumulation shares	(54.83)

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the iBoxx GBP Non-Gilts 5+ Years Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds with a remaining maturity of 5 years or more. The Fund may also invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

The bonds selected are denominated in sterling (or hedged back to sterling, if a different currency) and issued by companies anywhere in the world.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The iBoxx Sterling Non-Gilts 5+ Years Index is regarded as an appropriate performance measure of sterling-denominated investment grade bonds with a remaining maturity of 5 years or longer issued worldwide, but excluding bonds issued by the UK government (gilts). It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 2 – Gross income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 2 – Income shares in the Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund has risen from 133.46p to 142.28p.

For comparison, using noon prices, the performance of the Class 2 share class was +9.16% (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+ Years was +9.02%.

#### Market Overview and Portfolio Activity

The 12 months under review constituted a strong period for sterling investment-grade (IG) corporate bonds. The asset class delivered solid,

positive returns for the year, driven by a sharp decline in the yields available on underlying UK government debt. Credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds) were subject to large swings in both directions but finished the period significantly wider, as the emergence of the Covid-19 pandemic triggered a sell-off in late February and March of 2020.

In the first half of the review period, three overlapping factors combined to push core government bond yields down. One of these drivers was the ongoing US-China trade dispute, as the two sides continued to hit each other with import tariffs. Another was the accompanying deterioration in the global economy, which was especially evident in manufacturing data. The last and perhaps most important of these factors was looser monetary policy from key central banks. The US Federal Reserve (Fed) had already signalled a halt in its tightening bias earlier in 2019. This set the scene for a dovish pivot among central banks globally and, in July, the first of a series of rate cuts by the Fed itself. Against soft economic data, the European Central Bank eventually followed suit in September, cutting rates further below zero and restarting its bond-buying programme. At this stage, UK policymakers still appeared hawkish by comparison, insisting that rate hikes were still a possibility if a disorderly Brexit did not derail the economy.

In the fourth quarter (Q4) of 2019, gilt yields retraced some of their earlier declines and credit spreads tightened. This came as trade tensions between China and the US eased and the global economic backdrop appeared to improve. In the UK specifically, receding Brexit worries sharpened investors' appetite for risk. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory, paving the way for his Brexit deal to pass through Parliament in late December.

In Q1 of 2020, the UK duly left the EU and entered a transition phase scheduled to last until the end of the year. Fears of a no-deal Brexit resurfaced as the UK government set out a tough negotiating position ahead of the resumption of trade talks with the EU. However, this and all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of the SARS-CoV-2 virus from China to the rest of the world. As the outbreak approached pandemic status in March, governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows, and credit spreads widened dramatically.

In response to the crisis, governments and central banks unleashed an unprecedented flood of policy measures. Credit markets in particular benefited from news that the Fed was to buy corporate bonds as part of a new, unlimited asset-purchase programme. In the UK, the Bank of

England cut rates to a record low, offered banks special terms for loans to small businesses, and said it would buy £200bn in bonds, including corporate debt. A complementary fiscal package from the government included grants and business-rates holidays for hard-hit sectors, and income-replacement schemes for employees and self-employed people unable to work.

The final month of the review period brought a strong rally in corporate bonds and other risk assets. Economic data was predictably dire, but markets were more influenced by stimulus developments and the trajectory of the pandemic, which was slowing in European and US hotspots. Later, risk assets were further buoyed as a growing number of countries and US states prepared to ease lockdowns. Sterling IG spreads tightened significantly, but nowhere near enough to undo the widening seen in March. Gilt yields continued to fall, rounding off a strong year for the asset class – and accordingly for total returns in the sterling IG market.

It was a busy period in the primary market, and our activity was focused on new issues that provided attractive relative value opportunities. The largest of these (in terms of position sizes) included new deals from Fidelity National Information Services, Arroundtun, Wells Fargo, BFCM and Fiserv. We were also active in the secondary market, for example starting new positions in AbbVie, Amgen, Kraft Heinz Foods and Microsoft, and increasing exposure to Tesco Property, Rabobank, BT, Welltower and Vodafone, among others. On the sales side, we reduced exposure to some issuers, including Goldman Sachs, Lloyds Bank, LCR, AB InBev and Wellcome Trust, while exiting others completely, such as ING, Meadowhall, South Eastern Power Networks, NIE, and RSA Insurance.

After the sharp sell-off in March, we became more constructive on the outlook for the market, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase credit risk within the portfolio. As liquidity was constrained, this was mainly achieved through attractively priced new issues. Despite the increase in credit risk, the fund remains overweight in defensive areas such as the regulated utilities and infrastructure sectors; these should be more resilient amid the uncertain economic backdrop.

In terms of corporate fundamentals, we are likely to see leverage continuing to rise as companies issue more debt and accept government liquidity support to weather the storm. It is notable, however, that many companies have cut dividend payments and abandoned share buybacks, which is credit supportive.

In summary, we feel that IG spreads are compensating investors well for the increased credit risk associated with the current crisis.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
<b>Income</b>			
Net capital gains	2	19,515	5,176
Revenue	3	8,835	7,288
Expenses	4	(196)	(177)
Interest payable and similar charges	5	(3)	(2)
<b>Net revenue before taxation</b>		<b>8,636</b>	<b>7,109</b>
Taxation	6	–	–
<b>Net revenue after taxation</b>		<b>8,636</b>	<b>7,109</b>
<b>Total return before distributions</b>		<b>28,151</b>	<b>12,285</b>
Distributions	7	(8,636)	(7,109)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>19,515</b>	<b>5,176</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		300,790	292,967
<b>Current assets:</b>			
Debtors	8	5,100	5,910
Cash and bank balances	9	3,589	7,350
Cash equivalents**		6,907	–
<b>Total assets</b>		<b>316,386</b>	<b>306,227</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(1,073)	(157)
<b>Creditors:</b>			
Bank overdrafts	9	(941)	(53)
Distribution payable		(3)	(12)
Other creditors	10	(2,317)	(1,794)
<b>Total liabilities</b>		<b>(4,334)</b>	<b>(2,016)</b>
<b>Net assets attributable to shareholders</b>		<b>312,052</b>	<b>304,211</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>304,211</b>	<b>224,516</b>
Amounts receivable on the issue of shares	25,486	84,615
Amounts payable on the cancellation of shares	(45,709)	(17,360)
	(20,223)	67,255
Dilution adjustment	1	243
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,515	5,176
Retained distribution on accumulation shares	8,548	7,021
<b>Closing net assets attributable to shareholders</b>	<b>312,052</b>	<b>304,211</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Interest distribution in pence per share

#### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/05/19	0.2840	–	0.2840	0.2753
01/06/19 to 30/06/19	0.2767	–	0.2767	0.2746
01/07/19 to 31/07/19	0.2816	–	0.2816	0.2763
01/08/19 to 31/08/19	0.2938	–	0.2938	0.2785
01/09/19 to 30/09/19	0.2810	–	0.2810	0.2717
01/10/19 to 31/10/19	0.2694	–	0.2694	0.2761
01/11/19 to 30/11/19	0.2587	–	0.2587	0.2690
01/12/19 to 31/12/19	0.2836	–	0.2836	0.2843
01/01/20 to 31/01/20	0.2760	–	0.2760	0.2850
01/02/20 to 29/02/20	0.2483	–	0.2483	0.2513
01/03/20 to 31/03/20	0.2834	–	0.2834	0.2874
01/04/20 to 30/04/20	0.2610	–	0.2610	0.2696

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>				
01/05/19 to 31/05/19	0.1828	0.1012	0.2840	0.2753
01/06/19 to 30/06/19	0.0469	0.2298	0.2767	0.2746
01/07/19 to 31/07/19	0.1214	0.1602	0.2816	0.2763
01/08/19 to 31/08/19	0.1122	0.1816	0.2938	0.2785
01/09/19 to 30/09/19	0.1973	0.0837	0.2810	0.2717
01/10/19 to 31/10/19	0.1024	0.1670	0.2694	0.2761
01/11/19 to 30/11/19	0.0228	0.2359	0.2587	0.2690
01/12/19 to 31/12/19	0.1207	0.1629	0.2836	0.2843
01/01/20 to 31/01/20	0.1021	0.1739	0.2760	0.2850
01/02/20 to 29/02/20	0.0843	0.1640	0.2483	0.2513
01/03/20 to 31/03/20	0.1991	0.0843	0.2834	0.2874
01/04/20 to 30/04/20	0.1981	0.0629	0.2610	0.2686
<b>Total distributions in the period</b>			<b>3.2975</b>	<b>3.2991</b>

### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/05/19	0.2541	–	0.2541	0.2395
01/06/19 to 30/06/19	0.2486	–	0.2486	0.2384
01/07/19 to 31/07/19	0.2548	–	0.2548	0.2415
01/08/19 to 31/08/19	0.2644	–	0.2644	0.2437
01/09/19 to 30/09/19	0.2563	–	0.2563	0.2378
01/10/19 to 31/10/19	0.2476	–	0.2476	0.2424
01/11/19 to 30/11/19	0.2374	–	0.2374	0.2364
01/12/19 to 31/12/19	0.2609	–	0.2609	0.2498
01/01/20 to 31/01/20	0.2550	–	0.2550	0.2511
01/02/20 to 29/02/20	0.2307	–	0.2307	0.2232
01/03/20 to 31/03/20	0.2617	–	0.2617	0.2551
01/04/20 to 30/04/20	0.2425	–	0.2425	0.2412
<b>Group 2</b>				
01/05/19 to 31/05/19	0.1858	0.0683	0.2541	0.2395
01/06/19 to 30/06/19	0.1486	0.1000	0.2486	0.2384
01/07/19 to 31/07/19	0.0862	0.1686	0.2548	0.2415
01/08/19 to 31/08/19	0.1059	0.1585	0.2644	0.2437
01/09/19 to 30/09/19	0.1731	0.0832	0.2563	0.2378
01/10/19 to 31/10/19	0.1129	0.1347	0.2476	0.2424
01/11/19 to 30/11/19	0.0936	0.1438	0.2374	0.2364
01/12/19 to 31/12/19	0.1042	0.1567	0.2609	0.2498
01/01/20 to 31/01/20	0.2116	0.0434	0.2550	0.2511
01/02/20 to 29/02/20	0.0618	0.1689	0.2307	0.2232
01/03/20 to 31/03/20	0.0689	0.1928	0.2617	0.2551
01/04/20 to 30/04/20	0.1000	0.1425	0.2425	0.2412
<b>Total distributions in the period</b>			<b>3.0140</b>	<b>2.9001</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Comparative Table Disclosure

	Class 2 – Gross income shares <sup>§</sup>			Class X – Gross accumulation shares <sup>§</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018 <sup>†</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	132.69	130.46	132.51	102.33	97.72	100.00
Return before operating charges (p)	12.41	6.14	1.87	9.63	4.68	(2.27)
Operating charges (p)	(0.64)	(0.61)	(0.63)	(0.07)	(0.07)	(0.01)
Return after operating charges (p)*	11.77	5.53	1.24	9.56	4.61	(2.28)
Distributions (p)	(3.30)	(3.30)	(3.29)	(3.01)	(2.90)	(0.86)
Retained distributions on accumulation shares (p)	–	–	–	3.01	2.90	0.86
Closing net asset value per share (p)	141.16	132.69	130.46	111.89	102.33	97.72
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.87	4.24	0.94	9.34	4.72	(2.28)
<b>Other information</b>						
Closing net asset value (£000)	1,594	5,844	7,700	310,458	298,367	216,816
Closing number of shares	1,129,326	4,404,481	5,902,305	277,461,539	291,568,801	221,883,949
Operating charges (%)**	0.46	0.47	0.47	0.06	0.07	0.07 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	147.08	134.37	136.34	116.06	103.17	100.00
Lowest share price (p)	121.41	126.18	129.21	95.81	96.14	96.11

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>§</sup>Only available to eligible investors.

<sup>†</sup>Commenced 9 January 2018.

<sup>†</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	21,284	5,626
Derivative contracts	(1,228)	26
Forward currency contracts	(720)	(570)
Other gains	180	96
Transaction costs	(1)	(2)
Net capital gains	19,515	5,176

### 3 REVENUE

	2020	2019
	£000	£000
Interest on debt securities	8,803	7,220
Interest on short term investments	11	13
Derivative revenue	–	33
Bank interest	21	22
Total revenue	8,835	7,288

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(11)	(29)
Registration fees	(110)	(85)
	(121)	(114)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(38)	(29)
Safe custody fees	(26)	(22)
	(64)	(51)
Other expenses:		
Audit fees	(11)	(12)
	(11)	(12)
Total expenses*	(196)	(177)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(1)	(2)
Derivative expense	(2)	–
Total interest payable and similar charges	(3)	(2)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	8,636	7,109
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,727)	(1,422)
Effects of:		
Distributions treated as tax deductible	1,727	1,422
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the prior period.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Interim	7,935	6,490
Final	676	715
	8,611	7,205
Add: Revenue deducted on the cancellation of shares	55	24
Deduct: Revenue received on the creation of shares	(30)	(120)
Net distribution for the period	8,636	7,109

Details of the distribution per share are set out in the table on pages 41 to 42.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	105	530
Sales awaiting settlement	553	933
Accrued revenue	4,442	4,447
Total debtors	5,100	5,910

### 9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	2,673	489
Cash and bank balances	916	6,861
	3,589	7,350
Cash overdrafts at broker	(941)	(53)
Total cash and bank balances	2,648	7,297

### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(21)	(167)
Purchases awaiting settlement	(2,276)	(1,601)
Accrued expenses	(11)	(15)
Amounts payable to ACD	(9)	(11)
Total other creditors	(2,317)	(1,794)

### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Notes to the financial statements

(continued)

#### 13 SHAREHOLDER FUNDS

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund currently has two share classes; Class 2 and Class X shares. The charges on each share class are as follows:

##### Annual management charge

Class 2 shares	0.40%
Class X shares	N/A*

##### Registration fees

Class 2 shares	0.035%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 43. The distribution per share class is given in the distribution table on pages 41 to 42. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

##### Reconciliation of shares

	2020
<b>Class 2 – Gross income shares</b>	
Opening shares	4,404,481
Shares issued	134,548
Shares redeemed	(3,409,703)
Net conversions	–
Closing shares	1,129,326
<b>Class X – Gross accumulation shares</b>	
Opening shares	291,568,801
Shares issued	23,161,180
Shares redeemed	(37,268,442)
Net conversions	–
Closing shares	277,461,539

#### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 1.00% interest rate decrease applied to the net asset value would result in an increase on the net asset value of the fund by 10.90% and vice versa (2019: 10.28%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

Currency 2020	Total £000
Euro	(96)
US Dollar	(16)

Currency 2019	£000
Euro	9
US Dollar	82

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

2020	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Counterparty		
Lloyds	154	–
2019	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Counterparty		
Lloyds	–	120

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

##### Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	23,185	7.56	21,382	7.30
Aaa	5,750	1.87	8,863	3.03
AA+	1,835	0.60	1,079	0.37
AA	16,008	5.22	16,463	5.62
Aa2	445	0.14	391	0.13
Aa2u	4,624	1.51	9,165	3.13
AA-	3,066	1.00	3,772	1.29
Aa3	551	0.18	407	0.14
A+	15,690	5.12	15,528	5.30
A1	311	0.10	–	–
A	11,819	3.85	8,565	2.93
A2	1,274	0.42	928	0.32
A-	55,374	18.06	58,019	19.81
A3	2,687	0.88	1,829	0.62
BBB+	72,973	23.80	63,343	21.63
Baa1	2,542	0.83	3,334	1.14
BBB	57,730	18.83	51,490	17.59
Baa2	3,134	1.02	2,490	0.85
BBB-	12,540	4.09	13,548	4.63
Baa3	–	–	633	0.22
BB+	1,712	0.56	4,129	1.41
BB-	–	–	495	0.17
Not Rated*	7,083	2.31	7,093	2.42
Liquidity Funds	6,907	2.25	–	–
Derivatives**	(616)	(0.20)	(136)	(0.05)
	306,624	100.00	292,810	100.00

\*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

\*\*The derivative positions do not have a significant impact on the risk profile.

##### Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
Euro	–	1,050	–	1,050
UK Sterling	22,049	272,273	20,447	314,769
US Dollar	1,507	13,950	456	15,913
<b>Currency 2019</b>				
Euro	147	1,231	9	1,387
UK Sterling	28,046	261,026	16,854	305,926
US Dollar	1,120	8,726	133	9,979

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
Euro	(107)	–	(1,039)	(1,146)
UK Sterling	–	–	(2,605)	(2,605)
US Dollar	(834)	–	(15,095)	(15,929)
<b>Currency 2019</b>				
Euro	(53)	–	(1,325)	(1,378)
UK Sterling	–	–	(1,806)	(1,806)
US Dollar	–	–	(9,897)	(9,897)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £457,000 (2019: £21,000) and a liability value of £1,073,000 (2019: £157,000).

### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	19,395	(1,069)	17,118	(94)
Level 2	288,302	(4)	275,849	(63)
	307,697	(1,073)	292,967	(157)

Included within Level 1, are debt securities of £19,094,000 (2019: £17,097,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £122,456,029 (2019: £174,111,701) and £133,981,089 (2019: £102,331,463) respectively. Collective investment schemes purchases and sales amounted to £14,506,899 (2019: £Nil) and £7,600,000 (2019: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £684,506 (2019: £602,270) respectively.

The purchases and sales are not subject to portfolio transaction costs.

The commissions incurred by the fund when buying and selling futures and options in the current year was £1,446 (2019: £1,242).

At the balance sheet date, the portfolio dealing spread was 1.22% (30 April 2019: 0.79%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 5.61%.

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the iBoxx GBP Non-Gilts 1-5 Years Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds with an effective maturity of 5 years or less. The Fund may also invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

The bonds selected are denominated in sterling (or hedged back to sterling, if a different currency) and issued by companies anywhere in the world.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The iBoxx Sterling Non-Gilts 1-5 Years Index is regarded as an appropriate performance measure of sterling-denominated investment grade bonds (including corporate, government and government agencies) with a maturity of between 1-5 years, issued worldwide, but excluding gilts i.e. UK government bonds. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 – Gross Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Gross Accumulation shares in Threadneedle Sterling Short-Dated Corporate Bond Fund risen from 107.44p to 107.53p.

For comparison, using noon prices, the performance of the Class 1 share class was +0.08% (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 +1.53%.

#### Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period for sterling short-dated investment-grade (IG) corporate bonds. Credit spreads (the yield premiums

offered by corporate bonds over "risk-free" government bonds) were subject to large swings but finished the period significantly wider, as the emergence of the Covid-19 pandemic triggered a sell-off in late February and March of 2020. Nevertheless, the asset class delivered modest positive returns for the year, driven by a decline in the yields available on underlying UK government debt.

In the first half of the review period, three overlapping factors combined to push core government bond yields down. One of these drivers was the ongoing US-China trade dispute, as the two sides continued to hit each other with import tariffs. Another was the accompanying deterioration in the global economy, which was especially evident in manufacturing data. The last and perhaps most important of these factors was looser monetary policy from key central banks. The US Federal Reserve (Fed) had already signalled a halt in its tightening bias earlier in 2019. This set the scene for a dovish pivot among central banks globally and, in July, the first of a series of rate cuts by the Fed itself. Against soft economic data, the European Central Bank eventually followed suit in September, cutting rates further below zero and restarting its bond-buying programme. At this stage, UK policymakers still appeared hawkish by comparison, insisting that rate hikes were still a possibility if a disorderly Brexit did not derail the economy.

In the fourth quarter (Q4) of 2019, gilt yields retraced some of their earlier declines and credit spreads tightened. This came as trade tensions between China and the US eased and the global economic backdrop appeared to improve. In the UK specifically, receding Brexit worries sharpened investors' appetite for risk. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory, paving the way for his Brexit deal to pass through Parliament in late December.

In Q1 of 2020, the UK duly left the EU and entered a transition phase scheduled to last until the end of the year. Fears of a no-deal Brexit resurfaced as the UK government set out a tough negotiating position ahead of the resumption of trade talks with the EU. However, this and all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of the SARS-CoV-2 virus from China to the rest of the world. As the outbreak approached pandemic status in March, governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows, and credit spreads widened dramatically.

In response to the crisis, governments and central banks unleashed an unprecedented flood of policy measures. Credit markets in particular benefited from news that the Fed was to buy corporate bonds as part of a new, unlimited asset-purchase programme. In the UK, the Bank of England cut rates to a record

low, offered banks special terms for loans to small businesses, and said it would buy £200bn in bonds, including corporate debt. A complementary fiscal package from the government included grants and business-rates holidays for hard-hit sectors, and income-replacement schemes for employees and self-employed people unable to work.

The final month of the review period brought a strong rally in corporate bonds and other risk assets. Economic data was predictably dire, but markets were more influenced by stimulus developments and the trajectory of the pandemic, which was slowing in European and US hotspots. Later, risk assets were further buoyed as a growing number of countries and US states prepared to ease lockdowns. Sterling IG spreads tightened significantly, but nowhere near enough to undo the widening seen in March. Gilt yields continued to fall, rounding off a strong year for this asset class, and a moderately positive one, in total return terms, for short-dated sterling IG.

It was a busy period for new issuance, and we took part in a wide range of new deals. The largest of these in terms of position sizes included deals from Crédit Agricole, ABN Amro, Lloyds Bank, DNB Bank and Fidelity National Information Services. We were also active in the secondary market, for example starting new holdings in APT Pipelines, Kraft Heinz Foods, Royal London, Bharti Airtel and Sagax, and increasing exposure to DS Smith, Unite Group, Equinix, AB InBev and United Utilities. On the sales side, we reduced exposure to some issuers, including FMS Wertmanagement, MetLife, Imperial Brands, Bupa and G4S, while exiting others completely, such as Bayer, Cadent, AstraZeneca, Kuntarahotus and Electricity North West.

During the March sell-off, the bulk of our trading activity was aimed at maintaining liquidity to cover any potential outflows. Accordingly, sales focused on shorter-dated bonds within the fund, alongside some of the more liquid issuers, such as KfW and the aforementioned FMS Wertmanagement.

Despite the tightening that has taken place in recent weeks, short-dated sterling IG spreads remain (as at 30 April 2020) well wide of their 20-year average. Meanwhile, the support measures introduced by governments and central banks will help to mitigate the significant – though temporary – interruption to economic output and employment. More specifically, much of the policy response is targeted at keeping the credit channel open. In terms of corporate fundamentals, we are likely to see leverage continuing to rise as issuers borrow more to weather the storm. It is notable, however, that many companies have cut dividend payments and abandoned share buybacks, which is credit supportive. In summary, we feel that IG spreads are compensating investors well for the increased credit risk associated with the current crisis.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(19,297)	3,363
Revenue	3	30,982	30,917
Expenses	4	(2,063)	(2,173)
Interest payable and similar charges	5	(8)	(217)
Net revenue before taxation		28,911	28,527
Taxation	6	(24)	–
Net revenue after taxation		28,887	28,527
<b>Total return before distributions</b>		9,590	31,890
Distributions	7	(28,887)	(28,527)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(19,297)</b>	<b>3,363</b>

#### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		1,074,539	1,360,449
<b>Current assets:</b>			
Debtors	8	21,698	20,271
Cash and bank balances	9	21,491	29,467
Cash equivalents**		12,514	101
<b>Total assets</b>		<b>1,130,242</b>	<b>1,410,288</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(2,399)	(1,942)
<b>Creditors:</b>			
Bank overdrafts	9	(4,902)	(1,268)
Distribution payable		(1,146)	(1,368)
Other creditors	10	(3,344)	(3,690)
<b>Total liabilities</b>		<b>(11,791)</b>	<b>(8,268)</b>
<b>Net assets attributable to shareholders</b>		<b>1,118,451</b>	<b>1,402,020</b>

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	1,402,020	1,142,734
Amounts receivable on the issue of shares	255,550	369,408
Amounts payable on the cancellation of shares	(532,856)	(126,809)
	(277,306)	242,599
Dilution adjustment	561	175
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(19,297)	3,363
Retained distribution on accumulation shares	12,473	13,149
<b>Closing net assets attributable to shareholders</b>	<b>1,118,451</b>	<b>1,402,020</b>

#### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Interest distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/05/19	0.1679	–	0.1679	0.1474
01/06/19 to 30/06/19	0.1655	–	0.1655	0.1507
01/07/19 to 31/07/19	0.1634	–	0.1634	0.1477
01/08/19 to 31/08/19	0.1550	–	0.1550	0.1576
01/09/19 to 30/09/19	0.1608	–	0.1608	0.1517
01/10/19 to 31/10/19	0.1444	–	0.1444	0.1443
01/11/19 to 30/11/19	0.1529	–	0.1529	0.1503
01/12/19 to 31/12/19	0.1627	–	0.1627	0.1652
01/01/20 to 31/01/20	0.1589	–	0.1589	0.1501
01/02/20 to 29/02/20	0.1480	–	0.1480	0.1466
01/03/20 to 31/03/20	0.1776	–	0.1776	0.1765
01/04/20 to 30/04/20	0.1656	–	0.1656	0.1551

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

# Threadneedle Sterling Short-Dated Corporate Bond Fund

## DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>					<b>Group 2</b>				
01/05/19 to 31/05/19	0.1217	0.0462	0.1679	0.1474	01/05/19 to 31/05/19	0.0859	0.0954	0.1813	0.1633
01/06/19 to 30/06/19	0.1240	0.0415	0.1655	0.1507	01/06/19 to 30/06/19	0.1070	0.0714	0.1784	0.1660
01/07/19 to 31/07/19	0.1056	0.0578	0.1634	0.1477	01/07/19 to 31/07/19	0.0954	0.0811	0.1765	0.1632
01/08/19 to 31/08/19	0.0891	0.0659	0.1550	0.1576	01/08/19 to 31/08/19	0.0294	0.1379	0.1673	0.1731
01/09/19 to 30/09/19	0.1157	0.0451	0.1608	0.1517	01/09/19 to 30/09/19	0.1061	0.0673	0.1734	0.1664
01/10/19 to 31/10/19	0.0763	0.0681	0.1444	0.1443	01/10/19 to 31/10/19	0.0657	0.0909	0.1566	0.1590
01/11/19 to 30/11/19	0.0731	0.0798	0.1529	0.1503	01/11/19 to 30/11/19	0.0787	0.0854	0.1641	0.1645
01/12/19 to 31/12/19	0.0982	0.0645	0.1627	0.1652	01/12/19 to 31/12/19	0.1163	0.0587	0.1750	0.1798
01/01/20 to 31/01/20	0.0565	0.1024	0.1589	0.1501	01/01/20 to 31/01/20	0.0836	0.0870	0.1706	0.1641
01/02/20 to 29/02/20	0.0973	0.0507	0.1480	0.1466	01/02/20 to 29/02/20	0.0763	0.0820	0.1583	0.1594
01/03/20 to 31/03/20	0.0677	0.1099	0.1776	0.1765	01/03/20 to 31/03/20	0.0513	0.1374	0.1887	0.1906
01/04/20 to 30/04/20	0.0815	0.0841	0.1656	0.1551	01/04/20 to 30/04/20	0.0767	0.0990	0.1757	0.1683
<b>Total distributions in the period</b>			<b>1.9227</b>	<b>1.8432</b>	<b>Total distributions in the period</b>			<b>2.0659</b>	<b>2.0177</b>
<b>Class 1 – Gross accumulation shares</b>					<b>Class 2 – Gross income shares</b>				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>					<b>Group 1</b>				
01/05/19 to 31/05/19	0.1715	–	0.1715	0.1506	01/05/19 to 31/05/19	0.1819	–	0.1819	0.1639
01/06/19 to 30/06/19	0.1691	–	0.1691	0.1538	01/06/19 to 30/06/19	0.1790	–	0.1790	0.1666
01/07/19 to 31/07/19	0.1670	–	0.1670	0.1510	01/07/19 to 31/07/19	0.1771	–	0.1771	0.1637
01/08/19 to 31/08/19	0.1583	–	0.1583	0.1610	01/08/19 to 31/08/19	0.1679	–	0.1679	0.1736
01/09/19 to 30/09/19	0.1493	–	0.1493	0.1550	01/09/19 to 30/09/19	0.1739	–	0.1739	0.1670
01/10/19 to 31/10/19	0.1475	–	0.1475	0.1474	01/10/19 to 31/10/19	0.1572	–	0.1572	0.1595
01/11/19 to 30/11/19	0.1562	–	0.1562	0.1537	01/11/19 to 30/11/19	0.1646	–	0.1646	0.1651
01/12/19 to 31/12/19	0.1663	–	0.1663	0.1688	01/12/19 to 31/12/19	0.1756	–	0.1756	0.1804
01/01/20 to 31/01/20	0.1624	–	0.1624	0.1533	01/01/20 to 31/01/20	0.1712	–	0.1712	0.1646
01/02/20 to 29/02/20	0.1512	–	0.1512	0.1499	01/02/20 to 29/02/20	0.1588	–	0.1588	0.1599
01/03/20 to 31/03/20	0.1814	–	0.1814	0.1803	01/03/20 to 31/03/20	0.1894	–	0.1894	0.1913
01/04/20 to 30/04/20	0.1692	–	0.1692	0.1584	01/04/20 to 30/04/20	0.1763	–	0.1763	0.1688
<b>Total distributions in the period</b>			<b>1.9644</b>	<b>1.8832</b>	<b>Total distributions in the period</b>			<b>2.0729</b>	<b>2.0244</b>
<b>Class 1 EUR Hedged – Gross accumulation shares</b>					<b>Class 2 – Gross accumulation shares</b>				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>					<b>Group 1</b>				
01/05/19 to 31/05/19	0.1593	–	0.1593	0.1434	01/05/19 to 31/05/19	0.1749	–	0.1749	0.1545
01/06/19 to 30/06/19	0.1607	–	0.1607	0.1464	01/06/19 to 30/06/19	0.1724	–	0.1724	0.1574
01/07/19 to 31/07/19	0.1597	–	0.1597	0.1459	01/07/19 to 31/07/19	0.1707	–	0.1707	0.1549
01/08/19 to 31/08/19	0.1548	–	0.1548	0.1559	01/08/19 to 31/08/19	0.1622	–	0.1622	0.1646
01/09/19 to 30/09/19	0.1557	–	0.1557	0.1498	01/09/19 to 30/09/19	0.1683	–	0.1683	0.1585
01/10/19 to 31/10/19	0.1378	–	0.1378	0.1405	01/10/19 to 31/10/19	0.1523	–	0.1523	0.1516
01/11/19 to 30/11/19	0.1423	–	0.1423	0.1461	01/11/19 to 30/11/19	0.1598	–	0.1598	0.1571
01/12/19 to 31/12/19	0.1493	–	0.1493	0.1635	01/12/19 to 31/12/19	0.1707	–	0.1707	0.1720
01/01/20 to 31/01/20	0.1462	–	0.1462	0.1465	01/01/20 to 31/01/20	0.1666	–	0.1666	0.1573
01/02/20 to 29/02/20	0.1345	–	0.1345	0.1412	01/02/20 to 29/02/20	0.1549	–	0.1549	0.1530
01/03/20 to 31/03/20	0.1703	–	0.1703	0.1650	01/03/20 to 31/03/20	0.1850	–	0.1850	0.1832
01/04/20 to 30/04/20	0.1565	–	0.1565	0.1461	01/04/20 to 30/04/20	0.1724	–	0.1724	0.1620
<b>Total distributions in the period</b>			<b>1.8271</b>	<b>1.7903</b>	<b>Total distributions in the period</b>			<b>2.0102</b>	<b>1.9261</b>
<b>Class 2 – Income shares</b>					<b>Class 2 EUR Hedged – Gross accumulation shares</b>				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>					<b>Group 1</b>				
01/05/19 to 31/05/19	0.1813	–	0.1813	0.1633	01/05/19 to 31/05/19	0.1737	–	0.1737	0.1582
01/06/19 to 30/06/19	0.1784	–	0.1784	0.1660	01/06/19 to 30/06/19	0.1749	–	0.1749	0.1607
01/07/19 to 31/07/19	0.1765	–	0.1765	0.1632	01/07/19 to 31/07/19	0.1749	–	0.1749	0.1602
01/08/19 to 31/08/19	0.1673	–	0.1673	0.1731	01/08/19 to 31/08/19	0.1690	–	0.1690	0.1712
01/09/19 to 30/09/19	0.1734	–	0.1734	0.1664	01/09/19 to 30/09/19	0.1709	–	0.1709	0.1633
01/10/19 to 31/10/19	0.1566	–	0.1566	0.1590	01/10/19 to 31/10/19	0.1514	–	0.1514	0.1540
01/11/19 to 30/11/19	0.1641	–	0.1641	0.1645	01/11/19 to 30/11/19	0.1556	–	0.1556	0.1591
01/12/19 to 31/12/19	0.1750	–	0.1750	0.1798	01/12/19 to 31/12/19	0.1641	–	0.1641	0.1774
01/01/20 to 31/01/20	0.1706	–	0.1706	0.1641	01/01/20 to 31/01/20	0.1602	–	0.1602	0.1604
01/02/20 to 29/02/20	0.1583	–	0.1583	0.1594	01/02/20 to 29/02/20	0.1469	–	0.1469	0.1533
01/03/20 to 31/03/20	0.1887	–	0.1887	0.1906	01/03/20 to 31/03/20	0.1855	–	0.1855	0.1800
01/04/20 to 30/04/20	0.1757	–	0.1757	0.1683	01/04/20 to 30/04/20	0.1707	–	0.1707	0.1598

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	Class Y – Gross income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>					<b>Group 1</b>				
01/05/19 to 31/05/19	0.1537	0.0200	0.1737	0.1582	01/05/19 to 31/05/19	0.1822	–	0.1822	0.1649
01/06/19 to 30/06/19	0.1749	–	0.1749	0.1607	01/06/19 to 30/06/19	0.1791	–	0.1791	0.1676
01/07/19 to 31/07/19	0.1749	–	0.1749	0.1602	01/07/19 to 31/07/19	0.1777	–	0.1777	0.1651
01/08/19 to 31/08/19	0.1690	–	0.1690	0.1712	01/08/19 to 31/08/19	0.1688	–	0.1688	0.1745
01/09/19 to 30/09/19	0.1709	–	0.1709	0.1633	01/09/19 to 30/09/19	0.1748	–	0.1748	0.1678
01/10/19 to 31/10/19	0.1514	–	0.1514	0.1540	01/10/19 to 31/10/19	0.1592	–	0.1592	0.1612
01/11/19 to 30/11/19	0.1556	–	0.1556	0.1591	01/11/19 to 30/11/19	0.1654	–	0.1654	0.1660
01/12/19 to 31/12/19	0.1641	–	0.1641	0.1774	01/12/19 to 31/12/19	0.1768	–	0.1768	0.1806
01/01/20 to 31/01/20	0.1602	–	0.1602	0.1604	01/01/20 to 31/01/20	0.1723	–	0.1723	0.1659
01/02/20 to 29/02/20	0.1469	–	0.1469	0.1533	01/02/20 to 29/02/20	0.1596	–	0.1596	0.1604
01/03/20 to 31/03/20	0.1855	–	0.1855	0.1800	01/03/20 to 31/03/20	0.1893	–	0.1893	0.1908
01/04/20 to 30/04/20	0.0807	0.0900	0.1707	0.1598	01/04/20 to 30/04/20	0.1761	–	0.1761	0.1696
<b>Total distributions in the period</b>			<b>1.9978</b>	<b>1.9576</b>					
<b>Class X – Gross income shares</b>					<b>Group 2</b>				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	01/05/19 to 31/05/19	0.0833	0.0989	0.1822	0.1649
<b>Group 1</b>					01/06/19 to 30/06/19	0.1226	0.0565	0.1791	0.1676
01/05/19 to 31/05/19	0.2067	–	0.2067	0.1896	01/07/19 to 31/07/19	0.1097	0.0680	0.1777	0.1651
01/06/19 to 30/06/19	0.2030	–	0.2030	0.1910	01/08/19 to 31/08/19	0.0632	0.1056	0.1688	0.1745
01/07/19 to 31/07/19	0.2024	–	0.2024	0.1894	01/09/19 to 30/09/19	0.1323	0.0425	0.1748	0.1678
01/08/19 to 31/08/19	0.1927	–	0.1927	0.1988	01/10/19 to 31/10/19	0.1112	0.0480	0.1592	0.1612
01/09/19 to 30/09/19	0.1995	–	0.1995	0.1914	01/11/19 to 30/11/19	0.0591	0.1063	0.1654	0.1660
01/10/19 to 31/10/19	0.1836	–	0.1836	0.1853	01/12/19 to 31/12/19	0.0757	0.1011	0.1768	0.1806
01/11/19 to 30/11/19	0.1885	–	0.1885	0.1894	01/01/20 to 31/01/20	0.0448	0.1275	0.1723	0.1659
01/12/19 to 31/12/19	0.2022	–	0.2022	0.2048	01/02/20 to 29/02/20	0.0737	0.0859	0.1596	0.1604
01/01/20 to 31/01/20	0.1970	–	0.1970	0.1899	01/03/20 to 31/03/20	0.0680	0.1213	0.1893	0.1908
01/02/20 to 29/02/20	0.1820	–	0.1820	0.1823	01/04/20 to 30/04/20	0.1369	0.0392	0.1761	0.1696
01/03/20 to 31/03/20	0.2144	–	0.2144	0.2156	<b>Total distributions in the period</b>			<b>2.0813</b>	<b>2.0344</b>
01/04/20 to 30/04/20	0.1994	–	0.1994	0.1932	<i>Group 2: shares purchased during a distribution period.</i>				
<b>Total distributions in the period</b>			<b>2.3714</b>	<b>2.3207</b>					
<b>Class X – Gross accumulation shares</b>									
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019					
<b>Group 1</b>									
01/05/19 to 31/05/19	0.2232	–	0.2232	0.2001					
01/06/19 to 30/06/19	0.2197	–	0.2197	0.2019					
01/07/19 to 31/07/19	0.2194	–	0.2194	0.2007					
01/08/19 to 31/08/19	0.2094	–	0.2094	0.2110					
01/09/19 to 30/09/19	0.2171	–	0.2171	0.2035					
01/10/19 to 31/10/19	0.2002	–	0.2002	0.1974					
01/11/19 to 30/11/19	0.2059	–	0.2059	0.2021					
01/12/19 to 31/12/19	0.2213	–	0.2213	0.2191					
01/01/20 to 31/01/20	0.2161	–	0.2161	0.2035					
01/02/20 to 29/02/20	0.2000	–	0.2000	0.1957					
01/03/20 to 31/03/20	0.2360	–	0.2360	0.2317					
01/04/20 to 30/04/20	0.2200	–	0.2200	0.2083					
<b>Total distributions in the period</b>			<b>2.5883</b>	<b>2.4750</b>					
<b>Group 2</b>									
01/05/19 to 31/05/19	0.0732	0.1500	0.2232	0.2001					
01/06/19 to 30/06/19	0.1093	0.1104	0.2197	0.2019					
01/07/19 to 31/07/19	0.0720	0.1474	0.2194	0.2007					
01/08/19 to 31/08/19	0.1148	0.0946	0.2094	0.2110					
01/09/19 to 30/09/19	0.0881	0.1290	0.2171	0.2035					
01/10/19 to 31/10/19	0.1024	0.0978	0.2002	0.1974					
01/11/19 to 30/11/19	0.0854	0.1205	0.2059	0.2021					
01/12/19 to 31/12/19	0.1241	0.0972	0.2213	0.2191					
01/01/20 to 31/01/20	0.1053	0.1108	0.2161	0.2035					
01/02/20 to 29/02/20	0.0731	0.1269	0.2000	0.1957					
01/03/20 to 31/03/20	0.0950	0.1410	0.2360	0.2317					
01/04/20 to 30/04/20	0.1877	0.0323	0.2200	0.2083					
<b>Total distributions in the period</b>			<b>2.5883</b>	<b>2.4750</b>					

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	104.98	102.91	102.45	107.26	105.15	104.68
Return before operating charges (p)	0.57	2.67	1.28	0.58	2.72	1.31
Operating charges (p)	(0.62)	(0.60)	(0.82)	(0.63)	(0.61)	(0.84)
Return after operating charges (p)*	(0.05)	2.07	0.46	(0.05)	2.11	0.47
Distributions (p)	(1.92)	(1.84)	(1.41)	(1.96)	(1.88)	(1.44)
Retained distributions on accumulation shares (p)	1.92	1.84	1.41	1.96	1.88	1.44
Closing net asset value per share (p)	104.93	104.98	102.91	107.21	107.26	105.15
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.05)	2.01	0.45	(0.05)	2.01	0.45
<b>Other information</b>						
Closing net asset value (£000)	6,525	7,549	5,247	186	270	197
Closing number of shares	6,217,837	7,191,000	5,098,206	173,098	251,892	187,903
Operating charges (%)**	0.58	0.58	0.80	0.58	0.58	0.80
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	108.51	105.20	103.48	110.87	107.48	105.72
Lowest share price (p)	100.40	102.65	102.49	102.58	104.87	104.72
	Class 1 EUR Hedged – Gross accumulation shares <sup>§</sup>			Class 2 – Income shares		
	30/04/2020	30/04/2019	30/04/2018 <sup>†</sup>	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	98.27	99.77	100.00	106.35	106.13	107.11
Return before operating charges (p)	0.27	(0.93)	0.38	0.61	2.73	1.35
Operating charges (p)	(0.57)	(0.57)	(0.61)	(0.49)	(0.49)	(0.49)
Return after operating charges (p)*	(0.30)	(1.50)	(0.23)	0.12	2.24	0.86
Distributions (p)	(1.83)	(1.79)	(1.24)	(2.07)	(2.02)	(1.84)
Retained distributions on accumulation shares (p)	1.83	1.79	1.24	–	–	–
Closing net asset value per share (p)	97.97	98.27	99.77	104.40	106.35	106.13
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.31)	(1.50)	(0.23)	0.11	2.11	0.80
<b>Other information</b>						
Closing net asset value (£000)	10	10	10	185,694	218,577	208,705
Closing number of shares	10,001	10,001	10,001	177,875,137	205,518,255	196,649,685
Operating charges (%)**	0.57	0.57	0.79 <sup>†</sup>	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	107.47	102.91	106.43	108.63	106.74	107.75
Lowest share price (p)	95.87	96.91	97.57	100.23	104.69	106.00

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>§</sup>			Class 2 – Gross accumulation shares <sup>§</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018 <sup>§</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.71	106.49	107.47	102.58	100.43	100.00
Return before operating charges (p)	0.60	2.73	1.36	0.55	2.61	0.86
Operating charges (p)	(0.49)	(0.49)	(0.49)	(0.48)	(0.46)	(0.43)
Return after operating charges (p)*	0.11	2.24	0.87	0.07	2.15	0.43
Distributions (p)	(2.07)	(2.02)	(1.85)	(2.01)	(1.93)	(1.66)
Retained distributions on accumulation shares (p)	–	–	–	2.01	1.93	1.66
Closing net asset value per share (p)	104.75	106.71	106.49	102.65	102.58	100.43
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.10	2.10	0.81	0.07	2.14	0.43
<b>Other information</b>						
Closing net asset value (£000)	61,708	98,360	122,717	9,295	7,677	8,123
Closing number of shares	58,911,935	92,174,744	115,241,314	9,054,606	7,483,840	8,088,402
Operating charges (%)**	0.46	0.46	0.46	0.46	0.46	0.47 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	109.00	107.10	108.11	106.12	102.78	100.92
Lowest share price (p)	100.56	105.04	106.36	98.21	100.24	99.87
	Class 2 EUR Hedged – Gross accumulation shares <sup>§</sup>			Class X – Gross income shares <sup>§</sup>		
	30/04/2020	30/04/2019	30/04/2018 <sup>§</sup>	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.99	102.39	100.00	101.09	100.88	101.81
Return before operating charges (p)	0.32	(0.93)	2.83	0.57	2.59	1.29
Operating charges (p)	(0.48)	(0.47)	(0.44)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	(0.16)	(1.40)	2.39	0.51	2.53	1.23
Distributions (p)	(2.00)	(1.96)	(1.72)	(2.37)	(2.32)	(2.16)
Retained distributions on accumulation shares (p)	2.00	1.96	1.72	–	–	–
Closing net asset value per share (p)	100.83	100.99	102.39	99.23	101.09	100.88
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.16)	(1.37)	2.39	0.50	2.51	1.21
<b>Other information</b>						
Closing net asset value (£000)	98	71	10	323,217	414,599	311,778
Closing number of shares	97,728	70,780	10,000	325,730,653	410,127,179	309,062,267
Operating charges (%)**	0.46	0.46	0.46 <sup>†</sup>	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	110.49	105.68	109.00	103.29	101.49	102.45
Lowest share price (p)	98.66	99.58	99.83	95.29	99.52	100.78

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>5</sup>			Class Y – Gross income shares <sup>5</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	109.17	106.46	105.18	99.40	99.20	100.12
Return before operating charges (p)	0.59	2.77	1.34	0.56	2.54	1.31
Operating charges (p)	(0.07)	(0.06)	(0.06)	(0.31)	(0.31)	(0.32)
Return after operating charges (p)*	0.52	2.71	1.28	0.25	2.23	0.99
Distributions (p)	(2.59)	(2.48)	(2.25)	(2.08)	(2.03)	(1.91)
Retained distributions on accumulation shares (p)	2.59	2.48	2.25	–	–	–
Closing net asset value per share (p)	109.69	109.17	106.46	97.57	99.40	99.20
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.48	2.55	1.22	0.25	2.25	0.99
<b>Other information</b>						
Closing net asset value (£000)	487,384	611,786	483,878	44,334	43,121	2,069
Closing number of shares	444,334,105	560,409,345	454,536,245	45,436,026	43,379,079	2,085,832
Operating charges (%)**	0.06	0.06	0.06	0.31	0.31	0.32
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	113.29	109.39	106.85	101.55	99.78	100.73
Lowest share price (p)	104.89	106.46	105.38	93.69	97.85	99.09

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>5</sup>Only available to eligible investors.

<sup>1</sup>Commenced 15 June 2017.

<sup>2</sup>Commenced 17 May 2017.

<sup>4</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle Sterling Short-Dated Corporate Bond Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(6,048)	12,420
Derivative contracts	(3,574)	(1,771)
Forward currency contracts	(8,812)	(9,492)
Other (losses)/gains	(862)	2,207
Transaction costs	(1)	(1)
Net capital (losses)/gains	(19,297)	3,363

### 3 REVENUE

	2020	2019
	£000	£000
Interest on debt securities	30,428	30,826
Interest on short term investments	5	26
Derivative revenue	439	–
Bank interest	110	65
Total revenue	30,982	30,917

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,349)	(1,461)
Registration fees	(460)	(461)
	(1,809)	(1,922)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(156)	(156)
Safe custody fees	(78)	(76)
	(234)	(232)
Other expenses:		
Regulatory fees	(3)	(2)
Audit fees	(17)	(17)
	(20)	(19)
Total expenses*	(2,063)	(2,173)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(8)	(15)
Derivative expense	–	(202)
Total interest payable and similar charges	(8)	(217)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(24)	–
Total current tax (note 6b)	(24)	–
Total tax charge for the period	(24)	–

### b) Factors affecting taxation charge for period

	2020	2019
	£000	£000
Net revenue before taxation	28,911	28,527
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,782)	(5,705)
Effects of:		
Overseas taxes	(24)	–
Overseas tax expensed	5	–
Distributions treated as tax deductible	5,777	5,705
Current tax charge for period (note 6a)	(24)	–

Interest distributions were made in respect of all distributions during the prior period.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Interim	26,521	26,225
Final	2,150	2,559
	28,671	28,784
Add: Revenue deducted on the cancellation of shares	470	116
Deduct: Revenue received on the creation of shares	(254)	(373)
Net distribution for the period	28,887	28,527
Net revenue after taxation	28,887	28,527
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	28,887	28,527

Details of the distribution per share are set out in the table on pages 47 to 49.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	165	822
Sales awaiting settlement	5,560	–
Accrued revenue	15,973	19,449
Total debtors	21,698	20,271

### 9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	8,978	5,018
Cash and bank balances	12,513	24,449
	21,491	29,467
Cash overdrafts at broker	(4,902)	(1,268)
Total cash and bank balances	16,589	28,199

### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(3,182)	(2,161)
Purchases awaiting settlement	–	(1,331)
Accrued expenses	(33)	(39)
Amounts payable to ACD	(129)	(159)
Total other creditors	(3,344)	(3,690)

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Notes to the financial statements

(continued)

#### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

#### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 13 SHAREHOLDER FUNDS

Threadneedle Sterling Short-Dated Corporate Bond Fund currently has four share classes; Class 1, Class 2, Class X and Class Y shares. The charges on each share class are as follows:

##### Annual management charge

Class 1 shares	0.45%
Class 2 shares	0.40%
Class X shares	N/A*
Class Y shares	0.25%

##### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Y shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 50 to 52. The distribution per share class is given in the distribution table on pages 47 to 49. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

##### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	7,191,000
Shares issued	295,507
Shares redeemed	(1,268,670)
Net conversions	–
Closing shares	6,217,837
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	251,892
Shares issued	4,113
Shares redeemed	(82,907)
Net conversions	–
Closing shares	173,098
<b>Class 1 EUR Hedged – Gross accumulation shares</b>	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001
<b>Class 2 – Income shares</b>	
Opening shares	205,518,255
Shares issued	23,916,401
Shares redeemed	(49,562,392)
Net conversions	(1,997,127)
Closing shares	177,875,137

	2020
<b>Class 2 – Gross income shares</b>	
Opening shares	92,174,744
Shares issued	5,156,909
Shares redeemed	(39,027,213)
Net conversions	607,495
Closing shares	58,911,935
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	7,483,840
Shares issued	3,130,341
Shares redeemed	(1,548,699)
Net conversions	(10,876)
Closing shares	9,054,606
<b>Class 2 EUR Hedged – Gross accumulation shares</b>	
Opening shares	70,780
Shares issued	26,948
Shares redeemed	–
Net conversions	–
Closing shares	97,728
<b>Class X – Gross income shares</b>	
Opening shares	410,127,179
Shares issued	67,220,660
Shares redeemed	(151,616,734)
Net conversions	(452)
Closing shares	325,730,653
<b>Class X – Gross accumulation shares</b>	
Opening shares	560,409,345
Shares issued	127,370,100
Shares redeemed	(243,445,751)
Net conversions	411
Closing shares	444,334,105
<b>Class Y – Gross income shares</b>	
Opening shares	43,379,079
Shares issued	8,877,715
Shares redeemed	(8,316,654)
Net conversions	1,495,886
Closing shares	45,436,026

#### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 1.00% interest rate decrease applied to the net asset value would result in an increase on the net asset value of the fund by 2.40% and vice versa (2019: 2.46%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
	£000
<b>Currency 2020</b>	
Euro	876
US Dollar	1,160
<b>Currency 2019</b>	£000
Canadian Dollar	12
Euro	1,139
US Dollar	1,079

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Notes to the financial statements

(continued)

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

2020 Counterparty	Credit Default Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000	2019 Counterparty	Credit Default Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Lloyds	–	1,368	–	Goldman Sachs	–	–	510
Morgan Stanley	98	–	–	Lloyds	–	–	1,270

The fund held £2,100,000 (2019: £860,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	2,691	0.25	77,091	5.68
Aaa	9,501	0.88	28,922	2.13
AA+	24,101	2.22	37,214	2.74
A2u	–	–	2,228	0.16
AA-	35,203	3.24	47,012	3.46
A+	31,973	2.95	20,975	1.54
A	90,269	8.32	88,827	6.54
A-	96,419	8.89	117,817	8.67
A3	4,434	0.41	12,754	0.94
BBB+	213,533	19.69	275,030	20.24
Baa1	16,828	1.55	14,448	1.06
BBB	216,848	19.99	278,906	20.53
Baa2	20,281	1.87	24,781	1.82
BBB-	181,512	16.73	183,111	13.48
Baa3	18,614	1.72	11,690	0.86
BB+	42,139	3.89	44,880	3.30
Ba1	–	–	4,710	0.35
BB	16,706	1.54	21,939	1.62
BB-	8,393	0.77	12,990	0.96
B+	–	–	9,394	0.69
B	947	0.09	–	–
B-	–	–	3,521	0.26
Not Rated*	39,773	3.67	42,163	3.10
Liquidity Funds	12,514	1.15	101	0.01
Derivatives**	1,975	0.18	(1,896)	(0.14)
	1,084,654	100.00	1,358,608	100.00

\*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

\*\*The derivative positions do not have a significant impact on the risk profile.

#### Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
Euro	14,627	143,433	12,709	170,769
UK Sterling	153,367	667,495	314,982	1,135,844
US Dollar	45,232	80,016	4,906	130,154
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Canadian Dollar	–	4,147	67	4,214
Euro	39,430	157,460	8,466	205,356
UK Sterling	174,629	844,616	392,223	1,411,468
US Dollar	110,206	59,483	979	170,668
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
<b>Currency 2020</b>				
Euro	(3,453)	–	(166,440)	(169,893)
UK Sterling	–	–	(19,429)	(19,429)
US Dollar	(1,449)	–	(127,545)	(128,994)
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Canadian Dollar	–	–	(4,202)	(4,202)
Euro	(1,268)	–	(202,949)	(204,217)
UK Sterling	–	–	(11,678)	(11,678)
US Dollar	–	–	(169,589)	(169,589)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £4,374,000 (2019: £46,000) and a liability value of £2,399,000 (2019: £1,942,000).

### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Notes to the financial statements

(continued)

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	15,468	(2,284)	2,940	(605)
Level 2	1,070,862	(115)	1,356,889	(1,337)
Level 3	723	–	721	–
	<u>1,087,053</u>	<u>(2,399)</u>	<u>1,360,550</u>	<u>(1,942)</u>

Included within Level 1, are debt securities of £14,514,000 (2019: £2,914,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £485,043,915 (2019: £855,027,394) and £752,389,779 (2019: £612,920,688) respectively. Collective investment schemes purchases and sales amounted to £186,552,494 (2019: £14,001,428) and £174,140,000 (2019: £13,900,000) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £3,339,064 (2019: £1,719,632) respectively.

The purchases and sales are not subject to portfolio transaction costs.

The commissions incurred by the fund when buying and selling futures and options in the current year was £13,523 (2019: £12,221).

At the balance sheet date, the portfolio dealing spread was 0.62% (30 April 2019: 0.34%), being the difference between the respective buying and selling prices for the fund's investments.

#### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 5.89%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(33.95)
Class 2 – Income shares	(10.55)
Class 2 – Gross accumulation shares	(35.09)
Class X – Gross income shares	(99.15)
Class Y – Gross income shares	(16.48)

## Threadneedle UK Fixed Interest Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Conventional Gilts All Stocks Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and will invest at least 80% of its assets in UK government bonds (gilts).

The Fund may also invest in other bonds, including index linked UK government bonds (index-linked gilts), as well as bonds issued by governments (or government agencies) of other developed countries, international organisations, or companies. The bonds selected are usually investment grade and denominated in sterling (or hedged back to sterling, if a different currency).

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently. However, the Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The FTSE Actuaries UK Conventional Gilts All Stocks Index is regarded as an appropriate good performance measure of sterling-denominated government bonds, issued by the UK government. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 – Income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Income shares in the Threadneedle UK Fixed Interest Fund risen from 137.93p to 156.68p.

For comparison, using noon prices, the performance of the Class 1 share class was +14.71% compared to a return of +14.63% for the Morningstar UK Unit Trusts/OEICs – IA UK 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 Actuaries UK Conventional Gilts All Stocks Index was +14.97%.

#### Market Overview and Portfolio Activity

UK government bonds (gilts) performed well over the review period; yields fell as prices rose.

In the first six months, core bond yields were driven down by the ongoing US-China trade dispute, deterioration in the global economy, and looser monetary policy from key central banks. The Federal Reserve (Fed) maintained its accommodative tone and, in the summer, made the first of a series of interest-rate cuts. Against soft economic data, the European Central Bank (ECB) eventually followed suit, cutting rates further below zero and restarting its bond-buying programme. At this stage, UK policymakers appeared comparatively hawkish, insisting that rate hikes remained a possibility if a disorderly Brexit did not derail the economy.

Later in 2019, gilt yields rose as US-China trade tensions eased and the global economic backdrop appeared to improve. In the UK, Brexit worries receded as Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory, paving the way for his deal to pass through Parliament. The UK formally left the EU in January 2020, with a transition phase scheduled to last until December 2020.

A new threat dominated sentiment in 2020, the rapid spread of COVID-19. Governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted riskier assets and favoured those perceived to be safe havens, which pushed core government bond yields to record lows.

In response to the crisis, governments and central banks unleashed an unprecedented flood of policy measures. The Fed cut interest rates to near zero and pledged to provide unlimited monetary stimulus by purchasing bonds. It unveiled a \$2.3tn loan programme for municipalities and small businesses, along with new measures to support corporate-bond markets. In the UK, the Bank of England (BoE) slashed interest rates to record lows, offered banks special terms for loans to small businesses, and agreed to buy £200bn in bonds, including corporate debt. Later the bank announced it would temporarily finance government borrowing directly, bypassing the bond market. The ECB expanded its bond purchases by €750bn and agreed to scrap issuer limits on sovereign-debt purchases.

Even gilts were impacted in March's market turbulence, as investors cashed in their holdings to meet redemptions. Gilt yields also rose as the government unveiled its substantial fiscal stimulus package, which fuelled concerns about increased borrowing. In April, however, gilt yields fell again, given the accommodative monetary-policy backdrop and dismal economic data, reflecting the severe growth deterioration from the global shutdown. The portfolio started the review period underweight duration to 25–35-year gilts, and later, from 15–25-year gilts into ultra-long gilts. Mid-month, we reduced duration as the 10-year gilt yield dropped to our 1% target. We later reversed this as yields fell further, driven by poor European election

results for the Conservatives and further global trade tensions. Gilts were rangebound in June. In the middle of the month, we increased duration in 25–35-year gilts.

The fund started July -0.15 years underweight duration but moved to a long-duration position mid-month, following a sell-off in core bonds. We reduced our underweight in short-maturity gilts versus an overweight in long-maturity gilts. Although the BoE signalled a mild tightening bias, global conditions and raised Brexit uncertainty drove gilt yields towards the bottom of the yield range by the end of September. During this period, we reduced the fund's bias towards a flattening yield curve, following dovish comments from the BoE's policymaking committee.

We moved duration to flat ahead of the UK Parliament's Brexit deal vote in October. Early in November, we increased duration as the 30-year gilt yield climbed to 1.30%. We then took relative duration to neutral prior to December's general election. Yields rose sharply after the election, and we increased duration via 30-year gilts.

We marginally increased exposure to long-duration gilts in early 2020 amid weakness in core bond markets. In mid-January, we lowered duration in 5-year gilts to neutral but later reversed this as an economic data release underperformed our expectations. In February, we added further exposure in 10-year bonds and briefly reduced duration following Chancellor Sajid Javid's resignation, as markets feared a far looser fiscal outlook. We later added duration back in 20–30-year gilts amid coronavirus-related fears.

In March, we added duration in 15–25-year gilts and repositioned some of the overweight in long-dated bonds into the highest-yielding point of the curve, now the 2044 gilt. In April, we added to duration in 20-year bonds, bringing overall relative duration to 0.55 years long, which was how the portfolio finished the review period. We were slightly short in 0–3-year and 3–7-year gilts, flat in 7–15-year gilts and long in the 15–25-year ultra-long gilts.

The economic impact of the coronavirus on developed markets will be significant, and we are sceptical that a recovery in global activity will be as early as the authorities hope.

The Fed and other central banks are determined to support governments' efforts to soften the hit to global growth through massive fiscal and monetary stimulus. Demand will be severely hit, unemployment will rise and inflation will fall.

Aside from the risk posed by the coronavirus, the UK economy also faces the risk of a no-deal Brexit, given that the agreed transition period ends in less than a year, and negotiations have been delayed owing to the virus.

The economic shock caused by the virus has tilted the UK's policy outlook in a very accommodative direction, as reflected by the BoE's sudden interest-rate cuts and the government's stimulus package.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	57,524	11,112
Revenue	3	4,080	6,635
Expenses	4	(1,357)	(1,866)
Net revenue before taxation		2,723	4,769
Taxation	5	–	–
Net revenue after taxation		2,723	4,769
Total return before distributions		60,247	15,881
Distributions	6	(2,723)	(4,769)
Change in net assets attributable to shareholders from investment activities		57,524	11,112

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		321,505	479,425
Current assets:			
Debtors	7	1,904	2,420
Cash and bank balances		541	14,921
Cash equivalents**		5,809	–
Total assets		329,759	496,766
Liabilities:			
Creditors:			
Distribution payable		(15)	(31)
Other creditors	8	(110)	(200)
Total liabilities		(125)	(231)
Net assets attributable to shareholders		329,634	496,535

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	496,535	479,735
Amounts receivable on the issue of shares	146,315	58,049
Amounts payable on the cancellation of shares	(373,070)	(57,154)
	(226,755)	895
Dilution adjustment	186	12
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	57,524	11,112
Retained distribution on accumulation shares	2,144	4,781
Closing net assets attributable to shareholders	329,634	496,535

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
01/05/19 to 31/10/19	0.4559	–	0.4559	0.5659
01/11/19 to 30/04/20	0.2928	–	0.2928	0.5400
Group 2				
01/05/19 to 31/10/19	0.1706	0.2853	0.4559	0.5659
01/11/19 to 30/04/20	0.2708	0.0220	0.2928	0.5400
Total distributions in the period			0.7487	1.1059

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
01/05/19 to 31/10/19	0.5651	–	0.5651	0.6955
01/11/19 to 30/04/20	0.3638	–	0.3638	0.6650

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle UK Fixed Interest Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 2</b>				
01/05/19 to 31/10/19	0.5551	0.0100	0.5651	0.6955
01/11/19 to 30/04/20	0.3638	–	0.3638	0.6650
<b>Total distributions in the period</b>			<b>0.9289</b>	<b>1.3605</b>

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.4517	–	0.4517	0.5300
01/11/19 to 30/04/20	0.3267	–	0.3267	0.5105
<b>Group 2</b>				
01/05/19 to 31/10/19	0.3104	0.1413	0.4517	0.5300
01/11/19 to 30/04/20	0.1235	0.2032	0.3267	0.5105
<b>Total distributions in the period</b>			<b>0.7784</b>	<b>1.0405</b>

#### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.5705	–	0.5705	0.6705
01/11/19 to 30/04/20	0.4129	–	0.4129	0.6444
<b>Group 2</b>				
01/05/19 to 31/10/19	0.4150	0.1555	0.5705	0.6705
01/11/19 to 30/04/20	0.2907	0.1222	0.4129	0.6444
<b>Total distributions in the period</b>			<b>0.9834</b>	<b>1.3149</b>

#### Class X – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	
<b>Group 1</b>				
01/05/19 to 31/10/19	0.5487	–	0.5487	
01/11/19 to 30/04/20	0.4699	–	0.4699	
<b>Group 2</b>				
01/05/19 to 31/10/19	–	0.5487	0.5487	
01/11/19 to 30/04/20	0.4699	–	0.4699	
<b>Total distributions in the period</b>			<b>1.0186</b>	

#### Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.7146	–	0.7146	0.8373
01/11/19 to 30/04/20	0.5124	–	0.5124	0.8079
<b>Group 2</b>				
01/05/19 to 31/10/19	0.1996	0.5150	0.7146	0.8373
01/11/19 to 30/04/20	0.2226	0.2898	0.5124	0.8079
<b>Total distributions in the period</b>			<b>1.2270</b>	<b>1.6452</b>

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		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	136.97	134.07	136.45	169.56	164.62	166.35
Return before operating charges (p)	20.87	4.73	(0.69)	25.87	5.82	(0.85)
Operating charges (p)	(0.78)	(0.72)	(0.72)	(0.96)	(0.88)	(0.88)
Return after operating charges (p)*	20.09	4.01	(1.41)	24.91	4.94	(1.73)
Distributions (p)	(0.75)	(1.11)	(0.97)	(0.93)	(1.36)	(1.19)
Retained distributions on accumulation shares (p)	–	–	–	0.93	1.36	1.19
Closing net asset value per share (p)	156.31	136.97	134.07	194.47	169.56	164.62
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	14.67	2.99	(1.03)	14.69	3.00	(1.04)
<b>Other information</b>						
Closing net asset value (£000)	548	508	572	64	59	73
Closing number of shares	350,611	371,149	426,890	33,111	34,906	44,225
Operating charges (%)**	0.53	0.53	0.53	0.53	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	160.68	140.27	138.69	199.54	172.96	169.07
Lowest share price (p)	136.86	130.99	130.97	169.42	160.84	160.20
	Class 2 – Income shares			Class 2 – Gross income shares <sup>5</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.08	103.84	105.69	134.05	131.21	133.53
Return before operating charges (p)	16.18	3.65	(0.54)	20.42	4.63	(0.69)
Operating charges (p)	(0.41)	(0.37)	(0.37)	(0.51)	(0.48)	(0.45)
Return after operating charges (p)*	15.77	3.28	(0.91)	19.91	4.15	(1.14)
Distributions (p)	(0.78)	(1.04)	(0.94)	(0.98)	(1.31)	(1.18)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	121.07	106.08	103.84	152.98	134.05	131.21
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	14.87	3.16	(0.86)	14.85	3.16	(0.85)
<b>Other information</b>						
Closing net asset value (£000)	147	24	23	4,881	6,120	4,927
Closing number of shares	121,278	22,335	21,832	3,190,526	4,565,819	3,755,314
Operating charges (%)**	0.36	0.35	0.35	0.36	0.36	0.34
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	124.53	108.71	107.49	157.35	137.37	135.81
Lowest share price (p)	106.00	101.53	101.49	133.94	128.29	128.24

## Threadneedle UK Fixed Interest Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>	Class Z – Accumulation shares		
	30/04/2020 <sup>†</sup>	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	100.00	173.29	168.00	169.50
Return before operating charges (p)	14.69	26.46	5.94	(0.85)
Operating charges (p)	(0.06)	(0.70)	(0.65)	(0.65)
Return after operating charges (p)*	14.63	25.76	5.29	(1.50)
Distributions (p)	(1.02)	(1.23)	(1.65)	(1.47)
Retained distributions on accumulation shares (p)	1.02	1.23	1.65	1.47
Closing net asset value per share (p)	114.63	199.05	173.29	168.00
*after direct transaction costs of (p)	–	–	–	–
<b>Performance</b>				
Return after charges (%)	14.63	14.87	3.15	(0.88)
<b>Other information</b>				
Closing net asset value (£000)	30,060	293,934	489,824	474,140
Closing number of shares	26,223,594	147,668,150	282,654,571	282,234,163
Operating charges (%)**	0.06 <sup>‡</sup>	0.38	0.38	0.39
Direct transaction costs (%)***	–	–	–	–
<b>Prices</b>				
Highest share price (p)	117.54	204.19	176.74	172.37
Lowest share price (p)	99.99	173.15	164.25	163.43

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>§</sup>Only available to eligible investors.

<sup>†</sup>Commenced 9 May 2019.

<sup>‡</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle UK Fixed Interest Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	57,526	11,113
Transaction costs	(2)	(1)
Net capital gains	57,524	11,112

### 3 REVENUE

	2020	2019
	£000	£000
Interest on debt securities	4,048	6,589
Interest on short term investments	13	32
Bank interest	19	14
Total revenue	4,080	6,635

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(892)	(1,237)
Registration fees	(393)	(539)
	(1,285)	(1,776)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(46)	(59)
Safe custody fees	(17)	(21)
	(63)	(80)
Other expenses:		
Audit fees	(9)	(10)
	(9)	(10)
Total expenses*	(1,357)	(1,866)

\*Including irrecoverable VAT where applicable.

### 5 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	2,723	4,769
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(545)	(954)
Effects of:		
Distributions treated as tax deductible	545	954
Current tax charge for period (note 5a)	–	–
Interest distributions were made in respect of all distributions during the prior period.		

### 6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Interim	1,294	2,526
Final	895	2,315
	2,189	4,841
Add: Revenue deducted on the cancellation of shares	771	122
Deduct: Revenue received on the creation of shares	(237)	(194)
Net distribution for the period	2,723	4,769

Details of the distribution per share are set out in the table on pages 57 to 58.

### 7 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	118	124
Sales awaiting settlement	685	–
Accrued revenue	1,101	2,296
Total debtors	1,904	2,420

### 8 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(11)	(38)
Accrued expenses	(10)	(15)
Amounts payable to ACD	(89)	(147)
Total other creditors	(110)	(200)

### 9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

### 11 SHAREHOLDER FUNDS

Threadneedle UK Fixed Interest Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	0.40%
Class 2 shares	0.30%
Class X shares	N/A*
Class Z shares	0.25%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 59 to 60. The distribution per share class is given in the distribution table on pages 57 to 58.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

## Threadneedle UK Fixed Interest Fund

### Notes to the financial statements

(continued)

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	371,149
Shares issued	21,900
Shares redeemed	(42,438)
Net conversions	–
Closing shares	350,611
<b>Class 1 – Accumulation shares</b>	
Opening shares	34,906
Shares issued	3,604
Shares redeemed	(5,399)
Net conversions	–
Closing shares	33,111
<b>Class 2 – Income shares</b>	
Opening shares	22,335
Shares issued	4,202,196
Shares redeemed	(4,103,253)
Net conversions	–
Closing shares	121,278
<b>Class 2 – Gross income shares</b>	
Opening shares	4,565,819
Shares issued	513,628
Shares redeemed	(1,888,921)
Net conversions	–
Closing shares	3,190,526
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	28,474,404
Shares redeemed	(2,250,810)
Net conversions	–
Closing shares	26,223,594
<b>Class Z – Accumulation shares</b>	
Opening shares	282,654,571
Shares issued	59,966,697
Shares redeemed	(194,953,118)
Net conversions	–
Closing shares	147,668,150

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

#### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 1.00% interest rate decrease applied to the net asset value would result in an increase on the net asset value of the fund by 13.63% and vice versa (2019: 11.07%).

##### Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2019: same).

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

#### Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	10,649	3.25	8,793	1.84
Aaa	1,308	0.40	8,820	1.84
AA+	4,082	1.25	8,215	1.71
AA	1,651	0.50	8,200	1.71
Aa2u	237,876	72.68	359,759	75.04
AA-	1,368	0.42	2,880	0.60
Not Rated*	64,571	19.73	82,758	17.26
Liquidity Funds	5,809	1.77	–	–
	327,314	100.00	479,425	100.00

\*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

##### Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
UK Sterling	2,531	325,324	1,904	329,759
<b>Currency 2019</b>				
UK Sterling	14,921	479,425	2,420	496,766
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
<b>Currency 2020</b>				
UK Sterling	–	–	(125)	(125)
<b>Currency 2019</b>				
UK Sterling	–	–	(231)	(231)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### 13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## Threadneedle UK Fixed Interest Fund

### Notes to the financial statements

(continued)

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	313,181	–	449,574	–
Level 2	14,133	–	29,851	–
	<u>327,314</u>	<u>–</u>	<u>479,425</u>	<u>–</u>

Included within Level 1, are debt securities of £313,181,000 (2019: £449,574,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £791,391,746 (2019: £1,196,928,971) and £1,003,731,644 (2019: £1,194,808,533) respectively. Collective investment schemes purchases and sales amounted to £20,008,801 (2019: £Nil) and £14,200,000 (2019: £Nil) respectively.

The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.10% (30 April 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

#### 16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 5.12%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 2 – Income shares	(42.92)
Class X – Gross accumulation shares	(34.15)

## Threadneedle UK Index Linked Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Index-Linked Gilts All Stocks Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 80% of its assets in index-linked bonds issued by the UK government (index-linked gilts).

The Fund may also invest in conventional UK government bonds (gilts), as well as other sterling-denominated index-linked bonds. In addition, the Fund may invest in bonds issued by governments (or government agencies) of other developed countries, international organisations, or companies. The bonds selected are usually investment grade and denominated in sterling (or hedged back to sterling, if a different currency).

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle companies), and hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of managing the Fund more efficiently. The Fund may commence using derivatives with the aim of achieving an investment gain, providing at least 60 days' notice is given to shareholders.

The FTSE Actuaries UK Index-Linked Gilts All Stocks Index is regarded as an appropriate performance measure of sterling-denominated index-linked bonds, issued by the UK government. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 – Income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Income shares in the Threadneedle UK Index Linked Fund risen from 180.99p to 194.41p.

For comparison, using noon prices, the performance of the Class 1 share class was +8.24% compared to a return of +9.30% 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 Actuaries UK Index-Linked Gilts All Stocks was +8.59%.

#### Market Overview and Portfolio Activity

Conventional government bonds and, to a lesser extent, UK index-linked gilts rallied over the review period. The underperformance of index-linked gilts occurred against a backdrop of declining inflation in the UK, as fears grew about the economic impact of Brexit and later, COVID-19. The oil-price slump also weighed on inflation as demand for fuel fell.

In the first six months, bond yields were driven down by the ongoing US-China trade dispute, deterioration in the global economy, and looser monetary policy from key central banks. The Fed maintained its accommodative tone and, in the summer, made the first of a series of interest-rate cuts. Against soft economic data, the European Central Bank (ECB) eventually followed suit, cutting rates further below zero and restarting its bond-buying programme. At this stage, UK policymakers appeared comparatively hawkish, insisting that rate hikes remained a possibility if a disorderly Brexit did not derail the economy.

Later in 2019, gilt yields rose as US-China trade tensions eased and the global economic backdrop appeared to improve. In the UK, Brexit worries receded as Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory, paving the way for his deal to pass through Parliament. The UK formally left the EU in January 2020, with a transition phase scheduled to last until December 2020.

In 2020, the rapid spread of COVID-19 dominated headlines. Governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted risk and favoured perceived safe havens, which pushed core government bond yields to record lows.

In response to the crisis, governments and central banks unleashed unprecedented policy measures. The Fed cut interest rates to near zero and pledged to provide unlimited monetary stimulus by purchasing bonds. The Bank of England (BoE) slashed interest rates to record lows, offered banks special terms for loans to small businesses, and agreed to buy £200bn in bonds, including corporate debt. Later the bank announced it would temporarily finance government borrowing directly, bypassing the bond market. The ECB expanded its bond purchases by €750bn and agreed to scrap issuer limits on sovereign-debt purchases.

Even gilts were impacted in March's market turbulence, as investors cashed in their holdings to meet redemptions. Gilt yields also rose as the government unveiled its substantial fiscal stimulus package, which fuelled concerns about increased borrowing. In April, however, gilt yields fell again, given the accommodative monetary-policy backdrop and as economic data started to reflect the impact of the global shutdown. The portfolio started the review period with an underweight duration of -0.15 years against the index.

On 1 May, we switched 0.3 years of duration from index-linked 25–35 years into conventional gilts, as inflation expectations looked extended. Through additional rebalancing trades, we reduced duration in 7–15 years, increased duration in 25–35 years and took duration in ultra-long bonds to neutral. In June, we sold conventional gilts maturing in 2057 (2057s) back into index-linked 2048s, closing our 1 May trade. In July, we bought 2032s and 2040s, adding 0.2 years of duration. Following a

sell-off, we purchased 2029s, moving to a long relative-duration position. Position changes were minimal in August, as the portfolio's strategies played out. In September, index-linked gilts fell following the chancellor's proposed pricing changes for index-linked securities. Subsequently, we reduced duration by 0.6 years, selling 2020s, 2039s, and ultra-longs. We also reduced our short in 10-year gilts after a sell-off. Later, we added duration in 20- and 30-year gilts as bond yields peaked.

Ahead of Parliament's vote on the Brexit deal in October, we moved relative duration to neutral. Following the month-end sell-off, we increased duration via 2048s. In November, activity was quiet, but we sold 30-year index-linked gilts, moving overall duration to neutral ahead of the election. As yields rose after the election, we added 0.2 years of duration via 10-year gilts. In mid-December, we added 0.1 years of duration via 30-year gilts amid the sell-off. We later sold 10 and 30-year gilts, as index-linked gilts recovered with sterling giving up its post-election gains.

In early January, we added 0.2 years of duration in 30-year gilts. Mid-month, we sold 0.15 years of duration in 5-year bonds but later reversed this as an economic data release underperformed our expectations. We later added 0.1 years of duration in 25-year bonds. In February, we added 0.2 years of duration in ultra-long index-linked gilts. The following month, we sold 0.2 years of duration in 2062s, and later sold a further 0.2 years of duration in 2044s, switching these into 2034s. Mid-month, we added 0.1 years of duration to ultra-long gilts. We also rolled April 2020 bonds into 2022s before the former matured, adding 0.15 years of duration.

In April, we added duration to 3–7 years via index-linked 2024s. We later switched 2027s into 2036s and, after the yield curve flattened, switched 0.3 years of duration from 2044s into 2029s. We also sold index-linked gilts maturing in 12 years and 24 years, reinvesting the proceeds into conventional gilts. The portfolio ended the year with overall duration of 0.35 years long relative to the index.

The economic impact of the coronavirus on developed markets will be significant, and we are sceptical that a recovery in global activity will be as early as the authorities hope.

The Fed and other central banks are determined to support governments' efforts to soften the hit to global growth through massive fiscal and monetary stimulus. Demand will be severely hit, unemployment will rise and inflation will fall.

Aside from the risk posed by the coronavirus, the UK economy also faces the risk of a no-deal Brexit, given that the agreed transition period ends in less than a year, and negotiations have been delayed owing to the virus.

The economic shock caused by the virus has tilted the UK's policy outlook in a very accommodative direction, as reflected by the BoE's sudden interest-rate cuts and the government's stimulus package.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	5,218	4,058
Revenue	3	805	899
Expenses	4	(114)	(108)
Net revenue before taxation		691	791
Taxation	5	–	–
Net revenue after taxation		691	791
<b>Total return before distributions</b>		<b>5,909</b>	<b>4,849</b>
Distributions	6	(691)	(791)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>5,218</b>	<b>4,058</b>

#### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		72,579	68,835
<b>Current assets:</b>			
Debtors	7	2,758	60
Cash and bank balances		798	168
<b>Total assets</b>		<b>76,135</b>	<b>69,063</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(1)	(3)
Other creditors	8	(3,043)	(27)
<b>Total liabilities</b>		<b>(3,044)</b>	<b>(30)</b>
<b>Net assets attributable to shareholders</b>		<b>73,091</b>	<b>69,033</b>

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>69,033</b>	<b>65,170</b>
Amounts receivable on the issue of shares	1,900	2,177
Amounts payable on the cancellation of shares	(3,742)	(3,156)
	(1,842)	(979)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,218	4,058
Retained distribution on accumulation shares	682	784
<b>Closing net assets attributable to shareholders</b>	<b>73,091</b>	<b>69,033</b>

#### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Interest distribution in pence per share

##### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.6742	–	0.6742	0.5402
01/11/19 to 30/04/20	0.2727	–	0.2727	0.7433
<b>Group 2</b>				
01/05/19 to 31/10/19	0.3720	0.3022	0.6742	0.5402
01/11/19 to 30/04/20	0.0444	0.2283	0.2727	0.7433
<b>Total distributions in the period</b>			<b>0.9469</b>	<b>1.2835</b>

##### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.4681	–	0.4681	0.3719
01/11/19 to 30/04/20	0.1902	–	0.1902	0.5146
<b>Group 2</b>				
01/05/19 to 31/10/19	0.4681	–	0.4681	0.3719
01/11/19 to 30/04/20	0.1902	–	0.1902	0.5146
<b>Total distributions in the period</b>			<b>0.6583</b>	<b>0.8865</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle UK Index Linked Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.5682	–	0.5682	0.4669
01/11/19 to 30/04/20	0.2940	–	0.2940	0.6045
<b>Group 2</b>				
01/05/19 to 31/10/19	0.3882	0.1800	0.5682	0.4669
01/11/19 to 30/04/20	0.0736	0.2204	0.2940	0.6045
<b>Total distributions in the period</b>			<b>0.8622</b>	<b>1.0714</b>

#### Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.9903	–	0.9903	0.8069
01/11/19 to 30/04/20	0.5147	–	0.5147	1.0491
<b>Group 2</b>				
01/05/19 to 31/10/19	0.4714	0.5189	0.9903	0.8069
01/11/19 to 30/04/20	0.2353	0.2794	0.5147	1.0491
<b>Total distributions in the period</b>			<b>1.5050</b>	<b>1.8560</b>

#### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.7548	–	0.7548	0.6206
01/11/19 to 30/04/20	0.3899	–	0.3899	0.8032
<b>Group 2</b>				
01/05/19 to 31/10/19	0.6129	0.1419	0.7548	0.6206
01/11/19 to 30/04/20	0.1061	0.2838	0.3899	0.8032
<b>Total distributions in the period</b>			<b>1.1447</b>	<b>1.4238</b>

#### Class D – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.7546	–	0.7546	0.6052
01/11/19 to 30/04/20	0.3054	–	0.3054	0.8481
<b>Group 2</b>				
01/05/19 to 31/10/19	0.7546	–	0.7546	0.6052
01/11/19 to 30/04/20	0.3054	–	0.3054	0.8481
<b>Total distributions in the period</b>			<b>1.0600</b>	<b>1.4533</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	0.7127	–	0.7127	0.5953
01/11/19 to 30/04/20	0.4637	–	0.4637	0.7230
<b>Group 2</b>				
01/05/19 to 31/10/19	0.7127	–	0.7127	0.5953
01/11/19 to 30/04/20	0.4637	–	0.4637	0.7230
<b>Total distributions in the period</b>			<b>1.1764</b>	<b>1.3183</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Index Linked Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	180.20	169.55	178.36	125.11	116.87	122.94
Return before operating charges (p)	15.84	13.00	(7.34)	11.02	8.98	(5.08)
Operating charges (p)	(1.16)	(1.07)	(1.46)	(0.81)	(0.74)	(0.99)
Return after operating charges (p)*	14.68	11.93	(8.80)	10.21	8.24	(6.07)
Distributions (p)	(0.95)	(1.28)	(0.01)	(0.66)	(0.89)	(0.01)
Retained distributions on accumulation shares (p)	–	–	–	0.66	0.89	0.01
Closing net asset value per share (p)	193.93	180.20	169.55	135.32	125.11	116.87
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.15	7.04	(4.93)	8.16	7.05	(4.94)
<b>Other information</b>						
Closing net asset value (£000)	408	413	421	78	72	74
Closing number of shares	210,617	229,407	248,111	57,466	57,859	63,224
Operating charges (%)**	0.61	0.61	0.84	0.61	0.61	0.83
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	205.45	190.69	181.66	142.64	131.85	125.21
Lowest share price (p)	166.61	168.27	166.20	116.09	115.99	114.57
	Class 2 – Income shares			Class 2 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.29	114.12	120.04	211.66	197.38	206.80
Return before operating charges (p)	10.67	8.76	(4.95)	18.66	15.18	(8.53)
Operating charges (p)	(0.56)	(0.52)	(0.51)	(0.98)	(0.90)	(0.89)
Return after operating charges (p)*	10.11	8.24	(5.46)	17.68	14.28	(9.42)
Distributions (p)	(0.86)	(1.07)	(0.46)	(1.51)	(1.86)	(0.80)
Retained distributions on accumulation shares (p)	–	–	–	1.51	1.86	0.80
Closing net asset value per share (p)	130.54	121.29	114.12	229.34	211.66	197.38
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.34	7.22	(4.55)	8.35	7.23	(4.56)
<b>Other information</b>						
Closing net asset value (£000)	59	79	71	14,946	14,077	13,734
Closing number of shares	45,523	64,996	62,043	6,516,989	6,650,841	6,957,792
Operating charges (%)**	0.44	0.44	0.44	0.44	0.44	0.44
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	138.38	128.45	122.47	241.48	223.04	210.99
Lowest share price (p)	112.22	113.27	112.00	196.72	195.92	193.07

## Threadneedle UK Index Linked Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>§</sup>			Class D – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	161.25	151.72	159.56	205.94	192.40	201.93
Return before operating charges (p)	14.19	11.64	(6.60)	18.12	14.75	(8.34)
Operating charges (p)	(0.75)	(0.69)	(0.64)	(1.33)	(1.21)	(1.19)
Return after operating charges (p)*	13.44	10.95	(7.24)	16.79	13.54	(9.53)
Distributions (p)	(1.14)	(1.42)	(0.60)	(1.06)	(1.45)	(0.43)
Retained distributions on accumulation shares (p)	–	–	–	1.06	1.45	0.43
Closing net asset value per share (p)	173.55	161.25	151.72	222.73	205.94	192.40
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.33	7.22	(4.54)	8.15	7.04	(4.72)
<b>Other information</b>						
Closing net asset value (£000)	110	172	151	16	15	36
Closing number of shares	63,242	106,599	99,637	7,008	7,008	18,957
Operating charges (%)**	0.44	0.44	0.41	0.61	0.61	0.60
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	183.97	170.77	162.81	234.80	217.05	205.89
Lowest share price (p)	149.19	150.59	148.89	191.09	190.95	188.45
<b>Class X – Gross accumulation shares<sup>§</sup></b>						
	30/04/2020	30/04/2019	30/04/2018			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	108.70	101.01	105.46			
Return before operating charges (p)	9.59	7.78	(4.36)			
Operating charges (p)	(0.10)	(0.09)	(0.09)			
Return after operating charges (p)*	9.49	7.69	(4.45)			
Distributions (p)	(1.18)	(1.32)	(0.77)			
Retained distributions on accumulation shares (p)	1.18	1.32	0.77			
Closing net asset value per share (p)	118.19	108.70	101.01			
*after direct transaction costs of (p)	–	–	–			
<b>Performance</b>						
Return after charges (%)	8.73	7.61	(4.22)			
<b>Other information</b>						
Closing net asset value (£000)	57,474	54,205	50,683			
Closing number of shares	48,630,068	49,868,396	50,175,770			
Operating charges (%)**	0.09	0.09	0.09			
Direct transaction costs (%)***	–	–	–			
<b>Prices</b>						
Highest share price (p)	124.16	114.50	107.73			
Lowest share price (p)	101.33	100.28	98.53			

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>§</sup>Only available to eligible investors.

## Threadneedle UK Index Linked Fund

### Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

#### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	5,219	4,059
Transaction costs	(1)	(1)
Net capital gains	5,218	4,058

#### 3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	801	895
Bank interest	4	4
Total revenue	805	899

#### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(55)	(51)
Registration fees	(26)	(24)
	(81)	(75)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(8)
Safe custody fees	(10)	(10)
	(19)	(18)
Other expenses:		
Audit fees	(14)	(15)
	(14)	(15)
Total expenses*	(114)	(108)

\*Including irrecoverable VAT where applicable.

#### 5 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	691	791
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(138)	(158)
Effects of:		
Excess expenses	(70)	(87)
UK Indexation relief	208	245
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £688,473 (2019: £490,797) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

Interest distributions were made in respect of all distributions during the prior period.

#### 6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	426	356
Final	260	434
	686	790
Add: Revenue deducted on the cancellation of shares	9	6
Deduct: Revenue received on the creation of shares	(4)	(5)
Net distribution for the period	691	791

Details of the distribution per share are set out in the table on pages 64 to 65.

#### 7 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	4	17
Sales awaiting settlement	2,713	–
Accrued revenue	41	43
Total debtors	2,758	60

#### 8 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(9)	(8)
Purchases awaiting settlement	(3,021)	–
Accrued expenses	(6)	(13)
Amounts payable to ACD	(7)	(6)
Total other creditors	(3,043)	(27)

#### 9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

#### 10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 11 SHAREHOLDER FUNDS

Threadneedle UK Index Linked Fund currently has four share classes; Class 1, Class 2, Class D and Class X shares. The charges on each share class are as follows:

<b>Annual management charge</b>	
Class 1 shares	0.45%
Class 2 shares	0.35%
Class D shares	0.45%
Class X shares	N/A*
<b>Registration fees</b>	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.110%
Class X shares	0.035%

## Threadneedle UK Index Linked Fund

### Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 66 to 67. The distribution per share class is given in the distribution table on pages 64 to 65.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	229,407
Shares issued	27,740
Shares redeemed	(46,530)
Net conversions	–
Closing shares	210,617
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	57,859
Shares issued	–
Shares redeemed	(393)
Net conversions	–
Closing shares	57,466
<b>Class 2 – Income shares</b>	
Opening shares	64,996
Shares issued	5,480
Shares redeemed	(24,953)
Net conversions	–
Closing shares	45,523
<b>Class 2 – Accumulation shares</b>	
Opening shares	6,650,841
Shares issued	807,641
Shares redeemed	(941,493)
Net conversions	–
Closing shares	6,516,989
<b>Class 2 – Gross income shares</b>	
Opening shares	106,599
Shares issued	13,605
Shares redeemed	(56,962)
Net conversions	–
Closing shares	63,242
<b>Class D – Accumulation shares</b>	
Opening shares	7,008
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	7,008
<b>Class X – Gross accumulation shares</b>	
Opening shares	49,868,396
Shares issued	–
Shares redeemed	(1,238,328)
Net conversions	–
Closing shares	48,630,068

#### 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 1.00% interest rate decrease applied to the net asset value would result in an increase on the net asset value of the fund by 22.53% and vice versa (2019: 21.90%).

##### Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2019: same).

##### Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AA	1,880	2.59	2,512	3.65
Aa2u	70,699	97.41	66,323	96.35
	72,579	100.00	68,835	100.00

##### Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	798	72,579	2,758	76,135
<b>Currency 2019</b>				
UK Sterling	168	68,835	60	69,063
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	–	–	(3,044)	(3,044)
<b>Currency 2019</b>				
UK Sterling	–	–	(30)	(30)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### 13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## Threadneedle UK Index Linked Fund

### Notes to the financial statements

(continued)

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	70,699	–	66,323	–
Level 2	1,880	–	2,512	–
	<u>72,579</u>	<u>–</u>	<u>68,835</u>	<u>–</u>

Included within Level 1, are debt securities of £70,699,000 (2019: £66,323,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

#### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £75,072,227 (2019: £85,929,900) and £77,103,878 (2019: £85,925,159) respectively. The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.22% (30 April 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

#### 16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 23.81%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Gross accumulation shares	(35.15)

## Threadneedle Pan European Focus Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the MSCI Europe Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in Europe (including the UK), or which have significant business operations there.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI Europe Index.

The MSCI Europe Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies within developed market countries across Europe (including the UK), currently with over 400 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Accumulation shares in the Threadneedle Pan European Focus Fund has risen from 285.29p to 297.74p in sterling terms and from 3.3105 to 3.4245 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +4.36% and +4.97% for the Class 2 share class compared to a return of -6.37% 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 -10.12%.

#### Market Overview and Portfolio Activity

Pan European equity markets delivered strong gains through much of 2019, but retraced early in 2020 as a coronavirus pandemic spread globally. Markets later rallied, but still ended the full year in negative territory.

The review period started on an upbeat note, buoyed by some encouraging economic data and corporate results. Later in the year, signs of a global economic slowdown multiplied. Third-quarter GDP growth was subdued for the eurozone region, and Germany's economy only narrowly avoided recession. Data showed that eurozone GDP growth slowed to near zero in the fourth quarter of 2019 as the French and Italian economies contracted, although Spain's economy was more resilient. The UK economy was mired in Brexit-related uncertainty but stocks bounced when the ruling Conservatives won a decisive victory in December's general election and MPs subsequently approved a revised Brexit deal. A trade war between the US and China heavily influenced investor sentiment, although markets were reassured when phase one of a US-Sino trade deal was agreed.

The European Central Bank (ECB) announced stimulus measures to spur growth. These included lowering interest rates further into negative territory, restarting its bond-purchase programme, and outlining more generous terms for long-term cheap financing for banks. In the US, the Federal Reserve cut rates three times over 2019.

Early in 2020, a virulent coronavirus (COVID-19) started spreading internationally from China, causing widespread economic disruption, and prompting sharp falls in equity markets. The turbulence was compounded by a collapse in oil prices, following disagreements between Russia and Saudi Arabia over pricing and production levels.

A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments. Unemployment and government borrowing surged higher.

The ECB announced it would purchase additional bonds worth €750 billion and scrap previous limits on the proportion of an individual country's debt that can be bought. In Germany, the 'debt brake' that limits state borrowing was suspended, and the government announced a €750 billion stimulus programme. However, EU states disagreed over a proposal for the joint issuance of 'Coronabonds'. The Bank of England cut interest rates to a record low, while the UK government pledged support for businesses and announced fiscal stimulus measures.

The IMF stated that the global economy had entered a recession in the first quarter of 2020, although it forecast that a sizeable rebound could occur in 2021 if the coronavirus and liquidity problems are brought under control. Towards the end of the review period, markets rallied on optimism that central banks' measures would be effective, and that a vaccination against the virus would be found.

New holdings included Worldline, Grifols and Prosus. Worldline's mid-term opportunities are significant. The payment specialist's risk-reward profile remains attractive given the opportunities for secular growth, integrating Ingenico ahead of guidance (acquisition of the rival online payment specialist is currently in progress), and the firm's continuing consolidation of the market. Grifols has a leading position in the growing market for the collection and supply of plasma and blood-based products. We expect few long-term negative impacts to the business from COVID-19 and there could be some benefits as blood-based treatments may be used to fight the disease. Prosus is an internet investment company with exposure to fast-expanding global businesses. Sales included drinks firm Pernod Ricard, following a period of strong returns.

Coronavirus and its effects continue to dominate sentiment. As new infections and fatalities fall in most European countries under lockdown, conditions are being slowly relaxed with some businesses reopening. Progress is nervous and slow, while international travel is still almost non-existent and will be severely restricted for some time. The US and Russia are relatively worse and later sufferers.

The search for an effective vaccination is in progress. Fiscal and monetary policy aim to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability once the lockdowns end. However, previously fragile business models may now prove unsustainable; this will impact small businesses and therefore employment in the hospitality and travel sectors in particular.

Brexit is underway, although negotiations have been delayed owing to the virus and have now become more of a sideshow. The Spanish and Italian coalitions are surviving but Germany's Chancellor Merkel and her succession plan are under some pressure. The US is keen to minimise the recession in the run-up to the 2020 elections, and President Trump's rhetoric on China (relating to trade and the origins of COVID-19) reflect electoral considerations.

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 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
<b>Income</b>			
Net capital gains	2	3,674	9,057
Revenue	3	1,315	1,314
<b>Expenses</b>			
Interest payable and similar charges	4	(646)	(861)
	5	(1)	(1)
Net revenue before taxation		668	452
Taxation	6	(48)	(114)
Net revenue after taxation		620	338
<b>Total return before distributions</b>		4,294	9,395
Distributions	7	(644)	(349)
<b>Change in net assets attributable to shareholders from investment activities</b>		3,650	9,046

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		81,715	80,627
<b>Current assets:</b>			
Debtors	8	512	203
Cash and bank balances		118	693
Cash equivalents**		11	–
<b>Total assets</b>		82,356	81,523
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdrafts		(203)	–
Other creditors	9	(46)	(644)
<b>Total liabilities</b>		(249)	(644)
<b>Net assets attributable to shareholders</b>		82,107	80,879

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	80,879	74,146
Amounts receivable on the issue of shares	50,977	4,221
Amounts payable on the cancellation of shares	(54,093)	(6,882)
	(3,116)	(2,661)
Dilution adjustment	12	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,650	9,046
Retained distribution on accumulation shares	682	338
<b>Closing net assets attributable to shareholders</b>	82,107	80,879

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.2941	–	1.2941	1.4701
<b>Group 2</b>				
01/05/19 to 30/04/20	0.5570	0.7371	1.2941	1.4701
<b>Total distributions in the period</b>			<b>1.2941</b>	<b>1.4701</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle Pan European Focus Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	2.0615	–	2.0615	1.8879
<b>Group 2</b>				
01/05/19 to 30/04/20	2.0615	–	2.0615	1.8879
<b>Total distributions in the period</b>			<b>2.0615</b>	<b>1.8879</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.2764	–	1.2764	1.3313
<b>Group 2</b>				
01/05/19 to 30/04/20	0.5481	0.7283	1.2764	1.3313
<b>Total distributions in the period</b>			<b>1.2764</b>	<b>1.3313</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Pan European Focus Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	131.59	117.03	110.55	285.21	253.74	238.14
Return before operating charges (p)	8.19	16.51	9.20	17.45	35.82	19.84
Operating charges (p)	(2.47)	(1.95)	(1.92)	(5.10)	(4.35)	(4.24)
Return after operating charges (p)*	5.72	14.56	7.28	12.35	31.47	15.60
Distributions (p)	–	–	(0.80)	–	–	(1.66)
Retained distributions on accumulation shares (p)	–	–	–	–	–	1.66
Closing net asset value per share (p)	137.31	131.59	117.03	297.56	285.21	253.74
*after direct transaction costs of (p)	0.96	0.45	0.35	1.99	0.98	0.76
<b>Performance</b>						
Return after charges (%)	4.35	12.44	6.59	4.33	12.40	6.55
<b>Other information</b>						
Closing net asset value (£000)	4	4	3	8,846	21,615	22,035
Closing number of shares	3,000	3,000	3,000	2,972,968	7,578,621	8,683,917
Operating charges (%)**	1.67	1.62	1.62	1.66	1.66	1.66
Direct transaction costs (%)***	0.65	0.38	0.30	0.65	0.38	0.30
<b>Prices</b>						
Highest share price (p)	154.85	131.86	124.14	335.57	285.79	267.37
Lowest share price (p)	110.50	109.29	110.93	239.47	236.92	238.98
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	307.77	272.24	254.04	136.36	119.42	110.32
Return before operating charges (p)	18.80	38.60	21.18	8.29	17.05	9.21
Operating charges (p)	(3.62)	(3.07)	(2.98)	(0.13)	(0.11)	(0.11)
Return after operating charges (p)*	15.18	35.53	18.20	8.16	16.94	9.10
Distributions (p)	(1.29)	(1.47)	(3.33)	(2.06)	(1.89)	(2.65)
Retained distributions on accumulation shares (p)	1.29	1.47	3.33	2.06	1.89	2.65
Closing net asset value per share (p)	322.95	307.77	272.24	144.52	136.36	119.42
*after direct transaction costs of (p)	2.16	1.05	0.82	0.97	0.46	0.36
<b>Performance</b>						
Return after charges (%)	4.93	13.05	7.16	5.98	14.19	8.25
<b>Other information</b>						
Closing net asset value (£000)	30,642	51,600	44,514	36,914	5,766	5,604
Closing number of shares	9,488,186	16,765,820	16,350,734	25,543,273	4,229,068	4,693,111
Operating charges (%)**	1.09	1.09	1.09	0.09	0.09	0.09
Direct transaction costs (%)***	0.65	0.38	0.30	0.65	0.38	0.30
<b>Prices</b>						
Highest share price (p)	363.79	308.36	286.06	162.48	136.60	125.10
Lowest share price (p)	259.72	255.15	254.94	116.08	112.65	110.72

## Threadneedle Pan European Focus Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	208.99	184.54	171.91
Return before operating charges (p)	12.75	26.19	14.31
Operating charges (p)	(2.06)	(1.74)	(1.68)
Return after operating charges (p)*	10.69	24.45	12.63
Distributions (p)	(1.28)	(1.33)	(2.58)
Retained distributions on accumulation shares (p)	1.28	1.33	2.58
Closing net asset value per share (p)	219.68	208.99	184.54
*after direct transaction costs of (p)	1.47	0.71	0.55
<b>Performance</b>			
Return after charges (%)	5.12	13.25	7.35
<b>Other information</b>			
Closing net asset value (£000)	5,701	1,894	1,990
Closing number of shares	2,594,985	906,329	1,078,174
Operating charges (%)**	0.91	0.91	0.91
Direct transaction costs (%)***	0.65	0.38	0.30
<b>Prices</b>			
Highest share price (p)	247.38	209.39	193.75
Lowest share price (p)	176.63	173.15	172.52

\*\*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](http://columbiathreadneedle.com/fees).

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

# Threadneedle Pan European Focus Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	3,647	9,045
Forward currency contracts	13	3
Other gains	18	12
Transaction costs	(4)	(3)
Net capital gains	3,674	9,057

### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	353	231
Overseas dividends	953	1,080
Bank interest	9	3
Total revenue	1,315	1,314

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(565)	(782)
Registration fees	(42)	(43)
	(607)	(825)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(10)	(9)
Safe custody fees	(13)	(12)
Revenue collection expenses	–	(1)
	(23)	(22)
Other expenses:		
Regulatory fees	(7)	(5)
Audit fees	(9)	(9)
	(16)	(14)
Total expenses*	(646)	(861)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(1)	(1)
Total interest payable and similar charges	(1)	(1)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(48)	(114)
Total current tax (note 6b)	(48)	(114)
Total tax charge for the period	(48)	(114)

	2020	2019
	£000	£000
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	668	452
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(134)	(90)
Effects of:		
Revenue not subject to taxation	261	262
Overseas taxes	(48)	(114)
Excess expenses	(127)	(172)
Current tax charge for period (note 6a)	(48)	(114)

The fund has not recognised a deferred tax asset of £1,859,609 (2019: £1,732,344) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	682	338
	682	338
Add: Revenue deducted on the cancellation of shares	143	18
Deduct: Revenue received on the creation of shares	(181)	(7)
Net distribution for the period	644	349
Net revenue after taxation	620	338
Shortfall transfer from capital to revenue	24	11
Total distributions	644	349

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 71 to 72.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	197	21
Sales awaiting settlement	77	–
Accrued revenue	113	59
Foreign withholding tax recoverable	125	123
Total debtors	512	203

### 9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	–	(152)
Purchases awaiting settlement	–	(410)
Accrued expenses	(5)	(9)
Amounts payable to ACD	(41)	(73)
Total other creditors	(46)	(644)

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

## Threadneedle Pan European Focus Fund

### Notes to the financial statements

(continued)

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 12 SHAREHOLDER FUNDS

Threadneedle Pan European Focus Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 73 to 74. The distribution per share class is given in the distribution table on pages 71 to 72.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	3,000
Shares issued	44,061
Shares redeemed	(44,061)
Net conversions	–
Closing shares	3,000
<b>Class 1 – Accumulation shares</b>	
Opening shares	7,578,621
Shares issued	1,390,667
Shares redeemed	(5,996,320)
Net conversions	–
Closing shares	2,972,968
<b>Class 2 – Accumulation shares</b>	
Opening shares	16,765,820
Shares issued	2,034,601
Shares redeemed	(9,312,235)
Net conversions	–
Closing shares	9,488,186
<b>Class X – Accumulation shares</b>	
Opening shares	4,229,068
Shares issued	22,609,083
Shares redeemed	(1,294,878)
Net conversions	–
Closing shares	25,543,273
<b>Class Z – Accumulation shares</b>	
Opening shares	906,329
Shares issued	2,654,118
Shares redeemed	(965,462)
Net conversions	–
Closing shares	2,594,985

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.60% and vice versa (2019: 4.22%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
<b>Currency 2020</b>	
Danish Krone	4,752
Euro	58,872
Norwegian Krone	4
Swedish Krona	3,948
Swiss Franc	12,413
US Dollar	1
<b>Currency 2019</b>	
Danish Krone	7,754
Euro	50,650
Norwegian Krone	383
Swedish Krona	781
Swiss Franc	1,912
US Dollar	1,997

##### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
<b>Currency 2020</b>		
	%	%
Euro	0.88	0.63
Swiss Franc	8.45	1.28
<b>Currency 2019</b>		
	%	%
Euro	2.26	1.42

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
Danish Krone	–	–	4,752	4,752
Euro	78	–	58,794	58,872
Norwegian Krone	–	–	4	4
Swedish Krona	40	–	3,908	3,948
Swiss Franc	–	–	12,413	12,413
UK Sterling	–	11	2,355	2,366
US Dollar	–	–	1	1
<b>Currency 2019</b>				
Danish Krone	–	–	7,754	7,754
Euro	93	–	50,967	51,060
Norwegian Krone	–	–	383	383
Swedish Krona	–	–	781	781
Swiss Franc	–	–	1,912	1,912
UK Sterling	600	–	17,036	17,636
US Dollar	–	–	1,997	1,997

## Threadneedle Pan European Focus Fund

### Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
UK Sterling	(203)	–	(46)	(249)
<b>Currency 2019</b>				
Euro	–	–	(410)	(410)
UK Sterling	–	–	(234)	(234)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	81,726	–	80,627	–
	81,726	–	80,627	–

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

#### 30 April 2020

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	221,139	124	0.05	305
Collective investment schemes	8,501	–	–	–
<b>Total</b>	<b>229,640</b>	<b>124</b>		<b>305</b>
<b>Gross purchases total:</b>	<b>230,069</b>			

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	224,097	126	0.05	–
Collective investment schemes	8,490	–	–	–
Corporate actions	157	–	–	–
<b>Total</b>	<b>232,744</b>	<b>126</b>		

**Total sales net of transaction costs:** 232,618

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.29%
Taxes:	0.36%

#### 30 April 2019

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	83,292	49	0.06	175
<b>Total</b>	<b>83,292</b>	<b>49</b>		<b>175</b>

**Gross purchases total:** 83,516

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	84,365	51	0.06	–
Corporate actions	528	–	–	–
<b>Total</b>	<b>84,893</b>	<b>51</b>		

**Total sales net of transaction costs:** 84,842

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.14%
Taxes:	0.24%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.12% (30 April 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 1.40%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April	17 July	
	2020	2020	% Movement
Class 1 – Income shares	137.40	162.05	17.94%
Class 1 – Accumulation shares	297.74	351.12	17.93%
Class 2 – Accumulation shares	323.14	381.54	18.07%
Class X – Accumulation shares	144.60	171.10	18.33%
Class Z – Accumulation shares	219.81	259.64	18.12%

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Accumulation shares	(29.49)

## Threadneedle American Extended Alpha Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 75% of its investment exposure to shares of companies domiciled in the United States of America (US), or which have significant US business operations.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and complex investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 110 companies.

The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also hold other securities (including fixed interest securities), money market instruments, deposits, cash and near cash. These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The S&P 500 Index is a US stock market index the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 - Accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 439.23p to 469.63p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +6.92% and +8.20% for the Class 2 share class compared to a return of +3.28% 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 Index was +4.25%.

#### Market Overview and Portfolio Activity

US equities staged a modest rise during the 12-month period under review. Shares made strong gains in 2019, helped by the Federal Reserve's (Fed's) shift towards accommodative policy and optimism about a resolution of the trade war with China. However, the backdrop deteriorated quickly in the new year as the Covid-19 outbreak escalated into a global pandemic, and stocks erased their previous advance.

The review term got off to a weak start in May, as trade-war tensions escalated. The US and China each imposed tariffs on imports from the other country, and stocks fell sharply over the month as a whole. While concerns about the trade war waxed and waned over the course of the year, stocks generally rose smoothly over the rest of 2019 after May's stumble, supported by robust corporate profits and anticipation of looser monetary policy from the Fed. The central bank duly followed through in July, lowering interest rates for the first time since 2008, and further cuts followed in September and October. The year finished with an optimistic tone as the US and China announced an interim trade agreement in December.

Conditions changed dramatically and very quickly in the new year as Covid-19 surfaced in China and began to spread outside the country. US equities hit all-time highs up to mid-February amid optimism that the virus would be contained in China. However, by the end of March, stocks had recorded their worst performance since 2008 for the quarter as a whole, plunging in the period's second half as the spread of lockdowns brought much of the global economy to a near halt and New York City became the new epicentre of the pandemic.

Central banks and governments moved quickly to respond to the crisis, and the US was no exception. The Fed returned rates to near zero in February, while economic support measures included a \$2.2tn stimulus package that was approved in March. Still, none of this could prevent the stock market's collapse, and only a rally in March's final week and a strong rise in April - in defiance of a stream of dire economic reports and business updates by companies - enabled US equities to finish the review term in positive territory at all. More positively, as the period ended, some US states were reopening their economies as the national infection rate slowed.

In terms of fund activity, new holdings during the period in the long book

included Uber Technologies (ride-sharing/food delivery) and Microchip Technology (semiconductors).

Before the impact of Covid-19, Uber Technologies was reaching an inflection point in its trajectory since its IPO, with profitability looking more likely by 2021, supported by expanding gross and operating margins. The company has excellent business momentum as the leading "rides" and "eats" platform globally, with a highest or second-highest share in all markets where it operates, and is moving towards duopoly status. This gives Uber a strong economic moat.

Microchip Technology was left with elevated debt following the takeover of Microsemi in 2018. In the chip industry's current down cycle, this has hampered the stock's performance versus higher-quality peers. Nonetheless, as Microchip's business stabilises, year-on-year revenue growth should turn positive in 2020, in which case we would expect the stock price to have more upside. In addition, the management team is impressive.

We sold holdings including NXP Semiconductors, Boeing and 3M.

In the short book, we opened positions including a regional bank based in the Southeast, a large-cap pharmaceutical/healthcare company and a video streaming business.

The Covid-19 pandemic caused the US stock market to correct steeply, falling by more than 30% before recovering about two-thirds of that loss, driven by swift rate cuts, massive economic stimulus and the apparent peaking of the infection curves in Europe and the US.

However, much uncertainty remains over the shape and pace of the economic recovery as governments begin to relax lockdown measures. The example of those countries which were first to exit lockdowns - such as China and South Korea - should offer some crucial clues as to whether they are hit with a second wave of infections.

The US economy was strong prior to the pandemic, but the magnitude of falls in sales and profits will be substantial. We expect activity to resume in time, but we have little visibility as to how this will unfold.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	2,981	20,399
Revenue	3	657	1,839
Expenses	4	(552)	(2,685)
Interest payable and similar charges	5	(243)	(492)
Net expense before taxation		(138)	(1,338)
Taxation	6	(88)	(223)
Net expense after taxation		(226)	(1,561)
<b>Total return before distributions</b>		<b>2,755</b>	<b>18,838</b>
Distributions	7	-	1
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>2,755</b>	<b>18,839</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		50,953	70,821
<b>Current assets:</b>			
Debtors	8	117	455
Cash and bank balances	9	2,488	1,548
Cash equivalents**		44	3,463
<b>Total assets</b>		<b>53,602</b>	<b>76,287</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(276)	(1)
<b>Creditors:</b>			
Bank overdrafts	9	(309)	(131)
Other creditors	10	(197)	(3,577)
<b>Total liabilities</b>		<b>(782)</b>	<b>(3,709)</b>
<b>Net assets attributable to shareholders</b>		<b>52,820</b>	<b>72,578</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>72,578</b>	<b>169,830</b>
Amounts receivable on the issue of shares	46,108	203,632
Amounts payable on the cancellation of shares	(68,639)	(219,604)
Amounts payable on in-specie transfers	-	(100,182)
	(22,531)	(116,154)
Dilution adjustment	18	63
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,755	18,839
<b>Closing net assets attributable to shareholders</b>	<b>52,820</b>	<b>72,578</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 - Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class 2 - Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle American Extended Alpha Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
<b>Group 1</b> 01/05/19 to 30/04/20	0.4540	–	0.4540
<b>Group 2</b> 01/05/19 to 30/04/20	0.4540	–	0.4540
<b>Total distributions in the period</b>			<b>0.4540</b>

#### Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

Group 2: shares purchased during a distribution period.

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

## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	30/04/2020	30/04/2019	30/04/2018	25/01/2019 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	439.13	366.49	329.82	393.81	
Return before operating charges (p)	37.52	79.09	42.44	4.23	
Operating charges (p)	(7.49)	(6.45)	(5.77)	(4.61)	
Return after operating charges (p)*	30.03	72.64	36.67	(0.38)	
Distributions (p)	–	–	–	–	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	469.16	439.13	366.49	393.43	
*after direct transaction costs of (p)	0.10	0.18	0.22	0.11	
<b>Performance</b>					
Return after charges (%)	6.84	19.82	11.12	(0.10)	
<b>Other information</b>					
Closing net asset value (£000)	6,253	15,548	73,981	–	
Closing number of shares	1,332,667	3,540,678	20,186,206	–	
Operating charges (%)**	1.67	1.64	1.64	–	
Performance fee (%)	–	–	–	–	
Direct transaction costs (%)***	0.02	0.04	0.06	–	
<b>Prices</b>					
Highest share price (p)	523.80	440.53	380.52	427.87	
Lowest share price (p)	374.98	353.61	325.03	353.61	
	Class 1 USD – Accumulation shares		Class 1 EUR Hedged – Accumulation shares		
	25/01/2019 <sup>1</sup>		25/01/2019 <sup>2</sup>	30/04/2018	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	393.81		318.33	266.31	
Return before operating charges (p)	4.23		(0.88)	57.07	
Operating charges (p)	(4.61)		(3.96)	(5.05)	
Return after operating charges (p)*	(0.38)		(4.84)	52.02	
Distributions (p)	–		–	–	
Retained distributions on accumulation shares (p)	–		–	–	
Closing net asset value per share (p)	393.43		313.49	318.33	
*after direct transaction costs of (p)	0.11		0.10	0.19	
<b>Performance</b>					
Return after charges (%)	(0.10)		(1.52)	19.53	
<b>Other information</b>					
Closing net asset value (£000)	–		–	2,352	
Closing number of shares	–		–	739,017	
Operating charges (%)**	–		–	1.64	
Performance fee (%)	–		–	–	
Direct transaction costs (%)***	–		–	0.06	
<b>Prices</b>					
Highest share price (p)	427.87		352.69	338.25	
Lowest share price (p)	353.61		283.85	266.56	

## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2020	30/04/2019	30/04/2018	25/01/2019 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	470.48	394.75	353.41	424.83
Return before operating charges (p)	42.39	79.26	44.44	2.51
Operating charges (p)	(4.18)	(3.53)	(3.10)	(2.50)
Return after operating charges (p)*	38.21	75.73	41.34	0.01
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	508.69	470.48	394.75	424.84
*after direct transaction costs of (p)	0.11	0.20	0.23	0.12
<b>Performance</b>				
Return after charges (%)	8.12	19.18	11.70	0.00
<b>Other information</b>				
Closing net asset value (£000)	43,948	54,710	86,589	–
Closing number of shares	8,639,575	11,628,437	21,934,983	–
Operating charges (%)**	0.85	0.82	0.82	–
Performance fee (%)	–	1.11	0.33	–
Direct transaction costs (%)***	0.02	0.04	0.06	–
<b>Prices</b>				
Highest share price (p)	567.01	472.59	408.46	461.24
Lowest share price (p)	406.16	384.08	348.42	382.73
	Class 2 USD – Accumulation shares		Class 2 EUR Hedged – Gross income shares	
	25/01/2019 <sup>1</sup>		25/01/2019 <sup>2</sup>	
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	424.83		100.00	
Return before operating charges (p)	(0.09)		(2.22)	
Operating charges (p)	(2.50)		(0.57)	
Return after operating charges (p)*	(2.59)		(2.79)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	422.24		97.21	
*after direct transaction costs of (p)	0.12		0.03	
<b>Performance</b>				
Return after charges (%)	(0.61)		(2.79)	
<b>Other information</b>				
Closing net asset value (£000)	–		–	
Closing number of shares	–		–	
Operating charges (%)**	–		–	
Performance fee (%)	–		–	
Direct transaction costs (%)***	–		–	
<b>Prices</b>				
Highest share price (p)	460.99		108.28	
Lowest share price (p)	383.96		94.52	



## Threadneedle American Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares
	25/01/2019 <sup>3</sup>
<b>Change in net assets per share</b>	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(1.94)
Operating charges (p)	(0.59)
Return after operating charges (p)*	(2.53)
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	97.47
*after direct transaction costs of (p)	0.03
<b>Performance</b>	
Return after charges (%)	(2.53)
<b>Other information</b>	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Performance fee (%)	–
Direct transaction costs (%)***	–
<b>Prices</b>	
Highest share price (p)	110.34
Lowest share price (p)	95.31

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 15 June 2018 and closed 25 January 2019.

<sup>2</sup>Closed 25 January 2019.

<sup>3</sup>Commenced 5 June 2018 and closed 25 January 2019.

<sup>4</sup>Commenced 9 May 2019.

<sup>5</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle American Extended Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	1,765	20,073
Derivative contracts	1,370	118
Forward currency contracts	(360)	(421)
Other gains	207	630
Transaction costs	(1)	(1)
Net capital gains	2,981	20,399

### 3 REVENUE

	2020	2019
	£000	£000
Overseas dividends	547	1,494
Interest on short term investments	19	98
Derivative revenue	29	143
Bank interest	62	99
Subsidised expense rebate	–	5
Total revenue	657	1,839

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(584)	(1,623)
Performance fees*	102	(910)
Registration fees	(33)	(104)
	(515)	(2,637)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(8)	(18)
Safe custody fees	(10)	(12)
	(18)	(30)
Other expenses:		
Regulatory fees	(7)	(6)
Audit fees	(12)	(12)
	(19)	(18)
Total expenses**	(552)	(2,685)

\*The ACD was entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the S&P 500 Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% was multiplied by the Excess Return. Performance fees were calculated on a calendar basis and may have varied substantially from year to year depending on how a fund had performed against its benchmark. As the accounting period fell during the calculation period of the performance fee, the performance fees were accrued at that point in time, but may not have represented the actual amount that was paid. Therefore, previously accrued amounts may have been required to be reversed. The performance fee by nature was a capital charge, and was therefore charged to capital when calculating the distribution. The performance fee paid during the reporting period in respect of the calendar year ended 31 December 2019 was £769,486 (2018: £10,232). With effect from 1 January 2020, the application of performance fees has been discontinued.

\*\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Dividends payable on short positions	(243)	(483)
Interest payable	–	(9)
Total interest payable and similar charges	(243)	(492)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(88)	(223)
Total current tax (note 6b)	(88)	(223)
Total tax charge for the period	(88)	(223)
<b>b) Factors affecting taxation charge for period</b>		
Net expense before taxation	(138)	(1,338)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	28	268
Effects of:		
Revenue not subject to taxation	118	297
Overseas taxes	(88)	(223)
Excess expenses	(146)	(565)
Current tax charge for period (note 6a)	(88)	(223)

The fund has not recognised a deferred tax asset of £2,273,073 (2019: £2,126,877) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	–	–
Add: Revenue deducted on the cancellation of shares	–	(74)
Deduct: Revenue received on the creation of shares	–	73
Net distribution for the period	–	(1)
Net expense after taxation	(226)	(1,561)
Performance fee charged to capital	(102)	910
Shortfall transfer from capital to revenue	328	650
Total distributions	–	(1)
Details of the distribution per share and any share class with a shortfall are set out in the table on pages 78 to 79.		

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	74	130
Sales awaiting settlement	24	297
Accrued revenue	18	27
Foreign withholding tax recoverable	1	1
Total debtors	117	455

### 9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	496	146
Cash and bank balances	1,992	1,402
	2,488	1,548
Cash overdrafts at broker	(309)	(131)
Total cash and bank balances	2,179	1,417

### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(149)	(2,444)
Purchases awaiting settlement	–	(185)
Accrued expenses	(12)	(17)
Amounts payable to ACD	(36)	(60)
Accrued performance fee	–	(871)
Total other creditors	(197)	(3,577)

# Threadneedle American Extended Alpha Fund

## Notes to the financial statements

(continued)

### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

### 13 SHAREHOLDER FUNDS

Threadneedle American Extended Alpha Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

#### Annual management charge

Class 1 shares	1.50%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.75%

#### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 80 to 83. The distribution per share class is given in the distribution table on pages 78 to 79.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	3,540,678
Shares issued	8,067,573
Shares redeemed	(10,241,889)
Net conversions	(33,695)
Closing shares	<u>1,332,667</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	11,628,437
Shares issued	1,766,738
Shares redeemed	(4,781,299)
Net conversions	25,699
Closing shares	<u>8,639,575</u>
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	950,897
Shares issued	378,850
Shares redeemed	(345,150)
Net conversions	10,310
Closing shares	<u>994,907</u>

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

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

#### Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes.

VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark<sup>1</sup> and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 21.2% (2019: 11.1%). This means that there is estimated to be a 1% chance that the fund could lose more than 21.2% (2019: 11.1%) of its value in a month.

At 30 April, 2020 the VaR utilisation was 58% (2019: 75%) ( actual VaR/VaR limit). During the year ended 30 April, 2020 the lowest VaR utilisation was 58% (2019: 67%) the highest VaR utilisation was 75% (2019: 79%) and the average utilisation was 70% (2019: 71%).

The official risk model for all portfolio was changed from APT to Blackrock's Aladdin from December 2019. Both models provide VaR on a covariance model basis at the 99% confidence interval over a 1-month holding period. APT uses 180 weeks of input data which is equal weighted and updated monthly. Aladdin uses 2 years of data in a weekly model which is updated daily with greater weight given to more recent periods.

<sup>1</sup>The benchmark of fund is shown on page 197.

#### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
<b>Currency 2020</b>	
Australian Dollar	1
Euro	1
US Dollar	52,375
<b>Currency 2019</b>	£000
Australian Dollar	1
Euro	2
US Dollar	75,543

#### Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 3.85% (2019: 5.21%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 3.81% (2019: 5.42%).

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

2020 Counterparty	Forward Foreign Exchange Contracts Exposure	Portfolio Swaps Exposure	Collateral Pledged
	£000	£000	£000
Merrill Lynch	–	–	184
<b>2019 Counterparty</b>	<b>Forward Foreign Exchange Contracts Exposure</b>	<b>Portfolio Swaps Exposure</b>	<b>Collateral Pledged</b>
	£000	£000	£000
Bank of Scotland	4	–	–
Merrill Lynch	–	183	15

The fund did not hold any collateral received from the fund's counterparties in the current year (2019: £269,000). The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

## Threadneedle American Extended Alpha Fund

### Notes to the financial statements

(continued)

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Australian Dollar	1	–	–	1
Euro	1	–	–	1
UK Sterling	523	–	160	683
US Dollar	1,963	44	51,039	53,046
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Australian Dollar	1	–	–	1
Euro	2	–	–	2
UK Sterling	37	–	616	653
US Dollar	4,971	–	71,243	76,214

  

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK Sterling	–	–	(240)	(240)
US Dollar	(309)	–	(362)	(671)
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK Sterling	(131)	–	(3,490)	(3,621)
US Dollar	–	–	(671)	(671)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2020, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £Nil (2019: £187,000) and a liability value of £276,000 (2019: £1,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	50,997	–	74,097	–
Level 2	–	(276)	187	(1)
	50,997	(276)	74,284	(1)

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 17 PORTFOLIO TRANSACTION COSTS

Purchases	30 April 2020		Commissions		Taxes	
	Value £000	£000	%	£000	%	
Equities	24,662	5	0.02	–	–	
Collective investment schemes	4,004	–	–	–	–	
<b>Total</b>	<b>28,666</b>	<b>5</b>				

Sales	30 April 2020		Commissions		Taxes	
	Value £000	£000	%	£000	%	
Equities	45,968	10	0.02	1	–	
Collective investment schemes	7,453	–	–	–	–	
<b>Total</b>	<b>53,421</b>	<b>10</b>		<b>1</b>		

**Total sales net of transaction costs: 53,410**

#### Transaction costs as a percentage of average Net Assets

Commissions: 0.02%  
Taxes: 0.00%

Futures and Options	Commissions	
	£000	
	1	

Purchases	30 April 2019		Commissions		Taxes	
	Value £000	£000	%	£000	%	
Equities	98,843	42	0.04	–	–	
Collective investment schemes	10,483	–	–	–	–	
<b>Total</b>	<b>109,326</b>	<b>42</b>				

Sales	30 April 2019		Commissions		Taxes	
	Value £000	£000	%	£000	%	
Equities	107,276	45	0.04	1	0.00	
Collective investment schemes	12,560	–	–	–	–	
Inspecie transactions	96,391	–	–	–	–	
<b>Total</b>	<b>216,227</b>	<b>45</b>		<b>1</b>		

**Total sales net of transaction costs: 216,181**

#### Transaction costs as a percentage of average Net Assets

Commissions: 0.04%  
Taxes: 0.00%

Futures and Options	Commissions	
	£000	
	5	

## Threadneedle American Extended Alpha Fund

### Notes to the financial statements

(continued)

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.07% (30 April 2019: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 20.50%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 1 – Accumulation shares	469.63	516.61	10.00%
Class 2 – Accumulation shares	509.19	561.12	10.20%
Class X – Gross accumulation shares	113.16	124.90	10.38%
Class Z – Accumulation shares	263.39	290.21	10.18%

## Threadneedle US Equity Income Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in the shares of companies domiciled in the United States of America (US), or which have significant US business operations.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the S&P 500 Index. The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

#### Performance of Class 1 - Income shares\*

Over the twelve months to 30 April 2020 the published share price of Class 1 - Income shares in the Threadneedle US Equity Income Fund has risen from 143.41p to 144.45p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +3.20% and +3.83% for the Class 2.

For information purposes, using global close prices, the total return of the S&P 500 Index was +4.25%.

#### Market Overview and Portfolio Activity

US equities staged a modest rise during the 12-month period under review. Shares made strong gains in 2019, helped by the Federal Reserve's (Fed's) shift towards accommodative policy and optimism about a resolution of the trade war with China. However, the backdrop deteriorated quickly in the new year as the Covid-19 outbreak escalated into a global pandemic, and stocks erased their previous advance.

The review term got off to a weak start in May, as trade-war tensions escalated. The US and China each imposed tariffs on imports from the other country, and stocks fell sharply over the month as a whole. While concerns about the trade war waxed and waned over the course of the year, stocks generally rose smoothly over the rest of 2019 after May's stumble, supported by robust corporate profits and anticipation of looser monetary policy from the Fed. The central bank duly followed through in July, lowering interest rates for the first time since 2008, and further cuts followed in September and October. The year finished with an optimistic tone as the US and China announced an interim trade agreement in December.

Conditions changed dramatically and very quickly in the new year as Covid-19 surfaced in China and began to spread outside the country. US equities hit all-time highs up to mid-February amid optimism that the virus would be contained in China. However, by the end of March, stocks had recorded their worst performance since 2008 for the quarter as a whole, plunging in the period's second half as the spread of lockdowns brought much of the global economy to a near halt and New York City became the new epicentre of the pandemic.

Central banks and governments moved quickly to respond to the crisis, and the US was no exception. The Fed returned rates to near zero in February, while economic support measures included a \$2.2tn stimulus package that was approved in March. Still, none of this could prevent the stock market's collapse, and only a rally in March's final week and a strong rise in April, in defiance of a stream of dire economic reports and business updates by companies, enabled US equities to finish the review term in positive territory at all. More positively, as the period ended, some US states were reopening their economies as the national infection rate slowed.

In terms of fund activity, new holdings during the period included Allstate (insurance), NortonLifeLock (security software) and Target (discount retailing).

Allstate, a leading property/casualty insurer, has positive business momentum via exposure to the favourable auto market. The firm is growing its auto policies at a good rate, while raising prices slightly more than peers. Brand strength and customer service help to maintain this superior pricing power. Allstate also has a strong balance sheet, and we expect further growth in capital returns via dividends and share buybacks.

New management at NortonLifeLock (previously Symantec) should help to drive transformation over the next year by cutting costs, aiding earnings per share. The consumer business (Norton anti-virus and LifeLock identity-protection software) is relatively stable, with 50% operating margins and healthy cashflow, it could grow at a mid-single-digit pace on a normal basis. The current high dividend should resume its rise from next year and looks safe.

While Target's sector is challenged, the company is becoming more attractive. Positive business momentum reflects sustainable sales gains, rising margin share and the shift in operating margin to positive growth. Accelerating free cashflow growth should support the business model over the next three years, with margins likely to be better than expected as e-commerce losses shrink. We exited positions including American Tower, Cypress Semiconductor, Pfizer and Altria.

The Covid-19 pandemic caused the US stock market to correct steeply, falling by more than 30% before recovering about two-thirds of that loss, driven by swift rate cuts, massive economic stimulus and the apparent peaking of the infection curves in Europe and the US.

However, much uncertainty remains over the shape and pace of the economic recovery as governments begin to relax lockdown measures. The example of those countries which were first to exit lockdowns, such as China and South Korea, should offer some crucial clues as to whether they are hit with a second wave of infections.

The US economy was strong prior to the pandemic, but the magnitude of falls in sales and profits will be substantial. We expect activity to resume in time, but we have little visibility as to how this will unfold.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(523)	9,721
Revenue	3	2,118	2,164
Expenses	4	(569)	(593)
Net revenue before taxation		1,549	1,571
Taxation	5	(290)	(284)
Net revenue after taxation		1,259	1,287
<b>Total return before distributions</b>		<b>736</b>	<b>11,008</b>
Distributions	6	(1,828)	(1,880)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,092)</b>	<b>9,128</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		71,809	67,238
<b>Current assets:</b>			
Debtors	7	598	2,742
Cash and bank balances		1,334	170
<b>Total assets</b>		<b>73,741</b>	<b>70,150</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(180)	(137)
Other creditors	8	(1,414)	(2,831)
<b>Total liabilities</b>		<b>(1,594)</b>	<b>(2,968)</b>
<b>Net assets attributable to shareholders</b>		<b>72,147</b>	<b>67,182</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>67,182</b>	<b>88,121</b>
Amounts receivable on the issue of shares	14,579	9,973
Amounts payable on the cancellation of shares	(9,726)	(41,186)
	4,853	(31,213)
Dilution adjustment	2	-
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,092)	9,128
Retained distribution on accumulation shares	1,202	1,146
<b>Closing net assets attributable to shareholders</b>	<b>72,147</b>	<b>67,182</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 - Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.9612	-	0.9612	0.8789
01/08/19 to 31/10/19	0.9195	-	0.9195	0.8817
01/11/19 to 31/01/20	0.9101	-	0.9101	0.9089
01/02/20 to 30/04/20	0.9692	-	0.9692	0.8751
<b>Group 2</b>				
01/05/19 to 31/07/19	0.2347	0.7265	0.9612	0.8789
01/08/19 to 31/10/19	0.3695	0.5500	0.9195	0.8817
01/11/19 to 31/01/20	0.2592	0.6509	0.9101	0.9089
01/02/20 to 30/04/20	0.6966	0.2726	0.9692	0.8751
<b>Total distributions in the period</b>			<b>3.7600</b>	<b>3.5446</b>

#### Class 1 - Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.8770	-	0.8770	0.7830
01/08/19 to 31/10/19	0.8447	-	0.8447	0.7892
01/11/19 to 31/01/20	0.8407	-	0.8407	0.8187
01/02/20 to 30/04/20	0.9009	-	0.9009	0.7939
<b>Group 2</b>				
01/05/19 to 31/07/19	0.0384	0.8386	0.8770	0.7830
01/08/19 to 31/10/19	0.0050	0.8397	0.8447	0.7892
01/11/19 to 31/01/20	0.0421	0.7986	0.8407	0.8187
01/02/20 to 30/04/20	0.9009	-	0.9009	0.7939
<b>Total distributions in the period</b>			<b>3.4633</b>	<b>3.1848</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle US Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.8245	–	0.8245	0.7940
01/08/19 to 31/10/19	0.7758	–	0.7758	0.7842
01/11/19 to 31/01/20	0.7689	–	0.7689	0.7934
01/02/20 to 30/04/20	0.8109	–	0.8109	0.7583
<b>Group 2</b>				
01/05/19 to 31/07/19	0.8245	–	0.8245	0.7940
01/08/19 to 31/10/19	0.7758	–	0.7758	0.7842
01/11/19 to 31/01/20	0.7689	–	0.7689	0.7934
01/02/20 to 30/04/20	0.8109	–	0.8109	0.7583
<b>Total distributions in the period</b>			<b>3.1801</b>	<b>3.1299</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.9760	–	0.9760	0.8866
01/08/19 to 31/10/19	0.9326	–	0.9326	0.8886
01/11/19 to 31/01/20	0.9250	–	0.9250	0.9200
01/02/20 to 30/04/20	0.9920	–	0.9920	0.8856
<b>Group 2</b>				
01/05/19 to 31/07/19	0.9760	–	0.9760	0.8866
01/08/19 to 31/10/19	0.9326	–	0.9326	0.8886
01/11/19 to 31/01/20	0.9250	–	0.9250	0.9200
01/02/20 to 30/04/20	0.9920	–	0.9920	0.8856
<b>Total distributions in the period</b>			<b>3.8256</b>	<b>3.5808</b>

#### Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.9098	–	0.9098	0.8946
01/08/19 to 31/10/19	0.8517	–	0.8517	0.8786
01/11/19 to 31/01/20	0.8402	–	0.8402	0.8841
01/02/20 to 30/04/20	0.8844	–	0.8844	0.8405
<b>Group 2</b>				
01/05/19 to 31/07/19	0.9098	–	0.9098	0.8946
01/08/19 to 31/10/19	0.8517	–	0.8517	0.8786
01/11/19 to 31/01/20	0.8402	–	0.8402	0.8841
01/02/20 to 30/04/20	–	0.8844	0.8844	0.8405
<b>Total distributions in the period</b>			<b>3.4861</b>	<b>3.4978</b>

#### Class 2 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.8363	–	0.8363	0.8007
01/08/19 to 31/10/19	0.7883	–	0.7883	0.7921
01/11/19 to 31/01/20	0.7827	–	0.7827	0.8022
01/02/20 to 30/04/20	0.8259	–	0.8259	0.7686
<b>Group 2</b>				
01/05/19 to 31/07/19	0.8363	–	0.8363	0.8007
01/08/19 to 31/10/19	0.7883	–	0.7883	0.7921
01/11/19 to 31/01/20	0.7827	–	0.7827	0.8022
01/02/20 to 30/04/20	0.8259	–	0.8259	0.7686
<b>Total distributions in the period</b>			<b>3.2332</b>	<b>3.1636</b>

#### Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.6125	–	1.6125	1.4611
01/08/19 to 31/10/19	1.5467	–	1.5467	1.4680
01/11/19 to 31/01/20	1.5344	–	1.5344	1.5177
01/02/20 to 30/04/20	1.6369	–	1.6369	1.4652
<b>Group 2</b>				
01/05/19 to 31/07/19	0.6322	0.9803	1.6125	1.4611
01/08/19 to 31/10/19	0.1980	1.3487	1.5467	1.4680
01/11/19 to 31/01/20	0.8541	0.6803	1.5344	1.5177
01/02/20 to 30/04/20	0.6743	0.9626	1.6369	1.4652
<b>Total distributions in the period</b>			<b>6.3305</b>	<b>5.9120</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.6878	–	1.6878	1.5188
01/08/19 to 31/10/19	1.6210	–	1.6210	1.5268
01/11/19 to 31/01/20	1.6107	–	1.6107	1.5823
01/02/20 to 30/04/20	1.7033	–	1.7033	1.5301
<b>Group 2</b>				
01/05/19 to 31/07/19	0.7290	0.9588	1.6878	1.5188
01/08/19 to 31/10/19	1.0696	0.5514	1.6210	1.5268
01/11/19 to 31/01/20	1.6107	–	1.6107	1.5823
01/02/20 to 30/04/20	0.8837	0.8196	1.7033	1.5301
<b>Total distributions in the period</b>			<b>6.6228</b>	<b>6.1580</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.9815	–	0.9815	0.8907
01/08/19 to 31/10/19	0.9408	–	0.9408	0.8947
01/11/19 to 31/01/20	0.9328	–	0.9328	0.9248
01/02/20 to 30/04/20	0.9948	–	0.9948	0.8960
<b>Group 2</b>				
01/05/19 to 31/07/19	0.3274	0.6541	0.9815	0.8907
01/08/19 to 31/10/19	0.4253	0.5155	0.9408	0.8947
01/11/19 to 31/01/20	0.3352	0.5976	0.9328	0.9248
01/02/20 to 30/04/20	0.1635	0.8313	0.9948	0.8960
<b>Total distributions in the period</b>			<b>3.8499</b>	<b>3.6062</b>

#### Class Z CHF Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.7580	–	0.7580	0.7166
01/08/19 to 31/10/19	0.7294	–	0.7294	0.7234
01/11/19 to 31/01/20	0.7195	–	0.7195	0.7306
01/02/20 to 30/04/20	0.7784	–	0.7784	0.6942
<b>Group 2</b>				
01/05/19 to 31/07/19	0.7580	–	0.7580	0.7166
01/08/19 to 31/10/19	0.7294	–	0.7294	0.7234
01/11/19 to 31/01/20	0.7195	–	0.7195	0.7306
01/02/20 to 30/04/20	0.7784	–	0.7784	0.6942
<b>Total distributions in the period</b>			<b>2.9853</b>	<b>2.8648</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.8941	–	0.8941	0.7907
01/08/19 to 31/10/19	0.8623	–	0.8623	0.7995
01/11/19 to 31/01/20	0.8602	–	0.8602	0.8314
01/02/20 to 30/04/20	0.9226	–	0.9226	0.8077
<b>Group 2</b>				
01/05/19 to 31/07/19	0.0441	0.8500	0.8941	0.7907
01/08/19 to 31/10/19	0.0023	0.8600	0.8623	0.7995
01/11/19 to 31/01/20	0.0613	0.7989	0.8602	0.8314
01/02/20 to 30/04/20	0.0845	0.8381	0.9226	0.8077
<b>Total distributions in the period</b>			<b>3.5392</b>	<b>3.2293</b>

#### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.7172	–	0.7172	0.6606
01/08/19 to 31/10/19	0.6949	–	0.6949	0.6710
01/11/19 to 31/01/20	0.6890	–	0.6890	0.6818
01/02/20 to 30/04/20	0.7490	–	0.7490	0.6525
<b>Group 2</b>				
01/05/19 to 31/07/19	0.7172	–	0.7172	0.6606
01/08/19 to 31/10/19	0.6949	–	0.6949	0.6710
01/11/19 to 31/01/20	0.6890	–	0.6890	0.6818
01/02/20 to 30/04/20	0.7490	–	0.7490	0.6525
<b>Total distributions in the period</b>			<b>2.8501</b>	<b>2.6659</b>

#### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.8393	–	0.8393	0.8030
01/08/19 to 31/10/19	0.7922	–	0.7922	0.7948
01/11/19 to 31/01/20	0.7865	–	0.7865	0.8051
01/02/20 to 30/04/20	0.8310	–	0.8310	0.7711
<b>Group 2</b>				
01/05/19 to 31/07/19	0.8393	–	0.8393	0.8030
01/08/19 to 31/10/19	0.7922	–	0.7922	0.7948
01/11/19 to 31/01/20	0.7865	–	0.7865	0.8051
01/02/20 to 30/04/20	0.8310	–	0.8310	0.7711
<b>Total distributions in the period</b>			<b>3.2490</b>	<b>3.1740</b>

Group 2: shares purchased during a distribution period.

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	142.52	126.66	126.67	130.09	112.65	109.71
Return before operating charges (p)	4.16	21.66	5.48	3.57	19.49	4.77
Operating charges (p)	(2.52)	(2.26)	(2.12)	(2.30)	(2.05)	(1.83)
Return after operating charges (p)*	1.64	19.40	3.36	1.27	17.44	2.94
Distributions (p)	(3.76)	(3.54)	(3.37)	(3.46)	(3.18)	(2.93)
Retained distributions on accumulation shares (p)	–	–	–	3.46	3.18	2.93
Closing net asset value per share (p)	140.40	142.52	126.66	131.36	130.09	112.65
*after direct transaction costs of (p)	0.04	0.04	0.07	0.03	0.04	0.06
<b>Performance</b>						
Return after charges (%)	1.15	15.32	2.65	0.98	15.48	2.68
<b>Other information</b>						
Closing net asset value (£000)	62	287	268	13	18	8
Closing number of shares	44,038	201,309	211,486	9,902	13,687	6,781
Operating charges (%)**	1.67	1.66	1.65	1.67	1.67	1.63
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	160.98	145.77	134.72	149.62	130.93	118.27
Lowest share price (p)	120.18	123.77	120.77	111.69	111.50	106.74
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	122.55	118.09	106.64	144.99	128.04	127.27
Return before operating charges (p)	(3.46)	6.45	13.35	4.13	21.97	5.47
Operating charges (p)	(2.09)	(1.99)	(1.90)	(1.58)	(1.44)	(1.32)
Return after operating charges (p)*	(5.55)	4.46	11.45	2.55	20.53	4.15
Distributions (p)	(3.18)	(3.13)	(3.05)	(3.83)	(3.58)	(3.38)
Retained distributions on accumulation shares (p)	3.18	3.13	3.05	–	–	–
Closing net asset value per share (p)	117.00	122.55	118.09	143.71	144.99	128.04
*after direct transaction costs of (p)	0.03	0.03	0.06	0.04	0.04	0.07
<b>Performance</b>						
Return after charges (%)	(4.53)	3.78	10.74	1.76	16.03	3.26
<b>Other information</b>						
Closing net asset value (£000)	12	12	12	4	4	4
Closing number of shares	10,000	10,000	10,000	3,000	3,000	3,000
Operating charges (%)**	1.66	1.66	1.63	1.04	1.04	1.02
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	135.03	130.07	127.21	164.59	147.68	135.91
Lowest share price (p)	98.22	107.81	105.48	122.94	125.64	122.01

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares			Class 2 EUR Hedged – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	135.21	133.00	122.53	124.29	119.06	106.92
Return before operating charges (p)	(3.60)	7.17	15.35	(3.56)	6.54	13.37
Operating charges (p)	(1.45)	(1.46)	(1.40)	(1.38)	(1.31)	(1.23)
Return after operating charges (p)*	(5.05)	5.71	13.95	(4.94)	5.23	12.14
Distributions (p)	(3.49)	(3.50)	(3.48)	(3.23)	(3.16)	(3.07)
Retained distributions on accumulation shares (p)	–	–	–	3.23	3.16	3.07
Closing net asset value per share (p)	126.67	135.21	133.00	119.35	124.29	119.06
*after direct transaction costs of (p)	0.03	0.04	0.07	0.03	0.04	0.06
<b>Performance</b>						
Return after charges (%)	(3.73)	4.29	11.38	(3.97)	4.39	11.35
<b>Other information</b>						
Closing net asset value (£000)	303	14	13	12	12	12
Closing number of shares	239,074	10,000	10,000	10,000	10,000	10,000
Operating charges (%)**	1.07	1.09	1.05	1.08	1.08	1.05
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	147.79	145.77	144.89	137.51	131.39	128.07
Lowest share price (p)	106.99	120.27	121.20	100.13	109.12	105.77
	Class L – Income shares			Class X – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	238.89	210.24	208.26	249.84	218.62	215.49
Return before operating charges (p)	6.82	36.12	8.98	7.04	37.62	9.31
Operating charges (p)	(1.75)	(1.56)	(1.44)	(0.24)	(0.24)	(0.13)
Return after operating charges (p)*	5.07	34.56	7.54	6.80	37.38	9.18
Distributions (p)	(6.33)	(5.91)	(5.56)	(6.62)	(6.16)	(6.05)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	237.63	238.89	210.24	250.02	249.84	218.62
*after direct transaction costs of (p)	0.06	0.07	0.11	0.06	0.07	0.11
<b>Performance</b>						
Return after charges (%)	2.12	16.44	3.62	2.72	17.10	4.26
<b>Other information</b>						
Closing net asset value (£000)	15,136	16,207	39,302	8,936	4,604	331
Closing number of shares	6,369,465	6,784,256	18,693,598	3,574,203	1,842,894	151,486
Operating charges (%)**	0.70	0.69	0.68	0.09	0.10	0.06
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	271.98	242.76	222.93	285.83	252.98	231.61
Lowest share price (p)	203.21	206.77	200.27	213.66	215.80	208.05

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z CHF Hedged – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	145.43	128.28	127.38	110.57	104.13	106.29
Return before operating charges (p)	4.15	22.00	5.50	5.52	10.30	1.66
Operating charges (p)	(1.40)	(1.24)	(1.17)	(1.07)	(1.00)	(0.96)
Return after operating charges (p)*	2.75	20.76	4.33	4.45	9.30	0.70
Distributions (p)	(3.85)	(3.61)	(3.43)	(2.99)	(2.86)	(2.86)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	144.33	145.43	128.28	112.03	110.57	104.13
*after direct transaction costs of (p)	0.04	0.04	0.07	0.03	0.03	0.06
<b>Performance</b>						
Return after charges (%)	1.89	16.18	3.40	4.02	8.93	0.66
<b>Other information</b>						
Closing net asset value (£000)	1,771	1,249	6,329	11	11	10
Closing number of shares	1,226,701	858,517	4,933,721	10,000	10,000	10,000
Operating charges (%)**	0.92	0.90	0.90	0.91	0.91	0.88
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	165.27	148.02	136.11	128.45	120.74	117.11
Lowest share price (p)	123.46	125.97	122.22	94.69	99.59	102.35
	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	132.48	113.87	110.08	104.64	95.99	100.00
Return before operating charges (p)	3.59	19.74	4.86	5.03	9.56	(3.38)
Operating charges (p)	(1.29)	(1.13)	(1.07)	(1.03)	(0.91)	(0.63)
Return after operating charges (p)*	2.30	18.61	3.79	4.00	8.65	(4.01)
Distributions (p)	(3.54)	(3.23)	(2.95)	(2.85)	(2.67)	(2.15)
Retained distributions on accumulation shares (p)	3.54	3.23	2.95	2.85	2.67	2.15
Closing net asset value per share (p)	134.78	132.48	113.87	108.64	104.64	95.99
*after direct transaction costs of (p)	0.03	0.04	0.06	0.03	0.03	0.04
<b>Performance</b>						
Return after charges (%)	1.74	16.34	3.44	3.82	9.01	(4.01)
<b>Other information</b>						
Closing net asset value (£000)	45,864	44,741	41,810	11	10	10
Closing number of shares	34,029,026	33,772,380	36,717,781	10,001	10,001	10,001
Operating charges (%)**	0.92	0.91	0.94	0.91	0.89	0.87
Direct transaction costs (%)***	0.02	0.03	0.05	0.02	0.03	0.05
<b>Prices</b>						
Highest share price (p)	153.29	133.33	119.28	123.02	112.02	106.58
Lowest share price (p)	114.51	113.26	107.45	91.20	93.01	93.73

## Threadneedle US Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	124.80	119.36	107.01
Return before operating charges (p)	(3.58)	6.55	13.38
Operating charges (p)	(1.17)	(1.11)	(1.03)
Return after operating charges (p)*	(4.75)	5.44	12.35
Distributions (p)	(3.25)	(3.17)	(3.07)
Retained distributions on accumulation shares (p)	3.25	3.17	3.07
Closing net asset value per share (p)	120.05	124.80	119.36
*after direct transaction costs of (p)	0.03	0.04	0.06
<b>Performance</b>			
Return after charges (%)	(3.81)	4.56	11.54
<b>Other information</b>			
Closing net asset value (£000)	12	13	12
Closing number of shares	10,000	10,000	10,000
Operating charges (%)**	0.91	0.91	0.88
Direct transaction costs (%)***	0.02	0.03	0.05
<b>Prices</b>			
Highest share price (p)	138.25	131.79	128.34
Lowest share price (p)	100.70	109.51	105.86

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 22 June 2017.

<sup>1</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

## Threadneedle US Equity Income Fund

### Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

#### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

#### 2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(629)	9,752
Forward currency contracts	(13)	1
Other gains/(losses)	121	(29)
Transaction costs	(2)	(3)
Net capital (losses)/gains	(523)	9,721

#### 3 REVENUE

	2020	2019
	£000	£000
Overseas dividends	2,108	2,153
Bank interest	10	11
Total revenue	2,118	2,164

#### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(469)	(492)
Registration fees	(62)	(64)
	(531)	(556)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(9)	(9)
Safe custody fees	(10)	(10)
	(19)	(19)
Other expenses:		
Regulatory fees	(6)	(5)
Audit fees	(13)	(13)
	(19)	(18)
Total expenses*	(569)	(593)

\*Including irrecoverable VAT where applicable.

#### 5 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(290)	(284)
Total current tax (note 5b)	(290)	(284)
Total tax charge for the period	(290)	(284)
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	1,549	1,571
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(310)	(314)
Effects of:		
Revenue not subject to taxation	397	411
Overseas taxes	(290)	(284)
Overseas tax expensed	4	2
Excess expenses	(91)	(99)
Current tax charge for period (note 5a)	(290)	(284)

The fund has not recognised a deferred tax asset of £263,845 (2019: £172,678) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

#### 6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Interim	1,353	1,438
Final	494	410
	1,847	1,848
Add: Revenue deducted on the cancellation of shares	37	64
Deduct: Revenue received on the creation of shares	(56)	(32)
Net distribution for the period	1,828	1,880
Net revenue after taxation	1,259	1,287
All fees charged to capital	569	593
Total distributions	1,828	1,880

Details of the distribution per share are set out in the table on pages 88 to 89.

#### 7 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	509	35
Sales awaiting settlement	–	2,654
Accrued revenue	89	53
Total debtors	598	2,742

#### 8 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(25)	(59)
Purchases awaiting settlement	(1,343)	(2,719)
Accrued expenses	(5)	(12)
Amounts payable to ACD	(41)	(41)
Total other creditors	(1,414)	(2,831)

#### 9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

#### 10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 11 SHAREHOLDER FUNDS

Threadneedle US Equity Income Fund currently has five share classes; Class 1, Class 2, Class L, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class L shares	0.60%
Class X shares	N/A*
Class Z shares	0.75%

## Threadneedle US Equity Income Fund

### Notes to the financial statements

(continued)

#### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class L shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 90 to 93. The distribution per share class is given in the distribution table on pages 88 to 89. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	201,309
Shares issued	18,319
Shares redeemed	(175,590)
Net conversions	–
Closing shares	<u>44,038</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	13,687
Shares issued	17
Shares redeemed	(3,802)
Net conversions	–
Closing shares	<u>9,902</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class 2 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 2 EUR Hedged – Income shares</b>	
Opening shares	10,000
Shares issued	229,074
Shares redeemed	–
Net conversions	–
Closing shares	<u>239,074</u>
<b>Class 2 EUR Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
<b>Class L – Income shares</b>	
Opening shares	6,784,256
Shares issued	2,786,056
Shares redeemed	(3,200,847)
Net conversions	–
Closing shares	<u>6,369,465</u>
<b>Class X – Income shares</b>	
Opening shares	1,842,894
Shares issued	2,426,859
Shares redeemed	(695,550)
Net conversions	–
Closing shares	<u>3,574,203</u>

#### 2020

#### Class Z – Income shares

Opening shares	858,517
Shares issued	531,615
Shares redeemed	(163,431)
Net conversions	–
Closing shares	<u>1,226,701</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	33,772,380
Shares issued	257,193
Shares redeemed	(547)
Net conversions	–
Closing shares	<u>34,029,026</u>

#### Class Z CHF Hedged – Accumulation shares

Opening shares	10,001
Shares issued	–
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>

## 12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

#### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.90% and vice versa (2019: 4.50%).

#### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
<b>Currency 2020</b>	<b>£000</b>
Euro	344
Swiss Franc	22
US Dollar	71,525
<b>Currency 2019</b>	<b>£000</b>
Euro	51
Swiss Franc	22
US Dollar	67,313

#### Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 3.85% (2019: 5.21%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 3.81% (2019: 5.22%).

#### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

## Threadneedle US Equity Income Fund

### Notes to the financial statements

(continued)

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Euro	–	–	344	344
Swiss Franc	–	–	22	22
UK Sterling	18	–	509	527
US Dollar	1,316	1,881	70,033	73,230
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Euro	–	–	51	51
Swiss Franc	–	–	22	22
UK Sterling	10	–	35	45
US Dollar	160	1,617	68,328	70,105
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
<b>Currency 2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK Sterling	–	–	(271)	(271)
US Dollar	–	–	(1,705)	(1,705)
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK Sterling	–	–	(249)	(249)
US Dollar	–	–	(2,792)	(2,792)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £3,000 (2019: £Nil) and a liability value of £Nil (2019: £Nil).

### 13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	71,806	–	67,238	–
Level 2	3	–	–	–
	<u>71,809</u>	<u>–</u>	<u>67,238</u>	<u>–</u>

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 15 PORTFOLIO TRANSACTION COSTS

30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
<b>Purchases</b>					
Equities	31,235	7	0.02	–	–
<b>Total</b>	<u>31,235</u>	<u>7</u>		<u>–</u>	

**Gross purchases total:**

31,242

	Value £000	Commissions £000	%	Taxes £000	%
<b>Sales</b>					
Equities	26,046	10	0.04	1	0.00
<b>Total</b>	<u>26,046</u>	<u>10</u>		<u>1</u>	

**Total sales net of transaction costs:**

26,035

**Transaction costs as a percentage of average Net Assets**

Commissions: 0.02%

Taxes: 0.00%

30 April 2019

	Value £000	Commissions £000	%	Taxes £000	%
<b>Purchases</b>					
Equities	26,228	7	0.03	–	–
<b>Total</b>	<u>26,228</u>	<u>7</u>		<u>–</u>	

**Gross purchases total:**

26,235

	Value £000	Commissions £000	%	Taxes £000	%
<b>Sales</b>					
Equities	56,216	12	0.02	1	0.00
<b>Total</b>	<u>56,216</u>	<u>12</u>		<u>1</u>	

**Total sales net of transaction costs:**

56,203

**Transaction costs as a percentage of average Net Assets**

Commissions: 0.03%

Taxes: 0.00%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.07% (30 April 2019: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

### 16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 11.81%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share Class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 1 EUR Hedged – Accumulation shares	119.56	133.19	11.40%
Class 2 EUR Hedged – Accumulation shares	121.96	136.04	11.54%
Class 2 EUR Hedged – Income shares	129.45	144.39	11.54%
Class Z EUR Hedged – Accumulation shares	122.68	136.89	11.58%

## Threadneedle China Opportunities Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI China 10/40 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of companies domiciled in the People's Republic of China, or which have significant business operations there.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI China 10/40 Index.

The MSCI China 10/40 Index is designed to measure the performance of shares across large and medium-sized Chinese companies. The Index currently includes over 450 companies, and is constructed to reflect the regulatory framework applicable to the Fund. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund is permitted to invest up to 70% of its value in China A-Shares through the China-Hong Kong Stock Connect Programme. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. In exceptional circumstances these holdings could become substantial, temporarily.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Accumulation shares in the Threadneedle China Opportunities Fund has risen from 358.13p to 378.77p.

For comparison, using noon prices, the performance of the Class 1 share class was +5.76% and +6.39% for the Class 2 share class compared to a return of +3.09% 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 10/40 Index was -0.05%.

#### Market Overview and Portfolio Activity

Chinese equities had a challenging year amid concerns over Sino-US trade relations, China's slowing economy and the economic impact of COVID-19. The outbreak of the novel coronavirus at the start of 2020 led to the lockdown of the city of Wuhan. However, by the end of the reporting period, there were signs that the spread of COVID-19 within China had been contained, and there was a marked improvement in market sentiment. Investors were also encouraged by the supportive policies put in place by the People's Bank of China (PBOC) and the Chinese authorities in order to bolster the economy. Among other measures, the PBOC announced cuts in the reverse repo rate and the reserve requirement ratio for commercial banks.

Nevertheless, the impact of COVID-19 was revealed in China's first-quarter GDP data for 2020, which showed that the economy shrank by 6.8% year on year. However, the population lockdowns in Hubei province have now been lifted and factories and businesses have reopened. The official purchasing managers' index (PMI) data from the National Bureau of Statistics (NBS) stood at 50.8 in April (a figure of 50 or above indicates economic expansion). This followed the sharp rebound in March, after February's record fall in manufacturing activity.

During the first half of the review period, the fund established several new positions, including China Tower Corporation and WuXi AppTec, as the growth and revenue sources for both companies are more domestically driven. The fund also initiated new holdings in Zhongsheng Group, an automotive retail and services firm, and Meituan Dianping, an online food delivery business.

In the second half of the period, new additions included semiconductor company MediaTek and sportswear brand Li Ning. The latter announced a very strong set of results for 2019 and the company expects further sales and margin improvement during the current year. Another new position was Centre Testing International, a top testing-service provider in China, which has been improving the profitability of its testing laboratories.

To help finance these purchases, the fund sold out of positions such as Beijing Enterprises Water, China Unicom and Sinopharm, while a number of other holdings were trimmed.

Concerns surrounding the outbreak of coronavirus have hurt both global and Asian equity markets. We anticipate a sharp but short-lived hit to growth forecasts, with offsetting policy support, if the virus takes another couple of months to peak – which could potentially drive a rebound in global growth momentum into the second half of the year.

The rate of real GDP growth in China had already slowed under the influence of US trade tariffs and weaker domestic demand. However, growth stability remains a policy priority for the Chinese authorities, and in the wake of the coronavirus outbreak, they are able to pull additional levers at their disposal to support growth.

The fund currently favours domestically oriented stocks in China, particularly those in the services and consumption spaces that can tap into the structural growth of China's middle class.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	994	(8,504)
Revenue	3	1,688	2,481
Expenses	4	(779)	(1,274)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		909	1,206
Taxation	6	(121)	(177)
Net revenue after taxation		788	1,029
<b>Total return before distributions</b>		<b>1,782</b>	<b>(7,475)</b>
Distributions	7	(791)	(1,030)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>991</b>	<b>(8,505)</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		50,456	80,946
<b>Current assets:</b>			
Debtors	8	18	769
Cash and bank balances		1,433	1,281
<b>Total assets</b>		<b>51,907</b>	<b>82,996</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Other creditors	9	(348)	(812)
<b>Total liabilities</b>		<b>(348)</b>	<b>(812)</b>
<b>Net assets attributable to shareholders</b>		<b>51,559</b>	<b>82,184</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>82,184</b>	<b>119,645</b>
Amounts receivable on the issue of shares	38,366	90,356
Amounts payable on the cancellation of shares	(70,565)	(120,054)
	(32,199)	(29,698)
Dilution adjustment	110	215
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	991	(8,505)
Retained distribution on accumulation shares	473	527
<b>Closing net assets attributable to shareholders</b>	<b>51,559</b>	<b>82,184</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.7730	–	1.7730	1.0258
<b>Group 2</b>				
01/05/19 to 30/04/20	–	1.7730	1.7730	1.0258
<b>Total distributions in the period</b>			<b>1.7730</b>	<b>1.0258</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	4.0771	–	4.0771	3.2014
<b>Group 2</b>				
01/05/19 to 30/04/20	3.0339	1.0432	4.0771	3.2014
<b>Total distributions in the period</b>			<b>4.0771</b>	<b>3.2014</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle China Opportunities Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
<b>Group 1</b> 01/05/19 to 30/04/20	2.2110	–	2.2110
<b>Group 2</b> 01/05/19 to 30/04/20	2.2110	–	2.2110
<b>Total distributions in the period</b>			<b>2.2110</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	3.0106	–	3.0106	2.4652
<b>Group 2</b> 01/05/19 to 30/04/20	0.4483	2.5623	3.0106	2.4652
<b>Total distributions in the period</b>			<b>3.0106</b>	<b>2.4652</b>

*Group 2: shares purchased during a distribution period.*

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

## Threadneedle China Opportunities Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	357.91	366.75	287.12	383.23	390.45	303.92
Return before operating charges (p)	22.81	(3.13)	85.40	24.56	(3.17)	90.53
Operating charges (p)	(5.91)	(5.71)	(5.77)	(4.15)	(4.05)	(4.00)
Return after operating charges (p)*	16.90	(8.84)	79.63	20.41	(7.22)	86.53
Distributions (p)	(1.77)	(1.03)	(0.98)	(4.08)	(3.20)	(3.14)
Retained distributions on accumulation shares (p)	1.77	1.03	0.98	4.08	3.20	3.14
Closing net asset value per share (p)	374.81	357.91	366.75	403.64	383.23	390.45
*after direct transaction costs of (p)	0.67	0.84	0.65	0.72	0.91	0.69
<b>Performance</b>						
Return after charges (%)	4.72	(2.41)	27.73	5.33	(1.85)	28.47
<b>Other information</b>						
Closing net asset value (£000)	14,730	36,298	29,655	15,760	21,816	51,050
Closing number of shares	3,930,031	10,141,625	8,085,987	3,904,500	5,692,771	13,074,890
Operating charges (%)**	1.67	1.66	1.66	1.09	1.09	1.09
Direct transaction costs (%)***	0.19	0.25	0.18	0.19	0.25	0.18
<b>Prices</b>						
Highest share price (p)	389.74	399.92	391.25	419.06	426.05	415.88
Lowest share price (p)	327.74	300.64	282.93	351.87	321.32	299.50
	Class X – Gross accumulation shares			Class Z – Accumulation shares		
	30/04/2020 <sup>1</sup>			30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.00			246.10	250.28	194.47
Return before operating charges (p)	12.27			15.77	(2.02)	57.99
Operating charges (p)	(0.01)			(2.25)	(2.16)	(2.18)
Return after operating charges (p)*	12.26			13.52	(4.18)	55.81
Distributions (p)	(2.21)			(3.01)	(2.47)	(2.42)
Retained distributions on accumulation shares (p)	2.21			3.01	2.47	2.42
Closing net asset value per share (p)	112.26			259.62	246.10	250.28
*after direct transaction costs of (p)	0.20			0.46	0.58	0.45
<b>Performance</b>						
Return after charges (%)	12.26			5.49	(1.67)	28.70
<b>Other information</b>						
Closing net asset value (£000)	1			21,068	24,070	38,940
Closing number of shares	1,000			8,114,840	9,780,611	15,558,132
Operating charges (%)**	0.01 <sup>1</sup>			0.92	0.91	0.91
Direct transaction costs (%)***	0.19			0.19	0.25	0.18
<b>Prices</b>						
Highest share price (p)	116.20			269.42	273.16	266.46
Lowest share price (p)	96.94			226.00	206.22	191.65

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 9 May 2019.

<sup>1</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle China Opportunities Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	842	(8,672)
Forward currency contracts	(111)	195
Other gains/(losses)	267	(23)
Transaction costs	(4)	(4)
Net capital gains/(losses)	994	(8,504)

### 3 REVENUE

	2020 £000	2019 £000
Overseas dividends	1,657	2,423
Bank interest	31	58
Total revenue	1,688	2,481

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(691)	(1,134)
Registration fees	(56)	(87)
	(747)	(1,221)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(7)	(13)
Safe custody fees	(19)	(26)
	(26)	(39)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(9)	(9)
Expenses cap*	11	–
	(6)	(14)
Total expenses**	(779)	(1,274)

\*Excess expenses are paid by the ACD.

\*\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	–	(1)
Total interest payable and similar charges	–	(1)

### 6 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(121)	(177)
Total current tax (note 6b)	(121)	(177)
Total tax charge for the period	(121)	(177)
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	909	1,206
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(182)	(241)

	2020 £000	2019 £000
Effects of:		
Revenue not subject to taxation	329	433
Overseas taxes	(121)	(177)
Excess expenses	(146)	(192)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	–
Current tax charge for period (note 6a)	(121)	(177)

The fund has not recognised a deferred tax asset of £1,957,578 (2019: £1,811,351) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Final	473	527
	473	527
Add: Revenue deducted on the cancellation of shares	572	1,195
Deduct: Revenue received on the creation of shares	(254)	(692)
Net distribution for the period	791	1,030
Net revenue after taxation	788	1,029
Equalisation on conversion	3	1
Total distributions	791	1,030

Details of the distribution per share are set out in the table on pages 97 to 98.

### 8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	18	73
Sales awaiting settlement	–	693
Accrued revenue	–	3
Total debtors	18	769

### 9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(151)	(74)
Purchases awaiting settlement	(129)	(621)
Accrued expenses	(2)	(11)
Amounts payable to ACD	(46)	(86)
Corporation tax payable	(20)	(20)
Total other creditors	(348)	(812)

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

## Threadneedle China Opportunities Fund

### Notes to the financial statements

(continued)

#### 12 SHAREHOLDER FUNDS

Threadneedle China Opportunities Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

##### Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%

##### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 99. The distribution per share class is given in the distribution table on pages 97 to 98.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

##### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	10,141,625
Shares issued	9,400,483
Shares redeemed	(15,484,296)
Net conversions	(127,781)
Closing shares	3,930,031
<b>Class 2 – Accumulation shares</b>	
Opening shares	5,692,771
Shares issued	981,667
Shares redeemed	(2,769,938)
Net conversions	–
Closing shares	3,904,500
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000
<b>Class Z – Accumulation shares</b>	
Opening shares	9,780,611
Shares issued	765,126
Shares redeemed	(2,615,620)
Net conversions	184,723
Closing shares	8,114,840

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

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.75% and vice versa (2019: 4.92%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
	£000
Currency 2020	
China Renminbi	2,813
Euro	1
Hong Kong Dollar	35,474
Taiwan Dollar	645
US Dollar	12,778

	£000
Currency 2019	
China Renminbi	5,032
Euro	1
Hong Kong Dollar	57,037
Taiwan Dollar	8
US Dollar	20,002

##### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
	%	%
Currency 2020		
Hong Kong Dollar	5.00	3.44
US Dollar	3.85	0.95

	Currency movement	Fund movement
	%	%
Currency 2019		
Hong Kong Dollar	5.25	3.64
US Dollar	5.21	1.27

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2020				
China Renminbi	–	–	2,813	2,813
Euro	1	–	–	1
Hong Kong Dollar	–	–	35,474	35,474
Taiwan Dollar	9	–	636	645
UK Sterling	11	–	56	67
US Dollar	1,412	–	11,532	12,944
Currency 2019				
China Renminbi	–	–	5,032	5,032
Euro	1	–	–	1
Hong Kong Dollar	6	–	57,652	57,658
Taiwan Dollar	8	–	–	8
UK Sterling	222	–	73	295
US Dollar	1,044	–	18,958	20,002
			Financial liabilities not carrying interest	Total
	Floating rate financial liabilities	Fixed rate financial liabilities		
	£000	£000	£000	£000
Currency 2020				
UK Sterling	–	–	(219)	(219)
US Dollar	–	–	(166)	(166)
Currency 2019				
Hong Kong Dollar	–	–	(621)	(621)
UK Sterling	–	–	(191)	(191)

##### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

## Threadneedle China Opportunities Fund

### Notes to the financial statements

(continued)

#### Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2019: £Nil) and a liability value of £Nil (2019: £Nil).

#### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	50,456	–	80,946	–
	50,456	–	80,946	–

#### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 16 PORTFOLIO TRANSACTION COSTS

30 April 2020

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	30,900	15	0.05	25	0.08	
<b>Total</b>	<b>30,900</b>	<b>15</b>		<b>25</b>		

Gross purchases total:

**30,940**

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	62,319	26	0.04	52	0.08	
Corporate actions	31	–	–	–	–	
<b>Total</b>	<b>62,350</b>	<b>26</b>		<b>52</b>		

Total sales net of transaction costs: **62,272**

Transaction costs as a percentage of average Net Assets

Commissions: 0.07%  
Taxes: 0.12%

30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	87,406	56	0.06	62	0.07	
<b>Total</b>	<b>87,406</b>	<b>56</b>		<b>62</b>		

Gross purchases total:

**87,524**

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	113,747	57	0.05	83	0.07	
Corporate actions	1	–	–	–	–	
<b>Total</b>	<b>113,748</b>	<b>57</b>		<b>83</b>		

Total sales net of transaction costs: **113,608**

Transaction costs as a percentage of average Net Assets

Commissions: 0.11%  
Taxes: 0.14%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.13% (30 April 2019: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

#### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 10.55%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April	17 July	% Movement
	2020	2020	
Class 1 – Accumulation shares	378.77	438.40	15.74%
Class 2 – Accumulation shares	407.97	472.63	15.85%
Class X – Gross accumulation shares	113.46	131.74	16.11%
Class Z – Accumulation shares	262.41	304.11	15.89%

## Threadneedle Global Emerging Markets Equity Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI Emerging Markets Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of Emerging Market companies.

The Fund considers Emerging Market companies to be those domiciled in Emerging Market countries, or which have significant business operations in such countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations, or the MSCI Emerging Markets Index.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI Emerging Markets Index.

The MSCI Emerging Markets Index is designed to capture the share performance of large and medium-sized companies across Emerging Markets worldwide, and is currently comprised of more than 1,000 companies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 100 companies, which may include the shares of some companies not within the Index. The Fund may invest up to 30% of its value in China A-Shares through the China-Hong Kong Stock Connect Programme. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk, or managing the Fund more efficiently.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has fallen from 113.53p to 110.63p.

For comparison, using noon prices, the performance of the Class 1 share class was -2.55% and -2.15% for the Class 2 share class compared to a return of -10.33% 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 -8.69%.

### Market Overview and Portfolio Activity

Both global and emerging-market (EM) equities had a challenging year given strained US-China relations and concerns surrounding the economic impact of COVID-19. Investors feared the economic implications of containment measures and social distancing. In turn, we witnessed fiscal expansion and monetary easing from governments and central banks.

Chinese equities outpaced the benchmark over the period, despite volatility as a result of geopolitical tensions with the US. Towards the end of the period there was initial optimism surrounding the signing of the phase-one deal, however, this was short lived given the outbreak of COVID-19. China's market proved relatively resilient in the first quarter compared to other global markets. This was due to supportive policy measures from the authorities, the country's effective containment measures in response to the outbreak, and the deceleration in new cases as the quarter progressed. The People's Bank of China implemented numerous stimulus measures, including cuts in key lending rates, with continued policy implementation likely to support market sentiment going forward.

Indian equities initially experienced volatility amid weaker economic data and political uncertainty in the run-up to the general election, which returned the ruling party to power. To support the economy, the Indian central bank lowered interest rates and the government introduced policies to boost growth, including substantial cuts to corporate and long-term capital-gains taxes. While these measures boosted market sentiment, equities were later hampered by geopolitical tensions and coronavirus-related concerns.

Latin American markets experienced a challenging period due to virus concerns and the decline in commodity prices. On the political front, the Brazilian government's high-profile pension-reform plan obtained final approval from the legislature's lower house as well as the Senate, which was seen as critical to future growth and financial stability. The government also proposed constitutional amendments aimed at reducing the size of the state and paring public spending, while the central bank delivered a series of rate cuts.

In EMEA, the Russian market outperformed the broader index, driven by fluctuating oil prices. There were concerns in South Africa over President Ramaphosa's ability to focus on economic reform over the period.

In a challenging period for EMs, the fund has continued to focus on companies that are best positioned to weather the storm and emerge stronger on the other side. We identified opportunities in the semiconductor space, purchasing MediaTek, which is set to benefit from a recovery in the memory-chip market as well as from declining DRAM and NAND stockpiles.

In the Chinese e-commerce space, the fund purchased JD.com, owing to its recent initiatives to increase penetration into lower-tier cities through diversified channel strategies and strengthen its supply-chain relationships with broader product categories. We also bought Hong Kong sports footwear retailer Li Ning, as we are optimistic on its strong earnings recovery and long-term growth trajectory.

Owing to concerns surrounding COVID-19, we sold a number of companies where we believe the investment thesis will be impaired over the medium term. This includes airline Copa Holdings, on expectations of weaker demand. We also closed our positions in Petrobras and CNOOC, given uncertainty surrounding global oil prices. In Brazil, we exited retail chain Lojas Americanas amid weak demand due to the virus.

We reduced exposure to financials over the review period, selling KB Financial Group, Industrial and Commercial Bank of China, China Merchants Bank and IndusInd Bank, among others.

Other positions started over the period include Macau-based casino operator Galaxy Entertainment Group. The company offers an attractive growth outlook, with plans to open two new resorts. In Korea, we purchased Samsung Electro-Mechanics, which is poised to benefit from the expansion of 5G networks, while in Brazil, we participated in XP Inc.'s initial public offering. We believe the Brazilian digital brokerage firm will continue to enhance its share in a large, addressable market owing to increasing brand awareness and a broad product offering.

EM equities continued to be supported by stimulus measures from policymakers, while global virus concerns and the uncertainty surrounding US-China relations are the key risks to markets.

The economic impact of COVID-19 has been severe following the implementation of production shutdowns and social-distancing measures. We have witnessed signs of improvement in countries such as China and Korea, where gradual steps have been taken towards relaxing controls on movement given the 'flattening of the curve'. Despite unprecedented monetary and fiscal stimulus proving supportive, we still need to keep in mind that the key risk will be a secondary wave of infections once markets start to reopen.

In terms of US-China relations, investors reacted positively to the phase-one trade deal. However, we can anticipate both positive and negative surprises, given the intermingling of complex issues such as deficit reduction, market access, intellectual property and industrial policy. We must also be aware of the shortening and diversification of supply chains.

Structural progress is ongoing, with reforms seen as key to unlocking growth potential and accelerating secular themes. Reform agendas across EMs are emphasising domestic demand as a growth driver over the longer term, with key reforms progressing within Brazil, Indonesia, India and China.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(11,425)	(4,075)
Revenue	3	5,739	5,354
Expenses	4	(1,419)	(2,462)
Interest payable and similar charges	5	(16)	(10)
Net revenue before taxation		4,304	2,882
Taxation	6	(630)	(525)
Net revenue after taxation		3,674	2,357
Total return before distributions		(7,751)	(1,718)
Distributions	7	(3,674)	(2,357)
Change in net assets attributable to shareholders from investment activities		(11,425)	(4,075)

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		340,135	270,945
<b>Current assets:</b>			
Debtors	8	7,263	1,096
Cash and bank balances		2,259	3,642
Cash equivalents**		11,268	3,936
Total assets		360,925	279,619
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(29)	(1)
<b>Creditors:</b>			
Other creditors	9	(4,356)	(2,683)
Total liabilities		(4,385)	(2,684)
<b>Net assets attributable to shareholders</b>		<b>356,540</b>	<b>276,935</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	276,935	328,984
Amounts receivable on the issue of shares	306,797	155,127
Amounts payable on the cancellation of shares	(220,682)	(175,642)
Amounts payable on in-specie transfers	–	(29,979)
	86,115	(50,494)
Dilution adjustment	314	160
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(11,425)	(4,075)
Retained distribution on accumulation shares	4,601	2,360
<b>Closing net assets attributable to shareholders</b>	<b>356,540</b>	<b>276,935</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	0.2434	–	0.2434	–
<b>Group 2</b> 01/05/19 to 30/04/20	–	0.2434	0.2434	–
<b>Total distributions in the period</b>			<b>0.2434</b>	<b>–</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	0.6840	–	0.6840	0.6462

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle Global Emerging Markets Equity Fund

### DISTRIBUTION TABLE

(continued)

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 2</b>				
01/05/19 to 30/04/20	0.2130	0.4710	0.6840	0.6462
<b>Total distributions in the period</b>			<b>0.6840</b>	<b>0.6462</b>
<b>Class X – Income shares</b>				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.9963	–	1.9963	1.8203
<b>Group 2</b>				
01/05/19 to 30/04/20	1.9963	–	1.9963	1.8203
<b>Total distributions in the period</b>			<b>1.9963</b>	<b>1.8203</b>
<b>Class X – Accumulation shares</b>				
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.7279	–	1.7279	1.5515
<b>Group 2</b>				
01/05/19 to 30/04/20	0.7456	0.9823	1.7279	1.5515
<b>Total distributions in the period</b>			<b>1.7279</b>	<b>1.5515</b>
<b>Class Z – Accumulation shares</b>				
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	1.0708	–	1.0708	0.9928
<b>Group 2</b>				
01/05/19 to 30/04/20	0.2724	0.7984	1.0708	0.9928
<b>Total distributions in the period</b>			<b>1.0708</b>	<b>0.9928</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	113.43	113.76	105.03	115.00
Return before operating charges (p)	(1.00)	1.46	10.63	(15.59)
Operating charges (p)	(1.89)	(1.79)	(1.90)	(0.88)
Return after operating charges (p)*	(2.89)	(0.33)	8.73	(16.47)
Distributions (p)	(0.24)	–	(0.33)	(0.16)
Retained distributions on accumulation shares (p)	0.24	–	0.33	0.16
Closing net asset value per share (p)	110.54	113.43	113.76	98.53
*after direct transaction costs of (p)	0.19	0.25	0.37	0.12
<b>Performance</b>				
Return after charges (%)	(2.55)	(0.29)	8.31	(14.32)
<b>Other information</b>				
Closing net asset value (£000)	4,145	56,074	81,432	–
Closing number of shares	3,750,253	49,434,505	71,581,656	–
Operating charges (%)**	1.68	1.67	1.67	–
Direct transaction costs (%)***	0.17	0.23	0.32	–
<b>Prices</b>				
Highest share price (p)	131.67	117.44	121.08	114.32
Lowest share price (p)	95.58	94.05	105.14	94.05
	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	23/11/2018 <sup>1</sup>	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	115.00	122.59	122.25	112.22
Return before operating charges (p)	(15.58)	(1.28)	1.61	11.37
Operating charges (p)	(0.89)	(1.37)	(1.27)	(1.34)
Return after operating charges (p)*	(16.47)	(2.65)	0.34	10.03
Distributions (p)	(0.17)	(0.68)	(0.65)	(1.05)
Retained distributions on accumulation shares (p)	0.17	0.68	0.65	1.05
Closing net asset value per share (p)	98.53	119.94	122.59	122.25
*after direct transaction costs of (p)	0.12	0.21	0.26	0.39
<b>Performance</b>				
Return after charges (%)	(14.32)	(2.16)	0.28	8.94
<b>Other information</b>				
Closing net asset value (£000)	–	86,857	84,341	101,039
Closing number of shares	–	72,416,241	68,800,040	82,652,196
Operating charges (%)**	–	1.09	1.10	1.10
Direct transaction costs (%)***	–	0.17	0.23	0.32
<b>Prices</b>				
Highest share price (p)	114.32	142.74	126.27	129.92
Lowest share price (p)	94.05	103.42	101.36	112.34

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	23/11/2018 <sup>1</sup>			23/11/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.67			123.67		
Return before operating charges (p)	(16.82)			(16.79)		
Operating charges (p)	(0.63)			(0.65)		
Return after operating charges (p)*	(17.45)			(17.44)		
Distributions (p)	(0.56)			(0.58)		
Retained distributions on accumulation shares (p)	0.56			0.58		
Closing net asset value per share (p)	106.22			106.23		
*after direct transaction costs of (p)	0.12			0.12		
<b>Performance</b>						
Return after charges (%)	(14.11)			(14.10)		
<b>Other information</b>						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
<b>Prices</b>						
Highest share price (p)	122.94			122.94		
Lowest share price (p)	101.36			101.37		
	Class X – Income shares			Class X – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	124.72	124.94	115.68	110.02	108.67	98.77
Return before operating charges (p)	(1.41)	1.66	11.73	(1.22)	1.45	10.01
Operating charges (p)	(0.04)	(0.06)	(0.08)	(0.10)	(0.10)	(0.11)
Return after operating charges (p)*	(1.45)	1.60	11.65	(1.32)	1.35	9.90
Distributions (p)	(2.00)	(1.82)	(2.39)	(1.73)	(1.55)	(2.00)
Retained distributions on accumulation shares (p)	–	–	–	1.73	1.55	2.00
Closing net asset value per share (p)	121.27	124.72	124.94	108.70	110.02	108.67
*after direct transaction costs of (p)	0.22	0.27	0.41	0.19	0.24	0.35
<b>Performance</b>						
Return after charges (%)	(1.16)	1.28	10.07	(1.20)	1.24	10.02
<b>Other information</b>						
Closing net asset value (£000)	4	4	4	250,672	117,798	115,966
Closing number of shares	3,000	3,000	3,000	230,603,742	107,070,910	106,715,868
Operating charges (%)**	0.03	0.05	0.06	0.09	0.10	0.10
Direct transaction costs (%)***	0.17	0.23	0.32	0.17	0.23	0.32
<b>Prices</b>						
Highest share price (p)	146.29	129.18	135.13	129.01	112.35	115.33
Lowest share price (p)	106.15	104.12	115.82	93.61	90.54	98.89

## Threadneedle Global Emerging Markets Equity Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	145.69	145.03	132.91
Return before operating charges (p)	(1.54)	1.92	13.45
Operating charges (p)	(1.36)	(1.26)	(1.33)
Return after operating charges (p)*	(2.90)	0.66	12.12
Distributions (p)	(1.07)	(0.99)	(1.50)
Retained distributions on accumulation shares (p)	1.07	0.99	1.50
Closing net asset value per share (p)	142.79	145.69	145.03
*after direct transaction costs of (p)	0.25	0.31	0.46
<b>Performance</b>			
Return after charges (%)	(1.99)	0.46	9.12
<b>Other information</b>			
Closing net asset value (£000)	14,862	18,718	30,543
Closing number of shares	10,408,662	12,847,884	21,059,232
Operating charges (%)**	0.91	0.92	0.92
Direct transaction costs (%)***	0.17	0.23	0.32
<b>Prices</b>			
Highest share price (p)	169.85	149.83	154.10
Lowest share price (p)	123.09	120.35	133.06

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 15 June 2018 and closed 23 November 2018.

# Threadneedle Global Emerging Markets Equity Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(11,127)	(4,183)
Forward currency contracts	(342)	175
Other gains/(losses)	55	(47)
Transaction costs	(11)	(20)
Net capital losses	(11,425)	(4,075)

### 3 REVENUE

	2020 £000	2019 £000
UK dividends	–	110
Overseas dividends	5,637	5,147
Interest on short term investments	5	22
Bank interest	97	71
Management fee rebate on collective investment scheme holdings	–	4
Total revenue	5,739	5,354

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,142)	(2,100)
Registration fees	(135)	(172)
	(1,277)	(2,272)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(39)	(35)
Safe custody fees	(77)	(71)
Revenue collection expenses	–	(49)
	(116)	(155)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(12)	(12)
Non-audit service fees payable to auditors	(9)	(18)
	(26)	(35)
Total expenses*	(1,419)	(2,462)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(16)	(10)
Total interest payable and similar charges	(16)	(10)

### 6 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(630)	(525)
Total current tax (note 6b)	(630)	(525)
Total tax charge for the period	(630)	(525)

	2020 £000	2019 £000
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	4,304	2,882
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(861)	(577)
Effects of:		
Revenue not subject to taxation	1,052	904
Overseas taxes	(630)	(525)
Overseas tax expensed	12	16
Excess expenses	(203)	(343)
Current tax charge for period (note 6a)	(630)	(525)

The fund has not recognised a deferred tax asset of £2,955,865 (2019: £2,753,173) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	–	126
Final	4,601	2,234
	4,601	2,360
Add: Revenue deducted on the cancellation of shares	889	523
Deduct: Revenue received on the creation of shares	(1,816)	(526)
Net distribution for the period	3,674	2,357
Net revenue after taxation	3,674	2,357
Equalisation on conversion	–	(10)
Shortfall transfer from capital to revenue	–	10
Total distributions	3,674	2,357

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 103 to 104.

### 8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	5,543	79
Sales awaiting settlement	1,072	545
Accrued revenue	643	472
Foreign withholding tax recoverable	5	–
Total debtors	7,263	1,096

### 9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(44)	(2,062)
Purchases awaiting settlement	(4,212)	(423)
Accrued expenses	(15)	(30)
Amounts payable to ACD	(85)	(168)
Total other creditors	(4,356)	(2,683)

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

## Threadneedle Global Emerging Markets Equity Fund

### Notes to the financial statements

(continued)

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 12 SHAREHOLDER FUNDS

Threadneedle Global Emerging Markets Equity Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

##### Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%

##### Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 105 to 107. The distribution per share class is given in the distribution table on pages 103 to 104.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

##### Reconciliation of shares

	2020
<b>Class 1 – Accumulation shares</b>	
Opening shares	49,434,505
Shares issued	50,507,301
Shares redeemed	(96,123,592)
Net conversions	(67,961)
Closing shares	<u>3,750,253</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	68,800,040
Shares issued	48,128,696
Shares redeemed	(44,512,495)
Net conversions	–
Closing shares	<u>72,416,241</u>
<b>Class X – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class X – Accumulation shares</b>	
Opening shares	107,070,910
Shares issued	164,989,272
Shares redeemed	(41,456,440)
Net conversions	–
Closing shares	<u>230,603,742</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	12,847,884
Shares issued	974,987
Shares redeemed	(3,466,988)
Net conversions	52,779
Closing shares	<u>10,408,662</u>

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.00% and vice versa (2019: 4.88%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
<b>Currency 2020</b>	
Brazilian Real	10,614
Canadian Dollar	1,369
China Renminbi	9,531
Hong Kong Dollar	78,233
Hungarian Forint	4,299
Indian Rupee	26,191
Indonesian Rupiah	15,591
Philippines Peso	6,937
Polish Zloty	2,143
South Africa Rand	11,553
South Korean Won	39,781
Taiwan Dollar	4,212
Thai Baht	8,988
UAE Dirham	73
US Dollar	136,048
<b>Currency 2019</b>	£000
Brazilian Real	19,751
Canadian Dollar	2,885
China Renminbi	6,235
Euro	1
Hong Kong Dollar	52,454
Hungarian Forint	1,348
Indian Rupee	22,964
Indonesian Rupiah	20,385
Mexican Peso	5,124
Philippines Peso	5,137
Polish Zloty	2,251
Singapore Dollar	3
South Africa Rand	16,862
South Korean Won	21,060
Taiwan Dollar	2,009
Thai Baht	6,813
UAE Dirham	70
US Dollar	91,667

##### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
<b>Currency 2020</b>	%	%
Hong Kong Dollar	5.00	1.10
South Korean Won	0.29	0.03
US Dollar	3.85	1.47
<b>Currency 2019</b>	%	%
Hong Kong Dollar	5.25	0.99
US Dollar	5.21	1.72

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose.

## Threadneedle Global Emerging Markets Equity Fund

### Notes to the financial statements

(continued)

2019	Forward Foreign Exchange Contracts Exposure
<b>Counterparty</b>	<b>£000</b>
Bank of Scotland	15

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
Brazilian Real	–	–	10,614	10,614
Canadian Dollar	–	–	1,369	1,369
China Renminbi	–	–	9,531	9,531
Hong Kong Dollar	–	–	78,233	78,233
Hungarian Forint	–	–	4,299	4,299
Indian Rupee	83	–	28,338	28,421
Indonesian Rupiah	–	–	16,225	16,225
Philippines Peso	–	–	7,013	7,013
Polish Zloty	–	–	2,143	2,143
South Africa Rand	–	–	11,553	11,553
South Korean Won	–	–	39,781	39,781
Taiwan Dollar	1,387	–	4,005	5,392
Thai Baht	68	–	9,013	9,081
UK Sterling	49	–	5,544	5,593
UAE Dirham	73	–	–	73
US Dollar	599	–	135,449	136,048
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Brazilian Real	1,444	–	18,730	20,174
Canadian Dollar	–	–	2,885	2,885
China Renminbi	–	–	6,235	6,235
Euro	1	–	–	1
Hong Kong Dollar	–	–	52,454	52,454
Hungarian Forint	–	–	1,348	1,348
Indian Rupee	86	–	22,878	22,964
Indonesian Rupiah	55	–	20,330	20,385
Mexican Peso	–	–	5,124	5,124
Philippines Peso	–	–	5,137	5,137
Polish Zloty	–	–	2,251	2,251
Singapore Dollar	3	–	–	3
South Africa Rand	–	–	16,862	16,862
South Korean Won	–	–	21,060	21,060
Taiwan Dollar	355	–	1,654	2,009
Thai Baht	66	–	6,747	6,813
UK Sterling	83	–	2,123	2,206
UAE Dirham	70	–	–	70
US Dollar	5,415	–	88,574	93,989
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
<b>Currency 2020</b>				
Indian Rupee	–	–	(2,230)	(2,230)
Indonesian Rupiah	–	–	(634)	(634)
Philippines Peso	–	–	(76)	(76)
Taiwan Dollar	–	–	(1,180)	(1,180)
Thai Baht	–	–	(93)	(93)
UK Sterling	–	–	(4,616)	(4,616)

Currency 2019	£000	£000	£000	£000
Brazilian Real	–	–	(423)	(423)
UK Sterling	–	–	(2,290)	(2,290)
US Dollar	–	–	(2,322)	(2,322)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2019: £15,000) and a liability value of £29,000 (2019: £1,000).

### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	351,403	–	274,866	–
Level 2	–	(29)	15	(1)
	<u>351,403</u>	<u>(29)</u>	<u>274,881</u>	<u>(1)</u>

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

### 16 PORTFOLIO TRANSACTION COSTS

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	270,338	139	0.05	117	0.04	–
Collective investment schemes	81,269	–	–	–	–	–
Corporate actions	9	–	–	–	–	–
<b>Total</b>	<u>351,616</u>	<u>139</u>		<u>117</u>		
<b>Gross purchases total:</b>	<u>351,872</u>					

## Threadneedle Global Emerging Markets Equity Fund

### Notes to the financial statements

(continued)

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
<b>Sales</b>					
Equities	190,554	149	0.08	140	0.07
Collective investment schemes	73,943	–	–	–	–
<b>Total</b>	<b>264,497</b>	<b>149</b>		<b>140</b>	

**Total sales net of transaction costs:** 264,208

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.09%
Taxes:	0.08%

#### 30 April 2019

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
<b>Purchases</b>					
Equities	234,327	168	0.07	123	0.05
Collective investment schemes	24,915	–	–	–	–
<b>Total</b>	<b>259,242</b>	<b>168</b>		<b>123</b>	

**Gross purchases total:** 259,533

	Value	Commissions	Taxes		
	£000	£000	%	£000	%
<b>Sales</b>					
Equities	258,496	166	0.06	250	0.09
Collective investment schemes	21,028	–	–	–	–
Inspecie transactions	22,442	–	–	–	–
Corporate actions	1	–	–	–	–
<b>Total</b>	<b>301,967</b>	<b>166</b>		<b>250</b>	

**Total sales net of transaction costs:** 301,551

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.12%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.14% (30 April 2019: 0.13%), being the difference between the respective buying and selling prices for the fund's investments.

### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 14.87%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 1 – Accumulation shares	110.63	132.04	19.35%
Class 2 – Accumulation shares	120.05	143.45	19.49%
Class X – Income shares	121.38	145.36	19.76%
Class X – Accumulation shares	108.80	130.28	19.75%
Class Z – Accumulation shares	142.91	170.83	19.54%

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(27.18)
Class 2 – Accumulation shares	(13.71)

## Threadneedle Emerging Market Local Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the J.P. Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least two-thirds of its investment exposure to emerging market local currencies and local currency denominated debt securities issued either by governments of Emerging Market countries, or companies which are domiciled or have significant business operations in such countries.

The Fund considers Emerging Markets countries to mean those characterised as developing or emerging by the MSCI Emerging Markets Index or those not listed in the OECD country list.

The Fund may also gain exposure to non-emerging market currencies and debt securities, as well as emerging market debt denominated in non-local currencies, if considered appropriate to achieve its investment objectives.

The Fund may invest in government and corporate bonds of any credit quality (including those rated below investment grade, or unrated), as well as treasury bills, and securitised notes. The Fund may also obtain investment exposure indirectly using derivatives, including foreign exchange forward transactions and swaps (such as cross currency interest rate and credit default swaps). Derivatives may be used to allow the Fund to profit from the fall in the price of an asset (shorting), as well as extending market exposure beyond the value of its assets (leverage). In addition, derivatives may be used with the aim of reducing risk, or managing the Fund more efficiently.

The Fund may also invest in other securities, as well as collective investment schemes (including funds managed by Columbia Threadneedle Limited), and hold money market instruments, deposits, cash and near cash.

The GBI-EM Global Diversified Index is regarded as an appropriate performance measure of local currency bonds issued by emerging market governments. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 - Income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Income shares in the Threadneedle Emerging Market Local Fund has fallen from 80.93p to 74.15p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.53%. The performance of the Class 1 gross accumulation share class was -1.39% and -0.68% for the Class 2 gross accumulation share class, compared to a return of -1.27% for the Morningstar Category Global Emerging Markets Bond – Local Currency 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 J.P. Morgan GBI-EM Global Diversified was +0.58%.

### Market Overview and Portfolio Activity

The review period was challenging for emerging-market (EM) bonds, amid concerns over Sino-US trade relations, slowing growth in China and the impact of the Covid-19 pandemic on the already-fragile world economy.

The asset class was supported by the Federal Reserve (Fed) increasingly dovish policy stance, as this undermined the case for further US dollar strength, a hurdle for EM assets. The Fed's interest-rate cuts also set off a wave of similar actions across EM countries, helping to support bonds. The dollar strengthened later in the period on concerns over the coronavirus as investors eschewed risk and commodities plunged, both headwinds for the asset class. However, EM bonds ended the period on a strong note, rebounding in April as optimism that the pandemic was past its peak, and continued support from central banks, helped to restore investor confidence.

Political risk was also prevalent over the period, with elections taking place in Turkey, South Africa and Argentina. Initial trade tensions eased as Mexico escaped the tariffs proposed by President Trump, and the US and China signed a trade agreement in January 2020.

Tumbling commodity prices added to headwinds later in the period, as many EM countries are exporters of raw materials. Oil prices plunged to record lows, as the pandemic severely curbed demand for fuels and concerns around US onshore storage capacity emerged. Copper and other metals also fell, before rebounding into the end of the review period.

Latin American markets were hit particularly hard by the spread of coronavirus and the fall in commodity prices. On the political front, the Brazilian government's high-profile pension-reform plan obtained final approval from the legislature (lower house as well as the Senate, which was seen as critical to future growth and financial stability). The government also proposed constitutional amendments aimed at reducing the size of the state and paring public spending, while the central bank delivered a series of rate cuts. Mexico's economy fell into recession in the first half of 2019 and contracted by 0.1% for the full year. The IMF issued a downbeat report on the country's economic outlook, criticising the policies of leftist President Lopez Obrador and suggesting that the government allow heavily indebted state oil company Pemex (Petroleos Mexicanos) to work with the private sector to resolve its debt burden. In August, the Bank of Mexico lowered rates for the first time since 2014, and followed this with a further five reductions.

Argentine assets were volatile on concerns that populists might return to power in October's ballot, as they indeed did. The peso fell to a record low versus the US dollar early in the review period amid doubts about the then-incumbent government's market-friendly economic policies, prompting the central bank to hike rates. Argentine bonds crashed in August as Alberto Fernandez, the populist presidential candidate, unexpectedly won a primary election, and rating agencies S&P, Fitch and Moody's downgraded Argentina's sovereign rating. Fernandez won the national election in October, and, following his inauguration, set a deadline of 31 March for reaching agreement with creditors and the IMF on restructuring about \$100bn of the country's public debt; the subsequent restructuring proposal to international creditors, that came at the end of the period, was met with tentative optimism that a default could be averted. Since the new government took over, the central bank has cut the key rate four several times.

In Turkey, President Erdogan fired the central bank governor in July following a disagreement over interest rates. The new governor then made the deepest cut in rates since 2002, and falling inflation prompted further reductions. Geopolitical worries escalated as Turkey deployed troops in northern Syria to support anti-government rebels, raising tensions with Russia, which backs the Syrian president. Fitch and Moody's lowered Turkey's sovereign credit rating further into junk territory.

The US imposed fresh sanctions against Russia, prohibiting US institutions from taking part in new sovereign issues. Russia subsequently announced plans to establish a new exchange where companies subject to US sanctions can list their bonds, and unveiled a plan to lower the dollar share of its National Wealth Fund in favour of the euro and renminbi; the finance ministry is no longer issuing dollar-denominated sovereign bonds. The central bank delivered five consecutive rate reductions in 2019, amid lower inflation expectations. The easing trend has continued in 2020, with further rate cuts as Russia tries to revive its lacklustre economy.

In South Africa, the period started with optimism on expectations that President Ramaphosa would focus on economic and land reforms after he was re-elected in May. In October, however, the finance minister forecast an increased budget deficit and debt-to-GDP ratio; the rand posted its greatest intraday fall in more than a year. The fragile finances of unprofitable state-owned companies remained a theme, as electric utility Eskom continued to rely on government bailouts, while flag carrier South African Airways was forced to apply for a local form of bankruptcy protection. A series of downgrades to the country's sovereign rating left South Africa rated below investment grade with all three of the leading credit-rating agencies.

Within government debt, we established a position in Thailand and topped up the exposures to Russia, South Africa, the Czech Republic, Brazil, Malaysia and Mexico. Indonesia, Poland, Nigeria and Turkey were among holdings that were reduced, and we exited the positions in Croatia, Hungary, Egypt and the Philippines.

In the corporate-bond portfolio, we established positions in Indian renewable-energy company Greenko Group, Malaysian aluminium smelter Press Metal (Labuan) and South Africa's national electricity utility Eskom, all via the secondary market. The fund sold its holdings of Inalum (Indonesia Asahan Aluminium) and Ukrainian Railways.

The coronavirus crisis carries potentially grave implications for EMs. A collapse in global growth will damage those EMs which rely on international trade, while the measures taken to control the public health impact will take their toll on economic activity that was already on a slowing path in many countries.

In many cases, EM authorities seeking to mitigate sharp GDP contractions face a tough choice between massive fiscal support (and increased debt sustainability risks) and monetary stimulus (with risks to external deficit funding and exchange rates). So far, EM central banks appear to be favouring the former, taking advantage of sub-target ex-ante inflation and the disinflationary nature of the current shock to provide significant monetary accommodation. EM currencies are likely to struggle to perform significantly in such an environment.

More positively, unlike in 2013, there is a low probability of a sudden stop in EM flows triggered by a tightening in US monetary policy. With developed-market policy rates at rock bottom, the real-yield attractiveness of EM local markets can therefore persist.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
<b>Income</b>			
Net capital losses	2	(6,536)	(6,180)
Revenue	3	5,831	5,699
Expenses	4	(201)	(595)
Interest payable and similar charges	5	(2)	(61)
Net revenue before taxation		5,628	5,043
Taxation	6	(237)	–
Net revenue after taxation		5,391	5,043
<b>Total return before distributions</b>		<b>(1,145)</b>	<b>(1,137)</b>
Distributions	7	(5,509)	(5,524)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(6,654)</b>	<b>(6,661)</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		80,569	66,307
<b>Current assets:</b>			
Debtors	8	1,531	3,703
Cash and bank balances	9	2,023	6,310
Cash equivalents**		928	3,845
<b>Total assets</b>		<b>85,051</b>	<b>80,165</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(3,562)	(492)
<b>Creditors:</b>			
Bank overdrafts	9	(2)	–
Distribution payable		(194)	(169)
Other creditors	10	(22)	(1,451)
<b>Total liabilities</b>		<b>(3,780)</b>	<b>(2,112)</b>
<b>Net assets attributable to shareholders</b>		<b>81,271</b>	<b>78,053</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	78,053	87,990
Amounts receivable on the issue of shares	62,755	8,250
Amounts payable on the cancellation of shares	(57,987)	(16,515)
	4,768	(8,265)
Dilution adjustment	119	(3)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,654)	(6,661)
Retained distribution on accumulation shares	4,985	4,992
<b>Closing net assets attributable to shareholders</b>	<b>81,271</b>	<b>78,053</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Interest distribution in pence per share					
Class 1 – Income shares					
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	
<b>Group 1</b>					
01/05/19 to 31/10/19	2,8174	–	2,8174	2,5775	
01/11/19 to 30/04/20	2,3121	–	2,3121	3,0067	
<b>Group 2</b>					
01/05/19 to 31/10/19	1,3512	1,4662	2,8174	2,5775	
01/11/19 to 30/04/20	0,7135	1,5986	2,3121	3,0067	
<b>Total distributions in the period</b>			<b>5,1295</b>	<b>5,5842</b>	
Class 1 – Gross accumulation shares					
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	
<b>Group 1</b>					
01/05/19 to 31/10/19	5,3812	–	5,3812	4,5561	
01/11/19 to 30/04/20	4,5556	–	4,5556	5,5033	
<b>Group 2</b>					
01/05/19 to 31/10/19	3,1544	2,2268	5,3812	4,5561	
01/11/19 to 30/04/20	1,8878	2,6678	4,5556	5,5033	
<b>Total distributions in the period</b>			<b>9,9368</b>	<b>10,0594</b>	

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle Emerging Market Local Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	6.3908	–	6.3908	5.3959
01/11/19 to 30/04/20	5.4530	–	5.4530	6.5172
<b>Group 2</b>				
01/05/19 to 31/10/19	5.6108	0.7800	6.3908	5.3959
01/11/19 to 30/04/20	4.2906	1.1624	5.4530	6.5172
<b>Total distributions in the period</b>			<b>11.8438</b>	<b>11.9131</b>

#### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	3.1352	–	3.1352	2.8210
01/11/19 to 30/04/20	2.5964	–	2.5964	3.3082
<b>Group 2</b>				
01/05/19 to 31/10/19	0.8552	2.2800	3.1352	2.8210
01/11/19 to 30/04/20	1.8318	0.7646	2.5964	3.3082
<b>Total distributions in the period</b>			<b>5.7316</b>	<b>6.1292</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	7.9484	–	7.9484	6.6604
01/11/19 to 30/04/20	6.8122	–	6.8122	8.0742
<b>Group 2</b>				
01/05/19 to 31/10/19	4.6473	3.3011	7.9484	6.6604
01/11/19 to 30/04/20	4.4663	2.3459	6.8122	8.0742
<b>Total distributions in the period</b>			<b>14.7606</b>	<b>14.7346</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	2.5603	–	2.5603	2.3215
01/11/19 to 30/04/20	2.1103	–	2.1103	2.7196
<b>Group 2</b>				
01/05/19 to 31/10/19	0.8549	1.7054	2.5603	2.3215
01/11/19 to 30/04/20	1.3965	0.7138	2.1103	2.7196
<b>Total distributions in the period</b>			<b>4.6706</b>	<b>5.0411</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/10/19	3.9718	–	3.9718	3.3565
01/11/19 to 30/04/20	3.3899	–	3.3899	4.0629
<b>Group 2</b>				
01/05/19 to 31/10/19	1.9095	2.0623	3.9718	3.3565
01/11/19 to 30/04/20	2.8780	0.5119	3.3899	4.0629
<b>Total distributions in the period</b>			<b>7.3617</b>	<b>7.4194</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Emerging Market Local Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	77.81	84.76	90.03	147.93	150.12	147.17
Return before operating charges (p)	0.31	(0.04)	3.29	0.25	0.19	5.49
Operating charges (p)	(1.33)	(1.33)	(1.52)	(2.48)	(2.38)	(2.54)
Return after operating charges (p)*	(1.02)	(1.37)	1.77	(2.23)	(2.19)	2.95
Distributions (p)	(5.13)	(5.58)	(7.04)	(9.94)	(10.06)	(11.74)
Retained distributions on accumulation shares (p)	–	–	–	9.94	10.06	11.74
Closing net asset value per share (p)	71.66	77.81	84.76	145.70	147.93	150.12
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(1.31)	(1.62)	1.97	(1.51)	(1.46)	2.00
<b>Other information</b>						
Closing net asset value (£000)	855	1,051	1,018	369	10,776	18,594
Closing number of shares	1,192,896	1,350,534	1,200,965	253,460	7,284,076	12,385,958
Operating charges (%)**	1.62	1.65	1.68	1.62	1.65	1.68
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	89.31	84.32	95.86	169.78	152.47	156.70
Lowest share price (p)	70.19	76.69	86.39	138.27	136.29	145.88
	Class 2 – Gross accumulation shares <sup>5</sup>			Class X – Gross income shares <sup>5</sup>		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	173.83	175.06	170.23	85.11	91.34	95.57
Return before operating charges (p)	0.13	0.26	6.35	0.23	0.01	3.49
Operating charges (p)	(1.53)	(1.49)	(1.52)	(0.08)	(0.11)	(0.12)
Return after operating charges (p)*	(1.40)	(1.23)	4.83	0.15	(0.10)	3.37
Distributions (p)	(11.84)	(11.91)	(13.77)	(5.73)	(6.13)	(7.60)
Retained distributions on accumulation shares (p)	11.84	11.91	13.77	–	–	–
Closing net asset value per share (p)	172.43	173.83	175.06	79.53	85.11	91.34
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.81)	(0.70)	2.84	0.18	(0.11)	3.53
<b>Other information</b>						
Closing net asset value (£000)	3,167	33,752	34,519	2,254	466	142
Closing number of shares	1,836,662	19,416,519	19,718,113	2,834,327	548,047	155,625
Operating charges (%)**	0.84	0.88	0.87	0.09	0.12	0.12
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	199.88	178.85	181.76	98.05	90.87	102.31
Lowest share price (p)	163.54	159.39	168.81	77.84	83.27	92.51

## Threadneedle Emerging Market Local Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>			Class Z – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	215.80	215.71	208.18	70.56	76.19	80.21
Return before operating charges (p)	(0.07)	0.36	7.79	0.22	(0.01)	2.92
Operating charges (p)	(0.21)	(0.27)	(0.26)	(0.57)	(0.58)	(0.64)
Return after operating charges (p)*	(0.28)	0.09	7.53	(0.35)	(0.59)	2.28
Distributions (p)	(14.76)	(14.73)	(16.90)	(4.67)	(5.04)	(6.30)
Retained distributions on accumulation shares (p)	14.76	14.73	16.90	–	–	–
Closing net asset value per share (p)	215.52	215.80	215.71	65.54	70.56	76.19
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.13)	0.04	3.62	(0.51)	(0.77)	2.84
<b>Other information</b>						
Closing net asset value (£000)	71,404	28,731	30,895	2,885	2,872	2,460
Closing number of shares	33,130,482	13,313,339	14,322,799	4,402,120	4,069,786	3,228,656
Operating charges (%)**	0.09	0.13	0.12	0.77	0.80	0.79
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	248.61	221.66	222.86	81.15	75.80	85.66
Lowest share price (p)	204.28	196.93	206.53	64.15	69.24	77.38
<b>Class Z – Gross accumulation shares<sup>§</sup></b>						
	30/04/2020	30/04/2019	30/04/2018			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	109.46	110.16	107.04			
Return before operating charges (p)	0.03	0.16	3.99			
Operating charges (p)	(0.91)	(0.86)	(0.87)			
Return after operating charges (p)*	(0.88)	(0.70)	3.12			
Distributions (p)	(7.36)	(7.42)	(8.58)			
Retained distributions on accumulation shares (p)	7.36	7.42	8.58			
Closing net asset value per share (p)	108.58	109.46	110.16			
*after direct transaction costs of (p)	–	–	–			
<b>Performance</b>						
Return after charges (%)	(0.80)	(0.64)	2.91			
<b>Other information</b>						
Closing net asset value (£000)	337	405	362			
Closing number of shares	310,425	370,208	328,650			
Operating charges (%)**	0.77	0.80	0.79			
Direct transaction costs (%)***	–	–	–			
<b>Prices</b>						
Highest share price (p)	125.89	112.61	114.32			
Lowest share price (p)	102.97	100.33	106.15			

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>§</sup>Only available to eligible investors.

# Threadneedle Emerging Market Local Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(6,625)	(5,126)
Derivative contracts	1,052	276
Forward currency contracts	(1,283)	(1,278)
Other gains/(losses)	321	(51)
Transaction costs	(1)	(1)
Net capital losses	(6,536)	(6,180)

### 3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	5,677	5,601
Interest on short term investments	5	47
Derivative revenue	77	–
Bank interest	72	51
Total revenue	5,831	5,699

### 4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(121)	(481)
Registration fees	(35)	(41)
	(156)	(522)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(10)	(9)
Safe custody fees	(24)	(28)
Revenue collection expenses	(4)	(15)
	(38)	(52)
Other expenses:		
Regulatory fees	(8)	(5)
Audit fees	(14)	(15)
Non-audit service fees payable to auditors	(1)	(1)
Expenses cap*	16	–
	(7)	(21)
Total expenses**	(201)	(595)

\*Excess expenses are paid by the ACD.

\*\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(2)	(3)
Derivative expense	–	(58)
Total interest payable and similar charges	(2)	(61)

### 6 TAXATION

	2020 £000	2019 £000
<b>a) Analysis of charge in period</b>		
Corporation tax	(8)	–
Double taxation relief	8	–
Overseas taxes	(237)	–
Total current tax (note 6b)	(237)	–
Total tax charge for the period	(237)	–

	2020 £000	2019 £000
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	5,628	5,043
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,126)	(1,009)
Effects of:		
Overseas taxes	(237)	–
Overseas tax expensed	40	–
Double taxation relief	8	–
Distributions treated as tax deductible	1,094	1,009
Current tax charge for period (note 6a)	(237)	–
Interest distributions were made in respect of all distributions during the prior period.		

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	2,776	2,357
Final	2,573	2,926
	5,349	5,283
Add: Revenue deducted on the cancellation of shares	726	371
Deduct: Revenue received on the creation of shares	(566)	(130)
Net distribution for the period	5,509	5,524
Net revenue after taxation	5,391	5,043
Annual management charge to capital	118	481
Total distributions	5,509	5,524

Details of the distribution per share are set out in the table on pages 112 to 113.

### 8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	24	406
Sales awaiting settlement	–	1,903
Accrued revenue	1,496	1,383
Foreign withholding tax recoverable	11	11
Total debtors	1,531	3,703

### 9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	1,263	315
Cash and bank balances	760	5,995
	2,023	6,310
Cash overdrafts at broker	(2)	–
Total cash and bank balances	2,021	6,310

### 10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(8)	–
Purchases awaiting settlement	–	(1,395)
Accrued expenses	(7)	(16)
Amounts payable to ACD	(7)	(40)
Total other creditors	(22)	(1,451)

### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

## Threadneedle Emerging Market Local Fund

### Notes to the financial statements

(continued)

#### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

#### 13 SHAREHOLDER FUNDS

Threadneedle Emerging Market Local Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.45%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 114 to 115. The distribution per share class is given in the distribution table on pages 112 to 113. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	1,350,534
Shares issued	476,466
Shares redeemed	(623,118)
Net conversions	(10,986)
Closing shares	<u>1,192,896</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	7,284,076
Shares issued	82,331
Shares redeemed	(7,112,947)
Net conversions	–
Closing shares	<u>253,460</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	19,416,519
Shares issued	406,873
Shares redeemed	(17,986,730)
Net conversions	–
Closing shares	<u>1,836,662</u>
<b>Class X – Gross income shares</b>	
Opening shares	548,047
Shares issued	5,275,655
Shares redeemed	(2,989,375)
Net conversions	–
Closing shares	<u>2,834,327</u>

2020

<b>Class X – Gross accumulation shares</b>	
Opening shares	13,313,339
Shares issued	23,726,911
Shares redeemed	(3,909,768)
Net conversions	–
Closing shares	<u>33,130,482</u>
<b>Class Z – Income shares</b>	
Opening shares	4,069,786
Shares issued	2,708,987
Shares redeemed	(2,400,272)
Net conversions	23,619
Closing shares	<u>4,402,120</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	370,208
Shares issued	88,861
Shares redeemed	(141,375)
Net conversions	(7,269)
Closing shares	<u>310,425</u>

#### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.5 x benchmark<sup>1</sup> and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 11.6% (2019: 6.6%). This means that there is estimated to be a 1% chance that the fund could lose more than 11.6% (2019: 6.6%) of its value in a month.

At 30 April, 2020 the VaR utilisation was 74% (2019: 71%) (actual VaR/VaR limit). During the year ended 30 April, 2020 the lowest VaR utilisation was 66% (2019: 66%), the highest VaR utilisation was 89% (2019: 80%) and the average utilisation was 74% (2019: 74%).

The official risk model for all portfolio was changed from APT to Blackrock's Aladdin from December 2019. Both models provide VaR on a covariance model basis at the 99% confidence interval over a 1-month holding period. APT uses 180 weeks of input data which is equal weighted and updated monthly. Aladdin uses 2 years of data in a weekly model which is updated daily with greater weight given to more recent periods.

<sup>1</sup>The benchmark of fund is shown on page 197.

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

Currency 2020	Total £000
Argentina Peso	80
Brazilian Real	8,174
Chilean Peso	2,067
China Renminbi	915
Colombian Peso	4,631
Czech Koruna	3,792
Dominican Republic Peso	1,997
Euro	2,127
Hungarian Forint	3,119
Indonesian Rupiah	8,593
Israeli Shekel	18
Malaysian Ringgit	5,660
Mexican Peso	7,103
Peruvian New Sol	3,372

## Threadneedle Emerging Market Local Fund

### Notes to the financial statements

(continued)

Currency 2020	Total £000
Polish Zloty	7,668
Romanian Leu	41
Russian Ruble	9,896
South Africa Rand	3,922
Thai Baht	8,469
Turkish Lira	2,791
Uruguay Peso	184
US Dollar	(3,255)

Currency 2019	£000
Argentina Peso	124
Brazilian Real	7,713
Chilean Peso	2,503
Colombian Peso	5,741
Czech Koruna	3,407
Dominican Republic Peso	2,374
Egyptian Pound	2,867
Euro	1,577
Hungarian Forint	3,493
Indonesian Rupiah	7,735
Malaysian Ringgit	4,535
Mexican Peso	8,019
Nigeria Naira	1,214
Peruvian New Sol	2,658
Philippines Peso	154
Polish Zloty	6,978
Romanian Leu	401
Russian Ruble	5,919
South Africa Rand	6,744
Thai Baht	6,622
Turkish Lira	2,892
Uruguay Peso	212
US Dollar	(5,979)

#### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Currency 2020	Currency Movement %	Fund Movement %
Brazilian Real	30.06	3.02
Indonesian Rupiah	0.37	0.04
Russian Ruble	9.39	1.14
Thai Baht	2.55	0.27

Currency 2019	Currency Movement %	Fund Movement %
Mexican Peso	3.65	0.38

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

2020	Interest Rate Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Counterparty			
Barclays	–	481	–
Citigroup	83	–	991
HSBC	585	–	192
J.P. Morgan	373	216	–
Lloyds	–	482	–
Morgan Stanley	202	–	–
RBS	–	–	96
UBS	81	97	–

2019	Interest Rate Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Counterparty			
Citigroup	–	–	38
Goldman Sachs	–	13	85
HSBC	–	–	192
J.P. Morgan	107	8	–
UBS	49	–	–

The fund held £2,094,000 (2019: £231,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
A	731	0.94	2,062	2.96
A-	4,716	6.05	8,161	11.72
A3	3,632	4.66	3,345	4.80
BBB+	3,239	4.16	205	0.30
Baa1	2,612	3.35	–	–
BBB	6,446	8.27	3,878	5.57
Baa2	2,966	3.81	7,601	10.91
BBB-	3,591	4.61	6,565	9.42
BB+	462	0.59	8,048	11.55
Ba1	880	1.13	–	–
BB	13,107	16.82	2,771	3.98
BB-	7,008	8.99	6,527	9.37
B+	1,485	1.90	747	1.07
B	621	0.80	1,864	2.68
B2	–	–	124	0.18
B-	1,083	1.39	616	0.88
CCC+	1,283	1.65	323	0.46
Ca	61	0.08	–	–
Not Rated*	22,153	28.42	13,185	18.93
Liquidity Funds Collective investment schemes	928	1.19	–	–
Derivatives**	931	1.19	(207)	(0.30)
	77,935	100.00	69,660	100.00

\*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

\*\*The derivative positions do not have a significant impact on the risk profile.

#### Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Argentina Peso	19	61	–	80
Brazilian Real	–	5,530	3,830	9,360
Chilean Peso	–	–	2,626	2,626
China Renminbi	–	–	915	915
Colombian Peso	–	3,590	1,405	4,995
Czech Koruna	–	2,401	3,288	5,689
Dominican Republic Peso	–	1,893	104	1,997

## Threadneedle Emerging Market Local Fund

### Notes to the financial statements

(continued)

Currency 2020	£000	£000	£000	£000
Euro	–	–	2,450	2,450
Hungarian Forint	–	–	3,447	3,447
Indonesian Rupiah	–	6,866	3,856	10,722
Israeli Shekel	2	–	16	18
Malaysian Ringgit	–	3,632	2,192	5,824
Mexican Peso	1	4,772	6,012	10,785
Peruvian New Sol	–	4,716	65	4,781
Polish Zloty	1	731	7,738	8,470
Romanian Leu	–	–	1,904	1,904
Russian Ruble	–	11,671	4,858	16,529
South Africa Rand	–	13,576	652	14,228
Thai Baht	–	6,331	3,283	9,614
Turkish Lira	–	1,844	1,153	2,997
UK Sterling	55	–	80	135
Uruguay Peso	–	183	1	184
US Dollar	1,945	9,206	33,709	44,860

Currency 2019	£000	£000	£000	£000
Argentina Peso	–	124	–	124
Brazilian Real	–	5,633	2,080	7,713
Chilean Peso	–	–	2,503	2,503
Colombian Peso	–	4,498	1,243	5,741
Czech Koruna	–	708	2,712	3,420
Dominican Republic Peso	–	2,246	128	2,374
Egyptian Pound	1,134	1,734	–	2,868
Euro	–	–	1,577	1,577
Hungarian Forint	–	1,933	1,560	3,493
Indonesian Rupiah	1	9,117	3,300	12,418
Malaysian Ringgit	–	2,989	1,546	4,535
Mexican Peso	–	4,137	4,028	8,165
Nigeria Naira	–	1,214	–	1,214
Peruvian New Sol	–	4,380	58	4,438
Philippines Peso	–	3,151	49	3,200
Polish Zloty	–	2,062	4,916	6,978
Romanian Leu	–	–	1,980	1,980
Russian Ruble	–	1,347	4,572	5,919
South Africa Rand	–	8,048	213	8,261
Thai Baht	–	–	6,622	6,622
Turkish Lira	–	1,813	1,079	2,892
UK Sterling	89	–	405	494
Uruguay Peso	–	211	1	212
US Dollar	8,931	10,677	11,539	31,147

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Brazilian Real	–	–	(1,186)	(1,186)
Chilean Peso	–	–	(559)	(559)
Colombian Peso	–	–	(364)	(364)
Czech Koruna	–	–	(1,897)	(1,897)
Euro	–	–	(323)	(323)
Hungarian Forint	–	–	(328)	(328)
Indonesian Rupiah	–	–	(2,129)	(2,129)
Malaysian Ringgit	–	–	(164)	(164)
Mexican Peso	–	–	(3,682)	(3,682)
Peruvian New Sol	–	–	(1,409)	(1,409)
Polish Zloty	(2)	–	(800)	(802)
Romanian Leu	–	–	(1,863)	(1,863)
Russian Ruble	–	–	(6,633)	(6,633)
South Africa Rand	–	–	(10,306)	(10,306)
Thai Baht	–	–	(1,145)	(1,145)
Turkish Lira	–	–	(206)	(206)
UK Sterling	–	–	(228)	(228)
US Dollar	–	–	(48,115)	(48,115)

Currency 2019	£000	£000	£000	£000
Czech Koruna	–	–	(13)	(13)
Indonesian Rupiah	–	–	(4,683)	(4,683)
Mexican Peso	–	–	(146)	(146)
Peruvian New Sol	–	–	(1,780)	(1,780)
Philippines Peso	–	–	(3,046)	(3,046)
Romanian Leu	–	–	(1,579)	(1,579)
South Africa Rand	–	–	(1,518)	(1,518)
UK Sterling	–	–	(344)	(344)
US Dollar	–	–	(37,126)	(37,126)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts and interest rate swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts and interest rate swaps during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts and interest rate swaps with an asset value of £4,493,000 (2019: £285,000) and a liability value of £3,562,000 (2019: £492,000).

### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	928	–	3,845	–
Level 2	80,569	(3,562)	66,307	(492)
	81,497	(3,562)	70,152	(492)

Included within Level 1, are debt securities of £928,000 (2019: £3,845,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

## Threadneedle Emerging Market Local Fund

### Notes to the financial statements

(continued)

#### 17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £84,981,689 (2019: £77,741,728) and £67,941,958 (2019: £89,705,079) respectively. Collective investment schemes purchases and sales amounted to £18,714,579 (2019: £3,796,686) and £22,037,701 (2019: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £Nil (2019: £135,578) respectively. The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.53% (30 April 2019: 0.28%), being the difference between the respective buying and selling prices for the fund's investments.

#### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 11.65%.

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class X – Gross accumulation shares	(20.21)

## Threadneedle Global Extended Alpha Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and seeks to gain at least 75% of its investment exposure to shares of companies worldwide.

This exposure to company shares is achieved by taking both long and short equity positions. Long positions are taken by investing in company shares directly, as well as indirectly using derivatives, and collective investment schemes (including funds managed by Columbia Threadneedle companies) when considered appropriate. Short positions are taken using derivatives only. Typically, the combination of these positions provides exposure to fewer than 140 companies. The Fund follows an "equity extension strategy", which allows proceeds from short positions to be used to extend long positions within the portfolio, to include more of the fund manager's strongest investment ideas. However, the Fund does not usually short more than 30% of its value, and long positions don't normally exceed 130% of the value of the Fund.

The Fund's extended long and short positions are usually, at least in part, obtained by investing in a single total return swap, with a counterparty. This swap, which is a type of derivative instrument, provides a return linked to the performance of a basket of mainly equity-related securities, exchange traded funds and equity index positions, selected by the fund manager.

The Fund may also hold other securities (including fixed interest securities), money market instruments, deposits, cash and near cash.

These holdings may be substantial where necessary to provide cover for the exposure created using derivatives, or when considered appropriate towards achieving the Fund's investment objective. In addition to using derivatives for investment purposes, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The MSCI ACWI Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies worldwide, currently with more than 2,700 companies included. It is representative of the type of company in which the Fund invests and provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

#### Performance of Class 1 - Accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 - Accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 326.99p to 355.21p.

For comparison, using noon prices, the performance of the Class 1 share class was +8.63% and +9.51% for the Class 2 share class compared to a return of -0.48% for the Morningstar UK Unit Trusts/OEICs - IA Global 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 All-Countries World Index (ACWI) was -1.23%.

#### Market Overview and Portfolio Activity

The (ACWI) posted a small loss in local-currency terms over the review period. Risk appetite was strong during 2019, due to the Federal Reserve's (Fed's) dovish policy shift, generally strong corporate results, and reduced concern about world trade tensions as the US and China reached an interim deal. The mood swiftly turned negative in 2020 as COVID-19, a novel coronavirus, swept across much of the world, sparking a range of quarantine restrictions. However, stocks ended the period on a strong note, rebounding in April amid optimism that the COVID-19 pandemic was past its peak, and continued support from the Fed.

North America was the best-performing region over the period, and posted a positive return, helped by the Fed's volte-face and the US-China phase-one trade deal. Until the coronavirus outbreak, the US economic backdrop remained strong, with corporate profits generally robust. Europe ex-UK equities underperformed over the period. Regional economic data remained weak, with the manufacturing slump continuing in Germany, and the French economy suffering from the ongoing strikes. Like the Fed, the European Central Bank cut interest rates and restarted its bond-purchase programme. Elsewhere, Brexit-related uncertainty caused UK equities to underperform global averages though investors grew more confident in late 2019 due to the new UK prime minister's renegotiation of the EU withdrawal agreement and his subsequent decisive general election victory. However in 2020, the UK's exposure to travel, financials and commodities dragged on performance, due to the virus outbreak. Emerging markets lagged global peers despite being resilient in the turbulent first quarter of 2020, as Chinese business activity staged a turnaround. That said, broader Chinese economic trends remained weak, prompting Beijing to launch new stimulus measures, including liquidity-boosting interventions by the central bank. Given their sensitivity to global risk sentiment, Japanese stocks also lagged the MSCI ACWI, owing to underwhelming economic data. However, stocks held up well in the first quarter of 2020 as Japan was perceived to have limited the spread of COVID-19 without imposing the stringent quarantine measures seen elsewhere. In response to the pandemic, the government's stimulus commitment strengthened.

Technology was one of the strongest performing sectors over the period, due to healthy results from sector heavyweights. Healthcare and consumer staples also fared well as investors generally favoured companies with defensive growth profiles in the uncertain environment. Following the COVID-19 outbreak, healthcare stocks were further buoyed as firms raced to develop tests, treatments and vaccines for the coronavirus. Cyclical areas such as energy, financials and industrials lagged on concerns around global economic growth. These were later heightened by fears over the impact of the pandemic on supply chains and consumer demand.

New purchases in the long book over the period included Reckitt Benckiser, Samsung, UnitedHealth and Sony. Reckitt Benckiser is exposed to some of the

faster-growing categories in the household personal-care sector and boasts strong brands with robust market positions. Following significant reinvestment, we are positive on the prospects of the company delivering improved operational performance. We believe that the quality of Samsung's already-stable earnings profile is improving as the company introduces products with compelling growth prospects. Samsung offers high returns with a dominant position in key markets, including memory, Organic Light-Emitting Diode (OLED) and consumer electronics. For managed-care company UnitedHealth, while there is some political risk linked to the sector, we are attracted by the firm's scale and diversification. The company boasts the largest medical membership in the US. As a beneficiary of an ageing population, UnitedHealth is winning share by managing costs and investing in technology initiatives which competitors lack the expertise or resources to replicate. Sony has attractive earnings drivers, notably in its entertainment and semiconductor businesses. A shift in its capital-allocation policy also bodes well for longer-term returns. Cash from sales could be used to fund medium-term investments and share buybacks.

Sales included Diamondback Energy, Bank Rakyat, Becton Dickinson and Inditex. For Diamondback Energy, with the economic toll of the coronavirus likely to exert prolonged pressure on oil demand, we felt that other opportunities were more attractive. We sold Indonesia's Bank Rakyat as we became concerned about the impact of lower lending rates in the country's guaranteed microfinance programme on the company's net-interest margins and operating expenditure. Meanwhile, medical-technology company Becton Dickinson was sold as we felt that the limited visibility around timing of the Food and Drug Administration's (FDA's) approval for pump-software upgrades may create a longer-term overhang for the shares. For Inditex, we retained conviction in the company's strong portfolio of brands, as well as its scale and robust balance sheet, but preferred the outlook of other names in the current environment.

In the short book, we established positions in a financial-services company and an industrial supplies company, while covering the shorts in a food retailer and a technology company.

After a turbulent start to the new year, investors have more recently shown a willingness to look beyond the coronavirus outbreak to the recovery from the pandemic, following the unprecedented reactions by governments, central banks, businesses and consumers around the globe. While unknowns remain, the indiscriminate sell-offs have already created opportunities to invest in companies with the ability to weather the current storm, and win out over the long term, at compelling valuations. Our long-held belief is that there are structural factors driving a world which is 'lower for longer', including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, we remain firmly of the view that companies that can sustain above-average growth rates should remain attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to sustain high returns and earnings growth across a range of market conditions. By contrast, we continue to seek businesses experiencing a secular decline or a deteriorating competitive position for the short book.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	15,614	21,676
Revenue	3	2,287	2,959
Expenses	4	(879)	(3,382)
Interest payable and similar charges	5	(1,219)	(2,548)
Net revenue/(expense) before taxation		189	(2,971)
Taxation	6	(189)	(249)
Net expense after taxation		–	(3,220)
<b>Total return before distributions</b>		<b>15,614</b>	<b>18,456</b>
Distributions	7	(336)	(33)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,278</b>	<b>18,423</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		161,779	127,626
<b>Current assets:</b>			
Debtors	8	4,688	11,009
Cash and bank balances	9	16,113	4,490
Cash equivalents**		7,412	3,864
<b>Total assets</b>		<b>189,992</b>	<b>146,989</b>
<b>Liabilities:</b>			
<b>Investment liabilities</b>		(188)	(36)
<b>Creditors:</b>			
Bank overdrafts	9	–	(6)
Other creditors	10	(7,942)	(1,921)
<b>Total liabilities</b>		<b>(8,130)</b>	<b>(1,963)</b>
<b>Net assets attributable to shareholders</b>		<b>181,862</b>	<b>145,026</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	145,026	271,363
Amounts receivable on the issue of shares	146,905	343,420
Amounts payable on the cancellation of shares	(125,780)	(359,295)
Amounts payable on inspecie transfers	–	(129,002)
	21,125	(144,877)
Dilution adjustment	53	84
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	15,278	18,423
Retained distribution on accumulation shares	380	33
<b>Closing net assets attributable to shareholders</b>	<b>181,862</b>	<b>145,026</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class A – Accumulation shares\*

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class A SGD Hedged – Accumulation shares\*

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

## Threadneedle Global Extended Alpha Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class P – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b> 01/05/19 to 30/04/20	0.8347	–	0.8347	0.1330
<b>Group 2</b> 01/05/19 to 30/04/20	0.3342	0.5005	0.8347	0.1330
<b>Total distributions in the period</b>			<b>0.8347</b>	<b>0.1330</b>

#### Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2019 to 30 April 2020, as expenses exceed revenue (2019: Nil).

#### Class Z – Gross income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020
<b>Group 1</b> 01/05/19 to 30/04/20	0.0090	–	0.0090
<b>Group 2</b> 01/05/19 to 30/04/20	0.0090	–	0.0090
<b>Total distributions in the period</b>			<b>0.0090</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	166.97	145.82	133.60	326.86	284.81	259.10
Return before operating charges (p)	17.45	23.64	14.60	33.64	46.91	30.33
Operating charges (p)	(2.84)	(2.49)	(2.38)	(5.63)	(4.86)	(4.62)
Return after operating charges (p)*	14.61	21.15	12.22	28.01	42.05	25.71
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	181.58	166.97	145.82	354.87	326.86	284.81
*after direct transaction costs of (p)	0.15	0.09	0.17	0.28	0.18	0.33
<b>Performance</b>						
Return after charges (%)	8.75	14.50	9.15	8.57	14.76	9.92
<b>Other information</b>						
Closing net asset value (£000)	5	13	21	1,791	10,419	125,195
Closing number of shares	3,000	7,485	14,086	504,715	3,187,685	43,957,510
Operating charges (%)**	1.61	1.63	1.64	1.65	1.63	1.64
Performance fee (%)	0.60	0.42	0.48	0.53	0.10	–
Direct transaction costs (%)***	0.08	0.06	0.12	0.08	0.06	0.12
<b>Prices</b>						
Highest share price (p)	196.66	167.34	155.21	384.36	327.71	303.47
Lowest share price (p)	153.92	132.36	133.02	300.84	258.47	257.98
	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares		
	25/01/2019 <sup>1</sup>			25/01/2019 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	306.01			306.01		
Return before operating charges (p)	(20.79)			(20.77)		
Operating charges (p)	(3.43)			(3.44)		
Return after operating charges (p)*	(24.22)			(24.21)		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	281.79			281.80		
*after direct transaction costs of (p)	0.13			0.12		
<b>Performance</b>						
Return after charges (%)	(7.91)			(7.91)		
<b>Other information</b>						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Performance fee (%)	–			–		
Direct transaction costs (%)***	–			–		
<b>Prices</b>						
Highest share price (p)	322.21			322.22		
Lowest share price (p)	258.47			258.48		

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class A – Accumulation shares		Class A SGD Hedged – Accumulation shares	
	30/04/2020	30/04/2019 <sup>2</sup>	30/04/2020	30/04/2019 <sup>2</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	109.10	100.00	106.32	100.00
Return before operating charges (p)	11.89	10.86	6.26	8.04
Operating charges (p)	(2.04)	(1.76)	(1.97)	(1.72)
Return after operating charges (p)*	9.85	9.10	4.29	6.32
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	118.95	109.10	110.61	106.32
*after direct transaction costs of (p)	0.10	0.06	0.09	0.06
<b>Performance</b>				
Return after charges (%)	9.03	9.10	4.03	6.32
<b>Other information</b>				
Closing net asset value (£000)	5,671	507	1,353	290
Closing number of shares	4,767,439	464,605	1,223,548	272,390
Operating charges (%)**	1.76	1.95 <sup>†</sup>	1.78	1.97 <sup>†</sup>
Performance fee (%)	–	–	–	–
Direct transaction costs (%)***	0.08	0.06	0.08	0.06
<b>Prices</b>				
Highest share price (p)	128.83	109.25	124.15	106.39
Lowest share price (p)	100.84	86.21	90.64	83.61
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2020	30/04/2019	30/04/2018	25/01/2019 <sup>†</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	353.58	306.94	276.96	329.84
Return before operating charges (p)	36.42	49.29	32.46	(22.42)
Operating charges (p)	(3.01)	(2.65)	(2.48)	(1.86)
Return after operating charges (p)*	33.41	46.64	29.98	(24.28)
Distributions (p)	–	–	(0.08)	–
Retained distributions on accumulation shares (p)	–	–	0.08	–
Closing net asset value per share (p)	386.99	353.58	306.94	305.56
*after direct transaction costs of (p)	0.31	0.19	0.36	0.14
<b>Performance</b>				
Return after charges (%)	9.45	15.20	10.82	(7.36)
<b>Other information</b>				
Closing net asset value (£000)	52,692	75,569	103,242	–
Closing number of shares	13,615,876	21,372,674	33,635,483	–
Operating charges (%)**	0.81	0.82	0.82	–
Performance fee (%)	0.66	0.70	0.02	–
Direct transaction costs (%)***	0.08	0.06	0.12	–
<b>Prices</b>				
Highest share price (p)	418.46	354.35	326.00	347.35
Lowest share price (p)	327.73	280.07	275.88	280.08

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares			Class P – Accumulation shares		
	25/01/2019 <sup>1</sup>			30/04/2020	30/04/2019	30/04/2018 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	329.84			124.27	107.76	100.00
Return before operating charges (p)	(22.44)			13.61	18.01	9.08
Operating charges (p)	(1.85)			(1.45)	(1.50)	(1.32)
Return after operating charges (p)*	(24.29)			12.16	16.51	7.76
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	305.55			136.43	124.27	107.76
*after direct transaction costs of (p)	0.14			0.11	0.07	0.12
<b>Performance</b>						
Return after charges (%)	(7.36)			9.79	15.32	7.76
<b>Other information</b>						
Closing net asset value (£000)	–			21,338	3,005	3,278
Closing number of shares	–			15,639,516	2,418,553	3,042,311
Operating charges (%)**	–			1.10	1.31	1.35 <sup>1</sup>
Performance fee (%)	–			–	–	–
Direct transaction costs (%)***	–			0.08	0.06	0.12
<b>Prices</b>						
Highest share price (p)	347.34			147.53	124.45	114.72
Lowest share price (p)	280.06			115.54	98.00	97.30
	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	167.22	144.38	131.16	163.35	142.24	128.41
Return before operating charges (p)	19.82	22.95	13.32	16.45	22.44	15.08
Operating charges (p)	(0.11)	(0.11)	(0.10)	(1.51)	(1.33)	(1.25)
Return after operating charges (p)*	19.71	22.84	13.22	14.94	21.11	13.83
Distributions (p)	(0.83)	(0.13)	(1.10)	–	–	–
Retained distributions on accumulation shares (p)	0.83	0.13	1.10	–	–	–
Closing net asset value per share (p)	186.93	167.22	144.38	178.29	163.35	142.24
*after direct transaction costs of (p)	0.15	0.09	0.17	0.14	0.09	0.17
<b>Performance</b>						
Return after charges (%)	11.79	15.82	10.08	9.15	14.84	10.77
<b>Other information</b>						
Closing net asset value (£000)	85,073	41,275	26,553	13,938	13,948	13,074
Closing number of shares	45,509,588	24,683,479	18,391,279	7,817,326	8,538,631	9,191,576
Operating charges (%)**	0.06	0.07	0.07	0.88	0.89	0.89
Performance fee (%)	–	0.97	1.42	0.94	0.88	–
Direct transaction costs (%)***	0.08	0.06	0.12	0.08	0.06	0.12
<b>Prices</b>						
Highest share price (p)	201.85	167.58	153.03	192.82	163.76	151.10
Lowest share price (p)	158.17	132.38	130.78	151.01	129.73	127.90

## Threadneedle Global Extended Alpha Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares 30/04/2020 <sup>1</sup>
<b>Change in net assets per share</b>	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(5.53)
Operating charges (p)	(0.15)
Return after operating charges (p)*	(5.68)
Distributions (p)	(0.01)
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	94.31
*after direct transaction costs of (p)	0.07
<b>Performance</b>	
Return after charges (%)	(5.68)
<b>Other information</b>	
Closing net asset value (£000)	1
Closing number of shares	1,000
Operating charges (%)**	0.87 <sup>1</sup>
Performance fee (%)	–
Direct transaction costs (%)***	0.08
<b>Prices</b>	
Highest share price (p)	102.01
Lowest share price (p)	79.88

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 15 June 2018 and closed 25 January 2019.

<sup>2</sup>Commenced 1 June 2018.

<sup>3</sup>Commenced 17 May 2017.

<sup>4</sup>Commenced 18 February 2020.

<sup>1</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle Global Extended Alpha Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	6,095	14,989
Derivative contracts	9,406	4,381
Forward currency contracts	(66)	(157)
Other gains	182	2,465
Transaction costs	(3)	(2)
Net capital gains	15,614	21,676

### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	188	565
Overseas dividends	1,773	1,878
Interest on short term investments	81	355
Bank interest	245	157
Subsidised expense rebate	–	4
Total revenue	2,287	2,959

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(773)	(2,207)
Performance fees*	25	(942)
Registration fees	(74)	(160)
	(822)	(3,309)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(20)	(29)
Safe custody fees	(15)	(21)
	(35)	(50)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(14)	(14)
Non-audit service fees payable to auditors	(1)	(2)
	(22)	(23)
Total expenses**	(879)	(3,382)

\*The ACD was entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the MSCI All Countries World Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% was multiplied by the Excess Return. Performance fees were calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period fell during the calculation period of the performance fee, the performance fees were accrued at that point in time, but may not have represented the actual amount that was to be paid. Therefore, previously accrued amounts may have required to be reversed. The performance fee by nature was a capital charge, and was therefore charged to capital when calculating the distribution. The performance fee paid during the reporting period in respect of the calendar year ended 31 December 2019 was £917,049 (2018: £Nil). With effect from 1 January 2020, the application of performance fees has been discontinued.

\*\* Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Dividends payable on short positions	(1,064)	(2,126)
Interest payable	–	(2)
Derivative expense	(155)	(420)
Total interest payable and similar charges	(1,219)	(2,548)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(189)	(249)
Total current tax (note 6b)	(189)	(249)
Total tax charge for the period	(189)	(249)
<b>b) Factors affecting taxation charge for period</b>		
Net revenue/(expense) before taxation	189	(2,971)
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20%	(38)	594
Effects of:		
Revenue not subject to taxation	401	508
Overseas taxes	(189)	(249)
Overseas tax expensed	2	1
Excess expenses	(365)	(1,103)
Current tax charge for period (note 6a)	(189)	(249)

The fund has not recognised a deferred tax asset of £1,764,934 (2019: £1,400,262) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	380	33
	380	33
Add: Revenue deducted on the cancellation of shares	50	(405)
Deduct: Revenue received on the creation of shares	(94)	405
Net distribution for the period	336	33
Net expense after taxation	–	(3,220)
Performance fee charged to capital	(25)	942
Shortfall transfer from capital to revenue	361	2,311
Total distributions	336	33

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 121 to 122.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	378	6,662
Sales awaiting settlement	3,934	4,184
Accrued revenue	265	57
Foreign withholding tax recoverable	111	106
Total debtors	4,688	11,009

### 9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	415	–
Cash and bank balances	15,698	4,490
	16,113	4,490
Bank overdrafts	–	(6)
Total cash and bank balances	16,113	4,484

# Threadneedle Global Extended Alpha Fund

## Notes to the financial statements

(continued)

### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(493)	(157)
Purchases awaiting settlement	(7,279)	(693)
Accrued expenses	(102)	(59)
Amounts payable to ACD	(68)	(70)
Accrued performance fee	–	(942)
Total other creditors	(7,942)	(1,921)

### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

### 13 SHAREHOLDER FUNDS

Threadneedle Global Extended Alpha Fund currently has six share classes; Class 1, Class A, Class 2, Class P, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class A shares	1.50%
Class 2 shares	0.75%
Class P shares	0.75%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class A shares	0.110%
Class 2 shares	0.035%
Class P shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 123 to 126. The distribution per share class is given in the distribution table on pages 121 to 122.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	7,485
Shares issued	–
Shares redeemed	(4,485)
Net conversions	–
Closing shares	3,000
<b>Class 1 – Accumulation shares</b>	
Opening shares	3,187,685
Shares issued	21,035,909
Shares redeemed	(23,715,957)
Net conversions	(2,922)
Closing shares	504,715

	2020
<b>Class A – Accumulation shares</b>	
Opening shares	464,605
Shares issued	5,132,358
Shares redeemed	(829,524)
Net conversions	–
Closing shares	4,767,439
<b>Class A SGD Hedged – Accumulation shares</b>	
Opening shares	272,390
Shares issued	2,038,432
Shares redeemed	(1,087,274)
Net conversions	–
Closing shares	1,223,548
<b>Class 2 – Accumulation shares</b>	
Opening shares	21,372,674
Shares issued	2,213,549
Shares redeemed	(9,970,347)
Net conversions	–
Closing shares	13,615,876
<b>Class P – Accumulation shares</b>	
Opening shares	2,418,553
Shares issued	15,060,963
Shares redeemed	(1,840,000)
Net conversions	–
Closing shares	15,639,516
<b>Class X – Accumulation shares</b>	
Opening shares	24,683,479
Shares issued	21,159,147
Shares redeemed	(333,038)
Net conversions	–
Closing shares	45,509,588
<b>Class Z – Accumulation shares</b>	
Opening shares	8,538,631
Shares issued	1,220,816
Shares redeemed	(1,947,940)
Net conversions	5,819
Closing shares	7,817,326
<b>Class Z – Gross income shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000

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

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

#### Value at Risk (VaR) disclosure

VaR is used to measure the level of Global Exposure which the fund undertakes. VaR is measured in three variables: the amount of potential loss, the probability of that amount of loss, and the time frame.

The fund's VaR limit is 1.6 x benchmark<sup>1</sup> and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 15.4% (2019: 9.6%). This means that there is estimated to be a 1% chance that the fund could lose more than 15.4% (2019: 9.6%) of its value in a month.

At 30 April, 2020 the VaR utilisation was 58% (2019: 74%) (actual VaR/VaR limit). During the year ended 30 April, 2020 the lowest VaR utilisation was 55% (2019: 69%), the highest VaR utilisation was 80% (2019: 82%) and the average utilisation was 71% (2019: 75%).

## Threadneedle Global Extended Alpha Fund

### Notes to the financial statements

(continued)

The official risk model for all portfolio was changed from APT to Blackrock's Aladdin from December 2019. Both models provide VaR on a covariance model basis at the 99% confidence interval over a 1-month holding period. APT uses 180 weeks of input data which is equal weighted and updated monthly. Aladdin uses 2 years of data in a weekly model which is updated daily with greater weight given to more recent periods.

<sup>†</sup>The benchmark of fund is shown on page 197.

#### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
<b>Currency 2020</b>	
Australian Dollar	(5)
Danish Krone	3,248
Euro	11,902
Hong Kong Dollar	8,638
Indian Rupee	4,915
Japanese Yen	9,224
Singapore Dollar	1,389
South Korean Won	5,118
Taiwan Dollar	1,875
US Dollar	127,942
<b>Currency 2019</b>	<b>£000</b>
Australian Dollar	(125)
Danish Krone	1,886
Euro	11,467
Hong Kong Dollar	12,146
Indian Rupee	5,705
Indonesian Rupiah	2,623
Japanese Yen	6,232
Singapore Dollar	289
Swiss Franc	3
US Dollar	98,874

#### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement %	Fund movement %
<b>Currency 2020</b>		
US Dollar	3.85	2.71
<b>Currency 2019</b>		
US Dollar	5.21	3.55

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
<b>2020</b>			
Counterparty			
J.P. Morgan	13	–	–
UBS	–	–	415

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
<b>2019</b>			
Counterparty			
Goldman Sachs	2	–	–
UBS	–	1,942	–

The fund held £200,000 (2019: £1,380,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
Danish Krone	–	–	3,248	3,248
Euro	56	–	12,061	12,117
Hong Kong Dollar	–	–	8,638	8,638
Indian Rupee	260	–	4,655	4,915
Japanese Yen	–	–	9,688	9,688
Singapore Dollar	–	–	1,389	1,389
South Korean Won	–	–	5,118	5,118
Taiwan Dollar	–	–	1,875	1,875
UK Sterling	22	–	10,203	10,225
US Dollar	15,775	7,412	115,993	139,180
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Danish Krone	–	–	1,894	1,894
Euro	48	–	11,551	11,599
Hong Kong Dollar	–	–	12,146	12,146
Indian Rupee	270	–	5,608	5,878
Indonesian Rupiah	–	–	2,623	2,623
Japanese Yen	–	–	6,585	6,585
Singapore Dollar	–	–	289	289
Swiss Franc	3	–	–	3
UK Sterling	–	–	11,405	11,405
US Dollar	8,033	–	91,538	99,571

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
<b>Currency 2020</b>				
Australian Dollar	–	–	(5)	(5)
Euro	–	–	(215)	(215)
Japanese Yen	–	–	(464)	(464)
UK Sterling	–	–	(2,609)	(2,609)
US Dollar	–	–	(11,238)	(11,238)
<b>Currency 2019</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Australian Dollar	–	–	(125)	(125)
Danish Krone	–	–	(8)	(8)
Euro	–	–	(132)	(132)
Indian Rupee	–	–	(173)	(173)
Japanese Yen	–	–	(353)	(353)
UK Sterling	(6)	–	(5,473)	(5,479)
US Dollar	–	–	(697)	(697)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts and portfolio swaps are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. At 30 April 2020, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £14,000 (2019: £1,944,000) and a liability value of £188,000 (2019: £36,000).

## Threadneedle Global Extended Alpha Fund

### Notes to the financial statements

(continued)

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

#### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	169,177	–	129,546	–
Level 2	14	(188)	1,944	(36)
	<u>169,191</u>	<u>(188)</u>	<u>131,490</u>	<u>(36)</u>

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 17 PORTFOLIO TRANSACTION COSTS

##### 30 April 2020

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	121,977	35	0.03	58
Collective investment schemes	16,473	–	–	–
<b>Total</b>	<b>138,450</b>	<b>35</b>		<b>58</b>

##### Gross purchases total:

138,543

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	91,510	30	0.03	13
Collective investment schemes	13,545	–	–	–
<b>Total</b>	<b>105,055</b>	<b>30</b>		<b>13</b>

##### Total sales net of transaction costs:

105,012

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.04%

##### 30 April 2019

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	111,111	48	0.04	56
Collective investment schemes	35,077	–	–	–
<b>Total</b>	<b>146,188</b>	<b>48</b>		<b>56</b>

##### Gross purchases total:

146,292

Sales	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	125,697	60	0.05	14
Collective investment schemes	30,956	–	–	–
Inspecie transactions	115,999	–	–	–
Corporate actions	118	–	–	–
<b>Total</b>	<b>272,770</b>	<b>60</b>		<b>14</b>

##### Total sales net of transaction costs:

272,696

##### Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.02%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.07% (30 April 2019: 0.04%), being the difference between the respective buying and selling prices for the fund's investments.

#### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 16.52%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 1 – Income shares	181.75	200.56	10.35%
Class 1 – Accumulation shares	355.20	391.95	10.35%
Class A – Accumulation shares	119.06	131.38	10.35%
Class A SGD Hedged – Accumulation shares	110.71	123.72	11.74%
Class 2 – Accumulation shares	387.34	428.17	10.54%
Class P – Accumulation shares	136.56	150.95	10.54%
Class X – Accumulation shares	187.11	207.16	10.72%
Class Z – Accumulation shares	178.46	197.24	10.52%
Class Z – Gross income shares	94.39	104.35	10.56%

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(21.42)

## Threadneedle Global Equity Income Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in the shares of companies worldwide.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI ACWI Index.

The MSCI ACWI Index is regarded as an appropriate representation of the share performance of large and medium-sized companies worldwide, with more than 2,700 companies currently included. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time.

The Fund will typically invest in fewer than 90 companies, which may include shares of some companies not within the MSCI ACWI Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. In addition, the Fund may commence using derivatives with the aim of achieving an investment gain, providing 60 days' notice is given to shareholders.

#### Performance of Class 1 - Income shares\*

Over the twelve months to 30 April 2020, the published share price of Class 1 – Income shares in the Threadneedle Global Equity Income Fund has fallen from 139.13p to 124.77p.

For comparison, using noon prices, the performance of the Class 1 share class was -7.46% and -6.95% for the Class 2 share class compared to a return of -4.10% 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 All-Countries World Index (ACWI) was -1.23%.

#### Market Overview and Portfolio Activity

The (ACWI) posted a small loss in local-currency terms over the review

period. Risk appetite was strong during 2019, due to the Federal Reserve's (Fed's) dovish policy shift, generally strong corporate results, and reduced concern about world trade tensions as the US and China reached an interim deal. The mood swiftly turned negative in 2020 as COVID-19, a novel coronavirus, swept across much of the world, sparking a range of quarantine restrictions. However, stocks ended the period on a strong note, rebounding in April amid optimism that the COVID-19 pandemic was past its peak, and continued support from the Fed.

North America was the best-performing region over the period, and posted a positive return, helped by the Fed's volte-face and the US-China phase-one trade deal. Until the coronavirus outbreak, the US economic backdrop remained strong, with corporate profits generally robust. Europe ex-UK equities underperformed over the period. Regional economic data remained weak, with the manufacturing slump continuing in Germany and the French economy suffering from the ongoing strikes. Like the Fed, the European Central Bank cut interest rates and restarted its bond-purchase programme. Elsewhere, Brexit-related uncertainty caused UK equities to underperform global averages, though investors grew more confident in late 2019 due to the new UK prime minister's renegotiation of the EU withdrawal agreement and his subsequent decisive general election victory. However in 2020, the UK's exposure to travel, financials and commodities dragged on performance, due to the virus outbreak.

Emerging markets lagged global peers despite being resilient in the turbulent first quarter of 2020, as Chinese business activity staged a turnaround. That said, broader Chinese economic trends remained weak, prompting Beijing to launch new stimulus measures, including liquidity-boosting interventions by the central bank. Given their sensitivity to global risk sentiment, Japanese stocks also lagged the MSCI ACWI, owing to underwhelming economic data. However, stocks held up well in the first quarter of 2020 as Japan was perceived to have limited the spread of COVID-19 without imposing the stringent quarantine measures seen elsewhere. In response to the pandemic, the government's stimulus commitment strengthened.

Technology was one of the strongest performing sectors over the period, due to healthy results from sector heavyweights. Healthcare and consumer staples also fared well as investors generally favoured companies with defensive growth profiles in the uncertain environment. Following the COVID-19 outbreak, healthcare stocks were further buoyed as firms raced to develop tests, treatments and vaccines for the coronavirus. Cyclical areas such as energy, financials and industrials lagged on concerns around global economic growth. These were later heightened by fears over the impact of the pandemic on supply chains and consumer demand.

New purchases over the period included Reckitt Benckiser, Verizon, Bristol-Myers Squibb and Hong Kong Exchanges and Clearing (HKEX). Consumer-goods giant Reckitt Benckiser is exposed to some of the faster-growing categories in the household personal-care sector and boasts strong brands

with robust market positions. Following significant reinvestment, we are positive on the prospects of the company delivering improved operational performance. Verizon is the largest wireless provider in the US. The company offers wireline services to the US and businesses globally, and is investing heavily in 5G. We feel that there is upside to Verizon's revenue growth if it can generate traction in fixed wireless broadband and business connectivity. This revenue growth is already healthy, helped by the company's lower-priced unlimited plans. Pharmaceutical company Bristol-Myers Squibb develops innovative medicines in areas such as oncology, cardiovascular, immunoscience and fibrosis. Its revenues had been proving resilient and we felt its proposed acquisition of Celgene could boost returns, as it promoted sustained research-and-development investment and a more attractive development pipeline. The company later outperformed on solid results from an early clinical trial of a new cancer treatment, which was acquired as part of the takeover. HKEX is the operator of the only stock and futures exchange in Hong Kong. While average daily volumes are important to shorter-term performance, we believe there are structural factors that should drive growth over the long term; HKEX's broadening product suite and infrastructure improvement should help the company benefit from rising capital flows into China over time, as the country's weighting in global indices rises.

We sold Emerson Electric following a period of performance which saw the shares of the manufacturing company exceed our price target. Altria was also sold after a period of strong performance, amid concerns around elevated pressure on volumes, market share and increased medium-term investment needs. We also exited Tokyo Electron. Shares surged against an improving backdrop for demand in its industry, and attendant upgrades to the company's forecasts. Following these developments, we felt that better risk-reward opportunities existed elsewhere in the market.

After the turbulence earlier this year, investors have more recently shown a willingness to look beyond the coronavirus outbreak to the recovery from the pandemic, following the unprecedented reactions by governments, central banks, businesses and consumers around the globe. While unknowns remain, the indiscriminate market selloffs have already created opportunities to invest in sources of quality income – companies with high, rising and sustainable dividend streams – at attractive valuations. In a world which looks set to remain 'lower for longer', particularly given the scale of recent economic interventions, we reiterate our view that disciplined capital allocators offering a compelling blend of income and growth should remain attractive to investors, and that dividends are an underappreciated signal of investment quality. Style-driven rotations have also left the top two quintiles of companies by dividend yield cheaply valued relative to their own history and to their lower-dividend-paying peers. This should make these sources of quality income all the more appealing.

### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(26,791)	128
Revenue	3	11,968	47,943
Expenses	4	(2,664)	(9,430)
Interest payable and similar charges	5	(2)	(12)
Net revenue before taxation		9,302	38,501
Taxation	6	(1,187)	(5,247)
Net revenue after taxation		8,115	33,254
<b>Total return before distributions</b>		<b>(18,676)</b>	<b>33,382</b>
Distributions	7	(10,371)	(41,375)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(29,047)</b>	<b>(7,993)</b>

### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
<b>Investments</b>		216,936	390,258
<b>Current assets:</b>			
Debtors	8	3,528	1,927
Cash and bank balances	9	2,403	3,833
Cash equivalents**		5,600	3,468
<b>Total assets</b>		<b>228,467</b>	<b>399,486</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(1,596)	(2,683)
Other creditors	10	(469)	(1,105)
<b>Total liabilities</b>		<b>(2,065)</b>	<b>(3,788)</b>
<b>Net assets attributable to shareholders</b>		<b>226,402</b>	<b>395,698</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	395,698	1,656,376
Amounts receivable on the issue of shares	37,778	1,085,878
Amounts payable on the cancellation of shares	(180,289)	(1,252,624)
Amounts payable on inspecie transfers	–	(1,100,457)
	(142,511)	(1,267,203)
Dilution adjustment	38	124
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(29,047)	(7,993)
Retained distribution on accumulation shares	2,224	14,394
<b>Closing net assets attributable to shareholders</b>	<b>226,402</b>	<b>395,698</b>

### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.4063	–	1.4063	1.5890
01/08/19 to 31/10/19	1.0496	–	1.0496	1.0032
01/11/19 to 31/01/20	0.8460	–	0.8460	0.9219
01/02/20 to 30/04/20	1.1853	–	1.1853	1.1518
<b>Group 2</b>				
01/05/19 to 31/07/19	0.2024	1.2039	1.4063	1.5890
01/08/19 to 31/10/19	0.2256	0.8240	1.0496	1.0032
01/11/19 to 31/01/20	0.4121	0.4339	0.8460	0.9219
01/02/20 to 30/04/20	0.4089	0.7764	1.1853	1.1518
<b>Total distributions in the period</b>			<b>4.4872</b>	<b>4.6659</b>

\*In pound Sterling and against UK peer group (See Performance summary on pages 197).

\*\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

# Threadneedle Global Equity Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/05/19	0.6364	–	0.6364	0.8488
01/06/19 to 30/06/19	0.4885	–	0.4885	0.4378
01/07/19 to 31/07/19	0.0862	–	0.0862	0.0832
01/08/19 to 31/08/19	0.4725	–	0.4725	0.4719
01/09/19 to 30/09/19	0.3147	–	0.3147	0.2796
01/10/19 to 31/10/19	0.1170	–	0.1170	0.1140
01/11/19 to 30/11/19	0.2399	–	0.2399	0.3160
01/12/19 to 31/12/19	0.4157	–	0.4157	0.3680
01/01/20 to 31/01/20	0.0736	–	0.0736	0.1114
01/02/20 to 29/02/20	0.2459	–	0.2459	0.2868
01/03/20 to 31/03/20	0.5256	–	0.5256	0.4208
01/04/20 to 30/04/20	0.2534	–	0.2534	0.4173
<b>Total distributions in the period</b>			<b>3.8694</b>	<b>4.1556</b>

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 2</b>				
01/05/19 to 31/05/19	–	0.6364	0.6364	0.8488
01/06/19 to 30/06/19	–	0.4885	0.4885	0.4378
01/07/19 to 31/07/19	–	0.0862	0.0862	0.0832
01/08/19 to 31/08/19	0.0025	0.4700	0.4725	0.4719
01/09/19 to 30/09/19	0.0047	0.3100	0.3147	0.2796
01/10/19 to 31/10/19	–	0.1170	0.1170	0.1140
01/11/19 to 30/11/19	–	0.2399	0.2399	0.3160
01/12/19 to 31/12/19	–	0.4157	0.4157	0.3680
01/01/20 to 31/01/20	0.0036	0.0700	0.0736	0.1114
01/02/20 to 29/02/20	–	0.2459	0.2459	0.2868
01/03/20 to 31/03/20	–	0.5256	0.5256	0.4208
01/04/20 to 30/04/20	0.0041	0.2493	0.2534	0.4173
<b>Total distributions in the period</b>			<b>3.8694</b>	<b>4.1556</b>

### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	2.3374	–	2.3374	2.5515
01/08/19 to 31/10/19	1.7598	–	1.7598	1.6297
01/11/19 to 31/01/20	1.4276	–	1.4276	1.5109
01/02/20 to 30/04/20	2.0173	–	2.0173	1.8972
<b>Group 2</b>				
01/05/19 to 31/07/19	1.1986	1.1388	2.3374	2.5515
01/08/19 to 31/10/19	1.0035	0.7563	1.7598	1.6297
01/11/19 to 31/01/20	1.4015	0.0261	1.4276	1.5109
01/02/20 to 30/04/20	0.7630	1.2543	2.0173	1.8972
<b>Total distributions in the period</b>			<b>7.5421</b>	<b>7.5893</b>

### Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.1715	–	1.1715	1.3318
01/08/19 to 31/10/19	0.8862	–	0.8862	0.8509
01/11/19 to 31/01/20	0.7141	–	0.7141	0.7716
01/02/20 to 30/04/20	1.0227	–	1.0227	0.9588
<b>Group 2</b>				
01/05/19 to 31/07/19	1.1715	–	1.1715	1.3318
01/08/19 to 31/10/19	0.8862	–	0.8862	0.8509
01/11/19 to 31/01/20	0.7141	–	0.7141	0.7716
01/02/20 to 30/04/20	1.0227	–	1.0227	0.9588
<b>Total distributions in the period</b>			<b>3.7945</b>	<b>3.9131</b>

### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.5132	–	1.5132	1.6984
01/08/19 to 31/10/19	1.1384	–	1.1384	1.0839
01/11/19 to 31/01/20	0.9244	–	0.9244	0.9933
01/02/20 to 30/04/20	1.2816	–	1.2816	1.2405
<b>Group 2</b>				
01/05/19 to 31/07/19	0.4518	1.0614	1.5132	1.6984
01/08/19 to 31/10/19	0.3740	0.7644	1.1384	1.0839
01/11/19 to 31/01/20	0.4083	0.5161	0.9244	0.9933
01/02/20 to 30/04/20	0.6221	0.6595	1.2816	1.2405
<b>Total distributions in the period</b>			<b>4.8576</b>	<b>5.0161</b>

### Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	0.9872	–	0.9872	1.2070
01/08/19 to 31/10/19	0.7298	–	0.7298	0.7515
01/11/19 to 31/01/20	0.5884	–	0.5884	0.6753
01/02/20 to 30/04/20	0.8043	–	0.8043	0.8291
<b>Group 2</b>				
01/05/19 to 31/07/19	0.5872	0.4000	0.9872	1.2070
01/08/19 to 31/10/19	0.7298	–	0.7298	0.7515
01/11/19 to 31/01/20	0.5884	–	0.5884	0.6753
01/02/20 to 30/04/20	0.8043	–	0.8043	0.8291
<b>Total distributions in the period</b>			<b>3.1097</b>	<b>3.4629</b>

### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	2.5414	–	2.5414	2.7501
01/08/19 to 31/10/19	1.9252	–	1.9252	1.7755
01/11/19 to 31/01/20	1.5749	–	1.5749	1.6478
01/02/20 to 30/04/20	2.2120	–	2.2120	2.0626
<b>Group 2</b>				
01/05/19 to 31/07/19	1.1996	1.3418	2.5414	2.7501
01/08/19 to 31/10/19	1.5385	0.3867	1.9252	1.7755
01/11/19 to 31/01/20	1.5393	0.0356	1.5749	1.6478
01/02/20 to 30/04/20	1.0329	1.1791	2.2120	2.0626
<b>Total distributions in the period</b>			<b>8.2535</b>	<b>8.2360</b>

### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.3548	–	1.3548	1.4998
01/08/19 to 31/10/19	1.0362	–	1.0362	0.9689
01/11/19 to 31/01/20	0.8351	–	0.8351	0.8682
01/02/20 to 30/04/20	1.1607	–	1.1607	1.1212
<b>Group 2</b>				
01/05/19 to 31/07/19	0.9848	0.3700	1.3548	1.4998
01/08/19 to 31/10/19	0.1143	0.9219	1.0362	0.9689
01/11/19 to 31/01/20	0.8351	–	0.8351	0.8682
01/02/20 to 30/04/20	0.5507	0.6100	1.1607	1.1212
<b>Total distributions in the period</b>			<b>4.3868</b>	<b>4.4581</b>

### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.6593	–	1.6593	1.7641
01/08/19 to 31/10/19	1.2899	–	1.2899	1.1524
01/11/19 to 31/01/20	1.0363	–	1.0363	1.0362
01/02/20 to 30/04/20	1.4709	–	1.4709	1.3723
<b>Group 2</b>				
01/05/19 to 31/07/19	1.6593	–	1.6593	1.7641
01/08/19 to 31/10/19	1.2899	–	1.2899	1.1524
01/11/19 to 31/01/20	1.0363	–	1.0363	1.0362
01/02/20 to 30/04/20	1.4709	–	1.4709	1.3723
<b>Total distributions in the period</b>			<b>5.4564</b>	<b>5.3250</b>

### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.5353	–	1.5353	1.7229
01/08/19 to 31/10/19	1.1479	–	1.1479	1.0904
01/11/19 to 31/01/20	0.9271	–	0.9271	1.0036
01/02/20 to 30/04/20	1.3018	–	1.3018	1.2547
<b>Group 2</b>				
01/05/19 to 31/07/19	0.5220	1.0133	1.5353	1.7229
01/08/19 to 31/10/19	0.4597	0.6882	1.1479	1.0904
01/11/19 to 31/01/20	0.4587	0.4684	0.9271	1.0036
01/02/20 to 30/04/20	0.5912	0.7106	1.3018	1.2547
<b>Total distributions in the period</b>			<b>4.9121</b>	<b>5.0716</b>

### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.6351	–	1.6351	1.7730
01/08/19 to 31/10/19	1.2338	–	1.2338	1.1345
01/11/19 to 31/01/20	1.0040	–	1.0040	1.0523
01/02/20 to 30/04/20	1.4183	–	1.4183	1.3248
<b>Group 2</b>				
01/05/19 to 31/07/19	0.6525	0.9826	1.6351	1.7730
01/08/19 to 31/10/19	0.5238	0.7100	1.2338	1.1345
01/11/19 to 31/01/20	0.4908	0.5132	1.0040	1.0523
01/02/20 to 30/04/20	0.8118	0.6065	1.4183	1.3248
<b>Total distributions in the period</b>			<b>5.2912</b>	<b>5.2846</b>

### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 31/07/19	1.2072	–	1.2072	1.3596
01/08/19 to 31/10/19	0.9137	–	0.9137	0.8731
01/11/19 to 31/01/20	0.7395	–	0.7395	0.7919
01/02/20 to 30/04/20	1.0594	–	1.0594	0.9839
<b>Group 2</b>				
01/05/19 to 31/07/19	1.2072	–	1.2072	1.3596
01/08/19 to 31/10/19	0.9137	–	0.9137	0.8731
01/11/19 to 31/01/20	0.7395	–	0.7395	0.7919
01/02/20 to 30/04/20	1.0594	–	1.0594	0.9839
<b>Total distributions in the period</b>			<b>3.9198</b>	<b>4.0085</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2019 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	137.94	133.72	135.91	137.60		
Return before operating charges (p)	(10.38)	11.08	4.76	(1.90)		
Operating charges (p)	(2.29)	(2.19)	(2.25)	(1.13)		
Return after operating charges (p)*	(12.67)	8.89	2.51	(3.03)		
Distributions (p)	(4.49)	(4.67)	(4.70)	(2.92)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	120.78	137.94	133.72	131.65		
*after direct transaction costs of (p)	0.14	0.10	0.16	0.05		
<b>Performance</b>						
Return after charges (%)	(9.19)	6.65	1.85	(2.20)		
<b>Other information</b>						
Closing net asset value (£000)	5,749	23,161	121,197	–		
Closing number of shares	4,759,626	16,791,003	90,637,264	–		
Operating charges (%)**	1.64	1.62	1.63	–		
Direct transaction costs (%)***	0.10	0.07	0.11	–		
<b>Prices</b>						
Highest share price (p)	149.51	142.52	144.13	142.52		
Lowest share price (p)	107.12	123.61	127.89	130.39		
	Class 1 USD – Income shares			Class 1 – Monthly Income shares		
	30/04/2019 <sup>1</sup>			30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	137.60			119.16	115.65	117.61
Return before operating charges (p)	(1.89)			(9.11)	9.55	4.04
Operating charges (p)	(1.13)			(1.96)	(1.88)	(1.94)
Return after operating charges (p)*	(3.02)			(11.07)	7.67	2.10
Distributions (p)	(2.92)			(3.87)	(4.16)	(4.06)
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	131.66			104.22	119.16	115.65
*after direct transaction costs of (p)	0.05			0.12	0.08	0.13
<b>Performance</b>						
Return after charges (%)	(2.19)			(9.29)	6.63	1.79
<b>Other information</b>						
Closing net asset value (£000)	–			263	808	2,049
Closing number of shares	–			252,668	678,017	1,771,578
Operating charges (%)**	–			1.64	1.62	1.63
Direct transaction costs (%)***	–			0.10	0.07	0.11
<b>Prices</b>						
Highest share price (p)	142.52			127.92	123.21	123.98
Lowest share price (p)	130.39			92.25	106.53	109.88

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Income shares		Class 1 AUD Hedged – Monthly Income shares		
	23/11/2018 <sup>2</sup>	30/04/2018	23/11/2018 <sup>2</sup>	30/04/2018	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	114.26	111.14	114.07	114.99	
Return before operating charges (p)	(3.03)	8.97	(3.43)	5.14	
Operating charges (p)	(1.05)	(1.89)	(1.04)	(1.97)	
Return after operating charges (p)*	(4.08)	7.08	(4.47)	3.17	
Distributions (p)	(2.43)	(3.96)	(2.43)	(4.09)	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	107.75	114.26	107.17	114.07	
*after direct transaction costs of (p)	0.05	0.13	0.04	0.14	
<b>Performance</b>					
Return after charges (%)	(3.57)	6.37	(3.92)	2.76	
<b>Other information</b>					
Closing net asset value (£000)	–	6,332	–	175	
Closing number of shares	–	5,541,743	–	153,602	
Operating charges (%)**	–	1.63	–	1.62	
Direct transaction costs (%)***	–	0.11	–	0.11	
<b>Prices</b>					
Highest share price (p)	117.86	124.27	119.13	130.80	
Lowest share price (p)	106.15	110.15	102.73	110.18	
	Class 1 SGD Hedged – Monthly Income shares		Class 1 – Accumulation shares		
	23/11/2018 <sup>2</sup>	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	118.53	115.36	229.25	214.77	210.96
Return before operating charges (p)	(3.13)	9.23	(18.14)	18.03	7.34
Operating charges (p)	(1.08)	(1.96)	(3.80)	(3.55)	(3.53)
Return after operating charges (p)*	(4.21)	7.27	(21.94)	14.48	3.81
Distributions (p)	(2.52)	(4.10)	(7.54)	(7.59)	(7.40)
Retained distributions on accumulation shares (p)	–	–	7.54	7.59	7.40
Closing net asset value per share (p)	111.80	118.53	207.31	229.25	214.77
*after direct transaction costs of (p)	(0.05)	0.14	0.23	0.16	0.25
<b>Performance</b>					
Return after charges (%)	(3.55)	6.30	(9.57)	6.74	1.81
<b>Other information</b>					
Closing net asset value (£000)	–	1,552	9,774	7,341	68,140
Closing number of shares	–	1,309,709	4,714,558	3,201,991	31,726,139
Operating charges (%)**	–	1.64	1.64	1.62	1.63
Direct transaction costs (%)***	–	0.11	0.10	0.07	0.11
<b>Prices</b>					
Highest share price (p)	122.24	128.23	248.54	231.52	227.77
Lowest share price (p)	109.42	113.52	182.10	202.29	203.30

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares	
	23/11/2018 <sup>1</sup>			23/11/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	221.01			221.01	
Return before operating charges (p)	(3.69)			(3.70)	
Operating charges (p)	(1.83)			(1.83)	
Return after operating charges (p)*	(5.52)			(5.53)	
Distributions (p)	(4.72)			(4.72)	
Retained distributions on accumulation shares (p)	4.72			4.72	
Closing net asset value per share (p)	215.49			215.48	
*after direct transaction costs of (p)	0.08			0.08	
<b>Performance</b>					
Return after charges (%)	(2.50)			(2.50)	
<b>Other information</b>					
Closing net asset value (£000)	–			–	
Closing number of shares	–			–	
Operating charges (%)**	–			–	
Direct transaction costs (%)***	–			–	
<b>Prices</b>					
Highest share price (p)	231.52			231.52	
Lowest share price (p)	211.81			211.80	
	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares	
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>2</sup>	30/04/2018
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	112.67	112.70	113.91	135.40	127.35
Return before operating charges (p)	(6.78)	1.80	0.72	(3.98)	10.25
Operating charges (p)	(1.88)	(1.83)	(1.93)	(1.25)	(2.20)
Return after operating charges (p)*	(8.66)	(0.03)	(1.21)	(5.23)	8.05
Distributions (p)	(3.79)	(3.91)	(4.03)	(2.90)	(4.59)
Retained distributions on accumulation shares (p)	3.79	3.91	4.03	2.90	4.59
Closing net asset value per share (p)	104.01	112.67	112.70	130.17	135.40
*after direct transaction costs of (p)	0.12	0.08	0.13	0.05	0.15
<b>Performance</b>					
Return after charges (%)	(7.69)	(0.03)	(1.06)	(3.86)	6.32
<b>Other information</b>					
Closing net asset value (£000)	10	11	11	–	1,037
Closing number of shares	10,000	10,000	10,000	–	765,943
Operating charges (%)**	1.62	1.62	1.63	–	1.63
Direct transaction costs (%)***	0.10	0.07	0.11	–	0.11
<b>Prices</b>					
Highest share price (p)	125.50	121.64	126.73	141.30	144.90
Lowest share price (p)	90.30	103.35	110.42	127.27	126.45

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR – Income shares		
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	145.67	140.60	142.25	144.77		
Return before operating charges (p)	(11.11)	11.60	4.91	(2.08)		
Operating charges (p)	(1.56)	(1.51)	(1.52)	(0.77)		
Return after operating charges (p)*	(12.67)	10.09	3.39	(2.85)		
Distributions (p)	(4.86)	(5.02)	(5.04)	(3.13)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	128.14	145.67	140.60	138.79		
*after direct transaction costs of (p)	0.15	0.10	0.16	0.05		
<b>Performance</b>						
Return after charges (%)	(8.70)	7.18	2.38	(1.97)		
<b>Other information</b>						
Closing net asset value (£000)	13,429	16,022	416,554	–		
Closing number of shares	10,479,986	10,998,425	296,274,681	–		
Operating charges (%)**	1.07	1.05	1.06	–		
Direct transaction costs (%)***	0.10	0.07	0.11	–		
<b>Prices</b>						
Highest share price (p)	158.05	150.01	151.37	150.02		
Lowest share price (p)	113.59	130.33	134.46	137.42		
	Class 2 USD – Income shares			Class 2 EUR Hedged – Income shares		
	23/11/2018 <sup>1</sup>			30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.77			95.63	102.95	96.52
Return before operating charges (p)	(2.07)			(12.11)	(2.84)	11.20
Operating charges (p)	(0.77)			(1.00)	(1.02)	(1.11)
Return after operating charges (p)*	(2.84)			(13.11)	(3.86)	10.09
Distributions (p)	(3.14)			(3.11)	(3.46)	(3.66)
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	138.79			79.41	95.63	102.95
*after direct transaction costs of (p)	0.05			0.09	0.07	0.12
<b>Performance</b>						
Return after charges (%)	(1.96)			(13.71)	(3.75)	10.45
<b>Other information</b>						
Closing net asset value (£000)	–			81	8	9
Closing number of shares	–			101,625	8,625	8,625
Operating charges (%)**	–			1.07	1.05	1.05
Direct transaction costs (%)***	–			0.10	0.07	0.11
<b>Prices</b>						
Highest share price (p)	150.02			102.24	104.99	113.84
Lowest share price (p)	137.42			69.53	87.83	96.45

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares	
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	244.24	227.60	222.34	234.37	
Return before operating charges (p)	(19.47)	19.10	7.69	(4.03)	
Operating charges (p)	(2.63)	(2.46)	(2.43)	(1.27)	
Return after operating charges (p)*	(22.10)	16.64	5.26	(5.30)	
Distributions (p)	(8.25)	(8.24)	(7.99)	(5.11)	
Retained distributions on accumulation shares (p)	8.25	8.24	7.99	5.11	
Closing net asset value per share (p)	222.14	244.24	227.60	229.07	
*after direct transaction costs of (p)	0.25	0.17	0.26	0.08	
<b>Performance</b>					
Return after charges (%)	(9.05)	7.31	2.37	(2.26)	
<b>Other information</b>					
Closing net asset value (£000)	6,188	9,052	87,296	–	
Closing number of shares	2,785,890	3,706,334	38,355,617	–	
Operating charges (%)**	1.07	1.06	1.06	–	
Performance fee (%)	–	–	–	–	
Direct transaction costs (%)***	0.10	0.07	0.11	–	
<b>Prices</b>					
Highest share price (p)	265.88	246.23	240.97	245.71	
Lowest share price (p)	195.01	215.12	215.36	225.06	
	Class 2 USD – Accumulation shares		Class W – Accumulation shares		
	23/11/2018 <sup>1</sup>		23/11/2018 <sup>2</sup>	30/04/2018 <sup>3</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	234.37		101.91	100.00	
Return before operating charges (p)	(4.04)		1.27	2.96	
Operating charges (p)	(1.26)		(0.61)	(1.05)	
Return after operating charges (p)*	(5.30)		0.66	1.91	
Distributions (p)	(5.11)		(2.24)	(3.50)	
Retained distributions on accumulation shares (p)	5.11		2.24	3.50	
Closing net asset value per share (p)	229.07		102.57	101.91	
*after direct transaction costs of (p)	0.08		0.04	0.12	
<b>Performance</b>					
Return after charges (%)	(2.26)		0.65	1.91	
<b>Other information</b>					
Closing net asset value (£000)	–		–	111,343	
Closing number of shares	–		–	109,258,299	
Operating charges (%)**	–		–	1.03 <sup>1</sup>	
Performance fee (%)	–		–	–	
Direct transaction costs (%)***	–		–	0.11	
<b>Prices</b>					
Highest share price (p)	245.71		110.01	107.89	
Lowest share price (p)	225.07		100.78	96.44	

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2020	30/04/2019	30/04/2018	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	133.60	127.71	127.94	162.61	150.21	145.42
Return before operating charges (p)	(10.44)	10.43	4.31	(13.25)	12.49	4.88
Operating charges (p)	(0.09)	(0.08)	(0.08)	(0.05)	(0.09)	(0.09)
Return after operating charges (p)*	(10.53)	10.35	4.23	(13.30)	12.40	4.79
Distributions (p)	(4.39)	(4.46)	(4.46)	(5.46)	(5.33)	(5.14)
Retained distributions on accumulation shares (p)	–	–	–	5.46	5.33	5.14
Closing net asset value per share (p)	118.68	133.60	127.71	149.31	162.61	150.21
*after direct transaction costs of (p)	0.14	0.09	0.15	0.17	0.11	0.17
<b>Performance</b>						
Return after charges (%)	(7.88)	8.10	3.31	(8.18)	8.26	3.29
<b>Other information</b>						
Closing net asset value (£000)	13,799	91,619	71,295	4	5	256,680
Closing number of shares	11,626,817	68,576,811	55,824,979	3,000	3,000	170,881,136
Operating charges (%)**	0.07	0.06	0.06	0.03	0.06	0.06
Direct transaction costs (%)***	0.10	0.07	0.11	0.10	0.07	0.11
<b>Prices</b>						
Highest share price (p)	145.29	136.66	137.06	178.23	163.89	158.61
Lowest share price (p)	105.08	119.11	122.02	130.94	142.75	142.06
	Class Z – Income shares			Class Z EUR – Income shares		
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	150.54	144.97	146.31	149.31		
Return before operating charges (p)	(11.52)	11.93	5.06	(2.17)		
Operating charges (p)	(1.35)	(1.29)	(1.32)	(0.66)		
Return after operating charges (p)*	(12.87)	10.64	3.74	(2.83)		
Distributions (p)	(4.91)	(5.07)	(5.08)	(3.17)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	132.76	150.54	144.97	143.31		
*after direct transaction costs of (p)	0.15	0.10	0.17	0.05		
<b>Performance</b>						
Return after charges (%)	(8.55)	7.34	2.56	(1.90)		
<b>Other information</b>						
Closing net asset value (£000)	129,425	189,770	390,807	–		
Closing number of shares	97,489,203	126,058,775	269,584,169	–		
Operating charges (%)**	0.89	0.88	0.88	–		
Direct transaction costs (%)***	0.10	0.07	0.11	–		
<b>Prices</b>						
Highest share price (p)	163.41	154.80	155.93	154.81		
Lowest share price (p)	117.64	134.56	138.59	141.85		

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Income shares			Class Z SGD Hedged – Income shares
	23/11/2018 <sup>1</sup>			23/11/2017 <sup>2</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	149.31			112.08
Return before operating charges (p)	(2.16)			10.12
Operating charges (p)	(0.66)			(0.59)
Return after operating charges (p)*	(2.82)			9.53
Distributions (p)	(3.17)			(2.09)
Retained distributions on accumulation shares (p)	–			–
Closing net asset value per share (p)	143.32			119.52
*after direct transaction costs of (p)	0.05			0.07
<b>Performance</b>				
Return after charges (%)	(1.89)			8.50
<b>Other information</b>				
Closing net asset value (£000)	–			–
Closing number of shares	–			–
Operating charges (%)**	–			–
Direct transaction costs (%)***	–			–
<b>Prices</b>				
Highest share price (p)	154.81			120.74
Lowest share price (p)	141.86			111.30
	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	30/04/2020	30/04/2019	30/04/2018	23/11/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	160.27	149.15	145.47	153.62
Return before operating charges (p)	(12.82)	12.46	5.00	(2.68)
Operating charges (p)	(1.45)	(1.34)	(1.32)	(0.69)
Return after operating charges (p)*	(14.27)	11.12	3.68	(3.37)
Distributions (p)	(5.29)	(5.28)	(5.12)	(3.28)
Retained distributions on accumulation shares (p)	5.29	5.28	5.12	3.28
Closing net asset value per share (p)	146.00	160.27	149.15	150.25
*after direct transaction costs of (p)	0.16	0.11	0.17	0.06
<b>Performance</b>				
Return after charges (%)	(8.90)	7.46	2.53	(2.19)
<b>Other information</b>				
Closing net asset value (£000)	47,669	57,889	121,887	–
Closing number of shares	32,649,408	36,119,333	81,718,586	–
Operating charges (%)**	0.89	0.88	0.88	–
Direct transaction costs (%)***	0.10	0.07	0.11	–
<b>Prices</b>				
Highest share price (p)	174.68	161.58	157.84	161.09
Lowest share price (p)	128.15	141.07	141.13	147.60

## Threadneedle Global Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares	Class Z CHF Hedged – Accumulation shares		
	23/11/2018 <sup>1</sup>	30/04/2020	30/04/2019	30/04/2018
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	153.62	115.97	115.18	115.56
Return before operating charges (p)	(2.68)	(7.07)	1.80	0.67
Operating charges (p)	(0.69)	(1.04)	(1.01)	(1.05)
Return after operating charges (p)*	(3.37)	(8.11)	0.79	(0.38)
Distributions (p)	(3.28)	(3.92)	(4.01)	(4.10)
Retained distributions on accumulation shares (p)	3.28	3.92	4.01	4.10
Closing net asset value per share (p)	150.25	107.86	115.97	115.18
*after direct transaction costs of (p)	0.05	0.12	0.08	0.14
<b>Performance</b>				
Return after charges (%)	(2.19)	(6.99)	0.69	(0.33)
<b>Other information</b>				
Closing net asset value (£000)	–	11	12	12
Closing number of shares	–	10,000	10,000	10,000
Operating charges (%)**	–	0.87	0.87	0.87
Direct transaction costs (%)***	–	0.10	0.07	0.11
<b>Prices</b>				
Highest share price (p)	161.09	129.87	124.61	129.29
Lowest share price (p)	147.60	93.57	106.11	112.80
<b>Class Z SGD Hedged – Accumulation shares</b>				
<b>23/11/2017<sup>4</sup></b>				
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	125.26			
Return before operating charges (p)	11.33			
Operating charges (p)	(0.64)			
Return after operating charges (p)*	10.69			
Distributions (p)	(2.34)			
Retained distributions on accumulation shares (p)	2.34			
Closing net asset value per share (p)	135.95			
*after direct transaction costs of (p)	0.08			
<b>Performance</b>				
Return after charges (%)	8.53			
<b>Other information</b>				
Closing net asset value (£000)	–			
Closing number of shares	–			
Operating charges (%)**	–			
Direct transaction costs (%)***	–			
<b>Prices</b>				
Highest share price (p)	136.24			
Lowest share price (p)	124.39			

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup> Commenced 15 June 2018 and closed 23 November 2018.

<sup>2</sup> Closed 23 November 2018.

<sup>3</sup> Commenced 3 May 2017.

<sup>4</sup> Closed 23 November 2017.

<sup>5</sup> The 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 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(26,804)	(137)
Forward currency contracts	50	(563)
Other (losses)/gains	(30)	837
Transaction costs	(7)	(9)
Net capital (losses)/gains	(26,791)	128

### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	1,847	5,732
Overseas dividends	10,015	41,775
Interest on short term investments	20	238
Bank interest	86	187
Subsidised expense rebate	–	11
Total revenue	11,968	47,943

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,284)	(8,354)
Registration fees	(296)	(822)
	(2,580)	(9,176)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(37)	(135)
Safe custody fees	(25)	(97)
	(62)	(232)
Other expenses:		
Regulatory fees	(5)	(5)
Audit fees	(15)	(16)
Non-audit service fees payable to auditors	(2)	(1)
	(22)	(22)
Total expenses*	(2,664)	(9,430)

\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(2)	(12)
Total interest payable and similar charges	(2)	(12)

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(1,187)	(5,247)
Total current tax (note 6b)	(1,187)	(5,247)
Total tax charge for the period	(1,187)	(5,247)
<b>b) Factors affecting taxation charge for period</b>		
Net revenue before taxation	9,302	38,501
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,860)	(7,700)

	2020	2019
	£000	£000
Effects of:		
Revenue not subject to taxation	2,146	8,367
Overseas taxes	(1,187)	(5,247)
Overseas tax expensed	23	85
Excess expenses	(309)	(752)
Current tax charge for period (note 6a)	(1,187)	(5,247)

The fund has not recognised a deferred tax asset of £2,976,744 (2019: £2,668,299) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Interim	7,634	35,475
Final	2,216	3,299
	9,850	38,774
Add: Revenue deducted on the cancellation of shares	664	10,993
Deduct: Revenue received on the creation of shares	(143)	(8,392)
Net distribution for the period	10,371	41,375
Net revenue after taxation	8,115	33,254
Annual management charge to capital	2,284	8,354
Tax relief on capitalised fees	(29)	(233)
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	–	(1)
Total distributions	10,371	41,375

Details of the distribution per share are set out in the table on pages 131 to 132.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	2,397	130
Accrued revenue	749	1,176
Foreign withholding tax recoverable	382	621
Total debtors	3,528	1,927

### 9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	–	30
Cash and bank balances	2,403	3,803
Total cash and bank balances	2,403	3,833

### 10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(279)	(811)
Accrued expenses	(11)	(29)
Amounts payable to ACD	(155)	(242)
Corporation tax payable	(24)	(23)
Total other creditors	(469)	(1,105)

### 11 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

# Threadneedle Global Equity Income Fund

## Notes to the financial statements

(continued)

### 12 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 10.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 10.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement. In addition this investment has produced a non-derivative security gain of £Nil (2019: £2).

All transactions have been entered into in the ordinary course of business on normal commercial terms.

### 13 SHAREHOLDER FUNDS

Threadneedle Global Equity Income Fund currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 133 to 140. The distribution per share class is given in the distribution table on pages 131 to 132.

All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 1 – Income shares</b>	
Opening shares	16,791,003
Shares issued	106,570
Shares redeemed	(11,998,924)
Net conversions	(139,023)
Closing shares	<u>4,759,626</u>
<b>Class 1 – Monthly Income shares</b>	
Opening shares	678,017
Shares issued	4,417
Shares redeemed	(429,766)
Net conversions	–
Closing shares	<u>252,668</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	3,201,991
Shares issued	5,204,201
Shares redeemed	(3,611,835)
Net conversions	(79,799)
Closing shares	<u>4,714,558</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

<b>Class 2 – Income shares</b>		<b>2020</b>
Opening shares		10,998,425
Shares issued		119,923
Shares redeemed		(545,518)
Net conversions		(92,844)
Closing shares		<u>10,479,986</u>
<b>Class 2 EUR Hedged – Income shares</b>		
Opening shares		8,625
Shares issued		93,000
Shares redeemed		–
Net conversions		–
Closing shares		<u>101,625</u>
<b>Class 2 – Accumulation shares</b>		
Opening shares		3,706,334
Shares issued		4,752,207
Shares redeemed		(5,622,596)
Net conversions		(50,055)
Closing shares		<u>2,785,890</u>
<b>Class X – Income shares</b>		
Opening shares		68,576,811
Shares issued		9,560,590
Shares redeemed		(66,510,584)
Net conversions		–
Closing shares		<u>11,626,817</u>
<b>Class X – Accumulation shares</b>		
Opening shares		3,000
Shares issued		–
Shares redeemed		–
Net conversions		–
Closing shares		<u>3,000</u>
<b>Class Z – Income shares</b>		
Closing shares		126,058,775
Shares issued		567,894
Shares redeemed		(29,249,472)
Net conversions		112,006
Closing shares		<u>97,489,203</u>
<b>Class Z – Accumulation shares</b>		
Opening shares		36,119,333
Shares issued		1,154,375
Shares redeemed		(4,911,145)
Net conversions		286,845
Closing shares		<u>32,649,408</u>
<b>Class Z CHF Hedged – Accumulation shares</b>		
Opening shares		10,000
Shares issued		–
Shares redeemed		–
Net conversions		–
Closing shares		<u>10,000</u>

### 14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

#### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.75% and vice versa (2019: 4.45%).

#### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

## Threadneedle Global Equity Income Fund

### Notes to the financial statements

(continued)

	Total £000
<b>Currency 2020</b>	
Australian Dollar	3,268
Brazilian Real	1,567
Canadian Dollar	5,808
Danish Krone	77
Euro	30,678
Hong Kong Dollar	5,803
Indonesian Rupiah	3,468
Japanese Yen	7,857
Norwegian Krone	107
South Korean Won	7,447
Swedish Krona	3,638
Swiss Franc	7,719
Taiwan Dollar	10,964
Thai Baht	626
US Dollar	107,615
<b>Currency 2019</b>	<b>£000</b>
Australian Dollar	19,454
Brazilian Real	5,622
Canadian Dollar	21,099
Danish Krone	77
Euro	59,078
Hong Kong Dollar	10,091
Indonesian Rupiah	3,900
Japanese Yen	30,659
Norwegian Krone	124
South Korean Won	6,845
Swedish Krona	3,486
Swiss Franc	14,541
Taiwan Dollar	15,624
Thai Baht	610
US Dollar	159,446

#### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement %	Fund movement %
<b>Currency 2020</b>		
Euro	0.88	0.12
US Dollar	3.85	1.83
<b>Currency 2019</b>		
Euro	2.26	0.34
US Dollar	5.21	2.10

#### Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
<b>2020</b>		
<b>Counterparty</b>		
J.P. Morgan	1	–
<b>2019</b>		
<b>Counterparty</b>		
J.P. Morgan	–	30

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

#### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
<b>Currency 2020</b>				
Australian Dollar	–	–	3,268	3,268
Brazilian Real	83	–	1,484	1,567
Canadian Dollar	24	–	5,784	5,808
Danish Krone	–	–	77	77
Euro	–	–	30,678	30,678
Hong Kong Dollar	–	–	5,803	5,803
Indonesian Rupiah	–	–	3,468	3,468
Japanese Yen	–	–	7,857	7,857
Norwegian Krone	–	–	107	107
South Korean Won	–	–	7,447	7,447
Swedish Krona	–	–	3,638	3,638
Swiss Franc	–	–	7,719	7,719
Taiwan Dollar	584	–	10,380	10,964
Thai Baht	626	–	–	626
UK Sterling	–	–	31,825	31,825
US Dollar	1,086	–	106,633	107,719
<b>Currency 2019</b>				
Australian Dollar	–	–	19,454	19,454
Brazilian Real	108	–	5,514	5,622
Canadian Dollar	65	–	21,034	21,099
Danish Krone	1	–	76	77
Euro	–	–	59,078	59,078
Hong Kong Dollar	–	–	10,091	10,091
Indonesian Rupiah	–	–	3,900	3,900
Japanese Yen	–	–	30,659	30,659
Norwegian Krone	1	–	123	124
South Korean Won	92	–	6,753	6,845
Swedish Krona	–	–	3,486	3,486
Swiss Franc	–	–	14,541	14,541
Taiwan Dollar	540	–	15,084	15,624
Thai Baht	610	–	–	610
UK Sterling	40	–	48,790	48,830
US Dollar	2,376	–	157,101	159,477
			<b>Financial liabilities not carrying interest</b>	<b>Total</b>
<b>Currency 2020</b>				
UK Sterling	–	–	(2,065)	(2,065)
US Dollar	–	–	(104)	(104)
<b>Currency 2019</b>				
UK Sterling	–	–	(3,788)	(3,788)
US Dollar	–	–	(31)	(31)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 30 April 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £1,000 (2019: £Nil) and a liability value of £Nil (2019: £Nil).

## Threadneedle Global Equity Income Fund

### Notes to the financial statements

(continued)

#### 15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	222,535	–	393,726	–
Level 2	1	–	–	–
	<u>222,536</u>	<u>–</u>	<u>393,726</u>	<u>–</u>

\*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

#### 16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 17 PORTFOLIO TRANSACTION COSTS

##### 30 April 2020

Purchases	Value		Commissions		Taxes	
	£000	%	£000	%	£000	%
Equities	120,052	56	0.05	97	0.08	
Collective investment schemes	<u>32,721</u>	–	–	–	–	
<b>Total</b>	<b>152,773</b>	<b>56</b>	<b>97</b>			

##### Gross purchases total:

**152,926**

Sales	Value		Commissions		Taxes	
	£000	%	£000	%	£000	%
Equities	259,763	102	0.04	57	0.02	
Collective investment schemes	30,730	–	–	–	–	
Corporate actions	<u>6,627</u>	–	–	–	–	
<b>Total</b>	<b>297,120</b>	<b>102</b>	<b>57</b>			

**Total sales net of transaction costs: 296,961**

##### Transaction costs as a percentage of average Net Assets

Commissions: 0.05%  
Taxes: 0.05%

##### 30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	%	£000	%	£000	%
Equities	513,049	298	0.06	205	0.04	
Collective investment schemes	<u>52,683</u>	–	–	–	–	
<b>Total</b>	<b>565,732</b>	<b>298</b>	<b>205</b>			

##### Gross purchases total:

**566,235**

Sales	Value		Commissions		Taxes	
	£000	%	£000	%	£000	%
Equities	741,814	380	0.05	252	0.03	
Collective investment schemes	49,142	–	–	–	–	
Inspecie transactions	<u>1,013,918</u>	–	–	–	–	
<b>Total</b>	<b>1,804,874</b>	<b>380</b>	<b>252</b>			

**Total sales net of transaction costs: 1,804,242**

##### Transaction costs as a percentage of average Net Assets

Commissions: 0.04%  
Taxes: 0.03%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.10% (30 April 2019: 0.09%), being the difference between the respective buying and selling prices for the fund's investments.

#### 18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund decreased by 1.56%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 2 EUR Hedged – Income shares	81.25	89.98	10.74%

The table below provides the net subscriptions and redemptions of shares between the year-ended 30 April 2020 and 17 July 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(50.30)
Class 2 – Accumulation shares	(37.82)

## Threadneedle Global Focus Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies worldwide.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any economic sector or geographic region, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI ACWI Index.

The MSCI ACWI Index is regarded as an appropriate representation of the share performance of large and medium-sized companies worldwide, currently with more than 2,700 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities, convertible securities, and warrants) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash.

The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class Z – Gross accumulation shares\*

Over the twelve months to 30 April 2020, the published share price of Class Z – Gross accumulation shares in the Threadneedle Global Focus Fund has risen from 120.25p to 139.28p.

For comparison, using noon prices, the performance of the Class Z share class was +15.83% compared to a return of -0.48% for the Morningstar UK Unit Trusts/OEICs – IA Global 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 All-Countries World Index (ACWI) was -1.23%.

#### Market Overview and Portfolio Activity

The (ACWI) posted a small loss in local-currency terms over the review

period. Risk appetite was strong during 2019, due to the Federal Reserve's (Fed's) dovish policy shift, generally strong corporate results, and reduced concern about world trade tensions as the US and China reached an interim deal. The mood swiftly turned negative in 2020 as COVID-19, a novel coronavirus, swept across much of the world, sparking a range of quarantine restrictions. However, stocks ended the period on a strong note, rebounding in April amid optimism that the COVID-19 pandemic was past its peak, and continued support from the Fed.

North America was the best-performing region over the period and posted a positive return, helped by the Fed's volte-face and the US-China phase-one trade deal. Until the coronavirus outbreak, the US economic backdrop remained strong, with corporate profits generally robust. Europe ex-UK equities underperformed over the period. Regional economic data remained weak, with the manufacturing slump continuing in Germany, and the French economy suffering from the ongoing strikes. Like the Fed, the European Central Bank cut interest rates and restarted its bond-purchase programme. Elsewhere, Brexit-related uncertainty caused UK equities to underperform global averages, though investors grew more confident in late 2019 due to the new UK prime minister's renegotiation of the EU withdrawal agreement and his subsequent decisive general election victory. However in 2020, the UK's exposure to travel, financials and commodities dragged on performance, due to the virus outbreak.

Emerging markets lagged global peers despite being resilient in the turbulent first quarter of 2020, as Chinese business activity staged a turnaround. That said, broader Chinese economic trends remained weak, prompting Beijing to launch new stimulus measures, including liquidity-boosting interventions by the central bank. Given their sensitivity to global risk sentiment, Japanese stocks also lagged the MSCI ACWI, owing to underwhelming economic data. However, stocks held up well in the first quarter of 2020 as Japan was perceived to have limited the spread of COVID-19 without imposing the stringent quarantine measures seen elsewhere. In response to the pandemic, the government's stimulus commitment strengthened.

Technology was one of the strongest performing sectors over the period, due to healthy results from sector heavyweights. Healthcare and consumer staples also fared well as investors generally favoured companies with defensive growth profiles in the uncertain environment. Following the COVID-19 outbreak, healthcare stocks were further buoyed as firms raced to develop tests, treatments and vaccines for the coronavirus. Cyclical areas such as energy, financials and industrials lagged on concerns around global economic growth. These were later heightened by fears over the impact of the pandemic on supply chains and consumer demand.

New purchases over the period included Novo Nordisk, Fidelity National Information Services (FIS), Comcast and Hoya. We favour pharmaceutical company Novo for its earnings resiliency against an uncertain backdrop. We believe that the company continues to offer a path of sustainable,

above-average growth, particularly given its plans to expand into new therapeutic categories. Novo was granted approval for Rybelsus by the US Food & Drug Administration (FDA) in September, which has further improved the outlook. Financial transaction company FIS recently acquired Worldpay as part of its strategy of adding fast-growing, international and merchant-acquiring businesses to the stable core processing business. The deal should bring cost and revenue synergies, as it enhances the company's already strong distribution network, leaving it better placed to capitalise on trends such as cashless transactions, e-commerce and emerging-market wealth creation. Comcast is emerging as an all-purpose entertainment content and distribution company with global reach. The company's launch of Peacock should position it well to benefit from the consumer migration to streaming services. Comcast's industry-leading execution, predictable growth, deleveraging path and stable cash returns give us conviction in the company's prospects of adding value to the portfolio over the long term. Med-tech player Hoya maintains a competitive edge over peers with its focus on research and development. Prospects for its technology business are strong as it develops higher-priced, next-generation blanks and renews data centre investment. Meanwhile, within life care, operating margins have been exceeding expectations and sales growth has been robust.

Sales included Becton Dickinson, Pernod Ricard and Aon. Medical technology company Becton Dickinson was sold as we felt that the limited visibility around timing of the FDA's approval for the company's pump-software upgrades may create a longer-term overhang for the shares. While we still like Pernod Ricard relative to other names in its sector, we feel that market projections of a 'V-shaped' recovery in earnings from the virus pandemic are overly optimistic, given the policies and consumer behaviour being observed in key markets such as India and China. The disposal of Aon reflected concerns around its planned acquisition of Willis Towers Watson.

After a turbulent start to 2020, investors have recently shown a willingness to look beyond the coronavirus outbreak to the recovery from the pandemic, following the unprecedented reactions by governments, central banks, businesses and consumers around the globe. While unknowns remain, the indiscriminate sell-offs have already created opportunities to invest in companies with the ability to weather the current storm, and win out over the long term, at compelling valuations. Our long-held belief is that there are structural factors driving a world which is 'lower for longer', including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, we remain firmly of the view that companies that can sustain above-average growth rates should remain attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to sustain high returns and earnings growth across a range of market conditions.

#### STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2019 to 30 April 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	7,289	1,218
Revenue	3	669	36
Expenses	4	(213)	(41)
Interest payable and similar charges	5	(1)	–
Net revenue/(expense) before taxation		455	(5)
Taxation	6	(65)	(4)
Net revenue/(expense) after taxation		390	(9)
<b>Total return before distributions</b>		<b>7,679</b>	<b>1,209</b>
Distributions	7	(390)	9
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,289</b>	<b>1,218</b>

#### BALANCE SHEET

as at 30 April 2020

	Notes	2020 £000	2019 £000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		82,971	29,205
<b>Current assets:</b>			
Debtors	8	1,296	114
Cash and bank balances		2,546	538
<b>Total assets</b>		<b>86,813</b>	<b>29,857</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Other creditors	9	(731)	(77)
<b>Total liabilities</b>		<b>(731)</b>	<b>(77)</b>
<b>Net assets attributable to shareholders</b>		<b>86,082</b>	<b>29,780</b>

#### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2019 to 30 April 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>29,780</b>	<b>1,650</b>
Amounts receivable on the issue of shares	91,994	28,592
Amounts payable on the cancellation of shares	(43,532)	(1,731)
	48,462	26,861
Dilution adjustment	29	7
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	7,289	1,218
Retained distribution on accumulation shares	522	44
<b>Closing net assets attributable to shareholders</b>	<b>86,082</b>	<b>29,780</b>

#### DISTRIBUTION TABLE

for the accounting period 1 May 2019 to 30 April 2020

Dividend distribution in pence per share

#### Class 2 – Gross accumulation shares

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.3330	–	0.3330	0.1892
<b>Group 2</b>				
01/05/19 to 30/04/20	0.1555	0.1775	0.3330	0.1892
<b>Total distributions in the period</b>			<b>0.3330</b>	<b>0.1892</b>

#### Class Q – Gross accumulation shares

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.7424	–	0.7424	0.4150
<b>Group 2</b>				
01/05/19 to 30/04/20	0.2069	0.5355	0.7424	0.4150
<b>Total distributions in the period</b>			<b>0.7424</b>	<b>0.4150</b>

\*In pound Sterling and against UK peer group (See Performance summary on page 197).

## Threadneedle Global Focus Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
<b>Group 1</b>			
01/05/19 to 30/04/20	0.9407	–	0.9407
<b>Group 2</b>			
01/05/19 to 30/04/20	0.4442	0.4965	0.9407
<b>Total distributions in the period</b>			<b>0.9407</b>

#### Class Z – Gross accumulation shares

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
<b>Group 1</b>				
01/05/19 to 30/04/20	0.3267	–	0.3267	0.0421
<b>Group 2</b>				
01/05/19 to 30/04/20	0.0827	0.2440	0.3267	0.0421
<b>Total distributions in the period</b>			<b>0.3267</b>	<b>0.0421</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Global Focus Fund

### Comparative Table Disclosure

	Class 2 – Gross accumulation shares			Class Q – Gross accumulation shares		
	30/04/2020	30/04/2019	30/04/2018 <sup>1</sup>	30/04/2020	30/04/2019	30/04/2018 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	120.41	102.05	100.00	120.66	102.07	100.00
Return before operating charges (p)	20.16	19.34	2.89	20.25	19.15	2.60
Operating charges (p)	(1.03)	(0.98)	(0.84)	(0.78)	(0.56)	(0.53)
Return after operating charges (p)*	19.13	18.36	2.05	19.47	18.59	2.07
Distributions (p)	(0.33)	(0.19)	(0.09)	(0.74)	(0.42)	(0.11)
Retained distributions on accumulation shares (p)	0.33	0.19	0.09	0.74	0.42	0.11
Closing net asset value per share (p)	139.54	120.41	102.05	140.13	120.66	102.07
* after direct transaction costs of (p)	0.11	0.35	0.09	0.12	0.33	0.09
<b>Performance</b>						
Return after charges (%)	15.89	17.99	2.05	16.14	18.21	2.07
<b>Other information</b>						
Closing net asset value (£000)	1	27,845	1	15,056	1	1
Closing number of shares	1,000	23,124,875	1,000	10,744,005	1,000	1,000
Operating charges (%)**	0.81	0.83	0.84 <sup>1</sup>	0.58	0.51	0.53 <sup>1</sup>
Direct transaction costs (%)***	0.09	0.30	0.09	0.09	0.30	0.09
<b>Prices</b>						
Highest share price (p)	149.50	120.75	102.24	150.07	121.00	102.25
Lowest share price (p)	116.39	101.33	98.78	116.64	101.47	98.79
	Class X – Gross accumulation shares			Class Z – Gross accumulation shares		
	30/04/2020 <sup>2</sup>			30/04/2020	30/04/2019	30/04/2018 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.00			120.23	102.06	100.00
Return before operating charges (p)	15.85			20.16	19.12	2.93
Operating charges (p)	(0.08)			(1.18)	(0.95)	(0.87)
Return after operating charges (p)*	15.77			18.98	18.17	2.06
Distributions (p)	(0.94)			(0.33)	(0.04)	(0.09)
Retained distributions on accumulation shares (p)	0.94			0.33	0.04	0.09
Closing net asset value per share (p)	115.77			139.21	120.23	102.06
* after direct transaction costs of (p)	0.10			0.12	0.33	0.09
<b>Performance</b>						
Return after charges (%)	15.77			15.79	17.80	2.06
<b>Other information</b>						
Closing net asset value (£000)	47,612			23,413	1,934	1,648
Closing number of shares	41,126,772			16,818,086	1,608,295	1,614,353
Operating charges (%)**	0.08 <sup>1</sup>			0.89	0.86	0.87 <sup>1</sup>
Direct transaction costs (%)***	0.09			0.09	0.30	0.09
<b>Prices</b>						
Highest share price (p)	123.86			149.17	120.58	102.24
Lowest share price (p)	96.64			116.21	101.24	98.78

\*\*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](http://columbiathreadneedle.com/fees).

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

<sup>1</sup>Commenced 17 April 2018.

<sup>2</sup>Commenced 23 May 2019.

<sup>1</sup>The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

# Threadneedle Global Focus Fund

## Notes to the financial statements

for the accounting period 1 May 2019 to 30 April 2020

### 1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

### 2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	7,324	1,290
Forward currency contracts	(68)	7
Other gains/(losses)	37	(79)
Transaction costs	(4)	–
Net capital gains	7,289	1,218

### 3 REVENUE

	2020	2019
	£000	£000
UK dividends	83	4
Overseas dividends	572	31
Bank interest	14	1
Total revenue	669	36

### 4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(172)	(37)
Registration fees	(27)	(4)
	(199)	(41)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(2)	–
Safe custody fees	(9)	–
	(11)	–
Other expenses:		
Audit fees	(9)	–
Non-audit service fees payable to auditors	(2)	–
Expenses cap*	8	–
	(3)	–
Total expenses**	(213)	(41)

\*Excess expenses are paid by the ACD.

\*\*Including irrecoverable VAT where applicable.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(1)	–
Total interest payable and similar charges	(1)	–

### 6 TAXATION

	2020	2019
	£000	£000
<b>a) Analysis of charge in period</b>		
Overseas taxes	(65)	(4)
Total current tax (note 6b)	(65)	(4)
Total tax charge for the period	(65)	(4)
<b>b) Factors affecting taxation charge for period</b>		
Net revenue/(expense) before taxation	455	(5)
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20%	(91)	1

Effects of:

Revenue not subject to taxation	131	7
Overseas taxes	(65)	(4)
Excess expenses	(40)	(8)
Current tax charge for period (note 6a)	(65)	(4)

The fund has not recognised a deferred tax asset of £47,813 (2019: £7,903) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

### 7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020	2019
	£000	£000
Final	522	44
	522	44
Add: Revenue deducted on the cancellation of shares	93	1
Deduct: Revenue received on the creation of shares	(225)	(54)
Net distribution for the period	390	(9)

Details of the distribution per share are set out in the table on pages 145 to 146.

### 8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	978	102
Amounts receivable from ACD	–	3
Sales awaiting settlement	231	–
Accrued revenue	80	9
Foreign withholding tax recoverable	7	–
Total debtors	1,296	114

### 9 OTHER CREDITORS

	2020	2019
	£000	£000
Purchases awaiting settlement	(713)	(59)
Accrued expenses	(2)	–
Amounts payable to ACD	(16)	(18)
Total other creditors	(731)	(77)

### 10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to apply a dilution adjustment on the purchase and/or redemption of shares. If applied, the dilution adjustment will be paid into the relevant fund. Full details of the operation of the scheme can be found in the Prospectus.

### 11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

## Threadneedle Global Focus Fund

### Notes to the financial statements

(continued)

#### 12 SHAREHOLDER FUNDS

Threadneedle Global Focus Fund currently has four share classes; Class 2, Class Q, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 2 shares	0.75%
Class Q shares	0.50%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 2 shares	0.035%
Class Q shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 147. The distribution per share class is given in the distribution table on pages 145 to 146. All classes have the same rights on winding up.

\*X Shares are not subject to an Annual Management Charge.

#### Reconciliation of shares

	2020
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	23,124,875
Shares issued	6,875,459
Shares redeemed	(29,999,334)
Net conversions	–
Closing shares	1,000
<b>Class Q – Gross accumulation shares</b>	
Opening shares	1,000
Shares issued	12,261,521
Shares redeemed	(1,518,516)
Net conversions	–
Closing shares	10,744,005
<b>Class X – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	41,126,772
Shares redeemed	–
Net conversions	–
Closing shares	41,126,772
<b>Class Z – Gross accumulation shares</b>	
Opening shares	1,608,295
Shares issued	16,895,830
Shares redeemed	(1,686,039)
Net conversions	–
Closing shares	16,818,086

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

#### 13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

##### Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.45% and vice versa (2019: 5.27%).

##### Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

Currency 2020	Total £000
Australian Dollar	420
Danish Krone	3,229
Euro	4,836
Hong Kong Dollar	2,134
Indian Rupee	2,779
Japanese Yen	5,592
South Korean Won	1,636
Swedish Krona	864
Swiss Franc	1,394
Taiwan Dollar	1,048
US Dollar	61,138

Currency 2019	£000
Euro	3,074
Hong Kong Dollar	1,505
Indian Rupee	2,027
Indonesian Rupiah	172
Japanese Yen	811
Swedish Krona	474
Taiwan Dollar	322
US Dollar	20,702

##### Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Currency 2020	Currency movement %	Fund movement %
US Dollar	3.85	2.73
Currency 2019	Currency movement %	Fund movement %
Euro	2.26	0.23
US Dollar	5.21	3.62

##### Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

##### Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

##### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Australian Dollar	–	–	420	420
Danish Krone	–	–	3,261	3,261
Euro	1	–	4,835	4,836
Hong Kong Dollar	–	–	2,272	2,272
Indian Rupee	–	–	2,815	2,815
Japanese Yen	–	–	5,613	5,613
South Korean Won	–	–	1,644	1,644
Swedish Krona	10	–	932	942
Swiss Franc	–	–	1,402	1,402
Taiwan Dollar	–	–	1,080	1,080
UK Sterling	18	–	1,013	1,031
US Dollar	2,517	–	59,139	61,656

## Threadneedle Global Focus Fund

### Notes to the financial statements

(continued)

Currency 2019	£000	£000	£000	£000
Euro	–	–	3,089	3,089
Hong Kong Dollar	–	–	1,505	1,505
Indian Rupee	–	–	2,027	2,027
Indonesian Rupiah	1	–	171	172
Japanese Yen	–	–	811	811
Swedish Krona	–	–	474	474
Taiwan Dollar	–	–	322	322
UK Sterling	14	–	697	711
US Dollar	523	–	20,223	20,746

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Danish Krone	–	–	(32)	(32)
Hong Kong Dollar	–	–	(138)	(138)
Indian Rupee	–	–	(36)	(36)
Japanese Yen	–	–	(21)	(21)
South Korean Won	–	–	(8)	(8)
Swedish Krona	–	–	(78)	(78)
Swiss Franc	–	–	(8)	(8)
Taiwan Dollar	–	–	(32)	(32)
UK Sterling	–	–	(19)	(19)
US Dollar	–	–	(518)	(518)

Currency 2019	£000	£000	£000	£000
Euro	–	–	(15)	(15)
UK Sterling	–	–	(18)	(18)
US Dollar	–	–	(44)	(44)

#### Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

#### 14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

**Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

**Level 2** – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

**Level 3** – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	82,971	–	29,205	–
	82,971	–	29,205	–

#### 15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

#### 16 PORTFOLIO TRANSACTION COSTS

##### 30 April 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases	71,067	19	0.03	18	0.03
Equities	71,067	19	0.03	18	0.03
Total	71,067	19		18	
Gross purchases total:	71,104				

	Value £000	Commissions £000	%	Taxes £000	%
Sales	24,677	9	0.04	3	0.01
Equities	24,677	9	0.04	3	0.01
Total	24,677	9		3	

Total sales net of transaction costs: **24,665**

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.04%

##### 30 April 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases	28,767	5	0.02	8	0.03
Equities	28,767	5	0.02	8	0.03
Corporate actions	16	–	–	–	–
Total	28,783	5		8	

Gross purchases total: **28,796**

	Value £000	Commissions £000	%	Taxes £000	%
Sales	2,426	1	0.04	–	–
Equities	2,426	1	0.04	–	–
Corporate actions	1	–	–	–	–
Total	2,427	1		–	

Total sales net of transaction costs: **2,426**

#### Transaction costs as a percentage of average Net Assets

Commissions:	0.12%
Taxes:	0.18%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.08% (30 April 2019: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

#### 17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 17 July 2020, the net asset value of the Fund increased by 52.00%.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 17 July and the percentage movement in that period:

Share class	Net asset value per share (p)		
	30 April 2020	17 July 2020	% Movement
Class 2 – Gross accumulation shares	139.61	154.02	10.32%
Class Q – Gross accumulation shares	140.21	154.76	10.38%
Class X – Gross accumulation shares	115.83	127.99	10.50%
Class Z – Gross accumulation shares	139.29	153.63	10.30%

**Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Threadneedle Specialist Investment Funds ICVC (the Company) for the Period ended 30 April 2020**

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank Europe plc,  
UK Branch  
21 July 2020

## Independent auditors' report to the Shareholders of Threadneedle Specialist Investment Funds ICVC

### Report on the audit of the financial statements

#### Opinion

In our opinion, the financial statements of Threadneedle Specialist Investment Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2020 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Specialist Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with 18 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 30 April 2020; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

#### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities Statement set out on page 151, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit

#### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

## Threadneedle UK Mid 250 Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 0.00% (2.01%)</b>				<b>HEALTH CARE 6.54% (7.83%)</b>			
	Oil Equipment, Services & Distribution	0.00%	(2.01%)		Health Care Equipment & Services	2.56%	(1.66%)
	<b>Total Oil &amp; Gas</b>	–	–	625,135	Convatec Group	1,327	2.56
<b>BASIC MATERIALS 2.06% (3.10%)</b>				<b>Pharmaceuticals &amp; Biotechnology 3.98% (6.17%)</b>			
	Chemicals	2.06%	(3.10%)	122,457	<sup>†</sup> Clinigen Group	884	1.70
523,372	Elementis	366	0.70	34,587	Genus	1,180	2.28
248,389	Synthomer	704	1.36		<b>Total Health Care</b>	<b>3,391</b>	<b>6.54</b>
	<b>Total Basic Materials</b>	<b>1,070</b>	<b>2.06</b>	<b>CONSUMER SERVICES 23.57% (14.62%)</b>			
<b>INDUSTRIALS 22.53% (31.33%)</b>				<b>General Retailers 6.53% (0.00%)</b>			
	Construction & Materials	3.84%	(5.25%)	139,651	Homeserve	1,557	3.00
1,490,458	<sup>†</sup> Breedon Aggregates	1,276	2.46	221,925	Howden Joinery Group	1,166	2.25
111,891	Marshalls	713	1.38	258,454	Pets at Home Group	662	1.28
	Aerospace & Defence	3.84%	(2.04%)	<b>Media 9.02% (7.52%)</b>			
28,845	Avon Rubber	764	1.47	349,743	Ascential	885	1.71
404,728	QinetiQ Group	1,230	2.37	99,676	Euromoney Institutional Investor	821	1.58
	General Industrials	0.00%	(1.98%)	128,825	Future	1,311	2.53
	Electronic & Electrical Equipment	4.13%	(4.15%)	58,194	<sup>†</sup> GlobalData	698	1.35
61,127	Oxford Instruments	748	1.44	542,980	S4 Capital	961	1.85
52,328	Spectris	1,395	2.69	<b>Travel &amp; Leisure 8.02% (7.10%)</b>			
	Industrial Engineering	4.35%	(6.58%)	1,014,221	Cineworld Group	657	1.27
442,644	Rotork	1,100	2.12	359,484	Domino's Pizza Group	1,237	2.39
120,978	Weir Group	1,155	2.23	118,715	Jackpotjoy	1,039	2.00
	Support Services	6.37%	(11.33%)	437,676	SSP Group	1,226	2.36
137,786	Essentra	384	0.74		<b>Total Consumer Services</b>	<b>12,220</b>	<b>23.57</b>
123,850	Grafton Group	785	1.52	<b>FINANCIALS 14.67% (11.21%)</b>			
157,253	PayPoint	1,038	2.00	<b>Life Insurance 0.00% (2.10%)</b>			
848,677	Serco Group	1,092	2.11	<b>Real Estate Investment &amp; Services 2.56% (0.00%)</b>			
	<b>Total Industrials</b>	<b>11,680</b>	<b>22.53</b>	496,247	Grainger	1,325	2.56
<b>CONSUMER GOODS 17.14% (12.97%)</b>				<b>Real Estate Investment Trusts 0.90% (0.00%)</b>			
	Beverages	3.36%	(4.00%)	59,683	Workspace Group	466	0.90
238,105	Britvic	1,743	3.36	<b>Financial Services 10.75% (8.41%)</b>			
	Food Producers	3.85%	(3.46%)	253,885	AJ Bell	1,000	1.93
37,875	Cranswick	1,407	2.71	130,483	Intermediate Capital Group	1,471	2.84
176,816	<sup>†</sup> Hotel Chocolat Group	592	1.14	386,387	OneSavings Bank	941	1.81
	Household Goods & Home Construction	5.42%	(1.86%)	281,273	Paragon Banking Group	938	1.81
48,068	Bellway	1,280	2.47	992,579	Quilter	1,223	2.36
91,400	Bovis Homes Group	738	1.42	<b>Equity Investment Instruments 0.46% (0.60%)</b>			
309,720	Crest Nicholson Holdings	795	1.53	176,765	Electra Private Equity	239	0.46
	Leisure Goods	4.18%	(1.24%)	<b>Nonequity Investment Instruments 0.00% (0.10%)</b>			
200,874	<sup>†</sup> Codemasters Group Holdings	546	1.05	67,908	Wilmcote Holdings	1	–
19,970	Games Workshop Group	1,198	2.31		<b>Total Financials</b>	<b>7,604</b>	<b>14.67</b>
74,474	<sup>†</sup> Team17 Group	422	0.82	<b>TECHNOLOGY 9.81% (12.83%)</b>			
	Personal Goods	0.33%	(2.41%)	<b>Software &amp; Computer Services 7.60% (9.85%)</b>			
110,119	Ted Baker	168	0.33	15,803	AVEVA Group	564	1.09
	<b>Total Consumer Goods</b>	<b>8,889</b>	<b>17.14</b>	111,013	<sup>†</sup> Blue Prism Group	1,438	2.77
				109,565	FDM Group Holdings IPO	819	1.58
				43,552	<sup>†</sup> First Derivatives	1,119	2.16

## Threadneedle UK Mid 250 Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 9.81% (12.83%) (continued)</b>			
	<b>Technology Hardware &amp; Equipment 2.21% (2.98%)</b>		
476,363	Spirent Communications	1,148	2.21
	<b>Total Technology</b>	<b>5,088</b>	<b>9.81</b>
<b>Total value of investments</b>		<b>49,942</b>	<b>96.32</b>
<b>Net other assets (4.10%)</b>		<b>1,908</b>	<b>3.68</b>
<b>Net assets</b>		<b>51,850</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.71% (1.97%)</b>				<b>CONSUMER SERVICES 15.11% (17.82%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 1.82% (0.92%)</b>			101,959	GlaxoSmithKline	1,721	7.53
85,500	John Wood Group	174	0.76	269,586	Vectura Group	232	1.01
211,630	<sup>†</sup> Tekmar Group	243	1.06	<b>Total Health Care</b>			
	<b>Alternative Energy 1.89% (1.05%)</b>			<b>4,486 19.62</b>			
74,140	<sup>†</sup> Ceres Power Holdings	309	1.35	<b>CONSUMER SERVICES 15.11% (17.82%)</b>			
306,648	<sup>†</sup> Ilika	123	0.54	<b>Media 7.79% (9.32%)</b>			
<b>Total Oil &amp; Gas</b>				115,971	Ascential	294	1.29
<b>849 3.71</b>				20,785	Future	213	0.93
				370,645	ITV	294	1.29
				52,765	RELX (London Listing)	979	4.28
<b>BASIC MATERIALS 3.15% (4.23%)</b>				<b>Travel &amp; Leisure 7.32% (8.50%)</b>			
<b>Chemicals 3.15% (4.23%)</b>				48,150	Compass Group	674	2.95
7,154	Croda International	349	1.52	255,659	Gym Group	415	1.81
18,246	Johnson Matthey	372	1.63	11,159	Intercontinental Hotels Group	430	1.88
<b>Total Basic Materials</b>				52,297	SSP Group	155	0.68
<b>721 3.15</b>				<b>Total Consumer Services</b>			
				<b>3,454 15.11</b>			
<b>INDUSTRIALS 12.17% (14.95%)</b>				<b>TELECOMMUNICATIONS 1.98% (3.42%)</b>			
<b>Construction &amp; Materials 1.10% (2.55%)</b>				<b>Fixed Line Telecommunications 1.98% (3.42%)</b>			
6,148	Kingspan Group (EUR)	252	1.10	381,441	BT Group	453	1.98
<b>General Industrials 0.95% (2.79%)</b>				<b>Total Telecommunications</b>			
213,382	Melrose Industries	218	0.95	<b>453 1.98</b>			
<b>Electronic &amp; Electrical Equipment 0.74% (0.00%)</b>				<b>UTILITIES 1.35% (1.26%)</b>			
6,331	Spectris	169	0.74	<b>Electricity 0.00% (0.53%)</b>			
<b>Industrial Engineering 3.28% (3.83%)</b>				<b>Gas, Water &amp; Multiutilities 1.35% (0.73%)</b>			
4,109	Spirax-Sarco Engineering	362	1.58	27,675	Pennon Group	308	1.35
39,877	Weir Group	388	1.70	<b>Total Utilities</b>			
<b>Support Services 6.10% (5.78%)</b>				<b>308 1.35</b>			
7,279	Ferguson	438	1.92	<b>FINANCIALS 21.15% (21.07%)</b>			
38,346	<sup>†</sup> Marlowe	153	0.67	<b>Banks 1.48% (0.87%)</b>			
139,691	Mears Group	230	1.01	194,619	Royal Bank of Scotland Group	219	0.96
100,369	Rentokil Initial	480	2.10	15,000	Secure Trust Bank	119	0.52
23,310	Ricardo	91	0.40	<b>Nonlife Insurance 1.27% (1.68%)</b>			
<b>Total Industrials</b>				78,471	RSA Insurance Group	291	1.27
<b>2,781 12.17</b>				<b>Life Insurance 8.40% (11.41%)</b>			
				596,778	Just Group	345	1.51
<b>CONSUMER GOODS 14.44% (8.62%)</b>				274,172	Legal & General Group	589	2.58
<b>Food Producers 0.92% (1.24%)</b>				84,070	Prudential	986	4.31
62,894	<sup>†</sup> Hotel Chocolat Group	211	0.92	<b>Real Estate Investment Trusts 1.25% (0.00%)</b>			
<b>Household Goods &amp; Home Construction 7.01% (0.68%)</b>				9,009	Derwent London	286	1.25
97,505	Countryside Properties	410	1.80	<b>Financial Services 8.75% (7.11%)</b>			
45,891	Crest Nicholson Holdings	125	0.55	101,709	<sup>†</sup> Argentex Group	142	0.62
15,947	Reckitt Benckiser Group	1,065	4.66	279,395	<sup>†</sup> Equals Group	85	0.37
<b>Personal Goods 6.51% (6.70%)</b>				117,521	John Laing Group	426	1.86
22,872	Burberry Group	327	1.43	10,336	London Stock Exchange Group	788	3.45
9,747	Ted Baker	16	0.07	170,903	M&G Prudential	231	1.01
27,600	Unilever	1,146	5.01	15,038	Schroders Non-voting	328	1.44
<b>Total Consumer Goods</b>				<b>Total Financials</b>			
<b>3,300 14.44</b>				<b>4,835 21.15</b>			
<b>HEALTH CARE 19.62% (16.67%)</b>				<b>TECHNOLOGY 4.54% (5.24%)</b>			
<b>Health Care Equipment &amp; Services 2.46% (1.53%)</b>				<b>Software &amp; Computer Services 4.54% (5.24%)</b>			
22,151	Smith & Nephew	357	1.56	591,633	<sup>†</sup> Spatial	118	0.52
1,423,333	<sup>†</sup> Totally (Suspended)	206	0.90	9,392	AVEVA Group	334	1.46
<b>Pharmaceuticals &amp; Biotechnology 17.16% (15.14%)</b>				13,689	<sup>†</sup> Blue Prism Group	176	0.77
18,908	AstraZeneca	1,600	7.00				
10,545	Genus	370	1.62				

## Threadneedle UK Sustainable Equity Fund (formerly Ethical UK Equity Fund)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 4.54% (5.24%) (continued)</b>			
33,728	FDM Group Holdings IPO	258	1.13
62,113	Shearwater Group	152	0.66
	<b>Total Technology</b>	<b>1,038</b>	<b>4.54</b>
<b>Total value of investments</b>		<b>22,225</b>	<b>97.22</b>
<b>Net other assets (4.75%)</b>		<b>636</b>	<b>2.78</b>
<b>Net assets</b>		<b>22,861</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.58% (5.19%)</b>				<b>HEALTH CARE 6.75% (6.78%)</b>			
	<b>Oil &amp; Gas Producers 2.54% (4.03%)</b>				<b>Health Care Equipment &amp; Services 1.73% (1.98%)</b>		
273,205	Royal Dutch Shell 'B' Shares	3,515	2.54	153,535	Smith & Nephew	2,392	1.73
	<b>Oil Equipment, Services &amp; Distribution 1.04% (1.16%)</b>				<b>Pharmaceuticals &amp; Biotechnology 5.02% (4.80%)</b>		
322,643	Hunting	588	0.42	418,108	GlaxoSmithKline	6,945	5.02
424,138	John Wood Group	859	0.62		<b>Total Health Care</b>	<b>9,337</b>	<b>6.75</b>
	<b>Total Oil &amp; Gas</b>	<b>4,962</b>	<b>3.58</b>				
<b>BASIC MATERIALS 8.85% (7.60%)</b>				<b>CONSUMER SERVICES 12.91% (15.16%)</b>			
	<b>Chemicals 1.90% (3.05%)</b>				<b>Food &amp; Drug Retailers 4.26% (3.31%)</b>		
633,593	Elementis	443	0.32	2,505,165	Tesco	5,890	4.26
109,742	Johnson Matthey	2,187	1.58		<b>General Retailers 2.19% (0.57%)</b>		
	<b>Mining 6.95% (4.55%)</b>			440,853	Howden Joinery Group	2,315	1.67
258,628	BHP Group	3,455	2.50	142,443	Inchcape	713	0.52
167,127	Rio Tinto	6,157	4.45		<b>Media 2.70% (2.55%)</b>		
	<b>Total Basic Materials</b>	<b>12,242</b>	<b>8.85</b>	524,179	Informa	2,300	1.66
				93,504	Informa (Placing)	374	0.27
				171,581	WPP	1,066	0.77
					<b>Travel &amp; Leisure 3.76% (8.73%)</b>		
	<b>Construction &amp; Materials 3.72% (5.34%)</b>			145,553	easyJet	878	0.63
2,623,541	'Breedon Aggregates	2,246	1.62	1,608,780	Restaurant Group	868	0.63
121,336	CRH (London Listing)	2,912	2.10	604,144	SSP Group	1,692	1.22
	<b>Aerospace &amp; Defence 0.58% (3.02%)</b>			59,492	Whitbread	1,773	1.28
243,606	Rolls-Royce Holdings	804	0.58		<b>Total Consumer Services</b>	<b>17,869</b>	<b>12.91</b>
	<b>General Industrials 1.79% (1.51%)</b>						
199,744	Smiths Group	2,476	1.79				
	<b>Electronic &amp; Electrical Equipment 0.90% (0.00%)</b>				<b>Fixed Line Telecommunications 2.71% (2.87%)</b>		
46,469	Spectris	1,239	0.90	3,234,409	BT Group	3,754	2.71
	<b>Support Services 4.43% (4.56%)</b>				<b>Total Telecommunications</b>	<b>3,754</b>	<b>2.71</b>
199,082	Aggreko	914	0.66				
55,531	Ferguson	3,185	2.30		<b>UTILITIES 1.09% (0.00%)</b>		
428,246	Rentokil Initial	2,031	1.47	120,597	<b>Electricity 1.09% (0.00%)</b>		
	<b>Total Industrials</b>	<b>15,807</b>	<b>11.42</b>		SSE	1,507	1.09
					<b>Total Utilities</b>	<b>1,507</b>	<b>1.09</b>
<b>CONSUMER GOODS 27.59% (22.30%)</b>				<b>FINANCIALS 18.23% (20.01%)</b>			
	<b>Beverages 4.96% (4.74%)</b>				<b>Banks 3.70% (4.99%)</b>		
249,490	Diageo	6,861	4.96	2,323,540	Barclays	2,460	1.78
	<b>Food Producers 2.48% (2.56%)</b>			651,130	Standard Chartered	2,653	1.92
181,520	Associated British Foods	3,435	2.48		<b>Life Insurance 6.38% (7.23%)</b>		
	<b>Household Goods &amp; Home Construction 8.09% (5.03%)</b>			516,853	Prudential	5,833	4.21
63,009	Berkeley Group Holdings	2,634	1.90	353,237	St James's Place	3,007	2.17
298,596	Crest Nicholson Holdings	767	0.55		<b>Real Estate Investment &amp; Services 2.25% (1.44%)</b>		
82,976	Persimmon	1,830	1.32	1,167,068	Grainger	3,116	2.25
90,299	Reckitt Benckiser Group	5,981	4.32		<b>Real Estate Investment Trusts 1.41% (3.47%)</b>		
	<b>Personal Goods 4.40% (3.70%)</b>			62,876	Derwent London	1,950	1.41
90,328	Burberry Group	1,256	0.91		<b>Financial Services 4.49% (2.88%)</b>		
117,695	Unilever	4,828	3.49	40,928	London Stock Exchange Group	3,052	2.21
	<b>Tobacco 7.66% (6.27%)</b>			1,047,372	M&G Prudential	1,385	1.00
215,597	British American Tobacco	6,636	4.80	83,166	Schroders Non-voting	1,771	1.28
235,872	Imperial Brands	3,959	2.86		<b>Total Financials</b>	<b>25,227</b>	<b>18.23</b>
	<b>Total Consumer Goods</b>	<b>38,187</b>	<b>27.59</b>				

## Threadneedle UK Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 1.69% (1.72%)</b>			
<b>Software &amp; Computer Services 1.69% (1.72%)</b>			
366,680	Sage Group	2,342	1.69
	<b>Total Technology</b>	<b>2,342</b>	<b>1.69</b>
<b>COLLECTIVE INVESTMENT SCHEMES 2.33% (0.00%)</b>			
<b>Liquidity Funds 2.33% (0.00%)<sup>1</sup></b>			
3,225,497	BlackRock Institutional Cash Series Sterling Liquidity Platinum	3,226	2.33
	<b>Total Collective Investment Schemes</b>	<b>3,226</b>	<b>2.33</b>
<b>DERIVATIVES 0.74% (-0.04%)</b>			
<b>Portfolio Swap 0.74% (-0.04%)</b>			
	USB Portfolio Swap	1,023	0.74
	<b>Total Derivatives</b>	<b>1,023</b>	<b>0.74</b>
<b>Total value of investments<sup>2</sup></b>		<b>135,483</b>	<b>97.89</b>
<b>Net other assets (3.98%)</b>		<b>2,918</b>	<b>2.11</b>
<b>Net assets</b>		<b>138,401</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle UK Equity Alpha Income Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 2.39% (3.87%)</b>				<b>TELECOMMUNICATIONS 2.20% (3.04%)</b>			
	<b>Oil &amp; Gas Producers 2.39% (3.87%)</b>				<b>Fixed Line Telecommunications 2.20% (3.04%)</b>		
555,035	Royal Dutch Shell 'B' Shares	7,140	2.39	5,667,535	BT Group	6,577	2.20
	<b>Total Oil &amp; Gas</b>	<b>7,140</b>	<b>2.39</b>		<b>Total Telecommunications</b>	<b>6,577</b>	<b>2.20</b>
<b>BASIC MATERIALS 1.72% (2.34%)</b>				<b>UTILITIES 5.44% (4.99%)</b>			
	<b>Chemicals 1.72% (2.34%)</b>				<b>Gas, Water &amp; Multiutilities 5.44% (4.99%)</b>		
257,696	Johnson Matthey	5,135	1.72	9,499,743	Centrica	3,790	1.27
	<b>Total Basic Materials</b>	<b>5,135</b>	<b>1.72</b>	1,137,569	Pennon Group	12,468	4.17
					<b>Total Utilities</b>	<b>16,258</b>	<b>5.44</b>
<b>INDUSTRIALS 17.36% (18.08%)</b>				<b>FINANCIALS 16.46% (18.37%)</b>			
	<b>Aerospace &amp; Defence 0.00% (3.73%)</b>				<b>Nonlife Insurance 3.25% (4.15%)</b>		
	<b>General Industrials 2.85% (2.97%)</b>			2,690,280	RSA Insurance Group	9,717	3.25
687,280	Smiths Group	8,519	2.85		<b>Life Insurance 8.67% (9.87%)</b>		
	<b>Industrial Engineering 1.93% (1.59%)</b>			4,533,048	Legal & General Group	9,275	3.11
1,800,783	Castings	5,762	1.93	2,766,256	Phoenix Group Holdings	16,625	5.56
	<b>Support Services 12.58% (9.79%)</b>				<b>Real Estate Investment Trusts 3.84% (3.29%)</b>		
2,945,085	Electrocomponents	17,008	5.69	5,907,861	Londonmetric Property REIT	11,473	3.84
4,389,682	Hays	4,758	1.59		<b>Financial Services 0.70% (1.06%)</b>		
3,340,489	Rentokil Initial	15,844	5.30	6,651,505	Sherborne Investors Guernsey	2,102	0.70
	<b>Total Industrials</b>	<b>51,891</b>	<b>17.36</b>		<b>Total Financials</b>	<b>49,192</b>	<b>16.46</b>
<b>CONSUMER GOODS 14.46% (12.60%)</b>				<b>TECHNOLOGY 6.39% (4.03%)</b>			
	<b>Food Producers 4.00% (3.60%)</b>				<b>Technology Hardware &amp; Equipment 6.39% (4.03%)</b>		
1,680,653	Tate & Lyle	11,963	4.00	7,920,769	Spirent Communications	19,089	6.39
	<b>Personal Goods 4.31% (3.37%)</b>				<b>Total Technology</b>	<b>19,089</b>	<b>6.39</b>
313,744	Unilever	12,870	4.31				
	<b>Tobacco 6.15% (5.63%)</b>			<b>COLLECTIVE INVESTMENT SCHEMES 0.50% (0.02%)</b>			
1,094,658	Imperial Brands	18,374	6.15		<b>Liquidity Funds 0.50% (0.02%)<sup>1</sup></b>		
	<b>Total Consumer Goods</b>	<b>43,207</b>	<b>14.46</b>	1,511,766	BlackRock Institutional Cash Series Sterling Liquidity Platinum	1,512	0.50
<b>HEALTH CARE 19.13% (14.25%)</b>					<b>Total Collective Investment Schemes</b>	<b>1,512</b>	<b>0.50</b>
	<b>Pharmaceuticals &amp; Biotechnology 19.13% (14.25%)</b>			<b>Total value of investments<sup>2</sup></b>			
409,518	AstraZeneca	34,080	11.41			<b>301,275</b>	<b>100.81</b>
1,389,560	GlaxoSmithKline	23,081	7.72	<b>Net other liabilities (-3.06%)</b>			
	<b>Total Health Care</b>	<b>57,161</b>	<b>19.13</b>			<b>(2,411)</b>	<b>(0.81)</b>
<b>CONSUMER SERVICES 14.76% (21.47%)</b>				<b>Net assets</b>			
	<b>Food &amp; Drug Retailers 4.79% (4.61%)</b>					<b>298,864</b>	<b>100.00</b>
7,818,972	WM Morrison Supermarkets	14,309	4.79	<i>April 2019 comparatives in brackets.</i>			
	<b>General Retailers 1.59% (3.49%)</b>			<i><sup>1</sup>Cash equivalents.</i>			
5,174,485	Marks & Spencer Group	4,766	1.59	<i><sup>2</sup>Includes Cash equivalents.</i>			
	<b>Media 4.69% (7.12%)</b>						
7,277,418	ITV	5,567	1.86				
1,838,815	Pearson	8,455	2.83				
	<b>Travel &amp; Leisure 3.69% (6.25%)</b>						
11,856,215	Restaurant Group	6,396	2.14				
6,176,549	Stagecoach Group	4,620	1.55				
	<b>Total Consumer Services</b>	<b>44,113</b>	<b>14.76</b>				

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

as at 30 April 2020

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>GOVERNMENT BONDS 14.14% (17.81%)</b>					<b>Pharmaceuticals &amp; Biotechnology 2.07% (3.49%)</b>				
<b>Government Bonds 14.14% (17.81%)</b>					252,164	GlaxoSmithKline		4,257	2.07
GBP	3,957,000	United Kingdom Gilt 0% 04/05/2020	3,957	1.92	<b>Total Health Care</b>				
GBP	15,100,000	United Kingdom Gilt 0% 11/05/2020	15,099	7.35				<b>6,731</b>	<b>3.28</b>
GBP	10,000,000	United Kingdom Gilt 0% 18/05/2020	9,999	4.87	<b>CONSUMER SERVICES 13.76% (11.56%)</b>				
<b>Total Government Bonds</b>									
			<b>29,055</b>	<b>14.14</b>	<b>Food &amp; Drug Retailers 4.69% (3.43%)</b>				
<b>OIL &amp; GAS 1.53% (3.29%)</b>					2,482,772	Tesco		5,884	2.86
<b>Oil &amp; Gas Producers 1.53% (3.29%)</b>					2,012,999	WM Morrison Supermarkets		3,762	1.83
	233,446	Royal Dutch Shell 'B' Shares	3,143	1.53	<b>Media 4.16% (4.81%)</b>				
<b>Total Oil &amp; Gas</b>									
			<b>3,143</b>	<b>1.53</b>	1,991,211	ITV		1,577	0.77
<b>BASIC MATERIALS 4.54% (4.62%)</b>					279,436	RELX (London Listing)		5,186	2.52
<b>Chemicals 0.00% (2.59%)</b>					275,498	WPP		1,792	0.87
<b>Mining 4.54% (2.03%)</b>					<b>Travel &amp; Leisure 4.91% (3.32%)</b>				
	284,541	BHP Group	3,942	1.92	251,718	Compass Group		3,525	1.72
	142,140	Rio Tinto	5,396	2.62	193,559	easyJet		1,200	0.58
<b>Total Basic Materials</b>					2,807,039	Restaurant Group		1,548	0.75
			<b>9,338</b>	<b>4.54</b>	694,431	SSP Group		2,064	1.01
<b>INDUSTRIALS 6.25% (4.71%)</b>					57,391	Whitbread		1,745	0.85
<b>Construction &amp; Materials 2.34% (1.81%)</b>					<b>Total Consumer Services</b>				
	5,627,154	<sup>1</sup> Breedon Aggregates	4,817	2.34				<b>28,283</b>	<b>13.76</b>
<b>General Industrials 0.52% (1.74%)</b>					<b>TELECOMMUNICATIONS 2.06% (2.37%)</b>				
	334,992	DS Smith	1,070	0.52	<b>Fixed Line Telecommunications 0.99% (2.37%)</b>				
<b>Electronic &amp; Electrical Equipment 0.87% (0.00%)</b>					1,710,990	BT Group		2,031	0.99
	67,319	Spectris	1,797	0.87	<b>Mobile Telecommunications 1.07% (0.00%)</b>				
<b>Industrial Engineering 1.28% (0.00%)</b>					1,875,152	Vodafone Group		2,194	1.07
	269,810	Weir Group	2,624	1.28	<b>Total Telecommunications</b>				
<b>Support Services 1.24% (1.16%)</b>								<b>4,225</b>	<b>2.06</b>
	1,163,675	Biffa	2,537	1.24	<b>UTILITIES 1.38% (0.00%)</b>				
<b>Total Industrials</b>					<b>Electricity 1.38% (0.00%)</b>				
			<b>12,845</b>	<b>6.25</b>	225,617	SSE		2,843	1.38
<b>CONSUMER GOODS 14.47% (10.58%)</b>					<b>Total Utilities</b>				
<b>Beverages 2.56% (3.12%)</b>								<b>2,843</b>	<b>1.38</b>
	189,544	Diageo	5,256	2.56	<b>FINANCIALS 16.51% (18.52%)</b>				
<b>Food Producers 1.82% (1.47%)</b>					<b>Life Insurance 5.99% (7.27%)</b>				
	525,155	Tate & Lyle	3,739	1.82	1,489,381	Legal & General Group		3,201	1.56
<b>Household Goods &amp; Home Construction 3.82% (0.00%)</b>					339,787	Prudential		3,986	1.94
	62,863	Berkeley Group Holdings	2,708	1.32	586,906	St James's Place		5,120	2.49
	88,216	Persimmon	1,963	0.95	<b>Real Estate Investment Trusts 2.42% (2.66%)</b>				
	47,596	Reckitt Benckiser Group	3,179	1.55	156,990	Derwent London		4,977	2.42
<b>Personal Goods 2.32% (2.48%)</b>					<b>Financial Services 8.10% (8.59%)</b>				
	115,042	Unilever	4,775	2.32	470,474	Intermediate Capital Group		5,462	2.66
<b>Tobacco 3.95% (3.51%)</b>					62,150	London Stock Exchange Group		4,737	2.30
	189,922	British American Tobacco	5,921	2.88	1,624,288	M&G Prudential		2,191	1.07
	128,424	Imperial Brands	2,190	1.07	195,328	Schroders Non-voting		4,258	2.07
<b>Total Consumer Goods</b>					<b>Total Financials</b>				
			<b>29,731</b>	<b>14.47</b>				<b>33,932</b>	<b>16.51</b>
<b>HEALTH CARE 3.28% (4.98%)</b>					<b>TECHNOLOGY 0.00% (1.92%)</b>				
<b>Health Care Equipment &amp; Services 1.21% (1.49%)</b>					<b>Software &amp; Computer Services 0.00% (1.92%)</b>				
	153,690	Smith & Nephew	2,474	1.21	<b>Total Technology</b>				
								-	-
<b>COLLECTIVE INVESTMENT SCHEMES 7.89% (9.36%)</b>					<b>Liquidity Funds 7.89% (9.36%)<sup>1</sup></b>				
					16,208,419	BlackRock Institutional Cash Series			
						Sterling Liquidity Platinum		16,208	7.89
<b>Total Collective Investment Schemes</b>					<b>Total Collective Investment Schemes</b>				
								<b>16,208</b>	<b>7.89</b>

## Threadneedle UK Absolute Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -2.86% (-1.07%)</b>			
<b>Futures and Options -1.35% (-0.69%)</b>			
(774)	UBS FTSE 100 Future Expiring June 2020	(2,765)	(1.35)
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell GBP 70,643		
	Buy USD 87,301 J.P. Morgan	(1)	–
<b>Portfolio Swap -1.51% (-0.38%)</b>			
	UBS Portfolio Swaps	(3,099)	(1.51)
	<b>Total Derivatives</b>	<b>(5,865)</b>	<b>(2.86)</b>
<b>Total value of investments<sup>2</sup></b>		<b>170,469</b>	<b>82.95</b>
<b>Net other assets (11.35%)</b>		<b>35,028</b>	<b>17.05</b>
<b>Net assets</b>		<b>205,497</b>	<b>100.00</b>

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	29,055	17.04
Collective Investment Schemes	16,208	9.51
Derivatives	(5,865)	(3.44)
Equity	131,071	76.89
<b>Total value of investments<sup>2</sup></b>	<b>170,469</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS FTSE 100 Future Expiring June 2020	(46,730)
<b>Total net exposure</b>	<b>(46,730)</b>

April 2019 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

### Portfolio Statement

as at 30 April 2020

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value	
<b>AUSTRALIA 1.96% (1.92%)</b>					<b>A+ 1.05% (0.00%)</b>					
<b>A 0.32% (0.65%)</b>					GBP	1,900,000	LVMH Moët Hennessy Vuitton 1.125% 11/02/2027	1,845	0.59	
GBP	710,000	BHP Billiton Finance 4.3% 25/09/2042	1,003	0.32	GBP	600,000	Total Capital International 1.405% 03/09/2031	556	0.18	
<b>A- 0.47% (0.42%)</b>					GBP	900,000	Total Capital International 1.66% 22/07/2026	886	0.28	
USD	1,721,000	SGSP Australia Assets 3.25% 29/07/2026	1,455	0.47	<b>A 0.53% (0.00%)</b>					
<b>BBB 1.17% (0.85%)</b>					GBP	1,700,000	Banque Fédérative du Crédit Mutuel 1.5% 07/10/2026	1,651	0.53	
EUR	1,191,000	APT Pipelines 2% 15/07/2030	1,050	0.34	<b>A- 3.70% (4.02%)</b>					
GBP	2,475,000	APT Pipelines 3.5% 22/03/2030	2,608	0.83	GBP	1,800,000	BNP Paribas 1.875% 14/12/2027	1,726	0.55	
<b>Total Australia</b>				<b>6,116</b>	<b>1.96</b>	USD	2,000,000	Electricite de France 4.5% 21/09/2028	1,843	0.59
<b>BELGIUM 0.00% (0.58%)</b>					GBP	3,100,000	Electricite de France 5.125% 22/09/2050	4,720	1.51	
<b>A- 0.00% (0.58%)</b>					GBP	2,200,000	Electricite de France 5.5% 17/10/2041	3,268	1.05	
<b>Total Belgium</b>				<b>-</b>	<b>-</b>	<b>BBB+ 1.47% (1.58%)</b>				
<b>BERMUDA 0.62% (0.53%)</b>					GBP	900,000	*AXA FRN 16/01/2054	1,077	0.35	
<b>BBB- 0.62% (0.53%)</b>					GBP	1,100,000	Orange 3.25% 15/01/2032	1,248	0.40	
USD	2,179,000	Bacardi 5.15% 15/05/2038	1,925	0.62	GBP	400,000	Orange 5.375% 22/11/2050	692	0.22	
<b>Total Bermuda</b>				<b>1,925</b>	<b>0.62</b>	GBP	500,000	Orange 5.625% 23/01/2034	714	0.23
<b>CAYMAN ISLANDS 2.89% (3.05%)</b>					GBP	557,000	Orange 8.125% 20/11/2028	838	0.27	
<b>AA+ 0.24% (0.25%)</b>					<b>Not rated 0.42% (0.47%)</b>					
GBP	850,000	*Trafford Centre Finance FRN 28/07/2035 A3	759	0.24	GBP	1,275,000	*Credit Agricole 7.5% 31/12/2049	1,321	0.42	
<b>AA 0.52% (0.52%)</b>					<b>Total France</b>					
GBP	1,200,000	Dwr Cymru Financing 6.015% 31/03/2028	1,604	0.52	<b>24,354</b>	<b>7.80</b>				
<b>A- 0.18% (0.18%)</b>					<b>GERMANY 2.27% (2.36%)</b>					
GBP	400,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	564	0.18	<b>AAA 2.27% (2.13%)</b>					
<b>BBB+ 1.64% (1.89%)</b>					GBP	3,720,000	KFW 5% 09/06/2036	6,079	1.95	
GBP	2,500,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	2,630	0.84	GBP	650,000	KFW 5.75% 07/06/2032	1,012	0.32	
GBP	2,240,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	2,502	0.80	<b>BB+ 0.00% (0.23%)</b>					
<b>BBB- 0.20% (0.21%)</b>					<b>Total Germany</b>					
GBP	650,000	Thames Water Utilities 2.875% 03/05/2027	626	0.20	<b>7,091</b>	<b>2.27</b>				
<b>Not rated 0.11% (0.00%)</b>					<b>JERSEY 2.19% (2.84%)</b>					
GBP	315,000	Phoenix Group Holdings 5.625% 28/04/2031	330	0.11	<b>A- 0.00% (1.02%)</b>					
<b>Total Cayman Islands</b>				<b>9,015</b>	<b>2.89</b>	<b>BBB+ 1.37% (1.00%)</b>				
<b>DENMARK 0.57% (0.00%)</b>					GBP	900,000	Glencore Finance Europe 3.125% 26/03/2026	834	0.27	
<b>BBB+ 0.57% (0.00%)</b>					GBP	670,000	Heathrow Funding 2.75% 09/08/2049	646	0.21	
GBP	675,000	Orsted 2.125% 17/05/2027	700	0.22	GBP	625,000	Heathrow Funding 4.625% 31/10/2046	812	0.26	
GBP	1,000,000	Orsted 2.5% 16/05/2033	1,082	0.35	GBP	1,350,000	Heathrow Funding 5.875% 13/05/2041	1,969	0.63	
<b>Total Denmark</b>				<b>1,782</b>	<b>0.57</b>	<b>BBB 0.82% (0.82%)</b>				
<b>FRANCE 7.80% (6.63%)</b>					GBP	375,000	CPUK Finance 3.69% 28/08/2028	369	0.12	
<b>AA 0.63% (0.56%)</b>					GBP	250,000	CPUK Finance 3.69% 28/08/2028 (Dublin Listing)	246	0.08	
GBP	675,000	Reseau Ferre de France 5% 11/03/2052	1,280	0.41	GBP	800,000	Gatwick Funding 3.125% 28/09/2039	791	0.25	
GBP	455,000	Reseau Ferre de France 5.25% 31/01/2035	689	0.22	GBP	505,000	Gatwick Funding 4.625% 27/03/2034	597	0.19	
<b>LUXEMBOURG 1.50% (0.00%)</b>					GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	557	0.18	
<b>BBB+ 1.07% (0.00%)</b>					<b>Total Jersey</b>					
GBP	1,000,000	Aroundtown 3% 16/10/2029	956	0.30	<b>6,821</b>	<b>2.19</b>				
GBP	2,437,000	Aroundtown 3.625% 10/04/2031	2,397	0.77						



## 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
<b>UNITED KINGDOM 46.24% (50.88%) (continued)</b>									
		<b>AA 3.41% (4.33%)</b>			GBP	1,000,000	Motability Operations Group 2.375% 03/07/2039	1,089	0.35
GBP	1,887,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,927	0.62	GBP	409,000	Northern Powergrid Yorkshire 2.25% 09/10/2059	434	0.14
GBP	655,000	Land Securities Capital Markets 2.399% 08/02/2031	687	0.22	GBP	365,000	Penarian Housing 3.212% 07/06/2052	420	0.13
GBP	650,000	Land Securities Capital Markets 2.75% 22/09/2059	750	0.24	GBP	835,000	UNITE USAF II 3.921% 30/06/2025	902	0.29
GBP	1,175,000	LCR Finance 4.5% 07/12/2028	1,548	0.50	GBP	177,000	Optivo Finance 2.857% 07/10/2035	195	0.06
GBP	375,000	LCR Finance 5.1% 07/03/2051	792	0.25	GBP	900,000	Optivo Finance 3.283% 22/03/2048	1,079	0.35
GBP	1,315,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	2,052	0.66			<b>A2 0.41% (0.30%)</b>		
GBP	1,170,000	Octagon Healthcare Funding 5.333% 31/12/2035	1,253	0.40	GBP	830,000	Anglian Water Services Financing 2.75% 26/10/2029	890	0.29
GBP	1,875,000	Telereal Securitisation 5.9478% 10/12/2031	1,626	0.52	GBP	1,300,000	BP Capital Markets 2.274% 03/07/2026	1,301	0.42
		<b>Aa2 0.14% (0.13%)</b>			GBP	856,000	Experian Finance 3.25% 07/04/2032	951	0.31
GBP	305,000	Merseylink 3.842% 31/03/2043	445	0.14	GBP	433,000	Guinness Partnership 2% 22/04/2055	449	0.14
		<b>Aa2u 1.49% (3.00%)</b>			GBP	1,400,000	Home Group 3.125% 27/03/2043	1,617	0.52
GBP	1,687,600	United Kingdom Gilt 1.75% 22/01/2049	2,202	0.71	GBP	1,225,000	HSBC Bank 4.75% 24/03/2046	1,477	0.47
GBP	625,000	United Kingdom Gilt 3.5% 22/07/2068	1,470	0.47	GBP	2,125,000	HSBC Bank 5.375% 22/08/2033	2,562	0.82
GBP	415,000	United Kingdom Gilt 4% 22/01/2060	952	0.31	GBP	500,000	*HSBC Bank 5.375% FRN 04/11/2030	575	0.18
		<b>AA- 0.34% (0.59%)</b>			GBP	2,200,000	London Power Networks 2.625% 01/03/2029	2,345	0.75
GBP	400,000	BG Energy Capital 5% 04/11/2036	554	0.18	GBP	312,000	London Power Networks 6.125% 07/06/2027	399	0.13
GBP	375,000	Transport for London 5% 31/03/2035	511	0.16	GBP	458,000	National Grid Electricity Transmission 2% 16/09/2038	473	0.15
		<b>Aa3 0.18% (0.13%)</b>			GBP	400,000	National Grid Electricity Transmission 2% 17/04/2040	411	0.13
GBP	450,000	University of Southampton 2.25% 11/04/2057	551	0.18	GBP	1,225,000	National Grid Electricity Transmission 2.75% 06/02/2035	1,381	0.44
		<b>A+ 3.98% (5.12%)</b>			GBP	470,000	Notting Hill Housing Trust 3.25% 12/10/2048	537	0.17
GBP	1,300,000	Aster Treasury 4.5% 18/12/2043	1,879	0.60	GBP	276,000	QHT 4% 20/07/2049	297	0.10
GBP	1,000,000	Broadgate Finance 5.098% 05/04/2033	1,097	0.35	GBP	530,000	Royal Bank of Scotland 7.5% 29/04/2024	625	0.20
GBP	850,000	Bromford Housing Group 3.125% 03/05/2048	1,055	0.34	GBP	1,525,000	Sky 4% 26/11/2029	1,857	0.60
GBP	196,000	Cambridgeshire Housing Capital 4.25% 15/09/2045	264	0.08	GBP	725,000	Wales & West Utilities Finance 1.875% 28/05/2041	727	0.23
GBP	875,000	Futures Treasury 3.375% 08/02/2044	1,124	0.36	GBP	393,000	Western Power Distribution 1.75% 09/09/2031	383	0.12
GBP	275,000	Incommunities 3.25% 21/03/2049	348	0.11	GBP	2,850,000	Western Power Distribution 2.375% 16/05/2029	2,925	0.94
GBP	590,000	Karbon Homes 3.375% 15/11/2047	766	0.25	GBP	1,050,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,446	0.46
GBP	1,590,000	Lloyds Bank 6.5% 17/09/2040	2,620	0.84	GBP	1,879,000	Yorkshire Water Finance 1.75% 26/11/2026	1,861	0.60
GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	889	0.29			<b>A3 0.45% (0.29%)</b>		
GBP	604,000	Sovereign Housing Capital 2.375% 04/11/2048	661	0.21	GBP	329,000	Libra Longhurst Group 3.25% 15/05/2043	378	0.12
GBP	1,250,000	Wheatley Group Capital 4.375% 28/11/2044	1,700	0.55	GBP	550,000	Paragon Treasury 3.625% 21/01/2047	680	0.22
		<b>A1 0.10% (0.00%)</b>			GBP	226,000	Peabody Capital 4.625% 12/12/2053	357	0.11
GBP	235,000	Riverside Finance 3.875% 05/12/2044	311	0.10			<b>BBB+ 9.08% (8.12%)</b>		
		<b>A 2.93% (2.17%)</b>			GBP	700,000	*Aviva 5.125% 04/06/2050	760	0.24
GBP	850,000	Catalyst Housing 3.125% 31/10/2047	1,023	0.33	GBP	900,000	*Aviva 6.875% 20/05/2058	1,201	0.39
GBP	200,000	Circle Anglia Social Housing 5.2% 02/03/2044	313	0.10	GBP	1,825,000	BAT International Finance 6% 24/11/2034	2,318	0.74
GBP	412,000	Clarion Funding 1.875% 22/01/2035	404	0.13	GBP	1,500,000	Bunzl Finance 2.25% 11/06/2025	1,484	0.48
GBP	2,275,000	GlaxoSmithKline 5.25% 19/12/2033	3,311	1.06	GBP	2,050,000	Cadent Finance 2.625% 22/09/2038	2,217	0.71
GBP	95,000	Legal & General Finance 5.875% 05/04/2033	136	0.04	GBP	2,100,000	Cadent Finance 2.75% 22/09/2046	2,347	0.75
GBP	1,050,000	Motability Operations Group 2.375% 14/03/2032	1,133	0.36	GBP	700,000	*Legal & General Group 5.5% 27/06/2064	785	0.25

## 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		
<b>UNITED KINGDOM 46.24% (50.88%) (continued)</b>				<b>BBB- 2.63% (3.06%)</b>					
GBP	1,800,000	*Legal & General Group Variable 14/11/2048	1,949	0.62	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	522	0.17
GBP	500,000	*Legal & General Group Variable 26/11/2049	484	0.16	GBP	1,900,000	DS Smith 2.875% 26/07/2029	1,827	0.59
GBP	1,100,000	*Legal & General Group Variable 01/11/2050	1,106	0.35	GBP	1,113,000	GKN Holdings 4.625% 15/05/2032	1,020	0.33
GBP	950,000	Northern Gas Networks Finance 4.875% 15/11/2035	1,318	0.42	GBP	1,225,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,521	0.49
GBP	1,095,000	Northumbrian Water Finance 1.625% 11/10/2026	1,099	0.35	GBP	1,595,000	Tesco Property Finance 3 5.744% 13/04/2040	1,986	0.64
GBP	945,000	Northumbrian Water Finance 2.375% 05/10/2027	995	0.32	GBP	1,075,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,291	0.41
GBP	575,000	*Royal London Finance No 4 Variable 07/10/2049	551	0.18	<b>Baa3 0.00% (0.21%)</b>				
GBP	777,000	Scottish Hydro Electric 2.25% 27/09/2035	802	0.26	GBP	475,000	Marks & Spencer 3.25% 10/07/2027	427	0.14
GBP	900,000	Severn Trent Utilities Finance 2.75% 05/12/2031	1,004	0.32	<b>BB+ 0.14% (1.03%)</b>				
GBP	1,450,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,603	0.51	<b>BB- 0.00% (0.16%)</b>				
GBP	625,000	Severn Trent Utilities Finance 4.875% 24/01/2042	944	0.30	<b>Not Rated 1.73% (1.76%)</b>				
GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	515	0.17	GBP	2,425,000	Newriver REIT 3.5% 07/03/2028	2,225	0.71
GBP	678,000	Southern Gas Networks 3.1% 15/09/2036	794	0.25	GBP	950,000	Pension Insurance 5.625% 20/09/2030	1,029	0.33
GBP	560,000	SP Transmission 2% 13/11/2031	571	0.18	GBP	390,000	Prudential 5.875% 11/05/2029	508	0.16
GBP	505,000	Thames Water Utilities Finance 2.375% 22/04/2040	508	0.16	GBP	350,000	Segro 2.375% 11/10/2029	356	0.11
GBP	429,000	United Utilities Water Finance 1.75% 10/02/2038	422	0.14	GBP	1,250,000	Segro 2.875% 11/10/2037	1,314	0.42
GBP	1,375,000	United Utilities Water Finance 2.625% 12/02/2031	1,512	0.48	<b>Total United Kingdom</b>				
GBP	1,030,000	Western Power Distribution 3.5% 16/10/2026	1,085	0.35			<b>144,280</b>	<b>46.24</b>	
GBP	2,325,000	<b>Baa1 0.81% (1.10%)</b> Bupa Finance 5% 08/12/2026	2,542	0.81	<b>UNITED STATES OF AMERICA 17.50% (13.70%)</b>				
GBP	510,000	<b>BBB 5.85% (6.06%)</b> Anglian Water Services Financing 2.625% 15/06/2027	499	0.16	USD	850,000	Microsoft 4.1% 06/02/2037	853	0.27
GBP	580,000	Annington Funding 3.685% 12/07/2034	613	0.20	<b>AA+ 0.35% (0.11%)</b>				
GBP	1,300,000	Barclays 3.25% 17/01/2033	1,303	0.42	USD	532,000	Apple 4.5% 23/02/2036	544	0.18
GBP	2,500,000	British Telecommunications 3.125% 21/11/2031	2,690	0.86	GBP	547,000	New York Life Global Funding 1.25% 17/12/2026	532	0.17
GBP	1,771,000	Imperial Brands Finance 5.5% 28/09/2026	2,036	0.65	<b>AA 0.57% (0.00%)</b>				
GBP	440,000	*NGG Finance 5.625% 18/06/2073	476	0.15	GBP	405,000	Berkshire Hathaway Finance 2.375% 19/06/2039	446	0.14
GBP	650,000	*Prudential 6.34% 19/12/2063	726	0.23	GBP	853,000	Berkshire Hathaway Finance 2.625% 19/06/2059	1,038	0.33
GBP	1,475,000	*Prudential Variable 20/10/2051	1,580	0.51	GBP	342,971	*SLM Student Loan Trusts FRN 15/12/2039	316	0.10
GBP	1,154,000	RMPA Services 5.337% 30/09/2038	1,131	0.36	<b>AA- 0.34% (0.35%)</b>				
GBP	3,015,000	*Royal Bank of Scotland 2.875% 19/09/2026	3,058	0.98	GBP	1,100,000	Metropolitan Life Global Funding 1.625% 21/09/2029	1,067	0.34
GBP	1,225,000	*Royal Bank of Scotland Group Variable 28/03/2027	1,246	0.40	<b>A- 5.24% (3.49%)</b>				
GBP	1,050,000	Telereal Securitisation 6.1645% 10/12/2031	1,177	0.38	USD	1,525,000	Abbvie 4.875% 14/11/2048	1,520	0.49
GBP	1,655,000	Unite Group 3.5% 15/10/2028	1,703	0.55	GBP	1,150,000	Amgen 4% 13/09/2029	1,340	0.43
GBP	500,000	<b>Baa2 1.00% (0.82%)</b> Eversholt Funding 3.529% 07/08/2042	514	0.16	USD	3,050,000	Anheuser-Busch InBev 4.7% 01/02/2036	2,738	0.88
GBP	2,325,000	Vodafone Group 3.375% 08/08/2049	2,620	0.84	GBP	1,850,000	Bank of America 7% 31/07/2028	2,486	0.80
					GBP	450,000	Jpmorgan Chase 3.5% 18/12/2026	493	0.16
					USD	1,361,000	*JPMorgan Chase Variable 22/04/2041	1,123	0.36
					GBP	1,450,000	Prologis 2.25% 30/06/2029	1,459	0.47
					GBP	2,374,000	Wells Fargo 2.125% 24/09/2031	2,322	0.74
					GBP	1,606,000	Wells Fargo 2.5% 02/05/2029	1,640	0.53
					GBP	1,075,000	Wells Fargo 3.5% 12/09/2029	1,188	0.38
					<b>BBB+ 4.03% (4.89%)</b>				
					GBP	950,000	BAT Capital 2.125% 15/08/2025	936	0.30
					USD	1,150,000	BAT Capital 4.906% 02/04/2030	1,037	0.33
					GBP	750,000	Citigroup 1.75% 23/10/2026	731	0.23

## 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
<b>UNITED STATES OF AMERICA 17.50% (13.70%) (continued)</b>									
GBP	425,000	Citigroup 7.375% 01/09/2039	722	0.23			Sell USD 705,178		
GBP	895,000	General Electric Capital 5.25% 07/12/2028	1,049	0.34			Buy GBP 561,787 Lloyds	(2)	–
GBP	700,000	Goldman Sachs Group 3.125% 25/07/2029	744	0.24			Sell USD 93,611		
GBP	800,000	McDonald's 2.95% 15/03/2034	880	0.28			Buy GBP 75,073 Lloyds <sup>2</sup>	–	–
GBP	1,248,000	Verizon Communications 1.875% 19/09/2030	1,252	0.40			Sell GBP 86,461		
GBP	1,450,000	Verizon Communications 3.375% 27/10/2036	1,723	0.55			Buy USD 107,880 Citigroup <sup>2</sup>	–	–
GBP	1,050,000	Verizon Communications 4.75% 17/02/2034	1,393	0.45			Sell GBP 91,308		
GBP	1,690,000	Welltower 4.5% 01/12/2034	1,912	0.61			Buy USD 112,707 Citigroup	(1)	–
GBP	180,000	Welltower 4.8% 20/11/2028	203	0.07			Sell GBP 106,927		
		<b>BBB 5.81% (4.22%)</b>					Buy USD 132,099 Lloyds	(1)	–
GBP	2,154,000	AT&T 4.25% 01/06/2043	2,589	0.83			<b>Total Derivatives</b>	<b>(616)</b>	<b>(0.20)</b>
GBP	2,094,000	AT&T 4.375% 14/09/2029	2,418	0.78			<b>Total value of investments<sup>3</sup></b>	<b>306,624</b>	<b>98.26</b>
GBP	1,050,000	AT&T 4.875% 01/06/2044	1,378	0.44			<b>Net other assets (3.75%)</b>	<b>5,428</b>	<b>1.74</b>
GBP	1,975,000	Becton Dickinson 3.02% 24/05/2025	2,041	0.65			<b>Net assets</b>	<b>312,052</b>	<b>100.00</b>
GBP	2,500,000	Digital Stout 3.3% 19/07/2029	2,544	0.82					
GBP	575,000	Digital Stout Holding 3.75% 17/10/2030	604	0.19					
GBP	600,000	Fidelity National Information Services 2.25% 03/12/2029	604	0.19					
GBP	2,098,000	Fidelity National Information Services 3.36% 21/05/2031	2,333	0.75					
GBP	1,377,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	1,531	0.49					
GBP	1,950,000	Fiserv 3% 01/07/2031	2,092	0.67					
		<b>BBB- 0.58% (0.64%)</b>							
GBP	650,000	Time Warner Cable 5.25% 15/07/2042	787	0.25					
GBP	850,000	Time Warner Cable 5.75% 02/06/2031	1,035	0.33					
		<b>BB+ 0.31% (0.00%)</b>							
GBP	950,000	The Kraft Heinz 4.125% 01/07/2027	968	0.31					
		<b>Total United States of America</b>	<b>54,611</b>	<b>17.50</b>					
<b>DERIVATIVES -0.20% (-0.04%)</b>									
<b>Futures and Options -0.24% (-0.02%)</b>									
EUR	(7)	UBS EURO Bond Future Expiring June 2020	(10)	–					
GBP	107	UBS Long Gilt Future Expiring June 2020	301	0.10					
USD	(25)	UBS US 10 Year Ultra Future Expiring June 2020	(189)	(0.06)					
USD	(39)	UBS US Long Bond Future Expiring June 2020	(315)	(0.10)					
USD	(23)	UBS US Ultra Bond Future Expiring June 2020	(555)	(0.18)					
<b>Forward Foreign Exchange Contracts 0.04% (-0.02%)</b>									
		Sell EUR 1,182,530							
		Buy GBP 1,034,296 Lloyds	6	–					
		Sell USD 1,361,000							
		Buy GBP 1,095,776 Lloyds	8	–					
		Sell USD 15,043,374							
		Buy GBP 12,164,155 Lloyds	140	0.04					
		Sell USD 150,700							
		Buy GBP 122,096 Lloyds	1	–					
		Sell USD 207,157							
		Buy GBP 166,543 Lloyds	1	–					
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>									
								<b>Value £000</b>	<b>% of Investment</b>
					Fixed interest			287,273	93.69
					Floating rate notes			19,967	6.51
					Derivatives			(616)	(0.20)
					<b>Total value of investments<sup>3</sup></b>			<b>306,624</b>	<b>100.00</b>
<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>									
								<b>Value £000</b>	
					UBS EURO Bond Future Expiring June 2020			(1,057)	
					UBS Long Gilt Future Expiring June 2020			14,707	
					UBS US 10 Year Ultra Future Expiring June 2020			(3,141)	
					UBS US Long Bond Future Expiring June 2020			(5,661)	
					UBS US Ultra Bond Future Expiring June 2020			(4,152)	
					<b>Total net exposure</b>			<b>696</b>	
					<i>April 2019 comparatives in brackets.</i>				
					<i>*Variable rate bonds.</i>				
					<i><sup>1</sup>Cash equivalents.</i>				
					<i><sup>2</sup>Less than £500, rounded to nil.</i>				
					<i><sup>3</sup>Includes Cash equivalents.</i>				



## 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	
<b>GERMANY 2.13% (7.60%) (continued)</b>									
EUR	12,800,000	ADLER Real Estate 1.875% 27/04/2023	10,537	0.94	EUR	8,480,000	Bevco 1.75% 09/02/2023	7,224	0.65
					USD	5,053,000	CPI Property Group 4.75% 08/03/2023	4,155	0.37
		<b>BB- 0.00% (0.74%)</b>					<b>Baa2 0.57% (0.46%)</b>		
		<b>Total Germany</b>	<b>23,784</b>	<b>2.13</b>	EUR	7,394,000	SELP Finance 1.25% 25/10/2023	6,373	0.57
<b>GUERNSEY 0.90% (0.72%)</b>							<b>BBB- 0.00% (0.43%)</b>		
		<b>BBB+ 0.90% (0.72%)</b>					<b>BB+ 0.00% (0.05%)</b>		
GBP	9,796,000	Credit Suisse 3% 27/05/2022	10,019	0.90			<b>B+ 0.00% (0.18%)</b>		
		<b>Total Guernsey</b>	<b>10,019</b>	<b>0.90</b>			<b>Total Luxembourg</b>	<b>31,007</b>	<b>2.77</b>
<b>INDIA 0.13% (0.28%)</b>							<b>MEXICO 0.65% (0.96%)</b>		
		<b>BB 0.13% (0.00%)</b>					<b>A- 0.00% (0.18%)</b>		
USD	1,990,000	GMR Hyderabad International 5.375% 10/04/2024	1,399	0.13			<b>BBB+ 0.00% (0.42%)</b>		
		<b>BBB- 0.00% (0.28%)</b>					<b>BBB 0.44% (0.36%)</b>		
		<b>Total India</b>	<b>1,399</b>	<b>0.13</b>	GBP	5,263,000	Petroleos Mexicanos 8.25% 02/06/2022	4,938	0.44
<b>ITALY 1.02% (0.65%)</b>							<b>BBB- 0.21% (0.00%)</b>		
		<b>BBB 0.46% (0.31%)</b>			GBP	2,280,000	*America Movil 6.375% 06/09/2073	2,289	0.21
EUR	6,515,000	FCA Capital Ireland 0.5% 13/09/2024	5,163	0.46			<b>Total Mexico</b>	<b>7,227</b>	<b>0.65</b>
		<b>Baa3 0.21% (0.00%)</b>			<b>NETHERLANDS 7.17% (7.13%)</b>				
GBP	2,175,000	Romulus Finance 5.441% 20/02/2023	2,357	0.21			<b>AA- 0.44% (0.00%)</b>		
		<b>Ba1 0.00% (0.34%)</b>			GBP	4,960,000	Toyota Motor Finance 1.375% 23/05/2023	4,894	0.44
		<b>BB- 0.35% (0.00%)</b>					<b>A+ 0.41% (0.27%)</b>		
GBP	4,012,000	Autostrade per l'Italia 6.25% 09/06/2022	3,943	0.35	GBP	4,600,000	Siemens Financieringsmaatschappij 1% 20/02/2025	4,567	0.41
		<b>Total Italy</b>	<b>11,463</b>	<b>1.02</b>			<b>A 1.46% (1.66%)</b>		
<b>JERSEY 1.54% (0.76%)</b>							<b>BBB+ 1.98% (1.85%)</b>		
		<b>A- 0.00% (0.40%)</b>			GBP	10,100,000	ABN AMRO Bank 1.375% 16/01/2025	9,924	0.89
		<b>BBB+ 0.47% (0.00%)</b>			GBP	6,527,000	BMW International Investment 1.25% 11/07/2022	6,393	0.57
GBP	4,938,000	Heathrow Funding 5.225% 15/02/2023	5,257	0.47			<b>BBB 1.02% (1.79%)</b>		
		<b>BBB 0.32% (0.19%)</b>			GBP	2,600,000	Daimler International Finance 1.625% 11/11/2024	2,468	0.22
GBP	1,721,000	CPUK Finance 7.239% 28/02/2024	1,922	0.17	GBP	7,800,000	Daimler International Finance 2% 04/09/2023	7,611	0.68
GBP	1,540,000	Gatwick Funding 5.25% 23/01/2024	1,693	0.15			<b>BBB- 1.86% (1.13%)</b>		
		<b>BBB- 0.44% (0.17%)</b>			GBP	1,100,000	Volkswagen Financial Services 1.625% 10/02/2024	1,056	0.09
GBP	1,350,000	AA Bond 2.75% 31/07/2023	1,219	0.11	GBP	11,000	Volkswagen Financial Services 1.75% 12/09/2022	11	-
GBP	3,250,000	Heathrow Funding 7.125% 14/02/2024	3,687	0.33	GBP	2,500,000	Volkswagen Financial Services 2.125% 27/06/2024	2,429	0.22
		<b>Not Rated 0.31% (0.00%)</b>			GBP	5,100,000	Volkswagen Financial Services 2.75% 10/07/2023	5,117	0.46
GBP	3,500,000	British Land (White) 0% 09/06/2020	3,475	0.31	EUR	4,000,000	Vonovia Finance 0.125% 06/04/2023	3,415	0.31
		<b>Total Jersey</b>	<b>17,253</b>	<b>1.54</b>			<b>BBB 1.02% (1.79%)</b>		
<b>LUXEMBOURG 2.77% (2.55%)</b>							<b>*Eneco Holding 3.25% 29/12/2049</b>	3,074	0.27
		<b>BBB+ 0.68% (0.48%)</b>			GBP	7,400,000	Innogy Finance 5.625% 06/12/2023	8,425	0.75
EUR	1,500,000	Aroundtown 1% 07/01/2025	1,247	0.11			<b>BBB- 1.86% (1.13%)</b>		
EUR	2,000,000	Aroundtown 1.5% 15/07/2024	1,708	0.15	USD	5,500,000	Bharti Airtel 5.125% 11/3/23	4,483	0.40
GBP	4,500,000	Glencore Finance Europe 6% 03/04/2022	4,739	0.42	USD	18,620,000	Syngenta Finance 4.441% 24/04/2023	14,741	1.32
		<b>BBB 1.52% (0.95%)</b>			EUR	1,800,000	*Vonovia Finance 4% 17/12/2166	1,595	0.14
EUR	2,080,000	Allergan Funding SCS 1.5% 15/11/2023	1,869	0.17					
EUR	4,335,000	Becton Dickinson Euro Finance 0.632% 04/06/2023	3,692	0.33					

## 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
<b>NETHERLANDS 7.17% (7.13%) (continued)</b>					<b>BB+ 0.34% (0.28%)</b>				
		Baa3 0.00% (0.05%)			EUR	4,370,000	*Akelius Residential FRN 05/10/2078	3,762	0.34
		BB 0.00% (0.13%)			<b>Total Sweden</b>				
		B- 0.00% (0.25%)						<b>9,810</b>	<b>0.88</b>
		<b>Total Netherlands</b>	<b>80,203</b>	<b>7.17</b>	<b>SWITZERLAND 0.68% (1.33%)</b>				
<b>NEW ZEALAND 0.00% (0.17%)</b>					<b>A+ 0.00% (0.59%)</b>				
		AA- 0.00% (0.17%)			<b>BBB+ 0.00% (0.07%)</b>				
		<b>Total New Zealand</b>	<b>–</b>	<b>–</b>	USD	3,740,000	*Credit Suisse 7.5% 11/12/2049	3,152	0.28
<b>NORWAY 2.24% (1.07%)</b>					USD	6,050,000	*UBS Group Funding Perpetual 5% 31/01/2067	4,412	0.40
		AA- 2.24% (1.07%)			<b>Total Switzerland</b>				
GBP	11,635,000	DNB Bank 1.375% 12/06/2023	11,491	1.03				<b>7,564</b>	<b>0.68</b>
GBP	13,734,000	DNB Bank 1.625% 15/12/2023	13,602	1.21	<b>UNITED ARAB EMIRATES 0.24% (0.00%)</b>				
		<b>Total Norway</b>	<b>25,093</b>	<b>2.24</b>	<b>AA- 0.24% (0.00%)</b>				
<b>PORTUGAL 0.06% (0.05%)</b>					GBP	2,716,000	First Abu Dhabi Bank 1.375% 19/02/2023	2,654	0.24
		Not Rated 0.06% (0.05%)			<b>Total United Arab Emirates</b>				
EUR	3,100,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	723	0.06				<b>2,654</b>	<b>0.24</b>
		<b>Total Portugal</b>	<b>723</b>	<b>0.06</b>	<b>UNITED KINGDOM 39.23% (39.81%)</b>				
<b>REPUBLIC OF IRELAND 4.12% (3.05%)</b>					<b>AAA 0.00% (0.35%)</b>				
		BBB+ 1.47% (1.98%)			GBP	9,458,000	*TSB Banking FRN 15/02/2024	9,501	0.85
GBP	15,774,000	GE Capital UK Funding 4.125% 13/09/2023	16,436	1.47	<b>A 3.90% (1.34%)</b>				
		BBB 0.51% (0.40%)			GBP	5,311,000	*HSBC Holdings Variable 27/06/2023	5,338	0.48
GBP	5,820,000	FCA Capital Ireland 1.625% 29/09/2021	5,721	0.51	GBP	12,509,000	Lloyds Bank Corporate Markets 1.75% 11/07/2024	12,333	1.10
		BBB- 0.47% (0.27%)			GBP	6,161,000	Nationwide Building Society 1% 24/01/2023	6,041	0.54
USD	6,483,000	*AIB Group 10/04/2025	5,252	0.47	USD	10,016,000	Santander UK 2.875% 18/06/2024	8,265	0.74
		Not Rated 0.55% (0.39%)			GBP	5,000,000	Unite USAF II 3.374% 30/06/2023	5,194	0.46
GBP	5,930,000	PGH Capital 4.125% 20/07/2022	6,105	0.55	GBP	5,964,000	UNITE USAF II 3.921% 30/06/2025	6,441	0.58
		Liquidity Funds 1.12% (0.01%) <sup>1</sup>			<b>AZu 0.00% (0.16%)</b>				
GBP	12,510,618	BlackRock Institutional Cash Series Sterling Liquidity Platinum	12,511	1.12	GBP	7,163,000	BP Capital Markets 1.827% 08/09/2025	7,026	0.63
GBP	3,304	Insight Liquidity Funds – ILF GBP Liquidity Class 3	3	–	GBP	2,000,000	Eastern Power Network 5.75% 08/03/2024	2,310	0.21
		<b>Total Republic of Ireland</b>	<b>46,028</b>	<b>4.12</b>	GBP	7,100,000	Experian Finance 2.125% 27/09/2024	7,250	0.65
<b>SPAIN 0.58% (0.72%)</b>					GBP	9,811,000	HSBC Bank 6.5% 07/07/2023	11,009	0.98
		BBB 0.58% (0.72%)			EUR	8,120,000	NatWest Markets 1.125% 14/06/2023	6,945	0.62
GBP	6,000,000	Telefonica Emisiones SAU 5.289% 09/12/2022	6,515	0.58	GBP	9,628,000	Western Power Distribution East Midlands 5.25% 17/01/2023	10,557	0.94
		<b>Total Spain</b>	<b>6,515</b>	<b>0.58</b>	GBP	2,000,000	Western Power Distribution West Midlands 3.875% 17/10/2024	2,171	0.19
<b>SWEDEN 0.88% (1.27%)</b>					<b>A3 0.39% (0.91%)</b>				
		AA- 0.00% (0.35%)			GBP	3,254,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	3,407	0.30
		BBB 0.24% (0.64%)			GBP	908,000	*Direct Line Insurance 9.25% 27/04/2042	1,027	0.09
GBP	2,750,000	Akelius Residential 2.375% 15/08/2025	2,738	0.24	<b>BBB+ 9.24% (10.62%)</b>				
		Baa3 0.30% (0.00%)			GBP	6,210,000	*Aviva 6.125% 29/09/2049	6,348	0.57
EUR	3,848,000	Sagax 2% 17/01/2024	3,310	0.30	GBP	13,830,000	*Aviva 6.625% 03/06/2041	14,404	1.29
					GBP	11,550,000	BAT International Finance 6% 29/06/2022	12,477	1.12

## 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
<b>UNITED KINGDOM 39.23% (39.81%) (continued)</b>					EUR	6,377,000	G4S International Finance 1.5% 09/01/2023	5,404	0.48
GBP	6,550,000	BAT International Finance 7.25% 12/03/2024	7,752	0.69	GBP	12,466,000	GKN Holdings 5.375% 19/09/2022	13,036	1.17
GBP	2,180,000	Bunzl Finance 2.25% 11/06/2025	2,156	0.19	GBP	4,700,000	National Westminster Bank 6.5% 07/09/2021	4,913	0.44
GBP	9,161,000	*Legal & General Group 10% 23/07/2041	10,012	0.90	GBP	2,489,000	Next Group 3% 26/08/2025	2,360	0.21
USD	5,000,000	*Nationwide Building Society 4.363% FRN 01/08/2024	4,223	0.38	EUR	4,695,000	Tesco Corporate Treasury Services 1.375% 24/10/2023	4,131	0.37
GBP	1,755,000	Northumbrian Water Finance 6.875% 06/02/2023	2,007	0.18	GBP	700,000	Tesco Corporate Treasury Services 2.5% 02/05/2025	717	0.06
GBP	3,600,000	*Royal London Finance Bonds 6.125% 30/11/43	3,967	0.36	<b>Baa3 1.16% (0.78%)</b>				
GBP	5,852,000	Scottish Widows 5.5% 16/06/2023	6,311	0.56	GBP	13,121,000	*TSB Banking Group 5.75% 06/05/2026	12,947	1.16
GBP	17,275,000	Severn Trent Utilities Finance 1.625% 04/12/2022	17,274	1.54	<b>BB+ 0.99% (1.75%)</b>				
GBP	125,000	Southern Gas Network 4.875% 05/10/2023	140	0.01	GBP	2,500,000	Drax Finco 4.25% 01/05/2022	2,396	0.21
GBP	3,350,000	Thames Water Utilities Finance 5.05% 30/06/2020	3,369	0.30	GBP	2,695,000	Marks & Spencer 1% 08/12/2023	2,554	0.23
GBP	7,190,000	United Utilities Water Finance 2% 14/02/2025 (London Listing)	7,390	0.66	GBP	1,402,000	Marks & Spencer 4.75% 12/06/2025	1,389	0.12
GBP	5,300,000	Western Power Distribution 3.625% 06/11/2023	5,511	0.49	GBP	2,250,000	Marks & Spencer 6.125% 06/12/2021	2,294	0.21
					GBP	2,362,000	*Marstons Issuer 5.1576% 15/10/2027	2,075	0.19
					GBP	1,000,000	*Marstons Issuer FRN 15/07/2020	5	–
					GBP	1,357,000	Mitchells & Butlers Finance 6.013% 15/12/2023	306	0.03
					<b>Baa1 1.50% (1.03%)</b>				
GBP	15,862,000	Bupa Finance 5% 25/04/2023	16,828	1.50	GBP	2,869,000	*CYBG 5% 09/02/2026	2,749	0.25
					<b>BBB 5.84% (7.95%)</b>				
GBP	4,388,000	BAE Systems 4.125% 08/06/2022	4,594	0.41	GBP	2,355,000	*Virgin Media Secured Finance 6% 15/01/2025	2,513	0.22
GBP	10,501,000	*Barclays 2.375% 06/10/2023	10,499	0.94	<b>B+ 0.00% (0.49%)</b>				
GBP	5,550,000	Imperial Brand Finance 8.125% 15/03/2024	6,619	0.59	<b>B 0.08% (0.00%)</b>				
USD	7,706,000	Imperial Brands Finance PI 3.125% 26/07/2024	6,145	0.55	GBP	995,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	947	0.08
GBP	8,113,000	Imperial Tobacco Finance 9% 17/02/2022	9,014	0.81	<b>Not Rated 2.64% (2.56%)</b>				
GBP	2,500,000	InterContinental Hotels 3.875% 28/11/2022	2,480	0.22	GBP	13,250,000	First Hydro Finance 9% 31/07/2021	14,388	1.29
GBP	5,385,000	*Lloyds Bank 5.75% 09/07/2025	5,410	0.48	GBP	11,808,000	*Pennon Group Perpetual Variable 22/05/2166	11,726	1.05
GBP	3,519,000	Lloyds Bank 9.625% 06/04/2023	4,198	0.38	GBP	1,202,000	Pension Insurance 6.5% 03/07/2024	1,356	0.12
GBP	3,028,000	*Prudential Variable 20/07/2049	2,867	0.26	GBP	1,950,000	United Kingdom Gilt 0.625% 07/06/2025	2,000	0.18
EUR	7,000,000	*Royal Bank of Scotland Group Variable 04/03/2025	6,130	0.55	<b>Total United Kingdom</b>				
GBP	7,125,000	*Telereal Securitisation 4.0902% 10/12/2033	7,265	0.65				<b>438,776</b>	<b>39.23</b>
					<b>UNITED STATES OF AMERICA 16.57% (14.90%)</b>				
					<b>AA+ 2.16% (1.95%)</b>				
GBP	7,933,000	Eversholt Funding 5.831% 02/12/2020	8,095	0.72	GBP	12,274,000	New York Life Global Funding 1.625% 15/12/2023	12,267	1.10
GBP	280,000	National Express Group 2.5% 11/11/2023	271	0.02	GBP	11,795,000	New York Life Global Funding 1.75% 15/12/2022	11,834	1.06
GBP	3,811,000	National Express Group 6.625% 17/06/2020	3,810	0.34	<b>AA- 0.23% (1.52%)</b>				
GBP	1,700,000	Porterbrook Rail Finance 6.5% 20/10/2020	1,732	0.16	GBP	2,500,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	2,562	0.23
					<b>A+ 0.04% (0.03%)</b>				
GBP	6,312,000	Barclays Bank 10% 21/05/2021	6,737	0.60	GBP	558,000	*SLM Student Loan Trusts FRN 15/03/2038	394	0.04
EUR	3,000,000	Barclays Bank 6.625% 30/03/2022	2,817	0.25	<b>A- 1.97% (3.24%)</b>				
GBP	2,500,000	*CYBG 4% 22/06/2025	2,373	0.21	GBP	885,000	Bank of America 2.3% 25/07/2025	899	0.08
GBP	2,010,000	Delamare Finance 5.5457% 29/02/2029	1,842	0.17	USD	6,500,000	*JPMorgan Chase FRN 23/07/2024	5,110	0.46
EUR	21,972,000	DS Smith 1.375% 26/07/2024	18,828	1.68	GBP	5,330,000	Wells Fargo 1.375% 30/06/2022	5,283	0.47
GBP	7,650,000	FCE Bank 2.727% 03/06/2022	7,124	0.64	GBP	10,700,000	Wells Fargo 2.125% 20/12/2023	10,745	0.96
GBP	3,750,000	Firstgroup 5.25% 29/11/22	3,781	0.34					
GBP	890,000	Firstgroup 6.875% 18/09/2024	955	0.09					

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Net Asset Value		Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 16.57% (14.90%) (continued)</b>					
<b>BBB+ 1.95% (1.25%)</b>					
GBP	6,750,000		American International Group 5% 26/04/2023	7,353	0.66
USD	4,000,000		BAT Capital 3.222% 15/08/2024	3,307	0.30
GBP	5,615,000		Citigroup 2.75% 24/01/2024	5,758	0.51
USD	1,800,000		Daimler Finance 3.35% 04/05/2021	1,440	0.13
GBP	2,500,000		General Electric Capital 6.44% 15/11/2022	176	0.02
USD	4,674,000		Volkswagen Group 2.7% 26/09/2022	3,725	0.33
<b>BBB 5.61% (4.74%)</b>					
USD	8,000,000		*AT&T FRN 12/06/2024	6,265	0.56
EUR	7,632,000		Becton Dickinson 1.401% 24/05/2023	6,662	0.60
GBP	925,000		Becton Dickinson 3.02% 24/05/2025	956	0.08
USD	7,520,000		*Becton Dickinson FRN 06/06/2022	5,860	0.52
GBP	4,060,000		Digital Stout Holding 2.75% 19/07/2024	4,149	0.37
GBP	12,709,000		Digital Stout Holding 4.75% 13/10/2023	13,733	1.23
EUR	5,020,000		Fidelity National Information Services 0.75% 21/05/2023	4,374	0.39
GBP	11,843,000		Fidelity National Information Services 2.602% 21/05/2025	12,208	1.09
EUR	1,211,000		Fiserv 0.375% 01/07/2023	1,038	0.09
GBP	5,393,000		Fiserv 2.25% 01/07/2025	5,476	0.49
USD	922,000		Williams Companies 3.35% 15/08/2022	739	0.07
USD	1,678,000		Williams Partners 3.6% 15/03/2022	1,362	0.12
<b>BBB- 2.71% (1.91%)</b>					
GBP	50,000		*American International Group Variable 15/03/2067	42	-
USD	540,000		Broadcom 4.7% 15/04/2025	473	0.04
USD	13,740,000		*Charter Communications Operating FRN 01/02/2024	10,607	0.95
GBP	659,000		Discovery 2.5% 20/09/2024	656	0.06
EUR	1,700,000		Equinix 2.875% 01/02/2026	1,488	0.13
EUR	9,110,000		Equinix 2.875% 01/10/2025	7,942	0.71
USD	3,680,000		Plains All American Pipeline 3.65% 01/06/2022	2,848	0.25
USD	8,396,000		Plains All American Pipeline 3.85% 15/10/2023	6,387	0.57
<b>BB+ 1.28% (0.00%)</b>					
USD	865,000		Continental Resources 5% 15/09/2022	642	0.06
GBP	1,600,000		Ford Motor Credit 4.535% 06/03/2025	1,362	0.12
EUR	7,695,000		Kraft Heinz Foods 2% 30/06/2023	6,758	0.60
USD	7,882,000		Western Midstream Operating 3.1% 01/02/2025	5,568	0.50
<b>BB 0.45% (0.26%)</b>					
EUR	1,500,000		IQVIA 2.875% 15/09/2025	1,299	0.12
EUR	4,225,000		IQVIA 3.25% 15/03/2025	3,695	0.33
<b>BB- 0.17% (0.00%)</b>					
EUR	2,198,000		Netflix 3% 15/06/2025	1,937	0.17
<b>Total United States of America</b>				<b>185,379</b>	<b>16.57</b>
<b>DERIVATIVES 0.18% (-0.14%)</b>					
<b>Credit Default Swaps 0.01% (0.00%)</b>					
EUR	12,000,000		Morgan Stanley Itraxx Crossover Credit Default Swap Index Sell Protection 20/06/2025 Spread 500	98	0.01
<b>Futures and Options -0.11% (-0.05%)</b>					
EUR	(724)		UBS EURO-Bobl Future Expiring June 2020	411	0.04
GBP	174		UBS Long Gilt Future Expiring June 2020	543	0.05
USD	(676)		UBS US 5 Year Note Future Expiring June 2020	(2,284)	(0.20)
<b>Forward Foreign Exchange Contracts 0.28% (-0.09%)</b>					
Sell GBP 9,805					
Buy EUR 11,231 J.P. Morgan <sup>2</sup>					
Sell GBP 98,122					
Buy EUR 112,399 J.P. Morgan <sup>2</sup>					
Sell GBP 10,747,573					
Buy EUR 12,286,790 HSBC					
Sell EUR 1,193,089					
Buy GBP 1,043,699 Lloyds					
Sell EUR 1,355,429					
Buy GBP 1,182,985 HSBC					
Sell USD 1,482,890					
Buy GBP 1,183,139 Lloyds					
Sell EUR 1,517,630					
Buy GBP 1,324,424 Lloyds					
Sell EUR 2,040,730					
Buy GBP 1,778,602 Lloyds					
Sell USD 142,325,259					
Buy GBP 115,111,981 Lloyds					
Sell EUR 181,382,297					
Buy GBP 159,632,510 HSBC					
Sell EUR 2,397,270					
Buy GBP 2,094,416 Lloyds					
Sell USD 4,475,483					
Buy GBP 3,566,494 Citigroup					
Sell EUR 464,230					
Buy GBP 404,735 Lloyds					
Sell EUR 505,080					
Buy GBP 440,631 Lloyds					
Sell EUR 536,430					
Buy GBP 467,708 Lloyds					
Sell USD 6,346,580					
Buy GBP 5,105,105 Lloyds					
Sell USD 1,045,352					
Buy GBP 835,208 J.P. Morgan <sup>2</sup>					
Sell USD 1,033,663					
Buy GBP 837,626 Citigroup					
Sell GBP 1,049,314					
Buy USD 1,295,582 Lloyds					
Sell GBP 1,268,552					
Buy USD 1,566,300 Lloyds					
Sell GBP 1,766,243					
Buy USD 2,200,000 Lloyds					
<b>Total Derivatives</b>					
				<b>1,975</b>	<b>0.18</b>
<b>Total value of investments<sup>3</sup></b>				<b>1,084,654</b>	<b>96.98</b>
<b>Net other assets (3.10%)</b>				<b>33,797</b>	<b>3.02</b>
<b>Net assets</b>				<b>1,118,451</b>	<b>100.00</b>

## Threadneedle Sterling Short-Dated Corporate Bond Fund

### Portfolio Statement

(continued)

#### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	890,944	82.14
Floating rate notes	191,735	17.68
Derivatives	1,975	0.18
<b>Total value of investments<sup>3</sup></b>	<b>1,084,654</b>	<b>100.00</b>

#### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring June 2020	(85,352)
UBS Long Gilt Future Expiring June 2020	23,915
UBS US 5 Year Note Future Expiring June 2020	(67,814)
<b>Total net exposure</b>	<b>(129,251)</b>

April 2019 comparatives in brackets.

\*Variable rate bonds.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

## Threadneedle UK Fixed Interest Fund

### Portfolio Statement

as at 30 April 2020

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.62% (1.01%)</b>									
<b>AA+ 0.62% (1.01%)</b>									
GBP	583,000	Oesterreichische Kontrollbank 1.125% 15/12/2022	592	0.18	GBP	6,584,000	United Kingdom Gilt 1.75% 22/07/2057	9,451	2.87
GBP	1,419,000	Oesterreichische Kontrollbank 1.25% 15/12/2023	1,451	0.44	GBP	4,553,000	United Kingdom Gilt 2.5% 22/07/2065	8,423	2.56
<b>Total Austria</b>			<b>2,043</b>	<b>0.62</b>	GBP	12,302,000	United Kingdom Gilt 3.25% 22/01/2044	19,447	5.90
<b>CANADA 1.00% (1.66%)</b>									
<b>AAA 0.60% (0.91%)</b>									
GBP	2,000,000	*Export Development Canada FRN 29/05/2024	1,990	0.60	GBP	36,231,000	United Kingdom Gilt 3.75% 07/09/2020	36,701	11.13
<b>Aaa 0.40% (0.75%)</b>									
GBP	1,300,000	Royal Bank of Canada 1.125% 22/12/2021	1,308	0.40	GBP	6,698,000	United Kingdom Gilt 4.25% 07/06/2032	9,756	2.96
<b>Total Canada</b>			<b>3,298</b>	<b>1.00</b>	GBP	876,000	United Kingdom Gilt 4.25% 07/03/2036	1,378	0.42
<b>FINLAND 0.62% (0.64%)</b>									
<b>AA+ 0.62% (0.64%)</b>									
GBP	2,000,000	Municipality Finance 1.25% 07/12/2022	2,039	0.62	GBP	14,117,000	United Kingdom Gilt 4.5% 07/09/2034	22,068	6.69
<b>Total Finland</b>			<b>2,039</b>	<b>0.62</b>	<b>AA- 0.42% (0.58%)</b>				
<b>GERMANY 1.13% (0.86%)</b>									
<b>AAA 1.13% (0.86%)</b>									
GBP	1,700,000	KFW 1% 15/12/2022	1,720	0.52	GBP	1,300,000	Transport for London 2.125% 24/04/2025	1,368	0.42
GBP	2,000,000	KFW 1.375% 01/02/2021	2,014	0.61	<b>Not Rated 19.59% (16.67%)</b>				
<b>Total Germany</b>			<b>3,734</b>	<b>1.13</b>	GBP	31,299,000	United Kingdom Gilt 0.625% 07/06/2025	32,109	9.74
<b>REPUBLIC OF IRELAND 1.76% (0.00%)</b>									
<b>Liquidity Funds 1.76% (0.00%)<sup>1</sup></b>									
GBP	5,808,801	BlackRock Institutional Cash Series Sterling Liquidity Platinum	5,809	1.76	GBP	17,451,000	United Kingdom Gilt 1.25% 22/10/2041	19,676	5.97
<b>Total Republic of Ireland</b>			<b>5,809</b>	<b>1.76</b>	GBP	9,523,000	United Kingdom Gilt 1.625% 22/10/2054	12,786	3.88
<b>SUPRANATIONAL 1.50% (1.03%)</b>									
<b>AAA 1.50% (0.00%)</b>									
GBP	2,000,000	European Investment Bank 1% 21/09/2026	2,041	0.62	<b>Total United Kingdom</b>				
GBP	1,000,000	International Bank for Reconstruction and Development 0.875% 13/12/2024	1,012	0.31	<b>305,466</b>	<b>92.67</b>			
GBP	1,835,000	International Bank for Reconstruction and Development 1% 21/12/2029	1,872	0.57	<b>Total value of investments<sup>2</sup></b>				
<b>Total Supranational</b>			<b>4,925</b>	<b>1.50</b>	<b>327,314</b>				
<b>UNITED KINGDOM 92.67% (91.35%)</b>									
<b>AA 0.50% (1.65%)</b>									
GBP	985,000	LCR Finance 4.5% 07/12/2028	1,298	0.39	<b>Net other assets (3.45%)</b>				
GBP	350,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	353	0.11	<b>2,320</b>				
<b>Aa2u 72.16% (72.45%)</b>									
GBP	16,094,000	United Kingdom Gilt 0.875% 22/10/2029	17,092	5.19	<b>Net assets</b>				
GBP	4,607,000	United Kingdom Gilt 1.25% 22/07/2027	4,977	1.51	<b>329,634</b>				
GBP	14,884,000	United Kingdom Gilt 1.5% 22/01/2021	15,038	4.56	<b>100.00</b>				
GBP	11,114,000	United Kingdom Gilt 1.5% 22/07/2047	13,655	4.14					
GBP	4,537,000	United Kingdom Gilt 1.625% 22/10/2071	7,267	2.20					
GBP	26,519,000	United Kingdom Gilt 1.75% 07/09/2037	31,808	9.65					
GBP	31,287,000	United Kingdom Gilt 1.75% 22/01/2049	40,815	12.38					

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	325,324	99.39
Floating rate notes	1,990	0.61
<b>Total value of investments<sup>2</sup></b>	<b>327,314</b>	<b>100.00</b>

April 2019 comparatives in brackets.

\*Variable rate bonds.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle UK Index Linked Fund

### Portfolio Statement

as at 30 April 2020

	Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 99.30% (99.71%)</b>				
<b>AA 2.57% (3.64%)</b>				
GBP	366,000	Network Rail Infrastructure Finance 1.375% 22/11/2037	931	1.27
GBP	316,000	Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	949	1.30
<b>Aa2u 96.73% (96.07%)</b>				
GBP	1,643,000	United Kingdom Gilt 0.125% 10/08/2041	2,813	3.85
GBP	508,000	United Kingdom Gilt 3.25% 22/01/2044	803	1.10
GBP	812,000	United Kingdom Gilt 4.5% 07/09/2034	1,269	1.74
GBP	8,163,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2024	10,813	14.79
GBP	3,176,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2029	4,960	6.79
GBP	1,306,000	United Kingdom Index-Linked Gilt 0.125% 22/11/2036	2,209	3.02
GBP	3,179,000	United Kingdom Index-Linked Gilt 0.125% 22/03/2044	6,590	9.02
GBP	3,169,000	United Kingdom Index-Linked Gilt 0.125% 10/08/2048	6,280	8.59
GBP	542,667	United Kingdom Index-Linked Gilt 0.125% 22/03/2058	1,383	1.89
GBP	2,677,000	United Kingdom Index-Linked Gilt 0.25% 22/03/2052	6,620	9.06
GBP	4,574,000	United Kingdom Index-Linked Gilt 0.375% 22/03/2062	14,473	19.80
GBP	1,354,000	United Kingdom Index-Linked Gilt 0.625% 22/03/2040	3,153	4.31
GBP	2,203,000	United Kingdom Index-Linked Gilt 0.75% 22/03/2034	4,226	5.78
GBP	1,210,000	United Kingdom Index-Linked Gilt 1.25% 22/11/2032	2,538	3.47
GBP	458,000	United Kingdom Index-Linked Gilt 1.875% 22/11/2022	723	0.99
GBP	637,000	United Kingdom Index-Linked Gilt 8% 22/11/2065	1,846	2.53
<b>Total Fixed Interest</b>			<b>72,579</b>	<b>99.30</b>
<b>Total value of investments</b>			<b>72,579</b>	<b>99.30</b>
<b>Net other assets (0.29%)</b>			<b>512</b>	<b>0.70</b>
<b>Net assets</b>			<b>73,091</b>	<b>100.00</b>

April 2019 comparatives in brackets.

## Threadneedle Pan European Focus Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>DENMARK 5.69% (9.49%)</b>				<b>NETHERLANDS 13.94% (7.13%)</b>			
	<b>Industrial Transportation 1.06% (0.00%)</b>				<b>Personal Goods 0.00% (1.91%)</b>		
10,452	DSV Panalpina	873	1.06		<b>General Retailers 2.64% (0.00%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 4.63% (1.39%)</b>			26,604	Takeaway.com	2,166	2.64
74,971	Novo Nordisk	3,802	4.63		<b>Media 1.45% (4.71%)</b>		
	<b>Nonlife Insurance 0.00% (8.10%)</b>			20,185	Wolters Kluwer	1,195	1.45
	<b>Total Denmark</b>	<b>4,675</b>	<b>5.69</b>		<b>Software &amp; Computer Services 4.89% (0.00%)</b>		
				66,569	Prosus	4,013	4.89
<b>FINLAND 2.99% (0.43%)</b>					<b>Technology Hardware &amp; Equipment 4.96% (0.51%)</b>		
	<b>Industrial Engineering 2.99% (0.00%)</b>			16,843	ASML	4,073	4.96
50,094	Kone	2,452	2.99		<b>Total Netherlands</b>	<b>11,447</b>	<b>13.94</b>
	<b>Nonlife Insurance 0.00% (0.43%)</b>						
	<b>Total Finland</b>	<b>2,452</b>	<b>2.99</b>	<b>NORWAY 0.00% (0.47%)</b>			
<b>FRANCE 17.97% (26.20%)</b>					<b>Banks 0.00% (0.47%)</b>		
	<b>Chemicals 4.38% (0.00%)</b>				<b>Total Norway</b>	<b>-</b>	<b>-</b>
34,874	Air Liquide	3,599	4.38	<b>REPUBLIC OF IRELAND 4.07% (5.04%)</b>			
	<b>Electronic &amp; Electrical Equipment 3.05% (0.50%)</b>				<b>Chemicals 4.06% (0.00%)</b>		
34,146	Schneider Electric	2,507	3.05	22,279	Linde	3,331	4.06
	<b>Support Services 8.68% (8.25%)</b>				<b>Construction &amp; Materials 0.00% (3.08%)</b>		
21,806	Teleperformance	3,822	4.66		<b>Food Producers 0.00% (1.96%)</b>		
59,358	Worldline	3,299	4.02		<b>Liquidity Funds 0.01% (0.00%)<sup>1</sup></b>		
	<b>Beverages 0.00% (4.41%)</b>			11,115	BlackRock Institutional Cash Series Sterling Liquidity Platinum	11	0.01
	<b>Personal Goods 0.00% (8.19%)</b>				<b>Total Republic of Ireland</b>	<b>3,342</b>	<b>4.07</b>
	<b>Software &amp; Computer Services 1.86% (4.85%)</b>			<b>SPAIN 9.25% (0.46%)</b>			
13,081	Dassault Systems	1,525	1.86		<b>Pharmaceuticals &amp; Biotechnology 4.66% (0.00%)</b>		
	<b>Total France</b>	<b>14,752</b>	<b>17.97</b>	231,980	Grifols 'B' Shares	3,828	4.66
<b>GERMANY 12.03% (12.10%)</b>					<b>Mobile Telecommunications 4.59% (0.46%)</b>		
	<b>Automobiles &amp; Parts 0.00% (0.55%)</b>			89,995	Cellnex Telecom	3,769	4.59
	<b>Personal Goods 0.00% (9.57%)</b>				<b>Total Spain</b>	<b>7,597</b>	<b>9.25</b>
	<b>Mobile Telecommunications 2.09% (0.00%)</b>			<b>SWEDEN 4.76% (0.97%)</b>			
147,118	Deutsche Telekom	1,718	2.09		<b>Industrial Engineering 4.76% (0.48%)</b>		
	<b>Financial Services 4.21% (1.98%)</b>			140,785	Atlas Copco 'A' Shares	3,908	4.76
27,431	Deutsche Boerse	3,456	4.21		<b>Software &amp; Computer Services 0.00% (0.49%)</b>		
	<b>Software &amp; Computer Services 5.73% (0.00%)</b>				<b>Total Sweden</b>	<b>3,908</b>	<b>4.76</b>
8,579	SAP	827	1.01	<b>SWITZERLAND 14.99% (2.36%)</b>			
111,149	TeamViewer	3,875	4.72		<b>Construction &amp; Materials 1.44% (2.36%)</b>		
	<b>Total Germany</b>	<b>9,876</b>	<b>12.03</b>	8,881	Sika	1,184	1.44
<b>ITALY 7.84% (6.62%)</b>					<b>General Industrials 1.71% (0.00%)</b>		
	<b>Support Services 3.04% (0.00%)</b>			107,054	SIG Combibloc Group	1,405	1.71
209,264	Nexi	2,492	3.04		<b>Food Producers 4.62% (0.00%)</b>		
	<b>Beverages 0.00% (4.31%)</b>			44,462	Nestle	3,795	4.62
	<b>Mobile Telecommunications 4.80% (2.31%)</b>				<b>Pharmaceuticals &amp; Biotechnology 7.22% (0.00%)</b>		
471,944	Infrastructure Wireless Italia	3,943	4.80	11,294	Lonza	3,957	4.82
	<b>Total Italy</b>	<b>6,435</b>	<b>7.84</b>				

## Threadneedle Pan European Focus Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 14.99% (2.36%) (continued)</b>			
11,401	Novartis	785	0.96
4,219	Roche	1,183	1.44
	<b>Total Switzerland</b>	<b>12,309</b>	<b>14.99</b>
<b>UNITED KINGDOM 6.01% (25.95%)</b>			
	<b>Support Services 0.00% (5.85%)</b>		
	<b>Beverages 0.00% (4.17%)</b>		
	<b>Media 3.46% (5.68%)</b>		
152,894	RELX (UK Listing)	2,839	3.46
	<b>Travel &amp; Leisure 0.00% (0.91%)</b>		
	<b>Financial Services 2.55% (4.87%)</b>		
27,471	London Stock Exchange Group	2,094	2.55
	<b>Software &amp; Computer Services 0.00% (4.47%)</b>		
	<b>Total United Kingdom</b>	<b>4,933</b>	<b>6.01</b>
<b>UNITED STATES OF AMERICA 0.00% (2.47%)</b>			
	<b>Software &amp; Computer Services 0.00% (2.47%)</b>		
	<b>Total United States of America</b>	<b>–</b>	<b>–</b>
	<b>Total value of investments<sup>2</sup></b>	<b>81,726</b>	<b>99.54</b>
	<b>Net other assets (0.31%)</b>	<b>381</b>	<b>0.46</b>
	<b>Net assets</b>	<b>82,107</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle American Extended Alpha Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 0.00% (2.30%)</b>				<b>Software &amp; Computer Services 24.77% (22.15%)</b>			
	Technology Hardware & Equipment	0.00% (2.30%)		4,473	Alphabet Class A	4,796	9.08
	<b>Total Netherlands</b>			16,494	Facebook	2,558	4.84
				31,809	Microsoft	4,502	8.52
<b>REPUBLIC OF IRELAND 0.08% (4.77%)</b>				55,898	Nutanix	918	1.74
	Liquidity Funds	0.08% (4.77%) <sup>1</sup>		2,878	Vmware Class A	310	0.59
54,456	BlackRock Institutional Cash Series			<b>Technology Hardware &amp; Equipment 12.62% (8.03%)</b>			
	US Dollar Liquidity Platinum	44	0.08	9,781	Analog Devices	886	1.68
	<b>Total Republic of Ireland</b>	<b>44</b>	<b>0.08</b>	5,195	Apple	1,194	2.26
<b>UNITED STATES OF AMERICA 96.47% (95.02%)</b>				10,829	Lam Research	2,424	4.59
	Oil & Gas Producers	2.38% (6.22%)		23,853	Microchip Technology	1,760	3.33
21,460	Phillips 66	1,260	2.38	1,678	Nvidia	400	0.76
	<b>Chemicals 0.00% (1.05%)</b>			<b>Total United States of America</b>			
	<b>Aerospace &amp; Defence 0.30% (1.30%)</b>					<b>50,953</b>	<b>96.47</b>
1,844	Curtiss-Wright Corporation	157	0.30	<b>DERIVATIVES -0.52% (0.26%)</b>			
	<b>General Industrials 0.00% (0.45%)</b>			<b>Forward Foreign Exchange Contracts 0.00% (0.01%)</b>			
	<b>Industrial Transportation 3.50% (3.84%)</b>			Sell USD 107,000			
12,831	Norfolk Southern	1,850	3.50	Buy GBP 86,099 Bank of Scotland <sup>2</sup>			
	<b>Food Producers 1.40% (1.23%)</b>			Sell GBP 48,270			
18,090	Mondelez International	738	1.40	Buy USD 60,000 Bank of Scotland <sup>2</sup>			
	<b>Personal Goods 0.49% (0.67%)</b>			<b>Portfolio Swap -0.52% (0.25%)</b>			
5,416	VF	261	0.49	Merrill Lynch Portfolio Swap			
	<b>Health Care Equipment &amp; Services 5.38% (6.79%)</b>			<b>Total Derivatives</b>			
7,802	Edwards Lifesciences	1,367	2.59			(276)	(0.52)
6,426	UnitedHealth Group	1,476	2.79	<b>Total value of investments<sup>3</sup></b>			
	<b>Pharmaceuticals &amp; Biotechnology 7.82% (7.48%)</b>			<b>Net other assets/(liabilities) (-2.35%)</b>			
10,688	Alexion Pharmaceuticals	926	1.75	<b>Net assets</b>			
24,021	Biomarin Pharmaceutical	1,818	3.44			<b>50,721</b>	<b>96.03</b>
1,962	Bluebird Bio	89	0.17	<b>Net other assets/(liabilities) (-2.35%)</b>			
1,457	Illumina	369	0.70	<b>Net assets</b>			
5,780	Moderna	214	0.41			<b>2,099</b>	<b>3.97</b>
3,555	Vertex Pharmaceuticals	711	1.35	<b>Total Derivatives</b>			
	<b>General Retailers 10.88% (6.02%)</b>					(276)	(0.52)
2,299	Amazon.com	4,355	8.25	<b>Total Derivatives</b>			
55,373	Uber Technologies	1,390	2.63			<b>(276)</b>	<b>(0.52)</b>
	<b>Media 2.02% (0.51%)</b>			<b>Total value of investments<sup>3</sup></b>			
16,828	Comcast Corporation	525	0.99	<b>Net other assets/(liabilities) (-2.35%)</b>			
6,047	Walt Disney	543	1.03	<b>Net assets</b>			
	<b>Travel &amp; Leisure 3.33% (3.50%)</b>					<b>52,820</b>	<b>100.00</b>
1,445	Booking Holdings	1,756	3.33	<b>DERIVATIVES -0.52% (0.26%)</b>			
	<b>Banks 6.46% (8.40%)</b>			<b>Forward Foreign Exchange Contracts 0.00% (0.01%)</b>			
73,316	Bank of America	1,451	2.75	Sell USD 107,000			
25,062	JPMorgan Chase	1,959	3.71	Buy GBP 86,099 Bank of Scotland <sup>2</sup>			
	<b>Nonlife Insurance 6.77% (8.19%)</b>			Sell GBP 48,270			
23,681	Berkshire Hathaway	3,577	6.77	Buy USD 60,000 Bank of Scotland <sup>2</sup>			
	<b>Financial Services 8.35% (9.19%)</b>			<b>Portfolio Swap -0.52% (0.25%)</b>			
9,686	MasterCard Class A	2,194	4.15	Merrill Lynch Portfolio Swap			
15,275	Visa 'A' Shares	2,219	4.20	<b>Total Derivatives</b>			

April 2019 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

## Threadneedle US Equity Income Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.43% (7.53%)</b>				<b>CONSUMER SERVICES 8.55% (8.37%)</b>			
	<b>Oil &amp; Gas Producers 3.43% (5.77%)</b>				<b>General Retailers 6.39% (4.44%)</b>		
11,867	Chevron	864	1.20	6,089	Costco Wholesale	1,463	2.03
29,150	ConocoPhillips	973	1.35	12,482	Home Depot	2,175	3.01
12,647	Valero Energy	634	0.88	11,182	Target Corporation	973	1.35
	<b>Oil Equipment, Services &amp; Distribution 0.00% (1.76%)</b>				<b>Media 2.16% (2.35%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>2,471</b>	<b>3.43</b>	52,310	Comcast Corporation	1,560	2.16
<b>BASIC MATERIALS 0.45% (2.78%)</b>					<b>Travel &amp; Leisure 0.00% (1.58%)</b>		
	<b>Chemicals 0.45% (1.53%)</b>				<b>Total Consumer Services</b>	<b>6,171</b>	<b>8.55</b>
8,779	DuPont de Nemours	327	0.45				
	<b>Industrial Metals &amp; Mining 0.00% (1.25%)</b>			<b>TELECOMMUNICATIONS 4.61% (3.03%)</b>			
	<b>Total Basic Materials</b>	<b>327</b>	<b>0.45</b>		<b>Fixed Line Telecommunications 4.61% (3.03%)</b>		
<b>INDUSTRIALS 12.06% (8.22%)</b>				47,102	AT&T	1,137	1.58
	<b>Aerospace &amp; Defence 2.59% (2.05%)</b>			48,085	Verizon Communications	2,188	3.03
6,062	Lockheed Martin	1,869	2.59		<b>Total Telecommunications</b>	<b>3,325</b>	<b>4.61</b>
	<b>General Industrials 2.23% (2.10%)</b>			<b>UTILITIES 6.75% (6.16%)</b>			
24,279	Eaton	1,607	2.23		<b>Electricity 6.75% (5.09%)</b>		
	<b>Industrial Engineering 1.64% (0.00%)</b>			23,841	American Electric Power	1,570	2.18
12,827	Caterpillar	1,182	1.64	16,961	Edison International	788	1.09
	<b>Industrial Transportation 4.03% (2.43%)</b>			7,232	FPL Group	1,325	1.84
13,320	Union Pacific	1,686	2.33	23,528	Xcel Energy	1,186	1.64
16,345	United Parcel Service	1,225	1.70		<b>Gas, Water &amp; Multiutilities 0.00% (1.07%)</b>		
	<b>Support Services 1.57% (1.64%)</b>				<b>Total Utilities</b>	<b>4,869</b>	<b>6.75</b>
9,739	Automatic Data Processing	1,133	1.57	<b>FINANCIALS 16.52% (20.99%)</b>			
	<b>Total Industrials</b>	<b>8,702</b>	<b>12.06</b>		<b>Banks 5.31% (7.20%)</b>		
<b>CONSUMER GOODS 9.47% (9.99%)</b>				35,072	Citigroup	1,350	1.87
	<b>Beverages 3.19% (1.90%)</b>			31,524	Citizens Finance Group	559	0.78
21,980	PepsiCo	2,302	3.19	10,034	JPMorgan Chase	761	1.06
	<b>Household Goods &amp; Home Construction 3.51% (3.03%)</b>			39,031	Truist Financial Corporation	1,155	1.60
27,149	Procter & Gamble	2,533	3.51		<b>Nonlife Insurance 1.41% (1.45%)</b>		
	<b>Personal Goods 0.00% (1.37%)</b>			12,583	Allstate	1,015	1.41
	<b>Tobacco 2.77% (3.69%)</b>				<b>Life Insurance 1.42% (2.70%)</b>		
33,796	Philip Morris International	1,994	2.77	35,903	Metlife	1,027	1.42
	<b>Total Consumer Goods</b>	<b>6,829</b>	<b>9.47</b>		<b>Real Estate Investment Trusts 5.81% (7.54%)</b>		
<b>HEALTH CARE 13.33% (12.86%)</b>				20,952	Equity LifeStyle Properties	1,002	1.39
	<b>Health Care Equipment &amp; Services 2.61% (4.10%)</b>			25,125	Prologis	1,776	2.46
19,850	Becton Dickinson Preference Share	934	1.30	3,544	SBA Communications	813	1.13
1,000	Danaher Corporation Preference Share	947	1.31	37,828	STORE Capital	601	0.83
	<b>Pharmaceuticals &amp; Biotechnology 10.72% (8.76%)</b>				<b>Financial Services 2.57% (2.10%)</b>		
33,259	Bristol-Myers Squibb	1,603	2.22	8,861	CME Group	1,250	1.73
13,360	Eli Lilly and Company	1,637	2.27	16,939	Voya Financial	607	0.84
21,531	Johnson & Johnson	2,557	3.54		<b>Total Financials</b>	<b>11,916</b>	<b>16.52</b>
30,924	Merck & Co	1,942	2.69	<b>TECHNOLOGY 24.36% (20.15%)</b>			
	<b>Total Health Care</b>	<b>9,620</b>	<b>13.33</b>		<b>Software &amp; Computer Services 10.41% (6.13%)</b>		
				47,792	Microsoft	5,937	8.23
				93,175	NortonLifeLock	1,570	2.18
					<b>Technology Hardware &amp; Equipment 13.95% (14.02%)</b>		
				18,519	Apple	4,303	5.96

## Threadneedle US Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 24.36% (20.15%) (continued)</b>			
6,984	Broadcom	1,504	2.08
51,069	Cisco Systems	1,715	2.38
9,716	KLA-Tencor	1,263	1.75
13,954	Texas Instruments	1,284	1.78
	<b>Total Technology</b>	<b>17,576</b>	<b>24.36</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 13,208		
	Buy CHF 12,876 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 13,712		
	Buy CHF 13,367 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 363		
	Buy CHF 353 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 376		
	Buy CHF 367 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 1,476		
	Buy EUR 1,360 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 14,175		
	Buy EUR 13,139 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 14,457		
	Buy EUR 13,401 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 14,542		
	Buy EUR 13,480 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 369,306		
	Buy EUR 342,331 J.P. Morgan	3	–
	Sell USD 390		
	Buy EUR 360 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 399		
	Buy EUR 368 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 402		
	Buy EUR 370 J.P. Morgan <sup>1</sup>	–	–
	Sell USD 8,778		
	Buy EUR 8,091 J.P. Morgan <sup>1</sup>	–	–
	Sell GBP 19,869		
	Buy USD 24,700 HSBC <sup>1</sup>	–	–
	<b>Total Derivatives</b>	<b>3</b>	<b>–</b>
<b>Total value of investments</b>		<b>71,809</b>	<b>99.53</b>
<b>Net other assets (-0.08%)</b>		<b>338</b>	<b>0.47</b>
<b>Net assets</b>		<b>72,147</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Less than £500, rounded to nil.



## Threadneedle China Opportunities Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>HONG KONG 16.84% (20.06%) (continued)</b>			
<b>Technology Hardware &amp; Equipment 1.10% (1.03%)</b>			
365,000	Hua Hong Semiconductor	566	1.10
	<b>Total Hong Kong</b>	<b>8,683</b>	<b>16.84</b>
<b>TAIWAN 1.23% (0.00%)</b>			
<b>Technology Hardware &amp; Equipment 1.23% (0.00%)</b>			
57,000	MediaTek	636	1.23
	<b>Total Taiwan</b>	<b>636</b>	<b>1.23</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 47,000		
	Buy GBP 37,819 Bank of Scotland <sup>1</sup>	–	–
	<b>Total Derivatives</b>	<b>–</b>	<b>–</b>
<b>Total value of investments</b>		<b>50,456</b>	<b>97.86</b>
<b>Net other assets (1.51%)</b>		<b>1,103</b>	<b>2.14</b>
<b>Net assets</b>		<b>51,559</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Less than £500, rounded to nil.

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BERMUDA 0.75% (1.19%)</b>				89,781	TAL Education Group ADR	3,966	1.11
	<b>Banks 0.75% (1.19%)</b>			<b>Banks 0.00% (0.66%)</b>			
22,434	Credicorp	2,674	0.75	<b>Software &amp; Computer Services 10.83% (7.93%)</b>			
	<b>Total Bermuda</b>	<b>2,674</b>	<b>0.75</b>	2,980,000	Kingdee International Software Group	3,461	0.97
<b>BRAZIL 7.20% (10.73%)</b>				10,414	Netease	2,941	0.83
	<b>Oil &amp; Gas Producers 0.00% (1.42%)</b>			37,845	Sea ADR	1,680	0.47
	<b>Support Services 0.85% (0.40%)</b>			709,900	Tencent Holdings	30,530	8.56
135,803	StoneCo	3,044	0.85		<b>Total Cayman Islands</b>	<b>92,670</b>	<b>25.99</b>
	<b>Health Care Equipment &amp; Services 1.98% (1.32%)</b>			<b>CHINA 10.45% (9.55%)</b>			
270,287	Afyra Class A	4,723	1.32	172,378	Chemicals 0.59% (0.00%)		
277,206	Notredame Intermedica	2,367	0.66		Skshu Paint	2,095	0.59
	<b>General Retailers 2.56% (2.76%)</b>			29,334	Beverages 1.18% (1.36%)		
59,725	Arco Platform 'A' Shares	2,475	0.69		Kweichow Moutai	4,204	1.18
228,737	Localiza Rent a Car	1,239	0.35		<b>Household Goods &amp; Home Construction 0.58% (0.41%)</b>		
279,170	Lojas Renner	1,696	0.48	341,000	Midea Group	2,075	0.58
489,060	Magazine Luiza	3,709	1.04		<b>Personal Goods 0.79% (0.00%)</b>		
	<b>Travel &amp; Leisure 0.44% (2.29%)</b>			1,118,000	Li-Ning	2,813	0.79
219,518	Azul	563	0.16		<b>Pharmaceuticals &amp; Biotechnology 1.43% (1.26%)</b>		
668,868	BK Brasil Operacao e Assessoria	986	0.28	12,716	BeiGene	1,641	0.46
	<b>Banks 0.69% (1.86%)</b>			306,100	WuXi AppTec	3,457	0.97
690,889	Itau Unibanco ADR	2,469	0.69		<b>General Retailers 2.20% (0.71%)</b>		
	<b>Financial Services 0.68% (0.68%)</b>			143,195	JD.com ADR	5,072	1.42
121,003	XP Inc – Class A	2,419	0.68	27,446	New Oriental Education & Technology Group ADR	2,786	0.78
	<b>Total Brazil</b>	<b>25,690</b>	<b>7.20</b>		<b>Travel &amp; Leisure 0.00% (0.49%)</b>		
<b>BRITISH VIRGIN ISLANDS 0.34% (0.83%)</b>					<b>Banks 0.00% (1.74%)</b>		
	<b>Software &amp; Computer Services 0.34% (0.83%)</b>				<b>Life Insurance 2.30% (2.27%)</b>		
82,740	Mail.Ru Group GDR	1,220	0.34	998,071	Ping An Insurance Group	8,204	2.30
	<b>Total British Virgin Islands</b>	<b>1,220</b>	<b>0.34</b>		<b>Real Estate Investment &amp; Services 1.05% (0.00%)</b>		
<b>CANADA 0.38% (1.04%)</b>				1,012,969	Country Garden Services Hold	3,745	1.05
	<b>Oil &amp; Gas Producers 0.38% (0.57%)</b>				<b>Software &amp; Computer Services 0.33% (1.31%)</b>		
158,333	Parex Resources	1,369	0.38	194,400	Glodon	1,157	0.33
	<b>Industrial Metals &amp; Mining 0.00% (0.47%)</b>				<b>Total China</b>	<b>37,249</b>	<b>10.45</b>
	<b>Total Canada</b>	<b>1,369</b>	<b>0.38</b>	<b>CYPRUS 0.32% (0.00%)</b>			
<b>CAYMAN ISLANDS 25.99% (22.24%)</b>					<b>Banks 0.32% (0.00%)</b>		
	<b>Construction &amp; Materials 0.97% (0.75%)</b>			104,868	TCS Group Holding	1,160	0.32
3,194,000	China Resources Cement Holdings	3,459	0.97		<b>Total Cyprus</b>	<b>1,160</b>	<b>0.32</b>
	<b>Support Services 0.49% (0.97%)</b>			<b>HONG KONG 2.87% (4.46%)</b>			
86,175	PagSeguro Digital	1,749	0.49		<b>Oil &amp; Gas Producers 0.00% (1.20%)</b>		
	<b>Automobiles &amp; Parts 0.00% (0.70%)</b>			575,500	Household Goods & Home Construction 0.98% (0.84%)		
	<b>Personal Goods 1.15% (0.85%)</b>				Techtronic Industries	3,499	0.98
439,100	Shenzhen International Group Holdings	4,085	1.15		<b>Travel &amp; Leisure 0.38% (0.00%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 2.31% (1.15%)</b>			261,000	Galaxy Entertainment Group	1,355	0.38
662,500	Wuxi Biologics Cayman	8,240	2.31		<b>Life Insurance 1.51% (2.42%)</b>		
	<b>General Retailers 10.24% (9.23%)</b>			726,200	AIA Group	5,385	1.51
61,191	58.Com ADR	2,532	0.71		<b>Total Hong Kong</b>	<b>10,239</b>	<b>2.87</b>
181,738	Alibaba Group ADR	30,027	8.42				

## Threadneedle Global Emerging Markets Equity Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>HUNGARY 1.21% (0.49%)</b>				<b>Real Estate Investment &amp; Services 0.12% (0.74%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.49%)</b>			21,736,700	Pakuwon Jati	439	0.12
	<b>Banks 1.21% (0.00%)</b>				<b>Total Indonesia</b>	<b>15,710</b>	<b>4.41</b>
178,448	OTP Bank	4,299	1.21	<b>LUXEMBOURG 0.60% (0.86%)</b>			
	<b>Total Hungary</b>	<b>4,299</b>	<b>1.21</b>	<b>Beverages 0.00% (0.36%)</b>			
<b>INDIA 10.22% (10.63%)</b>				<b>Household Goods &amp; Home Construction 0.00% (0.50%)</b>			
	<b>Oil &amp; Gas Producers 2.19% (2.31%)</b>				<b>Software &amp; Computer Services 0.60% (0.00%)</b>		
500,550	Reliance Industries	7,800	2.19	22,605	Globant	2,132	0.60
	<b>Construction &amp; Materials 0.63% (0.00%)</b>				<b>Total Luxembourg</b>	<b>2,132</b>	<b>0.60</b>
120,213	Asian Paints	2,255	0.63	<b>MEXICO 0.00% (1.85%)</b>			
	<b>Industrial Engineering 0.49% (0.73%)</b>			<b>Chemicals 0.00% (0.81%)</b>			
11,168	Eicher Motors	1,741	0.49	<b>Banks 0.00% (1.04%)</b>			
	<b>Industrial Transportation 0.00% (0.38%)</b>			<b>Total Mexico</b>			
	<b>Automobiles &amp; Parts 0.74% (0.45%)</b>			<b>NETHERLANDS 1.98% (1.50%)</b>			
265,642	Balkrishna Industries	2,630	0.74		<b>Software &amp; Computer Services 1.98% (1.50%)</b>		
	<b>Health Care Equipment &amp; Services 0.53% (0.41%)</b>			223,017	Yandex	7,060	1.98
126,925	Apollo Hospitals Enterprise	1,886	0.53		<b>Total Netherlands</b>	<b>7,060</b>	<b>1.98</b>
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.51%)</b>			<b>PANAMA 0.00% (0.48%)</b>			
	<b>Food &amp; Drug Retailers 0.38% (0.00%)</b>			<b>Travel &amp; Leisure 0.00% (0.48%)</b>			
54,330	Avenue Supermarts	1,365	0.38	<b>Total Panama</b>			
	<b>Travel &amp; Leisure 0.27% (1.00%)</b>			<b>PHILIPPINES 1.97% (1.85%)</b>			
55,980	Jubilant Foodworks	965	0.27		<b>Banks 0.46% (0.00%)</b>		
	<b>Gas, Water &amp; Multiutilities 0.29% (0.46%)</b>			1,041,920	BDO Unibank	1,652	0.46
207,606	Indraprastha Gas	1,053	0.29		<b>Real Estate Investment &amp; Services 1.51% (1.85%)</b>		
	<b>Banks 2.64% (3.21%)</b>			10,581,340	Ayala Land	5,361	1.51
465,604	Bandhan Bank	1,307	0.37		<b>Total Philippines</b>	<b>7,013</b>	<b>1.97</b>
225,975	HDFC Bank ADR	8,112	2.27	<b>POLAND 0.60% (0.81%)</b>			
	<b>Life Insurance 0.73% (0.76%)</b>				<b>Food &amp; Drug Retailers 0.60% (0.45%)</b>		
489,292	HDFC Stand Life Insurance	2,601	0.73	64,113	Dino Polska	2,138	0.60
	<b>Financial Services 0.90% (0.41%)</b>				<b>Financial Services 0.00% (0.36%)</b>		
71,997	Bajaj Finance	1,776	0.50		<b>Total Poland</b>	<b>2,138</b>	<b>0.60</b>
222,173	SBI Cards & Payment Services	1,412	0.40	<b>REPUBLIC OF IRELAND 3.16% (1.42%)</b>			
	<b>Software &amp; Computer Services 0.43% (0.00%)</b>				<b>Liquidity Funds 3.16% (1.42%)<sup>1</sup></b>		
266,594	Tech Mahindra	1,547	0.43	14,096,741	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	11,268	3.16
	<b>Total India</b>	<b>36,450</b>	<b>10.22</b>		<b>Total Republic of Ireland</b>	<b>11,268</b>	<b>3.16</b>
<b>INDONESIA 4.41% (7.34%)</b>				<b>RUSSIA 2.03% (0.65%)</b>			
	<b>Automobiles &amp; Parts 0.00% (0.92%)</b>				<b>Oil &amp; Gas Producers 1.18% (0.00%)</b>		
	<b>General Retailers 0.84% (0.70%)</b>			78,859	Lukoil ADR	4,208	1.18
36,811,000	Ace Hardware Indonesia	2,977	0.84		<b>Banks 0.85% (0.65%)</b>		
	<b>Banks 3.45% (4.98%)</b>			353,365	Sberbank of Russia	3,035	0.85
4,345,200	Bank Central Asia	6,036	1.69		<b>Total Russia</b>	<b>7,243</b>	<b>2.03</b>
34,062,500	Bank Rakyat Indonesia	4,979	1.40				
10,921,100	Bank Tabungan Pensiunan Nasional Syariah	1,279	0.36				

## 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
<b>SOUTH AFRICA 3.24% (6.09%)</b>				<b>DERIVATIVES -0.01% (0.01%)</b>			
	<b>Chemicals 0.00% (0.81%)</b>			<b>Forward Foreign Exchange Contracts -0.01% (0.01%)</b>			
	<b>Food Producers 0.39% (0.51%)</b>			Sell GBP 4,470,607			
394,627	AVI	1,371	0.39	Buy USD 5,557,000 Bank of Scotland			
	<b>Banks 0.40% (0.44%)</b>			<b>Total Derivatives</b>			
34,606	Capitec Bank Holdings	1,434	0.40	<b>Total value of investments<sup>2</sup></b>			
	<b>Software &amp; Computer Services 2.45% (4.33%)</b>			<b>Net other assets (0.74%)</b>			
68,407	Naspers	8,748	2.45	<b>Net assets</b>			
	<b>Total South Africa</b>	<b>11,553</b>	<b>3.24</b>				
<b>SOUTH KOREA 11.13% (7.58%)</b>							
	<b>Chemicals 0.00% (0.47%)</b>						
	<b>Electronic &amp; Electrical Equipment 1.92% (0.00%)</b>						
62,459	Samsung Elec Mech Krw5000	4,630	1.30				
11,772	Samsung SDI	2,205	0.62				
	<b>Leisure Goods 0.50% (0.27%)</b>						
14,189	Pearl Abyss	1,790	0.50				
	<b>Mobile Telecommunications 0.00% (0.37%)</b>						
	<b>Banks 0.00% (0.76%)</b>						
	<b>Software &amp; Computer Services 1.34% (0.32%)</b>						
16,226	Kakao	1,953	0.55				
21,855	NAVER	2,832	0.79				
	<b>Technology Hardware &amp; Equipment 7.37% (5.39%)</b>						
573,104	Samsung Electronics	18,780	5.27				
136,241	SK Hynix	7,481	2.10				
	<b>Total South Korea</b>	<b>39,671</b>	<b>11.13</b>				
<b>TAIWAN 6.76% (4.48%)</b>							
	<b>Technology Hardware &amp; Equipment 6.76% (4.48%)</b>						
359,000	MediaTek	4,005	1.12				
461,598	Taiwan Semiconductor Manufacturing ADR	20,095	5.64				
	<b>Total Taiwan</b>	<b>24,100</b>	<b>6.76</b>				
<b>THAILAND 2.47% (2.39%)</b>							
	<b>Banks 0.56% (0.56%)</b>						
1,108,100	TISCO Financel Group	2,005	0.56				
	<b>Financial Services 1.91% (1.83%)</b>						
4,763,200	Muangthai Capital	5,560	1.56				
934,000	Srisawad Corporation	1,234	0.35				
	<b>Total Thailand</b>	<b>8,799</b>	<b>2.47</b>				
<b>UNITED STATES OF AMERICA 0.48% (0.79%)</b>							
	<b>Electronic &amp; Electrical Equipment 0.00% (0.40%)</b>						
	<b>General Retailers 0.48% (0.39%)</b>						
3,528	Mercadolibre	1,696	0.48				
	<b>Total United States of America</b>	<b>1,696</b>	<b>0.48</b>				

April 2019 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

as at 30 April 2020

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.08% (1.07%)</b>					<b>HONG KONG 1.27% (1.26%)</b>				
		<b>B 0.00% (0.91%)</b>					<b>BBB 1.27% (1.26%)</b>		
		<b>B2 0.00% (0.16%)</b>			USD	1,235,000	China National Chemical Corporation 4.625% 14/03/2023	1,029	1.27
		<b>Ca 0.08% (0.00%)</b>					<b>Total Hong Kong</b>	<b>1,029</b>	<b>1.27</b>
ARS	10,000,000	Republic of Argentina 15.5% 17/10/2026	61	0.08	<b>HUNGARY 0.00% (2.48%)</b>				
		<b>Total Argentina</b>	<b>61</b>	<b>0.08</b>			<b>BBB 0.00% (2.48%)</b>		
							<b>Total Hungary</b>	<b>-</b>	<b>-</b>
<b>BRAZIL 6.81% (7.22%)</b>					<b>INDONESIA 8.45% (12.21%)</b>				
		<b>BB- 6.81% (7.22%)</b>					<b>Baa2 3.65% (9.74%)</b>		
BRL	12,658	Brazil Government International Bond 10% 01/01/2023	2,192	2.70	IDR	28,013,000,000	Indonesia Government International Bond 9% 15/03/2029	1,603	1.97
BRL	9,193	Brazil Government International Bond 10% 01/01/2025	1,617	1.99	IDR	23,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,363	1.68
BRL	9,772	Brazil Government International Bond 10% 01/01/2027	1,721	2.12			<b>Not Rated 4.80% (2.47%)</b>		
		<b>Total Brazil</b>	<b>5,530</b>	<b>6.81</b>	IDR	36,639,000,000	Indonesia Government International Bond 8.25% 15/05/2036	1,985	2.44
<b>COLOMBIA 4.42% (5.76%)</b>							IDR	34,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031
		<b>BBB- 4.42% (5.76%)</b>					<b>Total Indonesia</b>	<b>6,866</b>	<b>8.45</b>
COP	15,462,000,000	Colombia Government International Bond 9.85% 28/06/2027	3,591	4.42	<b>MALAYSIA 5.44% (3.83%)</b>				
		<b>Total Colombia</b>	<b>3,591</b>	<b>4.42</b>			<b>A3 4.47% (3.83%)</b>		
<b>CROATIA 0.00% (2.65%)</b>					MYR	8,894,000	Malaysian Government Bond 3.84% 15/04/2033	1,757	2.16
		<b>BBB- 0.00% (2.65%)</b>			MYR	9,238,000	Malaysian Government Bond 4.392% 15/04/2026	1,875	2.31
		<b>Total Croatia</b>	<b>-</b>	<b>-</b>			<b>B+ 0.97% (0.00%)</b>		
<b>CZECH REPUBLIC 2.95% (0.91%)</b>					USD	1,250,000	Press Metal (Labuan) 4.8% 30/10/2022	791	0.97
		<b>Not Rated 2.95% (0.91%)</b>					<b>Total Malaysia</b>	<b>4,423</b>	<b>5.44</b>
CZK	68,240,000	Czech Republic 2.5% 25/08/2028	2,401	2.95	<b>MEXICO 6.08% (5.30%)</b>				
		<b>Total Czech Republic</b>	<b>2,401</b>	<b>2.95</b>			<b>A- 0.00% (4.84%)</b>		
<b>DOMINICAN REPUBLIC 2.33% (2.88%)</b>							<b>A3 0.00% (0.46%)</b>		
		<b>BB- 1.35% (0.00%)</b>					<b>BBB+ 3.98% (0.00%)</b>		
DOP	94,700,000	Dominican Republic International Bond 9.75% 05/06/2026	1,097	1.35	MXN	2,044,100	Mexican Bonos 7.75% 29/05/2031	73	0.09
		<b>Not Rated 0.98% (2.88%)</b>			MXN	86,907,200	Mexican Bonos 8.5% 18/11/2038	3,166	3.89
DOP	53,000,000	Dominican Republic International Bond 15.95% 04/06/2021	796	0.98			<b>Baa1 1.89% (0.00%)</b>		
		<b>Total Dominican Republic</b>	<b>1,893</b>	<b>2.33</b>	MXN	10,000,000	Mexican Bonos 5.75% 05/03/2026	332	0.41
<b>EGYPT 0.00% (2.22)</b>					MXN	35,000,000	Mexican Bonos 8% 11/07/2047	1,201	1.48
		<b>Not Rated 0.00% (2.22)</b>					<b>BBB 0.21% (0.00%)</b>		
		<b>Total Egypt</b>	<b>-</b>	<b>-</b>	USD	287,000	Petroleos Mexicanos 6.84% 23/01/2030	170	0.21
<b>GEORGIA 1.09% (1.14%)</b>							<b>Total Mexico</b>	<b>4,942</b>	<b>6.08</b>
		<b>BB 1.09% (0.00%)</b>			<b>NETHERLANDS 1.08% (0.00%)</b>				
USD	1,100,000	Georgia Government International Bond 6.875% 12/04/2021	884	1.09			<b>Ba1 1.08% (0.00%)</b>		
		<b>BB- 0.00% (1.14%)</b>			1,200,000		Greenko Dutch 4.875% 24/07/2022	880	1.08
		<b>Total Georgia</b>	<b>884</b>	<b>1.09</b>			<b>Total Netherlands</b>	<b>880</b>	<b>1.08</b>

## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NIGERIA 1.33% (3.03%)</b>					<b>SENEGAL 0.85% (0.96%)</b>				
		<b>B 0.00% (1.47%)</b>					<b>B+ 0.85% (0.96%)</b>		
USD	1,450,000	Nigeria Government International Bond 6.75% 28/01/21	1,083	1.33	USD	900,000	Senegal Government International Bond 8.75% 13/05/2021	694	0.85
		<b>Not Rated 0.00% (1.56%)</b>					<b>Total Senegal</b>	<b>694</b>	<b>0.85</b>
		<b>Total Nigeria</b>	<b>1,083</b>	<b>1.33</b>	<b>SOUTH AFRICA 18.28% (12.31%)</b>				
<b>OMAN 0.47% (0.48%)</b>					<b>BB+ 0.00% (10.31%)</b>				
		<b>BB 0.00% (0.48%)</b>			ZAR	120,000,000	Republic of South Africa 8.875% 28/02/2035	4,333	5.33
USD	500,000	Oman Government International 3.625% 15/06/2021	381	0.47	ZAR	98,256,203	South Africa Government Bond 10.5% 21/12/2026	4,744	5.84
		<b>Total Oman</b>	<b>381</b>	<b>0.47</b>	ZAR	8,801,941	South Africa Government Bond 6.25% 31/03/2036	238	0.29
<b>PERU 5.80% (5.61%)</b>					ZAR	14,802,420	South Africa Government Bond 6.5% 28/02/2041 R214	392	0.48
		<b>A- 5.80% (5.61%)</b>			ZAR	52,000,000	South Africa Government Bond 7% 28/02/2031	1,761	2.17
PEN	15,536,000	Peruvian Government International Bond 8.2% 12/08/2026	4,716	5.80	ZAR	3,720,344	South Africa Government Bond 8% 31/01/2030	140	0.17
		<b>Total Peru</b>	<b>4,716</b>	<b>5.80</b>	ZAR	14,096,413	South Africa Government Bond 8.25% 31/03/2032	511	0.63
<b>PHILIPPINES 0.00% (4.04%)</b>					ZAR	3,056,807	South Africa Government Bond 8.5% 31/01/2037	104	0.13
		<b>BBB+ 0.00% (0.26%)</b>			USD	1,792,000	Eskom Holdings 5.75% 26/01/2021	1,283	1.58
		<b>Not Rated 0.00% (3.78%)</b>					<b>Not Rated 1.66% (0.00%)</b>		
		<b>Total Philippines</b>			ZAR	45,000,000	Eskom Holdings 7.5% 15/09/2033	1,352	1.66
<b>POLAND 0.90% (2.64%)</b>					<b>Total South Africa</b>				
		<b>A 0.90% (2.64%)</b>					<b>14,858</b>	<b>18.28</b>	
PLN	3,400,000	Poland Government Bond 2.5% 25/07/2027	704	0.87	<b>SUPRANATIONAL 0.57% (1.07%)</b>				
PLN	128,000	Poland Government Bond 2.75% 25/04/2028	27	0.03			<b>BB+ 0.57% (0.00%)</b>		
		<b>Total Poland</b>	<b>731</b>	<b>0.90</b>	USD	554,000	Republic of Serbia 7.25% 28/09/2021	462	0.57
<b>REPUBLIC OF IRELAND 1.14% (4.93%)</b>							<b>BB 0.00% (1.07%)</b>		
		<b>Liquidity Funds 1.14% (4.93%)<sup>1</sup></b>					<b>Total Supranational</b>	<b>462</b>	<b>0.57</b>
USD	1,160,463	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	928	1.14	<b>THAILAND 7.79% (0.00%)</b>				
		<b>Total Republic of Ireland</b>	<b>928</b>	<b>1.14</b>	THB	34,450,000	Thailand Government Bond 3.775% 25/06/2032	1,079	1.33
<b>RUSSIA 14.36% (1.73%)</b>							<b>Baa1 1.33% (0.00%)</b>		
		<b>BBB 6.23% (0.96%)</b>			THB	100,532,000	Thailand Government Bond 2.875% 17/12/2028	2,819	3.47
RUB	34,000	Russian Federal Bond 7% 25/01/2023 <sup>2</sup>			THB	77,244,000	Thailand Government Bond 3.3% 17/06/2038	2,433	2.99
RUB	315,000,000	Russian Federal Bond 7.05% 19/01/2028	3,700	4.55			<b>Total Thailand</b>	<b>6,331</b>	<b>7.79</b>
RUB	109,993,000	Russian Federal Bond 8.15% 03/02/2027	1,363	1.68	<b>TURKEY 2.27% (2.32%)</b>				
		<b>Not Rated 8.13% (0.77%)</b>					<b>Not Rated 2.27% (2.32%)</b>		
RUB	430,331,000	Russian Federal Bond 6.5% 28/02/2024	4,856	5.98	TRY	6,240,000	Turkey Government Bond 10.6% 11/02/2026	693	0.85
RUB	35,000,000	Russian Federal Bond 7.7% 23/03/2033	435	0.53	TRY	10,280,764	Turkey Government Bond 11% 24/02/2027	1,151	1.42
RUB	100,787,000	Russian Federal Bond 8.5% 17/09/2031	1,317	1.62			<b>Total Turkey</b>	<b>1,844</b>	<b>2.27</b>
		<b>Total Russia</b>	<b>11,671</b>	<b>14.36</b>					



## Threadneedle Emerging Market Local Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 1.15% (-0.27%) (continued)</b>					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
		Sell RUB 185,781,088						<b>Value</b>	<b>% of</b>
		Buy USD 2,421,547 Citigroup	(89)	(0.11)				<b>£000</b>	<b>Investment</b>
		Sell RUB 157,173,565			Fixed interest		76,076		97.67
		Buy USD 2,422,872 Citigroup	225	0.28	Derivatives		931		1.19
		Sell IDR 36,134,323,469			Collective investment schemes		928		1.14
		Buy USD 2,612,183 HSBC	167	0.21	<b>Total value of investments</b>		<b>77,935</b>		<b>100.00</b>
		Sell CLP 173,881,484							
		Buy USD 201,543 Citigroup	(6)	(0.01)	<i>April 2019 comparatives in brackets.</i>				
		Sell MYR 882,511			<i><sup>1</sup>Cash equivalents.</i>				
		Buy USD 202,923 Barclays	(2)	–	<i><sup>2</sup>Less than £500, rounded to nil.</i>				
		Sell CZK 6,627,302			<i><sup>3</sup>Includes Cash equivalents.</i>				
		Buy USD 264,900 UBS	(1)	–					
		Sell ZAR 67,100,000							
		Buy USD 3,773,334 UBS	56	0.07					
		Sell ZAR 5,757,524							
		Buy USD 306,040 Goldman Sachs	(9)	(0.01)					
		Sell PEN 1,105,644							
		Buy USD 312,717 J.P. Morgan	(12)	(0.02)					
		Sell BRL 1,683,722							
		Buy USD 320,203 Goldman Sachs	4	–					
		Sell PLN 1,380,730							
		Buy USD 330,516 Goldman Sachs <sup>2</sup>	–	–					
		Sell IDR 5,421,590,690							
		Buy USD 340,155 Barclays	(17)	(0.02)					
		Sell HUF 120,710,942							
		Buy USD 359,503 Citigroup	(10)	(0.01)					
		Sell RUB 28,127,131							
		Buy USD 375,269 Goldman Sachs	(7)	(0.01)					
		Sell EUR 370,529							
		Buy USD 401,686 UBS	(1)	–					
		Sell COP 1,685,279,983							
		Buy USD 408,881 Citigroup	(16)	(0.02)					
		Sell THB 16,523,986							
		Buy USD 504,087 HSBC	(5)	(0.01)					
		Sell CLP 423,849,546							
		Buy USD 509,410 Citigroup	1	–					
		Sell MXN 15,092,665							
		Buy USD 624,385 HSBC	(8)	(0.01)					
		Sell PLN 2,758,402							
		Buy USD 658,611 UBS	(2)	–					
		Sell ZAR 113,474,358							
		Buy USD 7,296,517 Lloyds	828	1.02					
		Sell THB 31,032,031							
		Buy USD 993,661 HSBC	28	0.03					
		<b>Total Derivatives</b>	<b>931</b>	<b>1.15</b>					
<b>Total value of investments<sup>3</sup></b>			<b>77,935</b>	<b>95.90</b>					
<b>Net other assets (10.75%)</b>			<b>3,336</b>	<b>4.10</b>					
<b>Net assets</b>			<b>81,271</b>	<b>100.00</b>					

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

as at 30 April 2020

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
<b>BERMUDA 0.00% (1.09%)</b>				<b>INDIA 2.56% (3.87%)</b>			
	Financial Services 0.00% (1.09%)				Banks 2.49% (3.70%)		
	<b>Total Bermuda</b>	<b>—</b>	<b>—</b>	425,329	HDFC Bank	4,527	2.49
<b>CANADA 0.56% (1.39%)</b>					Software & Computer Services 0.07% (0.17%)		
	Oil & Gas Producers 0.56% (1.39%)			36,952	Matrimony.Com	128	0.07
66,321	Suncor Energy (USD)	1,009	0.56		<b>Total India</b>	<b>4,655</b>	<b>2.56</b>
	<b>Total Canada</b>	<b>1,009</b>	<b>0.56</b>	<b>INDONESIA 0.00% (1.81%)</b>			
<b>CAYMAN ISLANDS 2.57% (5.49%)</b>					Banks 0.00% (1.81%)		
	General Retailers 0.49% (2.25%)				<b>Total Indonesia</b>	<b>—</b>	<b>—</b>
5,363	Alibaba Group ADR	886	0.49	<b>JAPAN 4.99% (4.13%)</b>			
	Software & Computer Services 2.08% (3.24%)				Electronic & Electrical Equipment 1.75% (1.45%)		
88,000	Tencent Holdings	3,785	2.08	11,000	Keyence	3,181	1.75
	<b>Total Cayman Islands</b>	<b>4,671</b>	<b>2.57</b>		Industrial Engineering 0.00% (0.95%)		
<b>CHINA 1.44% (2.28%)</b>					Leisure Goods 2.49% (0.67%)		
	Life Insurance 1.44% (2.28%)			4,800	Nintendo	1,605	0.88
318,500	Ping An Insurance Group	2,618	1.44	56,100	Sony	2,915	1.61
	<b>Total China</b>	<b>2,618</b>	<b>1.44</b>		Technology Hardware & Equipment 0.75% (1.06%)		
<b>DENMARK 1.76% (1.29%)</b>				26,600	Rohm	1,366	0.75
	Pharmaceuticals & Biotechnology 1.16% (1.29%)				<b>Total Japan</b>	<b>9,067</b>	<b>4.99</b>
41,801	Novo Nordisk	2,120	1.16	<b>NETHERLANDS 1.42% (0.00%)</b>			
	Gas, Water & Multiutilities 0.60% (0.00%)				Chemicals 0.97% (0.00%)		
13,497	Orsted	1,087	0.60	36,783	LyondellBasell Industries	1,762	0.97
	<b>Total Denmark</b>	<b>3,207</b>	<b>1.76</b>		Aerospace & Defence 0.45% (0.00%)		
<b>FINLAND 1.08% (0.00%)</b>				15,609	Airbus	818	0.45
	Forestry & Paper 1.08% (0.00%)				<b>Total Netherlands</b>	<b>2,580</b>	<b>1.42</b>
88,260	UPM	1,965	1.08	<b>REPUBLIC OF IRELAND 7.99% (6.09%)</b>			
	<b>Total Finland</b>	<b>1,965</b>	<b>1.08</b>		Construction & Materials 2.67% (1.82%)		
<b>FRANCE 1.56% (0.93%)</b>				85,524	CRH (Dublin Listing)	2,107	1.16
	Beverages 0.77% (0.00%)			37,933	Trane Technologies	2,740	1.51
11,634	Pernod Ricard	1,409	0.77		Industrial Engineering 0.00% (1.61%)		
	Health Care Equipment & Services 0.79% (0.93%)				Health Care Equipment & Services 1.25% (0.00%)		
14,436	Essilor International	1,434	0.79	28,716	Medtronic	2,275	1.25
	<b>Total France</b>	<b>2,843</b>	<b>1.56</b>		Liquidity Funds 4.07% (2.66%)*		
<b>GERMANY 1.13% (2.73%)</b>				9,271,815	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	7,412	4.07
	Electronic & Electrical Equipment 0.00% (0.53%)				<b>Total Republic of Ireland</b>	<b>14,534</b>	<b>7.99</b>
11,266	Adidas	2,061	1.13	<b>SOUTH KOREA 2.80% (0.00%)</b>			
	<b>Total Germany</b>	<b>2,061</b>	<b>1.13</b>		Technology Hardware & Equipment 2.80% (0.00%)		
<b>HONG KONG 1.19% (1.82%)</b>				155,229	Samsung Electronics	5,087	2.80
	Life Insurance 1.19% (1.82%)				<b>Total South Korea</b>	<b>5,087</b>	<b>2.80</b>
291,400	AIA Group	2,161	1.19	<b>SPAIN 0.00% (0.26%)</b>			
	<b>Total Hong Kong</b>	<b>2,161</b>	<b>1.19</b>		General Retailers 0.00% (0.26%)		
					<b>Total Spain</b>	<b>—</b>	<b>—</b>

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment			Holding	Investment		
<b>SWITZERLAND 1.33% (1.90%)</b>				<b>Health Care Equipment &amp; Services 6.67% (4.18%)</b>			
	<b>Electronic &amp; Electrical Equipment 1.33% (1.13%)</b>			25,545	Baxter International	1,871	1.03
38,591	TE Connectivity	2,418	1.33	73,259	Centene	3,873	2.13
	<b>Support Services 0.00% (0.77%)</b>			5,716	Cooper Cos	1,333	0.73
	<b>Total Switzerland</b>	<b>2,418</b>	<b>1.33</b>	14,751	Danaher Corporation	1,945	1.07
				13,522	UnitedHealth Group	3,106	1.71
<b>TAIWAN 1.03% (0.00%)</b>				<b>Pharmaceuticals &amp; Biotechnology 3.16% (3.53%)</b>			
	<b>Technology Hardware &amp; Equipment 1.03% (0.00%)</b>			28,172	Gilead Sciences	1,870	1.03
229,000	Taiwan Semiconductor Manufacturing	1,875	1.03	8,469	Illumina	2,148	1.18
	<b>Total Taiwan</b>	<b>1,875</b>	<b>1.03</b>	8,625	Vertex Pharmaceuticals	1,726	0.95
<b>UNITED KINGDOM 7.20% (6.12%)</b>				<b>General Retailers 8.53% (4.23%)</b>			
	<b>Mining 0.00% (0.82%)</b>			6,454	Amazon.com	12,225	6.72
	<b>Support Services 1.04% (0.00%)</b>			72,518	Service Corporate International	2,275	1.25
31,308	Ferguson	1,882	1.04	40,922	Uber Technologies	1,027	0.56
	<b>Beverages 0.77% (0.00%)</b>				<b>Media 4.56% (2.59%)</b>		
50,499	Diageo	1,400	0.77	205,853	Comcast Corporation	6,419	3.53
	<b>Household Goods &amp; Home Construction 2.84% (0.00%)</b>			20,867	Walt Disney	1,873	1.03
77,416	Reckitt Benckiser Group	5,171	2.84		<b>Travel &amp; Leisure 0.77% (0.00%)</b>		
	<b>Personal Goods 0.63% (1.31%)</b>			1,156	Booking Holdings	1,405	0.77
27,629	Unilever	1,147	0.63		<b>Banks 0.46% (0.92%)</b>		
	<b>Media 1.13% (2.05%)</b>			34,570	Wells Fargo	827	0.46
110,569	RELX (UK Listing)	2,053	1.13		<b>Nonlife Insurance 2.05% (2.01%)</b>		
	<b>Nonlife Insurance 0.79% (1.94%)</b>			24,661	Berkshire Hathaway	3,725	2.05
10,566	AON	1,441	0.79		<b>Real Estate Investment Trusts 0.82% (1.24%)</b>		
	<b>Total United Kingdom</b>	<b>13,094</b>	<b>7.20</b>	2,738	Equinix	1,484	0.82
<b>UNITED STATES OF AMERICA 52.42% (48.12%)</b>				<b>Financial Services 6.88% (6.69%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (3.20%)</b>			11,699	CME Group	1,697	0.93
	<b>Oil Equipment, Services &amp; Distribution 0.00% (0.40%)</b>			18,658	MasterCard Class A	4,226	2.32
	<b>Chemicals 1.10% (1.26%)</b>			8,350	S&P Global	1,967	1.08
12,674	ECOLAB	2,002	1.10	31,946	Visa 'A' Shares	4,642	2.55
	<b>Construction &amp; Materials 0.69% (0.61%)</b>				<b>Software &amp; Computer Services 6.97% (4.90%)</b>		
15,678	Trex Company	1,250	0.69	7,081	Adobe Systems	1,976	1.09
	<b>Electronic &amp; Electrical Equipment 1.24% (1.09%)</b>			6,988	Alphabet Class A	7,492	4.12
30,665	Amphenol	2,259	1.24	2,440	Facebook	378	0.21
	<b>Industrial Transportation 0.87% (2.88%)</b>			19,951	Microsoft	2,824	1.55
12,201	Union Pacific	1,590	0.87		<b>Technology Hardware &amp; Equipment 2.54% (2.62%)</b>		
	<b>Support Services 1.52% (2.38%)</b>			8,464	Lam Research	1,894	1.04
25,745	Fidelity National Information Services	2,764	1.52	11,410	Nvidia	2,720	1.50
	<b>Leisure Goods 2.87% (1.48%)</b>				<b>Total United States of America</b>	<b>95,332</b>	<b>52.42</b>
69,553	Activision Blizzard	3,602	1.98	<b>DERIVATIVES -0.10% (1.32%)</b>			
17,914	Electronic Arts	1,614	0.89	<b>Forward Foreign Exchange Contracts 0.01% (-0.02%)</b>			
	<b>Personal Goods 0.72% (1.91%)</b>			Sell USD 7,500			
9,214	Estee Lauder Companies Class A	1,303	0.72	Buy GBP 6,035 Bank of Scotland <sup>2</sup>			
				Sell USD 580,526			
				Buy JPY 61,925,905 Bank of Scotland			
				Sell USD 75,428			
				Buy SGD 106,700 J.P. Morgan <sup>2</sup>			
				Sell USD 1,466,783			
				Buy SGD 2,089,328 J.P. Morgan			

## Threadneedle Global Extended Alpha Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -0.10% (1.32%) (continued)</b>			
	Sell USD 34,051		
	Buy SGD 48,501 J.P. Morgan <sup>2</sup>	–	–
	Sell GBP 123,893		
	Buy USD 154,000 Bank of Scotland	(1)	–
<b>Portfolio Swap -0.11% (1.34%)</b>			
	UBS portfolio Swaps	(187)	(0.11)
	<b>Total Derivatives</b>	<b>(174)</b>	<b>(0.10)</b>
<b>Total value of investments<sup>3</sup></b>		<b>169,003</b>	<b>92.93</b>
<b>Net other assets (9.36%)</b>		<b>12,859</b>	<b>7.07</b>
<b>Net assets</b>		<b>181,862</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

## Threadneedle Global Equity Income Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.44% (4.90%)</b>				<b>Media 0.00% (0.97%)</b>			
<b>Industrial Metals &amp; Mining 0.58% (0.70%)</b>				<b>Mobile Telecommunications 2.76% (2.62%)</b>			
1,518,215	Alumina	1,324	0.58	540,474	Deutsche Telekom	6,242	2.76
<b>Construction &amp; Materials 0.00% (0.99%)</b>				<b>Nonlife Insurance 1.27% (0.00%)</b>			
<b>General Industrials 0.86% (1.36%)</b>				<b>Munich Rueckversicherungs 2,882 1.27</b>			
267,515	Amcor	1,944	0.86	<b>Total Germany 11,487 5.07</b>			
<b>Industrial Transportation 0.00% (1.85%)</b>				<b>HONG KONG 1.70% (0.98%)</b>			
<b>Total Australia 3,268 1.44</b>				<b>Fixed Line Telecommunications 0.00% (0.98%)</b>			
<b>AUSTRIA 0.00% (1.26%)</b>				<b>Financial Services 1.70% (0.00%)</b>			
<b>Banks 0.00% (1.26%)</b>				<b>Hong Kong Exchanges and Clearing 3,855 1.70</b>			
<b>Total Austria - -</b>				<b>Total Hong Kong 3,855 1.70</b>			
<b>BRAZIL 0.66% (1.39%)</b>				<b>INDONESIA 1.53% (0.99%)</b>			
<b>Beverages 0.66% (0.90%)</b>				<b>Fixed Line Telecommunications 1.04% (0.99%)</b>			
893,667	Ambev	1,484	0.66	12,644,459	Telekomunikasi Indonesia	2,359	1.04
<b>General Retailers 0.00% (0.49%)</b>				<b>Banks 0.49% (0.00%)</b>			
<b>Total Brazil 1,484 0.66</b>				<b>Bank Rakyat Indonesia 1,109 0.49</b>			
<b>CANADA 4.23% (7.42%)</b>				<b>Total Indonesia 3,468 1.53</b>			
<b>Oil &amp; Gas Producers 0.77% (1.36%)</b>				<b>ISLE OF MAN 0.00% (0.48%)</b>			
122,395	Suncor Energy CAD	1,733	0.77	<b>Travel &amp; Leisure 0.00% (0.48%)</b>			
<b>Oil Equipment, Services &amp; Distribution 0.95% (1.50%)</b>				<b>Total Isle of Man - -</b>			
58,675	TC Energy	2,145	0.95	<b>JAPAN 3.45% (7.66%)</b>			
<b>Chemicals 1.67% (2.11%)</b>				<b>Automobiles &amp; Parts 1.63% (1.71%)</b>			
133,653	Nutrien	3,783	1.67	146,976	Bridgestone	3,675	1.63
<b>Life Insurance 0.84% (2.45%)</b>				<b>Leisure Goods 1.82% (1.72%)</b>			
190,494	Manulife Financial	1,906	0.84	12,482	Nintendo	4,127	1.82
<b>Total Canada 9,567 4.23</b>				<b>Real Estate Investment Trusts 0.00% (0.70%)</b>			
<b>CHINA 0.86% (1.57%)</b>				<b>Financial Services 0.00% (1.18%)</b>			
<b>Life Insurance 0.86% (1.57%)</b>				<b>Technology Hardware &amp; Equipment 0.00% (2.35%)</b>			
239,003	Ping An Insurance Group	1,948	0.86	<b>Total Japan 7,802 3.45</b>			
<b>Total China 1,948 0.86</b>				<b>NETHERLANDS 2.37% (2.43%)</b>			
<b>FINLAND 1.09% (1.45%)</b>				<b>Personal Goods 1.81% (2.43%)</b>			
<b>Forestry &amp; Paper 1.09% (0.00%)</b>				<b>Unilever (EUR) 4,099 1.81</b>			
112,802	UPM	2,475	1.09	<b>Banks 0.56% (0.00%)</b>			
<b>Nonlife Insurance 0.00% (1.45%)</b>				<b>ING Groep 1,258 0.56</b>			
<b>Total Finland 2,475 1.09</b>				<b>Total Netherlands 5,357 2.37</b>			
<b>FRANCE 1.97% (1.20%)</b>				<b>REPUBLIC OF IRELAND 3.75% (0.88%)</b>			
<b>Electronic &amp; Electrical Equipment 1.41% (0.00%)</b>				<b>Liquidity Funds 2.47% (0.88%)<sup>1</sup></b>			
43,984	Schneider Electric	3,187	1.41	7,063,724	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	5,600	2.47
<b>Banks 0.56% (1.20%)</b>				<b>Health Care Equipment &amp; Services 1.28% (0.00%)</b>			
51,466	BNP Paribas	1,281	0.56	<b>Medtronic 2,893 1.28</b>			
<b>Total France 4,468 1.97</b>				<b>Total Republic of Ireland 8,493 3.75</b>			
<b>GERMANY 5.07% (4.66%)</b>				<b>Chemicals 1.04% (1.07%)</b>			
121,297	Evonik Industries	2,363	1.04				

## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>SOUTH KOREA 3.27% (1.71%)</b>							
	<b>Technology Hardware &amp; Equipment 3.27% (1.71%)</b>						
227,686	Samsung Electronics	7,400	3.27				
	<b>Total South Korea</b>	<b>7,400</b>	<b>3.27</b>				
<b>SPAIN 1.52% (1.82%)</b>							
	<b>Construction &amp; Materials 1.52% (1.82%)</b>						
174,278	Ferrovial	3,447	1.52				
	<b>Total Spain</b>	<b>3,447</b>	<b>1.52</b>				
<b>SWEDEN 1.61% (0.87%)</b>							
	<b>Industrial Engineering 1.61% (0.87%)</b>						
294,555	Sandvik	3,638	1.61				
	<b>Total Sweden</b>	<b>3,638</b>	<b>1.61</b>				
<b>SWITZERLAND 4.17% (3.67%)</b>							
	<b>Electronic &amp; Electrical Equipment 0.77% (0.00%)</b>						
29,758	TE Connectivity	1,733	0.77				
	<b>Pharmaceuticals &amp; Biotechnology 2.20% (1.92%)</b>						
73,558	Novartis	4,970	2.20				
	<b>Banks 1.20% (1.75%)</b>						
321,024	UBS Group	2,727	1.20				
	<b>Total Switzerland</b>	<b>9,430</b>	<b>4.17</b>				
<b>TAIWAN 4.58% (3.81%)</b>							
	<b>Personal Goods 1.21% (1.81%)</b>						
343,163	Eclat Textile Company	2,740	1.21				
	<b>Technology Hardware &amp; Equipment 3.37% (2.00%)</b>						
292,000	MediaTek	3,231	1.42				
543,113	Taiwan Semiconductor Manufacturing	4,409	1.95				
	<b>Total Taiwan</b>	<b>10,380</b>	<b>4.58</b>				
<b>UNITED KINGDOM 14.24% (13.68%)</b>							
	<b>Oil &amp; Gas Producers 0.80% (1.28%)</b>						
137,151	Royal Dutch Shell 'A' Shares (London Listing)	1,817	0.80				
	<b>Mining 2.33% (1.99%)</b>						
177,645	Anglo American	2,513	1.11				
74,949	Rio Tinto	2,761	1.22				
	<b>Aerospace &amp; Defence 0.94% (1.29%)</b>						
420,429	BAE Systems	2,137	0.94				
	<b>Household Goods &amp; Home Construction 1.83% (0.00%)</b>						
62,533	Reckitt Benckiser Group	4,142	1.83				
	<b>Tobacco 2.44% (2.04%)</b>						
179,128	British American Tobacco	5,514	2.44				
	<b>Pharmaceuticals &amp; Biotechnology 2.33% (1.58%)</b>						
317,126	GlaxoSmithKline	5,268	2.33				
	<b>Media 1.35% (2.00%)</b>						
170,464	RELX (UK Listing)	3,063	1.35				
	<b>Fixed Line Telecommunications 0.71% (1.02%)</b>						
1,373,277	BT Group	1,594	0.71				
	<b>Life Insurance 1.51% (2.48%)</b>						
303,116	Prudential	3,421	1.51				
	<b>Total United Kingdom</b>	<b>32,230</b>	<b>14.24</b>				
<b>UNITED STATES OF AMERICA 40.78% (36.67%)</b>							
	<b>Oil &amp; Gas Producers 1.07% (1.75%)</b>						
48,390	Valero Energy	2,428	1.07				
	<b>Oil Equipment, Services &amp; Distribution 1.48% (2.85%)</b>						
241,155	Enterprise Products Partners	3,357	1.48				
	<b>Construction &amp; Materials 0.00% (0.53%)</b>						
	<b>Aerospace &amp; Defence 1.41% (1.55%)</b>						
10,371	Lockheed Martin	3,198	1.41				
	<b>General Industrials 0.00% (1.17%)</b>						
	<b>Electronic &amp; Electrical Equipment 0.00% (1.55%)</b>						
	<b>Industrial Transportation 1.45% (0.00%)</b>						
43,905	United Parcel Service	3,291	1.45				
	<b>Support Services 0.78% (1.29%)</b>						
32,474	Paychex	1,763	0.78				
	<b>Automobiles &amp; Parts 1.10% (1.42%)</b>						
140,641	General Motors	2,484	1.10				
	<b>Beverages 3.74% (3.38%)</b>						
97,253	Coca-Cola	3,535	1.56				
47,043	PepsiCo	4,927	2.18				
	<b>Tobacco 1.33% (2.45%)</b>						
50,968	Philip Morris International	3,007	1.33				
	<b>Pharmaceuticals &amp; Biotechnology 9.59% (5.66%)</b>						
92,039	Bristol-Myers Squibb	4,437	1.96				
18,075	Gilead Sciences	1,200	0.53				
50,035	Johnson & Johnson	5,942	2.63				
56,655	Merck & Co	3,558	1.57				
216,054	Pfizer	6,562	2.90				
	<b>Travel &amp; Leisure 1.17% (0.81%)</b>						
69,882	Las Vegas Sands	2,657	1.17				
	<b>Fixed Line Telecommunications 2.17% (0.00%)</b>						
108,151	Verizon Communications	4,922	2.17				
	<b>Electricity 4.26% (1.51%)</b>						
50,609	American Electric Power	3,333	1.47				
11,635	FPL Group	2,132	0.94				
82,970	Xcel Energy	4,181	1.85				
	<b>Banks 3.38% (4.41%)</b>						
99,004	Truist Financial Corporation	2,929	1.29				
205,689	Wells Fargo	4,731	2.09				
	<b>Real Estate Investment Trusts 1.30% (1.30%)</b>						
23,225	Crown Castle International	2,930	1.30				
	<b>Financial Services 1.97% (1.58%)</b>						
31,545	CME Group	4,450	1.97				

## Threadneedle Global Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 40.78% (36.67%) (continued)</b>			
<b>Software &amp; Computer Services 1.60% (0.76%)</b>			
36,430	International Business Machines	3,624	1.60
<b>Technology Hardware &amp; Equipment 2.98% (2.70%)</b>			
118,813	Cisco Systems	3,989	1.76
63,637	Maxim Integrated Products	2,771	1.22
<b>Total United States of America</b>		<b>92,338</b>	<b>40.78</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 12,577		
	Buy CHF 12,261 J.P. Morgan <sup>2</sup>	–	–
	Sell USD 13,040		
	Buy CHF 12,712 J.P. Morgan <sup>2</sup>	–	–
	Sell USD 521		
	Buy CHF 507 J.P. Morgan <sup>2</sup>	–	–
	Sell USD 543		
	Buy CHF 528 J.P. Morgan <sup>2</sup>	–	–
	Sell USD 4,095		
	Buy EUR 3,774 J.P. Morgan <sup>2</sup>	–	–
	Sell USD 98,165		
	Buy EUR 90,995 J.P. Morgan	1	–
<b>Total Derivatives</b>		<b>1</b>	<b>–</b>
<b>Total value of investments<sup>3</sup></b>		<b>222,536</b>	<b>98.29</b>
<b>Net other assets (0.50%)</b>		<b>3,866</b>	<b>1.71</b>
<b>Net assets</b>		<b>226,402</b>	<b>100.00</b>

April 2019 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

## Threadneedle Global Focus Fund

### Portfolio Statement

as at 30 April 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.49% (0.00%)</b>				<b>NETHERLANDS 0.00% (2.60%)</b>			
	Pharmaceuticals & Biotechnology 0.49% (0.00%)				Personal Goods 0.00% (2.60%)		
2,597	CSL	420	0.49		<b>Total Netherlands</b>	–	–
	<b>Total Australia</b>	<b>420</b>	<b>0.49</b>				
<b>CAYMAN ISLANDS 0.00% (0.98%)</b>				<b>REPUBLIC OF IRELAND 2.05% (2.15%)</b>			
	General Retailers 0.00% (0.98%)			6,189	Linde	925	1.07
	<b>Total Cayman Islands</b>	–	–		Construction & Materials 0.98% (0.00%)		
				11,640	Trane Technologies	841	0.98
<b>DENMARK 3.79% (0.00%)</b>					Industrial Engineering 0.00% (2.15%)		
	Pharmaceuticals & Biotechnology 3.79% (0.00%)				<b>Total Republic of Ireland</b>	<b>1,766</b>	<b>2.05</b>
64,244	Novo Nordisk	3,258	3.79				
	<b>Total Denmark</b>	<b>3,258</b>	<b>3.79</b>				
<b>FINLAND 0.94% (0.00%)</b>				<b>SOUTH KOREA 1.90% (0.00%)</b>			
	Industrial Engineering 0.94% (0.00%)				Technology Hardware & Equipment 1.90% (0.00%)		
16,603	Kone	813	0.94	49,944	Samsung Electronics	1,637	1.90
	<b>Total Finland</b>	<b>813</b>	<b>0.94</b>		<b>Total South Korea</b>	<b>1,637</b>	<b>1.90</b>
<b>FRANCE 0.00% (1.52%)</b>				<b>SWEDEN 1.08% (1.58%)</b>			
	Beverages 0.00% (1.52%)				Industrial Engineering 1.08% (1.58%)		
	<b>Total France</b>	–	–	37,402	Atlas Copco 'B' Shares	932	1.08
					<b>Total Sweden</b>	<b>932</b>	<b>1.08</b>
<b>GERMANY 1.25% (1.96%)</b>				<b>SWITZERLAND 1.63% (0.00%)</b>			
	Personal Goods 1.25% (1.96%)				Pharmaceuticals & Biotechnology 1.63% (0.00%)		
5,889	Adidas	1,077	1.25	4,997	Roche	1,402	1.63
	<b>Total Germany</b>	<b>1,077</b>	<b>1.25</b>		<b>Total Switzerland</b>	<b>1,402</b>	<b>1.63</b>
<b>HONG KONG 2.48% (5.05%)</b>				<b>TAIWAN 1.26% (1.08%)</b>			
	Life Insurance 2.48% (5.05%)				Technology Hardware & Equipment 1.26% (1.08%)		
287,600	AIA Group	2,133	2.48	132,000	Taiwan Semiconductor Manufacturing	1,080	1.26
	<b>Total Hong kong</b>	<b>2,133</b>	<b>2.48</b>		<b>Total Taiwan</b>	<b>1,080</b>	<b>1.26</b>
<b>INDIA 3.27% (6.81%)</b>				<b>UNITED KINGDOM 2.34% (8.10)</b>			
	Banks 3.27% (6.81%)				Pharmaceuticals & Biotechnology 0.00% (0.00%)		
128,285	HDFC Bank	1,365	1.59		Media 2.34% (4.30%)		
100,518	Kotak Mahindra Bank	1,450	1.68	108,548	RELX (UK Listing)	2,016	2.34
	<b>Total India</b>	<b>2,815</b>	<b>3.27</b>		Travel & Leisure 0.00% (0.99%)		
<b>INDONESIA 0.00% (0.57%)</b>					Nonlife Insurance 0.00% (1.81%)		
	Banks 0.00% (0.57%)				Financial Services 0.00% (1.00%)		
	<b>Total Indonesia</b>	–	–		<b>Total United Kingdom</b>	<b>2,016</b>	<b>2.34</b>
<b>JAPAN 6.47% (2.72%)</b>				<b>UNITED STATES OF AMERICA 67.44% (62.95%)</b>			
	Construction & Materials 1.01% (0.00%)				Support Services 7.86% (5.48%)		
8,300	Daikin Industries	871	1.01	10,433	Automatic Data Processing	1,216	1.41
	Electronic & Electrical Equipment 2.39% (2.72%)			36,043	Fidelity National Information Services	3,869	4.49
7,100	Keyence	2,053	2.39	25,964	TransUnion	1,684	1.96
	Industrial Engineering 1.12% (0.00%)				Leisure Goods 1.23% (0.95%)		
5,300	DISCO	967	1.12	20,399	Activision Blizzard	1,056	1.23
	Health Care Equipment & Services 1.95% (0.00%)				Personal Goods 0.73% (2.09%)		
22,700	Hoya	1,678	1.95	4,451	Estee Lauder Companies Class A	629	0.73
	<b>Total Japan</b>	<b>5,569</b>	<b>6.47</b>				

## Threadneedle Global Focus Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED STATES OF AMERICA 67.44% (62.95%) (continued)</b>			
<b>Health Care Equipment &amp; Services 12.38% (13.49%)</b>			
29,047	Baxter International	2,127	2.47
72,742	Boston Scientific	2,176	2.53
6,907	Danaher Corporation	911	1.06
12,264	Thermo Fisher Scientific	3,293	3.83
9,342	UnitedHealth Group	2,146	2.49
<b>Pharmaceuticals &amp; Biotechnology 2.40% (3.64%)</b>			
28,036	Abbott Laboratories	2,067	2.40
<b>General Retailers 5.07% (3.00%)</b>			
2,304	Amazon.com	4,364	5.07
<b>Media 3.27% (0.00%)</b>			
64,409	Comcast Corporation	2,008	2.33
8,979	Walt Disney	806	0.94
<b>Financial Services 13.01% (13.88%)</b>			
9,200	CME Group	1,334	1.55
20,919	MasterCard Class A	4,738	5.50
11,236	S&P Global	2,647	3.07
17,147	Visa 'A' Shares	2,491	2.89
<b>Software &amp; Computer Services 18.31% (19.38%)</b>			
13,778	Adobe Systems	3,846	4.47
4,172	Alphabet Class A	4,473	5.20
3,224	Intuit	705	0.82
47,566	Microsoft	6,733	7.82
<b>Technology Hardware &amp; Equipment 3.18% (1.04%)</b>			
5,872	Lam Research	1,314	1.53
5,954	Nvidia	1,420	1.65
<b>Total United States of America</b>		<b>58,053</b>	<b>67.44</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 1,61,646		
	Buy HKD 12,52,830 Citigroup	–	–
	Sell USD 11,117		
	Buy HKD 86,168 UBS	–	–
	Sell USD 26,237		
	Buy JPY 27,98,839 Citigroup	–	–
		–	–
<b>Total value of investments</b>		<b>82,971</b>	<b>96.39</b>
<b>Net other assets (1.93%)</b>		<b>3,111</b>	<b>3.61</b>
<b>Net assets</b>		<b>86,082</b>	<b>100.00</b>

April 2019 comparatives in brackets.

## Performance Summary for the twelve months ended 30th April 2020

Fund Name	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
<b>United Kingdom</b>						
UK Mid 250	IA UK All Companies	FTSE 250 Ex Investment Trusts	-13.69	-13.20	-14.71	-17.22
UK Sustainable Equity <sup>1</sup>	IA UK All Companies	FTSE All Share (Previously MSCI UK IMI Extended SRI Until 30th June 2019)	-7.07	-6.69	-14.71	-16.13
UK Extended Alpha	IA UK All Companies	FTSE All Share	-16.39	-15.92	-14.71	-16.68
UK Equity Alpha Income	IA UK Equity Income	FTSE All Share	-10.51	-9.97	-16.86	-16.68
UK Absolute Alpha	Morningstar Category Alt – LongShort Equity – UK	ICE BofA British Pound 3-Month Deposit Offered Rate Constant Maturity	-5.07	-4.52	-1.36	0.81
<b>Europe</b>						
Pan European Focus	IA Europe Including UK	MSCI Europe	4.36	4.97	-6.37	-10.12
<b>US</b>						
American Extended Alpha	IA North America	S&P 500	6.92	8.20	3.28	4.25
US Equity Income	–	S&P 500	3.20	3.83	–	4.25
<b>Pacific Basin&amp;Emerging Markets</b>						
China Opportunities	IA China/Greater China	MSCI China 10/40	5.76	6.39	3.09	-0.05
Global Emerging Markets	IA Global Emerging Markets	MSCI Emerging Markets	-2.55	-2.15	-10.33	-8.69
<b>Global</b>						
Global Focus <sup>2</sup>	IA Global	MSCI All-Countries World Index (ACWI)	15.83	15.93	-0.48	-1.23
Global Extended Alpha	IA Global	MSCI All-Countries World Index (ACWI)	8.63	9.51	-0.48	-1.23
Global Equity Income	IA Global Equity Income	MSCI All-Countries World Index (ACWI)	-7.46	-6.95	-4.10	-1.23
<b>Bond</b>						
Emerging Market Local	Morningstar Category Global EM Bond – Local Currency	J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	-1.39	-0.68	-1.27	0.58
UK Index Linked	IA UK Index Linked Gilts	FTSE Actuaries UK Index-Linked Gilts All Stocks	8.24	8.43	9.30	8.59
Sterling Medium and Long-Dated Corporate Bond <sup>3</sup>	–	iBoxx GBP Non-Gilts 5+ Years	9.59	9.16	–	9.02
Sterling Short-Dated Corporate Bond	–	iBoxx GBP Non-Gilts 1-5 Years	0.08	0.20	–	1.53
UK Fixed Interest	IA UK Gilts	FTSE Actuaries UK Conventional Gilts All Stocks Index	14.71	14.92	14.63	14.97

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. All data shown in GBP.

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

<sup>1</sup>Class 1 is showing T Income and Class 2 is showing Z Accumulation.

<sup>2</sup>Class 1 is showing Z Gross Accumulation.

<sup>3</sup>Class 1 is showing Institutional Gross Accumulation.

## Risk and Reward Profiles

Fund	Share Class	SRRI*
<b>UK Mid 250 Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
<b>UK Sustainable Equity Fund</b>	**Class 2 – Gross accumulation shares	5
	Class T – Income shares	5
	**Class Z – Gross income shares	5
	Class Z – Accumulation shares	5
<b>UK Extended Alpha Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
<b>UK Equity Alpha Income Fund</b>	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Income shares	5
<b>UK Absolute Alpha Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
<b>Sterling Medium and Long-Dated Corporate Bond Fund</b>	Class 2 – Gross income shares	4
	Class X – Gross accumulation shares	4
<b>Sterling Short-Dated Corporate Bond Fund</b>	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
<b>UK Fixed Interest Fund</b>	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	**Class X – Gross accumulation shares	4
	Class Z – Accumulation shares	4
<b>UK Index Linked Fund</b>	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
<b>Pan European Focus Fund</b>	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
<b>American Extended Alpha Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Accumulation shares	5
<b>US Equity Income Fund</b>	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	6
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>China Opportunities Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	**Class X – Gross accumulation shares	6
	Class Z – Accumulation shares	6
<b>Global Emerging Markets Equity Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
<b>Emerging Market Local Fund</b>	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
<b>Global Extended Alpha Fund</b>	Class 1 – Income shares	5
	Class 1 – Accumulation shares	6
	Class A – Accumulation shares	5
	Class A SGD Hedged – Accumulation shares	6
	Class 2 – Accumulation shares	5
	Class P – Accumulation shares	5
	Class X – Accumulation shares	5
	**Class Z – Gross income shares	5
	Class Z – Accumulation shares	5
<b>Global Equity Income Fund</b>	Class 1 – Income shares	5
	Class 1 – Monthly Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – 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
	Class Z CHF Hedged – Accumulation shares	5
<b>Global Focus Fund</b>	Class 2 – Gross accumulation shares	5
	Class Q – Gross accumulation shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Gross accumulation shares	5

\*As at 30 April 2020 the synthetic risk and reward indicator (SRRI) is explained in the table below:

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.

*The risk and reward profile of the American Extended Alpha Fund changed to 6 for the Class 1 – Accumulation share on 23 August 2019.*

*The risk and reward profile of the Global Extended Alpha Fund changed to 6 for the Class A SDG Hedged – Accumulation share on 15 November 2019.*

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

## 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, SS&C Financial Services Europe Limited\*\*, 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](http://columbiathreadneedle.com).

### Changes to the management of the ACD

The following changes have been made to the directors of the ACD:

- Appointment of R Vincent on 12 August 2019;
- Appointment of J Griffiths on 24 September 2019;
- Resignation of P Stone on 15 June 2020.

### Changes to the Prospectus

The following changes were made to the prospectus of the Company during the period from 1 May 2019 to 30 April 2020:

- Change to the investment manager of the Global Emerging Markets Equity Fund to Columbia Management Investment Advisers, LLC (effective 21 May 2019);
- Introduction of co-management for the China Opportunities Fund (co-management between Threadneedle Asset Management Limited and Threadneedle Investments Singapore (Pte.) Limited (effective 21 May 2019));
- Change of name and investment policy for the UK Sustainable Equity Fund (formerly Ethical UK Equity Fund) (effective 1 July 2019);
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant):
  - American Extended Alpha Fund;
  - China Opportunities Fund;
  - Emerging Market Local Fund;
  - Global Emerging Markets Equity Fund;
  - Global Equity Income Fund;
  - Global Extended Alpha Fund;
  - Global Focus Fund;
  - Pan European Focus Fund;
  - Sterling Medium and Long-Dated Corporate Bond Fund;
  - Sterling Short-Dated Corporate Bond Fund;
  - UK Absolute Alpha Fund;
  - UK Equity Alpha Income Fund;
  - UK Extended Alpha Fund;
  - UK Fixed Interest Fund;
  - UK Index Linked Fund;
  - UK Mid 250 Fund;
  - US Equity Income Fund;
- Removal of the following funds:
  - Absolute Return Bond Fund;
  - Pan European Equity Dividend Fund;
  - Global Opportunities Bond Fund.
- Update to the directors of the ACD and funds managed by the ACD;
- General updates including information on taxation, eligible markets, performance figures including target benchmark performance (where applicable), dilution adjustments and delegates of the depositary.
- Removal of performance fees on the following funds:
  - UK Extended Alpha Fund;
  - American Extended Alpha Fund;
  - Global Extended Alpha Fund;
  - UK Absolute Alpha Fund;
- Reduction of ACD fee on A and P share classes (effective 1 February 2020);
- Reduction of minimum investment in Class P shares for the Global Extended Alpha Fund;
- Update of Bank of America ICE BofAML benchmark to reflect BAML re-branding.

## Important Information

(continued)

### Changes to the Instrument of Incorporation

The following changes were made to the instrument of incorporation of the Company during the period from 1 May 2019 to 30 April 2020:

- Change of name and investment policy for the UK Sustainable Equity Fund (formerly Ethical UK Equity Fund) (effective 1 July 2019);
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant):
  - American Extended Alpha Fund;
  - China Opportunities Fund;
  - Emerging Market Local Fund;
  - Global Emerging Markets Equity Fund;
  - Global Equity Income Fund;
  - Global Extended Alpha Fund;
  - Global Focus Fund;
  - Pan European Focus Fund;
  - Sterling Medium and Long-Dated Corporate Bond Fund;
  - Sterling Short-Dated Corporate Bond Fund;
  - UK Absolute Alpha Fund;
  - UK Equity Alpha Income Fund;
  - UK Extended Alpha Fund;
  - UK Fixed Interest Fund;
  - UK Index Linked Fund;
  - UK Mid 250 Fund;
  - US Equity Income Fund;
- Removal of the following funds:
  - Absolute Return Bond Fund;
  - Pan European Equity Dividend Fund;
  - Global Opportunities Bond Fund.

### Emerging Market Local Fund

From 1 January 2020, the Emerging Market Local Fund is able to invest directly in mainland Chinese bonds on the China Interbank Bond Market. This was in readiness for the inclusion of Chinese Bonds from February 2020 in the Fund's benchmark, the J.P. Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified index.

The Fund is able to invest up to a maximum of 20% of its assets in Chinese bonds.

Investments on the China Interbank Bond Market are placed using a programme called Hong Kong Bond Connect ("Bond Connect") which aims to make it easier and more efficient for foreign investors, such as the Fund, to trade bonds in the China interbank bond market.

As with any investment, investing in the mainland Chinese bond market using Bond Connect may involve certain specific risks, relating to areas such as operations, regulations, taxation and transactions including selling and settlement costs. However, we do not expect the use of Bond Connect to have a significant impact on the overall risk levels associated with the Funds.

Further information is available at [columbiathreadneedle.com/changes](https://columbiathreadneedle.com/changes).

### Brexit

On 31 January 2020, the UK formally exited the European Union ('EU') on the terms of the Withdrawal Agreement, the deal agreed at a political level

between the UK and the EU, and entered into an implementation period until 31 December 2020, during which negotiations on the future relationship between the UK and the EU will take place. The full scope of the changes and the consequences on the legal framework is currently not known. Depending on the outcome of the UK's negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the Funds may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company.

### COVID 19

COVID-19 (also referred to as "coronavirus") was identified in December 2019 as the cause of an outbreak of respiratory illness first detected in Wuhan, China, that has since spread globally, impacting economies, financial markets and businesses around the world. Countries are taking exhaustive steps to minimize public interaction to contain the spread of the virus. With the ongoing spread of coronavirus, the ACD is coordinating our response regionally and globally to ensure we continue to deliver for clients, support employees and maintain business continuity. The overall impact the virus will have on the Company is currently uncertain.

### Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Private>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Intermediary>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Institutional>

### Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 18 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 2	Class 2 GBP	GBP 50,000 – GBP 500,000	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients.
	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	

## Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
Class A	Class A GBP Class A USD Class A SGD	GBP 2,000 USD 3,000 SGD 4,000	Available to retail and institutional investors in the Global Extended Alpha Fund seeking income or growth (or a combination of both) over the medium to long term
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 100 million	Available only to certain investors in the US Equity Income Fund
Class M	Class M GBP Class M AUD (including Class M Hedge Shares) Class M SGD (including Class M Hedge Shares) Class M USD (including Class M Hedge Shares)	GBP 2,000 AUD 3,000 SGD 4,000 USD 3,000	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 P	Class P GBP Class P USD	GBP 50 million USD 800,000	Available to non-retail investors in the Global Extended Alpha Fund
Class Q	Class Q GBP	GBP 3 million	Available only to Eligible Shareholders in the Global Focus Fund
Class T	Class T GBP	GBP 2,000	Available only to certain investors in the UK Sustainable Equity Fund
Class W	Class W GBP Class W EUR	GBP 80 million EUR 100 million	Available only to Eligible Shareholders in the Global Equity Income Fund
Class X	Class X GBP Class X EUR Class X USD Class X AUD (Hedged Share Class)	GBP 3 million EUR 5 million USD 5 million AUD 5 million	Available only to Eligible Shareholders

Share Class	Currency	Minimum Investment	Eligibility
Class Y	Class Y	GBP 150 million	Available only to Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund
Class Z	Class Z GBP Class Z EUR (including Class Z Hedged Shares) Class Z USD (including Class Z Hedged Shares) Class Z CHF (including Class Z Hedged Shares) Class Z SGD (including Class Z Hedged Shares)	GBP 1 million EUR 1.5 million USD 1.5 million CHF 1.5 million SGD 2 million	Available at the ACD's discretion to eligible distributors which 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.

### 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

Since each Fund operates 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 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.

## Important Information

(continued)

### 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

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period.

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 Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. 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.

### 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 will not suffer withholding tax 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.

### Remuneration Disclosures 2019

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management S  rl ("TAM S  rl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2019.

#### 1. The Remuneration Committee

The Remuneration Committee of TAM S  rl is a sub-committee of the TAM S  rl Board with the responsibility to establish the philosophy and objectives

that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, Mr Ted Truscott and Mr William Turner. Meetings are normally held in January, March, June, September and December. The Group's Global Head of Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

#### 2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Real Estate business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

#### 3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The leads in Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

#### Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance and financial performance for the Investments and Real Estate divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available funding, in context of market competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance

## Important Information

*(continued)*

for Investments employees and for the Real Estate division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. For Sales, Real Estate and Investment incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

### **Delivery of Total Incentives**

Threadneedle believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff and those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Code Staff/Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

### **4. Identified Staff**

The Manager defines its Code Staff/Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

### **5. Remuneration Payment Disclosure**

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 16 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2019 performance year was £1.48m, of which £0.54m was fixed and £0.94m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £9.61m, of which £3.48m was fixed and £6.13m was variable. Total Remuneration paid to delegated managers of UCITS regulated funds was £0.44m, of which £0.09m was fixed and £0.35m was variable.

## Important Information

(continued)

### Securities Financing Transaction Regulation (unaudited)

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 30 April 2020 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	1,022,969	0.74
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	3,098,443	1.51
Threadneedle American Extended Alpha Fund	Portfolio Swap	275,996	0.52
Threadneedle Global Extended Alpha Fund	Portfolio Swap	187,048	0.11

### Data on collateral reuse

There was no collateral reuse during the year ended 30 April 2020.

### Concentration data

All collateral received in respect of Portfolio Swap as at 30 April 2020 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 30 April 2020:

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	1,022,969
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	UBS	3,098,443
Threadneedle American Extended Alpha Fund	Portfolio Swap	Merrill Lynch	275,996
Threadneedle Global Extended Alpha Fund	Portfolio Swap	UBS	187,048

### 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 30 April 2020 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral
Threadneedle UK Extended Alpha Fund	Cash	UBS	GBP	106,000
		<b>Total</b>	<b>GBP</b>	<b>106,000</b>
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	250,000
		<b>Total</b>	<b>USD</b>	<b>250,000</b>

## Important Information

(continued)

### 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 30 April 2020 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	4,130,000	2.01
		<b>Total</b>	<b>GBP</b>	<b>4,130,000</b>	<b>2.01</b>
Threadneedle American Extended Alpha Fund	Cash	Merrill Lynch	USD	230,000	0.35
		<b>Total</b>	<b>USD</b>	<b>230,000</b>	<b>0.35</b>
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	519,000	0.23
		<b>Total</b>	<b>USD</b>	<b>519,000</b>	<b>0.23</b>

### Return/Costs

Return and costs of Portfolio Swap transactions for the year ended 30 April 2020 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.

## Important Information

(continued)

### 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	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM / Hedging	Volatility	High Volatility	China-Hong Kong Stock Connect	China Interbank Bond Market – Hong Kong Bond Connect	Sustainable Investment Criteria
UK Mid 250 Fund	X	X													X	X				
UK Sustainable 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				
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			
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	X		
Global Emerging Markets Equity Fund	X	X				X	X								X		X	X		
Emerging Market Local Fund	X	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 Focus Fund	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.

**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.

## Important Information

*(continued)*

**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.

**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.

**China-Hong Kong Stock Connect:** The Fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

**China Interbank Bond Market – Hong Kong Bond Connect:** The Fund may invest in the China Interbank Bond Market (CIBM) via Hong Kong Bond Connect which is subject to regulatory, volatility and liquidity risk, as well as risks associated with settlement, default of counterparties and market suspension. Furthermore, the Fund may incur significant trading, taxation and realisation costs.

**Sustainable Investment Criteria:** The Fund aims to invest in companies which deliver sustainable outcomes and in doing so adheres to a set of Sustainable Investment Guidelines. The Guidelines will affect the Fund's exposure to certain sectors, which may impact the performance of the Fund positively or negatively relative to a benchmark or other funds without such restrictions.

Further risks applicable to the fund can be found in the Prospectus.

## Directory

### Registered Address and Head Office

Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Authorised Corporate Director:

Threadneedle Investment Services Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Investment Manager (for all Funds other than the Global Emerging Markets Equity Fund):

Threadneedle Asset Management Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Investment Manager (for the Global Emerging Markets Equity Fund):

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston  
MA 02110  
United States of America

### Depository:

Citibank Europe plc, UK branch  
(authorised and regulated by the Prudential Regulatory Authority (PRA) and regulated by the FCA and PRA)  
Citigroup Centre  
33 Canada Square  
Canary Wharf  
London E14 5LB

### 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 J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Telephone** (dealing & customer enquiries): +352 2452 9817\*

**Fax** (dealing): +352 2452 9807

#### Non-UK Investors (excluding investors in Asia)

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Telephone** (dealing & customer enquiries): +352 464 010 7020\*

**Fax** (dealing): +352 2452 9807

**Email** (enquiries): questions@service.columbiathreadneedle.co.uk

**Website:** columbiathreadneedle.com

### Registrar

Threadneedle Investment Services Limited  
Delegated to:  
SS&C Financial Services Europe Limited\*\*  
(Authorised and regulated by the Financial Conduct Authority (FCA))  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

### Legal Advisers:

Eversheds Sutherland (International) LLP  
One Wood Street  
London EC2V 7WS

### Independent Auditor:

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Paying Agents

#### Austria:

Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna  
Austria

#### Belgium:

CACEIS Belgium S.A.  
avenue du Port 86 C b 320  
1000 Brussels  
Belgium

#### France:

BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

#### Germany:

J.P. Morgan AG  
Junghofstr. 14  
60311 Frankfurt am Main  
Germany

#### Ireland:

J.P. Morgan Bank Administration Services (Ireland) Limited  
J.P. Morgan House, International Financial Services Centre  
Dublin 1  
Ireland

\*Calls will be recorded.

\*\*DST Financial Services Europe Limited (formerly known as International Financial Data Services (UK) Limited) changed its name to SS&C Financial Services Europe Limited on the 31 March 2020.

## Directory

*(continued)*

### **Italy:**

Allfunds Bank S.A.  
Via Bocchetto, 6  
20123 Milan  
Italy

State Street Bank S.p.A.  
Via Ferrante Aperti, 10  
20125 Milan  
Italy

SGSS S.p.A.  
via Benigno Crespi 19/A – MAC2  
20159 Milan  
Italy

BNP Paribas Securities Services  
Piazza Lina Bo Bardi, 3  
20124 Milan  
Italy

### **Luxembourg:**

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Sweden:**

Skandinaviska Enskilda Banken AB  
Kungsträdgårdsgatan  
SE – 10640 Stockholm  
Sweden

### **Information Agents**

#### **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](http://www.cnmv.es)).

#### **Swiss representative and paying agent**

BNP Paribas Securities Services, Paris, Zurich Branch  
Selnaustrasse 16  
8002 Zurich  
Switzerland

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



**Threadneedle Investment Services Limited, ISA Manager, Authorised Corporate Director and Unit Trust Manager.** Registered No 3701768. Registered in England and Wales. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised and regulated by the Financial Conduct Authority. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. [columbiathreadneedle.com](https://columbiathreadneedle.com) 328069