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INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS  
THREADNEEDLE INVESTMENT FUNDS ICVC  
SEPTEMBER 2017

# THREADNEEDLE INVESTMENT FUNDS ICVC

## Contents

<b>Company Information*</b> .....	<b>3</b>	<b>Japan:</b>	
<b>Authorised Corporate Director's Report*</b> .....	<b>4</b>	Japan Fund.....	<b>116 – 119</b>
<b>UK:</b>		<b>Pacific Basin &amp; Emerging Markets:</b>	
UK Fund.....	<b>5 – 10</b>	Asia Fund.....	<b>120 – 123</b>
UK Select Fund.....	<b>11 – 15</b>	Latin America Fund.....	<b>124 – 126</b>
UK Smaller Companies Fund.....	<b>16 – 20</b>	Emerging Market Bond Fund .....	<b>127 – 132</b>
UK Growth & Income Fund.....	<b>21 – 24</b>	<b>International:</b>	
UK Equity Income Fund.....	<b>25 – 32</b>	High Yield Bond Fund .....	<b>133 – 140</b>
UK Monthly Income Fund .....	<b>33 – 36</b>	Global Select Fund.....	<b>141 – 144</b>
Monthly Extra Income Fund .....	<b>37 – 41</b>	Global Bond Fund.....	<b>145 – 150</b>
UK Corporate Bond Fund .....	<b>42 – 47</b>	<b>Institutional Funds:</b>	
Sterling Bond Fund .....	<b>48 – 52</b>	UK Institutional Fund .....	<b>151 – 153</b>
Sterling Fund.....	<b>53 – 55</b>	UK Overseas Earnings Fund.....	<b>154 – 157</b>
<b>Europe:</b>		<b>Portfolio Statements*:</b>	
European Fund.....	<b>56 – 60</b>	UK Fund.....	<b>158 – 159</b>
European Select Fund.....	<b>61 – 65</b>	UK Select Fund.....	<b>160</b>
European Smaller Companies Fund.....	<b>66 – 69</b>	UK Smaller Companies Fund.....	<b>161 – 162</b>
Pan European Smaller Companies Fund.....	<b>70 – 74</b>	UK Growth & Income Fund.....	<b>163</b>
Pan European Fund.....	<b>75 – 78</b>	UK Equity Income Fund .....	<b>164 – 165</b>
European Bond Fund .....	<b>79 – 82</b>	UK Monthly Income Fund .....	<b>166 – 167</b>
European Corporate Bond Fund .....	<b>83 – 86</b>	Monthly Extra Income Fund .....	<b>168 – 172</b>
European High Yield Bond Fund .....	<b>87 – 93</b>	UK Corporate Bond Fund.....	<b>173 – 176</b>
Strategic Bond Fund.....	<b>94 – 98</b>	Sterling Bond Fund .....	<b>177</b>
<b>US:</b>		Sterling Fund.....	<b>178</b>
American Fund .....	<b>99 – 102</b>	European Fund.....	<b>179 – 180</b>
American Select Fund.....	<b>103 – 107</b>	European Select Fund.....	<b>181 – 182</b>
American Smaller Companies Fund (US).....	<b>108 – 111</b>	European Smaller Companies Fund.....	<b>183 – 185</b>
Dollar Bond Fund.....	<b>112 – 115</b>	Pan European Smaller Companies Fund.....	<b>186 – 188</b>

## Contents

(continued)

Pan European Fund.....	189 – 190
European Bond Fund .....	191 – 195
European Corporate Bond Fund .....	196 – 200
European High Yield Bond Fund .....	201 – 206
Strategic Bond Fund.....	207 – 213
American Fund .....	214 – 215
American Select Fund.....	216 – 217
American Smaller Companies Fund (US).....	218 – 219
Dollar Bond Fund.....	220 – 221
Japan Fund.....	222 – 223
Asia Fund.....	224 – 226
Latin America Fund.....	227 – 228
Emerging Market Bond Fund .....	229 – 233
High Yield Bond Fund .....	234 – 238
Global Select Fund.....	239 – 240
Global Bond Fund.....	241 – 244
UK Institutional Fund .....	245 – 246
UK Overseas Earnings Fund.....	247
<b>Performance Summary*</b> .....	<b>248 – 251</b>
<b>Risk and Reward Profiles*</b> .....	<b>252 – 256</b>
<b>Important Information*</b> .....	<b>257 – 260</b>
<b>Directory*</b> .....	<b>261 – 262</b>

Please note that the Sterling Fund is currently registered for public offer in the UK only and it is not intended to be registered outside the UK unless otherwise decided by the Authorised Corporate Director (ACD). Shares in the Sterling Fund must not be marketed to the public in any other jurisdiction.

*\*These pages, together with the investment reports of the individual funds comprise the Authorised Corporate Directors Report.*

## Company Information

### Company

Threadneedle Investment Funds ICVC (the Company)  
Registered Number IC000002

### 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

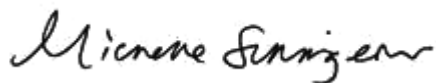
K Cates (non-executive)  
T N Gillbanks (Resigned from the Board on 31 March 2017)  
D Jordison  
D Kremer  
A Roughead (non-executive)  
M Scrimgeour (Appointed to the Board on 14 August 2017)  
L Weatherup

## Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Investment Funds ICVC for the 6 months to 7 September 2017.

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

Thank you for your continued support.



**M Scrimgeour**  
Director

### DIRECTORS' STATEMENTS

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

**L Weatherup**  
Director

**M Scrimgeour**  
Director

18 October 2017

## Threadneedle UK Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in equities of companies domiciled in the UK or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Fund has risen from 138.87p to 141.62p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +4.01% as compared to a median return of +5.10% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

New additions during the review period included Whitbread, Cobham and Rotork. Whitbread, the owner of brands such as Premier Inn and Costa Coffee, has fallen out of favour with the market despite a potentially significant revenue opportunity in its hotel franchise where management have plans for a 7% increase to the number of rooms by 2020. We believe defence manufacturer Cobham has a resilient underlying business which offers multiple opportunities for value creation. Rotork is a global leader in actuation systems. Tailwinds from returning oil & gas capex, industry consolidation and a management team that has invested well through the cycle to enhance the company's offering all combine to present an interesting backdrop. Furthermore, in our view, Rotork is less vulnerable than its peers to macro weakness.

Over the review period, we also focused on adding to our existing holdings, chiefly Barclays, Imperial Brands and Johnson Matthey. Imperial Brands experienced a sell-off in July following news of the US Food and Drug Administration's plans to lower nicotine levels in cigarettes; however, we believe the market overreacted as any new regulation would take time to put in place and the industry has shown an ability to adapt. For Johnson Matthey, we believe the market has overestimated the 'death of diesel' – one of the reasons why the stock is trading at historical lows despite the company's significant revenue growth and cost reduction opportunities.

We sold Berendsen after it received a takeover bid from French rival Elis. Other exits over the review period included BAE Systems, Pearson and Amec Foster Wheeler. For BAE Systems, we felt the stock had become fully valued and that the risk-reward profile was likely to turn less attractive. We recycled the proceeds from Pearson's sale into stocks in which we had more conviction. We exited Amec Foster Wheeler to concentrate our position in John Wood Group.

We also took some profits in Legal & General and Unilever; both enjoyed strong runs over the last six months.

In our view, there are still some global headwinds due to the gradual withdrawal of liquidity and generally waning economic performance across the globe, particularly in the US and the UK. We are also cautious about the very rich valuations across equity markets and generally elevated levels of optimism around Europe, emerging markets, and of course, the 'FANG' stocks – Facebook, Amazon, Netflix and Google. The broader US technology sector is also trading at a steep valuation.

Nevertheless, we still believe there is some relative value in the UK stock market – hence global businesses continuing to find that UK-listed companies are attractive takeover targets.

We will remain focused on company fundamentals and believe that volatile markets should provide us with opportunities to top up holdings in strong franchises as they become more attractively valued.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	19,204	174,651
Revenue	49,057	39,369
Expenses	(11,455)	(9,672)
Interest payable and similar charges	–	(2)
Net revenue before taxation	37,602	29,695
Taxation	–	–
Net revenue after taxation	37,602	29,695
<b>Total return before distributions</b>	<b>56,806</b>	<b>204,346</b>
Distributions	(37,605)	(29,697)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>19,201</b>	<b>174,649</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	2,145,758	2,137,361
<b>Current assets:</b>		
Debtors	25,622	196,274
Cash and bank balances	43,498	2
<b>Total assets</b>	<b>2,214,878</b>	<b>2,333,637</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(543)	(1)
<b>Creditors:</b>		
Bank overdrafts	–	(4,494)
Distribution payable	(26,126)	(8,876)
Other creditors	(9,548)	(158,598)
<b>Total liabilities</b>	<b>(36,217)</b>	<b>(171,969)</b>
<b>Net assets attributable to shareholders</b>	<b>2,178,661</b>	<b>2,161,668</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,161,668</b>	<b>1,684,723</b>
Amounts receivable on the issue of shares	146,494	243,743
Amounts payable on the cancellation of shares	(160,307)	(244,055)
	(13,813)	(312)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,201	174,649
Retained distribution on accumulation shares	11,602	9,784
Unclaimed distributions	3	3
<b>Closing net assets attributable to shareholders</b>	<b>2,178,661</b>	<b>1,868,847</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.0066	–	2.0066	1.7330
<b>Group 2</b> 08/03/17 to 07/09/17	1.0772	0.9294	2.0066	1.7330
<b>Total distributions in the period</b>			<b>2.0066</b>	<b>1.7330</b>

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	1.8182	–	1.8182	1.5440
<b>Group 2</b> 08/03/17 to 07/09/17	1.2091	0.6091	1.8182	1.5440
<b>Total distributions in the period</b>			<b>1.8182</b>	<b>1.5440</b>

## Threadneedle UK Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.4243	–	2.4243	2.0933
<b>Group 2</b> 08/03/17 to 07/09/17	1.0556	1.3687	2.4243	2.0933
<b>Total distributions in the period</b>			<b>2.4243</b>	<b>2.0933</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	1.8025	–	1.8025	1.5229
<b>Group 2</b> 08/03/17 to 07/09/17	0.8649	0.9376	1.8025	1.5229
<b>Total distributions in the period</b>			<b>1.8025</b>	<b>1.5229</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.5614	–	2.5614	2.2114
<b>Group 2</b> 08/03/17 to 07/09/17	0.6480	1.9134	2.5614	2.2114
<b>Total distributions in the period</b>			<b>2.5614</b>	<b>2.2114</b>

#### Class X – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.7401	–	2.7401	2.2073
<b>Group 2</b> 08/03/17 to 07/09/17	0.9762	1.7639	2.7401	2.2073
<b>Total distributions in the period</b>			<b>2.7401</b>	<b>2.2073</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.8421	–	2.8421	2.4543
<b>Group 2</b> 08/03/17 to 07/09/17	1.1598	1.6823	2.8421	2.4543
<b>Total distributions in the period</b>			<b>2.8421</b>	<b>2.4543</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.1463	–	3.1463	2.6517
<b>Group 2</b> 08/03/17 to 07/09/17	1.6850	1.4613	3.1463	2.6517
<b>Total distributions in the period</b>			<b>3.1463</b>	<b>2.6517</b>

#### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.6602	–	2.6602	2.1282
<b>Group 2</b> 08/03/17 to 07/09/17	0.8426	1.8176	2.6602	2.1282
<b>Total distributions in the period</b>			<b>2.6602</b>	<b>2.1282</b>

#### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.7566	–	2.7566	2.1771
<b>Group 2</b> 08/03/17 to 07/09/17	1.1368	1.6198	2.7566	2.1771
<b>Total distributions in the period</b>			<b>2.7566</b>	<b>2.1771</b>

#### Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.7711	–	2.7711	2.1421
<b>Group 2</b> 08/03/17 to 07/09/17	0.5851	2.1860	2.7711	2.1421
<b>Total distributions in the period</b>			<b>2.7711</b>	<b>2.1421</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	138.34	117.46	123.06	125.35	104.66	107.93
Return before operating charges (p)	4.40	25.15	(1.81)	3.98	22.50	(1.58)
Operating charges (p)	(1.16)	(2.05)	(1.96)	(1.05)	(1.81)	(1.69)
Return after operating charges (p)*	3.24	23.10	(3.77)	2.93	20.69	(3.27)
Distributions (p)	(2.01)	(2.22)	(1.83)	(1.82)	(1.98)	(1.61)
Retained distributions on accumulation shares (p)	–	–	–	1.82	1.98	1.61
Closing net asset value per share (p)	139.57	138.34	117.46	128.28	125.35	104.66
*after direct transaction costs of (p)	0.08	0.24	0.12	0.07	0.21	0.11
<b>Performance</b>						
Return after charges (%)	2.34	19.67	(3.06)	2.34	19.77	(3.03)
<b>Other information</b>						
Closing net asset value (£000)	460,409	443,921	471,917	1,508	2,256	4,701
Closing number of shares	329,876,275	320,891,671	401,768,277	1,175,528	1,799,947	4,491,629
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.64	1.63 <sup>†</sup>	1.63	1.64
Direct transaction costs (%)***	0.11	0.20	0.10	0.11	0.20	0.10
<b>Prices</b>						
Highest share price (p)	146.01	139.40	127.36	132.30	125.86	111.70
Lowest share price (p)	136.73	113.60	106.04	123.89	101.21	94.22
	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	138.58	117.62	123.25	103.03	85.53	87.69
Return before operating charges (p)	4.40	25.24	(1.83)	3.28	18.48	(1.26)
Operating charges (p)	(0.75)	(1.33)	(1.26)	(0.56)	(0.98)	(0.90)
Return after operating charges (p)*	3.65	23.91	(3.09)	2.72	17.50	(2.16)
Distributions (p)	(2.42)	(2.95)	(2.54)	(1.80)	(2.16)	(1.82)
Retained distributions on accumulation shares (p)	–	–	–	1.80	2.16	1.82
Closing net asset value per share (p)	139.81	138.58	117.62	105.75	103.03	85.53
*after direct transaction costs of (p)	0.08	0.24	0.12	0.06	0.18	0.09
<b>Performance</b>						
Return after charges (%)	2.63	20.33	(2.51)	2.64	20.46	(2.46)
<b>Other information</b>						
Closing net asset value (£000)	489,500	472,576	319,802	206,066	216,423	111,786
Closing number of shares	350,129,343	341,025,084	271,889,513	194,859,501	210,048,849	130,692,863
Operating charges (%)**	1.06 <sup>†</sup>	1.05	1.05	1.06 <sup>†</sup>	1.05	1.05
Direct transaction costs (%)***	0.11	0.20	0.10	0.11	0.20	0.10
<b>Prices</b>						
Highest share price (p)	146.46	140.00	127.75	108.90	103.45	90.88
Lowest share price (p)	137.06	113.96	106.45	101.91	82.87	76.97



## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares	
	07/09/2017	07/03/2017	07/03/2016 <sup>1</sup>	07/09/2017	07/03/2017 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	112.77	95.66	100.00	120.67	100.00
Return before operating charges (p)	3.59	20.60	(2.28)	3.84	20.72
Operating charges (p)	(0.03)	(0.05)	(0.05)	(0.04)	(0.05)
Return after operating charges (p)*	3.56	20.55	(2.33)	3.80	20.67
Distributions (p)	(2.56)	(3.44)	(2.01)	(2.74)	(3.52)
Retained distributions on accumulation shares (p)	–	–	–	2.74	3.52
Closing net asset value per share (p)	113.77	112.77	95.66	124.47	120.67
*after direct transaction costs of (p)	0.06	0.20	0.09	0.07	0.22
<b>Performance</b>					
Return after charges (%)	3.16	21.48	(2.33)	3.15	20.67
<b>Other information</b>					
Closing net asset value (£000)	51,938	44,941	16,501	35,435	32,749
Closing number of shares	45,653,045	39,852,395	17,249,775	28,467,811	27,140,136
Operating charges (%)**	0.06 <sup>†</sup>	0.05	0.05 <sup>†</sup>	0.06 <sup>†</sup>	0.04 <sup>†</sup>
Direct transaction costs (%)***	0.11	0.20	0.10	0.11	0.20
<b>Prices</b>					
Highest share price (p)	119.47	114.45	101.27	127.84	121.14
Lowest share price (p)	111.67	92.96	86.94	119.49	96.37

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	152.26	129.22	135.41	168.55	139.61	142.81
Return before operating charges (p)	4.84	27.75	(2.02)	5.37	30.19	(2.05)
Operating charges (p)	(0.65)	(1.15)	(1.08)	(0.72)	(1.25)	(1.15)
Return after operating charges (p)*	4.19	26.60	(3.10)	4.65	28.94	(3.20)
Distributions (p)	(2.84)	(3.56)	(3.09)	(3.15)	(3.87)	(3.27)
Retained distributions on accumulation shares (p)	–	–	–	3.15	3.87	3.27
Closing net asset value per share (p)	153.61	152.26	129.22	173.20	168.55	139.61
*after direct transaction costs of (p)	0.09	0.27	0.13	0.10	0.29	0.14
<b>Performance</b>						
Return after charges (%)	2.75	20.59	(2.29)	2.76	20.73	(2.24)
<b>Other information</b>						
Closing net asset value (£000)	532,328	537,314	423,542	360,231	373,266	269,814
Closing number of shares	346,549,871	352,902,254	327,778,376	207,990,648	221,451,666	193,261,009
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.82	0.83 <sup>†</sup>	0.82	0.82
Direct transaction costs (%)***	0.11	0.20	0.10	0.11	0.20	0.10
<b>Prices</b>						
Highest share price (p)	161.01	153.98	140.42	178.24	169.24	148.08
Lowest share price (p)	150.63	125.27	117.06	166.76	135.35	125.62

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>3</sup>	07/09/2017	07/03/2017	07/03/2016 <sup>4</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	145.43	106.84	100.00	146.46	109.24	100.00
Return before operating charges (p)	2.32	39.62	8.01	12.20	38.27	10.06
Operating charges (p)	(0.61)	(1.03)	(1.17)	(0.63)	(1.05)	(0.82)
Return after operating charges (p)*	1.71	38.59	6.84	11.57	37.22	9.24
Distributions (p)	(2.66)	(3.17)	(0.89)	(2.76)	(3.23)	(0.91)
Retained distributions on accumulation shares (p)	2.66	3.17	0.89	2.76	3.23	0.91
Closing net asset value per share (p)	147.14	145.43	106.84	158.03	146.46	109.24
*after direct transaction costs of (p)	0.08	0.24	0.14	0.08	0.24	0.10
<b>Performance</b>						
Return after charges (%)	1.18	36.12	6.84	7.90	34.07	9.24
<b>Other information</b>						
Closing net asset value (£000)	6,524	5,874	6,193	16,322	12,438	14,758
Closing number of shares	4,433,607	4,039,078	5,796,349	10,327,843	8,492,277	13,510,364
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.83 <sup>†</sup>	0.83 <sup>†</sup>	0.82	0.83 <sup>†</sup>
Direct transaction costs (%)***	0.11	0.20	0.10	0.11	0.20	0.10
<b>Prices</b>						
Highest share price (p)	152.79	145.89	109.10	160.54	146.51	111.00
Lowest share price (p)	139.25	104.86	95.85	139.93	108.65	96.52
	Class Z USD Hedged – Accumulation shares					
	07/09/2017	07/03/2017	07/03/2016 <sup>5</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	155.33	109.82	100.00			
Return before operating charges (p)	(5.32)	46.55	10.65			
Operating charges (p)	(0.63)	(1.04)	(0.83)			
Return after operating charges (p)*	(5.95)	45.51	9.82			
Distributions (p)	(2.77)	(3.24)	(0.90)			
Retained distributions on accumulation shares (p)	2.77	3.24	0.90			
Closing net asset value per share (p)	149.38	155.33	109.82			
*after direct transaction costs of (p)	0.08	0.24	0.10			
<b>Performance</b>						
Return after charges (%)	(3.83)	41.44	9.82			
<b>Other information</b>						
Closing net asset value (£000)	18,400	19,910	45,709			
Closing number of shares	12,317,748	12,817,700	41,621,060			
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.83 <sup>†</sup>			
Direct transaction costs (%)***	0.11	0.20	0.10			
<b>Prices</b>						
Highest share price (p)	157.93	155.48	111.97			
Lowest share price (p)	146.62	107.11	93.37			

\*\*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>Class X – Income shares commenced 10 June 2015.

<sup>2</sup>Class X – Accumulation shares commenced 16 March 2016.

<sup>3</sup>Class Z CHF Hedged – Accumulation shares commenced 19 August 2015.

<sup>4</sup>Class Z EUR Hedged – Accumulation shares commenced 19 August 2015.

<sup>5</sup>Class Z USD Hedged – Accumulation shares commenced 19 August 2015.

<sup>6</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle UK Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	320,891,671
Shares issued	22,370,477
Shares redeemed	(12,300,929)
Net conversions	(1,084,944)
Closing shares	<u>329,876,275</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	1,799,947
Shares issued	671,989
Shares redeemed	(1,296,408)
Net conversions	–
Closing shares	<u>1,175,528</u>
<b>Class 2 – Income shares</b>	
Opening shares	341,025,084
Shares issued	11,050,977
Shares redeemed	(15,921,769)
Net conversions	13,975,051
Closing shares	<u>350,129,343</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	210,048,849
Shares issued	24,953,586
Shares redeemed	(40,142,934)
Net conversions	–
Closing shares	<u>194,859,501</u>
<b>Class X – Income shares</b>	
Opening shares	39,852,395
Shares issued	7,258,155
Shares redeemed	(1,457,505)
Net conversions	–
Closing shares	<u>45,653,045</u>
<b>Class X – Accumulation shares</b>	
Opening shares	27,140,136
Shares issued	1,510,580
Shares redeemed	(182,905)
Net conversions	–
Closing shares	<u>28,467,811</u>
<b>Class Z – Income shares</b>	
Opening shares	352,902,254
Shares issued	21,873,747
Shares redeemed	(16,168,197)
Net conversions	(12,057,933)
Closing shares	<u>346,549,871</u>

#### Class Z – Accumulation shares

Opening shares	221,451,666
Shares issued	11,450,491
Shares redeemed	(25,203,217)
Net conversions	291,708
Closing shares	<u>207,990,648</u>

#### Class Z CHF Hedged – Accumulation shares

Opening shares	4,039,078
Shares issued	704,638
Shares redeemed	(310,109)
Net conversions	–
Closing shares	<u>4,433,607</u>

#### Class Z EUR Hedged – Accumulation shares

Opening shares	8,492,277
Shares issued	2,606,499
Shares redeemed	(770,933)
Net conversions	–
Closing shares	<u>10,327,843</u>

#### Class Z USD Hedged – Accumulation shares

Opening shares	12,817,700
Shares issued	2,547,429
Shares redeemed	(3,047,381)
Net conversions	–
Closing shares	<u>12,317,748</u>

## Threadneedle UK Select Fund

### Investment Report

#### Investment Objective

To achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund for growth, through a concentrated, actively managed portfolio. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Select Fund has risen from 128.74p to 132.56p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +4.78% as compared to a median return of +5.10% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could

strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

We added Melrose Industries to the portfolio. Given the company's focused position, it looks well set to see above-average growth at an attractive rate of return. Melrose Industries is a proven industrial turnaround specialist. The company is delivering well with its latest project, Nortek.

Over the review period, we also topped up some of our existing positions, chiefly GlaxoSmithKline and British American Tobacco. We believe GlaxoSmithKline has a strong foothold in areas where prices are already competitive, despite speculation about drug

pricing in the US. British American Tobacco experienced a sell-off in July following news of the US Food and Drug Administration's plans to lower nicotine levels in cigarettes; however, we believe the market overreacted as any new regulation would take time to put in place and the industry has shown an ability to adapt.

Exits included BAE Systems and Howden Joinery. In the former's case, we felt the stock had become fully valued and that the risk-reward profile was likely to turn less attractive. While Howden Joinery is extremely well run and has a dominant market-leading position, we are mindful that consumer confidence is now declining and purchases of big ticket items are likely to come under further pressure in the future as the housing market slows amid fears of an interest rate rise.

We also exited Morgan Advanced Materials, AstraZeneca and Crest Nicholson.

In our view, there are still some global headwinds due to the gradual withdrawal of liquidity and generally waning economic performance across the globe, particularly in the US and the UK. We are also cautious about the very rich valuations across equity markets and generally elevated levels of optimism around Europe, emerging markets, and of course, the 'FANG' stocks – Facebook, Amazon, Netflix and Google. The broader US technology sector is also trading at a steep valuation.

Nevertheless, we still believe there is some relative value in the UK stock market – hence global businesses continuing to find that UK-listed companies are attractive takeover targets.

We will remain focused on company fundamentals and believe that volatile markets should provide us with opportunities to top up holdings in strong franchises as they become more attractively valued.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	3,854	11,608
Revenue	7,194	4,872
Expenses	(1,720)	(1,507)
Interest payable and similar charges	(1)	(1)
Net revenue before taxation	5,473	3,364
Taxation	–	(34)
Net revenue after taxation	5,473	3,330
<b>Total return before distributions</b>	<b>9,327</b>	<b>14,938</b>
Distributions	(5,475)	(3,331)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,852</b>	<b>11,607</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	421,922	230,247
<b>Current assets:</b>		
Debtors	4,407	4,042
Cash and bank balances	17,620	7,797
<b>Total assets</b>	<b>443,949</b>	<b>242,086</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(3,445)	(1,362)
Other creditors	(1,005)	(3,570)
<b>Total liabilities</b>	<b>(4,450)</b>	<b>(4,932)</b>
<b>Net assets attributable to shareholders</b>	<b>439,499</b>	<b>237,154</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>237,154</b>	<b>209,603</b>
Amounts receivable on the issue of shares	31,963	17,745
Amounts payable on the cancellation of shares	(23,949)	(17,395)
Amounts receivable on in specie transfers	188,317	–
	196,331	350
Dilution adjustment	68	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,852	11,607
Retained distribution on accumulation shares	2,094	–
Unclaimed distributions	–	1
<b>Closing net assets attributable to shareholders</b>	<b>439,499</b>	<b>221,561</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.6633	–	1.6633	1.6557
<b>Group 2</b>				
08/03/17 to 07/09/17	0.9221	0.7412	1.6633	1.6557
<b>Total distributions in the period</b>			<b>1.6633</b>	<b>1.6557</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	2.0822	–	2.0822	2.0307
<b>Group 2</b>				
08/03/17 to 07/09/17	0.9318	1.1504	2.0822	2.0307
<b>Total distributions in the period</b>			<b>2.0822</b>	<b>2.0307</b>

\*In pound Sterling and against UK peer group.

## Threadneedle UK Select Fund

### DISTRIBUTION TABLE

(continued)

#### Class D – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b> 08/03/17 to 07/09/17	1.7107	–	1.7107
<b>Group 2</b> 08/03/17 to 07/09/17	1.7071	0.0036	1.7107
<b>Total distributions in the period</b>			<b>1.7107</b>

#### Class L – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b> 08/03/17 to 07/09/17	2.5109	–	2.5109
<b>Group 2</b> 08/03/17 to 07/09/17	2.5047	0.0062	2.5109
<b>Total distributions in the period</b>			<b>2.5109</b>

#### Class X – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.4538	–	2.4538	2.2123
<b>Group 2</b> 08/03/17 to 07/09/17	0.8048	1.6490	2.4538	2.2123
<b>Total distributions in the period</b>			<b>2.4538</b>	<b>2.2123</b>

#### Class X2 – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b> 08/03/17 to 07/09/17	4.2982	–	4.2982
<b>Group 2</b> 08/03/17 to 07/09/17	4.0340	0.2642	4.2982
<b>Total distributions in the period</b>			<b>4.2982</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.6374	–	2.6374	2.5607
<b>Group 2</b> 08/03/17 to 07/09/17	1.5303	1.1071	2.6374	2.5607
<b>Total distributions in the period</b>			<b>2.6374</b>	<b>2.5607</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Select Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	128.11	114.87	118.42	128.61	115.29	118.87
Return before operating charges (p)	5.44	17.44	0.56	5.47	17.54	0.56
Operating charges (p)	(1.10)	(2.00)	(1.95)	(0.70)	(1.27)	(1.24)
Return after operating charges (p)*	4.34	15.44	(1.39)	4.77	16.27	(0.68)
Distributions (p)	(1.66)	(2.20)	(2.16)	(2.08)	(2.95)	(2.90)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	130.79	128.11	114.87	131.30	128.61	115.29
*after direct transaction costs of (p)	0.23	0.43	0.29	0.23	0.43	0.29
<b>Performance</b>						
Return after charges (%)	3.39	13.44	(1.17)	3.71	14.11	(0.57)
<b>Other information</b>						
Closing net asset value (£000)	121,571	121,552	122,488	89,996	87,616	72,088
Closing number of shares	92,949,015	94,879,509	106,628,097	68,543,819	68,127,890	62,529,863
Operating charges (%)**	1.67†	1.67	1.67	1.06†	1.06	1.06
Direct transaction costs (%)***	0.35	0.36	0.25	0.35	0.36	0.25
<b>Prices</b>						
Highest share price (p)	135.49	128.74	122.78	136.21	129.61	123.42
Lowest share price (p)	126.65	107.46	106.11	127.23	108.05	106.78

	Class D – Accumulation shares		Class L – Accumulation shares	
	07/09/2017¹		07/09/2017²	
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	229.57		280.45	
Return before operating charges (p)	0.98		1.34	
Operating charges (p)	(0.51)		(0.35)	
Return after operating charges (p)*	0.47		0.99	
Distributions (p)	(1.71)		(2.51)	
Retained distributions on accumulation shares (p)	1.71		2.51	
Closing net asset value per share (p)	230.04		281.44	
*after direct transaction costs of (p)	0.26		0.32	
<b>Performance</b>				
Return after charges (%)	0.20		0.35	
<b>Other information</b>				
Closing net asset value (£000)	9,726		4,768	
Closing number of shares	4,227,815		1,694,232	
Operating charges (%)**	1.06†		0.59†	
Direct transaction costs (%)***	0.35		0.35	
<b>Prices</b>				
Highest share price (p)	234.94		287.22	
Lowest share price (p)	227.09		277.74	

## Threadneedle UK Select Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares		Class X2 – Accumulation shares
	07/09/2017	07/03/2017 <sup>3</sup>	07/09/2017 <sup>4</sup>
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	114.54	100.00	400.80
Return before operating charges (p)	4.87	14.59	2.16
Operating charges (p)	(0.04)	(0.05)	(0.04)
Return after operating charges (p)*	4.83	14.54	2.12
Distributions (p)	(2.45)	(3.57)	(4.30)
Retained distributions on accumulation shares (p)	2.45	3.57	4.30
Closing net asset value per share (p)	119.37	114.54	402.92
*after direct transaction costs of (p)	0.21	0.40	0.46
<b>Performance</b>			
Return after charges (%)	4.22	14.54	0.53
<b>Other information</b>			
Closing net asset value (£000)	281	319	185,027
Closing number of shares	235,199	277,927	45,921,162
Operating charges (%)**	0.06 <sup>†</sup>	0.05 <sup>†</sup>	0.05 <sup>†</sup>
Direct transaction costs (%)***	0.35	0.36	0.35
<b>Prices</b>			
Highest share price (p)	121.77	114.60	411.00
Lowest share price (p)	113.44	93.32	397.46
	Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	154.20	138.22	142.52
Return before operating charges (p)	6.57	21.04	0.66
Operating charges (p)	(0.70)	(1.27)	(1.24)
Return after operating charges (p)*	5.87	19.77	(0.58)
Distributions (p)	(2.64)	(3.79)	(3.72)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	157.43	154.20	138.22
*after direct transaction costs of (p)	0.28	0.52	0.35
<b>Performance</b>			
Return after charges (%)	3.81	14.30	(0.41)
<b>Other information</b>			
Closing net asset value (£000)	28,130	27,667	15,027
Closing number of shares	17,868,066	17,942,218	10,871,883
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.35	0.36	0.25
<b>Prices</b>			
Highest share price (p)	163.39	155.53	148.03
Lowest share price (p)	152.59	129.61	128.11

\*\*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>1</sup>Class D – Accumulation shares commenced 12 May 2017.

<sup>2</sup>Class L – Accumulation shares commenced 12 May 2017.

<sup>3</sup>Class X – Accumulation shares commenced 16 March 2016.

<sup>4</sup>Class X2 – Accumulation shares commenced 12 May 2017.

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

## Threadneedle UK Select Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2017

##### Class 1 – Income shares

Opening shares	94,879,509
Shares issued	1,691,261
Shares redeemed	(3,229,709)
Net conversions	(392,046)
Closing shares	92,949,015

##### Class 2 – Income shares

Opening shares	68,127,890
Shares issued	4,687,449
Shares redeemed	(4,271,520)
Net conversions	–
Closing shares	68,543,819

##### Class D – Accumulation shares\*

Opening shares	–
Shares issued	4,382,502
Shares redeemed	(154,687)
Net conversions	–
Closing shares	4,227,815

##### Class L – Accumulation shares\*

Opening shares	–
Shares issued	1,840,558
Shares redeemed	(146,326)
Net conversions	–
Closing shares	1,694,232

##### Class X – Accumulation shares

Opening shares	277,927
Shares issued	27,339
Shares redeemed	(70,067)
Net conversions	–
Closing shares	235,199

##### Class X2 – Accumulation shares\*

Opening shares	–
Shares issued	48,566,054
Shares redeemed	(2,617,122)
Net conversions	(27,770)
Closing shares	45,921,162

##### Class Z – Income shares

Opening shares	17,942,218
Shares issued	1,213,243
Shares redeemed	(1,682,165)
Net conversions	394,770
Closing shares	17,868,066

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



## Threadneedle UK Smaller Companies Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the UK or have significant UK operations.

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

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 284.51p to 339.57p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +21.40% as compared to a median return of +13.57% over the same period. (For information the Numis Smaller Companies (ex Investment Trusts) Index returned +10.31% over the same period).

#### Market Overview and Portfolio Activity

UK small-cap stocks generated positive returns over the six months under review and outperformed the broader FTSE All-Share index despite jitters over Brexit and the UK's domestic political and economic prospects.

While the triggering of Article 50 at the end of March had virtually no market impact, investors were considerably surprised in April when the prime minister unexpectedly announced that a snap general election would be held in June. This led to further debate around Brexit and how 'soft' or 'hard' it could be. In the event,

the 'strong and stable' government that Theresa May had hoped to put in place did not materialise as the Conservatives lost their overall majority in the election. Markets sold-off amid fears that political instability would have an adverse impact on the UK's Brexit negotiations with the EU.

Markets recovered in July and August; initially the relative outperformance of small-caps over this period was driven by generally consensus-beating earnings updates from companies in this area of the market.

During the early part of the review period, investors were wary that the Bank of England (BoE) would soon begin to raise interest rates; especially in June when the bank's governor and chief economist made hawkish speeches and high inflation readings prompted three members of the Monetary Policy Committee to dissent from the decision to leave rates unchanged. However, the BoE's August Inflation Report was more dovish and fears of a premature rate hike subsequently subsided. The report indicated that concerns about the impact of inflation on UK consumers appeared to have peaked.

High inflation has hurt real wages, resulting in a negative spill over for retail sales. Indicators regarding manufacturing released early in the review period were encouraging, but less so later on. However, export orders have been resilient; sterling's Brexit-induced slump has acted as a tailwind.

We made several new additions to the portfolio over the review period, notably Coats, Just Group and Quiz. Threadneedle Coats is an industry leader; we are positive about its expansion into technical fibres – this segment has high margins and high barriers to entry. Just Group provides annuities and lifetime mortgages to allow retirees to release equity value or pay their outstanding mortgages. Women's apparel business Quiz has an established retail store base in the UK and a rapidly growing global online fast-fashion platform that can challenge the likes of Asos and Boohoo, albeit with different target customers.

Over the review period, we also focused on building up some of our existing holdings, chiefly Restaurant Group and Victoria.

Holdings that were sold during the period included Moneysupermarket.com, Mears and Staffline. Moneysupermarket had reached our price target and with a change of CEO, we had growing concerns about the firm's lack of operational leverage. Our sale of Mears was inspired by concerns over the challenging market conditions facing its domiciliary care business as well as the ongoing streamlining of this operation. For Staffline, we felt that the recruitment business was potentially exposed to both labour supply and demand challenges following the Brexit vote. We believed this risk was no longer reflected in the share price following its post-referendum rally.

In spite of the strong performance already demonstrated by small-caps against the broader market, we believe there is scope for further positive news. Once again, our view has been supported by recent trading updates. On the whole, these have beaten consensus expectations that were too bearish as we moved into the results season.

With inflation starting to slow in the second half and wages starting to pick up, the backdrop of high employment should leave the consumer in a slightly improving position. The weaker pound is continuing to allow the UK economy to rebalance away from being led by consumer spending towards a more sustainable position. Thus, the economy is likely to become more resilient to a slowdown in consumer spending, when it happens.

The UK smaller companies asset class still trades at a discount to the wider market, albeit at a lower level than at the start of the year. We still see investment opportunities in stocks where the market is not recognising the intrinsic value of the business. This supports our belief that UK smaller companies should continue to outperform.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	34,667	7,110
Revenue	2,116	1,895
Expenses	(1,245)	(972)
Net revenue before taxation	871	923
Taxation	–	–
Net revenue after taxation	871	923
<b>Total return before distributions</b>	<b>35,538</b>	<b>8,033</b>
Distributions	(872)	(923)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>34,666</b>	<b>7,110</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	213,106	183,550
<b>Current assets:</b>		
Debtors	2,454	1,357
Cash and bank balances	7,084	1,375
Total assets	222,644	186,282
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(759)	(189)
Other creditors	(1,921)	(2,781)
Total liabilities	(2,680)	(2,970)
<b>Net assets attributable to shareholders</b>	<b>219,964</b>	<b>183,312</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>183,312</b>	<b>174,972</b>
Amounts receivable on the issue of shares	42,427	12,222
Amounts payable on the cancellation of shares	(40,922)	(29,857)
	1,505	(17,635)
Dilution adjustment	382	74
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	34,666	7,110
Retained distribution on accumulation shares	99	140
Unclaimed distributions	–	1
<b>Closing net assets attributable to shareholders</b>	<b>219,964</b>	<b>164,662</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.5396	–	0.5396	0.8199
<b>Group 2</b>				
08/03/17 to 07/09/17	0.1492	0.3904	0.5396	0.8199
<b>Total distributions in the period</b>			<b>0.5396</b>	<b>0.8199</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.5474	–	1.5474	1.5882
<b>Group 2</b>				
08/03/17 to 07/09/17	0.7639	0.7835	1.5474	1.5882
<b>Total distributions in the period</b>			<b>1.5474</b>	<b>1.5882</b>

## Threadneedle UK Smaller Companies Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	1.3492	–	1.3492	1.1983
<b>Group 2</b> 08/03/17 to 07/09/17	1.3492	–	1.3492	1.1983
<b>Total distributions in the period</b>			<b>1.3492</b>	<b>1.1983</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	1.2404	–	1.2404	1.2210
<b>Group 2</b> 08/03/17 to 07/09/17	0.5148	0.7256	1.2404	1.2210
<b>Total distributions in the period</b>			<b>1.2404</b>	<b>1.2210</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	1.0463	–	1.0463	1.0210
<b>Group 2</b> 08/03/17 to 07/09/17	0.4682	0.5781	1.0463	1.0210
<b>Total distributions in the period</b>			<b>1.0463</b>	<b>1.0210</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	282.40	242.84	215.98	286.00	245.52	218.19
Return before operating charges (p)	57.30	44.60	31.82	58.12	45.24	32.17
Operating charges (p)	(2.68)	(4.22)	(3.98)	(1.73)	(2.71)	(2.57)
Return after operating charges (p)*	54.62	40.38	27.84	56.39	42.53	29.60
Distributions (p)	(0.54)	(0.82)	(0.98)	(1.55)	(2.05)	(2.27)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	336.48	282.40	242.84	340.84	286.00	245.52
*after direct transaction costs of (p)	0.53	0.64	0.60	0.54	0.64	0.61
<b>Performance</b>						
Return after charges (%)	19.34	16.63	12.89	19.72	17.32	13.57
<b>Other information</b>						
Closing net asset value (£000)	63,489	51,808	49,977	100,740	91,321	93,995
Closing number of shares	18,868,384	18,345,720	20,580,604	29,556,660	31,930,773	38,283,583
Operating charges (%)**	1.68 <sup>†</sup>	1.67	1.68	1.07 <sup>†</sup>	1.06	1.07
Direct transaction costs (%)***	0.33	0.25	0.25	0.33	0.25	0.25
<b>Prices</b>						
Highest share price (p)	344.97	285.66	251.33	350.44	289.70	254.40
Lowest share price (p)	285.90	215.56	214.33	289.55	218.39	216.53

	Class X – Income shares			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>†</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.35	104.09	100.00	193.51	166.10	147.61
Return before operating charges (p)	24.72	19.28	5.44	39.34	30.63	21.76
Operating charges (p)	(0.05)	(0.07)	(0.05)	(0.98)	(1.53)	(1.45)
Return after operating charges (p)*	24.67	19.21	5.39	38.36	29.10	20.31
Distributions (p)	(1.35)	(1.95)	(1.30)	(1.24)	(1.69)	(1.82)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	144.67	121.35	104.09	230.63	193.51	166.10
*after direct transaction costs of (p)	0.23	0.26	0.20	0.37	0.44	0.41
<b>Performance</b>						
Return after charges (%)	20.33	18.46	5.39	19.82	17.52	13.76
<b>Other information</b>						
Closing net asset value (£000)	39	32	842	37,133	17,945	12,178
Closing number of shares	26,664	26,664	809,296	16,101,095	9,273,257	7,331,407
Operating charges (%)**	0.07 <sup>†</sup>	0.07	0.07 <sup>†</sup>	0.89 <sup>†</sup>	0.88	0.89
Direct transaction costs (%)***	0.33	0.25	0.25	0.33	0.25	0.25
<b>Prices</b>						
Highest share price (p)	149.44	123.44	108.18	237.31	196.16	172.20
Lowest share price (p)	122.86	92.91	98.64	195.91	147.84	146.49

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	163.34	138.91	122.07
Return before operating charges (p)	33.20	25.71	18.04
Operating charges (p)	(0.83)	(1.28)	(1.20)
Return after operating charges (p)*	32.37	24.43	16.84
Distributions (p)	(1.05)	(1.41)	(1.51)
Retained distributions on accumulation shares (p)	1.05	1.41	1.51
Closing net asset value per share (p)	195.71	163.34	138.91
*after direct transaction costs of (p)	0.31	0.37	0.34
<b>Performance</b>			
Return after charges (%)	19.82	17.59	13.80
<b>Other information</b>			
Closing net asset value (£000)	18,563	22,206	17,980
Closing number of shares	9,485,055	13,594,653	12,943,507
Operating charges (%)**	0.90 <sup>1</sup>	0.88	0.89
Direct transaction costs (%)***	0.33	0.25	0.25
<b>Prices</b>			
Highest share price (p)	200.31	165.18	143.55
Lowest share price (p)	165.37	123.63	121.14

\*\*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>Class X – Income shares commenced 10 June 2015.

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

# Threadneedle UK Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	18,345,720
Shares issued	1,349,470
Shares redeemed	(632,891)
Net conversions	(193,915)
Closing shares	<u>18,868,384</u>
<b>Class 2 – Income shares</b>	
Opening shares	31,930,773
Shares issued	1,210,627
Shares redeemed	(3,584,740)
Net conversions	–
Closing shares	<u>29,556,660</u>
<b>Class X – Income shares</b>	
Opening shares	26,664
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>26,664</u>
<b>Class Z – Income shares</b>	
Opening shares	9,273,257
Shares issued	8,072,631
Shares redeemed	(1,527,161)
Net conversions	282,368
Closing shares	<u>16,101,095</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	13,594,653
Shares issued	8,824,333
Shares redeemed	(12,933,931)
Net conversions	–
Closing shares	<u>9,485,055</u>

## Threadneedle UK Growth & Income Fund

### Investment Report

#### Investment Objective

To provide long term capital growth with a reasonable and growing income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in larger capitalised UK companies, but including, when deemed appropriate small and medium-sized companies, predominantly from the UK.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Growth & Income Fund has risen from 94.60p to 95.46p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.63% as compared to a median return of +5.10% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

Over the review period, we focused on building up our existing holdings, notably Sherborne Investors, Marks & Spencer, Johnson Matthey and Cobham. We participated in the latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity, which has driven the stock's strong outperformance over the last year. In our view, Marks & Spencer has interesting levers to pull, despite market fears over the UK's retail sector. Management's plans to cut costs and close stores in unprofitable locations could be an additional positive catalyst for the stock. For Johnson Matthey, we believe the market has overestimated the 'death of diesel'. This is one of the reasons why the stock is trading close to historic lows, despite the company's significant revenue growth and cost reduction opportunities.

We added to Cobham by purchasing shares in the market as well as by participating in its rights issue. In our view, the defence manufacturer has a resilient underlying business, which offers multiple opportunities for value creation.

We closed our position in WS Atkins at a profit; the share price had surged after the firm received a takeover bid from its Canadian rival SNC Lavalin.

We also exited National Grid; we believed that the stock was fully valued and have less conviction in the outlook for the company with the clear regulatory headwinds in the UK.

We also took some profits in Unilever; its shares had a strong run over the six months under review.

Global news flow continues to generate some market volatility. We note that stock markets have been amongst the primary beneficiaries of money printing; therefore, we are wary of the how the global economy will cope as monetary easing is reduced and central banking policy shifts from quantitative easing to quantitative tightening.

Although we acknowledge that market levels are high, we continue to believe that while there appears to be a lot of uncertainty about the UK's domestic politics and economic prospects, the outlook for UK equities is more measured. These continue to trade at attractive valuations relative to those in the US and Europe. Brexit-induced uncertainty has driven global asset allocators to be extremely underweight UK equities – we believe this makes domestic corporates attractive takeover targets. Sterling's weakness could also provide additional impetus to the Mergers and Acquisitions wave, which has taken off since the Brexit vote.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	3,284	32,156
Revenue	9,617	7,959
Expenses	(2,679)	(2,169)
Net revenue before taxation	6,938	5,790
Taxation	–	–
Net revenue after taxation	6,938	5,790
Total return before distributions	10,222	37,946
Distributions	(9,357)	(7,767)
Change in net assets attributable to shareholders from investment activities	865	30,179

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	424,659	418,371
<b>Current assets:</b>		
Debtors	3,585	3,246
Cash and bank balances	7,194	21
Total assets	435,438	421,638
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	–	(15)
Distribution payable	(9,426)	(5,275)
Other creditors	(1,366)	(999)
Total liabilities	(10,792)	(6,289)
<b>Net assets attributable to shareholders</b>	<b>424,646</b>	<b>415,349</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	415,349	297,668
Amounts receivable on the issue of shares	40,925	38,838
Amounts payable on the cancellation of shares	(32,521)	(19,883)
	8,404	18,955
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	865	30,179
Retained distribution on accumulation shares	24	–
Unclaimed distributions	4	4
Closing net assets attributable to shareholders	424,646	346,806

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.0821	–	2.0821	2.0036
<b>Group 2</b> 08/03/17 to 07/09/17	1.0725	1.0096	2.0821	2.0036
<b>Total distributions in the period</b>			<b>2.0821</b>	<b>2.0036</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.3407	–	2.3407	2.2377
<b>Group 2</b> 08/03/17 to 07/09/17	1.1575	1.1832	2.3407	2.2377
<b>Total distributions in the period</b>			<b>2.3407</b>	<b>2.2377</b>

## Threadneedle UK Growth & Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	3.3533	–	3.3533	3.2027
<b>Group 2</b>				
08/03/17 to 07/09/17	1.5628	1.7905	3.3533	3.2027
<b>Total distributions in the period</b>			<b>3.3533</b>	<b>3.2027</b>

#### Class Z – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b>			
08/03/17 to 07/09/17	0.7617	–	0.7617
<b>Group 2</b>			
08/03/17 to 07/09/17	0.5617	0.2000	0.7617
<b>Total distributions in the period</b>			<b>0.7617</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Growth & Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	93.34	80.93	87.26	102.98	88.84	95.32
Return before operating charges (p)	2.80	17.02	(2.06)	3.09	18.74	(2.27)
Operating charges (p)	(0.79)	(1.42)	(1.37)	(0.56)	(1.02)	(0.97)
Return after operating charges (p)*	2.01	15.60	(3.43)	2.53	17.72	(3.24)
Distributions (p)	(2.08)	(3.19)	(2.90)	(2.34)	(3.58)	(3.24)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	93.27	93.34	80.93	103.17	102.98	88.84
*after direct transaction costs of (p)	0.03	0.10	0.01	0.03	0.11	0.01
<b>Performance</b>						
Return after charges (%)	2.15	19.28	(3.93)	2.46	19.95	(3.40)
<b>Other information</b>						
Closing net asset value (£000)	175,821	191,457	177,547	57,980	59,168	48,674
Closing number of shares	188,509,005	205,121,749	219,391,544	56,200,451	57,456,100	54,788,058
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.06	0.12	0.04	0.06	0.12	0.04
<b>Prices</b>						
Highest share price (p)	100.21	94.69	89.33	110.71	104.50	97.70
Lowest share price (p)	92.87	79.11	75.37	102.48	86.99	82.74

	Class Z – Income shares			Class Z – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016	07/09/2017 <sup>†</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	150.04	129.11	138.17	100.00
Return before operating charges (p)	4.49	27.26	(3.30)	(2.43)
Operating charges (p)	(0.68)	(1.23)	(1.16)	(0.09)
Return after operating charges (p)*	3.81	26.03	(4.46)	(2.52)
Distributions (p)	(3.35)	(5.10)	(4.60)	(0.76)
Retained distributions on accumulation shares (p)	–	–	–	0.76
Closing net asset value per share (p)	150.50	150.04	129.11	97.48
*after direct transaction costs of (p)	0.05	0.16	0.01	0.01
<b>Performance</b>				
Return after charges (%)	2.54	20.16	(3.23)	(2.52)
<b>Other information</b>				
Closing net asset value (£000)	187,836	164,724	71,447	3,009
Closing number of shares	124,806,709	109,787,343	55,338,568	3,086,798
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.12	0.04	0.06
<b>Prices</b>				
Highest share price (p)	161.37	155.20	141.68	101.62
Lowest share price (p)	149.33	126.47	120.18	96.50

\*\*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>Class Z – Accumulation shares commenced 15 June 2017.

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



## Threadneedle UK Growth & Income Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	205,121,749
Shares issued	1,613,822
Shares redeemed	(17,592,741)
Net conversions	(633,825)
Closing shares	<u>188,509,005</u>
<b>Class 2 – Income shares</b>	
Opening shares	57,456,100
Shares issued	2,583,846
Shares redeemed	(3,839,495)
Net conversions	—
Closing shares	<u>56,200,451</u>
<b>Class Z – Income shares</b>	
Opening shares	109,787,343
Shares issued	22,005,770
Shares redeemed	(7,380,020)
Net conversions	393,616
Closing shares	<u>124,806,709</u>
<b>Class Z – Accumulation shares*</b>	
Opening shares	—
Shares issued	3,086,798
Shares redeemed	—
Net conversions	—
Closing shares	<u>3,086,798</u>

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

# Threadneedle UK Equity Income Fund

## Investment Report

### Investment Objective

To achieve an above average rate of income combined with sound prospects for capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Equity Income Fund has risen from 98.42p to 98.66p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, +3.48% as compared to a median return of +4.44% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland

appeared investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

Over the review period, we focused on building up our existing holdings, notably Sherborne Investors, Marks & Spencer, Johnson Matthey and Cobham. We participated in the latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity, which has driven the stock's strong outperformance over the last year. In our view, Marks & Spencer has interesting levers to pull, despite market fears over the UK's retail sector. Management's plans to cut costs and close stores in unprofitable locations could be an additional positive catalyst for the stock. For Johnson Matthey, we believe the market has overestimated the 'death of diesel'. This is one of the reasons why the stock is trading close to historic lows, despite the company's significant revenue growth and cost reduction opportunities.

We topped up by Cobham by purchasing shares in the market as well as by participating in its rights issue. In our view, the defence

manufacturer has a resilient underlying business, which offers multiple opportunities for value creation.

Exits included National Grid and Standard Life. We believed that National Grid was fully valued and have less conviction in the outlook for the company with the clear regulatory headwinds in the UK. For Standard Life, we had an unfavourable view of its merger with Aberdeen Asset Management and were wary of the terms and execution of the deal.

We sold WS Atkins at a profit following the strong run-up in its share price after the firm received a takeover bid from its Canadian rival SNC Lavalin.

Global news flow continues to generate some market volatility. We note that stock markets have been amongst the primary beneficiaries of money printing; therefore, we are wary of the how the global economy will cope as monetary easing is reduced and central banking policy shifts from quantitative easing to quantitative tightening.

Although we acknowledge that market levels are high, we continue to believe that while the UK's domestic political and economic prospects appear uncertain, the outlook for UK equities is more measured. These continue to trade at attractive valuations relative to those in the US and Europe. Brexit-induced uncertainty has driven global asset allocators to be extremely underweight UK equities – we believe this makes domestic corporates attractive takeover targets. Sterling's weakness could also provide additional impetus to the Mergers and Acquisitions wave, which has taken off since the Brexit vote.

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

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	16,679	319,192
Revenue	97,948	83,426
Expenses	(19,526)	(16,853)
Interest payable and similar charges	–	(2)
Net revenue before taxation	78,422	66,571
Taxation	–	–
Net revenue after taxation	78,422	66,571
Total return before distributions	95,101	385,763
Distributions	(96,301)	(82,102)
Change in net assets attributable to shareholders from investment activities	(1,200)	303,661

## BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	4,006,947	3,732,864
<b>Current assets:</b>		
Debtors	28,486	26,330
Cash and bank balances	37,794	273
Total assets	4,073,227	3,759,467
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(154)	(6)
<b>Creditors:</b>		
Distribution payable	(30,990)	(18,369)
Other creditors	(6,122)	(7,802)
Total liabilities	(37,266)	(26,177)
<b>Net assets attributable to shareholders</b>	<b>4,035,961</b>	<b>3,733,290</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>3,733,290</b>	<b>3,176,818</b>
Amounts receivable on the issue of shares	251,561	161,133
Amounts payable on the cancellation of shares	(102,116)	(149,506)
Amounts receivable on inspecie transfers	124,035	–
	273,480	11,627
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,200)	303,661
Retained distribution on accumulation shares	30,380	20,548
Unclaimed distributions	11	12
<b>Closing net assets attributable to shareholders</b>	<b>4,035,961</b>	<b>3,512,666</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.2924	–	1.2924	1.2907
08/06/17 to 07/09/17	1.0967	–	1.0967	0.8931
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6890	0.6034	1.2924	1.2907
08/06/17 to 07/09/17	0.6929	0.4038	1.0967	0.8931
<b>Total distributions in the period</b>			<b>2.3891</b>	<b>2.1838</b>

### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.7426	–	1.7426	1.6714
08/06/17 to 07/09/17	1.4981	–	1.4981	1.1735
<b>Group 2</b>				
08/03/17 to 07/06/17	1.0555	0.6871	1.7426	1.6714
08/06/17 to 07/09/17	0.7872	0.7109	1.4981	1.1735
<b>Total distributions in the period</b>			<b>3.2407</b>	<b>2.8449</b>

# Threadneedle UK Equity Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.8822	–	1.8822	1.6573
08/06/17 to 07/09/17	1.6353	–	1.6353	1.2534
<b>Group 2</b>				
08/03/17 to 07/06/17	–	1.8822	1.8822	1.6573
08/06/17 to 07/09/17	1.6353	–	1.6353	1.2534
<b>Total distributions in the period</b>			<b>3.5175</b>	<b>2.9107</b>

### Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.6666	–	1.6666	1.4841
08/06/17 to 07/09/17	1.4984	–	1.4984	1.1113
<b>Group 2</b>				
08/03/17 to 07/06/17	0.3072	1.3594	1.6666	1.4841
08/06/17 to 07/09/17	0.0991	1.3993	1.4984	1.1113
<b>Total distributions in the period</b>			<b>3.1650</b>	<b>2.5954</b>

### Class 1 USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	2.1940	–	2.1940	1.8439
08/06/17 to 07/09/17	1.8609	–	1.8609	1.4020
<b>Group 2</b>				
08/03/17 to 07/06/17	1.8124	0.3816	2.1940	1.8439
08/06/17 to 07/09/17	0.9436	0.9173	1.8609	1.4020
<b>Total distributions in the period</b>			<b>4.0549</b>	<b>3.2459</b>

### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.4534	–	1.4534	1.4418
08/06/17 to 07/09/17	1.2380	–	1.2380	1.0049
<b>Group 2</b>				
08/03/17 to 07/06/17	0.8876	0.5658	1.4534	1.4418
08/06/17 to 07/09/17	0.6565	0.5815	1.2380	1.0049
<b>Total distributions in the period</b>			<b>2.6914</b>	<b>2.4467</b>

### Class 2 – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.5920	–	1.5920	0.6233
08/06/17 to 07/09/17	1.3736	–	1.3736	1.0776
<b>Group 2</b>				
08/03/17 to 07/06/17	1.5920	–	1.5920	0.6233
08/06/17 to 07/09/17	0.8661	0.5075	1.3736	1.0776
<b>Total distributions in the period</b>			<b>2.9656</b>	<b>1.7009</b>

### Class D – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.6587	–	0.6587	
08/06/17 to 07/09/17	2.1602	–	2.1602	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6580	0.0007	0.6587	
08/06/17 to 07/09/17	1.2544	0.9058	2.1602	
<b>Total distributions in the period</b>			<b>2.8189</b>	

### Class L – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.6345	–	0.6345	
08/06/17 to 07/09/17	2.0857	–	2.0857	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6326	0.0019	0.6345	
08/06/17 to 07/09/17	0.9833	1.1024	2.0857	
<b>Total distributions in the period</b>			<b>2.7202</b>	

### Class L – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.9868	–	0.9868	
08/06/17 to 07/09/17	3.2535	–	3.2535	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.9820	0.0048	0.9868	
08/06/17 to 07/09/17	1.5080	1.7455	3.2535	
<b>Total distributions in the period</b>			<b>4.2403</b>	

### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.5897	–	1.5897	1.5616
08/06/17 to 07/09/17	1.3574	–	1.3574	1.0908
<b>Group 2</b>				
08/03/17 to 07/06/17	1.5897	–	1.5897	1.5616
08/06/17 to 07/09/17	1.0774	0.2800	1.3574	1.0908
<b>Total distributions in the period</b>			<b>2.9471</b>	<b>2.6524</b>

### Class X – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	1.0301	–	1.0301	
08/06/17 to 07/09/17	3.4004	–	3.4004	
<b>Group 2</b>				
08/03/17 to 07/06/17	1.0301	–	1.0301	
08/06/17 to 07/09/17	1.7951	1.6053	3.4004	
<b>Total distributions in the period</b>			<b>4.4305</b>	

### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.9317	–	1.9317	1.9126
08/06/17 to 07/09/17	1.6450	–	1.6450	1.3310
<b>Group 2</b>				
08/03/17 to 07/06/17	1.1325	0.7992	1.9317	1.9126
08/06/17 to 07/09/17	0.7921	0.8529	1.6450	1.3310
<b>Total distributions in the period</b>			<b>3.5767</b>	<b>3.2436</b>

### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	2.3055	–	2.3055	2.1911
08/06/17 to 07/09/17	1.9885	–	1.9885	1.5476
<b>Group 2</b>				
08/03/17 to 07/06/17	1.5139	0.7916	2.3055	2.1911
08/06/17 to 07/09/17	1.1073	0.8812	1.9885	1.5476
<b>Total distributions in the period</b>			<b>4.2940</b>	<b>3.7387</b>

### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.9374	–	1.9374	1.6886
08/06/17 to 07/09/17	1.6894	–	1.6894	1.2852
<b>Group 2</b>				
08/03/17 to 07/06/17	1.2718	0.6656	1.9374	1.6886
08/06/17 to 07/09/17	–	1.6894	1.6894	1.2852
<b>Total distributions in the period</b>			<b>3.6268</b>	<b>2.9738</b>

### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	1.7601	–	1.7601	1.5530
08/06/17 to 07/09/17	1.5880	–	1.5880	1.1700
<b>Group 2</b>				
08/03/17 to 07/06/17	0.9756	0.7845	1.7601	1.5530
08/06/17 to 07/09/17	1.0020	0.5860	1.5880	1.1700
<b>Total distributions in the period</b>			<b>3.3481</b>	<b>2.7230</b>

### Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	2.2697	–	2.2697	1.8895
08/06/17 to 07/09/17	1.9381	–	1.9381	1.4456
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6552	1.6145	2.2697	1.8895
08/06/17 to 07/09/17	0.4227	1.5154	1.9381	1.4456
<b>Total distributions in the period</b>			<b>4.2078</b>	<b>3.3351</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	97.70	85.44	92.83	131.73	110.62	115.45
Return before operating charges (p)	2.98	17.44	(2.40)	3.98	23.06	(3.02)
Operating charges (p)	(0.81)	(1.47)	(1.44)	(1.10)	(1.95)	(1.81)
Return after operating charges (p)*	2.17	15.97	(3.84)	2.88	21.11	(4.83)
Distributions (p)	(2.39)	(3.71)	(3.55)	(3.24)	(4.88)	(4.48)
Retained distributions on accumulation shares (p)	–	–	–	3.24	4.88	4.48
Closing net asset value per share (p)	97.48	97.70	85.44	134.61	131.73	110.62
*after direct transaction costs of (p)	0.05	0.02	0.08	0.07	0.03	0.10
<b>Performance</b>						
Return after charges (%)	2.22	18.69	(4.14)	2.19	19.08	(4.18)
<b>Other information</b>						
Closing net asset value (£000)	444,391	458,628	508,687	257,252	252,136	178,048
Closing number of shares	455,861,807	469,440,679	595,397,128	191,108,199	191,403,198	160,948,493
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.62	1.62 <sup>†</sup>	1.62	1.62
Direct transaction costs (%)***	0.10	0.03	–	0.10	0.03	–
<b>Prices</b>						
Highest share price (p)	104.06	98.49	94.97	140.32	131.90	118.11
Lowest share price (p)	96.95	81.88	79.20	130.72	107.59	101.80
	Class 1 CHF Hedged – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	146.12	108.88	109.35	128.18	96.96	94.37
Return before operating charges (p)	2.09	39.38	1.25	10.50	33.08	4.08
Operating charges (p)	(1.20)	(2.14)	(1.72)	(1.08)	(1.86)	(1.49)
Return after operating charges (p)*	0.89	37.24	(0.47)	9.42	31.22	2.59
Distributions (p)	(3.52)	(5.16)	(4.27)	(3.17)	(4.57)	(3.69)
Retained distributions on accumulation shares (p)	3.52	5.16	4.27	3.17	4.57	3.69
Closing net asset value per share (p)	147.01	146.12	108.88	137.60	128.18	96.96
*after direct transaction costs of (p)	0.07	0.03	0.10	0.07	0.03	0.08
<b>Performance</b>						
Return after charges (%)	0.61	34.20	(0.43)	7.35	32.20	2.74
<b>Other information</b>						
Closing net asset value (£000)	532	544	156	2,321	919	509
Closing number of shares	361,874	372,574	143,446	1,686,410	717,119	524,870
Operating charges (%)**	1.62 <sup>†</sup>	1.62	1.62	1.62 <sup>†</sup>	1.61	1.62
Direct transaction costs (%)***	0.10	0.03	–	0.10	0.03	–
<b>Prices</b>						
Highest share price (p)	154.79	146.20	116.14	139.49	129.07	99.37
Lowest share price (p)	140.52	106.17	98.29	122.87	95.82	86.17

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Accumulation shares			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	172.93	124.24	121.14	108.20	94.15	101.78
Return before operating charges (p)	(6.20)	51.13	5.00	3.32	19.27	(2.62)
Operating charges (p)	(1.38)	(2.44)	(1.90)	(0.59)	(1.05)	(1.03)
Return after operating charges (p)*	(7.58)	48.69	3.10	2.73	18.22	(3.65)
Distributions (p)	(4.05)	(5.84)	(4.71)	(2.69)	(4.17)	(3.98)
Retained distributions on accumulation shares (p)	4.05	5.84	4.71	–	–	–
Closing net asset value per share (p)	165.35	172.93	124.24	108.24	108.20	94.15
*after direct transaction costs of (p)	0.08	0.04	0.11	0.05	0.02	0.09
<b>Performance</b>						
Return after charges (%)	(4.38)	39.19	2.56	2.52	19.35	(3.59)
<b>Other information</b>						
Closing net asset value (£000)	1,252	1,122	317	240,634	355,996	398,882
Closing number of shares	757,359	648,658	255,546	222,310,535	329,006,664	423,656,379
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.62	1.06 <sup>†</sup>	1.05	1.05
Direct transaction costs (%)***	0.10	0.03	0.09	0.10	0.03	0.09
<b>Prices</b>						
Highest share price (p)	177.28	173.03	128.46	115.42	109.09	104.22
Lowest share price (p)	163.46	120.02	107.66	107.40	90.36	87.26
	Class 2 – Accumulation shares		Class D – Income shares			
	07/09/2017	07/03/2017 <sup>†</sup>	07/09/2017 <sup>‡</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	118.53	100.00	196.90			
Return before operating charges (p)	3.58	19.54	(1.52)			
Operating charges (p)	(0.64)	(1.01)	(0.42)			
Return after operating charges (p)*	2.94	18.53	(1.94)			
Distributions (p)	(2.97)	(3.57)	(2.82)			
Retained distributions on accumulation shares (p)	2.97	3.57	–			
Closing net asset value per share (p)	121.47	118.53	192.14			
*after direct transaction costs of (p)	0.06	0.03	0.06			
<b>Performance</b>						
Return after charges (%)	2.48	18.53	(0.99)			
<b>Other information</b>						
Closing net asset value (£000)	283	207	2,050			
Closing number of shares	232,590	174,211	1,066,781			
Operating charges (%)**	1.05 <sup>†</sup>	1.05 <sup>†</sup>	1.01 <sup>†</sup>			
Direct transaction costs (%)***	0.10	0.03	0.10			
<b>Prices</b>						
Highest share price (p)	126.43	118.68	202.89			
Lowest share price (p)	117.64	96.40	192.08			

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class L – Income shares			Class L – Accumulation shares
	07/09/2017 <sup>3</sup>			07/09/2017 <sup>4</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	186.77			290.42
Return before operating charges (p)	(1.36)			(2.14)
Operating charges (p)	(0.23)			(0.35)
Return after operating charges (p)*	(1.59)			(2.49)
Distributions (p)	(2.72)			(4.24)
Retained distributions on accumulation shares (p)	–			4.24
Closing net asset value per share (p)	182.46			287.93
*after direct transaction costs of (p)	0.06			0.09
<b>Performance</b>				
Return after charges (%)	(0.85)			(0.86)
<b>Other information</b>				
Closing net asset value (£000)	12,435			6,238
Closing number of shares	6,814,984			2,166,661
Operating charges (%)**	0.59 <sup>†</sup>			0.58 <sup>†</sup>
Direct transaction costs (%)***	0.10			0.10
<b>Prices</b>				
Highest share price (p)	192.49			299.33
Lowest share price (p)	182.41			284.60

	Class X – Income shares			Class X – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016	07/09/2017 <sup>5</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	118.18	101.82	108.97	303.13
Return before operating charges (p)	3.62	20.95	(2.82)	(2.05)
Operating charges (p)	(0.03)	(0.06)	(0.05)	(0.03)
Return after operating charges (p)*	3.59	20.89	(2.87)	(2.08)
Distributions (p)	(2.95)	(4.53)	(4.28)	(4.43)
Retained distributions on accumulation shares (p)	–	–	–	4.43
Closing net asset value per share (p)	118.82	118.18	101.82	301.05
*after direct transaction costs of (p)	0.06	0.03	0.10	0.10
<b>Performance</b>				
Return after charges (%)	3.04	20.52	(2.63)	(0.69)
<b>Other information</b>				
Closing net asset value (£000)	1,259	1,174	213	85,936
Closing number of shares	1,059,608	993,784	209,057	28,545,484
Operating charges (%)**	0.05 <sup>†</sup>	0.05	0.05	0.04 <sup>†</sup>
Direct transaction costs (%)***	0.10	0.03	0.09	0.10
<b>Prices</b>				
Highest share price (p)	126.36	119.15	111.84	312.51
Lowest share price (p)	117.35	97.99	94.30	297.53

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.45	125.38	135.20	172.41	143.63	148.70
Return before operating charges (p)	4.43	25.70	(3.50)	5.21	30.07	(3.89)
Operating charges (p)	(0.61)	(1.10)	(1.06)	(0.73)	(1.29)	(1.18)
Return after operating charges (p)*	3.82	24.60	(4.56)	4.48	28.78	(5.07)
Distributions (p)	(3.58)	(5.53)	(5.26)	(4.29)	(6.43)	(5.87)
Retained distributions on accumulation shares (p)	–	–	–	4.29	6.43	5.87
Closing net asset value per share (p)	144.69	144.45	125.38	176.89	172.41	143.63
*after direct transaction costs of (p)	0.07	0.03	0.12	0.09	0.04	0.13
<b>Performance</b>						
Return after charges (%)	2.64	19.62	(3.37)	2.60	20.04	(3.41)
<b>Other information</b>						
Closing net asset value (£000)	2,028,167	1,848,080	1,500,600	942,215	799,277	582,998
Closing number of shares	1,401,760,168	1,279,367,778	1,196,884,492	532,668,511	463,595,811	405,898,161
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.82	0.82 <sup>†</sup>	0.82	0.82
Direct transaction costs (%)***	0.10	0.03	0.09	0.10	0.03	0.09
<b>Prices</b>						
Highest share price (p)	154.16	145.63	138.51	184.00	172.62	152.34
Lowest share price (p)	143.39	120.40	116.17	171.14	140.00	132.10
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	148.79	109.89	110.13	133.92	100.49	97.10
Return before operating charges (p)	2.15	40.02	0.65	10.95	34.41	4.17
Operating charges (p)	(0.63)	(1.12)	(0.89)	(0.57)	(0.98)	(0.78)
Return after operating charges (p)*	1.52	38.90	(0.24)	10.38	33.43	3.39
Distributions (p)	(3.63)	(5.29)	(4.37)	(3.35)	(4.81)	(3.86)
Retained distributions on accumulation shares (p)	3.63	5.29	4.37	3.35	4.81	3.86
Closing net asset value per share (p)	150.31	148.79	109.89	144.30	133.92	100.49
*after direct transaction costs of (p)	0.07	0.03	0.10	0.07	0.03	0.09
<b>Performance</b>						
Return after charges (%)	1.02	35.40	(0.22)	7.75	33.27	3.49
<b>Other information</b>						
Closing net asset value (£000)	641	714	93	7,532	12,484	4,736
Closing number of shares	426,772	479,914	84,322	5,219,522	9,321,764	4,712,878
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.82	0.82 <sup>†</sup>	0.82	0.82
Direct transaction costs (%)***	0.10	0.03	0.09	0.10	0.03	0.09
<b>Prices</b>						
Highest share price (p)	157.98	148.88	117.01	146.27	134.41	102.97
Lowest share price (p)	143.23	107.34	99.43	128.49	99.47	89.09

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	176.96	126.10	121.98
Return before operating charges (p)	(6.33)	52.10	5.10
Operating charges (p)	(0.71)	(1.24)	(0.98)
Return after operating charges (p)*	(7.04)	50.86	4.12
Distributions (p)	(4.21)	(6.03)	(4.82)
Retained distributions on accumulation shares (p)	4.21	6.03	4.82
Closing net asset value per share (p)	169.92	176.96	126.10
*after direct transaction costs of (p)	0.09	0.04	0.11
<b>Performance</b>			
Return after charges (%)	(3.98)	40.33	3.38
<b>Other information</b>			
Closing net asset value (£000)	2,823	2,009	1,579
Closing number of shares	1,661,366	1,135,384	1,252,625
Operating charges (%)**	0.82 <sup>1</sup>	0.82	0.82
Performance fee (%)	—	—	—
Direct transaction costs (%)***	0.10	0.03	0.09
<b>Prices</b>			
Highest share price (p)	181.81	177.07	129.52
Lowest share price (p)	167.81	121.97	108.79

\*\*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>Class Z – Accumulation shares commenced 28 April 2016.

<sup>2</sup>Class D – Income shares commenced 12 May 2017.

<sup>3</sup>Class L – Income shares commenced 12 May 2017.

<sup>4</sup>Class L – Accumulation shares commenced 12 May 2017.

<sup>5</sup>Class X – Accumulation shares commenced 12 May 2017.

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



## Threadneedle UK Equity Income Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	469,440,679
Shares issued	10,862,924
Shares redeemed	(23,557,075)
Net conversions	(884,721)
Closing shares	<u>455,861,807</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	191,403,198
Shares issued	7,672,550
Shares redeemed	(7,281,319)
Net conversions	(686,230)
Closing shares	<u>191,108,199</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	372,574
Shares issued	4,100
Shares redeemed	(14,800)
Net conversions	–
Closing shares	<u>361,874</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	717,119
Shares issued	1,116,658
Shares redeemed	(126,287)
Net conversions	(21,080)
Closing shares	<u>1,686,410</u>
<b>Class 1 USD Hedged – Accumulation shares</b>	
Opening shares	648,658
Shares issued	251,132
Shares redeemed	(142,431)
Net conversions	–
Closing shares	<u>757,359</u>
<b>Class 2 – Income shares</b>	
Opening shares	329,006,664
Shares issued	6,519,861
Shares redeemed	(25,585,266)
Net conversions	(87,630,724)
Closing shares	<u>222,310,535</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	174,211
Shares issued	94,722
Shares redeemed	(26,343)
Net conversions	(10,000)
Closing shares	<u>232,590</u>
<b>Class D – Income shares*</b>	
Opening shares	–
Shares issued	1,257,852
Shares redeemed	(191,071)
Net conversions	–
Closing shares	<u>1,066,781</u>

	2017
<b>Class L – Income shares*</b>	
Opening shares	–
Shares issued	6,951,230
Shares redeemed	(318,680)
Net conversions	182,434
Closing shares	<u>6,814,984</u>
<b>Class L – Accumulation shares*</b>	
Opening shares	–
Shares issued	2,265,468
Shares redeemed	(111,833)
Net conversions	13,026
Closing shares	<u>2,166,661</u>
<b>Class X – Income shares</b>	
Opening shares	993,784
Shares issued	124,956
Shares redeemed	(59,132)
Net conversions	–
Closing shares	<u>1,059,608</u>
<b>Class X – Accumulation shares*</b>	
Opening shares	–
Shares issued	34,994,728
Shares redeemed	(6,449,244)
Net conversions	–
Closing shares	<u>28,545,484</u>
<b>Class Z – Income shares</b>	
Opening shares	1,279,367,778
Shares issued	62,691,797
Shares redeemed	(6,482,137)
Net conversions	66,182,730
Closing shares	<u>1,401,760,168</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	463,595,811
Shares issued	68,804,039
Shares redeemed	(79,276)
Net conversions	347,937
Closing shares	<u>532,668,511</u>
<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	479,914
Shares issued	71,300
Shares redeemed	(124,442)
Net conversions	–
Closing shares	<u>426,772</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	9,321,764
Shares issued	2,407,439
Shares redeemed	(6,529,816)
Net conversions	20,135
Closing shares	<u>5,219,522</u>
<b>Class Z USD Hedged – Accumulation shares</b>	
Opening shares	1,135,384
Shares issued	803,601
Shares redeemed	(277,619)
Net conversions	–
Closing shares	<u>1,661,366</u>

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

## Threadneedle UK Monthly Income Fund

### Investment Report

#### Investment Objective

To achieve an above average income combined with sound prospects for capital growth. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK equities. It may, however, invest in other securities such as convertibles and gilts.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Monthly Income Fund has fallen from 78.71p to 77.04p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +1.84% as compared to a median return of +4.44% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

#### Market Overview and Portfolio Activity

Economic growth around the world remained steady during the period. Of particular note, domestic UK growth remained resilient while growth in continental Europe and many emerging markets accelerated. However, in the US, President Trump's failure to achieve any substantive reforms despite

Republican majorities in both houses of the legislature proved very disappointing; both US bond yields and the US dollar fell as a consequence.

Geopolitically, the world remained tense, with North Korea being the focal point. In the UK, Prime Minister Theresa May's loss of her parliamentary majority in June's snap election heightened concerns about Brexit's delivery. Labour leader Jeremy Corbyn's better-than-expected result highlighted the increase in income and wealth inequality globally; this has been primarily caused by loose monetary policy – in the form of quantitative easing (QE) – since the financial crisis. Along with the disruption epitomised by the continued rise of Amazon, effective full employment in the UK again failed to produce real wage growth (as the classic economics 'Phillips Curve' suggests it should). Thus, the post-war equilibrium of mainstream politics going hand-in-hand with growing consumer prosperity has come under increasing strain.

The details of the impending challenge of unwinding QE, initially in the US, are imminent. As previously noted, this monetary stimulus is unprecedented in modern times and has caused interest rates and bond yields globally to fall to new historic lows, while boosting stock markets. However gradual, the withdrawal of this stimulus is likely to lead to increased market volatility. Nevertheless, for the period under review, the UK equity market, despite dipping ahead of the general election, rose 2%.

Three new holdings were added to the fund: Prudential, N Brown and Sherbourne Investors (Class C). For Prudential, we believe its growth in Asia is under-appreciated. We are positive about N Brown's successful transition to becoming an online retailer. Sherbourne Investors is a new activist vehicle. The new holdings replaced Standard Life, Pearson, WS Atkins and Provident Financial. For Standard Life, we believed its merger with Aberdeen was a disappointing move; with Pearson, we felt the credibility of its management had been undermined. We sold WS Atkins following the takeover bid the company received, and exited Provident Financial after the first profit warning, but before the second more substantial warning.

UK corporate profitability accelerated. Earnings got a boost from the translation benefit of overseas profits (which is now approaching 75% of total profits) into weaker sterling. This helped boost the market dividend's cover up to around 1.7x.

Thus, for a seventh consecutive year, the fund's first 11 monthly payments were/are increased by 0.01 pence per share this year to 0.25 pence per share for the majority Class I shares. For the newer Z class, the percentage increase was broadly the same as the pay-out rose to 0.43 pence per share (from 0.41 pence last year).

As at the period end, the yield on both classes of the shares (on an ex dividend basis) was approximately 4.3%.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(9,308)	39,897
Revenue	16,214	16,099
Expenses	(4,384)	(4,401)
Net revenue before taxation	11,830	11,698
Taxation	–	–
Net revenue after taxation	11,830	11,698
Total return before distributions	2,522	51,595
Distributions	(11,257)	(11,521)
Change in net assets attributable to shareholders from investment activities	(8,735)	40,074

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	539,166	592,216
<b>Current assets:</b>		
Debtors	5,794	3,744
Cash and bank balances	9,170	6,626
Total assets	554,130	602,586
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,793)	(4,987)
Other creditors	(1,208)	(1,332)
Total liabilities	(3,001)	(6,319)
Net assets attributable to shareholders	551,129	596,267

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	596,267	581,704
Amounts receivable on the issue of shares	7,808	11,960
Amounts payable on the cancellation of shares	(44,276)	(25,986)
	(36,468)	(14,026)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,735)	40,074
Unclaimed distributions	65	65
Closing net assets attributable to shareholders	551,129	607,817

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2500	–	0.2500	0.2400
08/04/17 to 07/05/17	0.2500	–	0.2500	0.2400
08/05/17 to 07/06/17	0.2500	–	0.2500	0.2400
08/06/17 to 07/07/17	0.2500	–	0.2500	0.2400
08/07/17 to 07/08/17	0.2500	–	0.2500	0.2400
08/08/17 to 07/09/17	0.2500	–	0.2500	0.2400
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0830	0.1670	0.2500	0.2400
08/04/17 to 07/05/17	–	0.2500	0.2500	0.2400
08/05/17 to 07/06/17	–	0.2500	0.2500	0.2400
08/06/17 to 07/07/17	–	0.2500	0.2500	0.2400
08/07/17 to 07/08/17	–	0.2500	0.2500	0.2400
08/08/17 to 07/09/17	–	0.2500	0.2500	0.2400
<b>Total distributions in the period</b>			<b>1.5000</b>	<b>1.4400</b>

## Threadneedle UK Monthly Income Fund

### Distribution Table

(continued)

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3700	–	0.3700	0.3500
08/04/17 to 07/05/17	0.3700	–	0.3700	0.3500
08/05/17 to 07/06/17	0.3700	–	0.3700	0.3500
08/06/17 to 07/07/17	0.3700	–	0.3700	0.3500
08/07/17 to 07/08/17	0.3700	–	0.3700	0.3500
08/08/17 to 07/09/17	0.3700	–	0.3700	0.3500
<b>Group 2</b>				
08/03/17 to 07/04/17	0.3700	–	0.3700	0.3500
08/04/17 to 07/05/17	0.3700	–	0.3700	0.3500
08/05/17 to 07/06/17	0.3700	–	0.3700	0.3500
08/06/17 to 07/07/17	0.3700	–	0.3700	0.3500
08/07/17 to 07/08/17	0.3700	–	0.3700	0.3500
08/08/17 to 07/09/17	0.3700	–	0.3700	0.3500
<b>Total distributions in the period</b>			<b>2.2200</b>	<b>2.1000</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4300	–	0.4300	0.4100
08/04/17 to 07/05/17	0.4300	–	0.4300	0.4100
08/05/17 to 07/06/17	0.4300	–	0.4300	0.4100
08/06/17 to 07/07/17	0.4300	–	0.4300	0.4100
08/07/17 to 07/08/17	0.4300	–	0.4300	0.4100
08/08/17 to 07/09/17	0.4300	–	0.4300	0.4100
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1848	0.2452	0.4300	0.4100
08/04/17 to 07/05/17	–	0.4300	0.4300	0.4100
08/05/17 to 07/06/17	–	0.4300	0.4300	0.4100
08/06/17 to 07/07/17	–	0.4300	0.4300	0.4100
08/07/17 to 07/08/17	–	0.4300	0.4300	0.4100
08/08/17 to 07/09/17	–	0.4300	0.4300	0.4100
<b>Total distributions in the period</b>			<b>2.5800</b>	<b>2.4600</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Monthly Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	77.99	72.37	78.15	113.70	104.96	112.79
Return before operating charges (p)	0.85	10.14	(1.43)	1.24	14.76	(2.06)
Operating charges (p)	(0.64)	(1.23)	(1.22)	(0.61)	(1.16)	(1.16)
Return after operating charges (p)*	0.21	8.91	(2.65)	0.63	13.60	(3.22)
Distributions (p)	(1.50)	(3.29)	(3.13)	(2.22)	(4.86)	(4.61)
Closing net asset value per share (p)	76.70	77.99	72.37	112.11	113.70	104.96
*after direct transaction costs of (p)	0.06	0.12	0.09	0.09	0.17	0.13
<b>Performance</b>						
Return after charges (%)	0.27	12.31	(3.39)	0.55	12.96	(2.85)
<b>Other information</b>						
Closing net asset value (£000)	450,286	484,630	471,259	61	73	71
Closing number of shares	587,087,893	621,396,134	651,220,731	54,773	64,357	67,820
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.62	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.15	0.15	0.12	0.15	0.15	0.12
<b>Prices</b>						
Highest share price (p)	81.71	79.32	79.83	119.27	115.42	115.37
Lowest share price (p)	76.41	68.89	68.03	111.67	100.09	98.74

	Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	135.11	124.42	133.36
Return before operating charges (p)	1.47	17.50	(2.46)
Operating charges (p)	(0.60)	(1.14)	(1.12)
Return after operating charges (p)*	0.87	16.36	(3.58)
Distributions (p)	(2.58)	(5.67)	(5.36)
Closing net asset value per share (p)	133.40	135.11	124.42
*after direct transaction costs of (p)	0.10	0.20	0.16
<b>Performance</b>			
Return after charges (%)	0.64	13.15	(2.68)
<b>Other information</b>			
Closing net asset value (£000)	100,782	111,564	110,374
Closing number of shares	75,548,698	82,571,843	88,709,827
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.87
Direct transaction costs (%)***	0.15	0.15	0.12
<b>Prices</b>			
Highest share price (p)	141.81	136.99	136.46
Lowest share price (p)	132.87	118.73	116.94

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

## Threadneedle UK Monthly Income Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	621,396,134
Shares issued	7,025,293
Shares redeemed	(40,496,810)
Net conversions	(836,724)
Closing shares	<u>587,087,893</u>
<b>Class 2 – Income shares</b>	
Opening shares	64,357
Shares issued	–
Shares redeemed	(34)
Net conversions	(9,550)
Closing shares	<u>54,773</u>
<b>Class Z – Income shares</b>	
Opening shares	82,571,843
Shares issued	1,697,222
Shares redeemed	(9,210,604)
Net conversions	490,237
Closing shares	<u>75,548,698</u>

## Threadneedle Monthly Extra Income Fund

### Investment Report

#### Investment Objective

To achieve a high level of income with prospects of capital growth. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in Sterling denominated fixed interest securities and UK equities.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 82.07p to 82.19p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.30% as compared to a median return of +3.66% over the same period. In view of the nature of the fund, and its investment remit, there is no directly comparable market index.

#### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

Within equities, we focused on topping up existing holdings, notably Sherborne Investors, Centrica, BT and Marks & Spencer. We participated in the latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity, which has driven the stock's strong outperformance over the last year. We believe Marks & Spencer has interesting levers to pull, despite market fears over UK retail stocks. Management's plans to cut costs and close stores in unprofitable locations could be an additional positive catalyst.

We topped up Cobham by purchasing shares in the market as well as by participating in its rights issue. In our view, the resilient underlying business offers multiple opportunities for value creation.

Among sales, we exited National Grid and Standard Life. In the former's case, we believe that the stock is fully valued and have

less conviction in the outlook for the company with clear regulatory headwinds in the UK. For Standard Life, we had an unfavourable view of its merger with Aberdeen Asset Management and were wary of the terms and execution of the deal.

We sold WS Atkins at a profit; its stock price had rallied sharply after Canadian rival SNC Lavalin's takeover bid.

We trimmed BAE Systems and Royal Dutch Shell among others.

In credit, we added to our holdings in a number of issuers including British American Tobacco, Anheuser Busch InBev and Western Power Distribution. We were also active in the primary market: new additions here included issues by Akelius Residential Property, DS Smith, Credit Suisse, Digital Realty and Charter Communications Operating. On the other side, we exited holdings in a range of issuers including Citigroup, Aspire, London Quadrant and Virgin Money.

Global news flow continues to generate some market volatility. We are wary of how the global economy, equities and government bonds in the UK will cope when central banks tighten policy.

While the UK's domestic political and economic prospects appear uncertain, the outlook for UK equities is more measured. We believe the fact that global asset allocators are significantly underweight UK equities makes UK corporates attractive takeover targets relative to their US and European counterparts, as does sterling's Brexit-induced slump. We will continue to avoid momentum trades and instead use volatile markets to add to favoured names at attractive valuations while focusing on risk-adjusted returns.

We think the outlook for sterling investment-grade bonds is supportive enough to overcome the risks that could arise from reduced central bank support. A changing policy outlook could provide challenges in the months ahead, but this should be largely mitigated by generally supportive credit metrics and fundamental demand for corporate bonds from elsewhere. In our view, risks such as Brexit, the Italian elections and President Trump's trade policy pose a greater threat to credit markets.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	2,402	37,019
Revenue	9,290	9,483
Expenses	(1,976)	(1,923)
Interest payable and similar charges	–	(1)
Net revenue before taxation	7,314	7,559
Taxation	–	–
Net revenue after taxation	7,314	7,559
<b>Total return before distributions</b>	<b>9,716</b>	<b>44,578</b>
Distributions	(6,856)	(7,183)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,860</b>	<b>37,395</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	380,094	388,791
<b>Current assets:</b>		
Debtors	4,531	5,952
Cash and bank balances	3,197	63
<b>Total assets</b>	<b>387,822</b>	<b>394,806</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(228)	(51)
<b>Creditors:</b>		
Bank overdrafts	–	(337)
Distribution payable	(1,071)	(2,262)
Other creditors	(1,477)	(2,630)
<b>Total liabilities</b>	<b>(2,776)</b>	<b>(5,280)</b>
<b>Net assets attributable to shareholders</b>	<b>385,046</b>	<b>389,526</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>389,526</b>	<b>372,206</b>
Amounts receivable on the issue of shares	15,751	15,635
Amounts payable on the cancellation of shares	(23,487)	(30,771)
	(7,736)	(15,136)
Dilution adjustment	–	32
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,860	37,395
Retained distribution on accumulation shares	395	564
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>385,046</b>	<b>395,062</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2400	–	0.2400	0.2300
08/04/17 to 07/05/17	0.2400	–	0.2400	0.2300
08/05/17 to 07/06/17	0.2400	–	0.2400	0.2300
08/06/17 to 07/07/17	0.2400	–	0.2400	0.2300
08/07/17 to 07/08/17	0.2400	–	0.2400	0.2300
08/08/17 to 07/09/17	0.2400	–	0.2400	0.2300
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1659	0.0741	0.2400	0.2300
08/04/17 to 07/05/17	0.0484	0.1916	0.2400	0.2300
08/05/17 to 07/06/17	–	0.2400	0.2400	0.2300
08/06/17 to 07/07/17	–	0.2400	0.2400	0.2300
08/07/17 to 07/08/17	–	0.2400	0.2400	0.2300
08/08/17 to 07/09/17	–	0.2400	0.2400	0.2300
<b>Total distributions in the period</b>			<b>1.4400</b>	<b>1.3800</b>

# Threadneedle Monthly Extra Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4174	–	0.4174	0.4151
08/04/17 to 07/05/17	0.5389	–	0.5389	0.5096
08/05/17 to 07/06/17	0.5829	–	0.5829	0.5284
08/06/17 to 07/07/17	0.4886	–	0.4886	0.4040
08/07/17 to 07/08/17	0.1228	–	0.1228	0.1156
08/08/17 to 07/09/17	0.7864	–	0.7864	0.6090
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2401	0.1773	0.4174	0.4151
08/04/17 to 07/05/17	0.3245	0.2144	0.5389	0.5096
08/05/17 to 07/06/17	0.3009	0.2820	0.5829	0.5284
08/06/17 to 07/07/17	0.1221	0.3665	0.4886	0.4040
08/07/17 to 07/08/17	0.0904	0.0324	0.1228	0.1156
08/08/17 to 07/09/17	0.4854	0.3010	0.7864	0.6090
<b>Total distributions in the period</b>			<b>2.9370</b>	<b>2.5817</b>

### Class 1 EUR Hedged – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b>			
08/06/17 to 07/07/17	0.1842	–	0.1842
08/07/17 to 07/08/17	0.0945	–	0.0945
08/08/17 to 07/09/17	0.6009	–	0.6009
<b>Group 2</b>			
08/06/17 to 07/07/17	0.1842	–	0.1842
08/07/17 to 07/08/17	0.0945	–	0.0945
08/08/17 to 07/09/17	0.6009	–	0.6009
<b>Total distributions in the period</b>			<b>0.8796</b>

### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4100	–	0.4100	0.3900
08/04/17 to 07/05/17	0.4100	–	0.4100	0.3900
08/05/17 to 07/06/17	0.4100	–	0.4100	0.3900
08/06/17 to 07/07/17	0.4100	–	0.4100	0.3900
08/07/17 to 07/08/17	0.4100	–	0.4100	0.3900
08/08/17 to 07/09/17	0.4100	–	0.4100	0.3900
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2446	0.1654	0.4100	0.3900
08/04/17 to 07/05/17	0.1407	0.2693	0.4100	0.3900
08/05/17 to 07/06/17	–	0.4100	0.4100	0.3900
08/06/17 to 07/07/17	–	0.4100	0.4100	0.3900
08/07/17 to 07/08/17	–	0.4100	0.4100	0.3900
08/08/17 to 07/09/17	–	0.4100	0.4100	0.3900
<b>Total distributions in the period</b>			<b>2.4600</b>	<b>2.3400</b>

### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3600	–	0.3600	0.3400
08/04/17 to 07/05/17	0.3600	–	0.3600	0.3400
08/05/17 to 07/06/17	0.3600	–	0.3600	0.3400
08/06/17 to 07/07/17	0.3600	–	0.3600	0.3400
08/07/17 to 07/08/17	0.3600	–	0.3600	0.3400
08/08/17 to 07/09/17	0.3600	–	0.3600	0.3400
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2502	0.1098	0.3600	0.3400
08/04/17 to 07/05/17	0.0026	0.3574	0.3600	0.3400
08/05/17 to 07/06/17	–	0.3600	0.3600	0.3400
08/06/17 to 07/07/17	–	0.3600	0.3600	0.3400
08/07/17 to 07/08/17	–	0.3600	0.3600	0.3400
08/08/17 to 07/09/17	–	0.3600	0.3600	0.3400
<b>Total distributions in the period</b>			<b>2.1600</b>	<b>2.0400</b>

### Class Z EUR Hedged – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b>			
08/06/17 to 07/07/17	0.1835	–	0.1835
08/07/17 to 07/08/17	0.0931	–	0.0931
08/08/17 to 07/09/17	0.5991	–	0.5991
<b>Group 2</b>			
08/06/17 to 07/07/17	0.1835	–	0.1835
08/07/17 to 07/08/17	0.0931	–	0.0931
08/08/17 to 07/09/17	0.5991	–	0.5991
<b>Total distributions in the period</b>			<b>0.8757</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Monthly Extra Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR Hedged – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	81.44	72.21	77.68	125.53	100.44	100.00
Return before operating charges (p)	2.40	13.33	(1.37)	10.07	31.22	4.87
Operating charges (p)	(0.57)	(1.06)	(1.03)	(0.89)	(1.63)	(1.16)
Return after operating charges (p)*	1.83	12.27	(2.40)	9.18	29.59	3.71
Distributions (p)	(1.44)	(3.04)	(3.07)	(2.94)	(4.50)	(3.27)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	81.83	81.44	72.21	131.77	125.53	100.44
*after direct transaction costs of (p)	0.02	0.02	0.09	0.02	0.03	0.09
<b>Performance</b>						
Return after charges (%)	2.25	16.99	(3.09)	7.31	29.46	3.71
<b>Other information</b>						
Closing net asset value (£000)	151,127	159,236	151,819	2,790	2,054	317
Closing number of shares	184,692,409	195,516,352	210,256,240	2,117,415	1,636,021	315,746
Operating charges (%)**	1.38 <sup>†</sup>	1.38	1.38	1.38 <sup>†</sup>	1.38	1.40 <sup>†</sup>
Direct transaction costs (%)***	0.04	0.03	0.11	0.04	0.03	0.11
<b>Prices</b>						
Highest share price (p)	85.90	82.13	79.84	134.34	129.02	103.33
Lowest share price (p)	81.12	70.98	68.36	120.94	99.27	90.80

	Class 1 EUR Hedged – Accumulation shares		Class Z – Income shares		
	07/09/2017 <sup>2</sup>		07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.00		139.17	122.67	131.14
Return before operating charges (p)	1.24		4.07	22.60	(2.38)
Operating charges (p)	(0.12)		(0.52)	(0.96)	(0.92)
Return after operating charges (p)*	1.12		3.55	21.64	(3.30)
Distributions (p)	(0.88)		(2.46)	(5.14)	(5.17)
Retained distributions on accumulation shares (p)	0.88		—	—	—
Closing net asset value per share (p)	101.12		140.26	139.17	122.67
*after direct transaction costs of (p)	0.01		0.03	0.04	0.14
<b>Performance</b>					
Return after charges (%)	1.12		2.55	17.64	(2.52)
<b>Other information</b>					
Closing net asset value (£000)	10		209,214	203,577	189,075
Closing number of shares	10,001		149,163,166	146,279,143	154,139,317
Operating charges (%)**	1.36 <sup>†</sup>		0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)***	0.04		0.04	0.03	0.11
<b>Prices</b>					
Highest share price (p)	102.48		147.00	140.31	134.82
Lowest share price (p)	97.27		138.66	120.73	116.04



## Threadneedle Monthly Extra Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016	07/09/2017 <sup>3</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	124.37	105.45	108.21	100.00
Return before operating charges (p)	3.63	19.75	(1.99)	1.31
Operating charges (p)	(0.47)	(0.83)	(0.77)	(0.06)
Return after operating charges (p)*	3.16	18.92	(2.76)	1.25
Distributions (p)	(2.16)	(4.49)	(4.30)	(0.88)
Retained distributions on accumulation shares (p)	2.16	4.49	4.30	0.88
Closing net asset value per share (p)	127.53	124.37	105.45	101.25
*after direct transaction costs of (p)	0.02	0.03	0.12	0.01
<b>Performance</b>				
Return after charges (%)	2.54	17.94	(2.55)	1.25
<b>Other information</b>				
Closing net asset value (£000)	21,895	24,659	30,995	10
Closing number of shares	17,168,358	19,826,888	29,392,226	10,001
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73	0.71 <sup>1</sup>
Direct transaction costs (%)***	0.04	0.03	0.11	0.04
<b>Prices</b>				
Highest share price (p)	132.13	124.63	111.31	102.60
Lowest share price (p)	123.91	104.77	98.88	97.29

\*\*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>Class 1 EUR Hedged – Income shares commenced 29 April 2015.

<sup>2</sup>Class 1 EUR Hedged – Accumulation shares commenced 22 June 2017.

<sup>3</sup>Class Z EUR Hedged – Accumulation shares commenced 22 June 2017.

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

# Threadneedle Monthly Extra Income Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Income shares

Opening shares	195,516,352
Shares issued	3,538,015
Shares redeemed	(14,193,136)
Net conversions	(168,822)
Closing shares	184,692,409

#### Class 1 EUR Hedged – Income shares

Opening shares	1,636,021
Shares issued	639,882
Shares redeemed	(158,488)
Net conversions	–
Closing shares	2,117,415

#### Class 1 EUR Hedged – Accumulation shares\*

Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	10,001

#### Class Z – Income shares

Opening shares	146,279,143
Shares issued	7,859,148
Shares redeemed	(5,037,486)
Net conversions	62,361
Closing shares	149,163,166

#### Class Z – Accumulation shares

Opening shares	19,826,888
Shares issued	709,872
Shares redeemed	(3,408,844)
Net conversions	40,442
Closing shares	17,168,358

#### Class Z EUR Hedged – Accumulation shares\*

Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	10,001

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

## Threadneedle UK Corporate Bond Fund

### Investment Report

#### Investment Objective

To achieve a high level of income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in fixed interest investments in the UK and Continental Europe.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Corporate Bond Fund has risen from 62.16p to 63.25p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.05% as compared to a median return of 3.17% over the same period. The fund return equates approximately to +3.37% gross of tax and charges\*\*. (For information the iBoxx £ Non-Gilts gave a total return of +2.78% for the same period).

#### Market Overview and Portfolio Activity

The UK corporate bond market performed well over the six months in review, as gilt yields fell and credit spreads tightened. Fluctuations in gilt yields were primarily driven by political developments and changing expectations regarding central-bank policy. The tightening spreads were partly due to strong corporate earnings, but central banks and politics played a part here too. The European Central Bank (ECB) continued to purchase large amounts of corporate credit in pursuit of its stimulus programme, while market-friendly results in Dutch and French elections buoyed general appetite for risk.

Early in the period, fixed-income markets were supported by fading optimism about US President Donald Trump's reflationary policies after his first attempt at healthcare reform was withdrawn for lack of support. Surprisingly, yields also fell following the first US interest-rate hike of 2017, as the US Federal Reserve accompanying commentary was seen as more dovish than expected. Against this, however, the Bank of England's (BoE) vote to keep rates on hold in March was no longer unanimous. One policymaker called for a hike, citing the recent spike in inflation, and meeting minutes suggested others could follow suit. At the end of March, the UK finally delivered its formal intention to leave the European Union but the news was of more interest to the media than the markets, which barely moved.

In April, volatility rose ahead of the French presidential election, as eurosceptic candidates gained ground. The first-round victory of centrist Emmanuel Macron calmed nerves and supported risk assets. In the UK, however, the calling of a snap general election saw political uncertainty increase. Macron went on to secure the French presidency in early May. This was seen as a boost for Europe's political and economic status quo and provided a firm base for the strong performance of risk assets over the rest of the month.

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

The final months of the period saw generally upbeat data on the global economy and a strong corporate earnings season buoy appetite for risk. Weaker-than-expected inflationary pressures in the US and UK provided further support for fixed-income assets as a whole. As the period drew to a close, however, spreads widened somewhat on escalating tensions between the US and North Korea and growing political uncertainty within the US itself.

Sterling investment grade credit had a strong 6-month period, spreads tightened by 10 basis points to 109 bps and excess returns versus government bonds totalled 155 bps.

In terms of significant portfolio activity over the period, we added to our holdings in a number of issuers including Bupa, British American Tobacco, Anheuser Busch InBev and Southern Gas Networks. We were also active in the primary market: new additions here included issues by Akelius Residential Property, DS Smith, Credit Suisse, Cenovus Energy, Tennet Holding, and Charter Communications Operating. On the other side we exited holdings in a range of issuers including Citigroup, Temasek Financial, Motability, National Express, Virgin Money and RSA Insurance.

We think the outlook for sterling investment-grade bonds is supportive enough to overcome risks arising from reduced support from central banks. A changing policy outlook could provide challenges in the months ahead, but this should be largely mitigated by generally supportive credit metrics and fundamental demand for corporate bonds from elsewhere. In our view, risks such as Brexit, the Italian elections and President Trump's trade policy pose a greater threat to credit markets.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	17,257	66,168
Revenue	17,116	13,891
Expenses	(2,630)	(1,950)
Interest payable and similar charges	(111)	(122)
Net revenue before taxation	14,375	11,819
Taxation	—	—
Net revenue after taxation	14,375	11,819
<b>Total return before distributions</b>	<b>31,632</b>	<b>77,987</b>
Distributions	(14,374)	(11,820)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>17,258</b>	<b>66,167</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	908,959	900,001
<b>Current assets:</b>		
Debtors	20,064	30,567
Cash and bank balances	28,906	33,227
Total assets	957,929	963,795
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(633)	(947)
<b>Creditors:</b>		
Bank overdrafts	(1,718)	(128)
Distribution payable	(4,125)	(4,392)
Other creditors	(8,079)	(13,672)
Total liabilities	(14,555)	(19,139)
<b>Net assets attributable to shareholders</b>	<b>943,374</b>	<b>944,656</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>944,656</b>	<b>583,277</b>
Amounts receivable on the issue of shares	131,819	165,346
Amounts payable on the cancellation of shares	(157,045)	(49,855)
	(25,226)	115,491
Dilution adjustment	265	222
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,258	66,167
Retained distribution on accumulation shares	6,415	7,470
Unclaimed distributions	6	6
<b>Closing net assets attributable to shareholders</b>	<b>943,374</b>	<b>772,633</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.3891	—	0.3891	0.4129
08/06/17 to 07/09/17	0.4149	—	0.4149	0.3790
<b>Group 2</b>				
08/03/17 to 07/06/17	0.2070	0.1821	0.3891	0.4129
08/06/17 to 07/09/17	0.2394	0.1755	0.4149	0.3790
<b>Total distributions in the period</b>			<b>0.8040</b>	<b>0.7919</b>

#### Class 1 – Accumulation shares\*\*†

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.6420	—	0.6420	
08/06/17 to 07/09/17	0.6884	—	0.6884	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6420	—	0.6420	
08/06/17 to 07/09/17	0.6884	—	0.6884	
<b>Total distributions in the period</b>			<b>1.3304</b>	

# Threadneedle UK Corporate Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.3893	–	0.3893	0.5165
08/06/17 to 07/09/17	0.4151	–	0.4151	0.4739
<b>Group 2</b>				
08/03/17 to 07/06/17	0.2453	0.1440	0.3893	0.5165
08/06/17 to 07/09/17	0.0496	0.3655	0.4151	0.4739
<b>Total distributions in the period</b>			<b>0.8044</b>	<b>0.9904</b>

### Class 2 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.4473	–	0.4473	0.4568
08/06/17 to 07/09/17	0.4734	–	0.4734	0.4249
<b>Group 2</b>				
08/03/17 to 07/06/17	0.2258	0.2215	0.4473	0.4568
08/06/17 to 07/09/17	0.2535	0.2199	0.4734	0.4249
<b>Total distributions in the period</b>			<b>0.9207</b>	<b>0.8817</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.8424	–	0.8424	1.0395
08/06/17 to 07/09/17	0.8979	–	0.8979	0.9764
<b>Group 2</b>				
08/03/17 to 07/06/17	0.4234	0.4190	0.8424	1.0395
08/06/17 to 07/09/17	0.4030	0.4949	0.8979	0.9764
<b>Total distributions in the period</b>			<b>1.7403</b>	<b>2.0159</b>

### Class 3 – Gross accumulation shares<sup>\*\*</sup>

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.6786	–	0.6786	0.8873
08/06/17 to 07/09/17				0.8033
<b>Group 2</b>				
08/03/17 to 07/06/17	0.6786	–	0.6786	0.8873
08/06/17 to 07/09/17				0.8033
<b>Total distributions in the period</b>			<b>0.6786</b>	<b>1.6906</b>

### Class L – Income shares<sup>\*†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.7542	–	0.7542	
08/06/17 to 07/09/17	0.7969	–	0.7969	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.1297	0.6245	0.7542	
08/06/17 to 07/09/17	0.6698	0.1271	0.7969	
<b>Total distributions in the period</b>			<b>1.5511</b>	

### Class L – Accumulation shares<sup>\*†</sup>

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.7633	–	0.7633	
08/06/17 to 07/09/17	0.8126	–	0.8126	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.3768	0.3865	0.7633	
08/06/17 to 07/09/17	0.2630	0.5496	0.8126	
<b>Total distributions in the period</b>			<b>1.5759</b>	

### Class L – Gross income shares<sup>\*</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	
<b>Group 1</b>				
08/03/17 to 07/06/17	0.7541	–	0.7541	
08/06/17 to 07/09/17	0.7970	–	0.7970	
<b>Group 2</b>				
08/03/17 to 07/06/17	0.3836	0.3705	0.7541	
08/06/17 to 07/09/17	0.2905	0.5065	0.7970	
<b>Total distributions in the period</b>			<b>1.5511</b>	

### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.9224	–	0.9224	1.1305
08/06/17 to 07/09/17	0.9692	–	0.9692	1.0679
<b>Group 2</b>				
08/03/17 to 07/06/17	0.9224	–	0.9224	1.1305
08/06/17 to 07/09/17	0.9692	–	0.9692	1.0679
<b>Total distributions in the period</b>			<b>1.8916</b>	<b>2.1984</b>

### Class X – Gross accumulation shares<sup>\*</sup>

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/06/17	0.9477	–	0.9477	1.0176
08/06/17 to 07/09/17	1.0042	–	1.0042	1.0716
<b>Group 2</b>				
08/03/17 to 07/06/17	0.9477	–	0.9477	1.0176
08/06/17 to 07/09/17	0.7542	0.2500	1.0042	1.0716
<b>Total distributions in the period</b>			<b>1.9519</b>	<b>2.0892</b>

Group 2: shares purchased during a distribution period.

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

\*\*Class 3 – Gross accumulation shares closed 8 June 2017.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares	
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	61.51	56.62	58.92	101.38	100.00
Return before operating charges (p)	2.23	7.30	0.28	3.68	1.85
Operating charges (p)	(0.29)	(0.56)	(0.53)	(0.48)	(0.38)
Return after operating charges (p)*	1.94	6.74	(0.25)	3.20	1.47
Distributions (p)	(0.80)	(1.85)	(2.05)	(1.33)	(1.13)
Retained distributions on accumulation shares (p)**	–	–	–	1.33	1.04
Closing net asset value per share (p)	62.65	61.51	56.62	104.58	101.38
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	3.15	11.90	(0.42)	3.16	1.47
<b>Other information</b>					
Closing net asset value (£000)	44,723	46,072	48,074	69	67
Closing number of shares	71,388,773	74,897,533	84,907,929	65,755	65,755
Operating charges (%)***	0.92 <sup>†</sup>	0.92	0.92	0.92 <sup>†</sup>	0.96 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	63.28	63.55	60.27	104.94	101.75
Lowest share price (p)	61.45	56.93	56.44	101.28	97.74

	Class 1 – Gross income shares <sup>‡</sup>			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	61.55	56.65	58.96	61.61	56.70	59.01
Return before operating charges (p)	2.22	7.31	0.27	2.24	7.33	0.28
Operating charges (p)	(0.29)	(0.56)	(0.53)	(0.18)	(0.34)	(0.33)
Return after operating charges (p)*	1.93	6.75	(0.26)	2.06	6.99	(0.05)
Distributions (p)	(0.80)	(1.85)	(2.05)	(0.92)	(2.08)	(2.26)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	62.68	61.55	56.65	62.75	61.61	56.70
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.14	11.92	(0.44)	3.34	12.33	(0.08)
<b>Other information</b>						
Closing net asset value (£000)	17,719	21,163	16,727	252,611	228,123	197,270
Closing number of shares	28,268,148	34,384,379	29,526,436	402,591,870	370,284,218	347,903,398
Operating charges (%)***	0.92 <sup>†</sup>	0.92	0.92	0.56 <sup>†</sup>	0.56	0.56
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	63.32	63.67	60.33	63.44	63.68	60.37
Lowest share price (p)	61.49	56.97	56.55	61.56	57.02	56.55

## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares <sup>5</sup>			Class 3 – Gross accumulation shares <sup>5</sup>		
	07/09/2017	07/03/2017	07/03/2016	08/06/2017 <sup>2</sup>	07/03/2017	07/03/2016 <sup>3</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	116.03	103.23	103.33	111.29	99.50	100.00
Return before operating charges (p)	4.21	13.43	0.48	3.05	12.89	0.51
Operating charges (p)	(0.33)	(0.63)	(0.58)	(0.29)	(1.10)	(1.01)
Return after operating charges (p)*	3.88	12.80	(0.10)	2.76	11.79	(0.50)
Distributions (p)	(1.74)	(3.83)	(4.02)	(0.68)	(3.17)	(1.24)
Retained distributions on accumulation shares (p)**	1.74	3.83	4.02	0.68	3.17	1.24
Closing net asset value per share (p)	119.91	116.03	103.23	114.05	111.29	99.50
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.34	12.40	(0.10)	2.48	11.85	(0.50)
<b>Other information</b>						
Closing net asset value (£000)	353,627	375,617	320,965	–	3	3
Closing number of shares	294,920,520	323,725,313	310,922,470	–	3,000	3,000
Operating charges (%)***	0.56 <sup>†</sup>	0.56	0.56	–	1.02	1.01 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	120.32	117.24	105.74	114.26	112.73	101.18
Lowest share price (p)	115.93	103.81	101.42	111.18	100.04	98.42
	Class L – Income shares			Class L – Accumulation shares		
	07/09/2017	07/03/2017 <sup>4</sup>		07/09/2017	07/03/2017 <sup>5</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.34	100.00		101.56	100.00	
Return before operating charges (p)	3.63	1.84		3.69	1.86	
Operating charges (p)	(0.23)	(0.19)		(0.24)	(0.19)	
Return after operating charges (p)*	3.40	1.65		3.45	1.67	
Distributions (p)	(1.55)	(1.31)		(1.58)	(1.32)	
Retained distributions on accumulation shares (p)**	–	–		1.58	1.21	
Closing net asset value per share (p)	102.19	100.34		105.01	101.56	
*after direct transaction costs of (p)	–	–		–	–	
<b>Performance</b>						
Return after charges (%)	3.39	1.65		3.40	1.67	
<b>Other information</b>						
Closing net asset value (£000)	539	589		13,674	11,697	
Closing number of shares	527,380	587,242		13,021,955	11,517,039	
Operating charges (%)***	0.46 <sup>†</sup>	0.47 <sup>†</sup>		0.46 <sup>†</sup>	0.47 <sup>†</sup>	
Direct transaction costs (%)****	–	–		–	–	
<b>Prices</b>						
Highest share price (p)	103.34	101.51		105.37	101.93	
Lowest share price (p)	100.26	97.71		101.48	97.78	

## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class L – Gross income shares <sup>5</sup>		Class X – Gross income shares <sup>5</sup>		
	07/09/2017	07/03/2017 <sup>6</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	100.34	100.00	108.00	99.38	103.43
Return before operating charges (p)	3.64	1.84	3.92	12.86	0.49
Operating charges (p)	(0.24)	(0.19)	(0.03)	(0.06)	(0.06)
Return after operating charges (p)*	3.40	1.65	3.89	12.80	0.43
Distributions (p)	(1.55)	(1.31)	(1.89)	(4.18)	(4.48)
Retained distributions on accumulation shares (p)**	—	—	—	—	—
Closing net asset value per share (p)	102.19	100.34	110.00	108.00	99.38
*after direct transaction costs of (p)	—	—	—	—	—
<b>Performance</b>					
Return after charges (%)	3.39	1.65	3.60	12.88	0.42
<b>Other information</b>					
Closing net asset value (£000)	230,487	218,524	393	650	238
Closing number of shares	225,543,059	217,788,097	357,739	602,107	239,682
Operating charges (%)***	0.46 <sup>†</sup>	0.47 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)****	—	—	—	—	—
<b>Prices</b>					
Highest share price (p)	103.35	101.51	111.35	111.92	105.88
Lowest share price (p)	100.26	97.71	107.93	99.94	99.37
	Class X – Gross accumulation shares <sup>5</sup>				
	07/09/2017	07/03/2017 <sup>7</sup>			
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	110.97	100.00			
Return before operating charges (p)	4.02	11.02			
Operating charges (p)	(0.03)	(0.05)			
Return after operating charges (p)*	3.99	10.97			
Distributions (p)	(1.95)	(4.11)			
Retained distributions on accumulation shares (p)**	1.95	4.11			
Closing net asset value per share (p)	114.96	110.97			
*after direct transaction costs of (p)	—	—			
<b>Performance</b>					
Return after charges (%)	3.60	10.97			
<b>Other information</b>					
Closing net asset value (£000)	29,532	42,151			
Closing number of shares	25,687,535	37,984,213			
Operating charges (%)***	0.06 <sup>†</sup>	0.05 <sup>†</sup>			
Direct transaction costs (%)****	—	—			
<b>Prices</b>					
Highest share price (p)	115.36	111.82			
Lowest share price (p)	110.90	100.00			

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

\*\*\*The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit [columbiathreadneedle.com/fees](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>Class 1 – Accumulation shares commenced 12 October 2016.

<sup>2</sup>Class 3 – Gross accumulation shares closed 8 June 2017.

<sup>3</sup>Class 3 – Gross accumulation shares commenced 28 October 2015.

<sup>4</sup>Class L – Income shares commenced 12 October 2016.

<sup>5</sup>Class L – Accumulation shares commenced 12 October 2016.

<sup>6</sup>Class L – Gross income shares commenced 12 October 2016.

<sup>7</sup>Class X – Gross accumulation shares commenced 16 March 2016.

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

# Threadneedle UK Corporate Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	74,897,533
Shares issued	17,329,433
Shares redeemed	(19,789,023)
Net conversions	(1,049,170)
Closing shares	<u>71,388,773</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	65,755
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>65,755</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	34,384,379
Shares issued	1,902,496
Shares redeemed	(8,005,227)
Net conversions	(13,500)
Closing shares	<u>28,268,148</u>
<b>Class 2 – Income shares</b>	
Opening shares	370,284,218
Shares issued	36,813,870
Shares redeemed	(5,499,532)
Net conversions	993,314
Closing shares	<u>402,591,870</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	323,725,313
Shares issued	58,017,170
Shares redeemed	(86,831,473)
Net conversions	9,510
Closing shares	<u>294,920,520</u>
<b>Class 3 – Gross accumulation shares*</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	(3,000)
Net conversions	–
Closing shares	<u>–</u>
<b>Class L – Income shares</b>	
Opening shares	587,242
Shares issued	44,279
Shares redeemed	(134,380)
Net conversions	30,239
Closing shares	<u>527,380</u>

2017

#### Class L – Accumulation shares

Opening shares	11,517,039
Shares issued	2,436,568
Shares redeemed	(931,652)
Net conversions	–
Closing shares	<u>13,021,955</u>

#### Class L – Gross income shares

Opening shares	217,788,097
Shares issued	25,651,086
Shares redeemed	(17,896,124)
Net conversions	–
Closing shares	<u>225,543,059</u>

#### Class X – Gross income shares

Opening shares	602,107
Shares issued	–
Shares redeemed	(244,368)
Net conversions	–
Closing shares	<u>357,739</u>

#### Class X – Gross accumulation shares

Opening shares	37,984,213
Shares issued	163,812
Shares redeemed	(12,460,490)
Net conversions	–
Closing shares	<u>25,687,535</u>

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



## Threadneedle Sterling Bond Fund

### Investment Report

#### Investment Objective

To achieve total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in UK Government Securities denominated in Sterling and Sterling denominated securities issued by Governments, Government Agencies and Supranational Borrowers.

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

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Sterling Bond Fund has risen from 57.98p to 58.54p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +1.06% as compared to a median return of +1.32% over the same period. The fund return equates approximately to +1.32% gross of tax and charges\*\*. (For information the FTSE All Stocks Gilts Index gave a total return of +1.21% for the same period).

#### Market Overview and Portfolio Activity

The UK gilt market delivered a modest positive return for the six months in review. For much of the period, political developments at home and abroad as well as changing expectations regarding central-bank policy were the primary drivers of market performance. On the economic front, UK consumer price inflation was a key focus for investors. The measure reached a four-year high in May, putting upward pressure on gilt yields, but fell back thereafter,

easing rate-hike fears somewhat. Not being overly concerned with the higher inflation readings, which we viewed as temporary, we generally kept the portfolio long of the benchmark in terms of duration but made tactical adjustments along the way.

In early March core yields drifted higher as supportive data on the global economy and receding fears over European politics bolstered risk assets. In this environment we halved the portfolio's relative duration to 0.2 years, where it remained for the rest of the month. Surprisingly, yields then fell following the first US interest-rate hike of 2017. While the quarter-point rise was priced in by the time it arrived, the US Federal Reserve emphasis on a gradual pace for future hikes was seen as more dovish than expected. Gilts and other core bonds were further supported later in the month by fading optimism about the ability of US President Donald Trump to deliver on his reflationary policies, after his first attempt at healthcare reform was withdrawn for lack of Congressional support.

In April, volatility rose ahead of the first round of the French presidential election, as eurosceptic candidates gained ground. The first-round victory of centrist Emmanuel Macron calmed nerves and supported risk assets. In the UK, however, the calling of a snap general election saw political uncertainty increase. President Trump's dismissal of FBI director James Comey in May cast further doubt on his reform agenda. This triggered market jitters, as did narrowing UK election polls. We kept the portfolio's relative duration between 0.1 years and 0.3 years throughout April and May.

In June, the Conservative Party's shock failure to retain its outright parliamentary majority put pressure on sterling and caused a short-lived spike in gilt yields. Later, the US Federal Reserve announced another quarter-point rate hike, but hawkish noises from the European Central Bank (ECB) and Bank of England (BoE) had a bigger market impact. In June, for example, the BoE voted against a rate rise more narrowly than expected, and its governor, Mark Carney, later suggested he would vote for a hike if business

investment picked up. Meanwhile, ECB chief Mario Draghi hinted that his organisation's asset-purchase programme could be reined in quicker than was currently expected. Stocks and bonds weakened in response. Having started June around 0.3 years long of the index, the portfolio was moved to a neutral duration position before the UK general election. On election day itself, we sold 27-year gilts into 32-years to pick up around 30 basis points of yield. The following week, we moved back to 0.3 years long relative to the index after the higher-than-expected May inflation reading.

The final months of the period saw generally upbeat data on the global economy and a strong corporate earnings season buoy appetite for risk, but this was tempered by worries over growing political uncertainty in the US, escalating tensions between the US and North Korea, and the prospect of tighter monetary policy in Europe. Weaker-than-expected inflationary pressures in the US and UK provided further support for fixed-income assets.

Transactions were muted in July as the gilt market traded in a relatively tight range following the sharp rise in yields in the last week of June. We held duration around 0.5 years long relative to the benchmark. Trading was confined to adjustment along the curve. We sold ultra-long gilts and channelled the proceeds into 30-year and 40-year gilts, opening up a 'steepener' trade in the very long end of the curve.

Activity remained fairly light over the first three weeks of August, and we kept relative duration at 0.5 years throughout the month. We made some small adjustments within maturity sectors but remained overweight in the 5-year and 10-year segments, flat in the 20-year segment, overweight in the 30-year segment and underweight in ultralongs. In the final week we undertook a range of duration-neutral trades, and, on the last day of the month, halved the size of the 2030s/ultra-longs steepener trade that was initiated in July.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	4,259	35,031
Revenue	1,866	2,615
Expenses	(1,516)	(1,777)
Interest payable and similar charges	–	(2)
Net revenue before taxation	350	836
Taxation	–	–
Net revenue after taxation	350	836
Total return before distributions	4,609	35,867
Distributions	(1,614)	(2,335)
Change in net assets attributable to shareholders from investment activities	2,995	33,532

#### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	296,889	324,179
<b>Current assets:</b>		
Debtors	1,089	1,659
Cash and bank balances	617	680
Total assets	298,595	326,518
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,031)	(1,080)
Other creditors	(750)	(673)
Total liabilities	(1,781)	(1,753)
Net assets attributable to shareholders	296,814	324,765

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	324,765	334,395
Amounts receivable on the issue of shares	60,684	108,758
Amounts payable on the cancellation of shares	(92,112)	(94,935)
	(31,428)	13,823
Dilution adjustment	8	24
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,995	33,532
Retained distribution on accumulation shares	474	1,011
Closing net assets attributable to shareholders	296,814	382,785

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

#### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

##### Class 1 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.2919	–	0.2919	0.3138
<b>Group 2</b> 08/03/17 to 07/09/17	0.1520	0.1399	0.2919	0.3138
<b>Total distributions in the period</b>			<b>0.2919</b>	<b>0.3138</b>

##### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6203	–	0.6203	0.8242
<b>Group 2</b> 08/03/17 to 07/09/17	0.4181	0.2022	0.6203	0.8242
<b>Total distributions in the period</b>			<b>0.6203</b>	<b>0.8242</b>

##### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6990	–	0.6990	0.8800
<b>Group 2</b> 08/03/17 to 07/09/17	0.6990	–	0.6990	0.8800
<b>Total distributions in the period</b>			<b>0.6990</b>	<b>0.8800</b>

## Threadneedle Sterling Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6036	–	0.6036	0.7553
<b>Group 2</b> 08/03/17 to 07/09/17	0.3019	0.3017	0.6036	0.7553
<b>Total distributions in the period</b>			<b>0.6036</b>	<b>0.7553</b>

#### Class Z – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.5872	–	0.5872	0.6208
<b>Group 2</b> 08/03/17 to 07/09/17	0.3611	0.2261	0.5872	0.6208
<b>Total distributions in the period</b>			<b>0.5872</b>	<b>0.6208</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6326	–	0.6326	0.8268
<b>Group 2</b> 08/03/17 to 07/09/17	0.3873	0.2453	0.6326	0.8268
<b>Total distributions in the period</b>			<b>0.6326</b>	<b>0.8268</b>

Group 2: shares purchased during a distribution period.

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

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

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	57.66	55.37	53.26	122.53	116.33	110.15
Return before operating charges (p)	1.19	3.66	3.61	2.56	7.63	7.50
Operating charges (p)	(0.34)	(0.67)	(0.64)	(0.73)	(1.43)	(1.32)
Return after operating charges (p)*	0.85	2.99	2.97	1.83	6.20	6.18
Distributions (p)	(0.29)	(0.70)	(0.86)	(0.62)	(1.47)	(1.79)
Retained distributions on accumulation shares (p)	–	–	–	0.62	1.47	1.79
Closing net asset value per share (p)	58.22	57.66	55.37	124.36	122.53	116.33
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.47	5.40	5.58	1.49	5.33	5.61
<b>Other information</b>						
Closing net asset value (£000)	186,830	187,043	196,198	22,308	22,470	69,556
Closing number of shares	320,878,725	324,416,218	354,321,167	17,938,075	18,338,201	59,792,671
Operating charges (%)**	1.17 <sup>t</sup>	1.17	1.17	1.18 <sup>t</sup>	1.17	1.17
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	58.66	61.89	56.97	124.66	130.19	118.90
Lowest share price (p)	56.83	54.64	52.56	120.77	114.85	108.83

	Class X – Gross income shares <sup>s</sup>			Class X – Gross accumulation shares <sup>s</sup>	
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017 <sup>t</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	116.88	111.13	105.81	106.60	100.00
Return before operating charges (p)	2.46	7.36	7.24	2.23	6.65
Operating charges (p)	(0.01)	(0.02)	(0.05)	(0.03)	(0.05)
Return after operating charges (p)*	2.45	7.34	7.19	2.20	6.60
Distributions (p)	(0.70)	(1.59)	(1.87)	(0.60)	(1.39)
Retained distributions on accumulation shares (p)	–	–	–	0.60	1.39
Closing net asset value per share (p)	118.63	116.88	111.13	108.80	106.60
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	2.10	6.60	6.80	2.06	6.60
<b>Other information</b>					
Closing net asset value (£000)	3	3	3	4,798	19,344
Closing number of shares	3,000	3,000	3,000	4,409,844	18,146,953
Operating charges (%)**	0.02 <sup>t</sup>	0.02	0.05	0.06 <sup>t</sup>	0.05 <sup>t</sup>
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	119.49	125.06	114.46	108.95	112.58
Lowest share price (p)	115.66	109.88	104.96	105.46	98.92

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	111.35	106.30	101.63	119.97	113.16	106.47
Return before operating charges (p)	2.33	7.02	6.91	2.50	7.44	7.27
Operating charges (p)	(0.30)	(0.59)	(0.55)	(0.32)	(0.63)	(0.58)
Return after operating charges (p)*	2.03	6.43	6.36	2.18	6.81	6.69
Distributions (p)	(0.59)	(1.38)	(1.69)	(0.63)	(1.48)	(1.79)
Retained distributions on accumulation shares (p)	–	–	–	0.63	1.48	1.79
Closing net asset value per share (p)	112.79	111.35	106.30	122.15	119.97	113.16
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.82	6.05	6.26	1.82	6.02	6.28
<b>Other information</b>						
Closing net asset value (£000)	18,021	17,528	25,111	64,854	78,377	43,527
Closing number of shares	15,976,927	15,740,931	23,622,616	53,093,943	65,333,205	38,465,741
Operating charges (%)**	0.53 <sup>1</sup>	0.53	0.53	0.53 <sup>1</sup>	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	113.55	119.18	109.33	122.33	127.03	115.61
Lowest share price (p)	109.99	104.99	100.52	118.50	111.81	105.43

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

<sup>1</sup>Class X – Gross accumulation shares commenced 16 March 2016.

<sup>2</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle Sterling Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Income shares

Opening shares	324,416,218
Shares issued	30,883,447
Shares redeemed	(34,419,020)
Net conversions	(1,920)
Closing shares	<u>320,878,725</u>

#### Class 1 – Gross accumulation shares

Opening shares	18,338,201
Shares issued	25,731,379
Shares redeemed	(26,131,505)
Net conversions	–
Closing shares	<u>17,938,075</u>

#### Class X – Gross income shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

#### Class X – Gross accumulation shares

Opening shares	18,146,953
Shares issued	241,828
Shares redeemed	(13,978,937)
Net conversions	–
Closing shares	<u>4,409,844</u>

#### Class Z – Income shares

Opening shares	15,740,931
Shares issued	1,901,944
Shares redeemed	(1,666,942)
Net conversions	994
Closing shares	<u>15,976,927</u>

#### Class Z – Gross accumulation shares

Opening shares	65,333,205
Shares issued	7,032,688
Shares redeemed	(19,271,950)
Net conversions	–
Closing shares	<u>53,093,943</u>

## Threadneedle Sterling Fund\*\*

### Investment Report

#### Investment Objective

To achieve a high level of capital security and provide income.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in Sterling denominated cash deposits and certificates of deposit and UK Government issued Treasury Bills. If the ACD considers it desirable it may also invest up to 50% of the total assets of the Fund in Sterling denominated commercial paper. The investment policy shall be subject to the following credit rating restrictions:

- (i) Bank deposits shall be held with and certificates of deposit shall be issued by a deposit taking institution with a minimum long term credit rating of either (a) Standard & Poor's AA-, or (b) Moody's AA3;
- (ii) Commercial paper issued by institutions with a minimum short term credit rating either (a) Standard & Poor's A1, or (b) Moody's P1, and with a maximum term to maturity of 184 days; and
- (iii) UK Government issued treasury bills shall have a maximum term to maturity of 184 days.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Sterling Fund has fallen from 99.86p to 99.79p.

The total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +0.10%. (Source: Threadneedle, bid-bid, net income reinvested.)

#### Market Overview and Portfolio Activity

The six months to 7 September 2017 constituted a much better period for sterling than the 12 months covered by the previous report. However, the currency still finished modestly lower against its peers on a trade-weighted basis. The pound clawed back some of its post-referendum

losses against the dollar, which at time of writing is having its worst year in over three decades. Nevertheless, sterling lost further ground against the euro as investors saw increasing divergence between the UK's economic prospects and those of the eurozone.

The dollar's weakness came despite two interest-rate hikes by the US Federal Reserve one in March and the other in June. Both were widely expected. President Trump continued to exert a strong influence on currency markets. Optimism about his reflationary policies had propelled the dollar higher in late 2016. As doubts about his ability to deliver his planned reforms crept in, however, and as US economic data began to undershoot expectations, the dollar weakened considerably. News on the US economy improved towards the end of the period, with second-quarter GDP growth much stronger than expected. However, this was largely overshadowed by concerns around the threat from North Korea and further controversy surrounding the Trump administration.

Meanwhile, growing confidence about the political and economic future of the European Union (EU) buoyed the euro over the period. After a spell of nervousness about growing support for eurosceptic movements, the victory of pro-EU centrist Emmanuel Macron in the French presidential election calmed nerves. Eurozone GDP and purchasing managers' index data also provided support for the euro, as did bullish comments from the European Central Bank (ECB) chief in late June, which markets took to imply a faster-than-expected winding down of ECB stimulus.

Broadly speaking, the pound strengthened in the first half of the period before falling back from mid-May onwards. The currency's early strength came despite growing political uncertainty in the UK and further indications that rising inflation was dampening consumer spending. Although the Bank of England (BoE) opted not to raise rates at its March meeting, the vote was no longer unanimous: one policymaker called for a hike, and minutes from the meeting later revealed that others could soon follow suit. This buoyed the pound, as did above-target February inflation.

Article 50 continued to dominate headlines, but its actual triggering on 29 March had little impact on markets.

When the snap UK general election was called in April, the pound rose sharply in anticipation that the prime minister would strengthen her majority ahead of Brexit negotiations. Sterling then came under pressure in May as Labour gained in pre-election polls. When the election result came in on 9 June, the Conservatives' shock loss of their absolute majority triggered a further bout of sterling weakness. The pound rallied later that month in response to a four-year high in inflation and some hawkish commentary from BoE personnel. The number of policymakers calling for a rate hike at the June meeting of the monetary policy committee (MPC) rose to three.

Thereafter, however, UK rate-hike fears receded as inflation fell back and second-quarter GDP growth came in at half that of the eurozone. Communications from the BoE in August tended to push UK rate-hike expectations further out, putting pressure on sterling. Only two MPC members voted for a rate hike at the August meeting, and the BoE also revised down its 2017 growth forecast.

The yield curve out to one year remains relatively flat; therefore we have kept the positioning broadly unchanged over the first half of the year. The weighted average maturity of the fund is currently 57 days and the weighted average yield 0.22%. The holdings comprise approximately 61% in bank issued certificates of deposit, 8% in short-dated bank deposits, 24% in euro commercial paper issued by banks or supranationals (i.e. government-backed issuers) and 7% in UK government-issued Treasury bills.

We have kept the fund well diversified, liquid and invested in a mixture of well-rated banks and sovereign-backed institutions. The financial strength of these banks and financial institutions is taken into account when we are selecting suitable investments. The portfolio will comprise very short-dated instruments with a view to achieving a competitive rate of interest.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	29	38
Revenue	527	727
Expenses	(507)	(470)
Net revenue before taxation	20	257
Taxation	–	–
Net revenue after taxation	20	257
<b>Total return before distributions</b>	<b>49</b>	<b>295</b>
Distributions	(104)	(285)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(55)</b>	<b>10</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	461,642	406,490
<b>Current assets:</b>		
Debtors	93	177
Cash and bank balances	39,614	53,647
<b>Total assets</b>	<b>501,349</b>	<b>460,314</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(125)
Other creditors	(1,355)	(365)
<b>Total liabilities</b>	<b>(1,355)</b>	<b>(490)</b>
<b>Net assets attributable to shareholders</b>	<b>499,994</b>	<b>459,824</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>459,824</b>	<b>265,983</b>
Amounts receivable on the issue of shares	136,120	75,881
Amounts payable on the cancellation of shares	(96,003)	(52,011)
	40,117	23,870
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(55)	10
Retained distribution on accumulation shares	108	–
<b>Closing net assets attributable to shareholders</b>	<b>499,994</b>	<b>289,863</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Please note that the Sterling Fund is currently registered for public offer in the UK only and it is not intended to be registered outside the UK unless otherwise decided by the ACD. Shares in the Sterling Fund must not be marketed to the public in any other jurisdiction.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

There is no distribution for the accounting period 8 March 2017 to 7 September 2017, as expenses exceed revenue (2016: 0.0949).

#### Class 2 – Accumulation shares\*\*

There is no distribution for the accounting period 8 March 2017 to 7 September 2017, as expenses exceed revenue.

#### Class 3 – Gross accumulation shares

There is no distribution for the accounting period 8 March 2017 to 7 September 2017 as the share class closed on the 8 June 2017 (2016: Nil).

#### Class X – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.0870	–	0.0870	0.2363
<b>Group 2</b>				
08/03/17 to 07/09/17	0.0430	0.0440	0.0870	0.2363
<b>Total distributions in the period</b>			<b>0.0870</b>	<b>0.2363</b>

Group 2: shares purchased during a distribution period.

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

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

## Threadneedle Sterling Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Accumulation shares	
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	99.81	99.82	99.81	100.02	100.00
Return before operating charges (p)	0.12	0.43	0.50	0.13	0.12
Operating charges (p)	(0.14)	(0.28)	(0.28)	(0.13)	(0.10)
Return after operating charges (p)*	(0.02)	0.15	0.22	–	0.02
Distributions (p)	–	(0.16)	(0.21)	–	(0.04)
Retained distributions on accumulation shares (p)	–	–	–	–	0.04
Closing net asset value per share (p)	99.79	99.81	99.82	100.02	100.02
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(0.02)	0.15	0.22	–	0.02
<b>Other information</b>					
Closing net asset value (£000)	331,118	296,801	224,539	43,690	49,032
Closing number of shares	331,800,760	297,352,012	224,954,864	43,683,242	49,020,940
Operating charges (%)**	0.28 <sup>†</sup>	0.28	0.28	0.26 <sup>†</sup>	0.26 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	99.82	99.92	99.91	100.03	100.02
Lowest share price (p)	99.79	99.82	99.82	100.02	100.00
	Class 3 – Gross accumulation shares <sup>5</sup>			Class X – Gross accumulation shares <sup>5</sup>	
	08/06/2017 <sup>2</sup>	07/03/2017	07/03/2016 <sup>3</sup>	07/09/2017	07/03/2017 <sup>4</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	99.73	99.95	100.00	100.39	100.00
Return before operating charges (p)	0.07	0.44	0.19	0.12	0.44
Operating charges (p)	(0.16)	(0.66)	(0.24)	(0.03)	(0.05)
Return after operating charges (p)*	(0.09)	(0.22)	(0.05)	0.09	0.39
Distributions (p)	–	–	–	(0.09)	(0.40)
Retained distributions on accumulation shares (p)	–	–	–	0.09	0.40
Closing net asset value per share (p)	99.64	99.73	99.95	100.48	100.39
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	(0.09)	(0.22)	(0.05)	0.09	0.39
<b>Other information</b>					
Closing net asset value (£000)	–	3	41,444	125,186	113,988
Closing number of shares	–	3,000	41,464,121	124,586,043	113,546,450
Operating charges (%)**	–	0.66	0.67 <sup>†</sup>	0.06 <sup>†</sup>	0.05 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	99.73	99.95	100.00	100.48	100.39
Lowest share price (p)	99.64	99.73	99.95	100.39	100.00

\*\*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>1</sup>Class 2 – Accumulation shares commenced 12 October 2016.

<sup>2</sup>Class 3 – Gross accumulation shares closed 8 June 2017.

<sup>3</sup>Class 3 – Gross accumulation shares commenced 28 October 2015.

<sup>4</sup>Class X – Gross accumulation shares commenced 16 March 2016.

<sup>5</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle Sterling Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	297,352,012
Shares issued	94,628,584
Shares redeemed	(60,179,836)
Net conversions	—
Closing shares	<u>331,800,760</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	49,020,940
Shares issued	3,008,538
Shares redeemed	(8,346,236)
Net conversions	—
Closing shares	<u>43,683,242</u>
<b>Class 3 – Gross accumulation shares*</b>	
Opening shares	3,000
Shares issued	—
Shares redeemed	(3,000)
Net conversions	—
Closing shares	<u>—</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	113,546,450
Shares issued	38,513,815
Shares redeemed	(27,474,222)
Net conversions	—
Closing shares	<u>124,586,043</u>

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



## Threadneedle European Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of companies domiciled in Continental Europe or which have significant Continental European operations with growth prospects. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European Fund has risen from 210.36p to 235.31p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +15.29% as compared to a median return of +14.87% over the same period. (For information the FTSE World Europe ex UK Index returned +15.12% over the same period).

#### Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, and corporate earnings also provided grounds for optimism. There are signs that the European Central Bank may start winding down its economic stimulus programme, but any reduction is likely to be gradual. In the UK, business investment and household spending suffered

from Brexit-related uncertainty, and the Bank of England cut its growth forecast for 2017.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries could follow the UK out of the European Union. However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally. In the UK, the ruling Conservative Party lost its absolute majority in a general election; this seems certain to make Brexit negotiations more complex and unpredictable.

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

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

Merger and acquisition activity was buoyant in a wide variety of sectors, and some substantial deals were announced during the review period. Sterling weakened after the UK voted to leave the EU, and a number of UK companies attracted takeover bids. Repercussions from the financial crisis of 2008 are still reverberating across Europe – countries are taking steps to resolve lingering problems by winding up or amalgamating

struggling banks with their stronger counterparts, and ensuring that surviving financial institutions meet capital requirements.

Major transactions included opening a new position in Volvo, which manufactures trucks, buses and construction equipment. The company has a revitalised management team and operates in a concentrated market – it is well placed to benefit from European growth and capital investment. We sold Akzo Nobel; shares in the paint business had risen strongly following a takeover bid from PPG. Other sales included Pandora; it is unclear whether the jewellery business can sustain its growth trajectory.

It will take time before the full effects of Brexit become clear. However, election results in Europe have generally favoured centrist pro-Europeans. Trump's policies could lead to reflation and further interest-rate increases in the US. While we expect tapering of Europe's economic stimulus programme to begin later this year, interest-rate rises in the eurozone may be deferred for longer.

Risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea. The oil price and China's economic outlook will continue to affect equity markets, and the euro's recent strength has been a concern for some exporters.

However, volatile markets provide us with investment opportunities. Merger and acquisition activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European businesses. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	87,701	68,544
Revenue	19,824	14,795
Expenses	(5,222)	(4,778)
Interest payable and similar charges	(5)	(16)
Net revenue before taxation	14,597	10,001
Taxation	(1,049)	(766)
Net revenue after taxation	13,548	9,235
<b>Total return before equalisation</b>	<b>101,249</b>	<b>77,779</b>
Equalisation	138	(841)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>101,387</b>	<b>76,938</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,084,785	740,496
<b>Current assets:</b>		
Debtors	6,267	5,062
Cash and bank balances	5,861	627
<b>Total assets</b>	<b>1,096,913</b>	<b>746,185</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(3)
<b>Creditors:</b>		
Distribution payable	–	(5)
Other creditors	(7,297)	(5,245)
<b>Total liabilities</b>	<b>(7,297)</b>	<b>(5,253)</b>
<b>Net assets attributable to shareholders</b>	<b>1,089,616</b>	<b>740,932</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>740,932</b>	<b>728,766</b>
Amounts receivable on the issue of shares	194,992	38,738
Amounts payable on the cancellation of shares	(254,184)	(115,126)
Amounts receivable on inspecie transfers	306,155	–
	246,963	(76,388)
Dilution adjustment	334	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	101,387	76,938
<b>Closing net assets attributable to shareholders</b>	<b>1,089,616</b>	<b>729,316</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle European Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	210.31	178.68	180.04	235.91	199.21	199.49
Return before operating charges (p)	26.82	34.90	1.67	30.13	39.02	1.85
Operating charges (p)	(1.88)	(3.27)	(3.03)	(1.34)	(2.32)	(2.13)
Return after operating charges (p)*	24.94	31.63	(1.36)	28.79	36.70	(0.28)
Distributions (p)	–	(1.27)	(1.00)	–	(2.76)	(1.95)
Retained distributions on accumulation shares (p)	–	1.27	1.00	–	2.76	1.95
Closing net asset value per share (p)	235.25	210.31	178.68	264.70	235.91	199.21
*after direct transaction costs of (p)	0.25	0.42	0.37	0.28	0.47	0.41
<b>Performance</b>						
Return after charges (%)	11.86	17.70	(0.76)	12.20	18.42	(0.14)
<b>Other information</b>						
Closing net asset value (£000)	368,119	316,254	297,729	365,696	319,929	412,304
Closing number of shares	156,482,035	150,376,673	166,623,173	138,155,026	135,616,138	206,972,593
Operating charges (%)**	1.67 <sup>†</sup>	1.68	1.67	1.06 <sup>†</sup>	1.07	1.06
Direct transaction costs (%)***	0.23	0.21	0.20	0.23	0.21	0.20
<b>Prices</b>						
Highest share price (p)	237.08	210.36	193.05	266.74	235.96	214.04
Lowest share price (p)	207.11	176.98	164.84	232.49	197.56	183.70
	Class D – Accumulation shares			Class L – Income shares		
	07/09/2017 <sup>1</sup>			07/09/2017 <sup>2</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	419.74			183.66		
Return before operating charges (p)	25.40			11.22		
Operating charges (p)	(0.95)			(0.24)		
Return after operating charges (p)*	24.45			10.98		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	444.19			194.64		
*after direct transaction costs of (p)	0.32			0.14		
<b>Performance</b>						
Return after charges (%)	5.83			5.98		
<b>Other information</b>						
Closing net asset value (£000)	1,096			231		
Closing number of shares	246,832			118,750		
Operating charges (%)**	1.05 <sup>†</sup>			0.60 <sup>†</sup>		
Direct transaction costs (%)***	0.23			0.23		
<b>Prices</b>						
Highest share price (p)	447.61			196.12		
Lowest share price (p)	412.40			180.45		

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

	Class L – Accumulation shares			Class L GBP Hedged – Income shares
	07/09/2017 <sup>3</sup>			07/09/2017 <sup>4</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	254.66			169.32
Return before operating charges (p)	15.54			(2.44)
Operating charges (p)	(0.32)			(0.21)
Return after operating charges (p)*	15.22			(2.65)
Distributions (p)	–			–
Retained distributions on accumulation shares (p)	–			–
Closing net asset value per share (p)	269.88			166.67
*after direct transaction costs of (p)	0.19			0.12
<b>Performance</b>				
Return after charges (%)	5.98			(1.57)
<b>Other information</b>				
Closing net asset value (£000)	2,574			476
Closing number of shares	953,588			285,309
Operating charges (%)**	0.59 <sup>†</sup>			0.60 <sup>†</sup>
Direct transaction costs (%)***	0.23			0.23
<b>Prices</b>				
Highest share price (p)	271.94			170.41
Lowest share price (p)	250.21			162.73

	Class X – Accumulation shares			Class X2 – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016 <sup>5</sup>	07/09/2017 <sup>6</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	117.91	98.57	100.00	496.31
Return before operating charges (p)	15.10	19.41	(1.42)	30.65
Operating charges (p)	(0.04)	(0.07)	(0.01)	(0.05)
Return after operating charges (p)*	15.06	19.34	(1.43)	30.60
Distributions (p)	–	(2.45)	(0.63)	–
Retained distributions on accumulation shares (p)	–	2.45	0.63	–
Closing net asset value per share (p)	132.97	117.91	98.57	526.91
*after direct transaction costs of (p)	0.14	0.25	0.15	0.38
<b>Performance</b>				
Return after charges (%)	12.77	19.62	(1.43)	6.17
<b>Other information</b>				
Closing net asset value (£000)	172,470	85,483	3	156,975
Closing number of shares	129,705,669	72,497,914	3,000	29,791,416
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.02 <sup>†</sup>	0.05 <sup>†</sup>
Direct transaction costs (%)***	0.23	0.21	0.20	0.23
<b>Prices</b>				
Highest share price (p)	133.97	117.94	103.46	530.88
Lowest share price (p)	116.34	97.96	90.84	487.68

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	129.66	110.77	111.81	167.84	141.49	141.43
Return before operating charges (p)	16.57	21.72	1.03	21.45	27.73	1.32
Operating charges (p)	(0.61)	(1.08)	(0.99)	(0.79)	(1.38)	(1.26)
Return after operating charges (p)*	15.96	20.64	0.04	20.66	26.35	0.06
Distributions (p)	–	(1.75)	(1.08)	–	(2.23)	(1.54)
Retained distributions on accumulation shares (p)	–	–	–	–	2.23	1.54
Closing net asset value per share (p)	145.62	129.66	110.77	188.50	167.84	141.49
*after direct transaction costs of (p)	0.16	0.26	0.23	0.20	0.33	0.29
<b>Performance</b>						
Return after charges (%)	12.31	18.63	0.04	12.31	18.62	0.04
<b>Other information</b>						
Closing net asset value (£000)	527	363	322	21,452	18,903	18,408
Closing number of shares	362,219	279,762	290,079	11,380,886	11,261,904	13,010,521
Operating charges (%)**	0.88 <sup>1</sup>	0.89	0.88	0.88 <sup>1</sup>	0.89	0.88
Direct transaction costs (%)***	0.23	0.21	0.20	0.23	0.21	0.20
<b>Prices</b>						
Highest share price (p)	146.73	131.44	119.98	189.94	167.88	151.78
Lowest share price (p)	127.81	109.89	103.13	165.44	140.36	130.46

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

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

<sup>1</sup>Class D – Accumulation shares commenced 12 May 2017.

<sup>2</sup>Class L – Income shares commenced 12 May 2017.

<sup>3</sup>Class L – Accumulation shares commenced 12 May 2017.

<sup>4</sup>Class L GBP Hedged – Income shares commenced 12 May 2017.

<sup>5</sup>Class X – Accumulation shares commenced 10 June 2015.

<sup>6</sup>Class X2 – Accumulation shares commenced 12 May 2017.

<sup>7</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle European Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Accumulation shares</b>	
Opening shares	150,376,673
Shares issued	10,305,481
Shares redeemed	(4,161,856)
Net conversions	(38,263)
Closing shares	156,482,035
<b>Class 2 – Accumulation shares</b>	
Opening shares	135,616,138
Shares issued	12,748,961
Shares redeemed	(10,197,894)
Net conversions	(12,179)
Closing shares	138,155,026
<b>Class D – Accumulation shares*</b>	
Opening shares	–
Shares issued	248,700
Shares redeemed	(1,868)
Net conversions	–
Closing shares	246,832
<b>Class L – Income shares*</b>	
Opening shares	–
Shares issued	128,805
Shares redeemed	(10,055)
Net conversions	–
Closing shares	118,750
<b>Class L – Accumulation shares*</b>	
Opening shares	–
Shares issued	980,764
Shares redeemed	(35,847)
Net conversions	8,671
Closing shares	953,588
<b>Class L GBP Hedged – Income shares*</b>	
Opening shares	–
Shares issued	125,571,828
Shares redeemed	(125,286,519)
Net conversions	–
Closing shares	285,309
<b>Class X – Accumulation shares</b>	
Opening shares	72,497,914
Shares issued	60,414,629
Shares redeemed	(3,206,874)
Net conversions	–
Closing shares	129,705,669

2017

#### Class X2 – Accumulation shares\*

Opening shares	–
Shares issued	30,976,162
Shares redeemed	(1,184,746)
Net conversions	–
Closing shares	29,791,416

#### Class Z – Income shares

Opening shares	279,762
Shares issued	102,649
Shares redeemed	(20,192)
Net conversions	–
Closing shares	362,219

#### Class Z – Accumulation shares

Opening shares	11,261,904
Shares issued	755,423
Shares redeemed	(688,966)
Net conversions	52,525
Closing shares	11,380,886

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

## Threadneedle European Select Fund

### Investment Report

#### Investment Objective

To achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in a relatively concentrated portfolio of equities of companies domiciled in Continental Europe or which have significant Continental European operations. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European Select Fund has risen from 267.95p to 302.37p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +15.70% as compared to a median return of 14.87% over the same period. (For information the FTSE World Europe ex UK Index returned +15.12% over the same period).

#### Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, and corporate earnings also provided grounds for optimism. There are signs that the European Central Bank may start winding down

its economic stimulus programme, but any reduction is likely to be gradual. In the UK, business investment and household spending suffered from Brexit-related uncertainty, and the Bank of England cut its growth forecast for 2017.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries could follow the UK out of the European Union. However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally. In the UK, the ruling Conservative Party lost its absolute majority in a general election; this seems certain to make Brexit negotiations more complex and unpredictable.

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

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

Merger and acquisition activity was buoyant in a wide variety of sectors, and some substantial deals were announced during the review period. Sterling weakened after the UK voted to leave the EU, and a number of UK companies attracted takeover bids. Repercussions from the financial crisis of 2008 are still reverberating across Europe – countries are taking steps to resolve lingering problems

by winding up or amalgamating struggling banks with their stronger counterparts, and ensuring that surviving financial institutions meet capital requirements.

Additions to the fund included Adidas and Nordea Bank. Sportsware firm Adidas is under new management, is gaining market share, and has a strong position in China. Its sales strategy has hit a sweet spot, with products such as retro shoes. Nordea Bank is a high-quality Scandinavian bank, which operates in a concentrated market and stands to benefit from higher growth, interest rates and bond yields, all of which are likely to come through in due course.

We sold Akzo Nobel; shares in the paint business had risen strongly following a takeover bid from PPG. Other sales included pharmaceutical firm Novartis; the outlook for the company's underperforming eye-care division remains uncertain.

It will take time before the full effects of Brexit become clear. However, election results in Europe have generally favoured centrist pro-Europeans. Trump's policies could lead to deflation and further interest-rate increases in the US. While we expect tapering of Europe's economic stimulus programme to begin later this year, interest-rate rises in the eurozone may be deferred for longer.

Risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea. The oil price and China's economic outlook will continue to affect equity markets, and the euro's recent strength has been a concern for some exporters.

However, volatile markets provide us with investment opportunities. Merger and acquisition activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European businesses. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	331,832	406,052
Revenue	52,947	57,698
Expenses	(17,735)	(19,170)
Interest payable and similar charges	(21)	(160)
Net revenue before taxation	35,191	38,368
Taxation	(2,981)	(4,106)
Net revenue after taxation	32,210	34,262
Total return before equalisation	364,042	440,314
Equalisation	(813)	(2,272)
Change in net assets attributable to shareholders from investment activities	363,229	438,042

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	3,102,564	2,865,953
<b>Current assets:</b>		
Debtors	12,861	12,949
Cash and bank balances	18,691	16,820
Total assets	3,134,116	2,895,722
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(545)	(322)
<b>Creditors:</b>		
Distribution payable	–	(1,362)
Other creditors	(5,537)	(7,225)
Total liabilities	(6,082)	(8,909)
<b>Net assets attributable to shareholders</b>	<b>3,128,034</b>	<b>2,886,813</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	2,886,813	3,082,528
Amounts receivable on the issue of shares	159,414	325,598
Amounts payable on the cancellation of shares	(281,422)	(506,524)
	(122,008)	(180,926)
Dilution adjustment	–	218
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	363,229	438,042
Closing net assets attributable to shareholders	3,128,034	3,339,862

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle European Select Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>1</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	115.44	96.23	100.00	267.87	222.47	225.64
Return before operating charges (p)	15.85	21.36	(2.43)	36.77	49.41	0.51
Operating charges (p)	(1.02)	(1.73)	(1.34)	(2.36)	(4.01)	(3.68)
Return after operating charges (p)*	14.83	19.63	(3.77)	34.41	45.40	(3.17)
Distributions (p)	–	(0.42)	–	–	(0.98)	(1.15)
Retained distributions on accumulation shares (p)	–	–	–	–	0.98	1.15
Closing net asset value per share (p)	130.27	115.44	96.23	302.28	267.87	222.47
*after direct transaction costs of (p)	0.04	0.16	0.09	0.09	0.37	0.24
<b>Performance</b>						
Return after charges (%)	12.85	20.40	(3.77)	12.85	20.41	(1.40)
<b>Other information</b>						
Closing net asset value (£000)	3,321	2,219	1,930	1,131,648	1,022,097	960,456
Closing number of shares	2,549,345	1,922,302	2,006,135	374,374,245	381,570,993	431,717,328
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63 <sup>†</sup>	1.63 <sup>†</sup>	1.63	1.64
Direct transaction costs (%)***	0.07	0.15	0.11	0.07	0.15	0.11
<b>Prices</b>						
Highest share price (p)	131.24	115.90	101.44	304.54	267.95	241.17
Lowest share price (p)	115.22	94.76	89.61	267.37	219.09	207.16
	Class 1 SGD Hedged – Accumulation shares			Class 1 USD Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	162.05	130.09	133.06	142.82	112.51	114.89
Return before operating charges (p)	9.78	34.29	(0.88)	1.85	32.33	(0.53)
Operating charges (p)	(1.37)	(2.33)	(2.09)	(1.19)	(2.02)	(1.85)
Return after operating charges (p)*	8.41	31.96	(2.97)	0.66	30.31	(2.38)
Distributions (p)	–	(0.56)	–	–	(0.45)	(0.20)
Retained distributions on accumulation shares (p)	–	0.56	–	–	0.45	0.20
Closing net asset value per share (p)	170.46	162.05	130.09	143.48	142.82	112.51
*after direct transaction costs of (p)	0.06	0.22	0.14	0.05	0.19	0.12
<b>Performance</b>						
Return after charges (%)	5.19	24.57	(2.23)	0.46	26.94	(2.07)
<b>Other information</b>						
Closing net asset value (£000)	25,685	38,893	74,713	9,051	10,179	11,114
Closing number of shares	15,068,317	24,000,866	57,432,647	6,308,210	7,127,197	9,877,632
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.63 <sup>†</sup>	1.63	1.64
Direct transaction costs (%)***	0.07	0.15	0.11	0.07	0.15	0.11
<b>Prices</b>						
Highest share price (p)	176.92	162.09	147.87	153.65	142.89	127.51
Lowest share price (p)	161.52	125.87	113.70	141.01	108.54	101.03

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	171.92	143.23	146.13	300.37	248.04	250.09
Return before operating charges (p)	23.63	31.87	0.33	41.29	55.23	0.59
Operating charges (p)	(0.98)	(1.64)	(1.54)	(1.72)	(2.90)	(2.64)
Return after operating charges (p)*	22.65	30.23	(1.21)	39.57	52.33	(2.05)
Distributions (p)	–	(1.54)	(1.69)	–	(2.67)	(2.38)
Retained distributions on accumulation shares (p)	–	–	–	–	2.67	2.38
Closing net asset value per share (p)	194.57	171.92	143.23	339.94	300.37	248.04
*after direct transaction costs of (p)	0.06	0.24	0.16	0.11	0.41	0.27
<b>Performance</b>						
Return after charges (%)	13.17	21.11	(0.83)	13.17	21.10	(0.82)
<b>Other information</b>						
Closing net asset value (£000)	2,999	23,649	192,660	618,559	698,969	887,707
Closing number of shares	1,541,343	13,756,276	134,507,786	181,959,580	232,701,017	357,884,606
Operating charges (%)**	1.07 <sup>†</sup>	1.05	1.06	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.07	0.15	0.11	0.07	0.15	0.11
<b>Prices</b>						
Highest share price (p)	196.00	173.51	156.29	342.45	300.46	267.47
Lowest share price (p)	171.60	141.22	134.90	299.82	244.55	230.88
	Class 2 USD Hedged – Accumulation shares			Class X – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016 <sup>‡</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	144.80	113.42	114.98	122.07	99.80	100.00
Return before operating charges (p)	1.87	32.72	(0.36)	16.82	22.34	(0.16)
Operating charges (p)	(0.79)	(1.34)	(1.20)	(0.04)	(0.07)	(0.04)
Return after operating charges (p)*	1.08	31.38	(1.56)	16.78	22.27	(0.20)
Distributions (p)	–	(1.18)	(0.53)	–	(2.19)	(0.43)
Retained distributions on accumulation shares (p)	–	1.18	0.53	–	2.19	0.43
Closing net asset value per share (p)	145.88	144.80	113.42	138.85	122.07	99.80
*after direct transaction costs of (p)	0.05	0.19	0.12	0.04	0.17	0.08
<b>Performance</b>						
Return after charges (%)	0.75	27.67	(1.36)	13.75	22.31	(0.20)
<b>Other information</b>						
Closing net asset value (£000)	27,206	31,857	26,009	55,547	44,254	19,977
Closing number of shares	18,649,763	22,000,553	22,932,416	40,004,822	36,252,507	20,015,986
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>
Direct transaction costs (%)***	0.07	0.15	0.11	0.07	0.15	0.11
<b>Prices</b>						
Highest share price (p)	156.02	144.84	127.78	139.85	122.11	103.67
Lowest share price (p)	143.01	109.54	101.46	121.85	98.59	92.84



## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	138.36	115.26	116.80	174.52	143.80	144.66
Return before operating charges (p)	19.04	25.69	0.26	24.01	32.04	0.34
Operating charges (p)	(0.63)	(1.06)	(0.96)	(0.79)	(1.32)	(1.20)
Return after operating charges (p)*	18.41	24.63	(0.70)	23.22	30.72	(0.86)
Distributions (p)	–	(1.53)	(0.84)	–	(1.91)	(1.60)
Retained distributions on accumulation shares (p)	–	–	–	–	1.91	1.60
Closing net asset value per share (p)	156.77	138.36	115.26	197.74	174.52	143.80
*after direct transaction costs of (p)	0.05	0.19	0.13	0.06	0.24	0.16
<b>Performance</b>						
Return after charges (%)	13.31	21.37	(0.60)	13.31	21.36	(0.59)
<b>Other information</b>						
Closing net asset value (£000)	173,188	103,327	93,394	1,080,830	911,369	814,568
Closing number of shares	110,475,604	74,679,528	81,030,843	546,594,054	522,202,689	566,474,742
Operating charges (%)**	0.83 <sup>1</sup>	0.83	0.83	0.83 <sup>1</sup>	0.83	0.83
Direct transaction costs (%)***	0.07	0.15	0.11	0.07	0.15	0.11
<b>Prices</b>						
Highest share price (p)	157.92	139.93	124.95	199.19	174.58	154.75
Lowest share price (p)	138.11	113.68	108.05	174.20	141.83	133.83

\*\*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>Class 1 – Income shares commenced 29 April 2015.

<sup>2</sup>Class X – Accumulation shares commenced 10 June 2015.

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

# Threadneedle European Select Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	1,922,302
Shares issued	692,396
Shares redeemed	(65,353)
Net conversions	–
Closing shares	<u>2,549,345</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	381,570,993
Shares issued	5,087,344
Shares redeemed	(11,575,716)
Net conversions	(708,376)
Closing shares	<u>374,374,245</u>
<b>Class 1 SGD Hedged – Accumulation shares</b>	
Opening shares	24,000,866
Shares issued	1,148,922
Shares redeemed	(10,081,471)
Net conversions	–
Closing shares	<u>15,068,317</u>
<b>Class 1 USD Hedged – Accumulation shares</b>	
Opening shares	7,127,197
Shares issued	1,997,265
Shares redeemed	(2,816,252)
Net conversions	–
Closing shares	<u>6,308,210</u>
<b>Class 2 – Income shares</b>	
Opening shares	13,756,276
Shares issued	627,105
Shares redeemed	(508,885)
Net conversions	(12,333,153)
Closing shares	<u>1,541,343</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	232,701,017
Shares issued	15,543,648
Shares redeemed	(56,900,686)
Net conversions	(9,384,399)
Closing shares	<u>181,959,580</u>
<b>Class 2 USD Hedged – Accumulation shares</b>	
Opening shares	22,000,553
Shares issued	770,655
Shares redeemed	(4,121,445)
Net conversions	–
Closing shares	<u>18,649,763</u>

#### Class X – Accumulation shares

Opening shares	36,252,507
Shares issued	4,776,820
Shares redeemed	(1,024,505)
Net conversions	–
Closing shares	<u>40,004,822</u>

#### Class Z – Income shares

Opening shares	74,679,528
Shares issued	24,925,685
Shares redeemed	(4,771,246)
Net conversions	15,641,637
Closing shares	<u>110,475,604</u>

#### Class Z – Accumulation shares

Opening shares	522,202,689
Shares issued	22,731,916
Shares redeemed	(15,304,309)
Net conversions	16,963,758
Closing shares	<u>546,594,054</u>

## Threadneedle European Smaller Companies Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies domiciled in Continental Europe or with significant Continental European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European Smaller Companies Fund has risen from 730.59p to 839.04p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +17.65% as compared to a median return of +18.03% over the same period. (For information the Euromoney European Small Cos. Ex UK Index returned +17.41% over the same period).

#### Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, and corporate earnings also provided grounds for optimism. There are signs that the European Central Bank may start winding down its economic stimulus programme, but any reduction is likely to be gradual. In the UK, business investment and household spending suffered

from Brexit-related uncertainty, and the Bank of England cut its growth forecast for 2017.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries could follow the UK out of the European Union. However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally. In the UK, the ruling Conservative Party lost its absolute majority in a general election; this seems certain to make Brexit negotiations more complex and unpredictable.

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

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

Merger and acquisition activity was buoyant in a wide variety of sectors, and some substantial deals were announced during the review period. Sterling weakened after the UK voted to leave the EU, and a number of UK companies attracted takeover bids. Repercussions from the financial crisis of 2008 are still reverberating across Europe – countries are taking steps to

resolve lingering problems by winding up or amalgamating struggling banks with their stronger counterparts, and ensuring that surviving financial institutions meet capital requirements.

Major transactions included opening a new position in X-Fab Silicon Foundries; the company produces semiconductors for sensors, as used in the auto industry, and growth prospects are good. XXL was another addition to the portfolio; the upmarket sports-hyperstore chain has a strong presence in Scandinavia and a powerful brand name. Following a period of good returns, we sold RIB Software and industrial-valve firm VAT Group.

It will take time before the full effects of Brexit become clear. However, election results in Europe have generally favoured centrist pro-Europeans. Trump's policies could lead to reflation and further interest-rate increases in the US. While we expect tapering of Europe's economic stimulus programme to begin later this year, interest-rate rises in the eurozone may be deferred for longer.

Risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea. The oil price and China's economic outlook will continue to affect equity markets, and the euro's recent strength has been a concern for some exporters.

However, volatile markets provide us with investment opportunities. Merger and acquisition activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European businesses. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	248,007	210,753
Revenue	34,517	22,912
Expenses	(13,958)	(10,380)
Interest payable and similar charges	(20)	(67)
Net revenue before taxation	20,539	12,465
Taxation	(1,888)	(1,971)
Net revenue after taxation	18,651	10,494
<b>Total return before equalisation</b>	<b>266,658</b>	<b>221,247</b>
Equalisation	1,057	(67)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>267,715</b>	<b>221,180</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	2,096,921	1,681,466
<b>Current assets:</b>		
Debtors	9,622	3,509
Cash and bank balances	32,338	41,730
<b>Total assets</b>	<b>2,138,881</b>	<b>1,726,705</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(3)	(14)
<b>Creditors:</b>		
Distribution payable	–	(92)
Other creditors	(6,671)	(8,932)
<b>Total liabilities</b>	<b>(6,674)</b>	<b>(9,038)</b>
<b>Net assets attributable to shareholders</b>	<b>2,132,207</b>	<b>1,717,667</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,717,667</b>	<b>1,382,809</b>
Amounts receivable on the issue of shares	261,500	139,306
Amounts payable on the cancellation of shares	(114,675)	(125,656)
	146,825	13,650
Dilution adjustment	–	117
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	267,715	221,180
<b>Closing net assets attributable to shareholders</b>	<b>2,132,207</b>	<b>1,617,756</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	710.70	566.89	502.44	729.86	582.03	515.72
Return before operating charges (p)	112.24	154.63	73.31	115.26	158.72	75.39
Operating charges (p)	(6.52)	(10.64)	(8.86)	(6.69)	(10.89)	(9.08)
Return after operating charges (p)*	105.72	143.99	64.45	108.57	147.83	66.31
Distributions (p)	–	(0.18)	–	–	(0.16)	(0.19)
Retained distributions on accumulation shares (p)	–	–	–	–	0.16	0.19
Closing net asset value per share (p)	816.42	710.70	566.89	838.43	729.86	582.03
*after direct transaction costs of (p)	0.33	0.40	0.61	0.34	0.41	0.62
<b>Performance</b>						
Return after charges (%)	14.88	25.40	12.83	14.88	25.40	12.86
<b>Other information</b>						
Closing net asset value (£000)	30,019	22,964	16,087	1,280,465	1,065,302	799,648
Closing number of shares	3,676,899	3,231,135	2,837,793	152,721,725	145,959,714	137,389,702
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.09	0.06	0.12	0.09	0.06	0.12
<b>Prices</b>						
Highest share price (p)	825.27	711.58	572.84	847.51	730.59	588.14
Lowest share price (p)	711.50	559.28	484.06	730.67	574.21	502.88
	Class 1 CHF Hedged – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>†</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	131.53	103.34	100.00	817.13	647.63	570.33
Return before operating charges (p)	11.16	30.09	4.52	129.23	177.18	83.70
Operating charges (p)	(1.18)	(1.90)	(1.18)	(4.77)	(7.68)	(6.40)
Return after operating charges (p)*	9.98	28.19	3.34	124.46	169.50	77.30
Distributions (p)	–	(0.01)	–	–	(4.63)	(3.55)
Retained distributions on accumulation shares (p)	–	0.01	–	–	4.63	3.55
Closing net asset value per share (p)	141.51	131.53	103.34	941.59	817.13	647.63
*after direct transaction costs of (p)	0.06	0.07	0.08	0.38	0.45	0.69
<b>Performance</b>						
Return after charges (%)	7.59	27.28	3.34	15.23	26.17	13.55
<b>Other information</b>						
Closing net asset value (£000)	369	196	313	383,078	334,659	329,966
Closing number of shares	260,891	148,890	303,271	40,684,103	40,955,479	50,949,654
Operating charges (%)**	1.67 <sup>†</sup>	1.66	1.68 <sup>†</sup>	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.09	0.06	0.12	0.09	0.06	0.12
<b>Prices</b>						
Highest share price (p)	149.00	131.69	105.37	951.69	817.94	654.36
Lowest share price (p)	131.89	101.48	92.18	818.05	638.96	556.16

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	157.90	125.83	111.44	172.32	136.33	119.85
Return before operating charges (p)	24.98	34.48	16.35	27.26	37.34	17.60
Operating charges (p)	(0.77)	(1.26)	(1.04)	(0.84)	(1.35)	(1.12)
Return after operating charges (p)*	24.21	33.22	15.31	26.42	35.99	16.48
Distributions (p)	–	(1.15)	(0.92)	–	(1.24)	(0.98)
Retained distributions on accumulation shares (p)	–	–	–	–	1.24	0.98
Closing net asset value per share (p)	182.11	157.90	125.83	198.74	172.32	136.33
*after direct transaction costs of (p)	0.07	0.09	0.14	0.08	0.10	0.15
<b>Performance</b>						
Return after charges (%)	15.33	26.40	13.74	15.33	26.40	13.75
<b>Other information</b>						
Closing net asset value (£000)	15,956	11,790	5,855	421,578	282,260	230,620
Closing number of shares	8,761,494	7,466,765	4,652,971	212,129,383	163,804,006	169,157,024
Operating charges (%)**	0.88†	0.88	0.88	0.88†	0.88	0.88
Direct transaction costs (%)***	0.09	0.06	0.12	0.09	0.06	0.12
<b>Prices</b>						
Highest share price (p)	184.06	159.20	128.08	200.86	172.49	137.75
Lowest share price (p)	158.08	124.15	108.67	172.51	134.51	116.88
<b>Class Z CHF Hedged – Accumulation shares</b>						
	07/09/2017	07/03/2017	07/03/2016²			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	133.18	103.79	100.00			
Return before operating charges (p)	11.32	30.43	4.41			
Operating charges (p)	(0.63)	(1.04)	(0.62)			
Return after operating charges (p)*	10.69	29.39	3.79			
Distributions (p)	–	(0.94)	–			
Retained distributions on accumulation shares (p)	–	0.94	–			
Closing net asset value per share (p)	143.87	133.18	103.79			
*after direct transaction costs of (p)	0.06	0.07	0.08			
<b>Performance</b>						
Return after charges (%)	8.03	28.32	3.79			
<b>Other information</b>						
Closing net asset value (£000)	742	496	320			
Closing number of shares	515,758	372,501	307,501			
Operating charges (%)**	0.88†	0.88	0.88†			
Direct transaction costs (%)***	0.09	0.06	0.12			
<b>Prices</b>						
Highest share price (p)	151.20	133.32	105.73			
Lowest share price (p)	133.54	102.08	92.31			

\*\*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>Class 1 CHF Hedged – Accumulation shares commenced 24 June 2015.

<sup>2</sup>Class Z CHF Hedged – Accumulation shares commenced 24 June 2015.

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

# Threadneedle European Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Income shares

Opening shares	3,231,135
Shares issued	550,259
Shares redeemed	(104,495)
Net conversions	–
Closing shares	<u>3,676,899</u>

#### Class 1 – Accumulation shares

Opening shares	145,959,714
Shares issued	9,805,274
Shares redeemed	(2,917,788)
Net conversions	(125,475)
Closing shares	<u>152,721,725</u>

#### Class 1 CHF Hedged – Accumulation shares

Opening shares	148,890
Shares issued	112,001
Shares redeemed	–
Net conversions	–
Closing shares	<u>260,891</u>

#### Class 2 – Accumulation shares

Opening shares	40,955,479
Shares issued	7,072,687
Shares redeemed	(7,333,641)
Net conversions	(10,422)
Closing shares	<u>40,684,103</u>

#### Class Z – Income shares

Opening shares	7,466,765
Shares issued	1,611,347
Shares redeemed	(405,503)
Net conversions	88,885
Closing shares	<u>8,761,494</u>

#### Class Z – Accumulation shares

Opening shares	163,804,006
Shares issued	60,888,563
Shares redeemed	(13,061,623)
Net conversions	498,437
Closing shares	<u>212,129,383</u>

#### Class Z CHF Hedged – Accumulation shares

Opening shares	372,501
Shares issued	152,059
Shares redeemed	(8,802)
Net conversions	–
Closing shares	<u>515,758</u>

## Threadneedle Pan European Smaller Companies Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

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

If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 215.73p to 248.71p.

The total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +17.56% as compared to a median return of +18.03% over the same period. (For information the Euromoney Smaller Europe Inc UK Index gave a total return of +15.06% for the same period).

#### Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, and corporate earnings also provided grounds for optimism. There are signs that the European Central Bank may start winding down its economic stimulus programme, but any reduction is likely to be

gradual. In the UK, business investment and household spending suffered from Brexit-related uncertainty, and the Bank of England cut its growth forecast for 2017.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries could follow the UK out of the European Union. However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally. In the UK, the ruling Conservative Party lost its absolute majority in a general election; this seems certain to make Brexit negotiations more complex and unpredictable.

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

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

Merger and acquisition activity was buoyant in a wide variety of sectors, and some substantial deals were announced during the review period. Sterling weakened after the UK voted to leave the EU, and a number of UK companies attracted takeover bids. Repercussions from the financial crisis of 2008 are still reverberating

across Europe – countries are taking steps to resolve lingering problems by winding up or amalgamating struggling banks with their stronger counterparts, and ensuring that surviving financial institutions meet capital requirements.

Major transactions included opening new positions in Nexity and X-Fab Silicon Foundries. French real estate firm Nexity has an attractive business model; there is a supply shortage and government policy is supportive. X-Fab Silicon Foundries produces semiconductors for sensors, as used in the auto industry, and growth prospects are good. Sales included Berendsen (laundry services) and Booker (cash & carry); both companies had received takeover bids.

It will take time before the full effects of Brexit become clear. However, election results in Europe have generally favoured centrist pro-Europeans. Trump's policies could lead to reflation and further interest-rate increases in the US. While we expect tapering of Europe's economic stimulus programme to begin later this year, interest-rate rises in the eurozone may be deferred for longer.

Risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea. The oil price and China's economic outlook will continue to affect equity markets, and the euro's recent strength has been a concern for some exporters.

However, volatile markets provide us with investment opportunities. Merger and acquisition activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European businesses. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	225,830	176,931
Revenue	27,717	26,101
Expenses	(10,373)	(9,819)
Interest payable and similar charges	(17)	(37)
Net revenue before taxation	17,327	16,245
Taxation	(1,270)	(1,386)
Net revenue after taxation	16,057	14,859
<b>Total return before equalisation</b>	<b>241,887</b>	<b>191,790</b>
Equalisation	704	(1,992)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>242,591</b>	<b>189,798</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,875,870	1,556,884
<b>Current assets:</b>		
Debtors	12,708	7,794
Cash and bank balances	38,470	7,061
<b>Total assets</b>	<b>1,927,048</b>	<b>1,571,739</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(798)	(339)
<b>Creditors:</b>		
Bank overdrafts	–	(68)
Distribution payable	–	(1)
Other creditors	(6,844)	(14,890)
<b>Total liabilities</b>	<b>(7,642)</b>	<b>(15,298)</b>
<b>Net assets attributable to shareholders</b>	<b>1,919,406</b>	<b>1,556,441</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,556,441</b>	<b>1,676,486</b>
Amounts receivable on the issue of shares	253,042	114,271
Amounts payable on the cancellation of shares	(132,912)	(387,952)
	120,130	(273,681)
Dilution adjustment	244	886
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	242,591	189,798
<b>Closing net assets attributable to shareholders</b>	<b>1,919,406</b>	<b>1,593,489</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares		
	07/09/2017	07/03/2017 <sup>1</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	122.48	100.00	216.33	179.45	165.48
Return before operating charges (p)	19.72	24.54	34.81	40.13	16.86
Operating charges (p)	(1.13)	(1.86)	(1.97)	(3.25)	(2.89)
Return after operating charges (p)*	18.59	22.68	32.84	36.88	13.97
Distributions (p)	–	(0.20)	–	(0.36)	(0.11)
Retained distributions on accumulation shares (p)	–	–	–	0.36	0.11
Closing net asset value per share (p)	141.07	122.48	249.17	216.33	179.45
*after direct transaction costs of (p)	0.07	0.09	0.11	0.16	0.29
<b>Performance</b>					
Return after charges (%)	15.18	22.68	15.18	20.55	8.44
<b>Other information</b>					
Closing net asset value (£000)	2,364	234	652,601	562,041	598,797
Closing number of shares	1,676,134	191,150	261,908,993	259,801,294	333,684,421
Operating charges (%)**	1.66 <sup>†</sup>	1.66 <sup>†</sup>	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.10	0.08	0.10	0.08	0.16
<b>Prices</b>					
Highest share price (p)	141.88	122.34	250.61	215.73	185.31
Lowest share price (p)	122.25	100.00	215.92	176.33	161.62

	Class 1 CHF Hedged – Accumulation shares			Class 1 USD Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>2</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	120.25	98.31	100.00	143.88	113.50	105.25
Return before operating charges (p)	10.58	23.75	(0.53)	4.96	32.42	10.08
Operating charges (p)	(1.08)	(1.81)	(1.16)	(1.24)	(2.04)	(1.83)
Return after operating charges (p)*	9.50	21.94	(1.69)	3.72	30.38	8.25
Distributions (p)	–	(0.19)	–	–	(0.19)	(0.07)
Retained distributions on accumulation shares (p)	–	0.19	–	–	0.19	0.07
Closing net asset value per share (p)	129.75	120.25	98.31	147.60	143.88	113.50
*after direct transaction costs of (p)	0.06	0.09	0.11	0.07	0.10	0.18
<b>Performance</b>						
Return after charges (%)	7.90	22.32	(1.69)	2.59	26.77	7.84
<b>Other information</b>						
Closing net asset value (£000)	779	314	100	54,794	43,333	70,233
Closing number of shares	600,425	261,069	101,228	37,122,532	30,117,937	61,880,360
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.69 <sup>†</sup>	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.10	0.08	0.16	0.10	0.08	0.16
<b>Prices</b>						
Highest share price (p)	135.08	120.12	102.87	156.32	143.48	118.07
Lowest share price (p)	120.15	96.33	89.59	141.31	108.29	98.56



## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class X – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	232.29	191.51	175.51	152.94	124.84	113.27
Return before operating charges (p)	37.44	42.98	17.95	24.72	28.18	11.64
Operating charges (p)	(1.35)	(2.20)	(1.95)	(0.05)	(0.08)	(0.07)
Return after operating charges (p)*	36.09	40.78	16.00	24.67	28.10	11.57
Distributions (p)	–	(1.67)	(1.25)	–	(2.46)	(2.00)
Retained distributions on accumulation shares (p)	–	1.67	1.25	–	2.46	2.00
Closing net asset value per share (p)	268.38	232.29	191.51	177.61	152.94	124.84
*after direct transaction costs of (p)	0.12	0.17	0.30	0.08	0.11	0.20
<b>Performance</b>						
Return after charges (%)	15.54	21.29	9.12	16.13	22.51	10.21
<b>Other information</b>						
Closing net asset value (£000)	320,758	273,032	366,482	100,874	87,038	76,370
Closing number of shares	119,514,755	117,538,674	191,368,225	56,796,482	56,908,346	61,174,037
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)***	0.10	0.08	0.16	0.10	0.08	0.16
<b>Prices</b>						
Highest share price (p)	269.90	231.65	197.53	178.58	152.52	128.53
Lowest share price (p)	231.86	188.19	171.43	152.67	122.68	110.65

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>‡</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	127.80	106.11	100.00	165.35	136.09	124.50
Return before operating charges (p)	20.61	23.84	6.49	26.66	30.56	12.74
Operating charges (p)	(0.62)	(1.02)	(0.38)	(0.80)	(1.30)	(1.15)
Return after operating charges (p)*	19.99	22.82	6.11	25.86	29.26	11.59
Distributions (p)	–	(1.13)	–	–	(1.45)	(1.11)
Retained distributions on accumulation shares (p)	–	–	–	–	1.45	1.11
Closing net asset value per share (p)	147.79	127.80	106.11	191.21	165.35	136.09
*after direct transaction costs of (p)	0.07	0.09	0.06	0.09	0.12	0.22
<b>Performance</b>						
Return after charges (%)	15.64	21.51	6.11	15.64	21.50	9.31
<b>Other information</b>						
Closing net asset value (£000)	3,028	82	42	777,814	586,806	561,806
Closing number of shares	2,049,001	64,001	40,001	406,775,399	354,878,865	412,834,424
Operating charges (%)**	0.86 <sup>†</sup>	0.88	0.98 <sup>†</sup>	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.10	0.08	0.16	0.10	0.08	0.16
<b>Prices</b>						
Highest share price (p)	148.62	128.58	109.41	192.29	164.90	140.32
Lowest share price (p)	127.56	104.27	97.03	165.05	133.73	121.61

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z USD Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016 <sup>1</sup>	07/09/2017	07/03/2017	07/03/2016 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.94	98.86	100.00	134.98	105.54	100.00
Return before operating charges (p)	10.75	24.04	(0.53)	4.68	30.45	6.11
Operating charges (p)	(0.58)	(0.96)	(0.61)	(0.62)	(1.01)	(0.57)
Return after operating charges (p)*	10.17	23.08	(1.14)	4.06	29.44	5.54
Distributions (p)	–	(1.04)	(0.03)	–	(1.09)	–
Retained distributions on accumulation shares (p)	–	1.04	0.03	–	1.09	–
Closing net asset value per share (p)	132.11	121.94	98.86	139.04	134.98	105.54
*after direct transaction costs of (p)	0.06	0.09	0.11	0.07	0.09	0.10
<b>Performance</b>						
Return after charges (%)	8.34	23.35	(1.14)	3.01	27.89	5.54
<b>Other information</b>						
Closing net asset value (£000)	864	445	296	5,530	3,116	2,360
Closing number of shares	653,715	365,371	299,142	3,977,352	2,308,240	2,236,141
Operating charges (%)**	0.88 <sup>1</sup>	0.88	0.89 <sup>1</sup>	0.88 <sup>1</sup>	0.88	0.90 <sup>1</sup>
Direct transaction costs (%)***	0.10	0.08	0.16	0.10	0.08	0.16
<b>Prices</b>						
Highest share price (p)	137.31	121.74	103.35	146.96	134.60	109.64
Lowest share price (p)	121.85	97.02	90.04	132.62	100.80	91.34

\*\*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>Class 1 – Income shares commenced 10 March 2016.

<sup>2</sup>Class 1 CHF Hedged – Accumulation shares commenced 24 June 2015.

<sup>3</sup>Class Z – Income shares commenced 13 October 2015.

<sup>4</sup>Class Z CHF Hedged – Accumulation shares commenced 24 June 2015.

<sup>5</sup>Class Z USD Hedged – Accumulation shares commenced 29 July 2015.

<sup>6</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

# Threadneedle Pan European Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	191,150
Shares issued	1,485,221
Shares redeemed	(237)
Net conversions	–
Closing shares	<u>1,676,134</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	259,801,294
Shares issued	16,990,421
Shares redeemed	(12,731,170)
Net conversions	(2,151,552)
Closing shares	<u>261,908,993</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	261,069
Shares issued	358,856
Shares redeemed	(19,500)
Net conversions	–
Closing shares	<u>600,425</u>
<b>Class 1 USD Hedged – Accumulation shares</b>	
Opening shares	30,117,937
Shares issued	12,964,902
Shares redeemed	(5,960,307)
Net conversions	–
Closing shares	<u>37,122,532</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	117,538,674
Shares issued	35,925,601
Shares redeemed	(34,551,945)
Net conversions	602,425
Closing shares	<u>119,514,755</u>
<b>Class X – Accumulation shares</b>	
Opening shares	56,908,346
Shares issued	–
Shares redeemed	–
Net conversions	(111,864)
Closing shares	<u>56,796,482</u>
<b>Class Z – Income shares</b>	
Opening shares	64,001
Shares issued	2,022,001
Shares redeemed	(37,001)
Net conversions	–
Closing shares	<u>2,049,001</u>

2017

#### Class Z – Accumulation shares

Opening shares	354,878,865
Shares issued	52,414,723
Shares redeemed	(2,585,130)
Net conversions	<u>2,066,941</u>
Closing shares	<u>406,775,399</u>

#### Class Z CHF Hedged – Accumulation shares

Opening shares	365,371
Shares issued	353,344
Shares redeemed	(65,000)
Net conversions	–
Closing shares	<u>653,715</u>

#### Class Z USD Hedged – Accumulation shares

Opening shares	2,308,240
Shares issued	3,252,332
Shares redeemed	(1,583,220)
Net conversions	–
Closing shares	<u>3,977,352</u>

## Threadneedle Pan European Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities. The ACD may, however, invest in the equity of smaller companies.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Pan European Fund has risen from 157.91p to 174.20p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +13.36% as compared to a median return of +12.39% over the same period. (For information the MSCI World Europe Index returned +11.68% over the same period).

#### Market Overview and Portfolio Activity

During the review period, the composite purchasing managers' index for the eurozone indicated continued expansion, unemployment fell, and corporate earnings also provided grounds for optimism. There are signs that the European Central Bank may start winding down its economic stimulus programme, but any reduction is likely to be gradual. In the UK, business investment and household spending suffered from Brexit-related uncertainty, and the Bank of England cut its growth forecast for 2017.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries could follow the UK out of the European Union. However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally. In the UK, the ruling Conservative Party lost its absolute majority in a general election; this seems certain to make Brexit negotiations more complex and unpredictable.

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

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

Merger and acquisition activity was buoyant in a wide variety of sectors, and some substantial deals were announced during the review period. Sterling weakened after the UK voted to leave the EU, and a number of UK companies attracted takeover bids. Repercussions from the financial crisis of 2008 are still reverberating across Europe – countries are taking steps to resolve lingering problems by winding up or amalgamating struggling banks with their stronger counterparts, and ensuring that surviving financial institutions meet capital requirements.

Major transactions included opening new positions in Volvo and Anheuser-Busch InBev. Volvo manufactures trucks, buses and construction equipment; the company has a revitalised management team and operates in a concentrated market – it is well placed to benefit from European growth and capital investment. Anheuser-Busch InBev's market share and brand power drive pricing advantage in more mature markets such as the US, while the recent acquisition of rival brewer SAB Miller brings attractive growth prospects in Africa. Sales included Imperial Brands and Akzo Nobel. Tobacco firm Imperial Brands reported lacklustre results. Shares in paint business Akzo Nobel had risen strongly following a takeover bid from PPG.

It will take time before the full effects of Brexit become clear. However, election results in Europe have generally favoured centrist pro-Europeans. Trump's policies could lead to reflation and further interest-rate increases in the US. While we expect tapering of Europe's economic stimulus programme to begin later this year, interest-rate rises in the eurozone may be deferred for longer.

Risks include the threat of terrorism, and heightened geopolitical tensions, especially in North Korea. The oil price and China's economic outlook will continue to affect equity markets, and the euro's recent strength has been a concern for some exporters.

However, volatile markets provide us with investment opportunities. Merger and acquisition activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European businesses. We continue to favour companies with robust earnings prospects and pricing power.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	27,725	40,212
Revenue	6,896	7,868
Expenses	(1,650)	(1,908)
Interest payable and similar charges	(4)	(6)
Net revenue before taxation	5,242	5,954
Taxation	(353)	(479)
Net revenue after taxation	4,889	5,475
<b>Total return before equalisation</b>	<b>32,614</b>	<b>45,687</b>
Equalisation	(226)	(612)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>32,388</b>	<b>45,075</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	317,619	320,238
<b>Current assets:</b>		
Debtors	4,903	3,860
Cash and bank balances	1,930	509
<b>Total assets</b>	<b>324,452</b>	<b>324,607</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	–	(2)
Other creditors	(1,951)	(8,713)
<b>Total liabilities</b>	<b>(1,951)</b>	<b>(8,715)</b>
<b>Net assets attributable to shareholders</b>	<b>322,501</b>	<b>315,892</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>315,892</b>	<b>363,614</b>
Amounts receivable on the issue of shares	17,655	94,021
Amounts payable on the cancellation of shares	(43,494)	(126,439)
	(25,839)	(32,418)
Dilution adjustment	60	158
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	32,388	45,075
<b>Closing net assets attributable to shareholders</b>	<b>322,501</b>	<b>376,429</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

# Threadneedle Pan European Fund

## Comparative Table Disclosure

	Class 1 – Income shares		Class 1 – Accumulation shares		
	07/09/2017	07/03/2017 <sup>1</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	119.13	100.00	157.87	131.13	137.65
Return before operating charges (p)	13.35	21.84	17.69	29.14	(4.27)
Operating charges (p)	(1.05)	(1.78)	(1.40)	(2.40)	(2.25)
Return after operating charges (p)*	12.30	20.06	16.29	26.74	(6.52)
Distributions (p)	–	(0.93)	–	(1.18)	(0.90)
Retained distributions on accumulation shares (p)	–	–	–	1.18	0.90
Closing net asset value per share (p)	131.43	119.13	174.16	157.87	131.13
*after direct transaction costs of (p)	0.10	0.30	0.14	0.39	0.42
<b>Performance</b>					
Return after charges (%)	10.32	20.06	10.32	20.39	(4.74)
<b>Other information</b>					
Closing net asset value (£000)	4	4	57,777	68,712	115,291
Closing number of shares	3,000	3,000	33,174,393	43,524,392	87,920,697
Operating charges (%)**	1.66 <sup>†</sup>	1.63 <sup>†</sup>	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.16	0.28	0.16	0.28	0.31
<b>Prices</b>					
Highest share price (p)	132.53	120.08	175.61	157.91	144.43
Lowest share price (p)	117.86	98.41	156.17	129.46	120.10

	Class 2 – Accumulation shares			Class 2i – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	175.28	144.70	150.96	189.70	156.60	163.38
Return before operating charges (p)	19.67	32.27	(4.68)	21.30	34.91	(5.07)
Operating charges (p)	(0.99)	(1.69)	(1.58)	(1.07)	(1.81)	(1.71)
Return after operating charges (p)*	18.68	30.58	(6.26)	20.23	33.10	(6.78)
Distributions (p)	–	(2.28)	(2.77)	–	(2.47)	(3.29)
Retained distributions on accumulation shares (p)	–	2.28	2.77	–	2.47	3.29
Closing net asset value per share (p)	193.96	175.28	144.70	209.93	189.70	156.60
*after direct transaction costs of (p)	0.15	0.43	0.47	0.17	0.47	0.51
<b>Performance</b>						
Return after charges (%)	10.66	21.13	(4.15)	10.66	21.14	(4.15)
<b>Other information</b>						
Closing net asset value (£000)	178,751	155,723	140,990	160	181	349
Closing number of shares	92,157,249	88,844,283	97,438,913	76,071	95,650	222,944
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.16	0.28	0.31	0.16	0.28	0.31
<b>Prices</b>						
Highest share price (p)	195.56	175.31	158.49	211.65	189.74	171.53
Lowest share price (p)	173.52	143.09	132.47	187.80	154.87	143.37

## Threadneedle Pan European Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	171.47	140.15	144.76	126.67	105.94	112.20
Return before operating charges (p)	19.29	31.41	(4.52)	14.22	23.65	(3.44)
Operating charges (p)	(0.05)	(0.09)	(0.09)	(0.56)	(0.94)	(0.91)
Return after operating charges (p)*	19.24	31.32	(4.61)	13.66	22.71	(4.35)
Distributions (p)	–	(3.77)	(3.27)	–	(1.98)	(1.91)
Retained distributions on accumulation shares (p)	–	3.77	3.27	–	–	–
Closing net asset value per share (p)	190.71	171.47	140.15	140.33	126.67	105.94
*after direct transaction costs of (p)	0.15	0.42	0.45	0.11	0.31	0.34
<b>Performance</b>						
Return after charges (%)	11.22	22.35	(3.18)	10.78	21.44	(3.88)
<b>Other information</b>						
Closing net asset value (£000)	49,553	44,554	46,654	1	1	8
Closing number of shares	25,983,987	25,983,987	33,289,784	1,000	1,000	7,508
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06	0.83 <sup>†</sup>	0.83	0.84
Direct transaction costs (%)***	0.16	0.28	0.31	0.16	0.28	0.31
<b>Prices</b>						
Highest share price (p)	192.24	171.50	152.13	141.48	128.68	117.87
Lowest share price (p)	169.95	138.98	128.22	125.43	104.84	98.73

	Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	169.03	139.30	145.08
Return before operating charges (p)	18.98	31.07	(4.53)
Operating charges (p)	(0.79)	(1.34)	(1.25)
Return after operating charges (p)*	18.19	29.73	(5.78)
Distributions (p)	–	(2.47)	(2.05)
Retained distributions on accumulation shares (p)	–	2.47	2.05
Closing net asset value per share (p)	187.22	169.03	139.30
*after direct transaction costs of (p)	0.15	0.41	0.45
<b>Performance</b>			
Return after charges (%)	10.76	21.34	(3.98)
<b>Other information</b>			
Closing net asset value (£000)	36,255	46,717	60,322
Closing number of shares	19,365,114	27,637,976	43,303,926
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.16	0.28	0.31
<b>Prices</b>			
Highest share price (p)	188.75	169.07	152.34
Lowest share price (p)	167.37	137.82	127.52

\*\*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.

<sup>†</sup>Class 1 – Income shares commenced 9 March 2016.

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

# Threadneedle Pan European Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
<b>Class 1 – Accumulation shares</b>	
Opening shares	43,524,392
Shares issued	900,051
Shares redeemed	(11,250,050)
Net conversions	–
Closing shares	33,174,393
<b>Class 2 – Accumulation shares</b>	
Opening shares	88,844,283
Shares issued	7,154,640
Shares redeemed	(3,841,674)
Net conversions	–
Closing shares	92,157,249
<b>Class 2i – Accumulation shares</b>	
Opening shares	95,650
Shares issued	–
Shares redeemed	(19,579)
Net conversions	–
Closing shares	76,071
<b>Class X – Accumulation shares</b>	
Opening shares	25,983,987
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	25,983,987
<b>Class Z – Income shares</b>	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000
<b>Class Z – Accumulation shares</b>	
Opening shares	27,637,976
Shares issued	1,801,611
Shares redeemed	(10,074,473)
Net conversions	–
Closing shares	19,365,114

## Threadneedle European Bond Fund

### Investment Report

#### Investment Objective

To achieve total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in European public sector sovereign bonds and corporate bonds, issued by companies domiciled in Europe or with significant European operations, denominated in a range of European currencies or other Euro denominated public sector sovereign bonds and corporate bonds. The Fund has the flexibility to invest in bonds issued by Eastern European issuers.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European Bond Fund has risen from 77.61p to 81.42p.

The sterling total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +6.88%, which equates approximately to +7.30% gross of tax and charges\*\*. For information the ML Pan Europe Large Cap Index returned +7.75% over the same period.

#### Market Overview and Portfolio Activity

In sterling terms, Pan European bonds generated robust returns over the six months in review, though most of this gain was down to strength in the euro versus the pound. In euro terms, core sovereign yields moved within a range of 40 basis points but ended the period little changed. For much of the period, political developments and changing expectations regarding central-bank policy were the primary drivers of market performance.

Broadly speaking, core bonds benefited from increased political risk early in the period as populist, euro-sceptic movements gained ground ahead of parliamentary and presidential elections in the Netherlands

and France respectively. Pro-EU outcomes in both countries saw core yields rise and peripheral spreads compress again, especially in April following the first round of the French presidential race. In May developments related to the FBI's Russia investigation weighed on core yields, as did narrowing general-election polls in the UK. Central banks briefly regained centre stage in June, pushing yields higher as investors anticipated tighter monetary policy in Europe. As the period drew to a close, political events once again came to the fore as tension mounted between the US and North Korea; this bolstered demand for gilts, bunds and other safe-haven assets.

The benchmark 10-year bund yield was little changed over the period, while the UK equivalent declined about 22 basis points. Credit spreads tightened in both the sterling and euro investment-grade markets; this was partly due to strong corporate earnings, but central banks and politics played a part here too. The European Central Bank (ECB) and Bank of England (BoE) were persistent buyers of corporate credit in pursuit of their stimulus programmes, while the market-friendly results in the Dutch and French elections buoyed general appetite for risk.

Although the US Federal Reserve twice raised US interest rates during the period, once in March and again in June, both hikes were widely expected and had little impact on markets. By contrast, an apparently coordinated shift in tone from the ECB and the BoE had a much more dramatic effect – even though neither bank actually changed its policy. Core bond yields spiked in late June after the ECB hinted it could rein in its asset-purchase programme more quickly than currently expected and the BoE governor suggested he would vote for a UK interest-rate hike if business investment picked up.

Even aside from the North Korean crisis, headlines surrounding President Trump tended to support core bonds. In March, optimism about his reflationary policies – which had weighed on bond prices globally – faded when the failure of his healthcare bill cast doubt on other reforms. Fallout from his sacking of FBI director James Comey in May had a similar effect. The president further buoyed safe-haven assets in August; his controversial stance on the Charlottesville

violence unsettled investors, as did his threat to force a government shutdown should he fail to secure funding for his planned wall at the Mexican border.

The fund continued to hold a well-diversified allocation across sovereign, corporate and collateralised bonds, predominantly denominated in euros, but also in other European currencies. We generally maintained an overweight duration (interest-rate risk) position, but this was adjusted tactically. Our largest transactions over the period were carried out in government bond markets. Here we significantly increased exposure to French government debt ahead of the French presidential election as we felt the market was overplaying the risk of an adverse result. This was mainly funded by a reduction in German bunds and UK gilts. Over the remainder of the period, we built up our holdings of gilts, so that they ended roughly where they began in terms of portfolio weighting, and scaled back the overweight position in French sovereign bonds. We continued to lower exposure to German bunds, however, while moving from an underweight in Italian bonds to a large overweight. We added new smaller holdings in Dutch and Belgian government bonds while selling out of Slovenian bonds completely.

Within corporate credit markets, we exited Banca Monte dei Paschi Di Siena, Export-Import Bank of Korea, Thames Water Utilities, CRH Finance and Aigues de Barcelona, as well as reducing the holdings in Pannon Group and Berkshire Hathaway, among others. We added bonds from Innogy Finance, Cadent Gas, SCA Hygiene and DS Smith.

Our basic prognosis is one of sluggish global growth and low long-term real rates in developed markets. Demographic trends, weak productivity growth and low levels of investment relative to savings are all likely to keep yields depressed, relative to historical levels. Within this context, Europe and other advanced economies are currently experiencing cyclical upturns, which is evidenced by improving confidence, strong leading indicators and some upward price pressure.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	5,887	19,649
Revenue	892	1,281
Expenses	(747)	(899)
Interest payable and similar charges	(465)	(238)
Net (expense)/revenue before taxation	(320)	144
Taxation	–	–
Net (expense)/revenue after taxation	(320)	144
<b>Total return before distributions</b>	<b>5,567</b>	<b>19,793</b>
Distributions	(308)	(904)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,259</b>	<b>18,889</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	89,282	139,475
<b>Current assets:</b>		
Debtors	564	1,606
Cash and bank balances	5,888	3,748
<b>Total assets</b>	<b>95,734</b>	<b>144,829</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(2,026)</b>	<b>(1,650)</b>
<b>Creditors:</b>		
Distribution payable	(54)	(125)
Other creditors	(299)	(890)
<b>Total liabilities</b>	<b>(2,379)</b>	<b>(2,665)</b>
<b>Net assets attributable to shareholders</b>	<b>93,355</b>	<b>142,164</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>142,164</b>	<b>142,803</b>
Amounts receivable on the issue of shares	14,694	43,828
Amounts payable on the cancellation of shares	(68,999)	(38,519)
	(54,305)	5,309
Dilution adjustment	75	35
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,259	18,889
Retained distribution on accumulation shares	162	696
<b>Closing net assets attributable to shareholders</b>	<b>93,355</b>	<b>167,732</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.1871	–	0.1871	0.3437
<b>Group 2</b>				
08/03/17 to 07/09/17	0.0984	0.0887	0.1871	0.3437
<b>Total distributions in the period</b>			<b>0.1871</b>	<b>0.3437</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.3672	–	0.3672	0.8354
<b>Group 2</b>				
08/03/17 to 07/09/17	0.2699	0.0973	0.3672	0.8354
<b>Total distributions in the period</b>			<b>0.3672</b>	<b>0.8354</b>



## Threadneedle European Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.4180	—	0.4180	0.8367
<b>Group 2</b>				
08/03/17 to 07/09/17	0.0080	0.4100	0.4180	0.8367
<b>Total distributions in the period</b>			<b>0.4180</b>	<b>0.8367</b>

#### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.2935	—	0.2935	0.5119
<b>Group 2</b>				
08/03/17 to 07/09/17	0.1830	0.1105	0.2935	0.5119
<b>Total distributions in the period</b>			<b>0.2935</b>	<b>0.5119</b>

Group 2: shares purchased during a distribution period.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle European Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	77.17	69.40	66.99	151.44	134.93	128.40
Return before operating charges (p)	4.60	9.40	4.17	9.03	18.27	8.05
Operating charges (p)	(0.46)	(0.90)	(0.79)	(0.91)	(1.76)	(1.52)
Return after operating charges (p)*	4.14	8.50	3.38	8.12	16.51	6.53
Distributions (p)	(0.19)	(0.73)	(0.97)	(0.37)	(1.41)	(1.87)
Retained distributions on accumulation shares (p)	–	–	–	0.37	1.41	1.87
Closing net asset value per share (p)	81.12	77.17	69.40	159.56	151.44	134.93
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	5.36	12.25	5.05	5.36	12.24	5.09
<b>Other information</b>						
Closing net asset value (£000)	18,274	27,814	38,169	69,891	109,379	97,093
Closing number of shares	22,527,341	36,044,002	55,002,053	43,801,581	72,226,456	71,959,103
Operating charges (%)**	1.19 <sup>†</sup>	1.19	1.19	1.19 <sup>†</sup>	1.19	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	82.47	82.08	71.18	161.85	160.50	137.63
Lowest share price (p)	75.05	69.20	63.04	147.29	134.64	120.97
	Class 2 – Gross accumulation shares <sup>§</sup>			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	138.57	122.70	116.05	111.50	99.77	95.82
Return before operating charges (p)	8.30	16.63	7.33	6.66	13.54	6.00
Operating charges (p)	(0.41)	(0.76)	(0.68)	(0.37)	(0.71)	(0.62)
Return after operating charges (p)*	7.89	15.87	6.65	6.29	12.83	5.38
Distributions (p)	(0.42)	(1.45)	(1.83)	(0.29)	(1.10)	(1.43)
Retained distributions on accumulation shares (p)	0.42	1.45	1.83	–	–	–
Closing net asset value per share (p)	146.46	138.57	122.70	117.50	111.50	99.77
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	5.69	12.93	5.73	5.64	12.86	5.61
<b>Other information</b>						
Closing net asset value (£000)	323	375	1,900	4,867	4,596	5,641
Closing number of shares	220,541	270,733	1,548,216	4,142,144	4,121,693	5,654,070
Operating charges (%)**	0.58 <sup>†</sup>	0.56	0.59	0.65 <sup>†</sup>	0.65	0.65
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	148.54	146.50	125.13	119.47	118.36	102.33
Lowest share price (p)	134.92	122.60	109.56	108.54	99.60	90.35

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

## Threadneedle European Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2017

##### Class 1 – Income shares

Opening shares	36,044,002
Shares issued	596,386
Shares redeemed	(14,110,928)
Net conversions	(2,119)
Closing shares	<u>22,527,341</u>

##### Class 1 – Gross accumulation shares

Opening shares	72,226,456
Shares issued	9,217,861
Shares redeemed	(37,642,736)
Net conversions	–
Closing shares	<u>43,801,581</u>

##### Class 2 – Gross accumulation shares

Opening shares	270,733
Shares issued	25,045
Shares redeemed	(75,237)
Net conversions	–
Closing shares	<u>220,541</u>

##### Class Z – Income shares

Opening shares	4,121,693
Shares issued	328,203
Shares redeemed	(309,215)
Net conversions	1,463
Closing shares	<u>4,142,144</u>

## Threadneedle European Corporate Bond Fund

### Investment Report

#### Investment Objective

To achieve total return.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed interest securities which are primarily Euro denominated. The portfolio will consist primarily of a broad range of investment grade corporate fixed interest investments in companies domiciled in Europe or which have significant European operations. From time to time, it may also invest in securities issued by investment grade sovereign and supranational borrowers. However, it is intended that the portfolio will not be more than 25% invested in securities rated AAA (Standard & Poor's) or equivalent rating by another leading rating agency. A maximum of 10% of the portfolio can be invested in below investment grade securities. Where securities are non-Euro denominated it is intended that they will typically be hedged into Euro.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European Corporate Bond Fund has risen from 108.27p to 115.74p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +9.21%. The fund return equates approximately to +9.93% gross of tax and charges\*\*. (For information the iBoxx European All Corporate Bond Index gave a total return of +9.52% for the same period).

#### Market Overview and Portfolio Activity

Corporate bond spreads widened modestly near the beginning of the period due to geopolitical risks and the unwinding of the so-called 'Trumpflation' trade as investors discounted the US president's ability to implement tax reforms following his failure to repeal Obamacare. Towards the middle of the period, however, risk assets rallied as Emmanuel Macron saw off Eurosceptic opposition to win the French presidency. By contrast, the UK's general election in June resulted in an inconclusive outcome – the Conservatives lost their overall majority. However, but this did not have much market impact outside the UK. Near the end of June, core government bond yields turned volatile as a series of hawkish speeches from central bank officials in major developed countries propelled yields higher. Corporate earnings were supportive, and remained so throughout the rest of the period.

While July and August saw investors scale back their expectations of hawkish measures from the US Federal Reserve and the Bank of England, speculation that the European Central Bank (ECB) would soon move to rein its stimulus remained rife. This soured sentiment towards bonds over most of July, although renewed concerns about the ability of President Trump's administration to deliver growth-focused reflationary policies provided some support. August was a softer month for risk assets as rising tensions between North Korea and the US generally pushed investors towards safe havens. The yen strengthened while core government bonds rallied and the VIX index spiked.

Over the review period as a whole, credit spreads tightened by 20 basis points while European investment grade produced positive excess returns of 1.93%.

During the period, the portfolio's duration (sensitivity to changes in the interest-rate outlook) was underweight relative to the index. Our credit risk position remains fairly defensive, with a modest overweight versus the benchmark.

Thematically, we increased our concentration in defensive sectors such as regulated utilities, entering new positions in Tennet, SSE, Madrilena Red and adding to our existing position in Penmon. We also added to favoured names within real estate, with notable transactions including purchases of Grand City Properties, Akelius Residential and Ado properties.

Against this we exited Citigroup, along with holdings in two positions, Fromageries Bel and Teva, that we had opened earlier in the reporting period. Teva was exited prior to the company issuing a profit warning.

We hold a broadly balanced view about the prospects for corporate credit. We expect to see a gradual reduction in the supportive policy conditions (via rising rates and an end to quantitative easing) over the course of the next year. The growth outlook appears to be reasonable while inflation prospects are being dampened by the strengthening euro. However, credit fundamentals look neutral at best. Market valuations (spreads) remain close to long-run averages and we expect to see a pick up in new issuance following the relatively quiet summer months. Nevertheless, investor demand for income without too much risk remains a powerful supportive factor for investment grade credit while cash and short-dated government yields remain negative.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	11,884	14,908
Revenue	1,608	1,167
Expenses	(741)	(532)
Interest payable and similar charges	(188)	(114)
Net revenue before taxation	679	521
Taxation	–	–
Net revenue after taxation	679	521
<b>Total return before distributions</b>	<b>12,563</b>	<b>15,429</b>
Distributions	(679)	(521)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>11,884</b>	<b>14,908</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	175,730	191,227
<b>Current assets:</b>		
Debtors	3,807	3,814
Cash and bank balances	1,689	1,547
Total assets	181,226	196,588
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(736)	(274)
<b>Creditors:</b>		
Bank overdrafts	(277)	–
Other creditors	(2,480)	(2,258)
Total liabilities	(3,493)	(2,532)
<b>Net assets attributable to shareholders</b>	<b>177,733</b>	<b>194,056</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>194,056</b>	<b>69,613</b>
Amounts receivable on the issue of shares	21,081	107,373
Amounts payable on the cancellation of shares	(49,899)	(17,140)
	(28,818)	90,233
Dilution adjustment	–	189
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	11,884	14,908
Retained distribution on accumulation shares	611	818
<b>Closing net assets attributable to shareholders</b>	<b>177,733</b>	<b>175,761</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Accumulation shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.1834	–	0.1834	0.2665
<b>Group 2</b> 08/03/17 to 07/09/17	–	0.1834	0.1834	0.2665
<b>Total distributions in the period</b>			<b>0.1834</b>	<b>0.2665</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.1992	–	0.1992	0.3616
<b>Group 2</b> 08/03/17 to 07/09/17	0.1090	0.0902	0.1992	0.3616
<b>Total distributions in the period</b>			<b>0.1992</b>	<b>0.3616</b>

## Threadneedle European Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6954	–	0.6954	0.8475
<b>Group 2</b> 08/03/17 to 07/09/17	0.3211	0.3743	0.6954	0.8475
<b>Total distributions in the period</b>			<b>0.6954</b>	<b>0.8475</b>

#### Class Z – Accumulation shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.5300	–	0.5300	0.5291
<b>Group 2</b> 08/03/17 to 07/09/17	0.1441	0.3859	0.5300	0.5291
<b>Total distributions in the period</b>			<b>0.5300</b>	<b>0.5291</b>

Group 2: shares purchased during a distribution period.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle European Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	108.03	92.36	87.75	117.32	100.25	95.07
Return before operating charges (p)	8.15	16.98	5.84	8.86	18.43	6.30
Operating charges (p)	(0.65)	(1.24)	(1.07)	(0.71)	(1.36)	(1.12)
Return after operating charges (p)*	7.50	15.74	4.77	8.15	17.07	5.18
Distributions (p)	(0.18)	(0.53)	(0.83)	(0.20)	(0.57)	(0.90)
Retained distributions on accumulation shares (p)**	0.18	0.46	0.67	0.20	0.57	0.90
Closing net asset value per share (p)	115.53	108.03	92.36	125.47	117.32	100.25
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	6.94	17.04	5.44	6.95	17.03	5.45
<b>Other information</b>						
Closing net asset value (£000)	54,292	57,528	49,576	11,226	13,158	5,869
Closing number of shares	46,995,545	53,252,845	53,674,429	8,947,115	11,215,485	5,854,482
Operating charges (%)***	1.18 <sup>†</sup>	1.19	1.21	1.18 <sup>†</sup>	1.19	1.20
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	117.72	113.44	94.07	127.85	123.22	102.10
Lowest share price (p)	104.63	92.33	82.78	113.63	100.21	89.74
	Class 2 – Gross accumulation shares <sup>§</sup>			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.19	121.59	114.61	118.51	100.85	95.35
Return before operating charges (p)	10.83	22.41	7.61	8.96	18.54	6.44
Operating charges (p)	(0.42)	(0.81)	(0.63)	(0.39)	(0.75)	(0.67)
Return after operating charges (p)*	10.41	21.60	6.98	8.57	17.79	5.77
Distributions (p)	(0.70)	(1.54)	(2.06)	(0.53)	(1.18)	(1.34)
Retained distributions on accumulation shares (p)**	0.70	1.54	2.06	0.53	1.05	1.07
Closing net asset value per share (p)	153.60	143.19	121.59	127.08	118.51	100.85
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	7.27	17.76	6.09	7.23	17.64	6.05
<b>Other information</b>						
Closing net asset value (£000)	108,774	121,387	13,516	3,441	1,983	652
Closing number of shares	70,816,900	84,775,988	11,115,569	2,707,603	1,673,208	646,058
Operating charges (%)***	0.57 <sup>†</sup>	0.58	0.59	0.64 <sup>†</sup>	0.65	0.67
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	156.50	150.00	123.81	129.48	124.17	102.65
Lowest share price (p)	138.79	121.55	108.42	114.86	100.81	90.09

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

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

# Threadneedle European Corporate Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Accumulation shares

Opening shares	53,252,845
Shares issued	45,225
Shares redeemed	(6,302,525)
Net conversions	–
Closing shares	<u>46,995,545</u>

#### Class 1 – Gross accumulation shares

Opening shares	11,215,485
Shares issued	334,077
Shares redeemed	(2,602,447)
Net conversions	–
Closing shares	<u>8,947,115</u>

#### Class 2 – Gross accumulation shares

Opening shares	84,775,988
Shares issued	13,177,901
Shares redeemed	(27,136,989)
Net conversions	–
Closing shares	<u>70,816,900</u>

#### Class Z – Accumulation shares

Opening shares	1,673,208
Shares issued	1,169,758
Shares redeemed	(135,363)
Net conversions	–
Closing shares	<u>2,707,603</u>

# Threadneedle European High Yield Bond Fund

## Investment Report

### Investment Objective

To achieve total return. Over time this will be predominantly by way of income.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in corporate fixed interest securities of corporates with higher risk (that is noninvestment grade credit) issued predominantly in Euro or Sterling. Where securities are non-Euro denominated it is intended they will typically be hedged into Euro. The ACD will invest predominantly in issues issued by companies domiciled in Europe, or with significant European operations. If the ACD considers it desirable it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle European High Yield Bond Fund has risen from 155.46p to 168.32p.

The sterling total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +10.90%, which equates approximately to +11.73% gross of tax and charges\*\* and compares against a return of +11.55% for the IML European Currency High Yield Index 3% constrained ex sub-financials (100% € Hedged). The gross returns equate to approximately +3.41% for the fund and +3.24% for the index when quoted in Euros\*\*.

### Market Overview and Portfolio Activity

Markets were characterised by continued political noise during the six-month period under review. The UK initiated formal EU exit proceedings in March, before the incumbent government subsequently lost its ruling majority after calling an opportunistic but ill-fated snap general election. Elsewhere in Europe, concerns over

rising political populism were tempered, to an extent, by centrist election wins for Mark Rutte in Holland and Emmanuel Macron in France. Finally, in the US, controversies surrounding President Trump continued to generate volatility; his embattled administration is yet to achieve any legislative victories and, towards the end of the period, escalating geopolitical tensions with North Korea drove investors increasingly towards safe haven assets.

Politics aside, strong global macroeconomic data provided a supportive backdrop for risk assets over the period. In Europe, various purchasing managers' indices (PMIs) touched six-year highs and jobs growth was also strong in many key markets. Despite this, wage growth and inflation data remained subdued and the VIX index of implied volatility touched all-time lows.

Central bank policy was also in focus and was responsible for much of the volatility witnessed in core government bond markets. For a second time in 2017, the US Federal Reserve raised rates in June and debate over an eventual tapering of central bank balance sheets, which have been enlarged by crisis-era quantitative easing, became increasingly prominent.

Equity markets generally posted strong returns: in the US the S&P 500 index was up nearly 4% whilst the UK's FTSE 100 index was a notable laggard versus other developed markets. Commodities were volatile, with base and industrial metals surging on improved China data, gold up 10% and Brent crude down 3%. In the currency markets, the euro was a notable outperformer and rose nearly 14% against the dollar.

It was also a strong six months for the European high yield market, which returned 3.3% in local currency terms. Credit spreads versus underlying government bonds ground steadily tighter and closed the period at 293 basis points.

In the primary market, we participated in more than 30 new issues during the six months under review. The largest of these included Gazprom, KIRS, Matterhorn, Tennet, Netfix, Paprec, Intrum Justitia

and Voyage Care. In the secondary market, we made several adjustments to the portfolio in March following a review of energy/industrial/commodity related sectors. We exited our position in Total hybrid bonds and added the proceeds to Origin and EnQuest, which we believed offered better relative value. Among building materials companies, we reduced Travis Perkins and added to Cemex. More recently, we have been active covering some of the fund's underweight positions including Cellnex and Hertz, as well as adding to Softbank, Unity, Telecom Italia, Verallia (Ardagh Packaging Finance) and AIB. Against this, we made reductions to RWWE, Virgin Media and Anglo American, which was upgraded to BBB- by S&P in August and will be exiting the index as a result. We also sold out of Cirsa and Abengoa, among others.

The growth backdrop has firmed considerably, with PMIs continuing to indicate strong momentum across the major economies. Corporate fundamentals remain similarly strong, with synchronised earnings growth supporting global equity markets and default rates continuing to trend lower in the US and European high yield markets. Sustained inflation pressure remains subdued, but government bond yields are at risk of central bank measures to bring an end to unconventional monetary policy. Yield spreads in the European high yield market have tightened to below 'current-cycle' lows. Technical factors remain supportive, with evidence of continued strong demand for yield products, combined with lower-than-expected supply.

The European high yield market has enjoyed a strong first half of the year. In the current environment of low interest rates and with central banks starting to pull back on liquidity, we continue to manage the portfolio for downside risks. The fund is defensively positioned on a sector basis. We prefer higher quality B rated issuers and remain underweight portfolio duration (less sensitivity to changes in interest rates).

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	47,267	91,767
Revenue	19,496	18,574
Expenses	(4,492)	(3,788)
Interest payable and similar charges	(25)	(147)
Net revenue before taxation	14,979	14,639
Taxation	–	–
Net revenue after taxation	14,979	14,639
Total return before distributions	62,246	106,406
Distributions	(756)	681
Change in net assets attributable to shareholders from investment activities	61,490	107,087

## BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	716,833	736,730
<b>Current assets:</b>		
Debtors	12,179	13,466
Cash and bank balances	62,134	37,190
Total assets	791,146	787,386
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1,167)	(282)
<b>Creditors:</b>		
Distribution payable	(17)	(5,765)
Other creditors	(8,337)	(7,026)
Total liabilities	(9,521)	(13,073)
<b>Net assets attributable to shareholders</b>	<b>781,625</b>	<b>774,313</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Opening net assets attributable to shareholders	774,313	618,619
Amounts receivable on the issue of shares	116,595	141,052
Amounts payable on the cancellation of shares	(170,830)	(79,680)
	(54,235)	61,372
Dilution adjustment	57	284
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	61,490	107,087
Closing net assets attributable to shareholders	781,625	787,362

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

## DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

### Class 1 USD Hedged – Monthly gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3695	–	0.3695	0.3802
08/04/17 to 07/05/17	0.3836	–	0.3836	0.2980
08/05/17 to 07/06/17	0.3657	–	0.3657	0.3081
08/06/17 to 07/07/17	0.3738	–	0.3738	0.4829
08/07/17 to 07/08/17	0.4503	–	0.4503	0.3565
08/08/17 to 07/09/17	0.3476	–	0.3476	0.3439
<b>Group 2</b>				
08/03/17 to 07/04/17	0.3295	0.0400	0.3695	0.3802
08/04/17 to 07/05/17	–	0.3836	0.3836	0.2980
08/05/17 to 07/06/17	0.1049	0.2608	0.3657	0.3081
08/06/17 to 07/07/17	–	0.3738	0.3738	0.4829
08/07/17 to 07/08/17	0.0508	0.3995	0.4503	0.3565
08/08/17 to 07/09/17	–	0.3476	0.3476	0.3439
<b>Total distributions in the period</b>			<b>2.2905</b>	<b>2.1696</b>



## Threadneedle European High Yield Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class N USD Hedged – Monthly gross income shares\*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017
<b>Group 1</b>			
08/06/17 to 07/07/17	0.2573	–	0.2573
08/07/17 to 07/08/17	0.4108	–	0.4108
08/08/17 to 07/09/17	0.3316	–	0.3316
<b>Group 2</b>			
08/06/17 to 07/07/17	0.2573	–	0.2573
08/07/17 to 07/08/17	0.4108	–	0.4108
08/08/17 to 07/09/17	0.3316	–	0.3316
<b>Total distributions in the period</b>			<b>0.9997</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross income shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	154.86	125.54	120.73	124.59	104.67	104.83
Return before operating charges (p)	14.02	31.36	7.57	11.29	26.18	6.51
Operating charges (p)	(1.13)	(2.04)	(1.73)	(0.91)	(1.71)	(1.50)
Return after operating charges (p)*	12.89	29.32	5.84	10.38	24.47	5.01
Distributions (p)	–	(5.45)	(5.17)	–	(4.55)	(5.17)
Retained distributions on accumulation shares (p)**	–	5.45	4.14	–	–	–
Closing net asset value per share (p)	167.75	154.86	125.54	134.97	124.59	104.67
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.32	23.36	4.84	8.33	23.38	4.78
<b>Other information</b>						
Closing net asset value (£000)	14,903	13,224	15,955	32,377	26,195	14,608
Closing number of shares	8,884,023	8,539,135	12,709,160	23,987,611	21,024,098	13,955,827
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.43	1.42 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	170.47	157.16	127.04	137.17	131.07	111.34
Lowest share price (p)	149.65	125.86	117.15	120.42	104.95	102.03
	Class 1 USD Hedged – Monthly gross income shares <sup>s</sup>			Class 1 – Gross accumulation shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016 <sup>†</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	131.52	105.19	100.00	193.57	156.92	149.77
Return before operating charges (p)	(3.82)	32.55	8.44	17.54	39.22	9.29
Operating charges (p)	(0.90)	(1.71)	(0.98)	(1.42)	(2.57)	(2.14)
Return after operating charges (p)*	(4.72)	30.84	7.46	16.12	36.65	7.15
Distributions (p)	(2.29)	(4.51)	(2.27)	–	(6.83)	(6.54)
Retained distributions on accumulation shares (p)**	–	–	–	–	6.83	6.54
Closing net asset value per share (p)	124.51	131.52	105.19	209.69	193.57	156.92
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(3.59)	29.32	7.46	8.33	23.36	4.77
<b>Other information</b>						
Closing net asset value (£000)	6,058	5,784	2,323	430,563	420,290	295,678
Closing number of shares	4,865,171	4,397,907	2,208,321	205,332,559	217,121,210	188,420,239
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.46 <sup>†</sup>	1.42 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	132.39	132.43	107.00	213.10	196.46	158.75
Lowest share price (p)	124.04	104.02	97.76	187.06	157.33	145.75

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>§</sup>			Class 2 – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	128.16	107.64	106.71	244.27	196.79	186.54
Return before operating charges (p)	11.66	26.98	6.70	22.17	49.31	11.78
Operating charges (p)	(0.54)	(1.00)	(0.87)	(1.02)	(1.83)	(1.53)
Return after operating charges (p)*	11.12	25.98	5.83	21.15	47.48	10.25
Distributions (p)	–	(5.46)	(4.90)	–	(9.98)	(8.52)
Retained distributions on accumulation shares (p)**	–	–	–	–	9.98	8.52
Closing net asset value per share (p)	139.28	128.16	107.64	265.42	244.27	196.79
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.68	24.14	5.46	8.66	24.13	5.49
<b>Other information</b>						
Closing net asset value (£000)	53,875	49,573	42,390	155,264	175,020	185,124
Closing number of shares	38,679,927	38,679,927	39,382,927	58,496,437	71,649,568	94,072,923
Operating charges (%)***	0.81 <sup>†</sup>	0.81	0.81	0.81 <sup>†</sup>	0.81	0.81
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	141.52	135.32	113.82	269.69	247.38	199.05
Lowest share price (p)	123.96	107.93	104.10	236.22	197.30	181.94
	Class 2 CHF Hedged – Gross accumulation shares <sup>§</sup>			Class N USD Hedged – Monthly gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017 <sup>2</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	159.04	126.24	123.73	100.00		
Return before operating charges (p)	3.60	33.99	3.52	(1.49)		
Operating charges (p)	(0.81)	(1.19)	(1.01)	(0.08)		
Return after operating charges (p)*	2.79	32.80	2.51	(1.57)		
Distributions (p)	–	(6.45)	(9.85)	(1.00)		
Retained distributions on accumulation shares (p)**	–	6.45	9.85	–		
Closing net asset value per share (p)	161.83	159.04	126.24	97.43		
*after direct transaction costs of (p)	–	–	–	–		
<b>Performance</b>						
Return after charges (%)	1.75	25.98	2.03	(1.57)		
<b>Other information</b>						
Closing net asset value (£000)	219	216	171	10		
Closing number of shares	135,581	135,581	135,581	10,001		
Operating charges (%)***	0.81 <sup>†</sup>	0.81	0.81	0.72 <sup>†</sup>		
Direct transaction costs (%)****	–	–	–	–		
<b>Prices</b>						
Highest share price (p)	165.04	160.61	133.27	100.96		
Lowest share price (p)	153.48	126.15	119.04	97.11		

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross income shares <sup>§</sup>			Class X – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016 <sup>§</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.65	102.12	100.00	102.51	81.98	77.06
Return before operating charges (p)	11.10	25.68	4.11	9.32	20.59	4.97
Operating charges (p)	(0.04)	(0.07)	(0.05)	(0.03)	(0.06)	(0.05)
Return after operating charges (p)*	11.06	25.61	4.06	9.29	20.53	4.92
Distributions (p)	–	(6.08)	(1.94)	–	(4.88)	(3.54)
Retained distributions on accumulation shares (p)**	–	–	–	–	4.88	3.54
Closing net asset value per share (p)	132.71	121.65	102.12	111.80	102.51	81.98
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	9.09	25.08	4.06	9.06	25.04	6.38
<b>Other information</b>						
Closing net asset value (£000)	22,506	48,410	28,502	3	2,612	3,230
Closing number of shares	16,958,560	39,793,817	27,911,733	3,000	2,547,563	3,940,079
Operating charges (%)***	0.06 <sup>†</sup>	0.06	0.07 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	134.82	129.01	105.24	113.58	103.54	82.90
Lowest share price (p)	117.77	102.40	95.81	99.22	82.19	75.47
	Class Z – Accumulation shares			Class Z – Gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	121.21	97.56	93.33	120.72	101.40	100.76
Return before operating charges (p)	11.00	24.47	5.75	10.99	25.39	6.30
Operating charges (p)	(0.46)	(0.82)	(0.69)	(0.46)	(0.84)	(0.74)
Return after operating charges (p)*	10.54	23.65	5.06	10.53	24.55	5.56
Distributions (p)	–	(5.07)	(4.16)	–	(5.23)	(4.92)
Retained distributions on accumulation shares (p)**	–	5.07	3.33	–	–	–
Closing net asset value per share (p)	131.75	121.21	97.56	131.25	120.72	101.40
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	8.70	24.24	5.42	8.72	24.21	5.52
<b>Other information</b>						
Closing net asset value (£000)	10,687	5,339	4,036	5,907	5,738	8,283
Closing number of shares	8,111,362	4,404,467	4,137,461	4,500,296	4,753,175	8,168,294
Operating charges (%)***	0.73 <sup>†</sup>	0.73	0.73	0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	133.87	122.72	98.70	133.36	127.52	107.53
Lowest share price (p)	117.22	97.81	90.73	116.77	101.67	98.31



# Threadneedle European High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Accumulation shares</b>	
Opening shares	8,539,135
Shares issued	1,592,390
Shares redeemed	(1,247,502)
Net conversions	–
Closing shares	8,884,023
<b>Class 1 – Gross income shares</b>	
Opening shares	21,024,098
Shares issued	6,444,382
Shares redeemed	(3,480,869)
Net conversions	–
Closing shares	23,987,611
<b>Class 1 USD Hedged – Monthly gross income shares</b>	
Opening shares	4,397,907
Shares issued	1,471,753
Shares redeemed	(1,004,489)
Net conversions	–
Closing shares	4,865,171
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	217,121,210
Shares issued	19,806,030
Shares redeemed	(31,559,681)
Net conversions	(35,000)
Closing shares	205,332,559
<b>Class 2 – Gross income shares</b>	
Opening shares	38,679,927
Shares issued	4,020
Shares redeemed	(4,020)
Net conversions	–
Closing shares	38,679,927
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	71,649,568
Shares issued	6,738,829
Shares redeemed	(19,891,960)
Net conversions	–
Closing shares	58,496,437
<b>Class 2 CHF Hedged – Gross accumulation shares</b>	
Opening shares	135,581
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	135,581

	2017
<b>Class N USD Hedged – Monthly gross income shares*</b>	
Opening shares	–
Shares issued	10,001
Shares redeemed	–
Net conversions	–
Closing shares	10,001
<b>Class X – Gross income shares</b>	
Opening shares	39,793,817
Shares issued	571,191
Shares redeemed	(23,406,448)
Net conversions	–
Closing shares	16,958,560
<b>Class X – Gross accumulation shares</b>	
Opening shares	2,547,563
Shares issued	–
Shares redeemed	(2,544,563)
Net conversions	–
Closing shares	3,000
<b>Class Z – Accumulation shares</b>	
Opening shares	4,404,467
Shares issued	4,111,676
Shares redeemed	(404,781)
Net conversions	–
Closing shares	8,111,362
<b>Class Z – Gross income shares</b>	
Opening shares	4,753,175
Shares issued	837,933
Shares redeemed	(1,090,812)
Net conversions	–
Closing shares	4,500,296
<b>Class Z CHF Hedged – Gross income shares</b>	
Opening shares	172,031
Shares issued	–
Shares redeemed	(14,895)
Net conversions	–
Closing shares	157,136
<b>Class Z – Gross accumulation shares</b>	
Opening shares	13,872,306
Shares issued	28,264,192
Shares redeemed	(12,192,604)
Net conversions	46,355
Closing shares	29,990,249
<b>Class Z CHF Hedged – Gross accumulation shares</b>	
Opening shares	1,112,754
Shares issued	36,640
Shares redeemed	(32,276)
Net conversions	–
Closing shares	1,117,118
<b>Class Z USD Hedged – Gross accumulation shares</b>	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

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

## Threadneedle Strategic Bond Fund

### Investment Report Investment Objective

To achieve total return principally by way of income. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to primarily invest the assets of the Fund directly or indirectly in UK and European debt securities.

The ACD's strategic investment approach allocates the Fund's investments between corporate investment grade and non-investment grade, sovereign and supranational debt.

The ACD may invest up to one third of the assets of the Fund in money market instruments, cash or near cash and other securities (other than equities) including non-UK and non-European debt.

The ACD may invest in derivatives and forward transactions. The ACD may take long and short positions through derivatives.

Where securities are non-Sterling denominated it is intended that they will typically be hedged back into Sterling.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Strategic Bond Fund has risen from 47.61p to 47.70p. The total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +1.93%, which equates approximately to +2.78% gross of tax and charges\*\*. This compares against a return of +2.67% for a composite index of 60% iBoxx Sterling Non Gilts Index & 40% MLI European Currency High Yield Index 3% constrained B-BB (100% £ Hedged).

#### Market Overview and Portfolio Activity

Markets were characterised by continued political noise during the six-month period under review. The UK initiated formal exit proceedings from the EU in March before the government subsequently lost its ruling majority after calling an opportunistic but ill-fated snap general election. Elsewhere

in Europe, concerns over rising political populism were tempered to an extent by centrist electoral wins for Mark Rutte in Holland and Emmanuel Macron in France. Finally, in the US, controversies emanating from President Trump continued to generate volatility, his embattled administration is yet to achieve any legislative victories and, towards the end of the period, escalating geopolitical tensions with North Korea drove investors increasingly towards safe haven assets.

Politics aside, strong global macroeconomic data provided a supportive backdrop for risk assets over the period. In Europe, various purchasing managers' indices (PMIs) touched six-year highs and jobs growth was also strong in many key markets. Despite this, wage growth and inflation data remained subdued and the VIX index of implied volatility touched all-time lows.

Central bank policy was also in focus and was responsible for much of the volatility witnessed in core rates markets. The US Federal Reserve raised rates for a second time in June and debate over an eventual tapering of central bank balance sheets, which have been enlarged by crisis-era quantitative easing, became increasingly prominent.

Equity markets generally posted strong returns: the S&P 500 was up nearly 4% while the FTSE100 was a notable laggard versus other developed markets. Commodities were volatile, with base and industrial metals surging on improved China data, gold up 10% and Brent crude down 3%. In currency markets, the euro was a notable outperformer, rising nearly 14% against the dollar.

Investment grade credit had a strong 6-month period. Sterling credit spreads tightened by 10 basis points (bps) to 109 bps and excess returns versus government bonds totalled 1.55%. It was also a strong period for European high yield, which returned 3.3% in local currency terms.

Issuance has been robust within investment grade. We were active in the primary market purchasing new issues including bonds from Grand City Properties, Aelius Residential, DS Smith and Annington. In the secondary market, we added to Plains All American Pipeline, National Grid and Quintiles. We also initiated short positions in Italian lender Banco BPM and Portuguese bank BCP.

In high yield, primary market activity included purchases of Intrum Justitia, KIRS, Equinix and a Tennet hybrid. In the secondary market, in March we made several adjustments to the portfolio following a review of energy/industrial/commodity related sectors. We purchased bonds from EnQuest, which we believe offer better relative value than many of the names within oil & gas. Within building materials names, we exited Travis Perkins and added to Mexican issuer Cemex.

We increased our emerging market exposure over the period, owing to both valuations and our more favourable outlook toward emerging market fundamentals. Against this, we trimmed the fund's high yield exposure owing to less compelling valuations, with spreads trending below their long-run averages. Notable emerging market purchases include Dominican Republic, Ivory Coast and Senegal, as well as Brazilian miner Vale.

Our defensive duration positioning was maintained, and we reduced our credit risk position as corporate bond spreads hovered around recent tightness. The portfolio's duration was reduced by approximately 0.5 year over the period.

The growth backdrop has firmed considerably, with PMIs continuing to indicate strong momentum across the major regions. Corporate fundamentals remain similarly strong, with 'synchronized' earnings growth supporting global equity markets and default rates continuing to trend lower in corporate bond markets globally. Sustained inflation pressure remains subdued, but government bond yields are at risk of central bank measures to bring an end to unconventional monetary policy.

In investment grade, market valuations (spreads) remain close to long-run averages and we expect to see a pickup in new issuance following the relatively quiet summer months. Nevertheless, investor demand for income without too much risk remains a powerful supportive factor for investment-grade credit, while cash and short-dated government yields remain negative. Spreads in European high yield have tightened to below 'current-cycle' lows. 'Technicals' remain supportive, with evidence of continued strong demand for yield product combined with lower-than-expected supply.

In this environment of low returns and with central banks starting to pull back on liquidity, we continue to manage for downside risks. The fund is generally neutral to small underweight portfolio risk, and defensively positioned on a sector basis. We remain underweight portfolio duration.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	2,061	18,438
Revenue	5,587	6,618
Expenses	(1,160)	(1,218)
Interest payable and similar charges	(885)	(751)
Net revenue before taxation	3,542	4,649
Taxation	–	–
Net revenue after taxation	3,542	4,649
<b>Total return before distributions</b>	<b>5,603</b>	<b>23,087</b>
Distributions	(4,559)	(5,722)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,044</b>	<b>17,365</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	235,181	245,623
<b>Current assets:</b>		
Debtors	3,705	7,563
Cash and bank balances	11,353	6,951
Total assets	250,239	260,137
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(3,972)	(5,183)
<b>Creditors:</b>		
Bank overdrafts	(1,133)	(306)
Distribution payable	(424)	(624)
Other creditors	(1,856)	(8,201)
Total liabilities	(7,385)	(14,314)
<b>Net assets attributable to shareholders</b>	<b>242,854</b>	<b>245,823</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>245,823</b>	<b>255,956</b>
Amounts receivable on the issue of shares	14,094	13,049
Amounts payable on the cancellation of shares	(19,953)	(25,735)
	(5,859)	(12,686)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,044	17,365
Retained distribution on accumulation shares	1,844	2,282
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>242,854</b>	<b>262,919</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1368	–	0.1368	0.1401
08/04/17 to 07/05/17	0.1392	–	0.1392	0.1303
08/05/17 to 07/06/17	0.1342	–	0.1342	0.1279
08/06/17 to 07/07/17	0.1433	–	0.1433	0.1553
08/07/17 to 07/08/17	0.1734	–	0.1734	0.1244
08/08/17 to 07/09/17	0.1374	–	0.1374	0.1324
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0626	0.0742	0.1368	0.1401
08/04/17 to 07/05/17	0.0646	0.0746	0.1392	0.1303
08/05/17 to 07/06/17	0.0663	0.0679	0.1342	0.1279
08/06/17 to 07/07/17	0.0266	0.1167	0.1433	0.1553
08/07/17 to 07/08/17	0.0813	0.0921	0.1734	0.1244
08/08/17 to 07/09/17	0.0811	0.0563	0.1374	0.1324
<b>Total distributions in the period</b>			<b>0.8643</b>	<b>0.8104</b>

# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1370	–	0.1370	0.1755
08/04/17 to 07/05/17	0.1395	–	0.1395	0.1632
08/05/17 to 07/06/17	0.1344	–	0.1344	0.1602
08/06/17 to 07/07/17	0.1436	–	0.1436	0.1945
08/07/17 to 07/08/17	0.1737	–	0.1737	0.1558
08/08/17 to 07/09/17	0.1376	–	0.1376	0.1658
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0081	0.1289	0.1370	0.1755
08/04/17 to 07/05/17	0.0102	0.1293	0.1395	0.1632
08/05/17 to 07/06/17	0.0153	0.1191	0.1344	0.1602
08/06/17 to 07/07/17	0.0318	0.1118	0.1436	0.1945
08/07/17 to 07/08/17	0.0248	0.1489	0.1737	0.1558
08/08/17 to 07/09/17	0.0082	0.1294	0.1376	0.1658
<b>Total distributions in the period</b>			<b>0.8658</b>	<b>1.0150</b>

### Class 2 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1526	–	0.1526	0.1544
08/04/17 to 07/05/17	0.1553	–	0.1553	0.1438
08/05/17 to 07/06/17	0.1500	–	0.1500	0.1415
08/06/17 to 07/07/17	0.1598	–	0.1598	0.1708
08/07/17 to 07/08/17	0.1925	–	0.1925	0.1375
08/08/17 to 07/09/17	0.1536	–	0.1536	0.1468
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0067	0.1459	0.1526	0.1544
08/04/17 to 07/05/17	0.0066	0.1487	0.1553	0.1438
08/05/17 to 07/06/17	0.1014	0.0486	0.1500	0.1415
08/06/17 to 07/07/17	0.0248	0.1350	0.1598	0.1708
08/07/17 to 07/08/17	0.0677	0.1248	0.1925	0.1375
08/08/17 to 07/09/17	0.0136	0.1400	0.1536	0.1468
<b>Total distributions in the period</b>			<b>0.9638</b>	<b>0.8948</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1612	–	0.1612	0.2038
08/04/17 to 07/05/17	0.1641	–	0.1641	0.1899
08/05/17 to 07/06/17	0.1584	–	0.1584	0.1868
08/06/17 to 07/07/17	0.1688	–	0.1688	0.2255
08/07/17 to 07/08/17	0.2034	–	0.2034	0.1816
08/08/17 to 07/09/17	0.1623	–	0.1623	0.1938
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0972	0.0640	0.1612	0.2038
08/04/17 to 07/05/17	0.1641	–	0.1641	0.1899
08/05/17 to 07/06/17	0.1584	–	0.1584	0.1868
08/06/17 to 07/07/17	0.1688	–	0.1688	0.2255
08/07/17 to 07/08/17	0.2034	–	0.2034	0.1816
08/08/17 to 07/09/17	0.0708	0.0915	0.1623	0.1938
<b>Total distributions in the period</b>			<b>1.0182</b>	<b>1.1814</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3452	–	0.3452	0.4186
08/04/17 to 07/05/17	0.3522	–	0.3522	0.3915
08/05/17 to 07/06/17	0.3412	–	0.3412	0.3864
08/06/17 to 07/07/17	0.3644	–	0.3644	0.4682
08/07/17 to 07/08/17	0.4406	–	0.4406	0.3788
08/08/17 to 07/09/17	0.3530	–	0.3530	0.4054
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0109	0.3343	0.3452	0.4186
08/04/17 to 07/05/17	0.1402	0.2120	0.3522	0.3915
08/05/17 to 07/06/17	0.1872	0.1540	0.3412	0.3864
08/06/17 to 07/07/17	0.0444	0.3200	0.3644	0.4682
08/07/17 to 07/08/17	0.2250	0.2156	0.4406	0.3788
08/08/17 to 07/09/17	0.0338	0.3192	0.3530	0.4054
<b>Total distributions in the period</b>			<b>2.1966</b>	<b>2.4489</b>

### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2979	–	0.2979	0.3024
08/04/17 to 07/05/17	0.3034	–	0.3034	0.2815
08/05/17 to 07/06/17	0.2927	–	0.2927	0.2767
08/06/17 to 07/07/17	0.3124	–	0.3124	0.3354
08/07/17 to 07/08/17	0.3776	–	0.3776	0.2692
08/08/17 to 07/09/17	0.3000	–	0.3000	0.2868
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1315	0.1664	0.2979	0.3024
08/04/17 to 07/05/17	0.1248	0.1786	0.3034	0.2815
08/05/17 to 07/06/17	0.1257	0.1670	0.2927	0.2767
08/06/17 to 07/07/17	0.0506	0.2618	0.3124	0.3354
08/07/17 to 07/08/17	0.1324	0.2452	0.3776	0.2692
08/08/17 to 07/09/17	0.1075	0.1925	0.3000	0.2868
<b>Total distributions in the period</b>			<b>1.8840</b>	<b>1.7520</b>

### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2979	–	0.2979	0.3780
08/04/17 to 07/05/17	0.3034	–	0.3034	0.3520
08/05/17 to 07/06/17	0.2927	–	0.2927	0.3458
08/06/17 to 07/07/17	0.3124	–	0.3124	0.4192
08/07/17 to 07/08/17	0.3776	–	0.3776	0.3365
08/08/17 to 07/09/17	0.3000	–	0.3000	0.3586
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2291	0.0688	0.2979	0.3780
08/04/17 to 07/05/17	0.0151	0.2883	0.3034	0.3520
08/05/17 to 07/06/17	0.1412	0.1515	0.2927	0.3458
08/06/17 to 07/07/17	0.1553	0.1571	0.3124	0.4192
08/07/17 to 07/08/17	0.1352	0.2424	0.3776	0.3365
08/08/17 to 07/09/17	0.0976	0.2024	0.3000	0.3586
<b>Total distributions in the period</b>			<b>1.8840</b>	<b>2.1901</b>

### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3698	–	0.3698	0.4504
08/04/17 to 07/05/17	0.3776	–	0.3776	0.4210
08/05/17 to 07/06/17	0.3654	–	0.3654	0.4151
08/06/17 to 07/07/17	0.3911	–	0.3911	0.5049
08/07/17 to 07/08/17	0.4742	–	0.4742	0.4071
08/08/17 to 07/09/17	0.3782	–	0.3782	0.4352
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1854	0.1844	0.3698	0.4504
08/04/17 to 07/05/17	0.1197	0.2579	0.3776	0.4210
08/05/17 to 07/06/17	0.0960	0.2694	0.3654	0.4151
08/06/17 to 07/07/17	0.2288	0.1623	0.3911	0.5049
08/07/17 to 07/08/17	0.2522	0.2220	0.4742	0.4071
08/08/17 to 07/09/17	0.1872	0.1910	0.3782	0.4352
<b>Total distributions in the period</b>			<b>2.3563</b>	<b>2.6337</b>

Group 2: shares purchased during a distribution period.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.



## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	47.31	44.58	47.97	47.39	44.66	48.06
Return before operating charges (p)	1.29	5.28	(0.71)	1.31	5.29	(0.72)
Operating charges (p)	(0.34)	(0.66)	(0.66)	(0.34)	(0.66)	(0.66)
Return after operating charges (p)*	0.95	4.62	(1.37)	0.97	4.63	(1.38)
Distributions (p)	(0.86)	(1.89)	(2.02)	(0.87)	(1.90)	(2.02)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	47.40	47.31	44.58	47.49	47.39	44.66
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.01	10.36	(2.86)	2.05	10.37	(2.87)
<b>Other information</b>						
Closing net asset value (£000)	35,969	38,890	43,946	20,668	20,802	19,888
Closing number of shares	75,876,590	82,205,604	98,577,878	43,522,908	43,892,083	44,531,498
Operating charges (%)**	1.43 <sup>t</sup>	1.42	1.42	1.43 <sup>t</sup>	1.42	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	47.88	47.90	48.23	47.97	48.02	48.33
Lowest share price (p)	47.31	44.86	43.97	47.39	44.95	44.06

	Class 2 – Income shares			Class 2 – Gross income shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	51.06	47.88	51.26	53.94	50.58	54.15
Return before operating charges (p)	1.40	5.69	(0.75)	1.49	6.00	(0.79)
Operating charges (p)	(0.21)	(0.41)	(0.41)	(0.23)	(0.43)	(0.43)
Return after operating charges (p)*	1.19	5.28	(1.16)	1.26	5.57	(1.22)
Distributions (p)	(0.96)	(2.10)	(2.22)	(1.02)	(2.21)	(2.35)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	51.29	51.06	47.88	54.18	53.94	50.58
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.33	11.03	(2.26)	2.34	11.01	(2.25)
<b>Other information</b>						
Closing net asset value (£000)	7,299	7,361	13,383	2,575	3,187	3,047
Closing number of shares	14,229,367	14,416,041	27,953,066	4,751,897	5,908,908	6,024,306
Operating charges (%)**	0.82 <sup>t</sup>	0.81	0.81	0.83 <sup>t</sup>	0.81	0.82
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	51.75	51.58	51.55	54.67	54.52	54.47
Lowest share price (p)	51.08	48.18	47.21	53.96	50.90	49.88



# Threadneedle Strategic Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Income shares

Opening shares	82,205,604
Shares issued	1,890,037
Shares redeemed	(7,833,618)
Net conversions	(385,433)
Closing shares	<u>75,876,590</u>

#### Class 1 – Gross income shares

Opening shares	43,892,083
Shares issued	12,227
Shares redeemed	(183,102)
Net conversions	(198,300)
Closing shares	<u>43,522,908</u>

#### Class 2 – Income shares

Opening shares	14,416,041
Shares issued	103,821
Shares redeemed	(302,201)
Net conversions	11,706
Closing shares	<u>14,229,367</u>

#### Class 2 – Gross income shares

Opening shares	5,908,908
Shares issued	7,190,965
Shares redeemed	(8,336,276)
Net conversions	(11,700)
Closing shares	<u>4,751,897</u>

#### Class 2 – Gross accumulation shares

Opening shares	84,732,217
Shares issued	1,075,868
Shares redeemed	(5,647,154)
Net conversions	–
Closing shares	<u>80,160,931</u>

#### Class Z – Income shares

Opening shares	61,057,794
Shares issued	1,040,219
Shares redeemed	(4,494,372)
Net conversions	179,617
Closing shares	<u>57,783,258</u>

#### Class Z – Gross income shares

Opening shares	12,733,590
Shares issued	6,375,893
Shares redeemed	(181,711)
Net conversions	91,636
Closing shares	<u>19,019,408</u>

#### Class Z – Gross accumulation shares

Opening shares	2,070,242
Shares issued	322,615
Shares redeemed	(81,076)
Net conversions	–
Closing shares	<u>2,311,781</u>

## Threadneedle American Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the stock of medium to large companies domiciled in North America or which have significant North American operations. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle American Fund has fallen from 270.71p to 270.26p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.39% as compared to a median return of +1.07% over the same period. (For information the S&P 500 Composite Index returned +2.03% over the same period).

#### Market Overview and Portfolio Activity

The S&P 500 edged upwards over the six months to September 7, rising 5.2% in US dollar terms. From a sector viewpoint over the period, the market was led higher by technology and healthcare. Technology stocks have been propelled by a global synchronised recovery, while expectations for the Trump administration's fiscal

expansion and tax reform plans have waned. Similarly, the Trump administration's failures to deliver on healthcare reform, and the softening of the drug pricing rhetoric, have been the prime catalysts for the sector's outperformance. The laggards over the period were telecoms and energy. Despite falling inflation, the US Federal Reserve raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 and three in 2018. However, stronger-than-expected corporate earnings and dovish commentary from the US Federal Reserve propelled the market to record highs. Macro-economic data was less inspiring but did continue to indicate steady growth overall, but sentiment had been buoyed by better-than-expected US job-creation numbers. Towards the end of the review period equities lost some ground and volatility increased as investors were unsettled by escalating tensions between the US and North Korea.

During the six month period, our activity included switching our utilities exposure from PG&E to Xcel Energy. Our thesis for PG&E played out, and we view Xcel as a high quality firm whose management consistently delivers on its promises. The company also benefits from high earnings visibility, as Minnesota rates have been set for the next four years. Yet despite higher quality, visibility and growth potential, the stock is currently trading in line with regulated peers.

We also opened new positions in PVH and in Royal Caribbean Cruises. One of the few upscale clothing brands maintaining solid growth, PVH derives 51% of its business

from international markets, where it enjoys higher margins and growth that is four times faster than in the US. PVH is reaping the benefits of improved products, marketing and distribution, and looks set to deliver earnings growth in the low teens (on a constant-currency compound annual growth rate) for the next three years. Despite its superior growth profile, PVH trades at a discount to its peers and the broader market, with a forward price-to-earnings (PE) ratio of 15x.

Royal Caribbean Cruises is benefiting from a strong consumer market with growing levels of disposable income. Capacity growth (especially in North America) is at a reasonable level, allowing for revenue yields in the 2% range, which is supportive of low double-digit growth in earnings per share.

We exited our positions in names including Edwards Lifesciences, Huntington Bancshares, Newell Brands and Altria, where we no longer saw a favourable risk/reward profile.

Recent months have seen a number of challenges for the Trump administration, as a result of which the market is now reflecting a high degree of scepticism about the potential pro-growth impact of the Republican agenda. This is reflected in the underperformance of high tax-paying and high buyback stocks of more domestically focused companies. In terms of valuation, the market expects double-digit earnings growth this year and next, driven by a solid domestic economic background and a global synchronised recovery outside of the US.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	9,002	253,105
Revenue	18,469	17,552
Expenses	(12,020)	(10,976)
Interest payable and similar charges	(6)	–
Net revenue before taxation	6,443	6,576
Taxation	(2,553)	(2,329)
Net revenue after taxation	3,890	4,247
<b>Total return before equalisation</b>	<b>12,892</b>	<b>257,352</b>
Equalisation	389	(114)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>13,281</b>	<b>257,238</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	2,282,288	2,114,984
<b>Current assets:</b>		
Debtors	67,271	61,689
Cash and bank balances	19,580	49,254
Total assets	2,369,139	2,225,927
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(9)
<b>Creditors:</b>		
Distribution payable	–	(140)
Other creditors	(53,690)	(59,467)
Total liabilities	(53,690)	(59,616)
<b>Net assets attributable to shareholders</b>	<b>2,315,449</b>	<b>2,166,311</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,166,311</b>	<b>1,819,463</b>
Amounts receivable on the issue of shares	387,594	83,845
Amounts payable on the cancellation of shares	(251,871)	(193,059)
	135,723	(109,214)
Dilution adjustment	134	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	13,281	257,238
<b>Closing net assets attributable to shareholders</b>	<b>2,315,449</b>	<b>1,967,487</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle American Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	270.62	195.74	194.24	270.69	195.75	194.25
Return before operating charges (p)	1.75	78.60	4.62	1.75	78.60	4.62
Operating charges (p)	(2.18)	(3.66)	(3.12)	(2.18)	(3.66)	(3.12)
Return after operating charges (p)*	(0.43)	74.94	1.50	(0.43)	74.94	1.50
Distributions (p)	–	(0.06)	–	–	(0.06)	–
Retained distributions on accumulation shares (p)	–	–	–	–	0.06	–
Closing net asset value per share (p)	270.19	270.62	195.74	270.26	270.69	195.75
*after direct transaction costs of (p)	0.10	0.37	0.52	0.10	0.37	0.52
<b>Performance</b>						
Return after charges (%)	(0.16)	38.29	0.77	(0.16)	38.28	0.77
<b>Other information</b>						
Closing net asset value (£000)	5,189	6,091	4,854	481,165	583,445	530,520
Closing number of shares	1,920,650	2,250,851	2,479,894	178,039,019	215,539,877	271,020,970
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.64	1.63 <sup>†</sup>	1.62	1.64
Direct transaction costs (%)***	0.07	0.16	0.27	0.07	0.16	0.27
<b>Prices</b>						
Highest share price (p)	274.93	271.22	202.21	275.01	271.23	202.21
Lowest share price (p)	254.18	192.15	171.46	254.24	192.15	171.46
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	258.59	196.48	194.51	303.79	218.43	215.49
Return before operating charges (p)	33.32	65.76	5.13	1.99	88.01	5.18
Operating charges (p)	(2.21)	(3.65)	(3.16)	(1.60)	(2.65)	(2.24)
Return after operating charges (p)*	31.11	62.11	1.97	0.39	85.36	2.94
Distributions (p)	–	(0.07)	–	–	(1.53)	(0.87)
Retained distributions on accumulation shares (p)	–	0.07	–	–	1.53	0.87
Closing net asset value per share (p)	289.70	258.59	196.48	304.18	303.79	218.43
*after direct transaction costs of (p)	0.10	0.37	0.53	0.11	0.42	0.58
<b>Performance</b>						
Return after charges (%)	12.03	31.61	1.01	0.13	39.08	1.36
<b>Other information</b>						
Closing net asset value (£000)	4,575	3,157	3,127	1,222,179	1,000,698	940,787
Closing number of shares	1,579,349	1,220,851	1,591,411	401,789,653	329,406,571	430,711,104
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.65	1.06 <sup>†</sup>	1.05	1.06
Direct transaction costs (%)***	0.07	0.16	0.27	0.07	0.16	0.27
<b>Prices</b>						
Highest share price (p)	292.65	258.60	199.93	309.14	304.37	224.46
Lowest share price (p)	245.95	193.21	179.43	285.52	214.42	190.75

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	322.85	229.83	225.37	227.09	164.04	162.57
Return before operating charges (p)	2.15	93.14	4.59	1.48	66.19	3.91
Operating charges (p)	(0.10)	(0.12)	(0.13)	(0.93)	(1.56)	(1.33)
Return after operating charges (p)*	2.05	93.02	4.46	0.55	64.63	2.58
Distributions (p)	–	(4.30)	(3.10)	–	(1.58)	(1.11)
Retained distributions on accumulation shares (p)	–	4.30	3.10	–	–	–
Closing net asset value per share (p)	324.90	322.85	229.83	227.64	227.09	164.04
*after direct transaction costs of (p)	0.12	0.51	0.61	0.08	0.31	0.44
<b>Performance</b>						
Return after charges (%)	0.63	40.47	1.98	0.24	39.40	1.59
<b>Other information</b>						
Closing net asset value (£000)	218,295	159,517	7	20,193	19,865	16,342
Closing number of shares	67,187,555	49,409,227	3,000	8,870,428	8,747,635	9,961,959
Operating charges (%)**	0.06 <sup>†</sup>	0.04	0.06	0.83 <sup>†</sup>	0.82	0.83
Direct transaction costs (%)***	0.07	0.16	0.27	0.07	0.16	0.27
<b>Prices</b>						
Highest share price (p)	330.01	323.42	234.11	231.24	229.09	169.37
Lowest share price (p)	303.80	225.62	199.65	213.49	161.12	144.05

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	233.96	167.84	165.21	144.71	109.07	106.95
Return before operating charges (p)	1.53	67.72	3.98	18.68	36.68	3.00
Operating charges (p)	(0.96)	(1.60)	(1.35)	(0.63)	(1.04)	(0.88)
Return after operating charges (p)*	0.57	66.12	2.63	18.05	35.64	2.12
Distributions (p)	–	(1.62)	(1.06)	–	(1.05)	(0.59)
Retained distributions on accumulation shares (p)	–	1.62	1.06	–	1.05	0.59
Closing net asset value per share (p)	234.53	233.96	167.84	162.76	144.71	109.07
*after direct transaction costs of (p)	0.09	0.32	0.45	0.06	0.21	0.29
<b>Performance</b>						
Return after charges (%)	0.24	39.39	1.59	12.47	32.68	1.98
<b>Other information</b>						
Closing net asset value (£000)	363,353	393,089	323,645	500	449	181
Closing number of shares	154,930,557	168,018,806	192,830,276	307,276	310,276	165,750
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.83	0.83 <sup>†</sup>	0.82	0.83
Direct transaction costs (%)***	0.07	0.16	0.27	0.07	0.16	0.27
<b>Prices</b>						
Highest share price (p)	238.23	234.39	172.12	164.40	144.72	110.79
Lowest share price (p)	219.95	164.76	146.39	137.77	107.26	99.04

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

# Threadneedle American Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Income shares

Opening shares	2,250,851
Shares issued	204,461
Shares redeemed	(505,092)
Net conversions	(29,570)
Closing shares	1,920,650

#### Class 1 – Accumulation shares

Opening shares	215,539,877
Shares issued	2,095,206
Shares redeemed	(39,111,792)
Net conversions	(484,272)
Closing shares	178,039,019

#### Class 1 EUR Hedged – Accumulation shares

Opening shares	1,220,851
Shares issued	514,627
Shares redeemed	(156,129)
Net conversions	–
Closing shares	1,579,349

#### Class 2 – Accumulation shares

Opening shares	329,406,571
Shares issued	100,704,635
Shares redeemed	(28,240,601)
Net conversions	(80,952)
Closing shares	401,789,653

#### Class X – Accumulation shares

Opening shares	49,409,227
Shares issued	25,474,896
Shares redeemed	(7,696,568)
Net conversions	–
Closing shares	67,187,555

#### Class Z – Income shares

Opening shares	8,747,635
Shares issued	746,702
Shares redeemed	(786,146)
Net conversions	162,237
Closing shares	8,870,428

#### Class Z – Accumulation shares

Opening shares	168,018,806
Shares issued	1,291,331
Shares redeemed	(14,920,286)
Net conversions	540,706
Closing shares	154,930,557

#### Class Z EUR Hedged – Accumulation shares

Opening shares	310,276
Shares issued	12,000
Shares redeemed	(15,000)
Net conversions	–
Closing shares	307,276

## Threadneedle American Select Fund

### Investment Report

#### Investment Objective

To achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle American Select Fund has fallen from 284.74p to 281.32p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +2.52% as compared to a median return of +1.07% over the same period. (For information the S&P 500 Composite Index returned +2.03% over the same period, and the NASDAQ Composite Index returned +7.19%).

#### Market Overview and Portfolio Activity

The S&P 500 edged upwards over the six months to September 7, rising 5.2% in US dollar terms. From a sector

viewpoint over the period, the market was led higher by technology and healthcare. Technology stocks have been propelled by a global synchronised recovery, while expectations for the Trump administration's fiscal expansion and tax reform plans have waned. Similarly, the Trump administration's failures to deliver on healthcare reform, and the softening of the drug pricing rhetoric, have been the prime catalysts for the sector's outperformance. The laggards over the period were telecoms and energy. Despite falling inflation, the US Federal Reserve raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 and three in 2018. However, stronger-than-expected corporate earnings and dovish commentary from the US Federal Reserve propelled the market to record highs. Macro-economic data was less inspiring but did continue to indicate steady growth overall, but sentiment had been buoyed by better-than-expected US job-creation numbers. Towards the end of the review period equities lost some ground and volatility increased as investors were unsettled by escalating tensions between the US and North Korea.

During the six month period, we increased our financial exposure by topping up Bank of America and initiating new positions in JP Morgan Chase and PNC Financial Services. We expect the financial sector to deliver strong earnings growth on the back of increased rate expectations. We also switched our utilities exposure from PG&E to Xcel Energy. Our thesis for PG&E played out, and we view Xcel as a high quality firm whose management consistently delivers on its promises. The company also benefits from high earnings visibility, as

Minnesota rates have been set for the next four years. Yet despite higher quality, visibility and growth potential, the stock is currently trading in line with regulated peers.

More recently, we initiated positions in Phillips 66 and in Macom Technology. Phillips 66 is a leading competitor in the refining, marketing and specialties, midstream and chemicals segments. Its business is diversified and we believe it has further upside to be captured. Macom Technology is a small-cap communications chip company. Macom benefits from three significant drivers (optical for data center, carrier base station, radar) which could each have a significant positive impact on the company's financials and stock performance.

We exited our positions in names including Southwest Airlines, Devon Energy, Newell Brands and Leidos, where we no longer saw a favourable risk/reward profile.

Recent months have seen a number of challenges for the Trump administration, as a result of which the market is now reflecting a high degree of scepticism about the potential pro-growth impact of the Republican agenda. This is reflected in the underperformance of high tax-paying and high buyback stocks of more domestically focused companies. In terms of valuation, the market expects double-digit earnings growth this year and next, driven by a solid domestic economic background and a global synchronised recovery outside of the US.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(13,305)	161,624
Revenue	8,552	8,563
Expenses	(7,343)	(6,629)
Net revenue before taxation	1,209	1,934
Taxation	(1,136)	(1,265)
Net revenue after taxation	73	669
<b>Total return before equalisation</b>	<b>(13,232)</b>	<b>162,293</b>
Equalisation	(21)	(71)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(13,253)</b>	<b>162,222</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,131,908	1,228,029
<b>Current assets:</b>		
Debtors	1,517	1,382
Cash and bank balances	46,727	31,013
Total assets	1,180,152	1,260,424
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(13)
<b>Creditors:</b>		
Distribution payable	–	(66)
Other creditors	(7,157)	(6,311)
Total liabilities	(7,157)	(6,390)
<b>Net assets attributable to shareholders</b>	<b>1,172,995</b>	<b>1,254,034</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,254,034</b>	<b>1,024,014</b>
Amounts receivable on the issue of shares	59,390	21,667
Amounts payable on the cancellation of shares	(127,239)	(132,464)
	(67,849)	(110,797)
Dilution adjustment	63	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(13,253)	162,222
<b>Closing net assets attributable to shareholders</b>	<b>1,172,995</b>	<b>1,075,439</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.



## Threadneedle American Select Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	284.56	198.90	198.37	284.72	199.02	198.48
Return before operating charges (p)	(1.14)	89.45	3.75	(1.14)	89.50	3.74
Operating charges (p)	(2.27)	(3.79)	(3.22)	(2.27)	(3.80)	(3.20)
Return after operating charges (p)*	(3.41)	85.66	0.53	(3.41)	85.70	0.54
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	281.15	284.56	198.90	281.31	284.72	199.02
*after direct transaction costs of (p)	0.15	0.27	0.32	0.15	0.27	0.32
<b>Performance</b>						
Return after charges (%)	(1.20)	43.07	0.27	(1.20)	43.06	0.27
<b>Other information</b>						
Closing net asset value (£000)	2,743	2,611	2,147	541,326	612,497	492,941
Closing number of shares	975,563	917,705	1,079,431	192,433,821	215,122,590	247,688,801
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.65	1.63 <sup>†</sup>	1.62	1.64
Direct transaction costs (%)***	0.11	0.11	0.16	0.11	0.11	0.16
<b>Prices</b>						
Highest share price (p)	285.83	285.12	206.38	285.98	285.28	206.50
Lowest share price (p)	265.57	195.14	176.20	265.71	195.25	176.31
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	224.99	165.30	164.25	319.78	222.24	220.35
Return before operating charges (p)	26.38	62.73	3.73	(1.26)	100.30	4.19
Operating charges (p)	(1.90)	(3.04)	(2.68)	(1.66)	(2.76)	(2.30)
Return after operating charges (p)*	24.48	59.69	1.05	(2.92)	97.54	1.89
Distributions (p)	–	–	–	–	(1.00)	(0.92)
Retained distributions on accumulation shares (p)	–	–	–	–	1.00	0.92
Closing net asset value per share (p)	249.47	224.99	165.30	316.86	319.78	222.24
*after direct transaction costs of (p)	0.12	0.22	0.27	0.17	0.30	0.36
<b>Performance</b>						
Return after charges (%)	10.88	36.11	0.64	(0.91)	43.89	0.86
<b>Other information</b>						
Closing net asset value (£000)	1,292	1,098	1,150	264,489	261,488	219,012
Closing number of shares	517,912	487,943	695,947	83,471,512	81,771,761	98,546,546
Operating charges (%)**	1.63 <sup>†</sup>	1.62	1.65	1.06 <sup>†</sup>	1.05	1.06
Direct transaction costs (%)***	0.11	0.11	0.16	0.11	0.11	0.16
<b>Prices</b>						
Highest share price (p)	252.11	225.01	170.84	322.12	320.38	229.39
Lowest share price (p)	212.66	162.45	151.48	298.63	218.05	196.27

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017 <sup>1</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	192.12	140.23	138.43	143.81	100.00	
Return before operating charges (p)	22.62	53.57	3.25	(0.55)	43.86	
Operating charges (p)	(1.06)	(1.68)	(1.45)	(0.04)	(0.05)	
Return after operating charges (p)*	21.56	51.89	1.80	(0.59)	43.81	
Distributions (p)	–	(0.63)	(0.53)	–	(1.60)	
Retained distributions on accumulation shares (p)	–	0.63	0.53	–	1.60	
Closing net asset value per share (p)	213.68	192.12	140.23	143.22	143.81	
*after direct transaction costs of (p)	0.11	0.18	0.23	0.08	0.16	
<b>Performance</b>						
Return after charges (%)	11.22	37.00	1.30	(0.41)	43.81	
<b>Other information</b>						
Closing net asset value (£000)	646	357	254	19,584	18,506	
Closing number of shares	302,098	185,799	180,989	13,673,759	12,867,844	
Operating charges (%)**	1.05 <sup>†</sup>	1.05	1.06	0.06 <sup>†</sup>	0.04 <sup>†</sup>	
Direct transaction costs (%)***	0.11	0.11	0.16	0.11	0.11	
<b>Prices</b>						
Highest share price (p)	215.93	192.14	144.17	145.58	144.07	
Lowest share price (p)	181.71	137.82	128.33	134.46	98.50	
	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	219.41	152.91	152.34	224.39	155.60	153.93
Return before operating charges (p)	(0.86)	69.07	2.89	(0.89)	70.30	2.93
Operating charges (p)	(0.89)	(1.48)	(1.25)	(0.91)	(1.51)	(1.26)
Return after operating charges (p)*	(1.75)	67.59	1.64	(1.80)	68.79	1.67
Distributions (p)	–	(1.09)	(1.07)	–	(1.11)	(1.03)
Retained distributions on accumulation shares (p)	–	–	–	–	1.11	1.03
Closing net asset value per share (p)	217.66	219.41	152.91	222.59	224.39	155.60
*after direct transaction costs of (p)	0.12	0.21	0.25	0.12	0.21	0.25
<b>Performance</b>						
Return after charges (%)	(0.80)	44.20	1.08	(0.80)	44.21	1.08
<b>Other information</b>						
Closing net asset value (£000)	12,512	13,263	11,326	330,277	343,844	297,160
Closing number of shares	5,748,203	6,044,875	7,407,087	148,376,761	153,236,301	190,980,088
Operating charges (%)**	0.83 <sup>†</sup>	0.82	0.83	0.83 <sup>†</sup>	0.82	0.83
Direct transaction costs (%)***	0.11	0.11	0.16	0.11	0.11	0.16
<b>Prices</b>						
Highest share price (p)	221.27	220.92	158.61	226.28	224.81	160.28
Lowest share price (p)	204.96	150.02	135.84	209.61	152.66	137.25

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	141.82	101.75	103.69	178.36	129.99	128.31
Return before operating charges (p)	6.87	41.05	(1.09)	20.96	49.63	2.72
Operating charges (p)	(0.58)	(0.98)	(0.85)	(0.77)	(1.26)	(1.04)
Return after operating charges (p)*	6.29	40.07	(1.94)	20.19	48.37	1.68
Distributions (p)	–	(0.74)	(0.63)	–	(0.92)	(0.89)
Retained distributions on accumulation shares (p)	–	0.74	0.63	–	0.92	0.89
Closing net asset value per share (p)	148.11	141.82	101.75	198.55	178.36	129.99
*after direct transaction costs of (p)	0.08	0.14	0.17	0.10	0.18	0.21
<b>Performance</b>						
Return after charges (%)	4.44	39.38	(1.87)	11.32	37.21	1.31
<b>Other information</b>						
Closing net asset value (£000)	15	14	10	6	5	4
Closing number of shares	10,000	10,000	10,000	3,001	3,001	3,001
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.83	0.83 <sup>†</sup>	0.82	0.82
Direct transaction costs (%)***	0.11	0.11	0.16	0.11	0.11	0.16
<b>Prices</b>						
Highest share price (p)	149.82	142.45	110.44	200.63	178.37	133.68
Lowest share price (p)	134.62	99.70	92.68	168.74	127.75	119.00
	Class Z GBP Hedged – Accumulation shares					
	07/09/2017	07/03/2017	07/03/2016			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.09	99.75	105.72			
Return before operating charges (p)	7.86	24.30	(5.14)			
Operating charges (p)	(0.53)	(0.96)	(0.83)			
Return after operating charges (p)*	7.33	23.34	(5.97)			
Distributions (p)	–	(0.67)	(0.64)			
Retained distributions on accumulation shares (p)	–	0.67	0.64			
Closing net asset value per share (p)	130.42	123.09	99.75			
*after direct transaction costs of (p)	0.07	0.13	0.17			
<b>Performance</b>						
Return after charges (%)	5.95	23.40	(5.65)			
<b>Other information</b>						
Closing net asset value (£000)	105	351	10			
Closing number of shares	80,689	285,143	10,000			
Operating charges (%)**	0.84 <sup>†</sup>	0.83	0.81			
Direct transaction costs (%)***	0.11	0.11	0.16			
<b>Prices</b>						
Highest share price (p)	131.22	124.29	109.61			
Lowest share price (p)	119.91	98.33	89.97			

\*\*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>Class X – Accumulation shares commenced 16 March 2016.

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

# Threadneedle American Select Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	917,705
Shares issued	122,177
Shares redeemed	(64,319)
Net conversions	–
Closing shares	975,563
<b>Class 1 – Accumulation shares</b>	
Opening shares	215,122,590
Shares issued	677,556
Shares redeemed	(22,873,917)
Net conversions	(492,408)
Closing shares	192,433,821
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	487,943
Shares issued	139,747
Shares redeemed	(109,778)
Net conversions	–
Closing shares	517,912
<b>Class 2 – Accumulation shares</b>	
Opening shares	81,771,761
Shares issued	17,545,717
Shares redeemed	(10,709,614)
Net conversions	(5,136,352)
Closing shares	83,471,512
<b>Class 2 EUR Hedged – Accumulation shares</b>	
Opening shares	185,799
Shares issued	125,925
Shares redeemed	(9,626)
Net conversions	–
Closing shares	302,098
<b>Class X – Accumulation shares</b>	
Opening shares	12,867,844
Shares issued	819,566
Shares redeemed	(13,651)
Net conversions	–
Closing shares	13,673,759
<b>Class Z – Income shares</b>	
Opening shares	6,044,875
Shares issued	92,049
Shares redeemed	(403,937)
Net conversions	15,216
Closing shares	5,748,203

#### Class Z – Accumulation shares

Opening shares	153,236,301
Shares issued	116,099
Shares redeemed	(12,898,639)
Net conversions	7,923,000
Closing shares	148,376,761

#### Class Z CHF Hedged – Accumulation shares

Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

#### Class Z EUR Hedged – Accumulation shares

Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001

#### Class Z GBP Hedged – Accumulation shares

Opening shares	285,143
Shares issued	9,533
Shares redeemed	(213,987)
Net conversions	–
Closing shares	80,689

## Threadneedle American Smaller Companies Fund (US)

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of smaller companies that are domiciled in the US or have significant US operations. If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities (including fixed interest securities, other equities and money market securities). For liquidity purposes it may invest in cash and near cash.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle American Smaller Companies Fund (US) has fallen from 318.08p to 300.04p. Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is -2.78% as compared to a median return of -2.39% over the same period. (For information the S&P 400 Mid Cap Index returned -2.56% over the same period).

#### Market Overview and Portfolio Activity

The S&P 500 edged upwards over the six months to September 7, rising 5.2% in US dollar terms. From a sector viewpoint over the period, the market was led higher by technology and healthcare. Technology stocks have been propelled by a global synchronised recovery,

while expectations for the Trump administration's fiscal expansion and tax reform plans have waned. Similarly, the Trump administration's failures to deliver on healthcare reform, and the softening of the drug pricing rhetoric, have been the prime catalysts for the sector's outperformance. The laggards over the period were telecoms and energy. Despite falling inflation, the US Federal Reserve raised interest rates by 25 basis points in June, maintaining its forecast for another hike in 2017 and three in 2018. However, stronger-than-expected corporate earnings and dovish commentary from the US Federal Reserve propelled the market to record highs. Macro-economic data was less inspiring but did continue to indicate steady growth overall, but sentiment had been buoyed by better-than-expected US job-creation numbers. Towards the end of the review period equities lost some ground and volatility increased as investors were unsettled by escalating tensions between the US and North Korea.

During the six month period, new positions included Bank of the Ozarks, Westar Energy and Wabco. For Bank of the Ozarks, the heavy concentration of its loan business in commercial real estate (currently 66% of loans) has weighed on the company's shares. But the bank is sustaining healthy credit and operating metrics, and growth levels above those of its competitors, and we believe it is heading towards a re-rating. With Westar, we added a position on share price weakness after the company's proposed merger with Great Plains Energy was blocked by the Kansas regulator. The business benefits from better earnings growth potential than its peers. Wabco is benefiting from secular growth

in safety and fuel efficiencies, driven by a combination of regulations and fleet demand for productivity-improving technologies. Cyclically, the company should see demand growth from the gradual recovery in vehicle markets in both Western Europe and North American Free Trade Agreement. Over the longer term, the company has exposure to the growth in autonomous trucking.

More recently, we initiated new positions in Masonite International and ELF Beauty. For Masonite, the company operates in a duopoly, with solid pricing dynamics and improving volumes. We initiated a position in the stock following price weakness from second-quarter margin pressures, which we believe are transitory. ELF Beauty is an emerging mass market cosmetics company gaining shelf space. We initiated a new position in the stock after seeing price weakness driven by temporary weakness in the company's profitability.

During this period we exited stocks including PacWest Bancorp, Graco and Louisiana-Pacific. We also sold Panera Bread following its proposed takeover bid.

Recent months have seen a number of challenges for the Trump administration, as a result of which the market is now reflecting a high degree of scepticism about the potential pro-growth impact of the Republican agenda. This is reflected in the underperformance of high tax-paying and high buyback stocks of more domestically focused companies. In terms of valuation, the market expects double-digit earnings growth this year and next, driven by a solid domestic economic background and a global synchronised recovery outside of the US.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(47,713)	119,447
Revenue	5,052	4,120
Expenses	(4,778)	(3,575)
Net revenue before taxation	274	545
Taxation	(641)	(617)
Net expense after taxation	(367)	(72)
<b>Total return before equalisation</b>	<b>(48,080)</b>	<b>119,375</b>
Equalisation	(93)	19
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(48,173)</b>	<b>119,394</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	724,096	916,731
<b>Current assets:</b>		
Debtors	7,504	17,394
Cash and bank balances	3,523	19,563
<b>Total assets</b>	<b>735,123</b>	<b>953,688</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(23)
Other creditors	(4,094)	(16,750)
<b>Total liabilities</b>	<b>(4,094)</b>	<b>(16,773)</b>
<b>Net assets attributable to shareholders</b>	<b>731,029</b>	<b>936,915</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>936,915</b>	<b>540,116</b>
Amounts receivable on the issue of shares	60,245	62,063
Amounts payable on the cancellation of shares	(218,161)	(53,033)
	(157,916)	9,030
Dilution adjustment	203	30
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(48,173)	119,394
<b>Closing net assets attributable to shareholders</b>	<b>731,029</b>	<b>668,570</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	317.83	215.26	227.27	317.96	215.35	225.85
Return before operating charges (p)	(15.40)	106.98	(8.32)	(15.40)	106.99	(6.82)
Operating charges (p)	(2.56)	(4.41)	(3.69)	(2.57)	(4.38)	(3.68)
Return after operating charges (p)*	(17.96)	102.57	(12.01)	(17.97)	102.61	(10.50)
Distributions (p)	–	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	299.87	317.83	215.26	299.99	317.96	215.35
*after direct transaction costs of (p)	0.24	0.45	0.31	0.24	0.44	0.31
<b>Performance</b>						
Return after charges (%)	(5.65)	47.65	(5.28)	(5.65)	47.65	(4.65)
<b>Other information</b>						
Closing net asset value (£000)	18,267	20,563	12,018	217,216	243,762	170,238
Closing number of shares	6,091,629	6,469,878	5,582,910	72,407,354	76,663,936	79,052,373
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.16	0.17	0.14	0.16	0.17	0.14
<b>Prices</b>						
Highest share price (p)	317.99	320.44	241.52	318.12	320.58	241.61
Lowest share price (p)	296.37	211.79	187.22	296.49	211.87	187.29

	Class 2 – Accumulation shares			Class X – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	357.93	240.94	251.29	293.18	195.43	201.85
Return before operating charges (p)	(17.34)	120.12	(7.74)	(14.28)	97.87	(6.30)
Operating charges (p)	(1.84)	(3.13)	(2.61)	(0.07)	(0.12)	(0.12)
Return after operating charges (p)*	(19.18)	116.99	(10.35)	(14.35)	97.75	(6.42)
Distributions (p)	–	(0.07)	–	–	(2.46)	(1.88)
Retained distributions on accumulation shares (p)	–	0.07	–	–	2.46	1.88
Closing net asset value per share (p)	338.75	357.93	240.94	278.83	293.18	195.43
*after direct transaction costs of (p)	0.27	0.50	0.35	0.22	0.39	0.28
<b>Performance</b>						
Return after charges (%)	(5.36)	48.56	(4.12)	(4.89)	50.02	(3.18)
<b>Other information</b>						
Closing net asset value (£000)	250,090	329,206	209,416	8	9	6,807
Closing number of shares	73,826,971	91,974,566	86,917,770	3,000	3,000	3,483,000
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.05 <sup>†</sup>	0.05	0.06
Direct transaction costs (%)***	0.16	0.17	0.14	0.16	0.17	0.14
<b>Prices</b>						
Highest share price (p)	358.16	360.84	268.83	293.48	295.52	216.15
Lowest share price (p)	334.17	237.06	209.46	274.23	192.29	169.83

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	190.56	128.26	133.72	250.28	168.18	175.10
Return before operating charges (p)	(9.24)	64.01	(4.14)	(12.13)	83.94	(5.42)
Operating charges (p)	(0.81)	(1.40)	(1.14)	(1.07)	(1.84)	(1.50)
Return after operating charges (p)*	(10.05)	62.61	(5.28)	(13.20)	82.10	(6.92)
Distributions (p)	–	(0.31)	(0.18)	–	(0.41)	(0.26)
Retained distributions on accumulation shares (p)	–	–	–	–	0.41	0.26
Closing net asset value per share (p)	180.51	190.56	128.26	237.08	250.28	168.18
*after direct transaction costs of (p)	0.15	0.27	0.18	0.19	0.35	0.24
<b>Performance</b>						
Return after charges (%)	(5.27)	48.81	(3.95)	(5.27)	48.82	(3.95)
<b>Other information</b>						
Closing net asset value (£000)	15,041	13,834	6,515	230,407	329,541	135,122
Closing number of shares	8,332,997	7,259,494	5,080,103	97,185,524	131,668,272	80,343,853
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.16	0.17	0.14	0.16	0.17	0.14
<b>Prices</b>						
Highest share price (p)	190.68	192.42	143.08	250.45	252.31	187.35
Lowest share price (p)	177.97	126.34	111.64	233.75	165.47	146.19

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

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

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

## Threadneedle American Smaller Companies Fund (US)

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2017

##### Class 1 – Income shares

Opening shares	6,469,878
Shares issued	519,950
Shares redeemed	(898,199)
Net conversions	–
Closing shares	<u>6,091,629</u>

##### Class 1 – Accumulation shares

Opening shares	76,663,936
Shares issued	3,623,712
Shares redeemed	(7,276,124)
Net conversions	(604,170)
Closing shares	<u>72,407,354</u>

##### Class 2 – Accumulation shares

Opening shares	91,974,566
Shares issued	7,203,884
Shares redeemed	(25,347,466)
Net conversions	(4,013)
Closing shares	<u>73,826,971</u>

##### Class X – Accumulation shares

Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

##### Class Z – Income shares

Opening shares	7,259,494
Shares issued	1,622,560
Shares redeemed	(577,481)
Net conversions	28,424
Closing shares	<u>8,332,997</u>

##### Class Z – Accumulation shares

Opening shares	131,668,272
Shares issued	8,112,752
Shares redeemed	(43,345,606)
Net conversions	750,106
Closing shares	<u>97,185,524</u>



## Threadneedle Dollar Bond Fund

### Investment Report

#### Investment Objective

To achieve total return primarily by way of income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in US Government Securities denominated in Dollar and Dollar denominated securities issued by Governments, Government Agencies, Corporations and Supranational Borrowers.

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

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Dollar Bond Fund has fallen from 66.08p to 62.60p.

The sterling total return on the fund for the six months ending 31 August 2017, including gross reinvested income, is -0.58% gross of tax and charges\*\*. (For information the

50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master Index gave a total return of -0.54% in sterling terms for the same period).

#### Market Overview and Portfolio Activity

US Treasury bonds rallied during the six months to 7 September 2017. Treasury yields drifted lower as the US Republican administration failed to make substantive progress on its promised reforms. The administration deferred its attempt to reform US healthcare. This raised further questions over the administration's ability to implement tax reform and its capacity to raise economic growth from the current level of 2% to its target of 3-4% per annum. Without fiscal reform to offset some of the impact from the US Federal Reserve's path to interest-rate normalisation, US Treasury bonds erased some of the weakness observed after Donald Trump's election. At the start of the reporting period, yields on 10-year US Treasury bonds stood at around 2.5%. For the next six months, Treasury yields mostly drifted lower, falling towards 2.0% by early September. The lower yields were also due to growing concerns around North Korean missile tests and the potential damage wrought by Hurricanes Harvey and Irma in the US.

US dollar-denominated corporate bond spreads remained broadly stable, at around 1.20%. Meaningful spread

compression was observed in financial issuers, and the financial sector's outperformance reflects many of the following considerations: rising expectations of higher US interest rates; strengthening signs of bank and corporate profitability; the removal of eurosceptic tail risks from European elections; and efforts by the European Central Bank to recapitalise the weakest Italian and Spanish banks. Another sector to perform particularly well was basic materials, as bond spreads benefited from the sector's continued deleveraging efforts and from rising base metal prices. Steady and persistent inflows into the asset class also continued to provide a supportive technical backdrop for the investment-grade corporate bond market.

During the period, the Dollar Bond Fund continued to add to defensive sectors, most notably to the utilities and consumer goods sectors. The fund added new positions in Hong Kong Electric, State Grid Corporate of China and E.ON, and added to issuers such as SGSP Australia and Centrica. The fund trimmed exposure to the banking sector, noting the sector's outperformance and signs of rising dividend payout ratios. The fund sold out of Wells Fargo and Lloyds.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(5,439)	9,088
Revenue	1,316	1,038
Expenses	(589)	(453)
Interest payable and similar charges	(137)	(150)
Net revenue before taxation	590	435
Taxation	–	–
Net revenue after taxation	590	435
<b>Total return before distributions</b>	<b>(4,849)</b>	<b>9,523</b>
Distributions	(1,083)	(812)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(5,932)</b>	<b>8,711</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	121,972	75,977
<b>Current assets:</b>		
Debtors	1,164	1,744
Cash and bank balances	9,371	8,666
<b>Total assets</b>	<b>132,507</b>	<b>86,387</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(87)	(6)
<b>Creditors:</b>		
Distribution payable	(1,263)	(749)
Other creditors	(898)	(1,195)
<b>Total liabilities</b>	<b>(2,248)</b>	<b>(1,950)</b>
<b>Net assets attributable to shareholders</b>	<b>130,259</b>	<b>84,437</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>84,437</b>	<b>62,842</b>
Amounts receivable on the issue of shares	60,578	42,396
Amounts payable on the cancellation of shares	(9,004)	(34,052)
	51,574	8,344
Dilution adjustment	65	93
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(5,932)	8,711
Retained distribution on accumulation shares	115	156
<b>Closing net assets attributable to shareholders</b>	<b>130,259</b>	<b>80,146</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.6801	–	0.6801	0.4822
<b>Group 2</b>				
08/03/17 to 07/09/17	0.2833	0.3968	0.6801	0.4822
<b>Total distributions in the period</b>			<b>0.6801</b>	<b>0.4822</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.4670	–	1.4670	1.2738
<b>Group 2</b>				
08/03/17 to 07/09/17	0.6417	0.8253	1.4670	1.2738
<b>Total distributions in the period</b>			<b>1.4670</b>	<b>1.2738</b>

## Threadneedle Dollar Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.3149	–	1.3149	0.9286
<b>Group 2</b>				
08/03/17 to 07/09/17	0.6168	0.6981	1.3149	0.9286
<b>Total distributions in the period</b>			<b>1.3149</b>	<b>0.9286</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.5457	–	1.5457	1.3362
<b>Group 2</b>				
08/03/17 to 07/09/17	0.4170	1.1287	1.5457	1.3362
<b>Total distributions in the period</b>			<b>1.5457</b>	<b>1.3362</b>

Group 2: shares purchased during a distribution period.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>4</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	65.29	55.74	54.15	140.84	117.79	112.05
Return before operating charges (p)	(2.37)	11.60	3.39	(5.14)	24.62	7.08
Operating charges (p)	(0.38)	(0.74)	(0.65)	(0.81)	(1.57)	(1.34)
Return after operating charges (p)*	(2.75)	10.86	2.74	(5.95)	23.05	5.74
Distributions (p)	(0.68)	(1.31)	(1.15)	(1.47)	(2.78)	(2.39)
Retained distributions on accumulation shares (p)	–	–	–	1.47	2.78	2.39
Closing net asset value per share (p)	61.86	65.29	55.74	134.89	140.84	117.79
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(4.21)	19.48	5.06	(4.22)	19.57	5.12
<b>Other information</b>						
Closing net asset value (£000)	112,859	61,987	46,054	9,303	14,327	10,222
Closing number of shares	182,451,789	94,935,460	82,630,475	6,896,198	10,172,145	8,678,305
Operating charges (%)**	1.19 <sup>†</sup>	1.19	1.21	1.19 <sup>†</sup>	1.19	1.21
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	65.45	67.07	57.42	141.18	143.22	120.31
Lowest share price (p)	61.51	54.99	50.97	132.69	116.35	105.58

	Class Z – Income shares			Class Z – Gross accumulation shares <sup>4</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.75	105.11	101.61	145.47	121.00	114.44
Return before operating charges (p)	(4.52)	21.92	6.37	(5.32)	25.37	7.32
Operating charges (p)	(0.39)	(0.76)	(0.67)	(0.45)	(0.90)	(0.76)
Return after operating charges (p)*	(4.91)	21.16	5.70	(5.77)	24.47	6.56
Distributions (p)	(1.31)	(2.52)	(2.20)	(1.55)	(2.92)	(2.50)
Retained distributions on accumulation shares (p)	–	–	–	1.55	2.92	2.50
Closing net asset value per share (p)	117.53	123.75	105.11	139.70	145.47	121.00
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(3.97)	20.13	5.61	(3.97)	20.22	5.73
<b>Other information</b>						
Closing net asset value (£000)	6,812	7,098	6,163	1,285	1,025	403
Closing number of shares	5,795,484	5,736,167	5,863,026	920,054	704,940	333,386
Operating charges (%)**	0.65 <sup>†</sup>	0.65	0.67	0.64 <sup>†</sup>	0.65	0.67
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	124.05	126.90	108.29	145.82	147.64	123.58
Lowest share price (p)	116.84	103.86	95.77	137.34	119.72	108.04

\*\*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>4</sup>Only available to eligible investors.

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

## Threadneedle Dollar Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2017

##### Class 1 – Income shares

Opening shares	94,935,460
Shares issued	89,007,888
Shares redeemed	(1,386,639)
Net conversions	(104,920)
Closing shares	182,451,789

##### Class 1 – Gross accumulation shares

Opening shares	10,172,145
Shares issued	1,191,511
Shares redeemed	(4,467,458)
Net conversions	–
Closing shares	6,896,198

##### Class Z – Income shares

Opening shares	5,736,167
Shares issued	1,226,026
Shares redeemed	(1,221,952)
Net conversions	55,243
Closing shares	5,795,484

##### Class Z – Gross accumulation shares

Opening shares	704,940
Shares issued	630,641
Shares redeemed	(415,527)
Net conversions	–
Closing shares	920,054

## Threadneedle Japan Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equities of companies domiciled in Japan or with significant Japanese operations.

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

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Japan Fund has risen from 56.04p to 57.75p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +7.07% as compared to a median return of +4.06% over the same period. (For information the TOPIX Index returned +4.59% over the same period).

#### Market Overview and Portfolio Activity

The Japanese TOPIX index performed strongly in the six months to 7 September, rising 4.3% (including reinvested income) in local currency terms. Returns

for UK-based investors were slightly weaker, with the market rising 2.4%, as sterling appreciated against the yen over the period.

Early on in the period, the market weakened. Prime Minister Abe's popularity declined in the wake of the Moritomo Gakuen scandal, in which he was accused of approving a land deal at prices benefiting the nationalistic primary-school operator. Following a damning testimony by the company's head, Yasunori Kagoike, the market sold off on apprehension that Abe may be pressed to resign. However, from mid-April, concerns over the scandal eased as Prime Minister Shinzo Abe's popularity ratings recovered. For the remainder of the reporting period, Japanese equities maintained momentum, helped by strong growth overseas. Domestically, unemployment levels hit their lowest rates since the 1990s, while the jobs-per-applicant ratio is at the highest level since the 1970s.

We continued to focus on investing in companies that we believe have strong long-term prospects. We bought Mitsui Chemicals, which makes value-added products for a variety of end markets, including specialty plastics for the automotive industry.

Within IT, we sold Lasertec. We continue to like the company's business strategy but we felt better investment opportunities existed elsewhere following strong stock price appreciation. We bought a position in Disco, a company that supplies equipment and

consumables used in the production of semiconductors. We initiated a new position in Tokyo Electron, which has very high market share for certain applications needed during the production of 3D NAND memory. We also started a position in Elecom, which makes a variety of computer accessories. We felt the company was undervalued given its dominant domestic market share, strong cash flow generation and its management track record.

Within the materials sector, we sold our position in industrial gas company Taiyo Nippon Sanso. We have some concerns over the domestic pricing environment and the time needed for synergies to appear in the US business following recent acquisitions.

Japanese equities remain sensitive to the global economic environment. Domestically, there are no signs of notable inflation. However, we believe labour shortages will catalyse increases in productivity, particularly within the non-manufacturing sector, and expect this to lead to rising profitability. The increasing global demand for data-driven applications is driving pent-up demand for hardware technology, and we remain constructive on the Japanese tech sector. Our view of the Japanese market remains positive. Overall global growth is expected to remain firm in 2017, supporting Japanese exporters.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	20,421	59,871
Revenue	4,607	4,320
Expenses	(2,133)	(2,261)
Interest payable and similar charges	(1)	(1)
Net revenue before taxation	2,473	2,058
Taxation	(474)	(401)
Net revenue after taxation	1,999	1,657
<b>Total return before equalisation</b>	<b>22,420</b>	<b>61,528</b>
Equalisation	366	(58)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>22,786</b>	<b>61,470</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	601,777	446,089
<b>Current assets:</b>		
Debtors	1,674	771
Cash and bank balances	7,656	3,538
<b>Total assets</b>	<b>611,107</b>	<b>450,398</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1)	–
<b>Creditors:</b>		
Distribution payable	–	(13)
Other creditors	(519)	(1,005)
<b>Total liabilities</b>	<b>(520)</b>	<b>(1,018)</b>
<b>Net assets attributable to shareholders</b>	<b>610,587</b>	<b>449,380</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>449,380</b>	<b>411,664</b>
Amounts receivable on the issue of shares	111,436	180,943
Amounts payable on the cancellation of shares	(30,177)	(236,188)
Amounts receivable on inspecie transfers	57,103	–
	138,362	(55,245)
Dilution adjustment	59	602
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	22,786	61,470
<b>Closing net assets attributable to shareholders</b>	<b>610,587</b>	<b>418,491</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle Japan Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	55.99	42.74	43.04	62.98	47.78	47.82
Return before operating charges (p)	2.20	14.05	0.42	2.48	15.78	0.47
Operating charges (p)	(0.47)	(0.80)	(0.72)	(0.34)	(0.58)	(0.51)
Return after operating charges (p)*	1.73	13.25	(0.30)	2.14	15.20	(0.04)
Distributions (p)	–	–	–	–	(0.33)	(0.20)
Retained distributions on accumulation shares (p)	–	–	–	–	0.33	0.20
Closing net asset value per share (p)	57.72	55.99	42.74	65.12	62.98	47.78
*after direct transaction costs of (p)	0.04	0.07	0.05	0.04	0.08	0.06
<b>Performance</b>						
Return after charges (%)	3.09	31.00	(0.70)	3.40	31.81	(0.08)
<b>Other information</b>						
Closing net asset value (£000)	116,944	110,080	144,703	219,635	198,352	220,627
Closing number of shares	202,620,496	196,607,021	338,603,560	337,250,496	314,932,533	461,768,472
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.13	0.15	0.15	0.13	0.15	0.15
<b>Prices</b>						
Highest share price (p)	58.83	56.04	46.86	66.36	63.04	52.10
Lowest share price (p)	52.59	41.10	36.70	59.20	46.00	41.01

	Class L – Accumulation shares		Class X – Income shares		
	07/09/2017 <sup>†</sup>		07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	222.96		147.62	112.43	112.70
Return before operating charges (p)	14.63		5.83	37.35	1.06
Operating charges (p)	(0.29)		(0.04)	(0.08)	(0.07)
Return after operating charges (p)*	14.34		5.79	37.27	0.99
Distributions (p)	–		–	(2.08)	(1.26)
Retained distributions on accumulation shares (p)	–		–	–	–
Closing net asset value per share (p)	237.30		153.41	147.62	112.43
*after direct transaction costs of (p)	0.10		0.10	0.20	0.14
<b>Performance</b>					
Return after charges (%)	6.43		3.92	33.15	0.88
<b>Other information</b>					
Closing net asset value (£000)	7		890	905	159
Closing number of shares	3,001		580,323	612,799	141,723
Operating charges (%)**	0.59 <sup>†</sup>		0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)***	0.13		0.13	0.15	0.15
<b>Prices</b>					
Highest share price (p)	241.78		156.27	149.82	122.75
Lowest share price (p)	220.30		138.91	108.41	97.52

## Threadneedle Japan Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016 <sup>2</sup>	07/09/2017 <sup>3</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	131.71	98.93	100.00	226.05
Return before operating charges (p)	5.21	32.85	(1.03)	15.00
Operating charges (p)	(0.04)	(0.07)	(0.04)	(0.03)
Return after operating charges (p)*	5.17	32.78	(1.07)	14.97
Distributions (p)	–	(1.83)	(0.23)	–
Retained distributions on accumulation shares (p)	–	1.83	0.23	–
Closing net asset value per share (p)	136.88	131.71	98.93	241.02
*after direct transaction costs of (p)	0.09	0.18	0.09	0.10
<b>Performance</b>				
Return after charges (%)	3.93	33.13	(1.07)	6.62
<b>Other information</b>				
Closing net asset value (£000)	179,372	138,403	43,853	91,955
Closing number of shares	131,044,729	105,080,656	44,329,577	38,152,469
Operating charges (%)**	0.06 <sup>1</sup>	0.06	0.06 <sup>1</sup>	0.06 <sup>1</sup>
Direct transaction costs (%)***	0.13	0.15	0.15	0.13
<b>Prices</b>				
Highest share price (p)	139.43	131.82	103.06	245.51
Lowest share price (p)	123.94	95.38	84.86	223.38

	Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	191.68	145.16	145.03
Return before operating charges (p)	7.54	47.96	1.41
Operating charges (p)	(0.85)	(1.44)	(1.28)
Return after operating charges (p)*	6.69	46.52	0.13
Distributions (p)	–	(1.30)	(0.80)
Retained distributions on accumulation shares (p)	–	1.30	0.80
Closing net asset value per share (p)	198.37	191.68	145.16
*after direct transaction costs of (p)	0.12	0.24	0.18
<b>Performance</b>			
Return after charges (%)	3.49	32.05	0.09
<b>Other information</b>			
Closing net asset value (£000)	1,784	1,640	2,322
Closing number of shares	899,485	855,446	1,599,708
Operating charges (%)**	0.88 <sup>1</sup>	0.88	0.88
Direct transaction costs (%)***	0.13	0.15	0.15
<b>Prices</b>			
Highest share price (p)	202.14	191.85	158.03
Lowest share price (p)	180.19	139.78	124.58

\*\*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>Class L – Accumulation shares commenced 12 May 2017.

<sup>2</sup>Class X – Accumulation shares commenced 10 June 2015.

<sup>3</sup>Class X2 – Accumulation shares commenced 12 May 2017.

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

# Threadneedle Japan Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Accumulation shares

Opening shares	196,607,021
Shares issued	22,130,772
Shares redeemed	(16,092,007)
Net conversions	(25,290)
Closing shares	202,620,496

#### Class 2 – Accumulation shares

Opening shares	314,932,533
Shares issued	40,367,215
Shares redeemed	(18,049,252)
Net conversions	–
Closing shares	337,250,496

#### Class L – Accumulation shares\*

Opening shares	–
Shares issued	3,143
Shares redeemed	(142)
Net conversions	–
Closing shares	3,001

#### Class X – Income shares

Opening shares	612,799
Shares issued	–
Shares redeemed	(32,476)
Net conversions	–
Closing shares	580,323

#### Class X – Accumulation shares

Opening shares	105,080,656
Shares issued	30,777,625
Shares redeemed	(4,813,552)
Net conversions	–
Closing shares	131,044,729

#### Class X2 – Accumulation shares\*

Opening shares	–
Shares issued	39,484,119
Shares redeemed	(1,331,650)
Net conversions	–
Closing shares	38,152,469

#### Class Z – Accumulation shares

Opening shares	855,446
Shares issued	116,725
Shares redeemed	(80,049)
Net conversions	7,363
Closing shares	899,485

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



## Threadneedle Asia Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the equity of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. It may further invest in other securities including fixed interest securities, other equities and money market securities.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Asia Fund has risen from 192.42p to 215.18p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +16.16% as compared to a median return of +12.10% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned +12.52% over the same period).

#### Market Overview and Portfolio Activity

Over the six months to 7 September Asian markets continued to outperform developed markets.

Expectations for earnings-per-share (EPS) growth in Asia have risen significantly since the start of the year, and the improvement has been broad based in terms of both countries and sectors. In addition, persistently low inflation data and the failure to pass reforms have raised questions over the pace of future US Federal Reserve (Fed) rate hikes. The resultant dollar weakness has improved the outlook for riskier assets. Furthermore, the rally in commodities proved supportive to commodity exporters within the Asian region.

China continued its strong run off the back of robust second quarter earnings, positive economic releases and GDP growth in the second quarter of 6.9% year-on-year, beating market estimates. The Korean market has been able to shrug off geopolitical tensions on the peninsula, assisted by strong EPS growth estimates and supported by the potential passage of chaebol reforms which are expected to provide future tailwinds. Taiwan also performed well, with its large weighting in the technology sector driving the index; Apple supply-chain names were the key outperformers. Finally, Indian equities reached near all-time highs during the period, shrugging off concerns over the implementation of the goods and services tax (GST) bill: questions arose over how the tax can be effectively instituted across the country's 29 states and how long this will take. The Reserve Bank of India introduced a 25 basis-point (bp) rate cut, reiterated its neutral stance and remained relatively cautious on the inflation outlook.

In terms of trading activity, the fund raised its exposure to the Chinese banking sector through the purchase of a new position in China Merchants Bank, following the release of better-than-expected preliminary interim results. In Korea, the fund switched its exposure from Shinhan Financial into a new position in KB Financial as the latter is benefiting from growth in both its net- and non-interest income following the consolidation of two non-bank subsidiaries. Additionally, following a positive meeting with management, the fund started a position in E-Mart. The company offers an attractive turnaround story, and benefits from the improving Korean consumer segment. The fund invested in a number of new names in India, reflecting management's view of an improved outlook for the Indian economy. These included Mahindra & Mahindra, Adani Ports, Godrej Consumer Products, and Zee Entertainment, all of which stand to benefit from the improving economic climate.

To fund this activity the fund sold out of its position in Commonwealth Bank of Australia, where a governance crisis is

causing its premium rating to contract. The fund also reduced its exposure to the materials and energy sectors through the sale of holdings in Lotte Chemical in Korea and Formosa Plastics in Taiwan. In China, the fund sold out of China Mobile, over free cashflow concerns, following the release of a white paper on 5G capex by the Ministry of Industry and IT (MIIT) in China.

Corporate earnings growth in Asia has picked up and is broad based, with a marked improvement in the cyclical sectors, and is now outpacing companies' developed market counterparts. Growth is accelerating on the back of resilient domestic demand and a recovery in global trade. Inflation remains benign, helped by relative currency strength and weaker oil prices; we expect accommodative fiscal and monetary policy to remain supportive. Structural rebalancing is ongoing in emerging Asian markets and the service sector is of growing importance as a driver of economic growth.

Current economic momentum in China has surpassed expectations but it will be important to monitor the scale of policy tightening and its impact on the economy over the coming months.

Many external risks identified at the start of the year have diminished. Concerns that US rates could surprise on the upside eased after the Fed's meeting in March, and capital outflows from China have stabilised. However, we continue to monitor the Fed's stance on interest rates given the potential impact of a stronger dollar on capital flows and broader financial conditions. Geopolitical risk is another important consideration, given recent developments in North Korea.

Asian markets are trading at undemanding valuations, compared to absolute, relative and historic levels, with further support coming from a benign capex environment, which is leading to cashflow improvements. This creates a strong case for investment into the asset class using our active approach.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	59,483	94,645
Revenue	9,388	9,055
Expenses	(2,991)	(2,983)
Interest payable and similar charges	(4)	–
Net revenue before taxation	6,393	6,072
Taxation	(1,073)	667
Net revenue after taxation	5,320	6,739
<b>Total return before equalisation</b>	<b>64,803</b>	<b>101,384</b>
Equalisation	335	(94)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>65,138</b>	<b>101,290</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	618,116	548,982
<b>Current assets:</b>		
Debtors	11,141	6,150
Cash and bank balances	5,632	5,426
<b>Total assets</b>	<b>634,889</b>	<b>560,558</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(1)
<b>Creditors:</b>		
Other creditors	(3,891)	(3,510)
<b>Total liabilities</b>	<b>(3,891)</b>	<b>(3,511)</b>
<b>Net assets attributable to shareholders</b>	<b>630,998</b>	<b>557,047</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>557,047</b>	<b>447,531</b>
Amounts receivable on the issue of shares	88,448	16,598
Amounts payable on the cancellation of shares	(128,832)	(44,393)
Amounts receivable on inspecie transfers	48,677	–
	8,293	(27,795)
Dilution adjustment	520	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	65,138	101,290
<b>Closing net assets attributable to shareholders</b>	<b>630,998</b>	<b>521,026</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle Asia Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	192.05	141.62	157.09	213.50	156.48	172.51
Return before operating charges (p)	24.58	53.30	(13.03)	27.38	59.09	(14.31)
Operating charges (p)	(1.72)	(2.87)	(2.44)	(1.22)	(2.07)	(1.72)
Return after operating charges (p)*	22.86	50.43	(15.47)	26.16	57.02	(16.03)
Distributions (p)	–	(1.95)	(1.35)	–	(3.30)	(2.23)
Retained distributions on accumulation shares (p)	–	1.95	1.35	–	3.30	2.23
Closing net asset value per share (p)	214.91	192.05	141.62	239.66	213.50	156.48
*after direct transaction costs of (p)	0.30	0.35	0.27	0.33	0.39	0.29
<b>Performance</b>						
Return after charges (%)	11.90	35.61	(9.85)	12.25	36.44	(9.29)
<b>Other information</b>						
Closing net asset value (£000)	142,283	147,496	135,831	314,261	331,772	293,366
Closing number of shares	66,205,580	76,802,345	95,909,523	131,128,087	155,396,261	187,476,391
Operating charges (%)**	1.69 <sup>†</sup>	1.72	1.69	1.08 <sup>†</sup>	1.12	1.08
Direct transaction costs (%)***	0.29	0.21	0.19	0.29	0.21	0.19
<b>Prices</b>						
Highest share price (p)	219.67	192.42	173.54	244.91	213.92	190.70
Lowest share price (p)	186.44	136.47	124.37	207.41	150.97	136.98

	Class L – Accumulation shares		Class X – Income shares		
	07/09/2017 <sup>†</sup>		07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	302.54		132.92	98.83	110.63
Return before operating charges (p)	30.19		17.10	37.40	(9.20)
Operating charges (p)	(0.38)		(0.03)	(0.09)	(0.04)
Return after operating charges (p)*	29.81		17.07	37.31	(9.24)
Distributions (p)	–		–	(3.22)	(2.56)
Retained distributions on accumulation shares (p)	–		–	–	–
Closing net asset value per share (p)	332.35		149.99	132.92	98.83
*after direct transaction costs of (p)	0.30		0.21	0.25	0.19
<b>Performance</b>					
Return after charges (%)	9.85		12.84	37.75	(8.35)
<b>Other information</b>					
Closing net asset value (£000)	10		5	4	3
Closing number of shares	3,001		3,001	3,001	3,001
Operating charges (%)**	0.57 <sup>†</sup>		0.04 <sup>†</sup>	0.08	0.04
Direct transaction costs (%)***	0.29		0.29	0.21	0.19
<b>Prices</b>					
Highest share price (p)	339.58		153.23	136.41	122.43
Lowest share price (p)	297.92		129.29	95.55	88.27

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares
	07/09/2017	07/03/2017	07/03/2016 <sup>2</sup>	07/09/2017 <sup>3</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	139.83	101.57	100.00	555.71
Return before operating charges (p)	18.00	38.39	1.58	55.73
Operating charges (p)	(0.06)	(0.13)	(0.01)	(0.09)
Return after operating charges (p)*	17.94	38.26	1.57	55.64
Distributions (p)	–	(3.26)	(0.42)	–
Retained distributions on accumulation shares (p)	–	3.26	0.42	–
Closing net asset value per share (p)	157.77	139.83	101.57	611.35
*after direct transaction costs of (p)	0.22	0.29	0.05	0.56
<b>Performance</b>				
Return after charges (%)	12.83	37.67	1.57	10.01
<b>Other information</b>				
Closing net asset value (£000)	52,515	53,687	3	88,899
Closing number of shares	33,286,327	38,393,835	3,000	14,541,470
Operating charges (%)**	0.08 <sup>1</sup>	0.10	0.04 <sup>1</sup>	0.07 <sup>1</sup>
Direct transaction costs (%)***	0.29	0.21	0.19	0.29
<b>Prices</b>				
Highest share price (p)	161.16	140.10	101.72	624.55
Lowest share price (p)	136.00	98.18	89.22	547.25

	Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	166.70	121.97	134.21
Return before operating charges (p)	21.39	46.09	(11.12)
Operating charges (p)	(0.80)	(1.36)	(1.12)
Return after operating charges (p)*	20.59	44.73	(12.24)
Distributions (p)	–	(2.83)	(2.92)
Retained distributions on accumulation shares (p)	–	2.83	2.92
Closing net asset value per share (p)	187.29	166.70	121.97
*after direct transaction costs of (p)	0.26	0.31	0.23
<b>Performance</b>			
Return after charges (%)	12.35	36.67	(9.12)
<b>Other information</b>			
Closing net asset value (£000)	33,025	24,088	18,328
Closing number of shares	17,633,402	14,450,322	15,027,129
Operating charges (%)**	0.90 <sup>1</sup>	0.94	0.90
Direct transaction costs (%)***	0.29	0.21	0.19
<b>Prices</b>			
Highest share price (p)	191.38	167.02	148.39
Lowest share price (p)	161.98	117.71	106.65

\*\*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>Class L – Accumulation shares commenced 12 May 2017.

<sup>2</sup>Class X – Accumulation shares commenced 2 December 2015.

<sup>3</sup>Class X2 – Accumulation shares commenced 12 May 2017.

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

# Threadneedle Asia Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Accumulation shares</b>	
Opening shares	76,802,345
Shares issued	2,502,974
Shares redeemed	(12,946,329)
Net conversions	(153,410)
Closing shares	66,205,580
<b>Class 2 – Accumulation shares</b>	
Opening shares	155,396,261
Shares issued	9,487,003
Shares redeemed	(33,733,673)
Net conversions	(21,504)
Closing shares	131,128,087
<b>Class L – Accumulation shares*</b>	
Opening shares	–
Shares issued	52,948
Shares redeemed	(49,947)
Net conversions	–
Closing shares	3,001
<b>Class X – Income shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001
<b>Class X – Accumulation shares</b>	
Opening shares	38,393,835
Shares issued	8,158,867
Shares redeemed	(13,266,375)
Net conversions	–
Closing shares	33,286,327
<b>Class X2 – Accumulation shares*</b>	
Opening shares	–
Shares issued	15,401,402
Shares redeemed	(859,932)
Net conversions	–
Closing shares	14,541,470
<b>Class Z – Accumulation shares</b>	
Opening shares	14,450,322
Shares issued	5,987,502
Shares redeemed	(3,008,318)
Net conversions	203,896
Closing shares	17,633,402

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

## Threadneedle Latin America Fund

### Investment Report

#### Investment Objective

To achieve capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund mainly in equities of companies domiciled in Latin America or which have significant Latin American operations and it may further invest in fixed income securities such as sovereign and corporate Latin American debt, other equities and money market securities.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Latin America Fund has risen from 250.16p to 263.22p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +6.21%. (For information the MSCI 10/40 Latin America Index returned +8.29% over the same period).

#### Market Overview and Portfolio Activity

Over the six months to 7 September, Latin American equities, as measured by the MSCI Latin America 10-40 index, rose 7.3% in sterling terms. During the first half of the period, the fall in commodity prices weighed on market performance. In the second half, however, positive political news, improving commodity prices and favourable currency movements helped propel the index higher, with the region outperforming all other regional markets globally.

In Brazil, the period started off well as labour market reform was approved by the lower house of Congress and the social security

reform report continued to make progress. Investors grew concerned when allegations were raised against President Michel Temer, but the subsequent dismissal of corruption charges against President Temer reinvigorated the prospects for further reform measures. Indeed, the senate approved labour reform legislation, the first major overhaul of labour rules in seven decades, and the government announced a package of 57 privatisations, including Eletrobras, the national mint and Sao Paulo Airport.

Throughout the period, Mexican equities continued their recovery on the back of softening of US protectionist rhetoric towards the nation. GDP data remained strong, buoyed by a tight labour market and strong trade data. On the political front, the National Regeneration Movement (MORENA) announced Andrés Manuel López Obrador as its official candidate, while President Peña's approval ratings improved.

Elsewhere, Argentina performed well. Despite speculation to the contrary, MSCI announced it would maintain the country's frontier market category, citing that it was too early for market-friendly reforms to be judged. But the market continued to rise, driven by investors' confidence following the results of the primary elections, which favoured President Mauricio Macri's Cambiemos coalition.

Over the period, the fund initiated a position in Mexican food manufacturer Gruma, where the margin recovery is back on track and we are positive on the company's long-term outlook. The fund also participated in the IPO of pharmaceutical firm Biotoscana, which benefits from an impressive molecule portfolio, high return on invested capital, and high standards of management and reporting. A new position was also initiated in CCU, which benefits from exposure to the recovery in beverage volumes within Chile and Argentina, as well as improvements to portfolio execution and cost savings.

To fund these purchases, the fund sold out of CPFL Energia, following the conclusion of the sale of a stake to China's State Grid. The fund also exited BRF, and trimmed its position in Banco Santander Chile after the stock neared its target price following a strong run.

Latin American countries face diverse outlooks, considering their different points in the political, monetary and GDP growth cycle, as well as their varying exposure to commodities.

In Brazil, following the successful passage of the spending-cap bill, investors are now focusing on the social security reform bill. This is aimed at cutting social spending, which represents around 40% of all government expenditure. Pension reform is crucial if the country's large fiscal imbalance is to be addressed. President Michel Temer's recent implication in corruption has eroded his ability to coordinate and implement political reform. Within the economy, early signs of economic recovery are evident in several sectors and there is potential for mildly positive GDP growth in 2017 after two years of severe recession.

In Mexico, it seems that investors are pricing in a more positive outlook for US-Mexican trade relations, realising that decades of economic integration cannot suddenly come to a halt.

Elsewhere in the region, Argentina has room for improvement and the flow of foreign direct investment should increase, given the new policies implemented by President Mauricio Macri and the resolution of the long-running dispute regarding its sovereign debt default in 2001. Chile is experiencing positive momentum thanks in part to Piñera's increasingly strong position in polls for the presidential election.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	23,890	96,174
Revenue	6,684	4,749
Expenses	(2,782)	(2,288)
Net revenue before taxation	3,902	2,461
Taxation	(464)	(321)
Net revenue after taxation	3,438	2,140
<b>Total return before equalisation</b>	<b>27,328</b>	<b>98,314</b>
Equalisation	(27)	50
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>27,301</b>	<b>98,364</b>

#### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	490,552	467,287
<b>Current assets:</b>		
Debtors	5,932	2,917
Cash and bank balances	19,541	26,945
<b>Total assets</b>	<b>516,025</b>	<b>497,149</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(9,514)	(6,394)
<b>Total liabilities</b>	<b>(9,514)</b>	<b>(6,394)</b>
<b>Net assets attributable to shareholders</b>	<b>506,511</b>	<b>490,755</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>490,755</b>	<b>330,312</b>
Amounts receivable on the issue of shares	66,831	63,081
Amounts payable on the cancellation of shares	(78,376)	(37,588)
	(11,545)	25,493
Dilution adjustment	–	175
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	27,301	98,364
<b>Closing net assets attributable to shareholders</b>	<b>506,511</b>	<b>454,344</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle Latin America Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	249.87	173.98	200.96	275.70	190.79	219.06
Return before operating charges (p)	15.19	79.44	(23.99)	16.85	87.43	(26.19)
Operating charges (p)	(2.07)	(3.55)	(2.99)	(1.47)	(2.52)	(2.08)
Return after operating charges (p)*	13.12	75.89	(26.98)	15.38	84.91	(28.27)
Distributions (p)	–	(1.67)	(1.12)	–	(3.26)	(2.37)
Retained distributions on accumulation shares (p)	–	1.67	1.12	–	3.26	2.37
Closing net asset value per share (p)	262.99	249.87	173.98	291.08	275.70	190.79
*after direct transaction costs of (p)	0.19	0.35	0.18	0.21	0.39	0.20
<b>Performance</b>						
Return after charges (%)	5.25	43.62	(13.43)	5.58	44.50	(12.91)
<b>Other information</b>						
Closing net asset value (£000)	77,115	77,591	62,848	375,272	362,641	234,801
Closing number of shares	29,322,606	31,053,160	36,124,209	128,924,602	131,534,254	123,066,273
Operating charges (%)**	1.70 <sup>†</sup>	1.69	1.70	1.09 <sup>†</sup>	1.08	1.09
Direct transaction costs (%)***	0.16	0.17	0.10	0.16	0.17	0.10
<b>Prices</b>						
Highest share price (p)	264.17	255.31	220.81	292.32	281.07	240.85
Lowest share price (p)	220.51	169.53	138.86	243.60	185.94	152.17

	Class X – Accumulation shares			Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	112.77	77.37	87.93	94.30	65.15	74.66
Return before operating charges (p)	6.91	35.48	(10.51)	5.77	29.87	(8.93)
Operating charges (p)	(0.05)	(0.08)	(0.05)	(0.42)	(0.72)	(0.58)
Return after operating charges (p)*	6.86	35.40	(10.56)	5.35	29.15	(9.51)
Distributions (p)	–	(2.12)	(1.74)	–	(1.25)	(0.96)
Retained distributions on accumulation shares (p)	–	2.12	1.74	–	1.25	0.96
Closing net asset value per share (p)	119.63	112.77	77.37	99.65	94.30	65.15
*after direct transaction costs of (p)	0.09	0.18	0.08	0.07	0.13	0.07
<b>Performance</b>						
Return after charges (%)	6.08	45.75	(12.01)	5.67	44.74	(12.74)
<b>Other information</b>						
Closing net asset value (£000)	264	259	2	53,860	50,264	32,661
Closing number of shares	220,360	229,795	3,000	54,049,698	53,301,002	50,135,426
Operating charges (%)**	0.09 <sup>†</sup>	0.07	0.06	0.91 <sup>†</sup>	0.90	0.91
Direct transaction costs (%)***	0.16	0.17	0.10	0.16	0.17	0.10
<b>Prices</b>						
Highest share price (p)	120.12	114.72	96.80	100.07	96.08	82.08
Lowest share price (p)	99.83	75.42	61.63	83.35	63.49	51.94

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

## Threadneedle Latin America Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

2017

##### Class 1 – Accumulation shares

Opening shares	31,053,160
Shares issued	14,768,079
Shares redeemed	(16,462,209)
Net conversions	(36,424)
Closing shares	<u>29,322,606</u>

##### Class 2 – Accumulation shares

Opening shares	131,534,254
Shares issued	10,260,663
Shares redeemed	(12,870,315)
Net conversions	–
Closing shares	<u>128,924,602</u>

##### Class X – Accumulation shares

Opening shares	229,795
Shares issued	5,550
Shares redeemed	(14,985)
Net conversions	–
Closing shares	<u>220,360</u>

##### Class Z – Accumulation shares

Opening shares	53,301,002
Shares issued	4,867,020
Shares redeemed	(4,214,569)
Net conversions	96,245
Closing shares	<u>54,049,698</u>



# Threadneedle Emerging Market Bond Fund

## Investment Report

### Investment Objective

To achieve a total return primarily by way of income with some capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in high yielding public sector sovereign and corporate bonds issued by emerging market borrowers. Emerging Market countries are those characterised as developing or emerging by either the World Bank, the United Nations or the JPMorgan Global Diversified Emerging Market Bond Index.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other fixed interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. In addition, the ACD may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to EPM techniques.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 70.82p to 67.62p.

The sterling total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +1.51%. The fund return equates approximately to +2.82% gross of tax and charges\*\*. (For information the JPM Emerging Market Bonds Global Index gave a total return of +1.43% for the same period).

### Market Overview and Portfolio Activity

Emerging markets performed well in the period to 7 September, with fundamentals for the region improving on the whole, risk assets being supported and yields remaining attractive. Trade concerns abated substantially, as US rhetoric towards Mexico softened ahead of the impending North American Free Trade Agreement renegotiation. The external environment remained supportive as well with the US dollar trending weaker and core rates markets grinding lower in yields.

Idiosyncratic stories are still key. Politics has come into focus in emerging markets, as evidenced by the recent turbulence in Brazil and Venezuela. As we move towards the second half of the year, we expect politics to remain a key theme in select countries such as Venezuela (which potentially faces further sanctions and social unrest), Argentina and South Africa.

In Brazil, the period started off well as labour-market reform was approved by the lower house of Congress and the social-security reform report continued to make progress. Investors grew concerned when allegations were raised against President Michel Temer, but the subsequent dismissal of corruption charges against him reinvigorated the prospects for further reform measures. Indeed, the senate approved labour reform legislation, the first major overhaul of labour rules in seven decades, and the government announced a package of 57 privatisations, including the national mint and Sao Paulo Airport.

Throughout the period, Mexico continued its recovery on the back of the softening of US protectionist rhetoric. GDP data remained strong, buoyed by a tight labour market and strong trade data. On the political front, the National Regeneration Movement (MORENA) announced Andrés Manuel López Obrador as its official candidate, while President Peña's approval ratings improved.

In Venezuela, violent protests erupted in April after the Supreme Court attempted to nullify the opposition-controlled National Assembly; later, pro-government crowds stormed the National Assembly and attacked members of the opposition. At the same time, the country continued to experience anti-government protests. At the end of July, the US government intervened by imposing financial sanctions on President Maduro.

In Asia, the Korean economy bore the brunt of geopolitical tensions on the peninsula, with raised tax ceilings, potential chaebol reforms and the conviction of Samsung's JY Lee further dampening the positive sentiment witnessed thus far this year.

Over the six month period, we reduced our exposure to Russia, feeling spreads were tight and offered limited premium. We sold holdings in Russian sovereign debt and in bonds from Russia Rail (RZD Capital) and Gazprom (Gaz Capital).

We purchased the new Argentina 100-year bond, feeling that it came at very attractive levels given its long-term timespan.

We added a position in municipal Egyptian debt, feeling that the stable currency environment and higher carry offered a good opportunity to enter the trade. Additionally, we bought Egypt T-Bills as we felt the improving story and large foreign inflows are supportive for the country and offer a good opportunity to gain access to an attractive carry.

Our position on Venezuela grows more defensive; we switched some exposure in Venezuela sovereign debt and PDVSA, opting to focus on the cheapest bonds on the curve.

In central Asia, we purchased Southern Gas Corridor, a strategically important entity in Azerbaijan, seeing this as a good opportunity to gain some exposure to the country's market. We opted to reduce our exposure to Kazakhstan through the sale of the Development Bank of Kazakhstan and Kazakhstan Temir Zholy.

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(9,591)	32,232
Revenue	7,932	6,938
Expenses	(1,510)	(1,428)
Interest payable and similar charges	(1)	–
Net revenue before taxation	6,421	5,510
Taxation	–	–
Net revenue after taxation	6,421	5,510
<b>Total return before distributions</b>	<b>(3,170)</b>	<b>37,742</b>
Distributions	(7,739)	(6,774)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(10,909)</b>	<b>30,968</b>

## BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	238,074	240,096
<b>Current assets:</b>		
Debtors	4,001	6,056
Cash and bank balances	13,939	11,682
Total assets	256,014	257,834
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(286)	(722)
<b>Creditors:</b>		
Bank overdrafts	(1,068)	(851)
Distribution payable	(5,284)	(5,325)
Other creditors	(732)	(665)
Total liabilities	(7,370)	(7,563)
<b>Net assets attributable to shareholders</b>	<b>248,644</b>	<b>250,271</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>250,271</b>	<b>190,260</b>
Amounts receivable on the issue of shares	40,089	54,609
Amounts payable on the cancellation of shares	(33,291)	(33,356)
	6,798	21,253
Dilution adjustment	77	179
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(10,909)	30,968
Retained distribution on accumulation shares	2,407	2,671
<b>Closing net assets attributable to shareholders</b>	<b>248,644</b>	<b>245,331</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

## DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.0354	–	2.0354	1.5143
<b>Group 2</b> 08/03/17 to 07/09/17	1.2641	0.7713	2.0354	1.5143
<b>Total distributions in the period</b>			<b>2.0354</b>	<b>1.5143</b>

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.4598	–	3.4598	3.2169
<b>Group 2</b> 08/03/17 to 07/09/17	2.6196	0.8402	3.4598	3.2169
<b>Total distributions in the period</b>			<b>3.4598</b>	<b>3.2169</b>



# Threadneedle Emerging Market Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	8.2285	—	8.2285	7.2092
<b>Group 2</b> 08/03/17 to 07/09/17	4.4460	3.7825	8.2285	7.2092
<b>Total distributions in the period</b>			<b>8.2285</b>	<b>7.2092</b>

### Class 2 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.6985	—	3.6985	2.7332
<b>Group 2</b> 08/03/17 to 07/09/17	2.6819	1.0166	3.6985	2.7332
<b>Total distributions in the period</b>			<b>3.6985</b>	<b>2.7332</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	8.4527	—	8.4527	7.3565
<b>Group 2</b> 08/03/17 to 07/09/17	6.2639	2.1888	8.4527	7.3565
<b>Total distributions in the period</b>			<b>8.4527</b>	<b>7.3565</b>

### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.9311	—	3.9311	3.5981
<b>Group 2</b> 08/03/17 to 07/09/17	3.9311	—	3.9311	3.5981
<b>Total distributions in the period</b>			<b>3.9311</b>	<b>3.5981</b>

### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.6791	—	3.6791	3.1826
<b>Group 2</b> 08/03/17 to 07/09/17	1.4666	2.2125	3.6791	3.1826
<b>Total distributions in the period</b>			<b>3.6791</b>	<b>3.1826</b>

### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.4284	—	3.4284	2.5265
<b>Group 2</b> 08/03/17 to 07/09/17	1.7180	1.7104	3.4284	2.5265
<b>Total distributions in the period</b>			<b>3.4284</b>	<b>2.5265</b>

### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.2110	—	3.2110	2.9578
<b>Group 2</b> 08/03/17 to 07/09/17	1.7863	1.4247	3.2110	2.9578
<b>Total distributions in the period</b>			<b>3.2110</b>	<b>2.9578</b>

### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	4.5662	—	4.5662	3.9626
<b>Group 2</b> 08/03/17 to 07/09/17	1.8116	2.7546	4.5662	3.9626
<b>Total distributions in the period</b>			<b>4.5662</b>	<b>3.9626</b>

Group 2: shares purchased during a distribution period.

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	68.47	55.75	56.13	116.39	94.76	95.42
Return before operating charges (p)	(0.46)	17.83	3.89	(0.79)	30.33	6.60
Operating charges (p)	(0.56)	(1.08)	(0.92)	(0.96)	(1.85)	(1.57)
Return after operating charges (p)*	(1.02)	16.75	2.97	(1.75)	28.48	5.03
Distributions (p)	(2.04)	(4.03)	(3.35)	(3.46)	(6.85)	(5.69)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	65.41	68.47	55.75	111.18	116.39	94.76
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(1.49)	30.04	5.29	(1.50)	30.05	5.27
<b>Other information</b>						
Closing net asset value (£000)	9,027	10,078	12,498	78,617	86,252	69,353
Closing number of shares	13,801,342	14,718,193	22,419,209	70,712,428	74,107,207	73,189,791
Operating charges (%)**	1.68 <sup>†</sup>	1.69	1.69	1.68 <sup>†</sup>	1.69	1.69
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	68.93	71.08	59.79	117.18	121.03	101.73
Lowest share price (p)	65.47	55.54	51.56	111.29	94.41	88.02
	Class 1 – Gross accumulation shares <sup>§</sup>			Class 2 – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	276.83	212.38	201.29	121.90	98.74	98.94
Return before operating charges (p)	(1.91)	68.66	14.45	(0.82)	31.72	6.88
Operating charges (p)	(2.28)	(4.21)	(3.36)	(0.64)	(1.28)	(1.06)
Return after operating charges (p)*	(4.19)	64.45	11.09	(1.46)	30.44	5.82
Distributions (p)	(8.23)	(15.59)	(12.19)	(3.70)	(7.28)	(6.02)
Retained distributions on accumulation shares (p)	8.23	15.59	12.19	–	–	–
Closing net asset value per share (p)	272.64	276.83	212.38	116.74	121.90	98.74
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(1.51)	30.35	5.51	(1.20)	30.83	5.88
<b>Other information</b>						
Closing net asset value (£000)	38,155	37,465	28,597	1,603	1,821	214
Closing number of shares	13,994,703	13,533,658	13,464,968	1,373,367	1,493,778	216,524
Operating charges (%)**	1.68 <sup>†</sup>	1.69	1.69	1.07 <sup>†</sup>	1.08	1.09
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	278.68	279.15	214.51	122.73	126.31	105.47
Lowest share price (p)	264.69	211.57	185.86	116.84	98.37	91.14

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares <sup>§</sup>			Class X – Gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	278.62	212.44	200.09	129.24	103.63	102.79
Return before operating charges (p)	(1.91)	68.84	14.49	(0.86)	33.40	7.25
Operating charges (p)	(1.46)	(2.66)	(2.14)	(0.04)	(0.10)	(0.08)
Return after operating charges (p)*	(3.37)	66.18	12.35	(0.90)	33.30	7.17
Distributions (p)	(8.45)	(15.94)	(12.39)	(3.93)	(7.69)	(6.33)
Retained distributions on accumulation shares (p)	8.45	15.94	12.39	–	–	–
Closing net asset value per share (p)	275.25	278.62	212.44	124.41	129.24	103.63
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(1.21)	31.15	6.17	(0.70)	32.13	6.98
<b>Other information</b>						
Closing net asset value (£000)	9,585	9,253	24,735	254	585	294
Closing number of shares	3,482,300	3,321,131	11,643,466	204,258	452,184	283,493
Operating charges (%)**	1.07 <sup>†</sup>	1.08	1.08	0.07 <sup>†</sup>	0.08	0.08
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	280.49	280.31	214.54	130.12	133.73	109.77
Lowest share price (p)	267.03	211.62	185.29	124.13	103.25	95.62
	Class X – Gross accumulation shares <sup>§</sup>			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	120.96	91.30	85.10	114.30	92.21	92.01
Return before operating charges (p)	(0.81)	29.75	6.23	(0.76)	29.64	6.43
Operating charges (p)	(0.04)	(0.09)	(0.03)	(0.42)	(0.80)	(0.68)
Return after operating charges (p)*	(0.85)	29.66	6.20	(1.18)	28.84	5.75
Distributions (p)	(3.68)	(6.91)	(5.33)	(3.43)	(6.75)	(5.55)
Retained distributions on accumulation shares (p)	3.68	6.91	5.33	–	–	–
Closing net asset value per share (p)	120.11	120.96	91.30	109.69	114.30	92.21
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.70)	32.49	7.29	(1.03)	31.28	6.25
<b>Other information</b>						
Closing net asset value (£000)	22,041	23,999	3	77,780	69,334	46,348
Closing number of shares	18,350,495	19,839,699	3,001	70,910,018	60,659,338	50,263,489
Operating charges (%)**	0.07 <sup>†</sup>	0.08	0.03	0.74 <sup>†</sup>	0.75	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	121.78	121.33	92.18	115.08	118.26	98.11
Lowest share price (p)	116.17	90.95	79.19	109.63	91.87	84.88

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	107.05	86.36	86.17	152.25	115.71	108.64
Return before operating charges (p)	(0.72)	27.77	6.01	(1.04)	37.56	7.88
Operating charges (p)	(0.39)	(0.76)	(0.63)	(0.55)	(1.02)	(0.81)
Return after operating charges (p)*	(1.11)	27.01	5.38	(1.59)	36.54	7.07
Distributions (p)	(3.21)	(6.32)	(5.19)	(4.57)	(8.59)	(6.66)
Retained distributions on accumulation shares (p)	–	–	–	4.57	8.59	6.66
Closing net asset value per share (p)	102.73	107.05	86.36	150.66	152.25	115.71
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(1.04)	31.28	6.24	(1.04)	31.58	6.51
<b>Other information</b>						
Closing net asset value (£000)	2,148	1,992	1,850	9,434	9,492	6,368
Closing number of shares	2,090,911	1,860,555	2,142,353	6,262,069	6,234,382	5,503,312
Operating charges (%)**	0.74 <sup>†</sup>	0.75	0.75	0.74 <sup>†</sup>	0.75	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	107.78	110.95	91.95	153.27	153.00	116.85
Lowest share price (p)	102.68	86.04	79.90	146.01	115.27	100.76

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

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	14,718,193
Shares issued	504,791
Shares redeemed	(1,331,322)
Net conversions	(90,320)
Closing shares	13,801,342
<b>Class 1 – Gross income shares</b>	
Opening shares	74,107,207
Shares issued	3,174,812
Shares redeemed	(6,560,591)
Net conversions	(9,000)
Closing shares	70,712,428
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	13,533,658
Shares issued	1,663,899
Shares redeemed	(1,202,854)
Net conversions	–
Closing shares	13,994,703
<b>Class 2 – Income shares</b>	
Opening shares	1,493,778
Shares issued	52,258
Shares redeemed	(172,669)
Net conversions	–
Closing shares	1,373,367
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	3,321,131
Shares issued	6,347,976
Shares redeemed	(6,186,807)
Net conversions	–
Closing shares	3,482,300
<b>Class X – Gross income shares</b>	
Opening shares	452,184
Shares issued	–
Shares redeemed	(247,926)
Net conversions	–
Closing shares	204,258
<b>Class X – Gross accumulation shares</b>	
Opening shares	19,839,699
Shares issued	135,792
Shares redeemed	(1,624,996)
Net conversions	–
Closing shares	18,350,495

#### Class Z – Income shares

Opening shares	60,659,338
Shares issued	12,221,040
Shares redeemed	(1,958,913)
Net conversions	(11,447)
Closing shares	70,910,018

#### Class Z – Gross income shares

Opening shares	1,860,555
Shares issued	373,064
Shares redeemed	(178,479)
Net conversions	35,771
Closing shares	2,090,911

#### Class Z – Gross accumulation shares

Opening shares	6,234,382
Shares issued	292,039
Shares redeemed	(295,129)
Net conversions	30,777
Closing shares	6,262,069

## Threadneedle High Yield Bond Fund

### Investment Report

#### Investment Objective

To achieve a higher level of income. Income will be paid monthly.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund principally in higher risk UK and international fixed interest securities. It may also invest in equities.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle High Yield Bond Fund has risen from 43.33p to 43.57p.

The total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +2.91%, which equates to approximately +3.80% gross of tax and charges\*\*. (For information the ML European High Yield 3% constrained ex sub-financials (100% to £ Hedged) Index gave a total return of +3.68% for the same period).

#### Market Overview and Portfolio Activity

Markets were characterised by continued political noise during the six-month period under review. The UK initiated formal EU exit proceedings in March, before the (still) incumbent government subsequently lost its ruling majority after calling an opportunistic but ill-fated snap general election. Elsewhere in Europe, concerns over rising political populism were tempered, to an extent, by centrist election wins for Mark Rutte in Holland and Emmanuel Macron in France. Finally, in the US, controversies surrounding President Trump continued to generate volatility; his embattled administration is yet to achieve any legislative victories and, towards the end of

the period, escalating geopolitical tensions with North Korea drove investors increasingly towards safe haven assets.

Politics aside, strong global macroeconomic data provided a supportive backdrop for risk assets over the period. In Europe, various purchasing managers' indices (PMIs) touched six-year highs and jobs growth was also strong in many key markets. Despite this, wage growth and inflation data remained subdued and the VIX index of implied volatility touched all-time lows.

Central bank policy was also in focus and was responsible for much of the volatility witnessed in core government bond markets. For a second time in 2017, the US Federal Reserve raised rates in June and debate over an eventual tapering of central bank balance sheets, which have been enlarged by crisis-era quantitative easing, became increasingly prominent.

Equity markets generally posted strong returns: in the US the S&P 500 index was up nearly 4% whilst the UK's FTSE 100 index was a notable laggard versus other developed markets. Commodities were volatile, with base and industrial metals surging on improved China data, gold up 10% and Brent crude down 3%. In the currency markets, the euro was a notable outperformer and rose nearly 14% against the dollar.

It was also a strong six months for the European high yield market, which returned 3.3% in local currency terms. Credit spreads versus underlying government bonds ground steadily tighter and closed the period at 293 basis points (bps).

In the primary market, we participated in more than 30 new issues during the six months under review. The largest of these included Gazprom, KIRS, Matterhorn, Tennet, Netflix, Paprec, Intrum Justitia and Voyage Care. In the secondary market, we made several adjustments to the portfolio in March following

a review of energy/industrial/commodity related sectors. We exited our position in Total hybrid bonds and added the proceeds to Origin and EnQuest, which we believed offered better relative value. Among building materials companies, we reduced Travis Perkins and added to Cemex. More recently, we have been active covering some of the fund's underweight positions including Cellnex and Hertz, as well as adding to Softbank, Unity, Telecom Italia and Verallia (Ardagh Packaging Finance). Against this, we made reductions to RWE and Virgin Media, as well as Anglo American, which was upgraded to BBB- by S&P in August and will be exiting the index as a result. We also sold out of First Hydro and Abengoa, among others.

The growth backdrop has firmed considerably, with PMIs continuing to indicate strong momentum across the major economies. Corporate fundamentals remain similarly strong, with synchronised earnings growth supporting global equity markets and default rates continuing to trend lower in the US and European high yield markets. Sustained inflation pressure remains subdued, but government bond yields are at risk of central bank measures to bring an end to unconventional monetary policy. Yield spreads in the European high yield market have tightened to below 'current-cycle' lows. Technical factors remain supportive, with evidence of continued strong demand for yield products, combined with lower-than-expected supply.

The European high yield market has enjoyed a strong first half of the year. In the current environment of low official interest rates and with central banks starting to pull back on liquidity, we continue to manage the portfolio for downside risks. The fund is defensively positioned on a sector basis. We prefer higher quality B rated issuers and remain underweight portfolio duration (less sensitivity to changes in interest rates).

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	9,079	47,070
Revenue	22,526	22,494
Expenses	(3,828)	(3,687)
Interest payable and similar charges	(15)	(23)
Net revenue before taxation	18,683	18,784
Taxation	–	–
Net revenue after taxation	18,683	18,784
<b>Total return before distributions</b>	<b>27,762</b>	<b>65,854</b>
Distributions	(22,007)	(22,006)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,755</b>	<b>43,848</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	779,165	875,069
<b>Current assets:</b>		
Debtors	15,554	15,370
Cash and bank balances	61,604	75,873
<b>Total assets</b>	<b>856,323</b>	<b>966,312</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(324)	(15,064)
<b>Creditors:</b>		
Bank overdrafts	(14)	–
Distribution payable	(2,234)	(3,419)
Other creditors	(6,942)	(13,379)
<b>Total liabilities</b>	<b>(9,514)</b>	<b>(31,862)</b>
<b>Net assets attributable to shareholders</b>	<b>846,809</b>	<b>934,450</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>934,450</b>	<b>713,609</b>
Amounts receivable on the issue of shares	86,216	228,533
Amounts payable on the cancellation of shares	(187,359)	(56,208)
	(101,143)	172,325
Dilution adjustment	74	644
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,755	43,848
Retained distribution on accumulation shares	7,668	5,804
Unclaimed distributions	5	4
<b>Closing net assets attributable to shareholders</b>	<b>846,809</b>	<b>936,234</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1700	–	0.1700	0.1723
08/04/17 to 07/05/17	0.1732	–	0.1732	0.1378
08/05/17 to 07/06/17	0.1775	–	0.1775	0.1446
08/06/17 to 07/07/17	0.1721	–	0.1721	0.1908
08/07/17 to 07/08/17	0.2018	–	0.2018	0.1437
08/08/17 to 07/09/17	0.1738	–	0.1738	0.1439
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0709	0.0991	0.1700	0.1723
08/04/17 to 07/05/17	0.0658	0.1074	0.1732	0.1378
08/05/17 to 07/06/17	0.1043	0.0732	0.1775	0.1446
08/06/17 to 07/07/17	0.0860	0.0861	0.1721	0.1908
08/07/17 to 07/08/17	0.0885	0.1133	0.2018	0.1437
08/08/17 to 07/09/17	0.0821	0.0917	0.1738	0.1439
<b>Total distributions in the period</b>			<b>1.0684</b>	<b>0.9331</b>

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.1701	–	0.1701	0.2156
08/04/17 to 07/05/17	0.1734	–	0.1734	0.1724
08/05/17 to 07/06/17	0.1777	–	0.1777	0.1810
08/06/17 to 07/07/17	0.1722	–	0.1722	0.2387
08/07/17 to 07/08/17	0.2021	–	0.2021	0.1798
08/08/17 to 07/09/17	0.1739	–	0.1739	0.1800
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0515	0.1186	0.1701	0.2156
08/04/17 to 07/05/17	0.0171	0.1563	0.1734	0.1724
08/05/17 to 07/06/17	0.1368	0.0409	0.1777	0.1810
08/06/17 to 07/07/17	0.0840	0.0882	0.1722	0.2387
08/07/17 to 07/08/17	0.0167	0.1854	0.2021	0.1798
08/08/17 to 07/09/17	0.0510	0.1229	0.1739	0.1800
<b>Total distributions in the period</b>			<b>1.0694</b>	<b>1.1675</b>

### Class 1 USD Hedged – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.3113	–	0.3113	0.3399
08/04/17 to 07/05/17	0.3085	–	0.3085	0.2693
08/05/17 to 07/06/17	0.3114	–	0.3114	0.2803
08/06/17 to 07/07/17	0.3045	–	0.3045	0.3830
08/07/17 to 07/08/17	0.3518	–	0.3518	0.3069
08/08/17 to 07/09/17	0.3057	–	0.3057	0.3088
<b>Group 2</b>				
08/03/17 to 07/04/17	–	0.3113	0.3113	0.3399
08/04/17 to 07/05/17	–	0.3085	0.3085	0.2693
08/05/17 to 07/06/17	–	0.3114	0.3114	0.2803
08/06/17 to 07/07/17	–	0.3045	0.3045	0.3830
08/07/17 to 07/08/17	–	0.3518	0.3518	0.3069
08/08/17 to 07/09/17	–	0.3057	0.3057	0.3088
<b>Total distributions in the period</b>			<b>1.8932</b>	<b>1.8882</b>

### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4296	–	0.4296	0.5160
08/04/17 to 07/05/17	0.4392	–	0.4392	0.4150
08/05/17 to 07/06/17	0.4527	–	0.4527	0.4393
08/06/17 to 07/07/17	0.4406	–	0.4406	0.5800
08/07/17 to 07/08/17	0.5185	–	0.5185	0.4385
08/08/17 to 07/09/17	0.4482	–	0.4482	0.4418
<b>Group 2</b>				
08/03/17 to 07/04/17	0.4296	–	0.4296	0.5160
08/04/17 to 07/05/17	0.4392	–	0.4392	0.4150
08/05/17 to 07/06/17	0.4527	–	0.4527	0.4393
08/06/17 to 07/07/17	0.4406	–	0.4406	0.5800
08/07/17 to 07/08/17	0.5185	–	0.5185	0.4385
08/08/17 to 07/09/17	0.4482	–	0.4482	0.4418
<b>Total distributions in the period</b>			<b>2.7288</b>	<b>2.8306</b>

### Class 2 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2506	–	0.2506	0.2512
08/04/17 to 07/05/17	0.2550	–	0.2550	0.2018
08/05/17 to 07/06/17	0.2616	–	0.2616	0.2118
08/06/17 to 07/07/17	0.2536	–	0.2536	0.2778
08/07/17 to 07/08/17	0.2968	–	0.2968	0.2105
08/08/17 to 07/09/17	0.2565	–	0.2565	0.2113
<b>Group 2</b>				
08/03/17 to 07/04/17	0.0615	0.1891	0.2506	0.2512
08/04/17 to 07/05/17	0.1310	0.1240	0.2550	0.2018
08/05/17 to 07/06/17	0.0847	0.1769	0.2616	0.2118
08/06/17 to 07/07/17	0.1213	0.1323	0.2536	0.2778
08/07/17 to 07/08/17	0.1545	0.1423	0.2968	0.2105
08/08/17 to 07/09/17	0.1186	0.1379	0.2565	0.2113
<b>Total distributions in the period</b>			<b>1.5741</b>	<b>1.3644</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.2156	–	0.2156	0.2703
08/04/17 to 07/05/17	0.2195	–	0.2195	0.2171
08/05/17 to 07/06/17	0.2252	–	0.2252	0.2279
08/06/17 to 07/07/17	0.2183	–	0.2183	0.2990
08/07/17 to 07/08/17	0.2555	–	0.2555	0.2264
08/08/17 to 07/09/17	0.2208	–	0.2208	0.2274
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1825	0.0331	0.2156	0.2703
08/04/17 to 07/05/17	0.1052	0.1143	0.2195	0.2171
08/05/17 to 07/06/17	0.1378	0.0874	0.2252	0.2279
08/06/17 to 07/07/17	0.0748	0.1435	0.2183	0.2990
08/07/17 to 07/08/17	0.0940	0.1615	0.2555	0.2264
08/08/17 to 07/09/17	0.1235	0.0973	0.2208	0.2274
<b>Total distributions in the period</b>			<b>1.3549</b>	<b>1.4681</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.6926	–	0.6926	0.8225
08/04/17 to 07/05/17	0.7080	–	0.7080	0.6642
08/05/17 to 07/06/17	0.7291	–	0.7291	0.7000
08/06/17 to 07/07/17	0.7100	–	0.7100	0.9224
08/07/17 to 07/08/17	0.8344	–	0.8344	0.7027
08/08/17 to 07/09/17	0.7242	–	0.7242	0.7084
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2568	0.4358	0.6926	0.8225
08/04/17 to 07/05/17	0.2526	0.4554	0.7080	0.6642
08/05/17 to 07/06/17	0.2032	0.5259	0.7291	0.7000
08/06/17 to 07/07/17	0.3015	0.4085	0.7100	0.9224
08/07/17 to 07/08/17	0.2824	0.5520	0.8344	0.7027
08/08/17 to 07/09/17	0.4501	0.2741	0.7242	0.7084
<b>Total distributions in the period</b>			<b>4.3983</b>	<b>4.5202</b>

### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4050	–	0.4050	0.5047
08/04/17 to 07/05/17	0.4126	–	0.4126	0.4053
08/05/17 to 07/06/17	0.4234	–	0.4234	0.4253
08/06/17 to 07/07/17	0.4109	–	0.4109	0.5585
08/07/17 to 07/08/17	0.4812	–	0.4812	0.4231
08/08/17 to 07/09/17	0.4159	–	0.4159	0.4258
<b>Group 2</b>				
08/03/17 to 07/04/17	0.4050	–	0.4050	0.5047
08/04/17 to 07/05/17	0.4126	–	0.4126	0.4053
08/05/17 to 07/06/17	0.4234	–	0.4234	0.4253
08/06/17 to 07/07/17	0.4109	–	0.4109	0.5585
08/07/17 to 07/08/17	0.4812	–	0.4812	0.4231
08/08/17 to 07/09/17	0.4159	–	0.4159	0.4258
<b>Total distributions in the period</b>			<b>2.5490</b>	<b>2.7427</b>

### Class X – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4477	–	0.4477	0.3796
08/04/17 to 07/05/17	0.4580	–	0.4580	0.4273
08/05/17 to 07/06/17	0.4719	–	0.4719	0.4513
08/06/17 to 07/07/17	0.4599	–	0.4599	0.5936
08/07/17 to 07/08/17	0.5406	–	0.5406	0.4516
08/08/17 to 07/09/17	0.4697	–	0.4697	0.4576
<b>Group 2</b>				
08/03/17 to 07/04/17	0.4477	–	0.4477	0.3796
08/04/17 to 07/05/17	0.4580	–	0.4580	0.4273
08/05/17 to 07/06/17	0.4119	0.0600	0.4719	0.4513
08/06/17 to 07/07/17	0.0971	0.3628	0.4599	0.5936
08/07/17 to 07/08/17	0.5006	0.0400	0.5406	0.4516
08/08/17 to 07/09/17	0.4697	–	0.4697	0.4576
<b>Total distributions in the period</b>			<b>2.8478</b>	<b>2.7610</b>

### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4108	–	0.4108	0.4128
08/04/17 to 07/05/17	0.4186	–	0.4186	0.3309
08/05/17 to 07/06/17	0.4292	–	0.4292	0.3473
08/06/17 to 07/07/17	0.4164	–	0.4164	0.4575
08/07/17 to 07/08/17	0.4882	–	0.4882	0.3454
08/08/17 to 07/09/17	0.4209	–	0.4209	0.3462
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1591	0.2517	0.4108	0.4128
08/04/17 to 07/05/17	0.1707	0.2479	0.4186	0.3309
08/05/17 to 07/06/17	0.1719	0.2573	0.4292	0.3473
08/06/17 to 07/07/17	0.1723	0.2441	0.4164	0.4575
08/07/17 to 07/08/17	0.2128	0.2754	0.4882	0.3454
08/08/17 to 07/09/17	0.1629	0.2580	0.4209	0.3462
<b>Total distributions in the period</b>			<b>2.5841</b>	<b>2.2401</b>

### Class Z – Accumulation shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4406	–	0.4406	0.4243
08/04/17 to 07/05/17	0.4508	–	0.4508	0.3415
08/05/17 to 07/06/17	0.4641	–	0.4641	0.3596
08/06/17 to 07/07/17	0.4511	–	0.4511	0.4757
08/07/17 to 07/08/17	0.5324	–	0.5324	0.3606
08/08/17 to 07/09/17	0.4610	–	0.4610	0.3626
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1914	0.2492	0.4406	0.4243
08/04/17 to 07/05/17	0.2187	0.2321	0.4508	0.3415
08/05/17 to 07/06/17	0.2460	0.2181	0.4641	0.3596
08/06/17 to 07/07/17	0.2250	0.2261	0.4511	0.4757
08/07/17 to 07/08/17	0.2230	0.3094	0.5324	0.3606
08/08/17 to 07/09/17	0.2672	0.1938	0.4610	0.3626
<b>Total distributions in the period</b>			<b>2.8000</b>	<b>2.3243</b>

## Threadneedle High Yield Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.4001	—	0.4001	0.5027
08/04/17 to 07/05/17	0.4077	—	0.4077	0.4028
08/05/17 to 07/06/17	0.4180	—	0.4180	0.4229
08/06/17 to 07/07/17	0.4056	—	0.4056	0.5570
08/07/17 to 07/08/17	0.4756	—	0.4756	0.4205
08/08/17 to 07/09/17	0.4100	—	0.4100	0.4215
<b>Group 2</b>				
08/03/17 to 07/04/17	0.1409	0.2592	0.4001	0.5027
08/04/17 to 07/05/17	0.2188	0.1889	0.4077	0.4028
08/05/17 to 07/06/17	0.1966	0.2214	0.4180	0.4229
08/06/17 to 07/07/17	0.1945	0.2111	0.4056	0.5570
08/07/17 to 07/08/17	0.1894	0.2862	0.4756	0.4205
08/08/17 to 07/09/17	0.1921	0.2179	0.4100	0.4215
<b>Total distributions in the period</b>			<b>2.5170</b>	<b>2.7274</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/04/17	0.5436	—	0.5436	0.6496
08/04/17 to 07/05/17	0.5561	—	0.5561	0.5215
08/05/17 to 07/06/17	0.5722	—	0.5722	0.5498
08/06/17 to 07/07/17	0.5579	—	0.5579	0.7272
08/07/17 to 07/08/17	0.6563	—	0.6563	0.5523
08/08/17 to 07/09/17	0.5686	—	0.5686	0.5558
<b>Group 2</b>				
08/03/17 to 07/04/17	0.2252	0.3184	0.5436	0.6496
08/04/17 to 07/05/17	0.2872	0.2689	0.5561	0.5215
08/05/17 to 07/06/17	0.2767	0.2955	0.5722	0.5498
08/06/17 to 07/07/17	0.1954	0.3625	0.5579	0.7272
08/07/17 to 07/08/17	0.2665	0.3898	0.6563	0.5523
08/08/17 to 07/09/17	0.2565	0.3121	0.5686	0.5558
<b>Total distributions in the period</b>			<b>3.4547</b>	<b>3.5562</b>

Group 2: shares purchased during a distribution period.

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

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



## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	43.03	40.74	44.03	43.07	40.77	44.07
Return before operating charges (p)	1.59	5.14	(0.21)	1.59	5.15	(0.22)
Operating charges (p)	(0.31)	(0.60)	(0.61)	(0.31)	(0.60)	(0.61)
Return after operating charges (p)*	1.28	4.54	(0.82)	1.28	4.55	(0.83)
Distributions (p)	(1.07)	(2.25)	(2.47)	(1.07)	(2.25)	(2.47)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	43.24	43.03	40.74	43.28	43.07	40.77
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.97	11.14	(1.86)	2.97	11.16	(1.88)
<b>Other information</b>						
Closing net asset value (£000)	93,811	98,876	109,826	62,687	80,287	76,259
Closing number of shares	216,944,165	229,782,665	269,609,794	144,829,588	186,402,890	187,026,959
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.42	1.42 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	43.78	43.34	44.29	43.82	43.41	44.34
Lowest share price (p)	42.93	40.99	39.93	42.97	41.03	39.97
	Class 1 USD Hedged – Gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016 <sup>†</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	79.90	64.74	65.43	108.70	97.60	100.00
Return before operating charges (p)	(2.35)	20.05	3.89	4.05	12.58	(1.91)
Operating charges (p)	(0.55)	(1.04)	(0.90)	(0.79)	(1.48)	(0.49)
Return after operating charges (p)*	(2.90)	19.01	2.99	3.26	11.10	(2.40)
Distributions (p)	(1.89)	(3.85)	(3.68)	(2.73)	(5.54)	(2.09)
Retained distributions on accumulation shares (p)**	–	–	–	2.73	5.54	2.09
Closing net asset value per share (p)	75.11	79.90	64.74	111.96	108.70	97.60
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(3.63)	29.36	4.57	3.00	11.37	(2.40)
<b>Other information</b>						
Closing net asset value (£000)	11,023	11,524	6,341	11	11	3
Closing number of shares	14,675,859	14,422,966	9,795,302	10,133	10,133	3,000
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.42	1.42 <sup>†</sup>	1.40	1.38 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	80.40	80.58	68.38	112.38	109.13	100.87
Lowest share price (p)	75.01	63.76	60.94	108.45	98.20	95.23

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross income shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	61.86	58.27	62.67	53.25	50.16	53.93
Return before operating charges (p)	2.29	7.38	(0.32)	1.97	6.35	(0.25)
Operating charges (p)	(0.26)	(0.49)	(0.49)	(0.22)	(0.42)	(0.43)
Return after operating charges (p)*	2.03	6.89	(0.81)	1.75	5.93	(0.68)
Distributions (p)	(1.57)	(3.30)	(3.59)	(1.35)	(2.84)	(3.09)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	62.32	61.86	58.27	53.65	53.25	50.16
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.28	11.82	(1.29)	3.29	11.82	(1.26)
<b>Other information</b>						
Closing net asset value (£000)	17,594	45,702	53,549	3,673	10,445	11,919
Closing number of shares	28,231,705	73,881,942	91,903,094	6,846,735	19,616,410	23,763,705
Operating charges (%)***	0.82 <sup>†</sup>	0.81	0.81	0.81 <sup>†</sup>	0.81	0.81
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	63.07	62.30	63.07	54.30	53.67	54.28
Lowest share price (p)	61.74	58.63	57.09	53.14	50.47	49.16
	Class 2 – Gross accumulation shares <sup>s</sup>			Class X – Gross income shares <sup>s</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	171.04	152.62	154.75	99.98	93.47	99.73
Return before operating charges (p)	6.37	19.76	(0.87)	3.71	11.89	(0.46)
Operating charges (p)	(0.71)	(1.34)	(1.26)	(0.03)	(0.06)	(0.06)
Return after operating charges (p)*	5.66	18.42	(2.13)	3.68	11.83	(0.52)
Distributions (p)	(4.40)	(8.87)	(9.11)	(2.55)	(5.32)	(5.74)
Retained distributions on accumulation shares (p)**	4.40	8.87	9.11	–	–	–
Closing net asset value per share (p)	176.70	171.04	152.62	101.11	99.98	93.47
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.31	12.07	(1.38)	3.68	12.66	(0.52)
<b>Other information</b>						
Closing net asset value (£000)	220,435	257,428	127,593	1,866	2,247	855
Closing number of shares	124,747,849	150,511,031	83,601,522	1,845,135	2,247,258	914,542
Operating charges (%)***	0.81 <sup>†</sup>	0.81	0.81	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	177.33	171.71	157.50	102.27	100.77	100.46
Lowest share price (p)	170.70	153.59	148.87	99.80	94.06	91.55

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>§</sup>		Class Z – Income shares		
	07/09/2017	07/03/2017 <sup>2</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	110.53	100.00	103.06	96.93	104.09
Return before operating charges (p)	4.13	10.58	3.81	12.29	(0.53)
Operating charges (p)	(0.03)	(0.05)	(0.38)	(0.74)	(0.74)
Return after operating charges (p)*	4.10	10.53	3.43	11.55	(1.27)
Distributions (p)	(2.85)	(5.57)	(2.58)	(5.42)	(5.89)
Retained distributions on accumulation shares (p)**	2.85	5.57	–	–	–
Closing net asset value per share (p)	114.63	110.53	103.91	103.06	96.93
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	3.71	10.53	3.33	11.92	(1.22)
<b>Other information</b>					
Closing net asset value (£000)	44,527	50,716	319,607	306,168	290,098
Closing number of shares	38,845,050	45,883,921	307,592,827	297,084,126	299,294,681
Operating charges (%)***	0.06 <sup>†</sup>	0.05 <sup>†</sup>	0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)****	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	115.03	110.96	105.14	103.79	104.77
Lowest share price (p)	110.33	99.98	102.86	97.53	94.97

	Class Z – Accumulation shares			Class Z – Gross income shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	110.55	99.63	102.11	100.38	94.41	101.38
Return before operating charges (p)	4.12	12.84	(0.56)	3.72	11.97	(0.51)
Operating charges (p)	(0.41)	(0.78)	(0.74)	(0.37)	(0.72)	(0.72)
Return after operating charges (p)*	3.71	12.06	(1.30)	3.35	11.25	(1.23)
Distributions (p)	(2.80)	(5.68)	(5.91)	(2.52)	(5.28)	(5.74)
Retained distributions on accumulation shares (p)**	2.80	4.54	4.73	–	–	–
Closing net asset value per share (p)	114.26	110.55	99.63	101.21	100.38	94.41
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.36	12.10	(1.27)	3.34	11.92	(1.21)
<b>Other information</b>						
Closing net asset value (£000)	10,426	10,257	5,061	42,857	31,093	23,239
Closing number of shares	9,124,577	9,278,316	5,080,290	42,346,901	30,974,909	24,615,189
Operating charges (%)***	0.73 <sup>†</sup>	0.73	0.73	0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	114.67	110.99	103.28	102.41	101.17	102.06
Lowest share price (p)	110.33	100.25	97.25	100.19	95.00	92.52

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares <sup>4</sup>		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	136.37	121.59	123.19
Return before operating charges (p)	5.09	15.74	(0.70)
Operating charges (p)	(0.51)	(0.96)	(0.90)
Return after operating charges (p)*	4.58	14.78	(1.60)
Distributions (p)	(3.45)	(6.97)	(7.16)
Retained distributions on accumulation shares (p)**	3.45	6.97	7.16
Closing net asset value per share (p)	140.95	136.37	121.59
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	3.36	12.16	(1.30)
<b>Other information</b>			
Closing net asset value (£000)	18,292	29,696	8,866
Closing number of shares	12,978,142	21,775,631	7,291,629
Operating charges (%)***	0.73 <sup>1</sup>	0.73	0.73
Direct transaction costs (%)****	–	–	–
<b>Prices</b>			
Highest share price (p)	141.44	136.91	125.45
Lowest share price (p)	136.11	122.36	118.59

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

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

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

<sup>4</sup>Only available to eligible investors.

<sup>1</sup>Class 1 – Gross accumulation shares commenced 28 October 2015.

<sup>2</sup>Class X – Gross accumulation shares commenced 16 March 2016.

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

# Threadneedle High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	229,782,665
Shares issued	3,257,096
Shares redeemed	(14,944,274)
Net conversions	(1,151,322)
Closing shares	216,944,165
<b>Class 1 – Gross income shares</b>	
Opening shares	186,402,890
Shares issued	377,727
Shares redeemed	(41,452,400)
Net conversions	(498,629)
Closing shares	144,829,588
<b>Class 1 USD Hedged – Gross income shares</b>	
Opening shares	14,422,966
Shares issued	355,133
Shares redeemed	(102,240)
Net conversions	–
Closing shares	14,675,859
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	10,133
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,133
<b>Class 2 – Income shares</b>	
Opening shares	73,881,942
Shares issued	2,254,136
Shares redeemed	(30,416,090)
Net conversions	(17,488,283)
Closing shares	28,231,705
<b>Class 2 – Gross income shares</b>	
Opening shares	19,616,410
Shares issued	1,077,323
Shares redeemed	(993,490)
Net conversions	(12,853,508)
Closing shares	6,846,735
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	150,511,031
Shares issued	32,683,459
Shares redeemed	(58,354,472)
Net conversions	(92,169)
Closing shares	124,747,849

2017

#### Class X – Gross income shares

Opening shares	2,247,258
Shares issued	–
Shares redeemed	(402,123)
Net conversions	–
Closing shares	1,845,135

#### Class X – Gross accumulation shares

Opening shares	45,883,921
Shares issued	1,161,768
Shares redeemed	(8,200,639)
Net conversions	–
Closing shares	38,845,050

#### Class Z – Income shares

Opening shares	297,084,126
Shares issued	14,333,578
Shares redeemed	(13,305,015)
Net conversions	9,480,138
Closing shares	307,592,827

#### Class Z – Accumulation shares

Opening shares	9,278,316
Shares issued	1,996,463
Shares redeemed	(2,297,441)
Net conversions	147,239
Closing shares	9,124,577

#### Class Z – Gross income shares

Opening shares	30,974,909
Shares issued	4,187,553
Shares redeemed	(1,187,312)
Net conversions	8,371,751
Closing shares	42,346,901

#### Class Z – Gross accumulation shares

Opening shares	21,775,631
Shares issued	1,840,973
Shares redeemed	(10,771,716)
Net conversions	133,254
Closing shares	12,978,142

## Threadneedle Global Select Fund

### Investment Report

#### Investment Objective

To achieve above average capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If the ACD considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Global Select Fund has risen from 194.26p to 202.95p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +8.21% as compared to a median return of +5.45% over the same period. (For information the MSCI AC World Free Index returned +5.52% over the same period).

#### Market Overview and Portfolio Activity

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

Indeed, US equities continued to hit new peaks during the period, despite growing scepticism around President Trump's ability to implement pro-business reforms. The S&P 500 rose for a fifth consecutive month in August, driven in particular by earnings in technology, energy and financials. While US inflation softened earlier in the period, the US Federal Reserve delivered two quarter-point hikes in March and June, as anticipated. Projections for subsequent hikes varied over the following months amid changing signals from the US Federal Reserve while on the economic front, GDP rose by an annual rate of 2.6% in the second quarter. This constituted a rebound from the final reading of 1.4% seen in the first quarter.

Early in the period, investors in Europe were cautious as anti-establishment candidates gained ground in the French presidential race; the subsequent victory of pro-EU centrist Emmanuel Macron calmed nerves and supported risk assets. Economic markers were increasingly positive, but market sentiment remained dampened by geopolitical concerns and a strengthening euro. Meanwhile, the European Central Bank dropped increasingly heavy hints that it was preparing to tighten monetary policy.

In the UK, a snap election in June yielded a minority Conservative government. Data pointed to a slowdown in the economy amid falling consumer confidence, though the FTSE 100 sustained all-time highs on a weaker pound. This proved positive for many large UK companies, which tend to generate a significant portion of their revenues abroad.

Japan's export-focused market remained heavily influenced by the changing fortunes of the yen. Towards the end of the period, the country reported a Q2 growth rate of 4%, the best in more than two years. Such was the yen's strength, that the Topix was held back somewhat in the latter stages of the period. Chinese equities gained strongly from May onwards, bolstered by encouraging economic data and renewed optimism over the country's prospects, as well as the MSCI's decision to include the country's A-shares in its emerging market index.

During the period, we opened positions in names including Halliburton and PepsiCo. Halliburton specialises in providing energy, engineering and construction services, as well as products for the energy industry. Despite recent headwinds in the sector's prices, we believe Halliburton stands to benefit from increased capital spending in the US. Meanwhile, supported by its strong capital allocation, PepsiCo's consistent mid-single digit sales growth is driving the company's operating leverage.

Another new position during the period was Tesaro. We believe Tesaro, which develops and commercialises cancer therapeutics and supportive care products, has a promising outlook as the company stands to benefit from developments in its treatments. Indeed, recent results indicate that some of these treatments could eventually be used to treat more than just one cancer type, which would place it in a dominant position against its peers. We also

purchased Nvidia, a company with a high share of the computer graphics sector. Such is the standing of Nvidia in this space, that its positive long-term growth outlook offers strong upside potential.

A similar story applied to another new position, Illumina, which sells equipment and consumables for the gene-sequencing market. Demand is accelerating as cost falls, and Illumina already enjoys a dominant share in this rapidly growing market. This, combined with its new product cycle, should see sales accelerate.

By contrast, we sold Tencent and Align Technology as well as reducing holdings in Alibaba and Facebook, following a period of continued outperformance by the technology sector. Over the six month period, the MSCI ACWI Technology Index outperformed the broader MSCI ACWI benchmark by over 8 percentage points in dollar terms. This followed its 4.6 percentage point outperformance in the six months prior. We remain positive on the sector as a whole, however, and retain an overweight exposure to the space.

A further sale was that of Bank of Ireland, as we preferred the prospects of US financials. We also preferred the prospects of Diamondback Energy to Royal Dutch Shell as we believe Diamondback's production capabilities are strong, and that the company is more attractive than alternatives in the integrated oil sector at present.

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

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	50,074	160,049
Revenue	11,179	11,195
Expenses	(6,483)	(6,966)
Interest payable and similar charges	(1)	(2)
Net revenue before taxation	4,695	4,227
Taxation	(1,175)	(1,042)
Net revenue after taxation	3,520	3,185
<b>Total return before equalisation</b>	<b>53,594</b>	<b>163,234</b>
Equalisation	36	(149)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>53,630</b>	<b>163,085</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,160,976	1,129,913
<b>Current assets:</b>		
Debtors	7,803	4,302
Cash and bank balances	38,451	13,711
<b>Total assets</b>	<b>1,207,230</b>	<b>1,147,926</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(1)
<b>Creditors:</b>		
Distribution payable	–	(5)
Other creditors	(1,927)	(3,622)
<b>Total liabilities</b>	<b>(1,927)</b>	<b>(3,628)</b>
<b>Net assets attributable to shareholders</b>	<b>1,205,303</b>	<b>1,144,298</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,144,298</b>	<b>1,013,372</b>
Amounts receivable on the issue of shares	92,237	57,958
Amounts payable on the cancellation of shares	(84,862)	(111,731)
	7,375	(53,773)
Dilution adjustment	–	80
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	53,630	163,085
<b>Closing net assets attributable to shareholders</b>	<b>1,205,303</b>	<b>1,122,764</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

## Threadneedle Global Select Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	194.22	148.08	146.51	276.95	209.89	206.40
Return before operating charges (p)	10.32	48.98	3.98	14.76	69.59	5.65
Operating charges (p)	(1.66)	(2.84)	(2.41)	(1.51)	(2.53)	(2.16)
Return after operating charges (p)*	8.66	46.14	1.57	13.25	67.06	3.49
Distributions (p)	–	–	–	–	(1.10)	(0.13)
Retained distributions on accumulation shares (p)	–	–	–	–	1.10	0.13
Closing net asset value per share (p)	202.88	194.22	148.08	290.20	276.95	209.89
*after direct transaction costs of (p)	0.06	0.21	0.13	0.09	0.29	0.19
<b>Performance</b>						
Return after charges (%)	4.46	31.16	1.07	4.78	31.95	1.69
<b>Other information</b>						
Closing net asset value (£000)	597,704	591,007	492,951	147,718	110,659	315,239
Closing number of shares	294,610,561	304,300,372	332,895,484	50,902,253	39,955,964	150,193,486
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.06	0.12	0.09	0.06	0.12	0.09
<b>Prices</b>						
Highest share price (p)	205.89	194.26	154.26	294.48	277.03	217.44
Lowest share price (p)	186.69	146.09	131.85	266.42	207.07	186.81

	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.52	107.66	104.40	158.39	120.47	118.59
Return before operating charges (p)	7.67	35.93	3.28	8.44	40.02	3.25
Operating charges (p)	(0.04)	(0.07)	(0.02)	(0.72)	(1.22)	(1.03)
Return after operating charges (p)*	7.63	35.86	3.26	7.72	38.80	2.22
Distributions (p)	–	(1.84)	(1.33)	–	(0.88)	(0.34)
Retained distributions on accumulation shares (p)	–	1.84	1.33	–	–	–
Closing net asset value per share (p)	151.15	143.52	107.66	166.11	158.39	120.47
*after direct transaction costs of (p)	0.05	0.17	0.10	0.05	0.17	0.11
<b>Performance</b>						
Return after charges (%)	5.32	33.31	3.12	4.87	32.21	1.87
<b>Other information</b>						
Closing net asset value (£000)	284,132	275,415	3	1,244	974	731
Closing number of shares	187,982,707	191,896,369	3,001	748,736	615,028	606,535
Operating charges (%)**	0.06 <sup>†</sup>	0.05	0.02	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.06	0.12	0.09	0.06	0.12	0.09
<b>Prices</b>						
Highest share price (p)	153.35	143.56	110.50	168.56	159.30	124.96
Lowest share price (p)	138.23	106.22	95.40	152.39	118.89	107.50

## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	199.23	150.71	147.94
Return before operating charges (p)	10.62	50.03	4.06
Operating charges (p)	(0.90)	(1.51)	(1.29)
Return after operating charges (p)*	9.72	48.52	2.77
Distributions (p)	–	(1.10)	(0.72)
Retained distributions on accumulation shares (p)	–	1.10	0.72
Closing net asset value per share (p)	208.95	199.23	150.71
*after direct transaction costs of (p)	0.07	0.21	0.13
<b>Performance</b>			
Return after charges (%)	4.88	32.19	1.87
<b>Other information</b>			
Closing net asset value (£000)	174,505	166,243	204,448
Closing number of shares	83,516,438	83,441,919	135,656,944
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.06	0.12	0.09
<b>Prices</b>			
Highest share price (p)	212.02	199.28	155.88
Lowest share price (p)	191.69	148.69	134.10

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

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

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



# Threadneedle Global Select Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

2017

#### Class 1 – Accumulation shares

Opening shares	304,300,372
Shares issued	9,473,482
Shares redeemed	(17,150,247)
Net conversions	(2,013,046)
Closing shares	<u>294,610,561</u>

#### Class 2 – Accumulation shares

Opening shares	39,955,964
Shares issued	23,134,919
Shares redeemed	(12,173,499)
Net conversions	(15,131)
Closing shares	<u>50,902,253</u>

#### Class X – Accumulation shares

Opening shares	191,896,369
Shares issued	242,577
Shares redeemed	(4,156,239)
Net conversions	—
Closing shares	<u>187,982,707</u>

#### Class Z – Income shares

Opening shares	615,028
Shares issued	64,044
Shares redeemed	(24,094)
Net conversions	93,758
Closing shares	<u>748,736</u>

#### Class Z – Accumulation shares

Opening shares	83,441,919
Shares issued	3,119,482
Shares redeemed	(4,949,553)
Net conversions	1,904,590
Closing shares	<u>83,516,438</u>

## Threadneedle Global Bond Fund

### Investment Report

#### Investment Objective

To achieve a total return comprising primarily income with some capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a managed portfolio of fixed income securities worldwide.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle Global Bond Fund has fallen from 66.85p to 66.15p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +1.16% as compared to a median return of +1.99% over the same period. The fund return equates approximately to +2.25% gross of tax and charges\*\* (For information the JPM GBI Global (Traded) Index gave a total return of +1.98% for the same period).

#### Market Overview and Portfolio Activity

Corporate bond spreads widened modestly near the beginning of the period due to geopolitical risks and the unwinding of the so-called 'Trumpflation' trade as investors discounted the US president's ability to implement tax reforms following his failure to repeal Obamacare. Towards the middle of the period, however, risk assets rallied as Emmanuel Macron saw off eurosceptic opposition to win the French presidency. By contrast, the UK's general election in June resulted in an inconclusive outcome,

the Conservatives lost their overall majority. However, this did not have much market impact outside the UK.

The US Federal Reserve announced quarter-point interest-rate rises in March and June; being widely anticipated, neither hike was taken badly by markets. The review period saw concerns about the ability of President Trump's administration to deliver growth-focused reflationary policies. This, along with lacklustre inflation, caused investors to price in a shallower US rate hike trajectory which aided treasuries.

Near the end of June, core government bond yields turned volatile as a series of hawkish speeches from central bank officials in major developed countries propelled yields higher. While July and August saw investors scale back their expectations of hawkish measures from the US Federal Reserve and the Bank of England, speculation that the European Central Bank (ECB) would soon move to rein its stimulus remained rife.

At the start of the reporting period, yields on 10-year US Treasury bonds stood at around 2.5%. For the next six months, Treasury yields mostly drifted lower – aside from the aforementioned spike in late June – and fell towards 2.0% by early September. Gilt yields echoed this pattern; having started the review period at close to 1.2%, the 10-year yield drifted below 1% in early September. The 10-year German bund yield had a more volatile ride but ended the review period very close to the level seen in early March.

Through March to June 2017, we bought and sold treasuries and German and French sovereign bonds; in aggregate, we decreased our exposure to each segment. We also undertook

some sizeable trades within gilts but did not significantly change our overall allocation. The fund's exposure to Italian sovereign debt was increased.

Subsequently we topped up our holdings of treasuries and gilts and closed our position in Dutch sovereign bonds.

Our basic prognosis is one of sluggish global growth and low long-term real rates in developed markets. Demographic trends, weak productivity growth and low levels of investment relative to savings are all likely to keep yields depressed, relative to historical levels. Within this context, Europe and other advanced economies are currently experiencing cyclical upturns, which is evidenced by improving confidence, strong leading indicators and some upward price pressure.

The withdrawal of monetary policy accommodation has already commenced in the US. Elsewhere, policymakers are faced with the challenge of normalising policy while the sustainability of current inflation trends is uncertain. We remain sceptical about the scale of normalisation that will prove possible but acknowledge some unwinding of the 'QE premium' that has depressed yields over recent years. We expect market expectations of slower ECB asset purchases to develop over the course of this year.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital (losses)/gains	(2,444)	49,327
Revenue	3,725	3,222
Expenses	(2,815)	(2,771)
Interest payable and similar charges	(15)	(20)
Net revenue before taxation	895	431
Taxation	–	–
Net revenue after taxation	895	431
<b>Total return before distributions</b>	<b>(1,549)</b>	<b>49,758</b>
Distributions	(3,369)	(2,881)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(4,918)</b>	<b>46,877</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	462,503	449,542
<b>Current assets:</b>		
Debtors	6,019	21,693
Cash and bank balances	18,454	5,513
<b>Total assets</b>	<b>486,976</b>	<b>476,748</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1,186)	(301)
<b>Creditors:</b>		
Distribution payable	(2,430)	(2,377)
Other creditors	(9,913)	(16,521)
<b>Total liabilities</b>	<b>(13,529)</b>	<b>(19,199)</b>
<b>Net assets attributable to shareholders</b>	<b>473,447</b>	<b>457,549</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>457,549</b>	<b>424,385</b>
Amounts receivable on the issue of shares	68,718	94,340
Amounts payable on the cancellation of shares	(49,071)	(106,991)
	19,647	(12,651)
Dilution adjustment	18	37
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,918)	46,877
Retained distribution on accumulation shares	1,151	677
<b>Closing net assets attributable to shareholders</b>	<b>473,447</b>	<b>459,325</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

\*\*Gross performance is calculated in Factset using daily cash flows and daily global close valuations.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Interest distribution in pence per share

#### Class 1 – Income shares†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.4879	–	0.4879	0.3335
<b>Group 2</b>				
08/03/17 to 07/09/17	0.3537	0.1342	0.4879	0.3335
<b>Total distributions in the period</b>			<b>0.4879</b>	<b>0.3335</b>

#### Class 1 – Accumulation shares†

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	0.4608	–	0.4608	0.3113
<b>Group 2</b>				
08/03/17 to 07/09/17	0.2206	0.2402	0.4608	0.3113
<b>Total distributions in the period</b>			<b>0.4608</b>	<b>0.3113</b>

## Threadneedle Global Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.6663	–	0.6663	0.5693
<b>Group 2</b> 08/03/17 to 07/09/17	0.3987	0.2676	0.6663	0.5693
<b>Total distributions in the period</b>			<b>0.6663</b>	<b>0.5693</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.9716	–	0.9716	0.8196
<b>Group 2</b> 08/03/17 to 07/09/17	0.4194	0.5522	0.9716	0.8196
<b>Total distributions in the period</b>			<b>0.9716</b>	<b>0.8196</b>

#### Class 2 – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.5826	–	0.5826	0.4005
<b>Group 2</b> 08/03/17 to 07/09/17	0.2526	0.3300	0.5826	0.4005
<b>Total distributions in the period</b>			<b>0.5826</b>	<b>0.4005</b>

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.8522	–	0.8522	0.7224
<b>Group 2</b> 08/03/17 to 07/09/17	0.0751	0.7771	0.8522	0.7224
<b>Total distributions in the period</b>			<b>0.8522</b>	<b>0.7224</b>

#### Class X – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.8872	–	0.8872	0.7184
<b>Group 2</b> 08/03/17 to 07/09/17	0.3871	0.5001	0.8872	0.7184
<b>Total distributions in the period</b>			<b>0.8872</b>	<b>0.7184</b>

#### Class Z – Income shares<sup>†</sup>

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.8510	–	0.8510	0.5796
<b>Group 2</b> 08/03/17 to 07/09/17	0.4932	0.3578	0.8510	0.5796
<b>Total distributions in the period</b>			<b>0.8510</b>	<b>0.5796</b>

#### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.8508	–	0.8508	0.7242
<b>Group 2</b> 08/03/17 to 07/09/17	0.3792	0.4716	0.8508	0.7242
<b>Total distributions in the period</b>			<b>0.8508</b>	<b>0.7242</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017	Gross Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	0.9716	–	0.9716	0.8162
<b>Group 2</b> 08/03/17 to 07/09/17	0.7665	0.2051	0.9716	0.8162
<b>Total distributions in the period</b>			<b>0.9716</b>	<b>0.8162</b>

Group 2: shares purchased during a distribution period.

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

<sup>†</sup>Distributions paid before 6 April 2017 have been paid net.

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	66.37	60.57	56.57	62.68	56.54	52.15
Return before operating charges (p)	0.22	7.60	5.70	0.20	7.09	5.30
Operating charges (p)	(0.46)	(0.94)	(0.80)	(0.44)	(0.88)	(0.74)
Return after operating charges (p)*	(0.24)	6.66	4.90	(0.24)	6.21	4.56
Distributions (p)	(0.49)	(0.86)	(0.90)	(0.46)	(0.80)	(0.83)
Retained distributions on accumulation shares (p)**	–	–	–	0.46	0.73	0.66
Closing net asset value per share (p)	65.64	66.37	60.57	62.44	62.68	56.54
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.36)	11.00	8.66	(0.38)	10.98	8.74
<b>Other information</b>						
Closing net asset value (£000)	2,871	3,222	3,221	1,411	1,567	1,357
Closing number of shares	4,375,006	4,854,365	5,317,830	2,259,879	2,499,225	2,400,935
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.42	1.42 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	66.87	71.85	62.44	63.16	67.41	57.95
Lowest share price (p)	63.38	59.80	53.40	59.86	55.82	49.23

	Class 1 – Gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	90.65	82.72	77.27	132.17	119.08	109.53
Return before operating charges (p)	0.30	10.38	7.78	0.44	14.94	11.10
Operating charges (p)	(0.63)	(1.28)	(1.10)	(0.93)	(1.85)	(1.55)
Return after operating charges (p)*	(0.33)	9.10	6.68	(0.49)	13.09	9.55
Distributions (p)	(0.67)	(1.17)	(1.23)	(0.97)	(1.69)	(1.75)
Retained distributions on accumulation shares (p)**	–	–	–	0.97	1.69	1.75
Closing net asset value per share (p)	89.65	90.65	82.72	131.68	132.17	119.08
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.36)	11.00	8.65	(0.37)	10.99	8.72
<b>Other information</b>						
Closing net asset value (£000)	289,059	321,806	254,376	40,907	43,109	32,632
Closing number of shares	322,427,006	355,001,074	307,501,071	31,065,236	32,616,704	27,402,664
Operating charges (%)***	1.42 <sup>†</sup>	1.42	1.42	1.42 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	91.34	98.16	85.40	133.18	142.18	122.08
Lowest share price (p)	86.56	81.72	73.01	126.21	117.64	103.49

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross accumulation shares <sup>5</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	73.44	66.68	61.98	107.42	96.19	87.93
Return before operating charges (p)	0.24	8.38	6.27	0.37	12.07	8.98
Operating charges (p)	(0.29)	(0.59)	(0.51)	(0.43)	(0.84)	(0.72)
Return after operating charges (p)*	(0.05)	7.79	5.76	(0.06)	11.23	8.26
Distributions (p)	(0.58)	(1.03)	(1.06)	(0.85)	(1.49)	(1.51)
Retained distributions on accumulation shares (p)**	—	—	—	0.85	1.49	1.51
Closing net asset value per share (p)	72.81	73.44	66.68	107.36	107.42	96.19
*after direct transaction costs of (p)	—	—	—	—	—	—
<b>Performance</b>						
Return after charges (%)	(0.07)	11.68	9.29	(0.06)	11.67	9.39
<b>Other information</b>						
Closing net asset value (£000)	12,825	11,450	6,558	81,508	41,414	105,989
Closing number of shares	17,613,662	15,591,331	9,834,438	75,920,052	38,553,598	110,183,678
Operating charges (%)***	0.81 <sup>†</sup>	0.81	0.81	0.81 <sup>†</sup>	0.81	0.81
Direct transaction costs (%)****	—	—	—	—	—	—
<b>Prices</b>						
Highest share price (p)	74.21	79.35	68.77	108.56	115.28	98.59
Lowest share price (p)	70.20	65.92	58.61	102.69	95.15	83.24

	Class X – Gross accumulation shares <sup>5</sup>		Class Z – Income shares		
	07/09/2017	07/03/2017 <sup>1</sup>	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	111.61	100.00	112.50	101.89	94.46
Return before operating charges (p)	0.38	11.68	0.38	12.80	9.57
Operating charges (p)	(0.03)	(0.07)	(0.35)	(0.70)	(0.60)
Return after operating charges (p)*	0.35	11.61	0.03	12.10	8.97
Distributions (p)	(0.89)	(1.52)	(0.85)	(1.49)	(1.54)
Retained distributions on accumulation shares (p)**	0.89	1.52	—	—	—
Closing net asset value per share (p)	111.96	111.61	111.68	112.50	101.89
*after direct transaction costs of (p)	—	—	—	—	—
<b>Performance</b>					
Return after charges (%)	0.31	11.61	0.03	11.88	9.50
<b>Other information</b>					
Closing net asset value (£000)	24,106	15,049	20,132	19,441	20,026
Closing number of shares	21,529,763	13,483,929	18,026,218	17,281,456	19,654,643
Operating charges (%)***	0.06 <sup>†</sup>	0.06 <sup>†</sup>	0.63 <sup>†</sup>	0.63	0.63
Direct transaction costs (%)****	—	—	—	—	—
<b>Prices</b>					
Highest share price (p)	113.20	119.41	113.78	121.43	105.04
Lowest share price (p)	106.83	98.26	107.57	100.76	89.37

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>5</sup>			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	112.48	101.87	94.44	128.49	114.86	104.81
Return before operating charges (p)	0.38	12.80	9.57	0.44	14.42	10.71
Operating charges (p)	(0.35)	(0.70)	(0.59)	(0.40)	(0.79)	(0.66)
Return after operating charges (p)*	0.03	12.10	8.98	0.04	13.63	10.05
Distributions (p)	(0.85)	(1.49)	(1.55)	(0.97)	(1.69)	(1.72)
Retained distributions on accumulation shares (p)**	–	–	–	0.97	1.69	1.72
Closing net asset value per share (p)	111.66	112.48	101.87	128.53	128.49	114.86
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.03	11.88	9.51	0.03	11.87	9.59
<b>Other information</b>						
Closing net asset value (£000)	517	390	129	111	101	97
Closing number of shares	462,989	346,813	126,881	86,124	78,657	84,153
Operating charges (%)***	0.63 <sup>†</sup>	0.63	0.63	0.63 <sup>†</sup>	0.63	0.63
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	113.77	121.45	105.16	129.96	137.79	117.71
Lowest share price (p)	107.56	100.81	89.45	122.87	113.66	99.26

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

\*\*\*The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit [columbiathreadneedle.com/fees](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>†</sup>Class X – Gross accumulation shares commenced 16 March 2016.

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

# Threadneedle Global Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

#### (b) Notes

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

### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Income shares</b>	
Opening shares	4,854,365
Shares issued	193,126
Shares redeemed	(675,172)
Net conversions	2,687
Closing shares	4,375,006
<b>Class 1 – Accumulation shares</b>	
Opening shares	2,499,225
Shares issued	471,522
Shares redeemed	(710,868)
Net conversions	–
Closing shares	2,259,879
<b>Class 1 – Gross income shares</b>	
Opening shares	355,001,074
Shares issued	7,740,273
Shares redeemed	(40,314,341)
Net conversions	–
Closing shares	322,427,006
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	32,616,704
Shares issued	2,913,656
Shares redeemed	(4,465,124)
Net conversions	–
Closing shares	31,065,236
<b>Class 2 – Income shares</b>	
Opening shares	15,591,331
Shares issued	2,731,315
Shares redeemed	(708,984)
Net conversions	–
Closing shares	17,613,662
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	38,553,598
Shares issued	40,734,059
Shares redeemed	(3,367,605)
Net conversions	–
Closing shares	75,920,052
<b>Class X – Gross accumulation shares</b>	
Opening shares	13,483,929
Shares issued	8,447,629
Shares redeemed	(401,795)
Net conversions	–
Closing shares	21,529,763

### 2017

#### Class Z – Income shares

Opening shares	17,281,456
Shares issued	2,038,975
Shares redeemed	(1,292,680)
Net conversions	(1,533)
Closing shares	18,026,218

#### Class Z – Gross income shares

Opening shares	346,813
Shares issued	211,426
Shares redeemed	(95,250)
Net conversions	–
Closing shares	462,989

#### Class Z – Gross accumulation shares

Opening shares	78,657
Shares issued	21,977
Shares redeemed	(14,510)
Net conversions	–
Closing shares	86,124

## Threadneedle UK Institutional Fund

### Investment Report

#### Investment Objective

To achieve long term capital growth.

#### Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a wide spread of primarily UK companies, which are considered to have good potential for capital growth. Investment will tend to focus on large companies with sound long-term prospects.

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

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Institutional Fund has risen from 155.79p to 159.62p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.77% as compared to a median return of +5.10% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

#### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gear companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

New additions included easyJet. In our view, it is a well-run business with a very strong brand and a flexible, healthy balance sheet. It is consolidating footholds in several key airport hubs and improving its fleet while disposing of old aircraft and retaining deferral options on new deliveries. We believe these measures should put easyJet in a good position to deliver long-term economic returns.

Over the review period, we also focused on building up our existing holdings, chiefly Johnson Matthey, Imperial Brands, Rotork and AstraZeneca. For Johnson Matthey, we believe the market has overestimated the 'death of diesel' – one of the reasons why the stock is trading at historic lows despite the company's significant revenue growth and cost reduction

opportunities. Imperial Brands suffered in July following news of the US Food and Drug Administration's plans to reduce nicotine levels in cigarettes; however, we believe the market overreacted as any new regulation would take time to put in place and the industry has shown an ability to adapt. Rotork is a global leader in actuation systems. Tailwinds from returning oil & gas capex, industry consolidation and a management team that has invested well through the cycle to enhance the company's offering all combine to present an interesting backdrop. Furthermore, in our view, Rotork is less vulnerable than its peers to macro weakness. We believe that AstraZeneca retains a strong oncology pipeline and has optionality with its cost base.

Sales included BP; we had questions about the company's ability to sustain its dividend payments, particularly because of its large debt build-up over the last three years.

We took some profits in Unilever and Diageo; both enjoyed strong runs in 2017.

In our view, there are still some global headwinds due to the gradual withdrawal of liquidity and generally waning economic performance across the globe, particularly in the US and the UK. We are also cautious about the very rich valuations across equity markets and generally elevated levels of optimism around Europe, emerging markets, and of course, the 'FANG' stocks – Facebook, Amazon, Netflix and Google. The broader US technology sector is also trading at a steep valuation.

Nevertheless, we still believe there is some relative value in the UK stock market – hence global businesses continuing to find that UK-listed companies are attractive takeover targets.

We will remain focused on company fundamentals and believe that volatile markets should provide us with opportunities to top up holdings in strong franchises as they become more attractively valued.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	12,431	93,460
Revenue	23,124	21,783
Expenses	(4,668)	(4,011)
Interest payable and similar charges	(1)	–
Net revenue before taxation	18,455	17,772
Taxation	–	–
Net revenue after taxation	18,455	17,772
<b>Total return before distributions</b>	<b>30,886</b>	<b>111,232</b>
Distributions	(18,454)	(17,772)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>12,432</b>	<b>93,460</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,074,865	1,063,621
<b>Current assets:</b>		
Debtors	11,030	6,322
Cash and bank balances	2,953	3,568
Total assets	1,088,848	1,073,511
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(1,918)	(4,814)
Total liabilities	(1,918)	(4,814)
<b>Net assets attributable to shareholders</b>	<b>1,086,930</b>	<b>1,068,697</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,068,697</b>	<b>885,718</b>
Amounts receivable on the issue of shares	52,319	68,420
Amounts payable on the cancellation of shares	(64,865)	(44,194)
	(12,546)	24,226
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	12,432	93,460
Retained distribution on accumulation shares	18,347	18,058
<b>Closing net assets attributable to shareholders</b>	<b>1,086,930</b>	<b>1,021,462</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	2.0417	–	2.0417	2.0258
<b>Group 2</b> 08/03/17 to 07/09/17	1.0187	1.0230	2.0417	2.0258
<b>Total distributions in the period</b>			<b>2.0417</b>	<b>2.0258</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017	Revenue Accumulated 2016
<b>Group 1</b> 08/03/17 to 07/09/17	3.0582	–	3.0582	2.8954
<b>Group 2</b> 08/03/17 to 07/09/17	1.5824	1.4758	3.0582	2.8954
<b>Total distributions in the period</b>			<b>3.0582</b>	<b>2.8954</b>

Group 2: shares purchased during a distribution period.



## Threadneedle UK Institutional Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017	07/03/2016
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	155.68	129.78	137.42	173.61	143.49	150.62
Return before operating charges (p)	5.16	28.24	(5.44)	5.78	31.37	(5.96)
Operating charges (p)	(1.33)	(2.34)	(2.20)	(0.72)	(1.25)	(1.17)
Return after operating charges (p)*	3.83	25.90	(7.64)	5.06	30.12	(7.13)
Distributions (p)	(2.04)	(2.73)	(2.75)	(3.06)	(4.39)	(4.03)
Retained distributions on accumulation shares (p)	2.04	2.73	2.75	3.06	4.39	4.03
Closing net asset value per share (p)	159.51	155.68	129.78	178.67	173.61	143.49
*after direct transaction costs of (p)	0.07	0.20	0.21	0.08	0.22	0.23
<b>Performance</b>						
Return after charges (%)	2.46	19.96	(5.56)	2.91	20.99	(4.73)
<b>Other information</b>						
Closing net asset value (£000)	59,539	63,598	60,111	1,027,391	1,005,099	825,607
Closing number of shares	37,324,896	40,851,564	46,316,029	575,007,324	578,926,600	575,383,730
Operating charges (%)**	1.67 <sup>†</sup>	1.66	1.66	0.81 <sup>†</sup>	0.80	0.80
Direct transaction costs (%)***	0.09	0.14	0.16	0.09	0.14	0.16
<b>Prices</b>						
Highest share price (p)	164.58	155.82	141.72	183.92	173.76	155.64
Lowest share price (p)	154.20	125.57	116.96	172.15	139.17	129.23

\*\*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>†</sup>The Ongoing Charges Figure is annualised based on the fees incurred during the accounting period or since commencement date.

## Threadneedle UK Institutional Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2017
<b>Class 1 – Accumulation shares</b>	
Opening shares	40,851,564
Shares issued	3,864,877
Shares redeemed	(7,391,545)
Net conversions	—
Closing shares	<u>37,324,896</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	578,926,600
Shares issued	26,179,819
Shares redeemed	(30,099,095)
Net conversions	—
Closing shares	<u>575,007,324</u>

## Threadneedle UK Overseas Earnings Fund

### Investment Report Investment Objective

To achieve capital growth.

### Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in the shares of UK companies deriving more than half their earnings from overseas activities and/or exports.

### Performance of Class 2 – Income shares\*

Over the six months to 7 September 2017, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 126.20p to 128.29p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2017, including net reinvested income, is +3.84% as compared to a median return of +5.10% over the same period. (For information the FTSE All-Share Total Return Index returned +5.30% over the same period).

### Market Overview and Portfolio Activity

The FTSE All-Share index rose over the six months under review. Sterling strengthened against most of its peers (with the notable exception of the euro) despite uncertainties over the UK's domestic political and economic prospects.

From a political viewpoint, while the triggering of Article 50 in March was expected, investors were surprised in April when the prime minister called a snap general election. This propelled sterling higher due to hopes that an increased Conservative majority could strengthen the government's hand in Brexit negotiations. However, the loss of the Conservatives' overall majority in June's election rattled markets, particularly sterling and the shares of domestically-gearred companies.

Equities and sterling later recovered as a deal between the Conservatives and the Democratic Unionist Party of Northern Ireland appeased investors' fears of political uncertainty. However, sterling's gains in June were mainly due to growing expectations that the Bank of England (BoE) could soon raise interest rates. The June meeting saw three Monetary Policy Committee members call for higher rates, while hawkish speeches from the bank's governor and chief economist led investors to believe they may also vote the same way in future. Subsequently, July and August saw more dovish noises from the BoE; this, along with an easing of inflation, led investors to push their rate-hike expectations further out.

While the UK was the second-fastest growing economy in the G7 in 2016, growth trended lower in the first half of 2017. Household expenditure has been squeezed as wage growth has lagged inflation. More positively, the purchasing managers' indices for the manufacturing and services sectors have remained in expansionary territory over the review period. Moreover, sterling's Brexit-induced slump has been beneficial for exporters and has also resulted in overseas firms viewing UK-listed companies as attractive takeover targets.

We added easyJet to the portfolio. In our view, it is a well-run business with a very strong brand and a flexible, healthy balance sheet. It is consolidating footholds in several key airport hubs and improving its fleet, while disposing of old aircraft and retaining deferral options on new deliveries. We believe these measures should put the company in a good position to deliver healthy long-term returns.

We added to Cobham by purchasing the shares in the market as well as by participating in its rights issue. In our view, the defence manufacturer has a resilient underlying business, which offers multiple opportunities for value creation.

Other holdings that were topped up over the review period included Sherborne Investors and Johnson Matthey. We participated in the

latest cash raise by proven turnaround specialists Sherborne; we believe the company is well positioned to emulate the success of its most recent project, Electra Private Equity, which has driven the stock's strong outperformance over the last year. For Johnson Matthey, we believe the market has overestimated the 'death of diesel' – one of the reasons why the stock has been trading at historic lows despite the company's significant revenue growth and cost reduction opportunities.

We trimmed our holdings in Royal Dutch Shell, Rentokil and RSA Insurance, and sold out of Pennon Group and British American Tobacco.

Global news flow continues to generate some market volatility. We note that stock markets have been amongst the primary beneficiaries of money printing; therefore, we are wary of how the global economy will cope as monetary easing is reduced and central banking policy shifts from quantitative easing to quantitative tightening.

Although we acknowledge that market levels are high, we continue to believe that, while there appears to be a lot of uncertainty about the UK's domestic politics and economic prospects, the outlook for UK equities is more measured. These continue to trade at attractive valuations relative to those in the US and Europe. Brexit-induced uncertainty has driven global asset allocators to be extremely underweight UK equities – we believe this makes domestic corporates attractive takeover targets. Sterling's weakness could also provide additional impetus to the M&A wave, which has taken off since the Brexit vote.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Income		
Net capital gains	1,147	11,206
Revenue	2,529	2,679
Expenses	(901)	(831)
Net revenue before taxation	1,628	1,848
Taxation	–	–
Net revenue after taxation	1,628	1,848
<b>Total return before distributions</b>	<b>2,775</b>	<b>13,054</b>
Distributions	(1,628)	(1,848)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,147</b>	<b>11,206</b>

### BALANCE SHEET

as at 7 September 2017

	2017 £000	March 2017 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	110,495	118,879
<b>Current assets:</b>		
Debtors	566	931
Cash and bank balances	509	–
<b>Total assets</b>	<b>111,570</b>	<b>119,810</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	–	(28)
Distribution payable	(1,549)	(718)
Other creditors	(281)	(373)
<b>Total liabilities</b>	<b>(1,830)</b>	<b>(1,119)</b>
<b>Net assets attributable to shareholders</b>	<b>109,740</b>	<b>118,691</b>

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

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
<b>Opening net assets attributable to shareholders</b>	<b>118,691</b>	<b>103,686</b>
Amounts receivable on the issue of shares	2,677	3,263
Amounts payable on the cancellation of shares	(12,786)	(6,545)
	(10,109)	(3,282)
Dilution adjustment	10	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,147	11,206
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>109,740</b>	<b>111,611</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 7 March 2017 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2016.

\*In pound Sterling and against UK peer group.

### DISTRIBUTION TABLE

for the accounting period 8 March 2017 to 7 September 2017

Dividend distribution in pence per share

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	1.7679	–	1.7679	1.9264
<b>Group 2</b>				
08/03/17 to 07/09/17	0.9355	0.8324	1.7679	1.9264
<b>Total distributions in the period</b>			<b>1.7679</b>	<b>1.9264</b>

#### Class 2 – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2017
<b>Group 1</b>			
08/03/17 to 07/09/17	1.5178	–	1.5178
<b>Group 2</b>			
08/03/17 to 07/09/17	1.5178	–	1.5178
<b>Total distributions in the period</b>			<b>1.5178</b>

## Threadneedle UK Overseas Earnings Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2017	Distribution Paid 2016
<b>Group 1</b>				
08/03/17 to 07/09/17	2.2083	–	2.2083	2.3054
<b>Group 2</b>				
08/03/17 to 07/09/17	1.4217	0.7866	2.2083	2.3054
<b>Total distributions in the period</b>			<b>2.2083</b>	<b>2.3054</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Overseas Earnings Fund

### Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares	
	07/09/2017	07/03/2017	07/03/2016	07/09/2017	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	125.40	105.77	113.36	105.63	100.00
Return before operating charges (p)	3.79	24.10	(3.66)	3.20	6.21
Operating charges (p)	(1.01)	(1.81)	(1.70)	(0.83)	(0.58)
Return after operating charges (p)*	2.78	22.29	(5.36)	2.37	5.63
Distributions (p)	(1.77)	(2.66)	(2.23)	(1.52)	(0.56)
Retained distributions on accumulation shares (p)	–	–	–	1.52	0.56
Closing net asset value per share (p)	126.41	125.40	105.77	108.00	105.63
*after direct transaction costs of (p)	0.05	0.13	0.06	0.04	0.11
<b>Performance</b>					
Return after charges (%)	2.22	21.07	(4.73)	2.24	5.63
<b>Other information</b>					
Closing net asset value (£000)	105,671	111,104	102,735	3	3
Closing number of shares	83,591,500	88,598,211	97,130,940	3,001	3,001
Operating charges (%)**	1.57 <sup>1</sup>	1.57	1.57	1.52 <sup>1</sup>	1.52 <sup>1</sup>
Direct transaction costs (%)***	0.08	0.13	0.16	0.08	0.13
<b>Prices</b>					
Highest share price (p)	133.44	126.27	115.86	112.41	105.75
Lowest share price (p)	124.42	103.60	96.35	104.81	94.99
<b>Class Z – Income shares</b>					
	07/09/2017	07/03/2017	07/03/2016		
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	125.32	105.65	113.14		
Return before operating charges (p)	3.79	24.16	(3.67)		
Operating charges (p)	(0.58)	(1.05)	(0.95)		
Return after operating charges (p)*	3.21	23.11	(4.62)		
Distributions (p)	(2.21)	(3.44)	(2.87)		
Retained distributions on accumulation shares (p)	–	–	–		
Closing net asset value per share (p)	126.32	125.32	105.65		
*after direct transaction costs of (p)	0.05	0.13	0.06		
<b>Performance</b>					
Return after charges (%)	2.56	21.87	(4.08)		
<b>Other information</b>					
Closing net asset value (£000)	4,066	7,584	951		
Closing number of shares	3,218,678	6,051,576	899,439		
Operating charges (%)**	0.90 <sup>1</sup>	0.89	0.89		
Direct transaction costs (%)***	0.08	0.13	0.16		
<b>Prices</b>					
Highest share price (p)	133.56	126.59	115.82		
Lowest share price (p)	124.43	103.68	96.52		

\*\*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.

<sup>1</sup>Class Z – Accumulation shares commenced 20 October 2016.

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

## Threadneedle UK Overseas Earnings Fund

### Notes to the financial statements

for the accounting period 8 March 2017 to 7 September 2017

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2017 and are described in those financial statements.

##### (b) Notes

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

#### 2 RECONCILIATION OF SHARES

	2017
<b>Class 2 – Income shares</b>	
Opening shares	88,598,211
Shares issued	774,350
Shares redeemed	(5,624,569)
Net conversions	(156,492)
Closing shares	83,591,500
<b>Class 2 – Accumulation shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,001
<b>Class Z – Income shares</b>	
Opening shares	6,051,576
Shares issued	1,320,101
Shares redeemed	(4,309,254)
Net conversions	156,255
Closing shares	3,218,678

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.55% (6.44%)</b>				<b>HEALTH CARE 7.83% (8.40%)</b>			
	<b>Oil &amp; Gas Producers 3.38% (3.81%)</b>				<b>Health Care Equipment &amp; Services 1.63% (1.49%)</b>		
3,354,327	Royal Dutch Shell B Shares	73,594	3.38	2,553,877	Smith & Nephew	35,499	1.63
	<b>Oil Equipment, Services &amp; Distribution 2.17% (2.63%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.20% (6.91%)</b>		
2,230,474	Hunting	9,473	0.44	1,216,121	AstraZeneca	56,312	2.58
6,058,808	John Wood Group	37,746	1.73	5,234,152	GlaxoSmithKline	78,853	3.62
	<b>Total Oil &amp; Gas</b>	<b>120,813</b>	<b>5.55</b>		<b>Total Health Care</b>	<b>170,664</b>	<b>7.83</b>
<b>BASIC MATERIALS 4.79% (3.96%)</b>				<b>CONSUMER SERVICES 17.06% (17.01%)</b>			
	<b>Chemicals 2.24% (1.62%)</b>				<b>Food &amp; Drug Retailers 0.81% (0.82%)</b>		
1,699,051	Johnson Matthey	48,678	2.24	8,750,493	Booker Group	17,702	0.81
	<b>Mining 2.55% (2.34%)</b>				<b>General Retailers 0.91% (0.89%)</b>		
1,493,503	Rio Tinto	55,618	2.55	2,372,325	Inchcape	19,761	0.91
	<b>Total Basic Materials</b>	<b>104,296</b>	<b>4.79</b>		<b>Media 6.60% (6.97%)</b>		
<b>INDUSTRIALS 14.23% (14.56%)</b>					Daily Mail & General Trust	18,197	0.84
	<b>Construction &amp; Materials 4.46% (4.22%)</b>				Informa	31,566	1.45
27,679,255	Breedon Aggregates	24,427	1.12	23,823,155	ITV	38,189	1.75
1,638,456	CRH	43,894	2.01	3,336,727	RELX	55,790	2.56
13,629,777	Melrose Industries	28,868	1.33		<b>Travel &amp; Leisure 8.74% (8.33%)</b>		
	<b>Aerospace &amp; Defence 1.82% (2.23%)</b>				Carnival	41,020	1.88
8,173,748	Cobham	11,059	0.51	795,739	Compass Group	38,380	1.76
3,229,235	Rolls-Royce Holdings	28,579	1.31	2,348,819	Greene King	13,165	0.60
	<b>General Industrials 2.21% (2.39%)</b>				InterContinental Hotels Group	34,799	1.60
5,426,969	DS Smith	26,522	1.22	2,011,418	Merlin Entertainments	27,861	1.28
1,384,161	Smiths Group	21,593	0.99	919,630	Stagecoach Group	11,074	0.51
	<b>Industrial Engineering 0.62% (0.00%)</b>			6,038,295	Whitbread	24,234	1.11
5,691,880	Rotork	13,444	0.62	643,836	<b>Total Consumer Services</b>	<b>371,738</b>	<b>17.06</b>
	<b>Industrial Transportation 0.85% (0.92%)</b>				<b>TELECOMMUNICATIONS 2.36% (2.82%)</b>		
4,852,426	Royal Mail	18,517	0.85		<b>Fixed Line Telecommunications 2.36% (2.82%)</b>		
	<b>Support Services 4.27% (4.80%)</b>			17,917,336	BT Group	51,494	2.36
1,585,005	Aggreko	14,431	0.66		<b>Total Telecommunications</b>	<b>51,494</b>	<b>2.36</b>
717,222	Ferguson	32,526	1.49		<b>FINANCIALS 21.96% (20.63%)</b>		
4,077,640	Howden Joinery Group	17,306	0.79		<b>Banks 3.69% (3.06%)</b>		
9,514,435	Rentokil Initial	28,876	1.33	22,871,477	Barclays	42,644	1.96
	<b>Total Industrials</b>	<b>310,042</b>	<b>14.23</b>	5,038,312	Standard Chartered	37,626	1.73
<b>CONSUMER GOODS 21.35% (22.04%)</b>					<b>Nonlife Insurance 1.49% (1.42%)</b>		
	<b>Automobiles &amp; Parts 1.77% (2.16%)</b>			5,035,027	RSA Insurance Group	32,526	1.49
11,695,588	GKN	38,666	1.77		<b>Life Insurance 8.40% (8.37%)</b>		
	<b>Beverages 3.08% (2.78%)</b>			21,633,642	Legal & General Group	55,252	2.54
2,600,094	Diageo	67,108	3.08	4,921,565	Prudential	87,063	4.00
	<b>Household Goods &amp; Home Construction 5.05% (5.46%)</b>			3,596,752	St James's Place	40,499	1.86
608,281	Bellway	19,307	0.89		<b>Real Estate Investment &amp; Services 0.90% (0.91%)</b>		
7,044,161	Crest Nicholson Holdings	38,426	1.76	7,552,308	Grainger	19,598	0.90
1,990,288	Headlam Group	11,942	0.55		<b>Real Estate Investment Trusts 1.99% (2.15%)</b>		
561,974	Reckitt Benckiser Group	40,265	1.85	592,622	Derwent London	16,439	0.75
	<b>Personal Goods 5.34% (5.19%)</b>			2,713,722	Land Securities Group REIT	27,056	1.24
1,595,276	Burberry Group	28,125	1.29		<b>Financial Services 5.49% (4.72%)</b>		
3,297,277	PZ Cussons	11,349	0.52	3,165,499	Intermediate Capital Group	27,144	1.24
1,700,372	Unilever	76,857	3.53	1,826,847	London Stock Exchange Group	70,498	3.23
	<b>Tobacco 6.11% (6.45%)</b>			935,069	Schroders Non-voting	22,199	1.02
1,075,311	British American Tobacco	52,690	2.42		<b>Total Financials</b>	<b>478,544</b>	<b>21.96</b>
2,437,033	Imperial Brands	80,520	3.69		<b>TECHNOLOGY 3.35% (2.98%)</b>		
	<b>Total Consumer Goods</b>	<b>465,255</b>	<b>21.35</b>		<b>Software &amp; Computer Services 3.35% (2.98%)</b>		
				3,328,473	FDM Group Holdings IPO	30,039	1.38
				6,208,089	Sage Group	42,867	1.97
					<b>Total Technology</b>	<b>72,906</b>	<b>3.35</b>

## Threadneedle UK Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –0.02% (0.04%)</b>			
	<b>Forward Foreign Exchange Contracts –0.02% (0.04%)</b>		
	Sell GBP 85,008		
	Buy CHF 105,018 J.P. Morgan	(1)	–
	Sell GBP 30,678		
	Buy CHF 37,492 J.P. Morgan	(1)	–
	Sell GBP 5,837		
	Buy CHF 7,270 J.P. Morgan	–	–
	Sell GBP 6,497		
	Buy CHF 8,053 J.P. Morgan	–	–
	Sell GBP 6,605,328		
	Buy CHF 8,154,620 J.P. Morgan	(58)	–
	Sell GBP 8,058		
	Buy CHF 9,993 J.P. Morgan	–	–
	Sell GBP 16,518,659		
	Buy EUR 17,925,390 J.P. Morgan	(102)	–
	Sell GBP 28,271		
	Buy EUR 30,909 J.P. Morgan	–	–
	Sell GBP 6,039		
	Buy EUR 6,553 J.P. Morgan	–	–
	Sell GBP 58,820		
	Buy EUR 63,844 J.P. Morgan	–	–
	Sell EUR 18,099		
	Buy GBP 16,829 J.P. Morgan	–	–
	Sell EUR 2,525		
	Buy GBP 2,326 J.P. Morgan	–	–
	Sell EUR 4,007		
	Buy GBP 3,686 J.P. Morgan	–	–
	Sell USD 57,777		
	Buy GBP 44,584 J.P. Morgan	1	–
	Sell USD 645,764		
	Buy GBP 498,266 J.P. Morgan	5	–
	Sell EUR 637		
	Buy GBP 589 J.P. Morgan	–	–
	Sell CHF 116,954		
	Buy GBP 94,189 J.P. Morgan	–	–
	Sell GBP 19,455,724		
	Buy USD 24,987,025 J.P. Morgan	(381)	(0.02)
	Sell GBP 26,844		
	Buy USD 34,742 J.P. Morgan	–	–
	Sell GBP 778		
	Buy USD 999 J.P. Morgan	–	–
	<b>Total Derivatives</b>	<b>(537)</b>	<b>(0.02)</b>
<b>Total value of investments</b>		<b>2,145,215</b>	<b>98.46</b>
<b>Net other assets (1.12%)</b>		<b>33,446</b>	<b>1.54</b>
<b>Net assets</b>		<b>2,178,661</b>	<b>100.00</b>

March 2017 comparatives in brackets.

<sup>†</sup> Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	172,926	226,091
Total sales for the period	181,076	198,241



## Threadneedle UK Select Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 4.59% (6.24%)</b>				<b>Travel &amp; Leisure 7.22% (6.59%)</b>			
	<b>Oil &amp; Gas Producers 3.81% (6.24%)</b>			800,952	Compass Group	13,088	2.98
762,632	Royal Dutch Shell B Shares	16,732	3.81	7,582,088	Firstgroup	8,628	1.96
	<b>Oil Equipment, Services &amp; Distribution 0.78% (0.00%)</b>			2,167,285	Merlin Entertainments	10,000	2.28
553,680	John Wood Group	3,449	0.78	<b>Total Consumer Services</b>		<b>74,083</b>	<b>16.86</b>
	<b>Total Oil &amp; Gas</b>	<b>20,181</b>	<b>4.59</b>	<b>FINANCIALS 35.48% (28.77%)</b>			
<b>BASIC MATERIALS 9.62% (7.41%)</b>					<b>Banks 8.71% (5.98%)</b>		
	<b>Chemicals 6.20% (4.53%)</b>			3,745,302	HSBC Holdings	27,367	6.23
4,316,510	Elementis	12,004	2.73	1,457,249	Standard Chartered	10,883	2.48
179,572	Johnson Matthey	5,145	1.17		<b>Life Insurance 10.39% (9.44%)</b>		
433,699	Victrex	10,092	2.30	6,462,399	Legal & General Group	16,505	3.76
	<b>Mining 3.42% (2.88%)</b>			1,018,851	Prudential	18,024	4.10
403,678	Rio Tinto	15,033	3.42	987,623	St James's Place	11,121	2.53
	<b>Total Basic Materials</b>	<b>42,274</b>	<b>9.62</b>		<b>Real Estate Investment Trusts 2.90% (1.60%)</b>		
<b>INDUSTRIALS 7.19% (8.36%)</b>				459,403	Derwent London	12,744	2.90
	<b>Construction &amp; Materials 4.25% (1.48%)</b>				<b>Financial Services 13.07% (11.05%)</b>		
11,128,400	<sup>†</sup> Breedon Aggregates	9,821	2.24	1,800,065	Intermediate Capital Group	15,436	3.51
4,176,110	Melrose Industries	8,845	2.01	443,622	London Stock Exchange Group	17,119	3.89
	<b>Aerospace &amp; Defence 0.00% (1.02%)</b>			8,385,649	Sherborne Investors Guernsey	8,721	1.98
	<b>General Industrials 2.94% (2.27%)</b>			4,804,236	Sherborne Investors Guernsey B	2,354	0.54
2,646,979	DS Smith	12,936	2.94	2,795,719	Tullett Prebon	13,850	3.15
	<b>Electronic &amp; Electrical Equipment 0.00% (2.11%)</b>				<b>Equity Investment Instruments 0.41% (0.70%)</b>		
	<b>Support Services 0.00% (1.48%)</b>			111,172	Electra Private Equity	1,790	0.41
	<b>Total Industrials</b>	<b>31,602</b>	<b>7.19</b>		<b>Total Financials</b>	<b>155,914</b>	<b>35.48</b>
<b>CONSUMER GOODS 12.93% (19.02%)</b>				<b>TECHNOLOGY 3.53% (2.49%)</b>			
	<b>Beverages 4.43% (3.91%)</b>				<b>Software &amp; Computer Services 3.53% (2.49%)</b>		
754,411	Diageo	19,471	4.43	2,246,147	Sage Group	15,510	3.53
	<b>Household Goods &amp; Home Construction 0.00% (2.20%)</b>				<b>Total Technology</b>	<b>15,510</b>	<b>3.53</b>
	<b>Personal Goods 3.09% (2.70%)</b>			<b>Total value of investments</b>			
300,400	Unilever	13,578	3.09			<b>421,922</b>	<b>96.00</b>
	<b>Tobacco 5.41% (10.21%)</b>			<b>Net other assets (2.91%)</b>			
302,006	British American Tobacco	14,798	3.36			<b>17,577</b>	<b>4.00</b>
272,446	Imperial Brands	9,002	2.05	<b>Net assets</b>			
	<b>Total Consumer Goods</b>	<b>56,849</b>	<b>12.93</b>			<b>439,499</b>	<b>100.00</b>
<b>HEALTH CARE 5.80% (10.07%)</b>				<i>March 2017 comparatives in brackets.</i>			
	<b>Health Care Equipment &amp; Services 1.78% (1.50%)</b>			<i><sup>†</sup>Alternative Investment Market.</i>			
562,354	Smith & Nephew	7,817	1.78	<b>Total Purchases and Sales</b>			
	<b>Pharmaceuticals &amp; Biotechnology 4.02% (8.57%)</b>			<i>for the accounting period 8 March 2017 to 7 September 2017</i>			
1,174,395	GlaxoSmithKline	17,692	4.02			<b>2017</b>	<b>2016</b>
	<b>Total Health Care</b>	<b>25,509</b>	<b>5.80</b>			<b>£000</b>	<b>£000</b>
<b>CONSUMER SERVICES 16.86% (14.73%)</b>				Total purchases for the period	278,909	34,717	
	<b>Media 9.64% (8.14%)</b>			Total sales for the period	90,902	31,416	
2,831,596	Ascential	10,672	2.43				
1,221,635	Informa	8,270	1.88				
3,100,382	ITV	4,970	1.13				
1,103,786	RELX	18,455	4.20				

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 0.17% (0.74%)</b>				<b>HEALTH CARE 6.22% (6.30%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.53%)</b>				<b>Health Care Equipment &amp; Services 1.70% (0.95%)</b>		
	<b>Oil Equipment, Services &amp; Distribution 0.17% (0.21%)</b>			1,230,451	Medica Group	2,645	1.20
2,008,642	<sup>†</sup> Enteq Upstream	382	0.17	2,292,816	<sup>†</sup> Totally (Suspended)	1,101	0.50
	<b>Total Oil &amp; Gas</b>	<b>382</b>	<b>0.17</b>		<b>Pharmaceuticals &amp; Biotechnology 4.52% (5.35%)</b>		
				387,272	<sup>†</sup> Clinigen Group	4,334	1.97
				6,194,297	Vectura Group	5,603	2.55
					<b>Total Health Care</b>	<b>13,683</b>	<b>6.22</b>
<b>BASIC MATERIALS 4.45% (6.21%)</b>				<b>CONSUMER SERVICES 23.81% (24.17%)</b>			
	<b>Chemicals 3.19% (5.27%)</b>				<b>Food &amp; Drug Retailers 2.45% (2.27%)</b>		
1,131,452	<sup>†</sup> Scapa Group	5,086	2.31	1,016,557	<sup>†</sup> Conviviality Retail	4,163	1.89
540,032	Zotefoams	1,928	0.88	6,159,843	<sup>†</sup> Crawshaw Group	1,232	0.56
	<b>Mining 1.26% (0.94%)</b>				<b>General Retailers 7.31% (5.79%)</b>		
5,792,184	<sup>†</sup> Berkeley Energia	2,780	1.26	879,023	<sup>†</sup> Joules Group	2,505	1.14
21,587,483	DiamondCorp (Suspended)	—	—	537,428	Just Eat	3,676	1.67
	<b>Total Basic Materials</b>	<b>9,794</b>	<b>4.45</b>	1,319,088	Moss Bros Group	1,214	0.55
				1,778,270	N Brown Group	6,087	2.77
				1,451,552	Quiz	2,587	1.18
					<b>Media 6.90% (9.14%)</b>		
				2,135,463	Ascential	8,049	3.66
				401,670	GlobalData	2,229	1.01
				667,447	STV Group	2,538	1.15
				913,140	<sup>†</sup> YouGov	2,374	1.08
					<b>Travel &amp; Leisure 7.15% (6.97%)</b>		
				1,141,193	<sup>†</sup> DP Poland	491	0.22
				2,265,133	Gym Group	4,649	2.11
				2,238,371	Hollywood Bowl Group	3,794	1.73
				1,074,205	Rank Group	2,417	1.10
				1,418,793	Restaurant Group	4,368	1.99
					<b>Total Consumer Services</b>	<b>52,373</b>	<b>23.81</b>
<b>INDUSTRIALS 21.48% (22.61%)</b>				<b>TELECOMMUNICATIONS 1.35% (1.70%)</b>			
	<b>Construction &amp; Materials 2.71% (3.30%)</b>				<b>Mobile Telecommunications 1.35% (1.70%)</b>		
118,941	<sup>†</sup> Accsys Technologies	95	0.04	465,393	<sup>†</sup> Gamma Communications	2,969	1.35
1,063,654	Eurocell Group	2,553	1.16		<b>Total Telecommunications</b>	<b>2,969</b>	<b>1.35</b>
973,678	Tyman	3,308	1.51				
	<b>Aerospace &amp; Defence 3.72% (2.84%)</b>						
516,767	Avon Rubber	4,863	2.21				
1,222,725	Senior	3,329	1.51				
	<b>General Industrials 3.69% (0.00%)</b>						
10,542,848	Coats Group	8,123	3.69				
	<b>Electronic &amp; Electrical Equipment 3.84% (5.35%)</b>						
1,171,266	Luceco	2,931	1.33				
493,498	Oxford Instruments	5,527	2.51				
	<b>Industrial Engineering 0.63% (1.54%)</b>						
608,162	<sup>†</sup> Avingtrans	1,387	0.63				
	<b>Support Services 6.89% (9.58%)</b>						
49,453,601	<sup>†</sup> ISpatial	1,607	0.73				
751,065	Paysafe Group	4,371	1.99				
520,208	<sup>†</sup> Restore	2,611	1.19				
359,360	Ricardo	2,661	1.21				
507,743	Sanne Group IPO	3,884	1.77				
	<b>Total Industrials</b>	<b>47,250</b>	<b>21.48</b>				
<b>CONSUMER GOODS 13.73% (12.67%)</b>				<b>FINANCIALS 9.60% (9.75%)</b>			
	<b>Beverages 2.12% (2.62%)</b>				<b>Banks 1.06% (1.61%)</b>		
1,913,623	Stock Spirits Group	4,669	2.12	138,440	Secure Trust Bank	2,333	1.06
	<b>Food Producers 2.60% (2.04%)</b>				<b>Life Insurance 2.19% (0.00%)</b>		
1,943,945	<sup>†</sup> Hotel Chocolat Group	5,715	2.60	2,982,017	Just Group	4,807	2.19
	<b>Household Goods &amp; Home Construction 5.86% (5.00%)</b>				<b>Real Estate Investment &amp; Services 0.00% (0.71%)</b>		
944,205	Countryside Properties	3,300	1.50		<b>Financial Services 6.27% (7.43%)</b>		
1,301,313	Eve Sleep	1,041	0.47	87,859	<sup>†</sup> Brooks Macdonald Group	1,809	0.82
1,377,165	<sup>†</sup> Victoria	8,552	3.89	1,903,500	<sup>†</sup> Fairfx Group	1,428	0.65
	<b>Leisure Goods 0.83% (0.00%)</b>			2,191,664	<sup>†</sup> Premier Asset Management Group	3,792	1.72
228,925	<sup>†</sup> Gear4Music Holdings	1,831	0.83	617,717	Tullett Prebon	3,060	1.39
	<b>Personal Goods 2.32% (3.01%)</b>			2,278,431	Xafinity	3,714	1.69
121,011	Ted Baker	2,941	1.34		<b>Nonequity Investment Instruments 0.08% (0.00%)</b>		
977,791	<sup>†</sup> Warpaint London	2,151	0.98	125,470	Wilmcote Holdings	163	0.08
	<b>Total Consumer Goods</b>	<b>30,200</b>	<b>13.73</b>		<b>Total Financials</b>	<b>21,106</b>	<b>9.60</b>

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 16.07% (15.98%)</b>			
<b>Software &amp; Computer Services 14.88% (14.35%)</b>			
83,224	<sup>†</sup> 1st Derivatives	2,260	1.03
2,616,371	<sup>†</sup> Blanco Technology	1,648	0.75
1,004,668	<sup>†</sup> Blue Prism Group	10,740	4.88
500,239	FDM Group Holdings IPO	4,515	2.05
1,049,369	<sup>†</sup> GB Group	3,933	1.79
1,022,185	<sup>†</sup> iomart Group	3,253	1.48
1,880,113	<sup>†</sup> Proactis Holdings	3,328	1.51
39,131,179	<sup>†</sup> Shearwater Group	1,663	0.76
3,943,724	<sup>†</sup> Ubisense Group	1,380	0.63
<b>Technology Hardware &amp; Equipment 1.19% (1.63%)</b>			
2,703,540	Spirent Communications	2,629	1.19
<b>Total Technology</b>		<b>35,349</b>	<b>16.07</b>
<b>Total value of investments</b>		<b>213,106</b>	<b>96.88</b>
<b>Net other assets/(liabilities) (-0.13%)</b>		<b>6,858</b>	<b>3.12</b>
<b>Net assets</b>		<b>219,964</b>	<b>100.00</b>

March 2017 comparatives in brackets.

<sup>†</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	70,735	40,293
Total sales for the period	74,259	60,552

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.48% (3.73%)</b>				<b>General Retailers 2.98% (2.70%)</b>			
	<b>Oil &amp; Gas Producers 3.48% (3.73%)</b>			3,867,705	Marks & Spencer Group	12,640	2.98
674,467	Royal Dutch Shell B Shares	14,798	3.48		<b>Media 6.96% (7.62%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>14,798</b>	<b>3.48</b>	4,903,310	ITV	7,860	1.85
<b>BASIC MATERIALS 2.06% (1.71%)</b>				1,427,094	Pearson	8,527	2.01
	<b>Chemicals 2.06% (1.71%)</b>			786,709	RELX	13,154	3.10
305,065	Johnson Matthey	8,740	2.06		<b>Travel &amp; Leisure 9.52% (9.25%)</b>		
	<b>Total Basic Materials</b>	<b>8,740</b>	<b>2.06</b>	617,252	Compass Group	10,086	2.37
<b>INDUSTRIALS 26.10% (24.87%)</b>				5,504,457	Firstgroup	6,264	1.47
	<b>Construction &amp; Materials 1.54% (1.76%)</b>			728,799	J D Wetherspoon	7,667	1.81
3,084,636	Melrose Industries	6,533	1.54	2,202,354	Rank Group	4,955	1.17
	<b>Aerospace &amp; Defence 5.79% (4.84%)</b>			2,497,828	Restaurant Group	7,691	1.81
1,683,694	BAE Systems	10,026	2.36	2,352,166	Stagecoach Group	3,792	0.89
6,430,001	Cobham	8,700	2.05		<b>Total Consumer Services</b>	<b>110,785</b>	<b>26.09</b>
660,540	Rolls-Royce Holdings	5,846	1.38	<b>TELECOMMUNICATIONS 2.75% (2.86%)</b>			
	<b>General Industrials 4.00% (3.86%)</b>				<b>Fixed Line Telecommunications 2.75% (2.86%)</b>		
1,802,475	DS Smith	8,809	2.07	4,059,247	BT Group	11,666	2.75
524,162	Smiths Group	8,177	1.93		<b>Total Telecommunications</b>	<b>11,666</b>	<b>2.75</b>
	<b>Electronic &amp; Electrical Equipment 0.73% (0.82%)</b>			<b>UTILITIES 4.24% (5.75%)</b>			
1,068,307	Morgan Advanced Materials	3,087	0.73		<b>Gas, Water &amp; Multiutilities 4.24% (5.75%)</b>		
	<b>Industrial Engineering 0.88% (1.06%)</b>			5,942,776	Centrica	11,606	2.73
334,196	IMI	3,740	0.88	325,316	Pennon Group	2,659	0.63
	<b>Industrial Transportation 1.24% (1.16%)</b>			408,564	United Utilities Group	3,740	0.88
2,216,648	Wincanton	5,259	1.24		<b>Total Utilities</b>	<b>18,005</b>	<b>4.24</b>
	<b>Support Services 11.92% (11.37%)</b>			<b>FINANCIALS 13.07% (12.14%)</b>			
2,809,828	Electrocomponents	17,561	4.13		<b>Banks 1.18% (1.35%)</b>		
195,392	Ferguson	8,861	2.09	296,495	Secure Trust Bank	4,996	1.18
3,685,506	Hays	6,756	1.59		<b>Nonlife Insurance 3.35% (3.08%)</b>		
5,755,126	Rentokil Initial	17,467	4.11	2,205,890	RSA Insurance Group	14,250	3.35
	<b>Total Industrials</b>	<b>110,822</b>	<b>26.10</b>		<b>Life Insurance 2.74% (2.85%)</b>		
<b>CONSUMER GOODS 10.71% (11.19%)</b>				4,564,627	Legal & General Group	11,658	2.74
	<b>Automobiles &amp; Parts 1.46% (1.73%)</b>				<b>Financial Services 5.80% (4.86%)</b>		
1,880,551	GKN	6,217	1.46	1,606,789	3i Group	15,024	3.54
	<b>Food Producers 1.81% (2.17%)</b>			6,314,846	Sherborne Investors Guernsey	6,567	1.55
1,160,137	Tate & Lyle	7,692	1.81	6,175,575	Sherborne Investors Guernsey B	3,026	0.71
	<b>Personal Goods 4.27% (3.86%)</b>				<b>Total Financials</b>	<b>55,521</b>	<b>13.07</b>
400,758	Unilever	18,114	4.27	<b>TECHNOLOGY 1.84% (1.90%)</b>			
	<b>Tobacco 3.17% (3.43%)</b>				<b>Technology Hardware &amp; Equipment 1.84% (1.90%)</b>		
407,853	Imperial Brands	13,475	3.17	8,038,890	Spirent Communications	7,818	1.84
	<b>Total Consumer Goods</b>	<b>45,498</b>	<b>10.71</b>		<b>Total Technology</b>	<b>7,818</b>	<b>1.84</b>
<b>HEALTH CARE 9.66% (10.41%)</b>				<b>Total value of investments</b>			
	<b>Pharmaceuticals &amp; Biotechnology 9.66% (10.41%)</b>					<b>424,659</b>	<b>100.00</b>
471,293	AstraZeneca	21,823	5.14	<b>Net other liabilities (–0.73)</b>			
1,273,368	GlaxoSmithKline	19,183	4.52			<b>(13)</b>	<b>–</b>
	<b>Total Health Care</b>	<b>41,006</b>	<b>9.66</b>	<b>Net assets</b>			
<b>CONSUMER SERVICES 26.09% (26.17%)</b>						<b>424,646</b>	<b>100.00</b>
	<b>Food &amp; Drug Retailers 6.63% (6.60%)</b>			<i>March 2017 comparatives in brackets.</i>			
5,285,948	Booker Group	10,694	2.52	<b>Total Purchases and Sales</b>			
7,043,943	WM Morrison Supermarkets	17,455	4.11			<b>2017</b>	<b>2016</b>
						<b>£000</b>	<b>£000</b>
				<i>for the accounting period 8 March 2017 to 7 September 2017</i>			
				Total purchases for the period			
						29,567	23,189
				Total sales for the period			
						26,749	4,358

## Threadneedle UK Equity Income Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.52% (3.82%)</b>				<b>CONSUMER SERVICES 21.20% (20.54%)</b>			
	<b>Oil &amp; Gas Producers 3.52% (3.82%)</b>				<b>Food &amp; Drug Retailers 5.63% (5.73%)</b>		
6,482,554	Royal Dutch Shell B Shares	142,227	3.52	28,258,198	Booker Group	57,166	1.42
	<b>Total Oil &amp; Gas</b>	<b>142,227</b>	<b>3.52</b>	68,533,806	WM Morrison Supermarkets	169,827	4.21
<b>BASIC MATERIALS 2.83% (1.94%)</b>					<b>General Retailers 3.03% (2.37%)</b>		
	<b>Chemicals 2.83% (1.94%)</b>			37,453,365	Marks & Spencer Group	122,398	3.03
14,366,378	Elementis	39,953	0.99		<b>Media 6.51% (6.98%)</b>		
2,594,522	Johnson Matthey	74,333	1.84	44,244,151	ITV	70,923	1.76
	<b>Total Basic Materials</b>	<b>114,286</b>	<b>2.83</b>	13,849,588	Pearson	82,751	2.05
<b>INDUSTRIALS 25.53% (24.02%)</b>				6,511,363	RELX	108,870	2.70
	<b>Construction &amp; Materials 2.14% (2.08%)</b>				<b>Travel &amp; Leisure 6.03% (5.46%)</b>		
1,591,817	Kier Group	18,115	0.45	5,820,015	Compass Group	95,099	2.35
16,363,999	Melrose Industries	34,659	0.86	1,621,985	Go-Ahead Group	25,919	0.64
2,654,968	Morgan Sindall Group	33,453	0.83	4,446,384	J D Wetherspoon	46,776	1.16
	<b>Aerospace &amp; Defence 5.31% (4.61%)</b>			17,835,327	Rank Group	40,129	0.99
17,875,832	BAE Systems	106,451	2.64	22,219,861	Stagecoach Group	35,818	0.89
60,807,471	Cobham	82,273	2.04		<b>Total Consumer Services</b>	<b>855,676</b>	<b>21.20</b>
2,851,088	Rolls-Royce Holdings	25,232	0.63	<b>TELECOMMUNICATIONS 2.99% (2.83%)</b>			
	<b>General Industrials 4.14% (3.90%)</b>				<b>Fixed Line Telecommunications 2.99% (2.83%)</b>		
17,611,052	DS Smith	86,065	2.13	41,952,774	BT Group	120,572	2.99
5,200,721	Smiths Group	81,131	2.01		<b>Total Telecommunications</b>	<b>120,572</b>	<b>2.99</b>
	<b>Electronic &amp; Electrical Equipment 1.62% (1.39%)</b>			<b>UTILITIES 4.92% (6.87%)</b>			
8,635,471	Morgan Advanced Materials	24,957	0.62		<b>Gas, Water &amp; Multiutilities 4.92% (6.87%)</b>		
3,597,308	Oxford Instruments	40,290	1.00	65,328,826	Centrica	127,587	3.16
	<b>Industrial Engineering 0.66% (0.80%)</b>			4,072,551	Pennon Group	33,293	0.83
2,390,641	IMI	26,751	0.66	4,118,734	United Utilities Group	37,707	0.93
	<b>Industrial Transportation 0.85% (0.84%)</b>				<b>Total Utilities</b>	<b>198,587</b>	<b>4.92</b>
14,417,762	Wincanton	34,206	0.85	<b>FINANCIALS 14.58% (14.25%)</b>			
	<b>Support Services 10.81% (10.40%)</b>				<b>Nonlife Insurance 3.46% (3.20%)</b>		
31,021,529	Electrocomponents	193,885	4.80	21,604,276	RSA Insurance Group	139,564	3.46
1,273,546	Ferguson	57,755	1.43		<b>Life Insurance 6.41% (7.20%)</b>		
30,254,662	Hays	55,457	1.37	10,423,731	Chesnara	41,122	1.02
42,672,250	Rentokil Initial	129,510	3.21	42,395,332	Legal & General Group	108,278	2.68
	<b>Total Industrials</b>	<b>1,030,190</b>	<b>25.53</b>	14,786,148	Phoenix Group Holdings	109,344	2.71
<b>CONSUMER GOODS 11.35% (12.28%)</b>					<b>Financial Services 4.71% (3.85%)</b>		
	<b>Automobiles &amp; Parts 0.66% (0.77%)</b>			14,002,251	3i Group	130,921	3.24
8,082,650	GKN	26,721	0.66	40,431,858	Sherborne Investors Guernsey	42,049	1.04
	<b>Food Producers 1.87% (2.21%)</b>			35,173,020	Sherborne Investors Guernsey B	17,235	0.43
11,352,507	Tate & Lyle	75,267	1.87		<b>Total Financials</b>	<b>588,513</b>	<b>14.58</b>
	<b>Personal Goods 3.82% (3.43%)</b>			<b>DERIVATIVES 0.00% (0.01%)</b>			
3,412,245	Unilever	154,233	3.82		<b>Forward Foreign Exchange Contracts 0.00% (0.01%)</b>		
	<b>Tobacco 5.00% (5.87%)</b>				Sell GBP 540,117		
6,109,474	Imperial Brands	201,857	5.00		Buy CHF 666,802 J.P. Morgan	(5)	—
	<b>Total Consumer Goods</b>	<b>458,078</b>	<b>11.35</b>		Sell GBP 651,073		
<b>HEALTH CARE 12.36% (13.43%)</b>					Buy CHF 803,783 J.P. Morgan	(6)	—
	<b>Pharmaceuticals &amp; Biotechnology 12.36% (13.43%)</b>				Sell GBP 1,197,704		
5,757,641	AstraZeneca	266,608	6.61		Buy EUR 1,300,000 J.P. Morgan	(7)	—
15,413,682	GlaxoSmithKline	232,207	5.75		Sell GBP 1,254,440		
	<b>Total Health Care</b>	<b>498,815</b>	<b>12.36</b>		Buy EUR 1,361,269 J.P. Morgan	(8)	—
					Sell GBP 7,625,261		
					Buy EUR 8,274,629 J.P. Morgan	(47)	—
					Sell EUR 4,016		

## Threadneedle UK Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (0.01%)</b>			
	Buy GBP 3,673 J.P. Morgan	—	—
	Sell USD 40,185	—	—
	Buy GBP 31,050 J.P. Morgan	—	—
	Sell USD 50,499	—	—
	Buy GBP 39,304 J.P. Morgan	1	—
	Sell EUR 49,051	—	—
	Buy GBP 45,610 J.P. Morgan	1	—
	Sell EUR 59,900	—	—
	Buy GBP 55,398 J.P. Morgan	1	—
	Sell EUR 8,494	—	—
	Buy GBP 7,828 J.P. Morgan	—	—
	Sell GBP 1,351,710	—	—
	Buy USD 1,736,004 J.P. Morgan	(26)	—
	Sell GBP 1,379	—	—
	Buy USD 1,800 J.P. Morgan	—	—
	Sell GBP 1,543	—	—
	Buy USD 1,999 J.P. Morgan	—	—
	Sell GBP 15,067	—	—
	Buy USD 19,500 J.P. Morgan	—	—
	Sell GBP 2,760,506	—	—
	Buy USD 3,545,323 J.P. Morgan	(54)	—
	Sell GBP 46,387	—	—
	Buy USD 60,000 J.P. Morgan	(1)	—
	<b>Total Derivatives</b>	<b>(151)</b>	<b>—</b>
<b>Total value of investments</b>		<b>4,006,793</b>	<b>99.28</b>
<b>Net other assets (0.01%)</b>		<b>29,168</b>	<b>0.72</b>
<b>Net assets</b>		<b>4,035,961</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	512,849	80,827
Total sales for the period	256,282	63,921

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 6.20% (9.74%)</b>				<b>CONSUMER SERVICES 16.69% (17.46%)</b>			
	<b>Oil &amp; Gas Producers 6.20% (9.74%)</b>				<b>General Retailers 2.85% (1.95%)</b>		
1,005,000	BP	4,523	0.82	2,725,000	Marks & Spencer Group	8,905	1.62
1,350,000	Royal Dutch Shell B Shares	29,619	5.38	1,275,000	N Brown Group	4,364	0.79
	<b>Total Oil &amp; Gas</b>	<b>34,142</b>	<b>6.20</b>	1,500,000	ScS Group IPO	2,400	0.44
<b>BASIC MATERIALS 2.31% (1.73%)</b>					<b>Media 6.72% (8.28%)</b>		
	<b>Chemicals 1.56% (1.09%)</b>			1,000,000	Informa	6,770	1.23
132,222	Johnson Matthey	3,788	0.69	6,060,000	ITV	9,714	1.76
1,010,000	Synthomer	4,825	0.87	1,000,000	RELX	16,720	3.03
	<b>Mining 0.75% (0.64%)</b>			280,000	WPP	3,884	0.70
285,000	BHP Billiton	4,140	0.75		<b>Travel &amp; Leisure 7.12% (7.23%)</b>		
	<b>Total Basic Materials</b>	<b>12,753</b>	<b>2.31</b>	490,384	Compass Group	8,013	1.45
<b>INDUSTRIALS 16.72% (16.48%)</b>				707,280	Fuller Smith & Turner	7,144	1.30
	<b>Construction &amp; Materials 1.15% (1.16%)</b>			390,000	Go-Ahead Group	6,232	1.13
2,985,000	Melrose Industries	6,322	1.15	750,000	Greene King	4,909	0.89
	<b>Aerospace &amp; Defence 4.49% (4.50%)</b>			2,470,000	Rank Group	5,557	1.01
3,405,000	BAE Systems	20,277	3.68	3,175,000	Stagecoach Group	5,118	0.93
3,315,646	Cobham	4,486	0.81	60,000	Whitbread	2,258	0.41
	<b>General Industrials 1.90% (1.52%)</b>				<b>Total Consumer Services</b>	<b>91,988</b>	<b>16.69</b>
2,143,062	DS Smith	10,473	1.90	<b>TELECOMMUNICATIONS 4.17% (4.03%)</b>			
	<b>Electronic &amp; Electrical Equipment 1.15% (0.85%)</b>				<b>Fixed Line Telecommunications 4.17% (4.03%)</b>		
325,000	Halma	3,500	0.63	4,025,000	BT Group	11,568	2.10
257,179	Oxford Instruments	2,880	0.52	7,755,000	Kcom Group	7,697	1.40
	<b>Industrial Engineering 1.02% (0.98%)</b>			1,898,400	Manx Telecom	3,702	0.67
9,045,000	Severfield	5,608	1.02		<b>Total Telecommunications</b>	<b>22,967</b>	<b>4.17</b>
	<b>Industrial Transportation 1.39% (1.24%)</b>			<b>UTILITIES 3.82% (4.77%)</b>			
200,000	James Fisher & Sons	3,014	0.55		<b>Gas, Water &amp; Multiutilities 3.82% (4.77%)</b>		
1,210,000	Royal Mail	4,617	0.84	4,375,000	Centrica	8,544	1.55
	<b>Support Services 5.62% (6.23%)</b>			206,250	National Grid	2,015	0.36
1,835,000	Connect Group	1,853	0.34	700,000	Pennon Group	5,722	1.04
990,000	De La Rue	6,178	1.12	210,000	Severn Trent	4,788	0.87
2,180,000	Electrocomponents	13,625	2.47		<b>Total Utilities</b>	<b>21,069</b>	<b>3.82</b>
205,000	Ferguson	9,297	1.69	<b>FINANCIALS 25.36% (25.33%)</b>			
	<b>Total Industrials</b>	<b>92,130</b>	<b>16.72</b>		<b>Banks 2.89% (2.93%)</b>		
<b>CONSUMER GOODS 14.58% (11.63%)</b>				4,055,000	Barclays	7,561	1.37
	<b>Beverages 2.62% (2.12%)</b>			1,125,000	Standard Chartered	8,401	1.52
560,000	Diageo	14,454	2.62		<b>Nonlife Insurance 1.48% (1.71%)</b>		
	<b>Personal Goods 3.20% (1.43%)</b>			1,274,551	Lancashire Holdings	8,132	1.48
295,000	Burberry Group	5,201	0.94		<b>Life Insurance 13.00% (12.73%)</b>		
275,000	Unilever	12,430	2.26	4,467,233	Chesnara	17,623	3.20
	<b>Tobacco 8.76% (8.08%)</b>			7,900,000	Legal & General Group	20,177	3.66
520,000	British American Tobacco	25,480	4.62	1,900,000	Phoenix Group Holdings	14,050	2.55
690,000	Imperial Brands	22,798	4.14	635,000	Prudential	11,233	2.04
	<b>Total Consumer Goods</b>	<b>80,363</b>	<b>14.58</b>	760,000	St James's Place	8,558	1.55
<b>HEALTH CARE 7.74% (7.93%)</b>					<b>Real Estate Investment Trusts 3.00% (2.98%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 7.74% (7.93%)</b>			270,000	Derwent London	7,490	1.36
350,000	AstraZeneca	16,207	2.94	300,000	Land Securities Group REIT	2,991	0.54
1,755,000	GlaxoSmithKline	26,439	4.80	3,635,000	Londonmetric Property REIT	6,078	1.10
	<b>Total Health Care</b>	<b>42,646</b>	<b>7.74</b>		<b>Financial Services 4.99% (4.98%)</b>		
				1,135,000	3i Group	10,612	1.93
				680,000	Close Brothers Group	10,288	1.87
				4,302,702	Sherborne Investors Guernsey	4,475	0.81
				4,275,000	Sherborne Investors Guernsey B	2,095	0.38
					<b>Total Financials</b>	<b>139,764</b>	<b>25.36</b>

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 0.24% (0.22%)</b>			
	<b>Software &amp; Computer Services 0.24% (0.22%)</b>		
55,578	Micro Focus International	1,344	0.24
	<b>Total Technology</b>	<b>1,344</b>	<b>0.24</b>
<b>Total value of investments</b>			
		<b>539,166</b>	<b>97.83</b>
<b>Net other assets (0.68%)</b>			
		<b>11,963</b>	<b>2.17</b>
<b>Net assets</b>			
		<b>551,129</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	61,449	64,356
Total sales for the period	105,165	69,264



## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.03% (1.24%)</b>					<b>DENMARK 0.26% (0.25%)</b>				
		<b>Corporate Bonds 1.03% (1.24%)</b>					<b>Corporate Bonds 0.26% (0.25%)</b>		
GBP	656,000	APT Pipelines 3.5% 22/03/2030	700	0.18	GBP	510,000	*Danske Bank 5.375% 29/09/2021	532	0.14
GBP	453,000	Asciano Finance 5% 19/09/2023	511	0.13	GBP	400,000	TDC 5.625% 23/02/2023	469	0.12
GBP	672,000	*BHP Billiton Finance 6.5% 22/10/2077	781	0.20			<b>Total Denmark</b>	<b>1,001</b>	<b>0.26</b>
EUR	500,000	*Santos Finance FRN 8.25% 22/09/2070	459	0.12					
USD	455,000	Scentre Management 3.75% 23/03/2027	358	0.09	<b>FRANCE 0.73% (0.75%)</b>				
USD	800,000	SGSP Australia Assets 3.25% 29/07/2026	611	0.16			<b>Corporate Bonds 0.73% (0.75%)</b>		
GBP	325,000	SGSP Australia Assets 5.125% 11/02/2021	367	0.10	GBP	150,000	*AXA FRN 16/01/2054	176	0.05
GBP	165,000	Vicinity Centres 3.375% 07/04/2026	180	0.05	GBP	500,000	BPCE 5.25% 16/04/2029	597	0.15
		<b>Total Australia</b>	<b>3,967</b>	<b>1.03</b>	GBP	250,000	Credit Agricole 7.375% 18/12/2023	329	0.09
<b>AUSTRIA 0.19% (0.17%)</b>					GBP	200,000	Electricite de France 5.5% 17/10/2041	270	0.07
		<b>Corporate Bonds 0.19% (0.17%)</b>			GBP	100,000	Electricite de France 6% 23/01/2114	147	0.04
EUR	600,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	739	0.19	GBP	750,000	Electricite de France 6.125% 02/06/2034	1,044	0.27
		<b>Total Austria</b>	<b>739</b>	<b>0.19</b>	GBP	125,000	Orange 5.625% 23/01/2034	172	0.04
<b>BELGIUM 0.43% (0.25%)</b>					EUR	100,000	SFR Group 5.375% 15/05/2022	96	0.02
		<b>Corporate Bonds 0.43% (0.25%)</b>					<b>Total France</b>	<b>2,831</b>	<b>0.73</b>
GBP	675,000	Anheuser-Busch 2.25% 24/05/2029	676	0.18	<b>GERMANY 0.15% (0.15%)</b>				
GBP	676,000	Anheuser-Busch InBev 4% 24/09/2025	788	0.20			<b>Corporate Bonds 0.15% (0.15%)</b>		
GBP	125,000	Anheuser-Busch InBev 9.75% 30/07/2024	190	0.05	GBP	360,000	BASF 1.75% 11/03/2025	367	0.10
		<b>Total Belgium</b>	<b>1,654</b>	<b>0.43</b>	EUR	143,000	IHO Verwaltungs 3.25% 15/09/2023	135	0.03
<b>BERMUDA 1.27% (1.13%)</b>					EUR	100,000	IHO Verwaltungs PIK 2.75% 15/09/2021	94	0.02
		<b>Nonlife Insurance 1.27% (1.13%)</b>					<b>Total Germany</b>	<b>596</b>	<b>0.15</b>
	397,250	Hiscox	4,886	1.27	<b>GUERNSEY 1.52% (1.19%)</b>				
		<b>Total Bermuda</b>	<b>4,886</b>	<b>1.27</b>			<b>Corporate Bonds 0.14% (0.23%)</b>		
<b>BRITISH VIRGIN ISLANDS 0.18% (0.18%)</b>					GBP	520,000	Credit Suisse Group Funding 2.75% 08/08/2025	542	0.14
		<b>Corporate Bonds 0.18% (0.18%)</b>					<b>Financial Services 1.38% (0.96%)</b>		
GBP	630,000	Global Switch Holdings 4.375% 13/12/2022	710	0.18		3,904,162	Sherborne Investors Guernsey	4,060	1.06
		<b>Total British Virgin Islands</b>	<b>710</b>	<b>0.18</b>		2,545,185	Sherborne Investors Guernsey B	1,247	0.32
<b>CAYMAN ISLANDS 2.43% (2.29%)</b>							<b>Total Guernsey</b>	<b>5,849</b>	<b>1.52</b>
		<b>Corporate Bonds 0.56% (0.50%)</b>			<b>ITALY 0.18% (0.18%)</b>				
GBP	191,000	Dwr Cymru Financing 6.015% 31/03/2028	267	0.07			<b>Corporate Bonds 0.18% (0.18%)</b>		
USD	431,000	Noble Holding International 6.95% 01/04/2045	238	0.06	GBP	660,000	Acquedotto Pugliese 6.92% 29/06/2018	683	0.18
GBP	325,000	Thames Water Utilities 2.375% 03/05/2023	328	0.09			<b>Total Italy</b>	<b>683</b>	<b>0.18</b>
GBP	656,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	660	0.17	<b>JERSEY 1.83% (2.02%)</b>				
GBP	333,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	336	0.09			<b>Corporate Bonds 0.62% (0.69%)</b>		
GBP	213,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	238	0.06	GBP	200,000	Gatwick Funding 5.25% 23/01/2024	241	0.06
GBP	100,000	*Trafford Centre Finance FRN 28/07/2035 A3	92	0.02	GBP	145,000	Heathrow Funding 2.75% 09/08/2049	143	0.04
		<b>Life Insurance 1.87% (1.79%)</b>			GBP	185,000	Heathrow Funding 4.625% 31/10/2046	249	0.06
	971,056	Phoenix Group Holdings	7,181	1.87	GBP	806,000	Heathrow Funding 5.225% 15/02/2023	959	0.25
		<b>Total Cayman Islands</b>	<b>9,340</b>	<b>2.43</b>	GBP	215,000	Heathrow Funding 6.45% 10/12/2031	316	0.08
					GBP	411,000	Porterbrook Rail Finance 4.625% 04/04/2029	496	0.13
							<b>Support Services 1.21% (1.33%)</b>		
						102,563	Ferguson	4,651	1.21
							<b>Total Jersey</b>	<b>7,055</b>	<b>1.83</b>
					<b>LUXEMBOURG 0.17% (0.17%)</b>				
							<b>Corporate Bonds 0.17% (0.17%)</b>		
					GBP	140,000	Gaz Capital 5.338% 25/09/2020	151	0.04
					GBP	443,000	Glencore Finance Europe 6% 03/04/2022	520	0.13
							<b>Total Luxembourg</b>	<b>671</b>	<b>0.17</b>

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>MEXICO 0.29% (0.27%)</b>					GBP	150,000	Babcock International Group 1.875% 05/10/2026	148	0.04
	<b>Corporate Bonds 0.19% (0.19%)</b>				GBP	450,000	BAE Systems 4.125% 08/06/2022	508	0.13
GBP	285,000	America Movil 5% 27/10/2026	349	0.09	GBP	306,000	Barclays 3.125% 17/01/2024	321	0.08
GBP	359,000	*America Movil 6.375% 06/09/2073	393	0.10	GBP	200,000	*Barclays Bank 7.75% 08/03/2075	220	0.06
	<b>Government Bonds 0.10% (0.08%)</b>				GBP	638,000	Barclays Bank 10% 21/05/2021	813	0.21
GBP	332,000	United Mexican States 5.625% 19/03/2114	360	0.10	GBP	300,000	*Barclays Bank 14% 29/11/2049	359	0.09
	<b>Total Mexico</b>		<b>1,102</b>	<b>0.29</b>	GBP	205,000	BAT International Finance 1.75% 05/07/2021	209	0.05
<b>NETHERLANDS 1.25% (1.25%)</b>					GBP	145,000	BAT International Finance 6% 24/11/2034	205	0.05
	<b>Corporate Bonds 1.25% (1.25%)</b>				GBP	140,000	Broadgate Finance 5.098% 05/04/2033	162	0.04
GBP	535,000	Deutsche Telekom 1.25% 06/10/2023	533	0.14	GBP	320,000	Broadgate Financing 4.821% 05/07/2033	430	0.11
GBP	167,000	Deutsche Telekom 2.25% 13/04/2029	167	0.04	GBP	249,000	Bupa Finance 2% 05/04/2024	251	0.07
GBP	300,000	E.ON International Finance 6.375% 07/06/2032	432	0.11	GBP	629,000	Bupa Finance 5% 25/04/2023	711	0.18
GBP	408,000	*ING Bank 6.875% 29/05/2023	424	0.11	GBP	379,000	Bupa Finance 5% 08/12/2026	436	0.11
GBP	100,000	Innogy Finance 4.75% 31/01/2034	126	0.03	GBP	370,000	Cadent Finance 2.125% 22/09/2028	369	0.10
GBP	130,000	Innogy Finance 5.625% 06/12/2023	160	0.04	GBP	310,000	Cadent Finance 2.625% 22/09/2038	306	0.08
GBP	300,000	Innogy Finance 6.125% 06/07/2039	452	0.12	GBP	360,000	Cadent Finance 2.75% 22/09/2046	357	0.09
GBP	851,000	Innogy Finance 6.25% 03/06/2030	1,190	0.31	GBP	30,000	Canary Wharf Finance II 6.455% 22/04/2030	9	—
GBP	400,000	*Telefonica Europe 6.75% Perpetual	443	0.12	GBP	450,000	*Cattles 7.125% 05/07/2017 (Defaulted)	1	—
EUR	300,000	*Vonovia Finance 4% 29/12/2049	297	0.08	GBP	180,000	Centrica 7% 19/09/2033	279	0.07
EUR	600,000	*Vonovia Finance 4.625% 08/04/2074	578	0.15	GBP	577,000	Clydesdale Bank 4.625% 08/06/2026	717	0.19
	<b>Total Netherlands</b>		<b>4,802</b>	<b>1.25</b>	GBP	360,000	Co-Operative Bank United Kingdom 4.75% 11/11/2021	400	0.10
<b>REPUBLIC OF IRELAND 0.36% (0.35%)</b>					GBP	395,000	CRH Finance UK 4.125% 02/12/2029	463	0.12
	<b>Corporate Bonds 0.36% (0.35%)</b>				GBP	255,000	*CYBG 4% 22/06/2025	258	0.07
GBP	324,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	302	0.08	GBP	169,000	*CYBG 5% 09/02/2026	172	0.04
USD	700,000	GE Capital International Funding Company 4.418% 15/11/2035	584	0.15	GBP	350,000	DS Smith Plc 2.875% 26/07/2029	353	0.09
EUR	340,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	342	0.09	GBP	350,000	Eastern Power Network 6.25% 12/11/2036	543	0.14
GBP	165,000	PGH Capital 4.125% 20/07/2022	177	0.04	GBP	218,000	EI Group 6.375% 15/02/2022	236	0.06
	<b>Total Republic of Ireland</b>		<b>1,405</b>	<b>0.36</b>	GBP	370,000	Eversholt Funding 3.529% 07/08/2042	378	0.10
<b>SPAIN 0.00% (0.06%)</b>					GBP	150,000	Eversholt Funding 6.359% 02/12/2025	196	0.05
	<b>Corporate Bonds 0.00% (0.06%)</b>				GBP	600,000	First Hydro Finance 9% 31/07/2021	769	0.20
	<b>Total Spain</b>		—	—	GBP	394,000	G4S 7.75% 13/05/2019	436	0.11
<b>SWEDEN 0.22% (0.00%)</b>					EUR	355,000	G4S International Finance 1.5% 02/06/2024	329	0.09
	<b>Corporate Bonds 0.22% (0.00%)</b>				GBP	322,000	GKN Holdings 3.375% 12/05/2032	328	0.09
EUR	915,000	Akelius 1.75% 07/02/2025	847	0.22	GBP	170,000	GKN Holdings 5.375% 19/09/2022	199	0.05
	<b>Total Sweden</b>		<b>847</b>	<b>0.22</b>	GBP	153,000	Greene King Finance 4.0643% 15/03/2035	163	0.04
<b>SWITZERLAND 0.24% (0.16%)</b>					GBP	399,000	Greene King Finance 5.106% 15/03/2034	482	0.13
	<b>Corporate Bonds 0.24% (0.16%)</b>				GBP	165,000	HSBC Bank 5.375% 22/08/2033	217	0.06
GBP	320,000	*Credit Suisse 2.125% 12/09/2025	319	0.08	GBP	360,000	HSBC Holdings 2.625% 16/08/2028	370	0.10
USD	700,000	*UBS Group 7% 29/12/2049	597	0.16	GBP	225,000	HSBC Holdings 6% 29/03/2040	308	0.08
	<b>Total Switzerland</b>		<b>916</b>	<b>0.24</b>	GBP	280,000	Imperial Brand Finance 8.125% 15/03/2024	383	0.10
<b>UNITED KINGDOM 82.39% (84.32%)</b>					GBP	260,000	Imperial Brands Finance 4.875% 07/06/2032	318	0.08
	<b>Corporate Bonds 10.02% (10.05%)</b>				GBP	250,000	Imperial Tobacco Finance 9% 17/02/2022	330	0.09
GBP	107,000	3i Group 6.875% 09/03/2023	133	0.03	GBP	297,000	Integrated Accommodation Services 6.48% 31/03/2029	256	0.07
GBP	180,000	Anglian Water Services Financing 2.625% 15/06/2027	182	0.05	GBP	439,000	InterContinental Hotels 3.875% 28/11/2022	487	0.13
GBP	322,000	Annington Funding 3.184% 12/07/2029	334	0.09	GBP	289,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	317	0.08
GBP	300,000	Annington Funding 3.935% 12/07/2047	330	0.09					
GBP	170,000	*Aviva 4.375% 12/09/2049	177	0.05					
GBP	1,087,000	*Aviva 6.625% 03/06/2041	1,251	0.33					

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
	Holding	Investment				Holding	Investment		
UNITED KINGDOM 82.39% (84.32%) (continued)					GBP	75,000	Tesco Property Finance 1 7.6227% 13/07/2039	89	0.02
GBP	297,000	*Land Securities Capital Markets 5.125% 07/02/2036	409	0.11	GBP	597,000	Tesco Property Finance 6 5.4111% 13/07/2044	642	0.17
GBP	325,000	*Legal & General Group 5.5% 27/06/2064	359	0.09	GBP	350,000	Travis Perkins 4.5% 07/09/2023	364	0.09
GBP	211,000	*Legal & General Group 10% 23/07/2041	274	0.07	GBP	320,000	*TSB Banking Group 5.75% 06/05/2026	351	0.09
GBP	348,000	*Legal & General Variable Bond 27/10/2045	388	0.10	GBP	295,000	Unique Pub Finance 5.659% 30/06/2027	265	0.07
GBP	75,000	Lloyds Bank 7.625% 22/04/2025	102	0.03	GBP	470,000	UNITE USAF II 3.921% 30/06/2025	540	0.14
GBP	647,000	*Lloyds Banking Group 7.875% 29/12/2049	776	0.20	GBP	531,000	United Utilities Water 5.625% 20/12/2027	717	0.19
GBP	810,000	Longstone Finance 4.791% 19/04/2030	620	0.16	GBP	759,000	Western Power Distribution 3.625% 06/11/2023	831	0.22
GBP	400,000	Manchester Airport Group Funding 4.125% 02/04/2024	459	0.12	GBP	530,000	Western Power Distribution West Midlands 5.75% 16/04/2032	741	0.19
GBP	212,000	Marks & Spencer 4.75% 12/06/2025	240	0.06	GBP	450,000	Western Power Distribution West Midlands 6% 09/05/2025	587	0.15
GBP	260,000	Meadowhall Finance 4.986% 12/01/2032	257	0.07	GBP	616,000	WM Morrison Supermarkets 4.625% 08/12/2023	710	0.18
GBP	361,000	Mitchells & Butlers Finance 5.574% 15/12/2030	205	0.05	Government Bonds 0.20% (0.08%)				
GBP	326,000	Motability Operations Group 2.375% 14/03/2032	331	0.09	GBP	660,000	United Kingdom Gilt 0.5% 22/07/2022	662	0.17
GBP	160,000	National Express Group 2.5% 11/11/2023	164	0.04	GBP	100,000	United Kingdom Gilt 3.25% 22/01/2044	132	0.03
GBP	490,000	National Westminster Bank 6.5% 07/09/2021	580	0.15	Oil & Gas Producers 2.70% (3.00%)				
GBP	375,000	*Nationwide Building Society 6.875% 11/03/2049	388	0.10	473,837	Royal Dutch Shell B Shares	10,396	2.70	
GBP	743,000	*NGG Finance 5.625% 18/06/2073	845	0.22	Chemicals 1.11% (0.91%)				
GBP	516,000	Northern Gas Networks Finance 4.875% 30/06/2027	651	0.17	149,632	Johnson Matthey	4,287	1.11	
GBP	298,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	318	0.08	Construction & Materials 0.62% (0.68%)				
GBP	255,000	Octagon Healthcare Funding 5.333% 31/12/2035	279	0.07	1,128,062	Melrose Industries	2,389	0.62	
GBP	807,000	*Pennon Group 6.75% 08/03/2049	827	0.21	Aerospace & Defence 3.92% (3.57%)				
GBP	477,000	Prudential 6.125% 19/12/2031	614	0.16	1,265,512	BAE Systems	7,536	1.96	
GBP	145,000	RAC Bond 4.565% 06/05/2023	160	0.04	4,293,413	Cobham	5,809	1.51	
GBP	338,000	RMPA Services 5.337% 30/09/2038	344	0.09	195,425	Rolls-Royce Holdings	1,730	0.45	
GBP	414,000	*RSA Insurance Group 5.125% 10/10/2045	470	0.12	General Industrials 3.31% (3.08%)				
GBP	115,000	Santander 5.25% 16/02/2029	157	0.04	1,305,019	DS Smith	6,378	1.66	
GBP	305,000	Scotland Gas Network 3.25% 08/03/2027	336	0.09	408,476	Smiths Group	6,372	1.65	
GBP	200,000	Scottish Widows 7% 16/06/2043	260	0.07	Electronic & Electrical Equipment 0.48% (0.52%)				
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	654	0.17	633,067	Morgan Advanced Materials	1,830	0.48	
EUR	200,000	Sky 2.25% 17/11/2025	196	0.05	Industrial Engineering 0.53% (0.61%)				
GBP	190,000	South Eastern Power Networks 6.375% 12/11/2031	283	0.07	182,112	IMI	2,038	0.53	
GBP	297,000	Southern Gas Networks 4.875% 21/03/2029	383	0.10	Industrial Transportation 0.61% (0.69%)				
GBP	220,000	Stagecoach Group 4% 29/09/2025	242	0.06	996,741	Wincanton	2,365	0.61	
GBP	425,000	Standard Chartered 4.375% 18/01/2038	487	0.13	Support Services 7.00% (6.46%)				
GBP	764,000	*Telereal Securitisation 4.0902% 10/12/2033	812	0.21	2,249,982	Electrocomponents	14,062	3.65	
GBP	287,000	Telereal Securitisation 4.9741% 10/09/2027	238	0.06	1,981,922	Hays	3,633	0.94	
GBP	338,000	Telereal Securitisation 5.9478% 10/12/2031	357	0.09	3,062,541	Rentokil Initial	9,295	2.41	
GBP	370,000	Tesco Property Finance 5.5% 13/10/2041	407	0.11	Automobiles & Parts 0.56% (0.64%)				
					654,181	GKN	2,163	0.56	
					Food Producers 1.45% (1.67%)				
					842,964	Tate & Lyle	5,589	1.45	
					Personal Goods 3.06% (2.66%)				
					260,452	Unilever	11,772	3.06	



## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –0.05% (0.00%) (continued)</b>			
	Buy GBP 31,294 Lloyds	(1)	–
	Sell EUR 37,000		
	Buy GBP 33,715 Barclays	–	–
	Sell EUR 4,514		
	Buy GBP 4,197 J.P. Morgan	–	–
	Sell USD 52,000		
	Buy GBP 40,290 Citigroup	1	–
	Sell EUR 5,816,000		
	Buy GBP 5,118,941 Lloyds	(208)	(0.05)
	Sell EUR 5,757		
	Buy GBP 5,266 J.P. Morgan	–	–
	Sell USD 75,000		
	Buy GBP 57,728 Bank of Scotland	–	–
	Sell GBP 19,183		
	Buy USD 25,000 Citigroup	–	–
	Sell GBP 19,387		
	Buy USD 25,000 Lloyds	–	–
	<b>Total Derivatives</b>	<b>(204)</b>	<b>(0.05)</b>
<b>Total value of investments</b>		<b>379,866</b>	<b>98.65</b>
<b>Net other assets (0.20%)</b>		<b>5,180</b>	<b>1.35</b>
<b>Net assets</b>		<b>385,046</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	66,147	17.41
Floating rate notes	14,072	3.70
Derivatives	(204)	(0.05)
Equity	299,851	78.94
<b>Total value of investments</b>	<b>379,866</b>	<b>100.00</b>

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	27,290	27,556
Total sales for the period	37,962	43,244

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

as at 7 September 2017

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>FIXED INTEREST 80.31% (79.02%)</b>									
	<b>AAA 1.78% (2.37%)</b>				GBP	2,000,000	Places For People Homes 2.875% 17/08/2026	2,002	0.21
GBP	6,464,000	Barclays Bank 4.25% 12/01/2022	7,412	0.79	USD	5,355,000	Scentre Management 3.75% 23/03/2027	4,218	0.45
GBP	4,415,000	Broadgate Financing 4.821% 05/07/2033	5,933	0.63	GBP	1,505,000	UNITE USAF II 3.921% 30/06/2025	1,728	0.18
GBP	3,400,000	Meadowhall Finance 4.986% 12/01/2032	3,364	0.36	GBP	3,120,000	Vicinity Centres 3.375% 07/04/2026	3,412	0.36
	<b>Aaa 0.79% (0.90%)</b>				GBP	6,104,000	Wells Fargo 2% 28/07/2025	6,119	0.65
GBP	3,910,000	Clydesdale Bank 4.625% 08/06/2026	4,857	0.51	GBP	3,650,000	Wells Fargo 2.125% 20/12/2023	3,753	0.40
GBP	1,862,000	Lloyds Bank 6% 08/02/2029	2,680	0.28			<b>A2 0.25% (0.26%)</b>		
	<b>Aa1u 1.26% (3.36%)</b>				GBP	1,865,000	Prudential 6.875% 20/01/2023	2,392	0.25
GBP	7,133,000	United Kingdom Gilt 3.25% 22/01/2044	9,429	1.00			<b>A- 7.94% (10.46%)</b>		
GBP	1,776,000	United Kingdom Gilt 3.5% 22/01/2045	2,462	0.26	GBP	3,138,000	America Movil 5% 27/10/2026	3,848	0.41
	<b>AA 2.36% (2.36%)</b>				GBP	1,450,000	America Movil 5.75% 28/06/2030	1,904	0.20
GBP	4,095,000	Integrated Accommodation Services 6.48% 31/03/2029	3,529	0.37	GBP	8,430,000	Anheuser-Busch 2.25% 24/05/2029	8,442	0.89
GBP	1,775,000	Land Securities Capital Markets 1.974% 08/02/2026	1,826	0.19	GBP	8,039,000	Anheuser-Busch InBev 4% 24/09/2025	9,375	0.99
GBP	4,382,000	LCR Finance 4.5% 07/12/2028	5,765	0.61	GBP	3,000,000	Electricite de France 5.5% 17/10/2041	4,047	0.43
GBP	2,725,000	Southern Gas Networks 4.875% 21/03/2029	3,512	0.37	GBP	1,400,000	Electricite de France 6% 23/01/2114	2,058	0.22
GBP	1,684,000	Telereal Securitisation 4.9741% 10/09/2027	1,393	0.15	GBP	3,323,000	Experian Finance 3.5% 15/10/2021	3,635	0.39
GBP	5,995,000	Telereal Securitisation 5.9478% 10/12/2031	6,335	0.67	GBP	1,320,000	Heathrow Funding 2.75% 09/08/2049	1,301	0.14
	<b>Aa2 0.00% (0.19%)</b>				GBP	1,980,000	Heathrow Funding 4.625% 31/10/2046	2,661	0.28
	<b>AA- 3.24% (2.65%)</b>				GBP	3,867,000	Heathrow Funding 5.225% 15/02/2023	4,600	0.49
USD	10,777,000	GE Capital International Funding Company 4.418% 15/11/2035	8,994	0.95	GBP	1,469,000	Heathrow Funding 5.875% 13/05/2041	2,228	0.24
GBP	6,319,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	6,925	0.73	GBP	1,750,000	Heathrow Funding 6.45% 10/12/2031	2,575	0.27
GBP	6,430,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	6,941	0.74	GBP	1,890,000	HSBC Bank 5.375% 22/08/2033	2,489	0.26
GBP	3,820,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	4,403	0.47	GBP	3,949,000	Mitchells & Butlers Finance 5.574% 15/12/2030	2,242	0.24
GBP	3,285,000	Procter & Gamble 1.8% 03/05/2029	3,288	0.35	GBP	670,000	Mitchells & Butlers Finance 5.965% 15/12/2023	264	0.03
	<b>A+ 0.20% (0.63%)</b>				USD	4,008,000	SGSP Australia Assets 3.25% 29/07/2026	3,059	0.32
GBP	1,650,000	Broadgate Finance 5.098% 05/04/2033	1,908	0.20	GBP	3,250,000	SGSP Australia Assets 5.125% 11/02/2021	3,669	0.39
GBP	3,968,000	BASF 1.75% 11/03/2025	4,040	0.43	GBP	1,445,000	United Utilities Water 5.625% 20/12/2027	1,950	0.21
	<b>A 5.30% (7.62%)</b>				GBP	1,835,000	Western Power Distribution South West 5.875% 25/03/2027	2,437	0.26
GBP	3,375,000	Amgen 5.5% 07/12/2026	4,323	0.46	GBP	775,000	Western Power Distribution West Midlands 3.875% 17/10/2024	884	0.09
GBP	835,000	BL Superstore Finance 5.27% 04/07/2025	368	0.04	GBP	4,740,000	Western Power Distribution West Midlands 5.75% 16/04/2032	6,628	0.70
GBP	2,980,000	Canary Wharf Finance II 6.455% 22/04/2030	941	0.10	GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,656	0.49
GBP	3,338,000	Dwr Cymru Financing 6.015% 31/03/2028	4,669	0.49			<b>BBB+ 22.71% (16.49%)</b>		
GBP	1,855,000	Greene King Finance 4.0643% 15/03/2035	1,982	0.21	GBP	7,700,000	American International Group 5% 26/04/2023	8,997	0.95
GBP	4,001,000	Greene King Finance 5.106% 15/03/2034	4,832	0.51	GBP	7,517,000	AT&T 4.25% 01/06/2043	8,143	0.86
GBP	4,075,000	HSBC Holdings 2.625% 16/08/2028	4,187	0.44	GBP	6,646,000	AT&T 4.375% 14/09/2029	7,595	0.80
GBP	4,615,000	Longstone Finance 4.791% 19/04/2030	3,532	0.37	GBP	4,900,000	AT&T 5.5% 15/03/2027	6,079	0.64
GBP	3,803,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	4,058	0.43	GBP	4,450,000	Bank of America 7% 31/07/2028	6,371	0.68
					GBP	5,685,000	BAT Capital 2.125% 15/08/2025	5,715	0.61
					GBP	4,220,000	BAT International Finance 1.75% 05/07/2021	4,302	0.46
					GBP	2,195,000	BAT International Finance 7.25% 12/03/2024	2,901	0.31
					GBP	10,744,000	Cadent Finance 2.125% 22/09/2028	10,721	1.14
					GBP	2,330,000	Cadent Finance 2.625% 22/09/2038	2,298	0.24
					GBP	4,330,000	Cadent Finance 2.75% 22/09/2046	4,290	0.45
					GBP	3,020,000	Centrica 4.375% 13/03/2029	3,613	0.38
					GBP	4,840,000	Credit Suisse Group Funding 2.75% 08/08/2025	5,044	0.53



## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 80.31% (79.02%) (continued)</b>						<b>BBB+ 22.71% (16.49%) (continued)</b>			
GBP	3,049,000	CRH Finance UK 4.125% 02/12/2029	3,575	0.38	GBP	2,110,000	Anglian Water Services Financing 2.625% 15/06/2027	2,127	0.23
GBP	6,195,000	Deutsche Telekom 1.25% 06/10/2023	6,170	0.65	GBP	1,070,000	APT Pipelines 3.5% 22/03/2030	1,141	0.12
GBP	2,080,000	Deutsche Telekom 2.25% 13/04/2029	2,081	0.22	GBP	11,959,000	APT Pipelines 4.25% 26/11/2024	13,552	1.44
GBP	2,330,000	Eastern Power Network 6.25% 12/11/2036	3,612	0.38	GBP	2,736,000	Babcock International Group 1.875% 05/10/2026	2,695	0.29
GBP	3,375,000	ENW Finance 6.125% 21/07/2021	4,015	0.43	GBP	6,081,000	BAE Systems 4.125% 08/06/2022	6,865	0.73
GBP	3,020,000	Eversholt Funding 3.529% 07/08/2042	3,089	0.33	GBP	3,437,000	Barclays 3.125% 17/01/2024	3,607	0.38
GBP	2,485,000	Eversholt Funding 6.359% 02/12/2025	3,246	0.34	GBP	3,200,000	BPCE 5.25% 16/04/2029	3,820	0.40
GBP	920,000	Eversholt Funding 6.697% 22/02/2035	1,258	0.13	GBP	1,800,000	British Sky Broadcasting Group 6% 21/05/2027	2,371	0.25
GBP	3,727,000	Gatwick Funding 5.25% 23/01/2024	4,488	0.48	USD	4,348,000	Cenovus Energy 4.25% 15/04/2027	3,239	0.34
GBP	1,385,000	HSBC Holdings 6% 29/03/2040	1,893	0.20	GBP	4,255,000	Digital Stout 3.3% 19/07/2029	4,413	0.47
GBP	1,325,000	London Power Networks 5.125% 31/03/2023	1,581	0.17	GBP	6,301,000	Digital Stout Holding 4.75% 13/10/2023	7,187	0.76
GBP	2,570,000	London Power Networks 6.125% 07/06/2027	3,487	0.37	GBP	3,075,000	E.ON International Finance 6.375% 07/06/2032	4,427	0.47
GBP	1,839,000	Morgan Stanley 2.625% 09/03/2027	1,871	0.20	GBP	5,428,000	Glencore Finance Europe 6% 03/04/2022	6,372	0.68
GBP	2,295,000	NIE Finance 6.375% 02/06/2026	3,111	0.33	GBP	6,902,000	Global Switch Holdings 4.375% 13/12/2022	7,779	0.82
GBP	2,646,000	Northern Gas Networks Finance 4.875% 30/06/2027	3,339	0.35	GBP	3,581,000	Imperial Brand Finance 8.125% 15/03/2024	4,892	0.52
GBP	1,900,000	Northumbrian Water Finance 5.625% 29/04/2033	2,708	0.29	GBP	1,405,000	Imperial Brands Finance 5.5% 28/09/2026	1,762	0.19
GBP	350,000	Northumbrian Water Finance 6.875% 06/02/2023	448	0.05	GBP	2,805,000	Imperial Brands Finance 7.75% 24/06/2019	3,135	0.33
GBP	2,350,000	Orange 8.125% 20/11/2028	3,687	0.39	GBP	5,070,000	Imperial Tobacco Finance 9% 17/02/2022	6,684	0.71
GBP	879,000	PostNL 7.5% 14/08/2018	933	0.10	GBP	3,110,000	InterContinental Hotels 3.875% 28/11/2022	3,447	0.37
GBP	1,950,000	Scotland Gas Network 3.25% 08/03/2027	2,146	0.23	GBP	788,000	Lloyds Bank 7.625% 22/04/2025	1,073	0.11
GBP	2,401,000	Scottish Widows 5.5% 16/06/2023	2,716	0.29	GBP	1,525,000	Longstone Finance 4.896% 19/04/2031	1,760	0.19
GBP	1,641,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,859	0.20	GBP	4,272,000	Porterbrook Rail Finance 4.625% 04/04/2029	5,159	0.55
GBP	6,500,000	Severn Trent Utilities Finance 6.125% 26/02/2024	8,287	0.88	GBP	2,154,000	RMPA Services 5.337% 30/09/2038	2,190	0.23
GBP	2,062,000	South Eastern Power Networks 6.375% 12/11/2031	3,069	0.33	GBP	2,226,000	South East Water Finance 5.6577% 30/09/2019	2,429	0.26
GBP	5,625,000	Southern Gas Network 4.875% 05/10/2023	6,719	0.71	GBP	3,070,000	Tate & Lyle International Finance 6.75% 25/11/2019	3,451	0.37
GBP	1,787,000	Southern Gas Networks 2.5% 03/02/2025	1,888	0.20	GBP	4,700,000	Telefonica Emisiones SAU 5.289% 09/12/2022	5,556	0.59
GBP	1,275,000	SPD Finance UK 5.875% 17/07/2026	1,672	0.18	USD	4,343,000	Williams Partners 3.6% 15/03/2022	3,422	0.36
GBP	4,620,000	Standard Chartered 4.375% 18/01/2038	5,291	0.56			<b>(P)BBB 0.80% (0.00%)</b>		
GBP	1,300,000	Telereal Securitisation 5.4252% 10/12/2031	1,419	0.15	GBP	3,603,000	Annington Funding 3.184% 12/07/2029	3,738	0.40
GBP	5,466,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	5,496	0.58	GBP	3,450,000	Annington Funding 3.935% 12/07/2047	3,794	0.40
USD	7,472,000	UBS 5.125% 15/05/2024	6,105	0.65			<b>Baa2 2.21% (1.26%)</b>		
GBP	5,507,000	United Mexican States 5.625% 19/03/2114	5,964	0.63	EUR	4,400,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	5,418	0.57
USD	7,180,000	Verizon Communications 4.4% 01/11/2034	5,460	0.58	GBP	8,565,000	Bupa Finance 5% 25/04/2023	9,685	1.03
GBP	7,477,000	Welltower 4.8% 20/11/2028	8,895	0.94	GBP	2,282,000	Bupa Finance 5% 08/12/2026	2,623	0.28
GBP	9,190,000	Western Power Distribution 3.625% 06/11/2023	10,067	1.07	GBP	2,835,000	Co-Operative Bank United Kingdom 4.75% 11/11/2021	3,151	0.33
GBP	6,570,000	Westfield America Management 2.125% 30/03/2025	6,540	0.69			<b>BBB- 10.64% (9.12%)</b>		
GBP	6,661,000	Bupa Finance 2% 05/04/2024	6,726	0.71	EUR	8,690,000	Akelius 1.75% 07/02/2025	8,039	0.85
GBP	1,765,000	Bupa Finance 3.375% 17/06/2021	1,904	0.20	GBP	4,979,000	Asciano Finance 5% 19/09/2023	5,615	0.60
					GBP	4,113,000	Barclays Bank 10% 21/05/2021	5,243	0.56
					USD	1,142,000	Charter Communications Operating 5.375% 01/05/2047	874	0.09

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 80.31% (79.02%) (continued)</b>						<b>B+ 0.16% (0.15%)</b>			
		<b>BBB- 10.64% (9.12%) (continued)</b>			EUR	1,575,000	SFR Group 5.375% 15/05/2022	1,504	0.16
GBP	3,905,000	DS Smith Plc 2.875% 26/07/2029	3,936	0.42					
GBP	5,290,000	G4S 7.75% 13/05/2019	5,850	0.62					
EUR	3,275,000	G4S International Finance 1.5% 02/06/2024	3,039	0.32					
GBP	4,811,000	GKN Holdings 3.375% 12/05/2032	4,905	0.52	GBP	7,100,000	First Hydro Finance 9% 31/07/2021	9,097	0.96
GBP	3,291,000	GKN Holdings 5.375% 19/09/2022	3,858	0.41	GBP	100,000	Lehman Brothers 7.875% 08/05/2018		
GBP	600,000	Innogy Finance 4.75% 31/01/2034	753	0.08			GBP	8	—
GBP	1,445,000	Innogy Finance 5.625% 06/12/2023	1,778	0.19	GBP	2,780,000	PGH Capital 4.125% 20/07/2022	2,976	0.32
GBP	2,050,000	Innogy Finance 6.125% 06/07/2039	3,088	0.33	GBP	1,350,000	Segro 6.75% 23/11/2021	1,658	0.18
GBP	10,871,000	Innogy Finance 6.25% 03/06/2030	15,202	1.61			<b>Total Fixed Interest</b>	<b>757,597</b>	<b>80.31</b>
USD	8,950,000	Kinder Morgan Energy Partners 4.25% 01/09/2024	7,130	0.76					
GBP	1,745,000	Marks & Spencer 4.75% 12/06/2025	1,978	0.21					
USD	9,636,000	Plains All American Pipeline 4.65% 15/10/2025	7,607	0.81					
GBP	1,270,000	RAC Bond 4.565% 06/05/2023	1,401	0.15					
GBP	1,386,000	Repsol Oil & Gas 6.625% 05/12/2017	1,407	0.15					
USD	3,705,000	Royal Bank of Scotland 4.8% 05/04/2026	3,032	0.32					
GBP	2,190,000	Stagecoach Group 4% 29/09/2025	2,413	0.26	GBP	3,076,000	*Land Securities Capital Markets 5.125% 07/02/2036	3,466	0.37
GBP	828,000	TDC 5.625% 23/02/2023	971	0.10	GBP		*Land Securities Capital Markets 5.376% 30/09/2029	4,071	0.43
GBP	2,195,000	Thames Water Utilities 2.875% 03/05/2027	2,214	0.23					
GBP	3,080,000	The Kraft Heinz 4.125% 01/07/2027	3,462	0.37	GBP	2,330,000	*Prudential 5.7% 19/12/2063	2,690	0.29
GBP	1,647,000	Time Warner Cable 5.25% 15/07/2042	1,867	0.20					
GBP	1,800,000	Time Warner Cable 5.75% 02/06/2031	2,146	0.23					
GBP	2,612,000	Unique Pub Finance 5.659% 30/06/2027	2,348	0.25	GBP	2,770,000	*Annington Finance No.4 Variable 10/01/2023	504	0.05
					GBP	1,534,000	*AXA FRN 16/01/2054	1,800	0.19
					GBP	4,855,000	*BG Energy Capital 6.5% 30/11/2072	4,910	0.52
		<b>Baa3 1.20% (2.62%)</b>			GBP	7,153,000	*BHP Billiton Finance 6.5% 22/10/2077	8,309	0.88
GBP	3,771,000	Acquedotto Pugliese 6.92% 29/06/2018	3,901	0.41	GBP	3,730,000	*Credit Suisse 2.125% 12/09/2025	3,718	0.39
GBP	6,505,000	WM Morrison Supermarkets 4.625% 08/12/2023	7,499	0.79	GBP	1,455,000	*Danske Bank 5.375% 29/09/2021	1,517	0.16
					GBP	1,700,000	*HSBC Holdings 6.375% 18/10/2022	1,709	0.18
		<b>BB+ 3.39% (3.33%)</b>			GBP	4,330,000	*ING Bank 6.875% 29/05/2023	4,501	0.48
EUR	4,100,000	Equinix 2.875% 01/10/2025	3,763	0.40	GBP	1,900,000	*Legal & General Group 5.5% 27/06/2064	2,100	0.22
GBP	2,825,000	Gaz Capital 5.338% 25/09/2020	3,043	0.32	GBP	3,125,000	*Legal & General Group 5.875% 29/03/2049	3,299	0.35
GBP	3,790,000	National Westminster Bank 6.5% 07/09/2021	4,487	0.48	GBP	3,374,000	*Legal & General Group 10% 23/07/2041	4,381	0.46
EUR	5,470,000	Quintiles IMS 3.25% 15/03/2025	5,150	0.55	GBP	4,626,000	*Legal & General Variable Bond 27/10/2045	5,154	0.55
GBP	2,150,000	Telecom Italia 7.375% 15/12/2017	2,185	0.23	GBP	4,850,000	*Telereal Securitisation 4.0902% 10/12/2033	5,157	0.55
GBP	4,520,000	Tesco Property Finance 5.5% 13/10/2041	4,970	0.53					
GBP	3,680,000	Tesco Property Finance 1 7.6227% 13/07/2039	4,390	0.47					
GBP	835,000	Tesco Property Finance 6 5.4111% 13/07/2044	898	0.09					
GBP	2,890,000	Travis Perkins 4.5% 07/09/2023	3,009	0.32					
							<b>BBB 2.53% (3.12%)</b>		
		<b>BB- 1.03% (1.58%)</b>			GBP	2,536,000	*America Movil 6.375% 06/09/2073	2,775	0.29
GBP	3,823,000	El Group 6.375% 15/02/2022	4,137	0.44	GBP	3,100,000	*Aviva 4.375% 12/09/2049	3,235	0.34
GBP	728,000	El Group 6.5% 06/12/2018	772	0.08	GBP	3,370,000	*Aviva 6.125% 29/09/2049	3,800	0.40
EUR	1,716,000	IHO Verwaltungs 3.25% 15/09/2023	1,625	0.17	GBP	4,461,000	*Aviva 6.625% 03/06/2041	5,135	0.54
EUR	841,000	IHO Verwaltungs PIK 2.75% 15/09/2021	790	0.08	GBP	7,990,000	*NGG Finance 5.625% 18/06/2073	9,086	0.96
USD	4,435,000	Noble Holding International 6.95% 01/04/2045	2,448	0.26					
							<b>BBB- 1.12% (0.76%)</b>		
		<b>Ba3 0.09% (0.09%)</b>			GBP	3,016,000	*CYBG 4% 22/06/2025	3,051	0.32
GBP	800,000	Anglian Water Osprey Financing 7% 31/01/2018	819	0.09	EUR	2,800,000	*Vonovia Finance 4% 29/12/2049	2,773	0.29
					EUR	5,000,000	*Vonovia Finance 4.625% 08/04/2074	4,819	0.51
							<b>Baa3 0.43% (0.48%)</b>		
					GBP	3,687,000	*TSB Banking Group 5.75% 06/05/2026	4,044	0.43



## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FLOATING RATE NOTES 15.93% (16.16%) (continued)</b>					Sell USD 79,885,000 Buy GBP 61,887,209 UBS				
<b>BB+ 1.83% (1.47%)</b>					<b>Total Derivatives</b>				
GBP	3,690,000	*Nationwide Building Society 6.875% 11/03/2049	3,822	0.41				1,011	0.11
EUR	3,542,000	*Santos Finance FRN 8.25% 22/09/2070	3,253	0.35	<b>Total value of investments</b>				
GBP	1,800,000	*Telefonica Europe 6.75% Perpetual	1,994	0.21				<b>908,326</b>	<b>96.28</b>
EUR	3,500,000	*Tennet Holding 2.995% 01/06/2024	3,271	0.35	<b>Net other assets (4.83%)</b>				
USD	5,591,000	*UBS Group 7% 29/12/2049	4,772	0.51				<b>35,048</b>	<b>3.72</b>
<b>BB 0.61% (0.60%)</b>					<b>Net assets</b>				
GBP	2,877,000	*Barclays Bank 14% 29/11/2049	3,439	0.36				<b>943,374</b>	<b>100.00</b>
GBP	2,269,000	*CYBG 5% 09/02/2026	2,312	0.25	<i>March 2017 comparatives in brackets.</i>				
<b>BB- 1.05% (0.96%)</b>					<i>*Variable rate bonds.</i>				
EUR	3,340,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	3,357	0.36	<i>(P) refers to provisional rating.</i>				
GBP	5,440,000	*Lloyds Banking Group 7.875% 29/12/2049	6,528	0.69	<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
<b>B+ 0.51% (0.39%)</b>								<b>Value</b>	<b>% of</b>
GBP	1,942,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,813	0.19	Fixed interest			<b>£000</b>	<b>Investment</b>
GBP	2,766,000	*Barclays Bank 7.75% 08/03/2075	3,047	0.32	Floating rate notes			757,597	83.41
<b>B 0.24% (0.46%)</b>					Derivatives			395	0.04
USD	2,698,000	*Royal Bank of Scotland 8.625% 29/12/2049	2,281	0.24	<b>Total value of investments</b>			<b>908,326</b>	<b>100.00</b>
<b>Not Rated 1.36% (1.36%)</b>					<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
GBP	4,453,000	*Cattles 6.875% 17/01/2014 (Defaulted)	9	—				<b>Value</b>	
GBP	1,540,000	*Credit Agricole 7.5% 31/12/2049	1,770	0.19	UBS EURO-Bobl Future Expiring December 2017			<b>£000</b>	
GBP	10,735,000	*Pennon Group 6.75% 08/03/2049	11,006	1.17	UBS EURO Bond Future Expiring December 2017			(4,940)	
<b>Total Floating Rate Notes</b>					UBS Long Gilt Future Expiring December 2017			(15,021)	
			<b>150,334</b>	<b>15.93</b>	UBS US 10 Year Note Future Expiring December 2017			67,774	
					UBS US 10 Year Ultra Future Expiring December 2017			(29,954)	
					UBS US 10 Year Ultra Future Expiring December 2017			(8,266)	
					UBS US Long Bond Future Expiring December 2017			(13,533)	
					UBS US Ultra Bond Future Expiring December 2017			(778)	
					<b>Total net exposure</b>			<b>(4,718)</b>	
<b>DERIVATIVES 0.04% (-0.01%)</b>					<b>Total Purchases and Sales</b>				
<b>Futures and Options -0.04% (0.09%)</b>					<i>for the accounting period 8 March 2017 to 7 September 2017</i>				
EUR	(41)	UBS EURO-Bobl Future Expiring December 2017	(1)	—				<b>2017</b>	<b>2016</b>
EUR	(101)	UBS EURO Bond Future Expiring December 2017	(27)	—				<b>£000</b>	<b>£000</b>
GBP	532	UBS Long Gilt Future Expiring December 2017	(122)	(0.01)	Total purchases for the period			276,611	228,551
USD	(308)	UBS US 10 Year Note Future Expiring December 2017	(92)	(0.01)	Total sales for the period			281,011	168,936
USD	(79)	UBS US 10 Year Ultra Fut Future Expiring December 2017	(33)	(0.01)					
USD	(113)	UBS US Long Bond Future Expiring December 2017	(87)	(0.01)					
USD	(6)	UBS US Ultra Bond Future Expiring December 2017	(6)	—					
<b>Forward Foreign Exchange Contracts 0.08% (-0.10%)</b>									
Sell USD 1,500,000									
Buy GBP 1,160,116 Goldman Sachs									
Sell EUR 47,567,000									
Buy GBP 43,349,377 UBS									

## Threadneedle Sterling Bond Fund

### Portfolio Statement

as at 7 September 2017

		Value £000	% of Net Asset Value	<b>Total Purchases and Sales</b> for the accounting period 8 March 2017 to 7 September 2017		2017 £000	2016 £000
Holding	Investment						
<b>FIXED INTEREST 100.03% (99.82%)</b>							
<b>AAA 3.05% (2.79%)</b>				Total purchases for the period		360,932	340,218
				Total sales for the period		392,606	325,176
GBP	3,090,000	Export Development Canada 1.375% 16/12/2019	3,154	1.06			
GBP	2,700,000	FMS Wertmanagement 1.25% 08/03/2019	2,734	0.92			
GBP	3,075,000	KFW 1.375% 01/02/2021	3,160	1.07			
<b>Aaa 2.20% (1.97%)</b>							
GBP	1,635,000	European Investment Bank 0.625 17/01/2020	1,642	0.55			
GBP	2,235,000	European Investment Bank 1% 21/09/2026	2,189	0.74			
GBP	2,650,000	Royal Bank of Canada 1.125% 22/12/2021	2,684	0.91			
<b>AA+ 1.27% (1.17%)</b>							
GBP	3,740,000	Municipality Finance 1.25% 07/03/2019	3,781	1.27			
<b>Aa1u 74.85% (90.61%)</b>							
GBP	12,040,000	United Kingdom Gilt 0.5% 22/07/2022	12,082	4.07			
GBP	17,722,000	United Kingdom Gilt 1.25% 22/07/2018	17,891	6.03			
GBP	10,096,000	United Kingdom Gilt 1.5% 22/01/2021	10,518	3.54			
GBP	2,053,000	United Kingdom Gilt 1.5% 22/07/2026	2,152	0.73			
GBP	5,293,000	United Kingdom Gilt 1.5% 22/07/2047	5,058	1.70			
GBP	21,754,000	United Kingdom Gilt 1.75% 22/07/2019	22,394	7.55			
GBP	24,935,000	United Kingdom Gilt 1.75% 07/09/2037	25,281	8.52			
GBP	1,485,000	United Kingdom Gilt 1.75% 22/07/2057	1,566	0.53			
GBP	6,036,000	United Kingdom Gilt 2.5% 22/07/2065	8,043	2.71			
GBP	19,112,000	United Kingdom Gilt 3.25% 22/01/2044	25,263	8.51			
GBP	6,822,500	United Kingdom Gilt 3.5% 22/01/2045	9,458	3.19			
GBP	5,050,360	United Kingdom Gilt 3.5% 22/07/2068	8,587	2.89			
GBP	5,321,250	United Kingdom Gilt 3.75% 22/07/2052	8,343	2.81			
GBP	3,998,000	United Kingdom Gilt 4% 22/01/2060	7,046	2.37			
GBP	7,161,000	United Kingdom Gilt 4.25% 07/06/2032	9,873	3.33			
GBP	2,828,000	United Kingdom Gilt 4.25% 07/03/2036	4,039	1.36			
GBP	9,717,000	United Kingdom Gilt 4.25% 07/09/2039	14,318	4.82			
GBP	608,000	United Kingdom Gilt 4.25% 07/12/2049	1,000	0.34			
GBP	4,531,000	United Kingdom Gilt 4.25% 07/12/2055	8,008	2.70			
GBP	14,927,000	United Kingdom Gilt 4.75% 07/12/2030	21,223	7.15			
<b>AA 2.30% (2.11%)</b>							
GBP	1,250,000	LCR Finance 4.5% 07/12/2028	1,644	0.55			
GBP	3,000,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	3,357	1.13			
GBP	1,730,000	Transport for London 2.125% 24/04/2025	1,834	0.62			
<b>Aa1e 0.00% (1.17%)</b>							
<b>Not Rated 16.36% (0.00%)</b>							
GBP	34,181,000	United Kingdom Gilt 0.75% 22/07/2023	34,516	11.63			
GBP	13,832,000	United Kingdom Gilt 1.25% 22/07/2027	14,051	4.73			
<b>Total Fixed Interest</b>		<b>296,889</b>	<b>100.03</b>				
<b>Total value of investments</b>		<b>296,889</b>	<b>100.03</b>				
<b>Net other (liabilities)/assets (0.18%)</b>		<b>(75)</b>	<b>(0.03)</b>				
<b>Net assets</b>		<b>296,814</b>	<b>100.00</b>				

March 2017 comparatives in brackets.

## Threadneedle Sterling Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 92.33% (88.40%)</b>				
<b>Government Bonds 7.44% (3.55%)</b>				
GBP	3,197,000	United Kingdom Gilt 0% 11/09/2017	3,197	0.64
GBP	4,000,000	United Kingdom Gilt 0% 25/09/2017	4,000	0.80
GBP	15,000,000	United Kingdom Gilt 0% 02/10/2017	14,998	3.00
GBP	15,000,000	United Kingdom Gilt 0% 20/11/2017	14,994	3.00
<b>Certificate of Deposit 60.70% (67.52%)</b>				
GBP	24,000,000	Abbey National 0.22% 05/12/2017	24,000	4.80
GBP	24,000,000	Danske Bank 0.23% 20/11/2017	24,000	4.80
GBP	5,000,000	Deutsche Zentral 0.23% 09/10/2017	5,000	1.00
GBP	20,000,000	DNB Nor Bank 0.1% 14/09/2017	20,000	4.00
GBP	15,000,000	Landesbank Hessen 0.19% 03/11/2017	15,000	3.00
GBP	8,000,000	Landesbanken Baden 0.21% 18/09/2017	8,000	1.60
GBP	9,000,000	Landesbanken Baden 0.22% 17/11/2017	9,000	1.80
GBP	20,000,000	Landesbanken Baden 0.27% 10/11/2017	20,000	4.00
GBP	8,000,000	National Bank of Abu Dhabi 0.28% 01/11/2017	8,000	1.60
GBP	10,000,000	National Bank of Abu Dhabi 0.36% 10/11/2017	10,000	2.00
GBP	8,500,000	National Bank of Abu Dhabi 0.44% 21/02/2018	8,500	1.70
GBP	8,000,000	Nationwide Building 0.23% 21/11/2017	8,000	1.60
GBP	16,000,000	Nationwide Building Society 0.22% 04/01/2018	16,000	3.20
GBP	5,000,000	Nordea Bank 0.24% 13/09/2017	5,000	1.00
GBP	7,000,000	Nordea Bank 0.24% 24/10/2017	7,000	1.40
GBP	15,000,000	Nordea Bank 0.24% 30/11/2017	15,000	3.00
GBP	12,000,000	Oversea Chinese Banking 0% 09/10/2017	12,000	2.40
GBP	10,000,000	Oversea Chinese Banking 0% 18/10/2017	10,000	2.00
GBP	20,000,000	Skandinaviska 0.16% 07/11/2017	20,000	4.00
GBP	14,000,000	Svenska Handelsbanken 0.22% 09/11/2017	14,000	2.80
GBP	10,000,000	Svenska Handelsbanke 0.22% 29/11/2017	10,000	2.00
GBP	15,000,000	Toronto Dominion 0.16% 06/12/2017	15,000	3.00
GBP	5,000,000	Wells Fargo Bank 0.41% 08/11/2017	5,000	1.00
GBP	5,000,000	Wells Fargo Bank 0.42% 08/11/2017	5,000	1.00
GBP	10,000,000	Wells Fargo Bank 0.46% 08/09/2017	10,000	2.00
<b>Euro commercial paper 24.19% (17.33%)</b>				
GBP	24,000,000	Agence Centrale des Organismes 0.198% 16/11/2017	23,987	4.80
GBP	2,000,000	Banque Federative 0.24% 12/09/2017	2,000	0.40
GBP	22,000,000	Banque Federative 1.29% 20/11/2017	21,988	4.40
GBP	22,000,000	Caisse D'Amortissem 0.15% 18/09/2017	21,998	4.40
GBP	22,000,000	Caisse Des Depots 0.15% 24/10/2017	21,993	4.40
GBP	17,000,000	Deutsche Bank 0.18% 06/12/2017	16,988	3.39
GBP	12,000,000	OP Corporate Bank 0.2% 25/09/2017	11,999	2.40
<b>Total Fixed Interest</b>			<b>461,642</b>	<b>92.33</b>
<b>Total value of investments</b>			<b>461,642</b>	<b>92.33</b>
<b>Net other assets (11.60%)</b>			<b>38,352</b>	<b>7.67</b>
<b>Net assets</b>			<b>499,994</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	836,075	464,438
Total sales for the period	781,029	416,402

## Threadneedle European Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 6.03% (3.04%)</b>				<b>Nonlife Insurance 2.24% (2.85%)</b>			
252,790	Beverages 2.14% (0.74%) Anheuser-Busch InBev	23,304	2.14	1,111,163	AXA	24,444	2.24
79,212	Pharmaceuticals & Biotechnology 0.54% (0.00%) Galapagos	5,896	0.54	421,948	Financial Services 2.29% (1.85%) Amundi	24,923	2.29
303,822	Media 1.41% (0.00%) Telenet Group	15,370	1.41	286,772	Software & Computer Services 2.02% (1.46%) Dassault Systems	22,055	2.02
337,200	Banks 1.94% (2.30%) KBC Groep	21,093	1.94	<b>Total France</b>		<b>284,865</b>	<b>26.14</b>
<b>Total Belgium</b>		<b>65,663</b>	<b>6.03</b>	<b>GERMANY 14.24% (15.85%)</b>			
<b>DENMARK 5.33% (5.57%)</b>				<b>Chemicals 3.61% (3.40%)</b>			
285,425	Alternative Energy 1.82% (0.85%) Vestas Wind Systems	19,880	1.82	189,794	BASF	14,659	1.34
259,123	Industrial Transportation 1.31% (1.25%) DSV	14,215	1.31	263,235	Brenntag	10,396	0.95
<b>Personal Goods 0.00% (2.04%)</b>				248,988	Lanxess	14,353	1.32
<b>Pharmaceuticals &amp; Biotechnology 2.20% (1.43%)</b>				<b>Automobiles &amp; Parts 0.92% (2.50%)</b>			
136,980	Chr. Hansen	9,144	0.84	55,398	Continental	10,024	0.92
404,279	Novo Nordisk	14,805	1.36	103,841	Personal Goods 1.70% (0.00%) Adidas	18,552	1.70
<b>Total Denmark</b>		<b>58,044</b>	<b>5.33</b>	344,491	Health Care Equipment & Services 2.31% (2.39%) Fresenius Medical Care	25,122	2.31
<b>FINLAND 2.23% (2.34%)</b>				<b>Mobile Telecommunications 1.49% (2.41%)</b>			
<b>Nonlife Insurance 2.23% (2.34%)</b>				1,177,068	Deutsche Telekom	16,234	1.49
607,164	Sampo	24,290	2.23	<b>Nonlife Insurance 2.34% (2.89%)</b>			
<b>Total Finland</b>		<b>24,290</b>	<b>2.23</b>	153,097	Allianz	25,452	2.34
<b>FRANCE 26.14% (21.29%)</b>				<b>Software &amp; Computer Services 1.87% (2.26%)</b>			
<b>Oil &amp; Gas Producers 2.23% (2.01%)</b>				247,202	SAP	20,363	1.87
596,121	Total	24,263	2.23	<b>Total Germany</b>		<b>155,155</b>	<b>14.24</b>
<b>Construction &amp; Materials 1.56% (2.48%)</b>				<b>ITALY 3.93% (1.48%)</b>			
231,190	Vinci	16,978	1.56	<b>Electronic &amp; Electrical Equipment 1.01% (1.48%)</b>			
<b>General Industrials 0.52% (0.00%)</b>				449,813	Prysmian	10,991	1.01
88,757	Eurazeo	5,670	0.52	<b>Beverages 1.52% (0.00%)</b>			
<b>Electronic &amp; Electrical Equipment 3.49% (3.90%)</b>				2,967,877	Davide Campari-Milano	16,601	1.52
449,949	Legrand	24,155	2.22	<b>Personal Goods 1.40% (0.00%)</b>			
218,387	Schneider Electric	13,855	1.27	689,354	Moncler	15,272	1.40
<b>Support Services 1.67% (0.00%)</b>				<b>Total Italy</b>		<b>42,864</b>	<b>3.93</b>
981,115	Elis	18,184	1.67	<b>NETHERLANDS 8.89% (10.96%)</b>			
<b>Beverages 2.02% (0.98%)</b>				<b>Chemicals 0.00% (1.56%)</b>			
210,061	Pernod Ricard	21,990	2.02	<b>Personal Goods 2.98% (3.35%)</b>			
<b>Personal Goods 3.56% (2.51%)</b>				702,119	Unilever (EUR)	32,447	2.98
170,892	L'Oreal	27,910	2.56	<b>Media 1.99% (2.10%)</b>			
53,770	LVMH Moët Hennessy Vuitton	10,857	1.00	1,340,243	RELX (EUR)	21,643	1.99
<b>Health Care Equipment &amp; Services 2.23% (1.38%)</b>				<b>Banks 2.34% (3.00%)</b>			
246,756	Essilor International	24,352	2.23	1,897,461	ING Groep	25,535	2.34
<b>Media 0.00% (0.54%)</b>				<b>Technology Hardware &amp; Equipment 1.58% (0.95%)</b>			
<b>Banks 2.31% (1.33%)</b>				142,366	ASML	17,197	1.58
435,027	BNP Paribas	25,229	2.31	<b>Total Netherlands</b>		<b>96,822</b>	<b>8.89</b>

## Threadneedle European Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NORWAY 1.96% (1.72%)</b>					<b>UNITED KINGDOM 1.26% (3.55%)</b>				
		<b>Banks 1.96% (1.72%)</b>					<b>Oil &amp; Gas Producers 1.26% (2.09%)</b>		
	1,459,641	DnB NOR Bank	21,333	1.96		634,036	Royal Dutch Shell A Shares (NL Listing)	13,745	1.26
		<b>Total Norway</b>	<b>21,333</b>	<b>1.96</b>			<b>Oil Equipment, Services &amp; Distribution 0.00% (1.46%)</b>		
<b>REPUBLIC OF IRELAND 7.83% (9.03%)</b>					<b>Total United Kingdom</b>				
		<b>Construction &amp; Materials 4.27% (4.21%)</b>					<b>13,745</b>	<b>1.26</b>	
	1,082,670	CRH (Dublin Listing)	29,006	2.66	<b>UNITED STATES OF AMERICA 0.00% (0.99%)</b>				
	582,181	Kingspan Group (EUR)	17,503	1.61			<b>Automobiles &amp; Parts 0.00% (0.99%)</b>		
		<b>General Industrials 0.75% (1.47%)</b>					<b>Total United States of America</b>	<b>—</b>	<b>—</b>
	352,733	Smurfit Kappa Group (EUR)	8,162	0.75	<b>DERIVATIVES 0.00% (0.00%)</b>				
		<b>Travel &amp; Leisure 2.81% (3.35%)</b>					<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	1,845,992	Ryanair Holdings (London Listing)	30,639	2.81			Sell GBP 2,297		
		<b>Total Republic of Ireland</b>	<b>85,310</b>	<b>7.83</b>			Buy CHF 2,838 J.P. Morgan	—	—
<b>SPAIN 2.95% (5.41%)</b>							Sell GBP 543		
		<b>Construction &amp; Materials 0.00% (0.51%)</b>					Buy CHF 674 J.P. Morgan	—	—
		<b>Support Services 0.52% (2.02%)</b>					Sell GBP 1,439		
	117,124	Amadeus IT Group	5,661	0.52			Buy DKK 11,577 J.P. Morgan	—	—
		<b>Pharmaceuticals &amp; Biotechnology 1.05% (1.01%)</b>					Sell GBP 340		
	509,811	Grifols	11,425	1.05			Buy DKK 2,745 J.P. Morgan	—	—
		<b>General Retailers 0.50% (1.10%)</b>					Sell GBP 19,898		
	189,439	Inditex	5,426	0.50			Buy EUR 21,516 J.P. Morgan	—	—
		<b>Mobile Telecommunications 0.88% (0.77%)</b>					Sell GBP 4,700		
	562,612	Cellnex Telecom	9,655	0.88			Buy EUR 5,102 J.P. Morgan	—	—
		<b>Total Spain</b>	<b>32,167</b>	<b>2.95</b>			Sell DKK 223,346		
<b>SWEDEN 10.28% (8.43%)</b>							Buy GBP 27,701 J.P. Morgan	—	—
		<b>Construction &amp; Materials 1.78% (1.85%)</b>					Sell EUR 414,839		
	1,152,227	Assa Abloy 'B' Shares	19,330	1.78			Buy GBP 382,936 J.P. Morgan	3	—
		<b>Industrial Engineering 3.30% (1.10%)</b>					Sell CHF 54,418		
	382,712	Atlas Copco 'A' Shares	11,538	1.06			Buy GBP 44,213 J.P. Morgan	—	—
	1,727,498	Volvo	24,441	2.24			Sell SEK 521,281		
		<b>Banks 3.70% (4.10%)</b>					Buy GBP 50,692 J.P. Morgan	1	—
	2,069,532	Nordea Bank	20,506	1.88			Sell GBP 2,634		
	1,778,647	Svenska Handelsbanken	19,858	1.82			Buy SEK 27,076 J.P. Morgan	—	—
		<b>Software &amp; Computer Services 1.50% (1.38%)</b>					Sell GBP 622		
	441,414	Hexagon	16,364	1.50			Buy SEK 6,406 J.P. Morgan	—	—
		<b>Total Sweden</b>	<b>112,037</b>	<b>10.28</b>			<b>Total Derivatives</b>	<b>4</b>	<b>—</b>
<b>SWITZERLAND 8.49% (10.28%)</b>							<b>Total value of investments</b>	<b>1,084,785</b>	<b>99.56</b>
		<b>Construction &amp; Materials 2.35% (2.42%)</b>					<b>Net other assets (0.06%)</b>	<b>4,831</b>	<b>0.44</b>
	4,632	Sika	25,623	2.35			<b>Net assets</b>	<b>1,089,616</b>	<b>100.00</b>
		<b>Personal Goods 1.25% (0.61%)</b>			<i>March 2017 comparatives in brackets.</i>				
	195,379	Cie Financiere Richemont	13,614	1.25	<b>Total Purchases and Sales</b>				
		<b>Pharmaceuticals &amp; Biotechnology 4.89% (5.34%)</b>			<i>for the accounting period 8 March 2017 to 7 September 2017</i>				
	324,129	Novartis	20,921	1.92				<b>2017</b>	<b>2016</b>
	165,819	Roche	32,328	2.97				<b>£000</b>	<b>£000</b>
		<b>Banks 0.00% (1.91%)</b>			Total purchases for the period			728,254	199,906
		<b>Total Switzerland</b>	<b>92,486</b>	<b>8.49</b>	Total sales for the period			481,425	266,807

March 2017 comparatives in brackets.

## Threadneedle European Select Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 6.10% (5.93%)</b>				<b>ITALY 4.94% (4.96%)</b>			
	<b>Beverages 4.01% (3.72%)</b>				<b>Electronic &amp; Electrical Equipment 1.46% (1.22%)</b>		
1,360,697	Anheuser-Busch InBev	125,440	4.01	1,872,931	Prysmian	45,763	1.46
	<b>Media 2.09% (2.21%)</b>				<b>Beverages 2.62% (3.00%)</b>		
1,295,160	Telenet Group	65,521	2.09	14,640,187	Davide Campari-Milano	81,890	2.62
	<b>Total Belgium</b>	<b>190,961</b>	<b>6.10</b>		<b>Mobile Telecommunications 0.86% (0.74%)</b>		
				5,554,406	Infrastructure Wireless Italia	27,026	0.86
<b>DENMARK 4.03% (1.55%)</b>					<b>Total Italy</b>	<b>154,679</b>	<b>4.94</b>
	<b>Industrial Transportation 1.42% (0.00%)</b>			<b>NETHERLANDS 13.82% (16.83%)</b>			
810,338	DSV	44,454	1.42		<b>Chemicals 3.26% (5.22%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 2.61% (1.55%)</b>			2,231,553	IMCD Group	101,799	3.26
2,224,657	Novo Nordisk	81,470	2.61		<b>Personal Goods 5.52% (5.10%)</b>		
	<b>Total Denmark</b>	<b>125,924</b>	<b>4.03</b>	3,738,283	Unilever (EUR)	172,757	5.52
<b>FINLAND 5.02% (4.95%)</b>					<b>Media 5.04% (4.95%)</b>		
	<b>Industrial Engineering 1.05% (0.93%)</b>			9,757,991	RELX (EUR)	157,581	5.04
783,154	Kone	32,700	1.05		<b>Banks 0.00% (1.56%)</b>		
	<b>Nonlife Insurance 3.97% (4.02%)</b>				<b>Total Netherlands</b>	<b>432,137</b>	<b>13.82</b>
3,105,499	Sampo	124,239	3.97	<b>NORWAY 0.00% (1.24%)</b>			
	<b>Total Finland</b>	<b>156,939</b>	<b>5.02</b>		<b>Banks 0.00% (1.24%)</b>		
<b>FRANCE 19.66% (17.34%)</b>					<b>Total Norway</b>	<b>—</b>	<b>—</b>
	<b>Electronic &amp; Electrical Equipment 2.69% (2.50%)</b>			<b>REPUBLIC OF IRELAND 6.02% (5.43%)</b>			
1,565,791	Legrand	84,057	2.69		<b>Construction &amp; Materials 2.06% (1.88%)</b>		
	<b>Support Services 2.81% (2.08%)</b>			2,144,297	Kingspan Group	64,486	2.06
4,739,445	Elis	87,839	2.81		<b>General Industrials 0.67% (0.74%)</b>		
	<b>Beverages 3.76% (3.53%)</b>			910,276	Smurfit Kappa Group (EUR)	21,063	0.67
1,123,257	Pernod Ricard	117,587	3.76		<b>Travel &amp; Leisure 3.29% (2.81%)</b>		
	<b>Personal Goods 5.06% (5.24%)</b>			6,195,241	Ryanair Holdings (London Listing)	102,825	3.29
969,204	L'Oreal	158,290	5.06		<b>Total Republic of Ireland</b>	<b>188,374</b>	<b>6.02</b>
	<b>Health Care Equipment &amp; Services 2.15% (1.44%)</b>			<b>SPAIN 6.65% (5.34%)</b>			
683,301	Essilor International	67,433	2.15		<b>Support Services 2.60% (2.36%)</b>		
	<b>Software &amp; Computer Services 3.19% (2.55%)</b>			1,681,678	Amadeus IT Group	81,287	2.60
1,298,596	Dassault Systems	99,873	3.19		<b>Pharmaceuticals &amp; Biotechnology 0.97% (0.00%)</b>		
	<b>Total France</b>	<b>615,079</b>	<b>19.66</b>	1,905,454	Grifols ADR	30,452	0.97
<b>GERMANY 14.61% (13.89%)</b>					<b>General Retailers 1.86% (1.57%)</b>		
	<b>Chemicals 2.93% (3.67%)</b>			2,030,967	Inditex	58,168	1.86
648,747	BASF	50,108	1.60		<b>Mobile Telecommunications 1.22% (1.41%)</b>		
1,053,287	Brenntag	41,598	1.33	2,217,816	Cellnex Telecom	38,059	1.22
	<b>Automobiles &amp; Parts 2.00% (2.75%)</b>				<b>Total Spain</b>	<b>207,966</b>	<b>6.65</b>
345,166	Continental	62,455	2.00	<b>SWEDEN 9.35% (8.64%)</b>			
	<b>Personal Goods 2.35% (0.00%)</b>				<b>Construction &amp; Materials 2.74% (2.92%)</b>		
411,232	Adidas	73,468	2.35	5,103,803	Assa Abloy 'B' Shares	85,622	2.74
	<b>Health Care Equipment &amp; Services 3.86% (4.01%)</b>				<b>Industrial Engineering 2.13% (2.10%)</b>		
1,656,246	Fresenius Medical Care	120,784	3.86	2,210,370	Atlas Copco 'A' Shares	66,636	2.13
	<b>Mobile Telecommunications 2.30% (2.40%)</b>				<b>Banks 4.48% (3.62%)</b>		
5,230,248	Deutsche Telekom	72,133	2.30	4,623,213	Nordea Bank	45,809	1.47
	<b>Software &amp; Computer Services 1.17% (1.06%)</b>			8,443,134	Svenska Handelsbanken	94,267	3.01
4,334,389	Tele Columbus	36,494	1.17		<b>Total Sweden</b>	<b>292,334</b>	<b>9.35</b>
	<b>Total Germany</b>	<b>457,040</b>	<b>14.61</b>				

## Threadneedle European Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales for the accounting period 8 March 2017 to 7 September 2017	2017 £000	2016 £000
<b>SWITZERLAND 7.18% (10.59%)</b>				Total purchases for the period	361,204	613,672
<b>Chemicals 1.02% (1.72%)</b>				Total sales for the period	461,402	779,995
19,879	Givaudan	31,770	1.02			
<b>Construction &amp; Materials 2.10% (1.69%)</b>						
11,869	Sika	65,657	2.10			
<b>Personal Goods 2.04% (2.06%)</b>						
914,302	Cie Financiere Richemont	63,708	2.04			
<b>Pharmaceuticals &amp; Biotechnology 2.02% (5.12%)</b>						
324,720	Roche	63,306	2.02			
	<b>Total Switzerland</b>	<b>224,441</b>	<b>7.18</b>			
<b>UNITED KINGDOM 0.00% (0.50%)</b>						
<b>Oil Equipment, Services &amp; Distribution 0.00% (0.50%)</b>						
	<b>Total United Kingdom</b>	<b>—</b>	<b>—</b>			
<b>UNITED STATES OF AMERICA 1.81% (2.09%)</b>						
<b>Automobiles &amp; Parts 1.81% (2.09%)</b>						
682,667	Autoliv	56,689	1.81			
	<b>Total United States of America</b>	<b>56,689</b>	<b>1.81</b>			
<b>DERIVATIVES -0.02% (-0.01%)</b>						
<b>Forward Foreign Exchange Contracts -0.02% (-0.01%)</b>						
	Sell SGD 18,188					
	Buy EUR 11,167 J.P. Morgan	—	—			
	Sell USD 15,324					
	Buy EUR 12,908 J.P. Morgan	—	—			
	Sell SGD 21,191					
	Buy EUR 13,100 J.P. Morgan	—	—			
	Sell USD 18,187					
	Buy EUR 15,273 J.P. Morgan	—	—			
	Sell SGD 68,622					
	Buy EUR 42,517 J.P. Morgan	—	—			
	Sell USD 9					
	Buy EUR 8 J.P. Morgan	—	—			
	Sell EUR 1,239					
	Buy SGD 2,000 J.P. Morgan	—	—			
	Sell EUR 1,530					
	Buy SGD 2,481 J.P. Morgan	—	—			
	Sell EUR 28,121,096					
	Buy SGD 45,208,064 J.P. Morgan	(71)	—			
	Sell EUR 490					
	Buy SGD 791 J.P. Morgan	—	—			
	Sell EUR 859					
	Buy USD 1,035 J.P. Morgan	—	—			
	Sell EUR 10,124,412					
	Buy USD 11,989,126 J.P. Morgan	(120)	(0.01)			
	Sell EUR 139					
	Buy USD 166 J.P. Morgan	—	—			
	Sell EUR 16,075					
	Buy USD 19,230 J.P. Morgan	—	—			
	Sell EUR 207,478					
	Buy USD 249,999 J.P. Morgan	1	—			
	Sell EUR 29,797,733					
	Buy USD 35,285,880 J.P. Morgan	(354)	(0.01)			
	<b>Total Derivatives</b>	<b>(544)</b>	<b>(0.02)</b>			
<b>Total value of investments</b>		<b>3,102,019</b>	<b>99.17</b>			
<b>Net other assets (0.73%)</b>		<b>26,015</b>	<b>0.83</b>			
<b>Net assets</b>		<b>3,128,034</b>	<b>100.00</b>			

March 2017 comparatives in brackets.



## Threadneedle European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 1.07% (1.27%)</b>				<b>Software &amp; Computer Services 0.96% (1.02%)</b>			
221,098	<b>Oil Equipment, Services &amp; Distribution 0.59% (0.80%)</b>			569,223	BasWare	20,532	0.96
	Schoeller-Bleckmann Oilfield Equipment	12,487	0.59	<b>Total Finland</b>			
						<b>104,950</b>	<b>4.92</b>
<b>Chemicals 0.48% (0.47%)</b>				<b>FRANCE 17.65% (16.08%)</b>			
78,287	Lenzing	10,292	0.48	<b>Support Services 7.30% (6.48%)</b>			
<b>Total Austria</b>				1,777,460	Bureau Veritas	32,878	1.54
		<b>22,779</b>	<b>1.07</b>	2,138,459	Edenred	44,234	2.07
<b>BELGIUM 7.45% (6.00%)</b>				3,017,727	Elis	55,930	2.62
<b>Chemicals 1.63% (1.45%)</b>				214,580	Teleperformance	22,758	1.07
584,618	Umicore	34,633	1.63	<b>Beverages 0.98% (1.00%)</b>			
<b>Personal Goods 0.98% (1.00%)</b>				236,617	Remy Cointreau	20,828	0.98
781,981	Ontex Group	20,965	0.98	<b>Leisure Goods 0.54% (0.51%)</b>			
<b>Media 1.95% (1.87%)</b>				219,266	Ubisoft Entertainment	11,534	0.54
822,185	Telenet Group	41,593	1.95	<b>Health Care Equipment &amp; Services 4.98% (4.52%)</b>			
<b>Travel &amp; Leisure 0.71% (0.84%)</b>				71,908	Eurofins Scientific	31,894	1.50
342,839	Kinopolis Group	15,028	0.71	1,037,446	Korian	28,018	1.31
<b>Technology Hardware &amp; Equipment 2.18% (0.84%)</b>				492,082	Orpea	46,355	2.17
293,696	Melexis	21,372	1.00	<b>Pharmaceuticals &amp; Biotechnology 0.42% (0.57%)</b>			
3,752,201	X-Fab Silicon Foundries	25,213	1.18	66,862	Virbac	8,989	0.42
<b>Total Belgium</b>				<b>Real Estate Investment &amp; Services 1.54% (0.76%)</b>			
		<b>158,804</b>	<b>7.45</b>	759,663	Nexity	32,797	1.54
<b>DENMARK 5.66% (5.43%)</b>				<b>Software &amp; Computer Services 0.92% (1.01%)</b>			
<b>Industrial Transportation 0.00% (0.00%)</b>				566,036	Criteo ADR	19,545	0.92
368,849	OW Bunker (Liquidated)	—	—	<b>Technology Hardware &amp; Equipment 0.97% (1.23%)</b>			
<b>Personal Goods 0.54% (0.81%)</b>				279,153	Ingenico Group	20,598	0.97
145,237	Pandora	11,465	0.54	<b>Total France</b>			
<b>Health Care Equipment &amp; Services 1.26% (0.98%)</b>						<b>376,358</b>	<b>17.65</b>
480,379	Ambu	26,814	1.26	<b>GERMANY 13.17% (14.17%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 1.35% (0.88%)</b>				<b>Chemicals 1.87% (2.08%)</b>			
432,244	Chr. Hansen	28,856	1.35	1,012,554	Brenntag	39,989	1.87
<b>Nonlife Insurance 1.45% (1.45%)</b>				<b>Industrial Engineering 1.68% (1.45%)</b>			
1,789,726	Tryg	31,053	1.45	467,636	Sartorius	35,773	1.68
<b>Software &amp; Computer Services 1.06% (1.31%)</b>				<b>Support Services 3.22% (3.04%)</b>			
487,956	SimCorp	22,577	1.06	1,256,528	CTS Eventim	43,499	2.04
<b>Total Denmark</b>				359,100	Grenkeleasing	25,113	1.18
		<b>120,765</b>	<b>5.66</b>	<b>Automobiles &amp; Parts 2.19% (2.51%)</b>			
<b>FINLAND 4.92% (4.24%)</b>				973,062	Norma Group	46,767	2.19
<b>Construction &amp; Materials 0.90% (1.07%)</b>				<b>Household Goods &amp; Home Construction 0.85% (1.11%)</b>			
1,347,799	Tikkurila	19,261	0.90	130,361	Zooplus	18,122	0.85
<b>General Industrials 0.23% (0.00%)</b>				<b>Health Care Equipment &amp; Services 0.93% (0.93%)</b>			
157,479	Huhtamaki	4,845	0.23	425,971	Stratec Biomedical	19,915	0.93
<b>Electronic &amp; Electrical Equipment 0.50% (0.50%)</b>				<b>Software &amp; Computer Services 2.43% (3.05%)</b>			
286,221	Vaisala	10,560	0.50	306,880	CompuGroup Medical	13,766	0.65
<b>Industrial Engineering 2.33% (1.65%)</b>				4,504,353	Tele Columbus	37,925	1.78
632,072	Cargotec	28,342	1.33	<b>Total Germany</b>			
638,304	Konecranes	21,410	1.00			<b>280,869</b>	<b>13.17</b>



(continued)

184

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	Sell EUR 402,510		
	Buy CHF 458,293 J.P. Morgan	(1)	–
	Sell EUR 808,735		
	Buy CHF 920,816 J.P. Morgan	(2)	–
	Sell GBP 129,172		
	Buy EUR 141,000 Bank of Scotland	–	–
	Sell EUR 234,000		
	Buy GBP 214,937 Lloyds	1	–
	Sell EUR 241,000		
	Buy GBP 220,310 Citigroup	–	–
	<b>Total Derivatives</b>	<b>(2)</b>	<b>–</b>
<b>Total value of investments</b>		<b>2,096,918</b>	<b>98.34</b>
<b>Net other assets (2.11%)</b>		<b>35,289</b>	<b>1.66</b>
<b>Net assets</b>		<b>2,132,207</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	324,271	149,228
Total sales for the period	152,871	131,806

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 1.01% (1.10%)</b>				<b>Real Estate Investment &amp; Services 1.21% (0.00%)</b>			
171,089	<b>Oil Equipment, Services &amp; Distribution 0.50% (0.59%)</b> Schoeller-Bleckmann Oilfield Equipment	9,662	0.50	538,456	Nexity	23,247	1.21
73,538	<b>Chemicals 0.51% (0.51%)</b> Lenzing	9,667	0.51	492,365	<b>Software &amp; Computer Services 0.89% (1.09%)</b> Criteo ADR	17,001	0.89
	<b>Total Austria</b>	<b>19,329</b>	<b>1.01</b>	281,200	<b>Technology Hardware &amp; Equipment 1.08% (1.37%)</b> Ingenico Group	20,749	1.08
<b>BELGIUM 5.58% (5.26%)</b>					<b>Total France</b>	<b>306,981</b>	<b>15.99</b>
643,720	<b>Chemicals 1.99% (1.74%)</b> Umicore	38,134	1.99	<b>GERMANY 11.43% (11.69%)</b>			
625,812	<b>Personal Goods 0.87% (1.43%)</b> Ontex Group	16,778	0.87	717,706	<b>Chemicals 1.89% (2.17%)</b> Brenntag	28,345	1.48
424,499	<b>Media 1.12% (1.18%)</b> Telenet Group	21,475	1.12	136,341	Symrise	7,857	0.41
336,984	<b>Travel &amp; Leisure 0.77% (0.91%)</b> Kinopolis Group	14,771	0.77	338,424	<b>Industrial Engineering 1.35% (1.34%)</b> Sartorius	25,888	1.35
2,367,822	<b>Technology Hardware &amp; Equipment 0.83% (0.00%)</b> X-Fab Silicon Foundries	15,911	0.83	1,143,368	<b>Support Services 3.56% (3.26%)</b> CTS Eventim	39,582	2.06
	<b>Total Belgium</b>	<b>107,069</b>	<b>5.58</b>	410,994	Grenkeleasing	28,742	1.50
<b>DENMARK 3.55% (4.05%)</b>				396,297	<b>Automobiles &amp; Parts 0.99% (0.91%)</b> Norma Group	19,047	0.99
203,041	<b>Personal Goods 0.83% (1.25%)</b> Pandora	16,028	0.83	170,078	<b>Health Care Equipment &amp; Services 0.41% (0.46%)</b> Stratec Biomedical	7,952	0.41
230,259	<b>Pharmaceuticals &amp; Biotechnology 0.80% (0.72%)</b> Chr. Hansen	15,372	0.80	331,386	<b>Software &amp; Computer Services 3.23% (3.55%)</b> CANCOM	18,184	0.95
857,874	<b>Nonlife Insurance 0.78% (0.75%)</b> Tryg	14,885	0.78	370,180	CompuGroup Medical	16,606	0.86
471,617	<b>Software &amp; Computer Services 1.14% (1.33%)</b> SimCorp	21,821	1.14	3,236,258	Tele Columbus	27,248	1.42
	<b>Total Denmark</b>	<b>68,106</b>	<b>3.55</b>		<b>Total Germany</b>	<b>219,451</b>	<b>11.43</b>
<b>FINLAND 2.18% (2.18%)</b>				<b>ISLE OF MAN 0.93% (0.81%)</b>			
140,511	<b>General Industrials 0.22% (0.00%)</b> Huhtamaki	4,323	0.22	3,072,417	<b>Support Services 0.93% (0.81%)</b> Paysafe Group	17,881	0.93
392,595	<b>Industrial Engineering 1.96% (2.18%)</b> Cargotec	17,604	0.92		<b>Total Isle of Man</b>	<b>17,881</b>	<b>0.93</b>
594,324	Konecranes	19,935	1.04	<b>ITALY 11.33% (11.45%)</b>			
	<b>Total Finland</b>	<b>41,862</b>	<b>2.18</b>	256,827	<b>Industrial Engineering 0.99% (0.96%)</b> Industria Macchine Automatic	18,998	0.99
<b>FRANCE 15.99% (15.15%)</b>				6,152,232	<b>Beverages 1.79% (2.04%)</b> Davide Campari-Milano	34,413	1.79
1,530,709	<b>Support Services 6.63% (6.40%)</b> Bureau Veritas	28,314	1.47	341,088	<b>Household Goods &amp; Home Construction 0.42% (0.62%)</b> De' Longhi	7,991	0.42
1,641,309	Edenred	33,951	1.77	843,765	<b>Personal Goods 0.96% (1.09%)</b> Salvatore Ferragamo	18,500	0.96
2,436,264	Elis	45,153	2.35	468,345	<b>Health Care Equipment &amp; Services 1.64% (1.14%)</b> DiaSorin	31,535	1.64
188,230	Teleperformance	19,963	1.04	996,230	<b>Food &amp; Drug Retailers 1.02% (0.88%)</b> MARR	19,535	1.02
67,872	<b>Health Care Equipment &amp; Services 5.67% (5.60%)</b> Eurofins Scientific	30,104	1.57	6,786,095	<b>Mobile Telecommunications 1.72% (1.68%)</b> Infrastructure Wireless Italia	33,019	1.72
1,239,200	Korian	33,466	1.74	4,993,848	<b>Banks 1.65% (1.66%)</b> FincoBank	31,659	1.65
479,939	Orpea	45,211	2.36				
73,059	<b>Pharmaceuticals &amp; Biotechnology 0.51% (0.69%)</b> Virbac	9,822	0.51				

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ITALY 11.33% (11.45%) (continued)</b>				<b>SWITZERLAND 3.66% (4.03%)</b>			
	<b>Technology Hardware &amp; Equipment 1.14% (1.38%)</b>				<b>Construction &amp; Materials 3.66% (4.03%)</b>		
481,816	El Towers	21,785	1.14	6,208	Belimo	18,956	0.99
	<b>Total Italy</b>	<b>217,435</b>	<b>11.33</b>	9,287	Sika	51,374	2.67
<b>LUXEMBOURG 1.53% (1.37%)</b>					<b>Total Switzerland</b>	<b>70,330</b>	<b>3.66</b>
	<b>Industrial Engineering 1.53% (1.37%)</b>			<b>UNITED KINGDOM 20.52% (22.34%)</b>			
448,843	Stabilus	29,293	1.53		<b>Chemicals 2.14% (1.20%)</b>		
	<b>Total Luxembourg</b>	<b>29,293</b>	<b>1.53</b>	6,501,705	Elementis	18,081	0.94
<b>NETHERLANDS 4.46% (5.22%)</b>				992,617	Victrix	23,098	1.20
	<b>Chemicals 1.94% (2.22%)</b>				<b>Construction &amp; Materials 0.53% (0.43%)</b>		
815,619	IMCD Group	37,207	1.94	4,323,545	Ibstock	10,104	0.53
	<b>Health Care Equipment &amp; Services 1.13% (1.89%)</b>				<b>Electronic &amp; Electrical Equipment 2.73% (2.40%)</b>		
1,124,311	GrandVision	21,821	1.13	1,586,431	Halma	17,086	0.89
	<b>General Retailers 1.39% (1.11%)</b>			454,286	Oxford Instruments	5,088	0.27
723,405	Takeaway.com	26,649	1.39	637,271	Renishaw	30,130	1.57
	<b>Total Netherlands</b>	<b>85,677</b>	<b>4.46</b>		<b>Industrial Engineering 0.52% (0.52%)</b>		
<b>REPUBLIC OF IRELAND 6.25% (5.92%)</b>				176,913	Spirax-Sarco Engineering	9,978	0.52
	<b>Construction &amp; Materials 2.27% (2.14%)</b>				<b>Support Services 1.97% (2.34%)</b>		
1,447,598	Kingspan Group (EUR)	43,521	2.27	547,398	Ashtead Group	9,120	0.48
	<b>Travel &amp; Leisure 3.17% (2.92%)</b>			6,727,835	Howden Joinery Group	28,553	1.49
5,285,461	Dalata Hotel Group	26,690	1.39		<b>Household Goods &amp; Home Construction 0.68% (1.45%)</b>		
3,995,759	Irish Continental Group	20,715	1.08	2,385,608	Crest Nicholson Holdings	13,014	0.68
190,493	Paddy Power (Irish Listing)	13,561	0.70		<b>Pharmaceuticals &amp; Biotechnology 2.02% (1.87%)</b>		
	<b>Real Estate Investment Trusts 0.81% (0.86%)</b>			2,010,782	Genus	38,728	2.02
11,373,973	Green REIT (Ireland Listing)	15,483	0.81		<b>Food &amp; Drug Retailers 0.00% (1.11%)</b>		
	<b>Total Republic of Ireland</b>	<b>119,970</b>	<b>6.25</b>		<b>General Retailers 1.72% (2.00%)</b>		
<b>SPAIN 4.57% (4.02%)</b>				1,123,191	CVS Group	15,028	0.78
	<b>Support Services 1.93% (2.07%)</b>			2,643,542	Just Eat	18,082	0.94
3,794,875	Applus Services	36,947	1.93		<b>Media 1.73% (1.27%)</b>		
	<b>Travel &amp; Leisure 0.45% (0.51%)</b>			8,812,116	Ascential	33,213	1.73
1,909,814	Telepizza Group	8,710	0.45		<b>Travel &amp; Leisure 1.36% (1.51%)</b>		
	<b>Mobile Telecommunications 1.41% (0.91%)</b>			5,668,132	Merlin Entertainments	26,153	1.36
1,580,331	Cellnex Telecom	27,119	1.41		<b>Life Insurance 1.73% (2.05%)</b>		
	<b>Real Estate Investment Trusts 0.78% (0.53%)</b>			2,948,943	St James's Place	33,205	1.73
1,954,950	Lar Espana Real Estate	14,880	0.78		<b>Real Estate Investment Trusts 2.64% (2.54%)</b>		
	<b>Total Spain</b>	<b>87,656</b>	<b>4.57</b>	3,013,336	Big Yellow Group REIT	23,489	1.22
<b>SWEDEN 3.83% (4.63%)</b>				361,506	Derwent London	10,028	0.52
	<b>Food Producers 0.80% (1.13%)</b>			1,736,162	Shaftesbury REIT	17,240	0.90
5,481,004	Cloetta 'B' Shares	15,404	0.80		<b>Financial Services 0.00% (0.94%)</b>		
	<b>Leisure Goods 1.42% (1.88%)</b>				<b>Software &amp; Computer Services 0.75% (0.71%)</b>		
2,897,546	Dometic Group	18,218	0.95	582,049	AVEVA Group	14,353	0.75
613,165	Thule Group	9,063	0.47		<b>Total United Kingdom</b>	<b>393,771</b>	<b>20.52</b>
	<b>Financial Services 1.61% (1.62%)</b>			<b>UNITED STATES OF AMERICA 0.91% (0.81%)</b>			
692,585	Avanza Bank Holdings	22,122	1.15		<b>Automobiles &amp; Parts 0.91% (0.81%)</b>		
349,073	Intrum Justitia	8,712	0.46	209,890	Autoliv (SDR)	17,535	0.91
	<b>Total Sweden</b>	<b>73,519</b>	<b>3.83</b>		<b>Total United States of America</b>	<b>17,535</b>	<b>0.91</b>

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -0.04% (-0.02%)</b>			
<b>Forward Foreign Exchange Contracts -0.04% (-0.02%)</b>			
	Sell EUR 932,971		
	Buy CHF 1,062,269 J.P. Morgan	(2)	—
	Sell EUR 8,967		
	Buy CHF 10,258 J.P. Morgan	—	—
	Sell EUR 832,863		
	Buy CHF 948,286 J.P. Morgan	(1)	—
	Sell USD 175,508		
	Buy EUR 147,841 J.P. Morgan	2	—
	Sell USD 383,022		
	Buy EUR 320,184 J.P. Morgan	1	—
	Sell USD 51,902		
	Buy EUR 43,539 J.P. Morgan	—	—
	Sell EUR 84,355		
	Buy USD 100,448 J.P. Morgan	(1)	—
	Sell EUR 306,383		
	Buy USD 365,439 J.P. Morgan	(2)	—
	Sell EUR 543,224		
	Buy USD 654,555 J.P. Morgan	2	—
	Sell EUR 59,162,220		
	Buy USD 70,058,717 J.P. Morgan	(702)	(0.04)
	Sell EUR 59,468		
	Buy USD 71,002 J.P. Morgan	—	—
	Sell EUR 59,977		
	Buy USD 72,269 J.P. Morgan	—	—
	Sell EUR 7,420,102		
	Buy USD 8,786,736 J.P. Morgan	(88)	—
	Sell EUR 699,518		
	Buy USD 836,802 J.P. Morgan	(2)	—
	<b>Total Derivatives</b>	<b>(793)</b>	<b>(0.04)</b>
<b>Total value of investments</b>		<b>1,875,072</b>	<b>97.69</b>
<b>Net other assets/(liabilities) (-0.01%)</b>		<b>44,334</b>	<b>2.31</b>
<b>Net assets</b>		<b>1,919,406</b>	<b>100.00</b>

March 2017 comparatives in brackets.

<sup>†</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	216,498	102,348
Total sales for the period	124,117	365,017

## Threadneedle Pan European Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 4.12% (2.02%)</b>				<b>Health Care Equipment &amp; Services 2.36% (1.81%)</b>			
	<b>Beverages 1.96% (0.00%)</b>			104,416	Fresenius Medical Care	7,615	2.36
68,521	Anheuser-Busch InBev	6,317	1.96	<b>Mobile Telecommunications 1.97% (2.47%)</b>			
	<b>Banks 2.16% (2.02%)</b>			461,263	Deutsche Telekom	6,362	1.97
111,218	KBC Groep	6,957	2.16	<b>Nonlife Insurance 2.72% (2.13%)</b>			
	<b>Total Belgium</b>	<b>13,274</b>	<b>4.12</b>	52,737	Allianz	8,767	2.72
<b>DENMARK 3.17% (3.47%)</b>				<b>Software &amp; Computer Services 1.51% (1.10%)</b>			
	<b>Alternative Energy 1.00% (1.70%)</b>			59,220	SAP	4,878	1.51
46,315	Vestas Wind Systems	3,226	1.00		<b>Total Germany</b>	<b>42,143</b>	<b>13.07</b>
	<b>Pharmaceuticals &amp; Biotechnology 2.17% (1.77%)</b>			<b>ITALY 2.39% (1.13%)</b>			
191,481	Novo Nordisk	7,012	2.17		<b>Electronic &amp; Electrical Equipment 1.25% (1.13%)</b>		
	<b>Total Denmark</b>	<b>10,238</b>	<b>3.17</b>	165,309	Prysmian	4,039	1.25
<b>FINLAND 2.49% (1.11%)</b>					<b>Personal Goods 1.14% (0.00%)</b>		
	<b>Industrial Engineering 1.03% (0.00%)</b>			165,875	Moncler	3,675	1.14
79,340	Kone	3,313	1.03		<b>Total Italy</b>	<b>7,714</b>	<b>2.39</b>
	<b>Nonlife Insurance 1.46% (1.11%)</b>			<b>NETHERLANDS 9.14% (9.32%)</b>			
117,730	Sampo	4,710	1.46		<b>Chemicals 0.00% (1.30%)</b>		
	<b>Total Finland</b>	<b>8,023</b>	<b>2.49</b>		<b>Aerospace &amp; Defence 1.48% (1.66%)</b>		
<b>FRANCE 16.78% (13.87%)</b>				72,616	Airbus	4,773	1.48
	<b>Construction &amp; Materials 1.05% (0.00%)</b>				<b>Automobiles &amp; Parts 0.96% (0.00%)</b>		
46,003	Vinci	3,378	1.05	35,984	Ferrari	3,093	0.96
	<b>Electronic &amp; Electrical Equipment 2.52% (4.02%)</b>				<b>Media 2.49% (2.23%)</b>		
87,856	Legrand	4,716	1.46	497,551	RELX (EUR)	8,035	2.49
53,823	Schneider Electric	3,415	1.06		<b>Banks 2.05% (2.11%)</b>		
	<b>Beverages 0.00% (0.92%)</b>			490,714	ING Groep	6,604	2.05
	<b>Personal Goods 4.48% (3.11%)</b>				<b>Technology Hardware &amp; Equipment 2.16% (2.02%)</b>		
58,032	L'Oreal	9,478	2.94	57,798	ASML	6,982	2.16
24,667	LVMH Moët Hennessy Vuitton	4,980	1.54		<b>Total Netherlands</b>	<b>29,487</b>	<b>9.14</b>
	<b>Health Care Equipment &amp; Services 1.42% (1.05%)</b>			<b>NORWAY 1.97% (0.00%)</b>			
46,474	Essilor International	4,586	1.42		<b>Banks 1.97% (0.00%)</b>		
	<b>Banks 2.72% (1.89%)</b>			434,983	DnB NOR Bank	6,357	1.97
151,451	BNP Paribas	8,783	2.72		<b>Total Norway</b>	<b>6,357</b>	<b>1.97</b>
	<b>Financial Services 2.40% (1.33%)</b>			<b>REPUBLIC OF IRELAND 9.12% (8.89%)</b>			
130,730	Amundi	7,722	2.40		<b>Construction &amp; Materials 4.99% (4.99%)</b>		
	<b>Software &amp; Computer Services 2.19% (1.55%)</b>			321,617	CRH	8,616	2.67
91,609	Dassault Systems	7,045	2.19	248,765	Kingspan Group	7,481	2.32
	<b>Total France</b>	<b>54,103</b>	<b>16.78</b>		<b>General Industrials 0.94% (1.55%)</b>		
<b>GERMANY 13.07% (14.86%)</b>				131,202	Smurfit Kappa Group	3,040	0.94
	<b>Chemicals 1.01% (4.17%)</b>				<b>Travel &amp; Leisure 3.19% (2.35%)</b>		
56,180	Lanxess	3,239	1.01	619,479	Ryanair Holdings (London Listing)	10,282	3.19
	<b>Automobiles &amp; Parts 1.24% (3.18%)</b>				<b>Total Republic of Ireland</b>	<b>29,419</b>	<b>9.12</b>
22,142	Continental	4,006	1.24				
	<b>Personal Goods 2.26% (0.00%)</b>						
40,726	Adidas	7,276	2.26				

## Threadneedle Pan European Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SPAIN 4.65% (4.27%)</b>				<b>Financial Services 1.25% (1.01%)</b>			
	<b>Support Services 2.04% (1.92%)</b>			431,288	3i Group	4,033	1.25
136,224	Amadeus IT Group	6,585	2.04	<b>Total United Kingdom</b>			
	<b>General Retailers 1.36% (1.36%)</b>					<b>62,581</b>	<b>19.41</b>
153,057	Inditex	4,384	1.36	<b>Total value of investments</b>			
	<b>Mobile Telecommunications 1.25% (0.99%)</b>					<b>317,619</b>	<b>98.49</b>
234,474	Cellnex Telecom	4,024	1.25	<b>Net other assets/(liabilities) (-1.38%)</b>			
	<b>Total Spain</b>	<b>14,993</b>	<b>4.65</b>			<b>4,882</b>	<b>1.51</b>
				<b>Net assets</b>			
						<b>322,501</b>	<b>100.00</b>
<b>SWEDEN 5.55% (3.63%)</b>				<i>March 2017 comparatives in brackets.</i>			
	<b>Industrial Engineering 4.33% (1.92%)</b>			<b>Total Purchases and Sales</b>			
210,845	Atlas Copco 'A' Shares	6,356	1.97	<i>for the accounting period 8 March 2017 to 7 September 2017</i>			
537,102	Volvo	7,599	2.36			<b>2017</b>	<b>2016</b>
	<b>Banks 1.22% (1.71%)</b>					<b>£000</b>	<b>£000</b>
352,721	Svenska Handelsbanken	3,938	1.22	Total purchases for the period		89,414	120,391
	<b>Total Sweden</b>	<b>17,893</b>	<b>5.55</b>	Total sales for the period		111,365	156,375
<b>SWITZERLAND 6.63% (9.24%)</b>							
	<b>Construction &amp; Materials 3.05% (3.74%)</b>						
1,782	Sika	9,858	3.05				
	<b>Personal Goods 0.00% (1.26%)</b>						
	<b>Pharmaceuticals &amp; Biotechnology 3.58% (4.24%)</b>						
59,171	Roche	11,536	3.58				
	<b>Total Switzerland</b>	<b>21,394</b>	<b>6.63</b>				
<b>UNITED KINGDOM 19.41% (29.57%)</b>							
	<b>Oil &amp; Gas Producers 0.70% (4.88%)</b>						
103,652	Royal Dutch Shell B Shares	2,274	0.70				
	<b>Oil Equipment, Services &amp; Distribution 1.15% (2.06%)</b>						
594,990	John Wood Group	3,707	1.15				
	<b>Chemicals 0.00% (1.08%)</b>						
	<b>Mining 2.02% (1.93%)</b>						
174,652	Rio Tinto	6,504	2.02				
	<b>Personal Goods 3.88% (4.30%)</b>						
276,501	Unilever	12,498	3.88				
	<b>Tobacco 2.62% (4.14%)</b>						
172,392	British American Tobacco	8,447	2.62				
	<b>Media 0.00% (1.07%)</b>						
	<b>Travel &amp; Leisure 1.33% (1.54%)</b>						
262,262	Compass Group	4,285	1.33				
	<b>Banks 2.29% (2.57%)</b>						
989,216	Standard Chartered	7,387	2.29				
	<b>Life Insurance 4.17% (4.99%)</b>						
556,206	Prudential	9,839	3.05				
320,299	St James's Place	3,607	1.12				

## Threadneedle European Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.89% (2.20%)</b>					<b>CHILE 2.58% (1.61%)</b>				
		<b>A- 0.71% (0.81%)</b>					<b>AA- 0.00% (1.61%)</b>		
EUR	200,000	AusNet Services Holdings 2.375% 24/07/2020	196	0.21			<b>A+ 2.58% (0.00%)</b>		
EUR	474,000	SGSP Australia Assets 2% 30/06/2022	464	0.50	EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,409	2.58
		<b>BBB+ 0.39% (0.75%)</b>					<b>Total Chile</b>	<b>2,409</b>	<b>2.58</b>
EUR	259,000	Aurizon Network 2% 18/09/2024	250	0.27					
EUR	100,000	*BHP Billiton Finance 5.625% 22/10/2079	110	0.12	<b>DENMARK 0.28% (0.29%)</b>				
		<b>BBB 0.39% (0.24%)</b>					<b>BBB 0.28% (0.29%)</b>		
EUR	385,000	APT Pipelines 2% 22/03/2027	365	0.39	EUR	262,000	ISS Global 2.125% 02/12/2024	257	0.28
		<b>BBB- 0.24% (0.16%)</b>					<b>Total Denmark</b>	<b>257</b>	<b>0.28</b>
GBP	200,000	Asciano Finance 5% 19/09/2023	226	0.24	<b>FINLAND 0.37% (0.26%)</b>				
		<b>BB+ 0.16% (0.24%)</b>					<b>A- 0.37% (0.26%)</b>		
EUR	168,000	*Santos Finance FRN 8.25% 22/09/2070	154	0.16	EUR	375,000	Sampo 1.25% 30/05/2025	349	0.37
		<b>Total Australia</b>	<b>1,765</b>	<b>1.89</b>			<b>Total Finland</b>	<b>349</b>	<b>0.37</b>
<b>AUSTRIA 0.13% (0.23%)</b>					<b>FRANCE 12.82% (22.80%)</b>				
		<b>Baa2 0.13% (0.00%)</b>					<b>AA 2.15% (2.40%)</b>		
EUR	100,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	123	0.13	EUR	1,850,000	Dexia Credit Local 0.625% 21/01/2022	1,735	1.86
		<b>Baa3 0.00% (0.23%)</b>			EUR	300,000	Sanofi 0% 13/01/2020	275	0.29
		<b>Total Austria</b>	<b>123</b>	<b>0.13</b>			<b>Aa2u 8.99% (17.34%)</b>		
<b>BELGIUM 3.05% (1.02%)</b>					EUR	4,630,000	France Government Bond 3% 25/04/2022	4,882	5.23
		<b>A- 0.40% (0.84%)</b>			EUR	1,160,000	France Government Bond OAT 3.25% 25/05/2045	1,434	1.54
EUR	369,000	Anheuser-Busch InBev 2.75% 17/03/2036	369	0.40	EUR	1,795,000	France Government Bond OAT 3.5% 25/04/2026	2,069	2.22
EUR	100,000	KBC Groep 0.75% 01/03/2022	92	0.10			<b>A+ 0.00% (0.60%)</b>		
		<b>Not Rated 2.55% (0.00%)</b>			EUR	200,000	RTE Réseau de transport d'électricité 1% 19/10/2026	183	0.19
EUR	2,575,000	Belgium Government Bond 0.8% 22/06/2027	2,383	2.55			<b>A- 0.77% (1.07%)</b>		
		<b>Total Belgium</b>	<b>2,844</b>	<b>3.05</b>	EUR	200,000	Air Liquide Finance 0.375% 18/04/2022	185	0.20
<b>BERMUDA 0.26% (0.41%)</b>					EUR	150,000	Autorout 4.125% 13/04/2020	152	0.16
		<b>BBB+ 0.26% (0.41%)</b>			EUR	200,000	Electricité de France 1.875% 13/10/2036	169	0.18
EUR	240,000	Bacardi 2.75% 03/07/2023	246	0.26	EUR	225,000	*Total 3.369% 29/12/2049	213	0.23
		<b>Total Bermuda</b>	<b>246</b>	<b>0.26</b>			<b>BBB+ 0.20% (0.24%)</b>		
<b>BRAZIL 0.25% (0.00%)</b>					EUR	200,000	Credit Agricole 1.875% 20/12/2026	189	0.20
		<b>BBB- 0.25% (0.00%)</b>					<b>BBB 0.00% (0.19%)</b>		
EUR	230,000	Vale 3.75% Notes 10/01/2023	230	0.25	EUR	100,000	*Orange 5% 29/10/2049	104	0.11
		<b>Total Brazil</b>	<b>230</b>	<b>0.25</b>	EUR	100,000	TDF Infrastructure 2.875% 19/10/2022	99	0.11
<b>CANADA 0.35% (0.24%)</b>							<b>BB+ 0.20% (0.12%)</b>		
		<b>BBB- 0.35% (0.24%)</b>			EUR	184,000	*Credit Agricole 6.5% 23/12/2049	186	0.20
GBP	325,000	Repsol Oil & Gas 6.625% 05/12/2017	330	0.35			<b>B+ 0.10% (0.13%)</b>		
		<b>Total Canada</b>	<b>330</b>	<b>0.35</b>	EUR	100,000	SFR Group 5.375% 15/05/2022	95	0.10
<b>CAYMAN ISLANDS 0.00% (1.17%)</b>							<b>Total France</b>	<b>11,970</b>	<b>12.82</b>
		<b>BBB 0.00% (1.17%)</b>							
		<b>Total Cayman Islands</b>	<b>—</b>	<b>—</b>					



## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 1.82% (8.37%)</b>					<b>BB+ 0.27% (0.18%)</b>				
		<b>Aaa 0.48% (5.83%)</b>			GBP	250,000	Telecom Italia 7.375% 15/12/2017	254	0.27
EUR	445,000	Bundesrepublik Deutschland 1.5% 15/02/2023	448	0.48			<b>Not Rated 2.35% (1.76%)</b>		
		<b>A+ 0.00% (0.18%)</b>			EUR	2,400,000	Buoni Poliennali Del Tesoro 2.05% 01/08/2027	2,196	2.35
		<b>BBB+ 0.00% (0.72%)</b>					<b>Total Italy</b>	<b>15,558</b>	<b>16.67</b>
		<b>Baa1 0.42% (0.65%)</b>			<b>JERSEY 0.89% (0.81%)</b>				
EUR	400,000	Eurogrid 1.875% 10/06/2025	393	0.42			<b>A- 0.89% (0.81%)</b>		
		<b>BBB- 0.32% (0.50%)</b>			EUR	303,000	Heathrow Funding 1.875% 23/05/2022	297	0.32
EUR	216,000	Innogy Finance II 5.75% 14/02/2033	298	0.32	GBP	400,000	Heathrow Funding 4.625% 31/10/2046	538	0.57
		<b>BB- 0.25% (0.16%)</b>					<b>Total Jersey</b>	<b>835</b>	<b>0.89</b>
EUR	100,000	IHO Verwaltungs 3.25% 15/09/2023	95	0.10	<b>LUXEMBOURG 1.69% (0.89%)</b>				
EUR	150,000	Unitymedia Hessen 4% 15/01/2025	145	0.15			<b>BBB+ 0.78% (0.48%)</b>		
		<b>Not Rated 0.35% (0.33%)</b>			EUR	290,000	GELF Bond Issuer I 1.625% 20/10/2026	267	0.28
EUR	330,000	Telefonica Deutsch 2.375% 10/02/2021	325	0.35	EUR	500,000	Grand City Properties 1.5% 17/04/2025	465	0.50
		<b>Total Germany</b>	<b>1,704</b>	<b>1.82</b>			<b>BBB 0.22% (0.17%)</b>		
<b>GUERNSEY 0.00% (0.25%)</b>					EUR	230,000	Allegran Funding 0.5% 01/06/2021	211	0.22
		<b>BBB+ 0.00% (0.25%)</b>					<b>Baa2 0.69% (0.24%)</b>		
		<b>Total Guernsey</b>	<b>–</b>	<b>–</b>	EUR	200,000	Ado Properties 1.5% 26/07/2024	184	0.20
					EUR	497,000	SELP Finance 1.25% 25/10/2023	454	0.49
<b>HUNGARY 4.03% (2.53%)</b>							<b>Total Luxembourg</b>	<b>1,581</b>	<b>1.69</b>
		<b>BBB- 4.03% (2.53%)</b>			<b>MEXICO 0.23% (0.21%)</b>				
EUR	3,750,000	Hungary Government International Bond 3.875% 24/02/2020	3,759	4.03			<b>BBB+ 0.23% (0.21%)</b>		
		<b>Total Hungary</b>	<b>3,759</b>	<b>4.03</b>	EUR	235,000	Petroleos Mexicanos 1.875% 21/04/2022	216	0.23
<b>ICELAND 0.32% (0.20%)</b>							<b>Total Mexico</b>	<b>216</b>	<b>0.23</b>
		<b>BBB 0.32% (0.20%)</b>			<b>NETHERLANDS 9.05% (5.48%)</b>				
EUR	316,000	Arion Bank 1.625% 01/12/2021	298	0.32			<b>AAA 1.77% (1.09%)</b>		
		<b>Total Iceland</b>	<b>298</b>	<b>0.32</b>	EUR	1,790,000	Nederlandse Financierings 0.125% 20/04/2022	1,654	1.77
<b>INDONESIA 2.79% (1.73%)</b>							<b>AA 0.25% (0.34%)</b>		
		<b>BBB- 2.79% (0.00%)</b>			EUR	247,000	Roche Finance Europe 0.5% 27/02/2023	229	0.25
EUR	2,650,000	Indonesia Government International Bond 2.875% 08/07/2021	2,603	2.79			<b>AA- 0.35% (0.22%)</b>		
		<b>BB+ 0.00% (1.73%)</b>			EUR	350,000	Nederland Gasunie 1% 11/05/2026	326	0.35
		<b>Total Indonesia</b>	<b>2,603</b>	<b>2.79</b>			<b>A+ 0.95% (0.75%)</b>		
<b>ITALY 16.67% (4.86%)</b>					EUR	400,000	Enexis Holding 0.875% 28/04/2026	365	0.39
		<b>Baa1 0.00% (0.32%)</b>			EUR	272,000	Enexis Holding 1.5% 20/10/2023	263	0.28
		<b>Baa2u 13.56% (2.31%)</b>			EUR	260,000	Schiphol Nederland 2% 05/10/2026	259	0.28
EUR	6,115,000	Buoni Poliennali Del Tesoro 1.45% 15/09/2022	5,762	6.17			<b>A- 0.00% (0.32%)</b>		
EUR	4,961,000	Buoni Poliennali Del Tesoro 1.6% 01/06/2026	4,455	4.77			<b>BBB+ 1.45% (1.57%)</b>		
EUR	2,065,000	Buoni Poliennali Del Tesoro 4.75% 01/09/2044	2,443	2.62	EUR	360,000	Deutsche Telekom 0.875% 30/01/2024	335	0.36
		<b>BBB- 0.13% (0.07%)</b>			EUR	500,000	*Deutsche Telekom FRN 03/04/2020	460	0.49
EUR	125,000	UniCredit 2.125% 24/10/2026	118	0.13	EUR	400,000	Vesteda Finance 1.75% 22/07/2019	376	0.40
		<b>Baa3 0.36% (0.22%)</b>			EUR	200,000	Vonovia Finance 1.25% 06/12/2024	186	0.20
GBP	132,000	Acquedotto Pugliese 6.92% 29/06/2018	137	0.15			<b>BBB 0.56% (0.69%)</b>		
EUR	190,000	*Assicurazioni 5% 08/06/2048	193	0.21	EUR	325,000	*Eneco Holding 3.25% 29/12/2049	314	0.34
					EUR	215,000	Madriena Red De Gas 2.25% 11/04/2029	203	0.22

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 9.05% (5.48%) (continued)</b>					<b>SLOVENIA 0.00% (2.54%)</b>				
		<b>BBB- 1.00% (0.13%)</b>					<b>A 0.00% (2.54%)</b>		
EUR	230,000	Innogy Finance 1% 13/04/2025	213	0.23			<b>Total Slovenia</b>	—	—
GBP	350,000	Innogy Finance 6.125% 06/07/2039	527	0.56					
EUR	200,000	*Vonovia Finance 4% 29/12/2049	198	0.21	<b>SOUTH KOREA 0.00% (1.40%)</b>				
		<b>BB+ 0.43% (0.25%)</b>					<b>AA 0.00% (1.40%)</b>		
EUR	100,000	*Telefonica Europe 3.75% 31/12/2049	95	0.10			<b>Total South Korea</b>	—	—
EUR	331,000	*Tennet Holding 2.995% 01/06/2024	309	0.33					
		<b>Ba2 0.00% (0.12%)</b>			<b>SPAIN 2.07% (2.21%)</b>				
		<b>Not Rated 2.29% (0.00%)</b>					<b>BBB+ 1.87% (1.54%)</b>		
EUR	2,300,000	Netherlands 0% 15/01/2022	2,140	2.29	EUR	1,868,000	Spain Government Bond 2.9% 31/10/2046	1,750	1.87
		<b>Total Netherlands</b>	<b>8,452</b>	<b>9.05</b>			<b>Baa1 0.00% (0.43%)</b>		
<b>NEW ZEALAND 0.27% (0.25%)</b>							<b>BBB 0.00% (0.18%)</b>		
		<b>A- 0.27% (0.25%)</b>					<b>BB 0.00% (0.06%)</b>		
EUR	280,000	Fonterra Co-operative Group 0.75% 08/11/2024	252	0.27			<b>B+ 0.20% (0.00%)</b>		
		<b>Total New Zealand</b>	<b>252</b>	<b>0.27</b>	EUR	200,000	*Bankia Perpetual 6% 18/10/2065	184	0.20
<b>NORWAY 3.06% (2.00%)</b>							<b>Total Spain</b>	<b>1,934</b>	<b>2.07</b>
		<b>AAA 2.55% (1.60%)</b>			<b>SUPRANATIONAL 1.65% (0.96%)</b>				
EUR	2,320,000	DNB Boligkreditt 2.75% 21/03/2022	2,385	2.55			<b>Aa1 0.57% (0.33%)</b>		
		<b>AA- 0.51% (0.40%)</b>			EUR	550,000	Euro Stability Mechanism 1.85% 01/12/2055	532	0.57
EUR	510,000	Avinor 1% 29/04/2025	475	0.51			<b>AA 1.08% (0.63%)</b>		
		<b>Total Norway</b>	<b>2,860</b>	<b>3.06</b>	EUR	1,055,000	European Financial Stability Facility 1.7% 13/02/2043	1,006	1.08
<b>PORTUGAL 0.29% (0.23%)</b>							<b>Total Supranational</b>	<b>1,538</b>	<b>1.65</b>
		<b>BBB- 0.20% (0.18%)</b>			<b>SWEDEN 1.17% (0.89%)</b>				
EUR	200,000	Galp Gas Natural Distribuicao 1.375% 19/09/2023	186	0.20			<b>Aa3 0.22% (0.00%)</b>		
		<b>Not Rated 0.09% (0.05%)</b>			EUR	225,000	Nordea Bank 0.3% 30/06/2022	207	0.22
EUR	300,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	82	0.09			<b>A 0.00% (0.17%)</b>		
		<b>Total Portugal</b>	<b>268</b>	<b>0.29</b>			<b>BBB+ 0.41% (0.00%)</b>		
<b>REPUBLIC OF IRELAND 0.97% (1.61%)</b>					EUR	411,000	SCA Hygiene 1.125% 27/03/2024	383	0.41
		<b>A 0.27% (0.30%)</b>					<b>BBB- 0.54% (0.49%)</b>		
EUR	268,000	Gas Natural 4.5% 05/12/2026	252	0.27	EUR	545,000	Akelius 1.75% 07/02/2025	504	0.54
		<b>BBB+ 0.19% (0.60%)</b>					<b>Baa3e 0.00% (0.23%)</b>		
EUR	187,000	Transmission Finance 1.5% 24/05/2023	179	0.19			<b>Total Sweden</b>	<b>1,094</b>	<b>1.17</b>
		<b>BBB- 0.29% (0.58%)</b>			<b>SWITZERLAND 0.22% (1.41%)</b>				
GBP	275,000	FCA Capital Ireland 1.625% 29/09/2021	274	0.29			<b>Aaa 0.00% (0.67%)</b>		
		<b>BB- 0.22% (0.13%)</b>					<b>A 0.00% (0.61%)</b>		
EUR	200,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	201	0.22			<b>BB+ 0.22% (0.13%)</b>		
		<b>Total Republic of Ireland</b>	<b>906</b>	<b>0.97</b>	EUR	200,000	*UBS Group 5.75% 29/12/2049	204	0.22
<b>SINGAPORE 0.16% (0.27%)</b>							<b>Total Switzerland</b>	<b>204</b>	<b>0.22</b>
		<b>AAA 0.16% (0.27%)</b>							
EUR	150,000	Temasek Financial 1.5% 01/03/2028	145	0.16					
		<b>Total Singapore</b>	<b>145</b>	<b>0.16</b>					



## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES -1.95% (-0.92%) (continued)</b>			
	<b>Forward Foreign Exchange Contracts 0.21% (0.22%)</b>		
	Sell GBP 5,756,568		
	Buy EUR 6,288,405 Citigroup	6	0.01
	Sell GBP 7,520,139		
	Buy EUR 8,403,722 HSBC	173	0.19
	Sell GBP 726,036		
	Buy EUR 811,221 Goldman Sachs	17	0.02
	Sell EUR 909,339		
	Buy GBP 838,356 HSBC	6	0.01
	Sell EUR 1,024,783		
	Buy GBP 932,427 Goldman Sachs	(6)	(0.01)
	Sell EUR 1,031,508		
	Buy GBP 938,168 Citigroup	(6)	(0.01)
	<b>Total Derivatives</b>	<b>(1,824)</b>	<b>(1.95)</b>
<b>Total value of investments</b>		<b>87,256</b>	<b>93.47</b>
<b>Net other assets (3.05%)</b>		<b>6,099</b>	<b>6.53</b>
<b>Net assets</b>		<b>93,355</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	84,515	96.86
Floating rate notes	4,565	5.23
Derivatives	(1,824)	(2.09)
<b>Total value of investments</b>	<b>87,256</b>	<b>100.00</b>

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	115,342	111,294
Total sales for the period	159,783	101,559

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 4.15% (4.00%)</b>					<b>CAYMAN ISLANDS 0.18% (1.42%)</b>				
		<b>A- 1.53% (1.69%)</b>					<b>BBB 0.00% (1.24%)</b>		
EUR	866,000	AusNet Services Holdings 2.375% 24/07/2020	847	0.48			<b>BB- 0.18% (0.18%)</b>		
EUR	1,904,000	SGSP Australia Assets 2% 30/06/2022	1,865	1.05	USD	427,000	Noble Holding International 4% 16/03/2018	327	0.18
		<b>BBB+ 1.01% (1.18%)</b>					<b>Total Cayman Islands</b>	<b>327</b>	<b>0.18</b>
EUR	1,247,000	Aurizon Network 2% 18/09/2024	1,202	0.67					
EUR	550,000	*BHP Billiton Finance 5.625% 22/10/2079	603	0.34	<b>DENMARK 0.79% (0.94%)</b>				
		<b>BBB 1.02% (0.60%)</b>					<b>BBB 0.79% (0.94%)</b>		
EUR	1,920,000	APT Pipelines 2% 22/03/2027	1,820	1.02	EUR	1,432,000	ISS Global 2.125% 02/12/2024	1,407	0.79
		<b>BBB- 0.32% (0.29%)</b>					<b>Total Denmark</b>	<b>1,407</b>	<b>0.79</b>
GBP	500,000	Asciano Finance 5% 19/09/2023	564	0.32	<b>FINLAND 0.78% (0.80%)</b>				
		<b>BB+ 0.27% (0.24%)</b>					<b>A- 0.78% (0.80%)</b>		
EUR	518,000	*Santos Finance FRN 8.25% 22/09/2070	476	0.27	EUR	1,490,000	Sampo 1.25% 30/05/2025	1,387	0.78
		<b>Total Australia</b>	<b>7,377</b>	<b>4.15</b>			<b>Total Finland</b>	<b>1,387</b>	<b>0.78</b>
<b>AUSTRIA 0.42% (0.44%)</b>					<b>FRANCE 8.23% (7.83%)</b>				
		<b>A- 0.00% (0.10%)</b>					<b>AA 0.52% (0.85%)</b>		
		<b>Baa2 0.42% (0.00%)</b>			EUR	1,000,000	Sanofi 0% 13/01/2020	918	0.52
EUR	600,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	739	0.42			<b>A+ 1.09% (1.47%)</b>		
		<b>Baa3 0.00% (0.34%)</b>			EUR	2,100,000	*Total Capital International FRN 19/03/2020	1,933	1.09
		<b>Total Austria</b>	<b>739</b>	<b>0.42</b>			<b>A 0.62% (0.41%)</b>		
<b>BELGIUM 1.43% (2.21%)</b>							<b>A- 3.23% (2.98%)</b>		
		<b>A- 1.12% (1.68%)</b>			EUR	800,000	Air Liquide Finance 0.375% 18/04/2022	739	0.42
EUR	1,982,000	Anheuser-Busch InBev 2.75% 17/03/2036	1,983	1.12	EUR	1,900,000	*Air Liquide Finance FRN 13/06/2018	1,742	0.98
		<b>BBB+ 0.31% (0.53%)</b>			EUR	650,000	Autorout 4.125% 13/04/2020	659	0.37
EUR	600,000	KBC Groep 0.75% 01/03/2022	554	0.31	EUR	600,000	Autoroutes Paris 2.25% 16/01/2020	578	0.33
		<b>Total Belgium</b>	<b>2,537</b>	<b>1.43</b>	EUR	700,000	Electricite de France 1.875% 13/10/2036	592	0.33
<b>BERMUDA 1.06% (0.91%)</b>					EUR	500,000	Schneider Electric 3.5% 22/01/2019	480	0.27
		<b>BBB+ 1.06% (0.91%)</b>			EUR	1,005,000	*Total 3.369% 29/12/2049	950	0.53
EUR	1,845,000	Bacardi 2.75% 03/07/2023	1,889	1.06			<b>BBB+ 1.24% (0.92%)</b>		
		<b>Total Bermuda</b>	<b>1,889</b>	<b>1.06</b>	EUR	450,000	*AXA 3.875% 20/05/2049	453	0.25
<b>BRAZIL 0.59% (0.00%)</b>					USD	680,000	*BPCE FRN 22/05/2022	526	0.30
		<b>BBB- 0.59% (0.00%)</b>			EUR	600,000	Credit Agricole 1.875% 20/12/2026	568	0.32
EUR	1,048,000	Vale 3.75% Notes 10/01/2023	1,046	0.59	EUR	700,000	Danone 1.375% 10/06/2019	658	0.37
		<b>Total Brazil</b>	<b>1,046</b>	<b>0.59</b>			<b>BBB 0.00% (0.31%)</b>		
<b>BRITISH VIRGIN ISLANDS 0.30% (0.00%)</b>							<b>BBB- 1.12% (0.54%)</b>		
		<b>BBB 0.30% (0.00%)</b>			EUR	415,000	*Orange 5% 29/10/2049	432	0.24
EUR	571,000	Global Switch Holdings 1.5% 31/01/2024	533	0.30	EUR	900,000	Pernod Ricard 2% 22/06/2020	869	0.49
		<b>Total British Virgin Islands</b>	<b>533</b>	<b>0.30</b>	EUR	700,000	TDF Infrastructure 2.875% 19/10/2022	696	0.39
<b>CANADA 0.23% (0.22%)</b>							<b>BB+ 0.23% (0.19%)</b>		
		<b>BBB- 0.23% (0.22%)</b>			EUR	405,000	*Credit Agricole 6.5% 23/12/2049	409	0.23
GBP	410,000	Repsol Oil & Gas 6.625% 05/12/2017	416	0.23			<b>B+ 0.18% (0.16%)</b>		
		<b>Total Canada</b>	<b>416</b>	<b>0.23</b>	EUR	340,000	SFR Group 5.375% 15/05/2022	325	0.18
							<b>Total France</b>	<b>14,627</b>	<b>8.23</b>

# Threadneedle European Corporate Bond Fund

## Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 15.23% (15.40%)</b>									
		<b>AAA 3.87% (3.98%)</b>							
EUR	1,200,000	FMS Wertmanagement 0.125% 16/04/2020	1,113	0.63	GBP	228,000	Acquedotto Pugliese 6.92% 29/06/2018	236	0.13
EUR	2,500,000	KFW 0.375% 22/07/2019	2,327	1.31	EUR	410,000	*Assicurazioni 5% 08/06/2048	417	0.23
EUR	3,700,000	*KFW FRN 11/09/2019	3,424	1.93					
		<b>Aaa 6.75% (5.90%)</b>							
EUR	4,028,000	Bundesrepublik Deutschland 0% 08/10/2021	3,766	2.12					
EUR	1,603,000	Bundesrepublik Deutschland 0.25% 15/02/2027	1,464	0.82					
EUR	3,555,000	Bundesrepublik Deutschland 1.5% 15/02/2023	3,577	2.01					
EUR	580,000	Bundesrepublik Deutschland 4% 04/01/2037	830	0.47					
EUR	1,578,000	Bundesrepublik Deutschland 4.75% 04/07/2034	2,359	1.33					
		<b>A+ 0.00% (0.22%)</b>							
		<b>BBB+ 0.76% (1.60%)</b>							
EUR	1,405,000	CRH Finance Germany 1.75% 16/07/2021	1,360	0.76					
		<b>Baa1 1.43% (1.24%)</b>							
EUR	700,000	Eurogrid 1.625% 03/11/2023	678	0.38					
EUR	1,900,000	Eurogrid 1.875% 10/06/2025	1,866	1.05					
		<b>BBB- 1.26% (1.45%)</b>							
USD	1,125,000	Deutsche Bank 4.1% 13/01/2026	890	0.50					
EUR	972,000	Innogy Finance II 5.75% 14/02/2033	1,343	0.76					
		<b>BB- 0.43% (0.37%)</b>							
EUR	300,000	IHO Verwaltungs 3.25% 15/09/2023	284	0.16					
EUR	150,000	IHO Verwaltungs PIK 2.75% 15/09/2021	141	0.08					
EUR	350,000	Unitymedia Hessen 4% 15/01/2025	339	0.19					
		<b>Not Rated 0.73% (0.64%)</b>							
EUR	1,325,000	Telefonica Deutsch 2.375% 10/02/2021	1,303	0.73					
		<b>Total Germany</b>	<b>27,064</b>	<b>15.23</b>					
<b>GUERNSEY 0.00% (0.36%)</b>									
		<b>BBB+ 0.00% (0.36%)</b>							
		<b>Total Guernsey</b>	<b>-</b>	<b>-</b>					
<b>ICELAND 0.79% (0.68%)</b>									
		<b>BBB 0.79% (0.68%)</b>							
EUR	1,493,000	Arion Bank 1.625% 01/12/2021	1,407	0.79					
		<b>Total Iceland</b>	<b>1,407</b>	<b>0.79</b>					
<b>ITALY 1.31% (1.69%)</b>									
		<b>Baa1 0.00% (0.98%)</b>							
		<b>BBB- 0.72% (0.20%)</b>							
USD	1,150,000	Intesa Sanpaolo 3.875% 14/07/2027	882	0.50					
USD	475,000	UniCredit 4.625% 12/04/2027	382	0.22					
		<b>Baa3 0.36% (0.29%)</b>							
		<b>BB+ 0.23% (0.22%)</b>							
		<b>Total Italy</b>	<b>2,324</b>	<b>1.31</b>					
<b>JERSEY 0.77% (1.00%)</b>									
		<b>A- 0.77% (1.00%)</b>							
EUR	1,388,000	Heathrow Funding 1.875% 23/05/2022	1,362	0.77					
		<b>Total Jersey</b>	<b>1,362</b>	<b>0.77</b>					
<b>LUXEMBOURG 4.67% (2.96%)</b>									
		<b>Aa2 0.00% (0.29%)</b>							
		<b>BBB+ 1.87% (0.93%)</b>							
EUR	904,000	GELF Bond Issuer I 1.625% 20/10/2026	833	0.47					
EUR	600,000	Grand City Properties 1.375% 03/08/2026	542	0.30					
EUR	2,100,000	Grand City Properties 1.5% 17/04/2025	1,953	1.10					
		<b>BBB 1.23% (1.00%)</b>							
EUR	1,040,000	Allegan Funding 0.5% 01/06/2021	954	0.54					
EUR	400,000	Glencore Finance Europe 3.75% 01/04/2026	420	0.24					
GBP	680,000	Glencore Finance Europe 6% 03/04/2022	798	0.45					
		<b>Baa2 1.57% (0.74%)</b>							
EUR	800,000	Ado Properties 1.5% 26/07/2024	736	0.41					
EUR	2,260,000	SELP Finance 1.25% 25/10/2023	2,065	1.16					
		<b>Total Luxembourg</b>	<b>8,301</b>	<b>4.67</b>					
<b>MEXICO 0.54% (0.45%)</b>									
		<b>BBB+ 0.54% (0.45%)</b>							
EUR	1,050,000	Petroleos Mexicanos 1.875% 21/04/2022	967	0.54					
		<b>Total Mexico</b>	<b>967</b>	<b>0.54</b>					
<b>NETHERLANDS 15.35% (15.06%)</b>									
		<b>AAA 0.00% (0.30%)</b>							
		<b>Aaa 0.76% (1.31%)</b>							
EUR	1,500,000	ABN AMRO Bank 1.125% 12/01/2032	1,349	0.76					
		<b>AA 0.41% (0.36%)</b>							
EUR	792,000	Roche Finance Europe 0.5% 27/02/2023	736	0.41					
		<b>AA- 1.86% (1.60%)</b>							
EUR	2,327,000	*Nederland Gasunie 0.075% 16/10/2018	2,136	1.20					
EUR	1,250,000	Nederland Gasunie 1% 11/05/2026	1,164	0.66					
		<b>A+ 3.04% (2.27%)</b>							
EUR	2,100,000	Enexis Holding 0.875% 28/04/2026	1,914	1.08					
EUR	834,000	Enexis Holding 1.5% 20/10/2023	807	0.45					
EUR	1,570,000	Schiphol Nederland 2% 05/10/2026	1,564	0.88					
USD	1,425,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	1,122	0.63					

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 15.35% (15.06%) (continued)</b>					<b>REPUBLIC OF IRELAND 1.86% (2.76%)</b>				
		<b>A– 0.00% (0.82%)</b>					<b>A 0.58% (0.75%)</b>		
		<b>BBB+ 5.19% (5.21%)</b>			EUR	1,105,000	Gas Natural 4.5% 05/12/2026	1,039	0.58
EUR	625,000	CRH Funding 1.875% 09/01/2024	612	0.34			<b>BBB+ 0.60% (1.25%)</b>		
EUR	1,560,000	Deutsche Telekom 0.875% 30/01/2024	1,450	0.82	EUR	1,113,000	Transmission Finance 1.5% 24/05/2023	1,064	0.60
EUR	3,500,000	*Deutsche Telekom FRN 03/04/2020	3,223	1.81			<b>BBB– 0.53% (0.63%)</b>		
EUR	500,000	Elsevier Finance 2.5% 24/09/2020	491	0.28	GBP	950,000	FCA Capital Ireland 1.625% 29/09/2021	945	0.53
EUR	1,410,000	Vesteda Finance 1.75% 22/07/2019	1,325	0.75			<b>BB– 0.15% (0.13%)</b>		
EUR	600,000	Vesteda Finance 2.5% 27/10/2022	597	0.34	EUR	260,000	*Governor & Co of the Bank of Ireland		
EUR	600,000	Vonovia Finance 1.25% 06/12/2024	557	0.31			7.375% 29/12/2049	261	0.15
USD	1,150,000	Vonovia Finance 5% 02/10/2023	953	0.54			<b>Total Republic of Ireland</b>	<b>3,309</b>	<b>1.86</b>
		<b>BBB 1.75% (1.80%)</b>			<b>SINGAPORE 0.36% (0.31%)</b>				
EUR	1,190,000	*Eneco Holding 3.25% 29/12/2049	1,150	0.65			<b>AAA 0.36% (0.31%)</b>		
EUR	1,180,000	Madrilena Red De Gas 2.25% 11/04/2029	1,114	0.63	EUR	655,000	Temasek Financial 1.5% 01/03/2028	631	0.36
EUR	885,000	Madrilena Red de Gas Finance 3.779% 11/09/2018	841	0.47			<b>Total Singapore</b>	<b>631</b>	<b>0.36</b>
		<b>BBB– 1.40% (0.43%)</b>			<b>SPAIN 0.31% (1.07%)</b>				
EUR	1,190,000	Innogy Finance 1% 13/04/2025	1,100	0.62			<b>BBB+ 0.00% (0.26%)</b>		
EUR	500,000	Koninklijke KPN 3.25% 01/02/2021	504	0.28			<b>Baa1 0.00% (0.23%)</b>		
EUR	900,000	*Vonovia Finance 4% 29/12/2049	891	0.50			<b>BBB 0.00% (0.49%)</b>		
		<b>BB+ 0.94% (0.78%)</b>					<b>BB 0.00% (0.09%)</b>		
EUR	286,000	Schaeffler Holding Finance 2.5% 15/05/2020	265	0.15			<b>B+ 0.31% (0.00%)</b>		
EUR	400,000	*Telefonica Europe 3.75% 31/12/2049	382	0.21	EUR	600,000	*Bankia Perpetual 6% 18/10/2065	551	0.31
EUR	1,110,000	*Tennet Holding 2.995% 01/06/2024	1,037	0.58			<b>Total Spain</b>	<b>551</b>	<b>0.31</b>
		<b>Ba2 0.00% (0.18%)</b>			<b>SWEDEN 3.05% (2.11%)</b>				
		<b>Total Netherlands</b>	<b>27,284</b>	<b>15.35</b>			<b>Aa3 0.58% (0.00%)</b>		
<b>NEW ZEALAND 0.90% (0.59%)</b>					EUR	1,125,000	Nordea Bank 0.3% 30/06/2022	1,037	0.58
		<b>A– 0.90% (0.59%)</b>					<b>A 0.00% (0.27%)</b>		
EUR	1,765,000	Fonterra Co-operative Group 0.75% 08/11/2024	1,592	0.90			<b>BBB+ 1.04% (0.00%)</b>		
		<b>Total New Zealand</b>	<b>1,592</b>	<b>0.90</b>	EUR	1,985,000	SCA Hygiene 1.125% 27/03/2024	1,848	1.04
<b>NORWAY 3.57% (3.82%)</b>							<b>BBB– 1.43% (1.14%)</b>		
		<b>AAA 1.51% (1.30%)</b>			EUR	2,735,000	Akelius 1.75% 07/02/2025	2,530	1.43
EUR	2,874,000	DNB Boligkreditt 0.375% 20/10/2020	2,676	1.51			<b>Baa3e 0.00% (0.70%)</b>		
		<b>AA– 1.02% (1.28%)</b>					<b>Total Sweden</b>	<b>5,415</b>	<b>3.05</b>
EUR	1,951,000	Avinor 1% 29/04/2025	1,817	1.02	<b>SWITZERLAND 1.20% (1.62%)</b>				
		<b>A+ 1.04% (0.96%)</b>					<b>Aaa 0.00% (0.29%)</b>		
USD	1,200,000	*DNB Bank FRN 02/06/2021	933	0.52			<b>A 0.00% (1.13%)</b>		
EUR	1,000,000	*Statoil FRN 19/08/2019	918	0.52			<b>BBB+ 0.81% (0.00%)</b>		
		<b>A1 0.00% (0.28%)</b>			USD	1,800,000	Credit Suisse 4.282% 09/01/2028	1,447	0.81
		<b>Total Norway</b>	<b>6,344</b>	<b>3.57</b>			<b>BB+ 0.39% (0.20%)</b>		
<b>PORTUGAL 0.51% (0.43%)</b>					EUR	670,000	*UBS Group 5.75% 29/12/2049	684	0.39
		<b>BBB– 0.42% (0.35%)</b>					<b>Total Switzerland</b>	<b>2,131</b>	<b>1.20</b>
EUR	800,000	Galp Gas Natural Distribuicao 1.375% 19/09/2023	742	0.42					
		<b>Not Rated 0.09% (0.08%)</b>							
EUR	600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	165	0.09					
		<b>Total Portugal</b>	<b>907</b>	<b>0.51</b>					



## Threadneedle European 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 18.75% (17.67%)</b>					<b>B+ 0.19% (0.16%)</b>				
		<b>AAA 1.13% (1.67%)</b>			GBP	300,000	*Barclays Bank 7.75% 08/03/2075	331	0.19
EUR	2,172,000	Wellcome Trust 1.125% 21/01/2027	2,011	1.13					
		<b>A+ 0.00% (0.49%)</b>			USD	409,000	*Royal Bank of Scotland 8.625% 29/12/2049	346	0.19
		<b>A 0.50% (0.93%)</b>							
USD	1,100,000	HSBC Holdings 3.9% 25/05/2026	882	0.50			<b>CCC+ 0.00% (0.21%)</b>		
		<b>A- 2.15% (2.23%)</b>					<b>Not Rated 1.21% (1.27%)</b>		
EUR	1,274,000	Aviva 0.625% 27/10/2023	1,162	0.65	GBP	300,000	*Cattles 7.125% 05/07/2017 (Defaulted)	1	—
EUR	1,155,000	Experian Finance 1.375% 25/06/2026	1,064	0.60	GBP	730,000	First Hydro Finance 9% 31/07/2021	935	0.53
EUR	360,000	Experian Finance 4.75% 04/02/2020	367	0.21	EUR	350,000	Lehman Brothers UK Capital Funding III 3.875% 29/12/2049 (Defaulted)	—	—
EUR	1,355,000	SSE 0.875% 06/09/2025	1,230	0.69	GBP	1,185,000	*Pennon Group 6.75% 08/03/2049	1,215	0.68
		<b>BBB+ 3.56% (3.86%)</b>					<b>Total United Kingdom</b>	<b>33,327</b>	<b>18.75</b>
EUR	1,095,000	BAT International Finance 1% EMTN 23/05/2022	1,024	0.58	<b>UNITED STATES OF AMERICA 11.37% (11.65%)</b>				
EUR	1,103,000	British Telecommunications 1.125% 10/03/2023	1,037	0.58			<b>AAA 0.00% (0.49%)</b>		
EUR	3,124,000	Cadent Finance 0.625% 22/09/2024	2,804	1.58			<b>AA 0.76% (0.90%)</b>		
USD	620,000	Standard Chartered 4.05% 12/04/2026	491	0.28	EUR	1,480,000	Berkshire Hathaway 1.125% 16/03/2027	1,345	0.76
GBP	900,000	*Telereal Securitisation 4.0902% 10/12/2033	957	0.54			<b>AA- 0.91% (0.52%)</b>		
		<b>Baa1 0.00% (0.96%)</b>			EUR	598,000	General Electric 0.875% 17/05/2025	551	0.31
		<b>BBB 2.94% (2.55%)</b>			EUR	1,060,000	Metropolitan Life Global Funding I 2.375% 11/01/2023 EUR	1,069	0.60
EUR	455,000	*Aviva 3.875% 03/07/2044	454	0.25			<b>A 0.50% (0.43%)</b>		
EUR	1,550,000	Babcock International Group 1.75% 06/10/2022	1,482	0.83	EUR	1,000,000	Wells Fargo 1% 02/02/2027	890	0.50
EUR	735,000	Imperial Brands Finance 0.5% 27/07/2021	675	0.38			<b>A- 0.68% (0.91%)</b>		
EUR	1,000,000	Imperial Brands Finance 2.25% 26/02/2021	971	0.55	EUR	550,000	*JPMorgan Chase 1.638% 18/05/2028	513	0.29
EUR	970,000	*NGG Finance 4.25% 18/06/2076	958	0.54	USD	902,000	*JPMorgan Chase 3.54% 01/05/2028	699	0.39
EUR	710,000	Sky 1.875% 24/11/2023	688	0.39			<b>BBB+ 4.77% (3.22%)</b>		
		<b>(P)BBB 0.70% (0.00%)</b>			EUR	870,000	American International Group 1.5% 08/06/2023	821	0.46
EUR	1,335,000	Annington Funding 1.65% 12/07/2024	1,244	0.70	EUR	1,245,000	American International Group 1.875% 21/06/2027	1,139	0.64
		<b>BBB- 3.26% (2.10%)</b>			EUR	650,000	AT&T 3.15% 04/09/2036	599	0.34
EUR	2,235,000	DS Smith 1.375% 26/07/2024	2,058	1.16	USD	4,872,000	AT&T 3.4% 14/08/2024	3,745	2.11
EUR	1,122,000	G4S International Finance 1.5% 09/01/2023	1,057	0.59	EUR	580,000	BAT Capital 1.125% 16/11/2023	539	0.30
EUR	925,000	G4S International Finance 1.5% 02/06/2024	858	0.48	EUR	1,030,000	Becton Dickson 1.9% 15/12/2026	953	0.54
GBP	870,000	GKN Holdings 6.75% 28/10/2019	974	0.55	USD	850,000	Verizon Communications 4.125% 16/03/2027	673	0.38
USD	1,049,000	Royal Bank of Scotland 4.8% 05/04/2026	859	0.48			<b>BBB 0.63% (1.91%)</b>		
		<b>Baa3 1.10% (0.35%)</b>			EUR	1,137,000	Liberty Mutual 2.75% 04/05/2026	1,126	0.63
USD	1,640,000	Anglo American Capital 3.625% 11/09/2024	1,252	0.70			<b>BBB- 2.39% (2.44%)</b>		
GBP	645,000	*TSB Banking Group 5.75% 06/05/2026	707	0.40	EUR	1,585,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	1,496	0.84
		<b>BB+ 1.39% (0.00%)</b>			EUR	1,030,000	Kraft Heinz Foods 2% 30/06/2023	992	0.56
EUR	1,505,000	*Barclays Bank 2% 07/02/2028	1,367	0.77	EUR	1,915,000	Molson Coors Brewing 1.25% 15/07/2024	1,763	0.99
GBP	1,050,000	Delamare Finance 5.5457% 29/02/2029	1,096	0.62			<b>BB+ 0.73% (0.44%)</b>		
		<b>BB- 0.43% (0.59%)</b>			EUR	760,000	Equinix 2.875% 01/10/2025	698	0.39
GBP	400,000	*Lloyds Banking Group 7.875% 29/12/2049	480	0.27	EUR	640,000	Quintiles IMS 3.25% 15/03/2025	603	0.34
GBP	275,000	Virgin Media Secured Finance 5.125% 15/01/2025	290	0.16			<b>BB 0.00% (0.39%)</b>		
							<b>Total United States of America</b>	<b>20,214</b>	<b>11.37</b>



## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value		Value £000	% of Investment
<b>DERIVATIVES -0.24% (0.00%)</b>				<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
	<b>Credit Default Swaps -0.39% (-0.11%)</b>			Fixed interest	143,856	82.21
EUR	(2,500,000) BNP Paribas Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2021 Spread 500	(261)	(0.15)	Floating rate notes	31,559	18.03
EUR	(4,000,000) Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2022 Spread 500	(428)	(0.24)	Derivatives	(421)	(0.24)
				<b>Total value of investments</b>	<b>174,994</b>	<b>100.00</b>
				<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>		
	<b>Futures and Options -0.03% (0.03%)</b>				<b>Value £000</b>	
EUR	4 UBS EURO-Bobl Future Expiring December 2017	—	—	UBS EURO-Bobl Future Expiring December 2017	482	
EUR	16 UBS EURO Bond Future Expiring December 2017	4	—	UBS EURO Bond Future Expiring December 2017	2,380	
EUR	(7) UBS EURO Buxl 30 Year Future Expiring December 2017	(7)	—	UBS EURO Buxl 30 Year Future Expiring December 2017	(1,069)	
GBP	(13) UBS Long Gilt Future Expiring December 2017	3	—	UBS Long Gilt Future Expiring December 2017	(1,656)	
USD	(9) UBS US 5 Year Note Future Expiring December 2017	(2)	—	UBS US 5 Year Note Future Expiring December 2017	(816)	
USD	(93) UBS US 10 Year Note Future Expiring December 2017	(25)	(0.02)	UBS US 10 Year Note Future Expiring December 2017	(9,045)	
USD	(38) UBS US 10 Year Ultra Future Expiring December 2017	(11)	(0.01)	UBS US 10 Year Ultra Future Expiring December 2017	(3,976)	
				<b>Total net exposure</b>	<b>(13,700)</b>	
				<b>Total Purchases and Sales</b>		
				<i>for the accounting period 8 March 2017 to 7 September 2017</i>		
					<b>2017 £000</b>	<b>2016 £000</b>
				Total purchases for the period	134,212	142,836
				Total sales for the period	159,370	64,581
	<b>Forward Foreign Exchange Contracts 0.18% (0.08%)</b>					
	Sell GBP 10,956,000					
	Buy EUR 11,997,346 J.P. Morgan	30	0.02			
	Sell USD 17,989,000					
	Buy EUR 15,286,649 J.P. Morgan	260	0.15			
	Sell USD 500,000					
	Buy EUR 423,809 UBS	6	—			
	Sell GBP 450,000					
	Buy EUR 491,040 UBS	—	—			
	Sell USD 100,000					
	Buy EUR 82,941 HSBC	(1)	—			
	Sell USD 104,000					
	Buy EUR 87,068 Goldman Sachs	—	—			
	Sell USD 1,100,000					
	Buy EUR 929,870 UBS	11	0.01			
	Sell EUR 109,099					
	Buy GBP 100,000 HSBC	—	—			
	Sell EUR 179,000					
	Buy GBP 164,418 Lloyds	1	—			
	Sell EUR 105,122					
	Buy USD 125,000 J.P. Morgan	(1)	—			
	<b>Total Derivatives</b>	<b>(421)</b>	<b>(0.24)</b>			
<b>Total value of investments</b>		<b>174,994</b>	<b>98.46</b>			
<b>Net other assets (1.60%)</b>		<b>2,739</b>	<b>1.54</b>			
<b>Net assets</b>		<b>177,733</b>	<b>100.00</b>			

March 2017 comparatives in brackets.

\*Variable rate bonds.

(P) refers to provisional rating

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 1.12% (0.78%)</b>					<b>BB 1.52% (1.44%)</b>				
		<b>BB 1.12% (0.78%)</b>							
EUR	6,801,000	*Origin Energy Finance 4% 16/09/2074	6,481	0.83	EUR	1,300,000	*Accor 4.125% 30/06/2049	1,262	0.16
EUR	2,393,000	*Origin Energy Finance 7.875% 16/06/2071	2,297	0.29	EUR	1,200,000	Areva 3.125% 20/03/2023	1,133	0.15
		<b>Total Australia</b>	<b>8,778</b>	<b>1.12</b>	EUR	1,700,000	Areva 3.5% EMTN 22/03/2021	1,654	0.21
<b>BELGIUM 0.55% (0.20%)</b>					EUR	3,230,000	Crown European Holdings 2.625% 30/09/2024	3,025	0.39
		<b>BB 0.22% (0.20%)</b>			EUR	3,544,000	Elis 3% 30/04/2022	3,338	0.43
EUR	1,792,000	*KBC Groep 5.625% 19/12/2049	1,697	0.22	EUR	1,500,000	SPIE 3.125% 22/03/2024	1,432	0.18
		<b>Not Rated 0.33% (0.00%)</b>			<b>BB- 0.39% (0.41%)</b>				
EUR	3,400,000	*Belfius Bank 4.609% 29/12/2165	2,605	0.33	EUR	1,196,000	Rexel 3.25% 15/06/2022	1,130	0.14
		<b>Total Belgium</b>	<b>4,302</b>	<b>0.55</b>	EUR	2,060,000	Rexel 3.5% 15/06/2023	1,983	0.25
<b>CANADA 1.75% (1.69%)</b>					<b>B+ 1.81% (1.95%)</b>				
		<b>BB- 0.24% (0.00%)</b>			EUR	1,335,000	La Financiere Atalian 4% 15/05/2024	1,275	0.16
USD	967,000	Valeant 6.5% 15/03/2022	777	0.10	EUR	3,598,000	Numericable-SFR 5.625% 15/05/2024	3,562	0.46
USD	1,372,000	Valeant 7% 15/03/2024	1,114	0.14	EUR	4,245,000	Paprec Holding 5.25% 01/04/2022	4,059	0.52
		<b>B 0.68% (0.00%)</b>			EUR	4,358,000	SFR Group 5.375% 15/05/2022	4,162	0.53
EUR	5,331,000	Cott Finance 5.5% 01/07/2024	5,351	0.68	USD	1,412,000	SFR Group 6% 15/05/2022	1,130	0.14
		<b>B- 0.83% (1.69%)</b>			<b>B 0.60% (0.63%)</b>				
USD	1,659,000	Bombardier 5.75% 15/03/2022	1,289	0.17	EUR	680,000	Homevi 6.875% 15/08/2021	644	0.08
EUR	6,899,000	Valeant Pharmaceuticals 4.5% 15/05/2023	5,172	0.66	EUR	4,215,000	Horizon Holdings III 5.125% 01/08/2022	4,088	0.52
		<b>Total Canada</b>	<b>13,703</b>	<b>1.75</b>	<b>B- 0.67% (0.52%)</b>				
<b>CAYMAN ISLANDS 0.75% (0.67%)</b>					EUR	1,965,000	Europcar Groupe 5.75% 15/06/2022	1,902	0.24
		<b>BB 0.23% (0.00%)</b>			EUR	1,640,000	Newco Sab Midco 5.375% 15/04/2025	1,567	0.20
EUR	1,985,000	UPCB Finance VII 3.625% 15/06/2029	1,804	0.23	EUR	1,804,000	Paprec Holding 7.375% 01/04/2023	1,780	0.23
		<b>B2 0.52% (0.52%)</b>			<b>CCC+ 0.32% (0.13%)</b>				
EUR	4,782,000	Viridian Group FundCo II 7.5% 01/03/2020	4,085	0.52	EUR	977,000	Holdikks SAS 6.75% 15/07/2021	614	0.08
		<b>Not Rated 0.00% (0.15%)</b>			EUR	1,917,000	Horizon Holdings I 7.25% 01/08/2023	1,877	0.24
		<b>Total Cayman Islands</b>	<b>5,889</b>	<b>0.75</b>	<b>Total France</b>				
<b>CROATIA 0.05% (0.25%)</b>								<b>56,051</b>	<b>7.17</b>
		<b>Not Rated 0.05% (0.25%)</b>			<b>GERMANY 7.74% (8.53%)</b>				
EUR	2,375,000	*Aquarius Plus Investments FRN 08/08/2017 (Defaulted)	413	0.05					
		<b>Total Croatia</b>	<b>413</b>	<b>0.05</b>					
<b>FRANCE 7.17% (6.88%)</b>									
		<b>A- 0.00% (0.56%)</b>							
		<b>BBB- 0.53% (0.58%)</b>			EUR	2,310,000	*Lanxess Finance 4.5% 06/12/2076	2,321	0.30
EUR	1,240,000	*Orange 4% 26/10/2049	1,230	0.16	EUR	1,272,000	*RWWE 3.5% 21/04/2075	1,162	0.15
EUR	2,300,000	*Orange 5% 29/10/2049	2,394	0.31	GBP	4,000,000	*RWWE 7% 29/03/2049	4,267	0.55
GBP	400,000	*Orange 5.875% 29/12/49	445	0.06	EUR	4,839,000	Thyssenkrupp 2.75% 08/03/2021	4,686	0.60
		<b>BB+ 1.33% (0.66%)</b>			EUR	3,200,000	ThyssenKrupp 4% 27/08/2018	3,036	0.39
EUR	1,950,000	*Credit Agricole 6.5% 23/12/2049	1,970	0.25	EUR	1,755,000	WEPA Hygieneprodukte 3.75% 15/05/2024	1,675	0.22
EUR	1,110,000	*Solvay Finance 5.118% 29/06/2049	1,133	0.15	<b>BB- 3.71% (3.23%)</b>				
EUR	3,492,000	*Solvay Finance 5.869% 29/06/2049	3,744	0.48	EUR	3,742,000	IHO Verwaltungs 3.25% 15/09/2023	3,543	0.45
EUR	3,345,000	SPCM 2.875% 15/06/2023	3,143	0.40	EUR	2,165,202	IHO Verwaltungs PIK 2.75% 15/09/2021	2,033	0.26
EUR	400,000	*Veolia Environnement 4.45% Perpetual	375	0.05	EUR	4,255,000	IHO Verwaltungs PIK 3.75% 15/09/2026	4,087	0.52
					EUR	2,572,000	ProGroup 5.125% 01/05/2022	2,473	0.32
					EUR	2,719,000	Unitymedia Hessen 5.125% 21/01/2023	1,889	0.24
					EUR	4,540,000	Unitymedia Hessen 5.5% 15/09/2022	3,459	0.44
					EUR	1,575,000	Unitymedia Hessen 5.625% 15/04/2023	1,065	0.14
					EUR	6,091,000	Unitymedia Hessen 5.75% 15/01/2023	4,250	0.54
					EUR	2,274,000	Unitymedia Hessen 6.25% 15/01/2029	2,365	0.30
					EUR	1,860,000	Unitymedia NRW 3.5% 15/01/2027	1,765	0.23
					USD	2,662,000	Unitymedia NRW 5% 15/01/2025	2,140	0.27
					<b>B+ 0.00% (0.82%)</b>				
					<b>B 1.05% (1.19%)</b>				
					EUR	4,009,000	Safari Holding Verwaltungs 8.25% 15/02/2021	2,518	0.32

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 7.74% (8.53%) (continued)</b>					EUR	3,451,000	Gaz Capital 3.389% 20/03/2020	3,323	0.43
		<b>B 1.05% (1.19%) (continued)</b>			EUR	2,420,000	Gaz Capital 4.625% 15/10/2018	2,310	0.30
EUR	1,452,000	Techem Energy Metering Service 7.875% 01/10/2020	1,365	0.18	GBP	4,473,000	Gaz Capital 5.338% 25/09/2020	4,818	0.62
EUR	4,675,000	Unitymedia 3.75% 15/01/2027	4,325	0.55	USD	3,510,000	Gaz Capital 5.999% 23/01/2021	2,901	0.37
		<b>B- 0.28% (0.27%)</b>			USD	13,095,000	Gaz Capital 6.51% 07/03/2022	11,121	1.42
EUR	2,310,000	Trionista Topco 6.875% 30/04/2021	2,199	0.28	EUR	2,528,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	2,426	0.31
		<b>CCC+ 0.49% (0.48%)</b>			EUR	724,000	Telecom Italia Finance 7.75% 24/01/2033	976	0.12
EUR	3,994,000	CeramTec Group 8.25% 15/08/2021	3,845	0.49			<b>Ba1 1.17% (0.42%)</b>		
		<b>Total Germany</b>	<b>60,468</b>	<b>7.74</b>	GBP	5,603,000	Gaz Capital 4.25% 06/04/2024	5,824	0.74
<b>ITALY 4.99% (4.84%)</b>					EUR	3,525,000	Sberbank 3.3524% 15/11/2019	3,397	0.43
		<b>BB+ 4.62% (4.49%)</b>					<b>BB 3.30% (3.29%)</b>		
EUR	7,698,000	*Enel 5% 15/01/2075	7,628	0.98	EUR	388,000	Dufry Finance 4.5% 15/07/2022	367	0.05
GBP	1,950,000	*Enel 6.625% 15/09/2076	2,204	0.28	EUR	4,776,000	Dufry Finance 4.55% 01/08/2023	4,654	0.60
EUR	7,220,000	Finmeccanica 4.5% 19/01/2021	7,466	0.96	EUR	1,946,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	2,025	0.26
EUR	1,900,000	Telecom Italia 3% 30/09/2025	1,856	0.24	EUR	6,967,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	7,167	0.92
EUR	1,010,000	Telecom Italia 3.625% 19/01/2024	1,034	0.13	EUR	1,694,000	Fiat Finance & Trade 6.625% 15/03/2018	1,601	0.20
EUR	4,945,000	Telecom Italia 3.625% 25/05/2026	5,039	0.65	EUR	5,023,000	Hanesbrands 3.5% 15/06/2024	4,913	0.63
EUR	6,190,000	Telecom Italia 4.5% 25/01/2021	6,436	0.82	EUR	5,432,000	Wind Acquisition Finance 4% 15/07/2020	5,025	0.64
EUR	2,400,000	Telecom Italia 5.25% 10/02/2022	2,613	0.33			<b>BB- 0.83% (1.28%)</b>		
EUR	1,800,000	Telecom Italia 5.25% 17/03/2055	1,830	0.23	EUR	625,000	Altice Financing 5.25% 15/02/2023	602	0.08
		<b>BB 0.37% (0.35%)</b>			USD	727,000	Altice Financing 6.625% 15/02/2025	586	0.07
EUR	2,890,000	LKG Italia Bondco 3.875% 01/04/2024	2,894	0.37	USD	1,580,000	Altice Financing 7.5% 15/05/2026	1,316	0.17
		<b>Total Italy</b>	<b>39,000</b>	<b>4.99</b>	EUR	3,980,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	4,015	0.51
<b>JAPAN 1.38% (1.16%)</b>							<b>B+ 1.04% (1.51%)</b>		
		<b>BB+ 1.38% (1.16%)</b>			EUR	6,259,000	Garfunkelux 7.5% 01/08/2022	6,160	0.79
EUR	2,987,000	Softbank Group 4% 30/07/2022	2,979	0.38	GBP	1,780,000	Garfunkelux 8.5% 01/11/2022	1,920	0.25
EUR	6,098,000	Softbank Group 4.75% 30/07/2025	6,266	0.80			<b>B 6.16% (5.99%)</b>		
EUR	1,500,000	Softbank Group 5.25% 30/07/2027	1,568	0.20	EUR	3,066,000	Aguila 3 6.75% 15/12/2021	3,007	0.38
		<b>Total Japan</b>	<b>10,813</b>	<b>1.38</b>	EUR	4,099,000	Altice 6.25% 15/02/2025	4,082	0.52
<b>JERSEY 2.60% (2.05%)</b>					EUR	9,425,000	Altice 7.25% 15/05/2022	9,154	1.17
		<b>BB+ 0.49% (0.48%)</b>			USD	727,000	Altice 7.625% 15/12/2025	598	0.08
EUR	3,949,000	Lincoln Finance 6.875% 15/04/2021	3,848	0.49	EUR	298,000	Befesa Zinc Capital 8.875% 15/05/2018	273	0.03
		<b>(P)Ba2 0.35% (0.00%)</b>			EUR	2,497,000	Bormioli Rocco Holdings 10% 01/08/2018	2,308	0.30
EUR	2,965,000	LHC Three PIK 4.125% 15/08/2024	2,742	0.35	EUR	3,877,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	3,661	0.47
		<b>B 1.25% (1.12%)</b>			EUR	3,420,000	Crystal Almond 10% 01/11/2021	3,440	0.44
GBP	1,220,000	CPUK Finance 4.25% 28/08/2022	1,235	0.16	EUR	850,000	Ineos Group Holdings 5.375% 01/08/2024	832	0.11
GBP	700,000	CPUK Finance 4.875% 28/08/2025	710	0.09	EUR	2,265,000	Intralot Capital 6% 15/05/2021	2,132	0.27
EUR	2,185,618	Mercury Bondco 7.125% 30/05/2021	2,084	0.27	EUR	1,760,000	Intralot Capital 6.75% 15/09/2021	1,716	0.22
EUR	5,920,000	Mercury Bondco PIK 8.25% 30/05/2021	5,704	0.73	EUR	1,180,000	JH Holding Finance PIK 8.25% 01/12/2022	1,176	0.15
		<b>B- 0.51% (0.45%)</b>			EUR	2,308,000	Lecta 6.5% 01/08/2023	2,199	0.28
GBP	3,965,000	TVL Finance 8.5% 15/05/2023	3,964	0.51	EUR	1,535,000	Matterhorn Telecom 3.875% 01/05/2022	1,449	0.19
		<b>Total Jersey</b>	<b>20,287</b>	<b>2.60</b>	EUR	12,704,000	Wind Acquisition Finance 7% 23/04/2021	12,099	1.55
<b>LUXEMBOURG 18.29% (19.31%)</b>							<b>B- 0.10% (1.34%)</b>		
		<b>BBB- 0.72% (0.73%)</b>			EUR	790,000	ARD Finance PIK 6.625% 15/09/2023	771	0.10
EUR	5,800,000	*Grand City Properties 3.75% 29/12/2049	5,653	0.72					
		<b>BB+ 3.72% (3.95%)</b>							
EUR	1,210,000	Aramark International Finance 3.125% 01/04/2025	1,158	0.15					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 18.29% (19.31%) (continued)</b>					CHF	4,928,000	UPC Holding 6.75% 15/03/2023	4,201	0.54
		<b>CCC+ 1.25% (0.80%)</b>			EUR	137,000	UPC Holding 6.75% 15/03/2023	133	0.02
EUR	550,000	Aguila 3 9.75% 15/12/2022	554	0.07	EUR	2,120,000	Ziggo Bond Finance 4.625% 15/01/2025	2,053	0.26
EUR	2,580,084	*Bilbao Luxembourg PIK 10.5% 24/10/2018	2,340	0.30			<b>B- 0.32% (0.00%)</b>		
EUR	3,765,000	Horizon Parent Holdings 8.25% 15/02/2022	3,676	0.47	EUR	2,662,000	Maxeda DIY Holding 6.125% 15/07/2022	2,522	0.32
EUR	3,470,000	Matterhorn Telecom 4.875% 01/05/2023	3,225	0.41			<b>CCC+ 0.00% (0.17%)</b>		
		<b>Total Luxembourg</b>	<b>142,950</b>	<b>18.29</b>			<b>Not Rated 0.25% (0.21%)</b>		
<b>MEXICO 0.29% (0.30%)</b>					EUR	1,270,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	1,012	0.13
		<b>BB- 0.29% (0.30%)</b>			USD	3,417,535	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	914	0.12
EUR	871,000	Cemex 4.375% 05/03/2023	842	0.11			<b>Total Netherlands</b>	<b>84,704</b>	<b>10.84</b>
USD	1,634,000	Cemex 7.75% 16/04/2026	1,431	0.18					
		<b>Total Mexico</b>	<b>2,273</b>	<b>0.29</b>					
<b>NETHERLANDS 10.84% (11.92%)</b>					<b>POLAND 0.00% (0.22%)</b>				
		<b>BBB- 0.74% (0.38%)</b>					<b>B+ 0.00% (0.22%)</b>		
EUR	2,739,000	*DE Volksbank FRN 05/11/2025	2,711	0.35			<b>Total Poland</b>	-	-
EUR	3,200,000	*Vonovia Finance 4.625% 08/04/2074	3,084	0.39					
		<b>BB+ 3.62% (3.06%)</b>			<b>PORTUGAL 0.33% (0.29%)</b>				
EUR	1,583,000	Schaeffler Holding Finance 3.25% 15/05/2025	1,550	0.20	EUR	1,000,000	Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	275	0.04
EUR	2,560,000	Schaeffler Holding Finance 3.5% 15/05/2022	2,388	0.31	EUR	6,900,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	1,895	0.24
EUR	7,000,000	*Telefonica Europe 3.75% 31/12/2049	6,681	0.85	EUR	1,400,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	385	0.05
EUR	4,600,000	*Telefonica Europe 4.2% 29/12/2049	4,446	0.57			<b>Total Portugal</b>	<b>2,555</b>	<b>0.33</b>
EUR	3,800,000	*Telefonica Europe 6.5% 29/09/2049	3,680	0.47					
GBP	6,000,000	*Telefonica Europe 6.75% Perpetual	6,647	0.85	<b>REPUBLIC OF IRELAND 3.29% (3.61%)</b>				
EUR	3,062,000	*Tennet Holding 2.995% 01/06/2024	2,861	0.37			<b>BB+ 0.30% (0.29%)</b>		
		<b>BB 1.13% (1.18%)</b>			EUR	1,285,000	Bank of Ireland 10% 19/12/2022	1,666	0.21
EUR	3,096,000	*Koninklijke KPN 6.125% 29/03/2049	2,985	0.38	EUR	776,000	Smurfit Kappa 2.375% 01/02/2024	738	0.09
GBP	2,634,000	*Koninklijke KPN 6.875% 14/03/2073	2,921	0.37			<b>BB 0.57% (0.00%)</b>		
EUR	1,169,000	OI European Group 4.875% 31/03/2021	1,216	0.16	EUR	4,710,000	Ardagh Packaging Finance 2.75% 15/03/2024	4,425	0.57
EUR	1,596,000	OI European Group 6.75% 15/09/2020	1,726	0.22			<b>BB- 0.27% (1.46%)</b>		
		<b>Ba2 0.00% (0.76%)</b>			EUR	2,120,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,131	0.27
		<b>BB- 2.57% (3.04%)</b>					<b>B+ 0.55% (0.53%)</b>		
EUR	1,750,000	Axalta Coating Systems 3.75% 15/01/2025	1,688	0.22	GBP	1,381,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,289	0.17
EUR	5,675,000	InterXion Holding 6% 15/07/2020	5,357	0.68	EUR	3,150,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	3,004	0.38
EUR	2,475,000	Petrobras Global Finance 4.75% 14/01/2025	2,389	0.31			<b>B1u 0.39% (0.00%)</b>		
GBP	1,856,000	Petrobras Global Finance 5.375% 01/10/2029	1,811	0.23	EUR	2,979,000	*Allied Irish Banks 7.375% 29/12/2049	3,006	0.39
GBP	2,831,000	Petrobras Global Finance 6.625% 16/01/2034	2,901	0.37			<b>B 1.21% (0.30%)</b>		
GBP	2,703,000	Petrobras International Finance 6.25% 14/12/2026	2,841	0.36	GBP	700,000	Ardagh Packaging Finance 4.75% 15/07/2027	710	0.09
EUR	347,000	Ziggo Secured Finance 3.75% 15/01/2025	331	0.04	EUR	6,950,000	Ardagh Packaging Finance 6.75% 15/05/2024	7,119	0.91
EUR	2,900,000	Ziggo Secured Finance 4.25% 15/01/2027	2,805	0.36	GBP	1,539,000	Virgin Media 5.5% 15/09/2024	1,598	0.21
		<b>B 2.21% (3.12%)</b>					<b>B2u 0.00% (0.35%)</b>		
GBP	3,552,000	InterGen 7.5% 30/06/2021	3,416	0.44			<b>CCC+ 0.00% (0.68%)</b>		
EUR	5,618,000	LGE HoldCo VI 7.125% 15/05/2024	5,793	0.74			<b>Total Republic of Ireland</b>	<b>25,686</b>	<b>3.29</b>
EUR	1,880,000	UPC Holding 3.875% 15/06/2029	1,641	0.21					

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>RUSSIA 0.18% (0.28%)</b>					GBP	1,250,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	1,271	0.16
		<b>BB+ 0.18% (0.28%)</b>							
EUR	927,000	Gaz Capital 3.125% 17/11/2023	891	0.11	GBP	4,903,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	5,143	0.66
EUR	544,000	Gaz Capital 3.6% 26/02/2021	532	0.07				5,344	0.68
		<b>Total Russia</b>	<b>1,423</b>	<b>0.18</b>	GBP	2,821,000	*Lloyds Bank 13% 29/01/2049	1,163	0.15
<b>SPAIN 0.66% (0.02%)</b>					GBP	1,042,000	Tesco 5.5% 13/01/2033	5,584	0.71
		<b>BB+ 0.21% (0.00%)</b>			GBP	4,846,000	Tesco 6.125% 24/02/2022		
EUR	1,700,000	Cellnex Telecom 2.375% 16/01/2024	1,610	0.21	GBP	617,000	Tesco Property Finance 5.5% 13/10/2041	678	0.09
		<b>B+ 0.45% (0.00%)</b>			GBP	4,283,000	Tesco Property Finance 1 7.6227% 13/07/2039	5,109	0.65
EUR	3,825,000	Grifols 3.2% 01/05/2025	3,556	0.45	GBP	693,000	Tesco Property Finance 3 5.744% 13/04/2040	765	0.10
		<b>Ca 0.00% (0.02%)</b>			GBP	240,000	Travis Perkins 4.375% 15/09/2021	252	0.03
		<b>Total Spain</b>	<b>5,166</b>	<b>0.66</b>	GBP	1,442,000	Travis Perkins 4.5% 07/09/2023	1,501	0.19
					GBP	2,982,000	William Hill 4.875% 07/09/2023	3,125	0.40
<b>SWEDEN 1.11% (0.50%)</b>							<b>BB 2.61% (3.07%)</b>		
		<b>BBB- 0.49% (0.00%)</b>			GBP	4,344,000	Arrow Global Finance 5.125% 15/09/2024	4,505	0.58
EUR	2,620,000	*Volvo Treasury 4.2% 10/06/2075	2,573	0.33					
EUR	1,250,000	*Volvo Treasury 4.85% 10/03/2078	1,280	0.16	GBP	2,279,000	*Barclays Bank 14% 29/11/2049	2,724	0.35
		<b>BB+ 0.62% (0.50%)</b>			GBP	1,533,000	*Co-Operative Group 6.25% 08/07/2026	1,878	0.24
EUR	2,717,000	Intrum Justitia 2.75% 15/07/2022	2,516	0.32	GBP	2,450,000	*Co-Operative Group FRN 08/07/2020	2,744	0.35
EUR	2,526,000	Intrum Justitia 3.125% 15/07/2024	2,327	0.30	EUR	4,049,000	Ineos Finance 4% 01/05/2023	3,831	0.49
		<b>Total Sweden</b>	<b>8,696</b>	<b>1.11</b>	EUR	4,921,000	Merlin Entertainments 2.75% 15/03/2022	4,718	0.60
<b>SWITZERLAND 2.51% (2.45%)</b>							<b>BB- 2.33% (3.41%)</b>		
		<b>BBB+ 0.58% (0.56%)</b>			GBP	418,000	El Group 6.375% 15/02/2022	452	0.06
EUR	4,527,000	*UBS 4.75% 12/02/2026	4,563	0.58	GBP	80,000	El Group 6.5% 06/12/2018	85	0.01
		<b>BBB 1.23% (1.20%)</b>			GBP	1,540,000	El Group 6.875% 15/02/2021	1,713	0.22
EUR	6,644,000	*Credit Suisse 5.75% 18/09/2025	6,843	0.88	GBP	3,034,000	Iron Mountain Europe 6.125% 15/09/2022	3,170	0.41
USD	3,200,000	Credit Suisse 6.5% 08/08/2023	2,761	0.35	GBP	589,000	*Lloyds Banking Group 7% 29/12/2049	615	0.08
		<b>BB+ 0.30% (0.28%)</b>			GBP	1,919,000	*Lloyds Banking Group 7.875% 29/12/2049	2,303	0.29
EUR	2,292,000	*UBS Group 5.75% 29/12/2049	2,339	0.30	GBP	1,950,000	Southern Water Greensands Financing 8.5% 15/04/2019	2,174	0.28
		<b>BB 0.40% (0.41%)</b>			GBP	4,275,000	Virgin Media 4.875% 15/01/2027	4,446	0.57
USD	3,630,000	*Credit Suisse 7.5% 11/12/2049	3,117	0.40	GBP	1,153,000	Virgin Media Secured Finance 5% 15/04/2027	1,202	0.15
		<b>Total Switzerland</b>	<b>19,623</b>	<b>2.51</b>	GBP	1,960,000	Virgin Media Secured Finance 5.125% 15/01/2025	2,070	0.26
<b>UNITED KINGDOM 19.63% (23.54%)</b>							<b>Ba3 0.48% (0.35%)</b>		
		<b>Baa2 0.46% (0.46%)</b>			GBP	2,059,000	Anglian Water Osprey Financing 7% 31/01/2018	2,107	0.27
GBP	2,326,000	Santander UK 10.0625% 29/10/2049	3,563	0.46	GBP	1,630,000	Ocado Group 4% 15/06/2024	1,628	0.21
		<b>BBB- 1.33% (0.00%)</b>							
EUR	4,736,000	Anglo American Capital 2.5% 29/04/2021	4,622	0.59					
EUR	2,493,000	Anglo American Capital 2.875% 20/11/2020	2,452	0.31					
EUR	3,058,000	Anglo American Capital 1.5% 01/04/2020	2,878	0.37	EUR	700,000	EC Finance 5.125% 15/07/2021	656	0.08
EUR	500,000	Anglo American Capital 3.25% 03/04/2023	511	0.06	EUR	2,229,000	Inovyn Finance 6.25% 15/05/2021	1,698	0.22
		<b>BB+ 4.54% (7.34%)</b>			GBP	4,541,000	Moy Park Bondco 6.25% 29/05/2021	4,679	0.60
GBP	1,015,000	Drax Finco 4.25% 01/05/2022	1,056	0.13	EUR	3,020,000	OTE 3.5% 09/07/2020	2,901	0.37
EUR	1,987,000	International Game Technology 4.125% 15/02/2020	1,945	0.25	EUR	1,104,000	OTE 7.875% 07/02/2018	1,040	0.13
EUR	1,995,000	International Game Technology 4.75% 15/02/2023	2,023	0.26	EUR	3,726,000	Synlab 6.25% 01/07/2022	3,654	0.47
EUR	695,000	Jaguar Land Rover Automotive 2.2% 15/01/2024	642	0.08	GBP	2,155,000	Voyage Care 5.875% 01/05/2023	2,242	0.29
							<b>B1 0.18% (0.18%)</b>		
					GBP	1,251,000	Thames Water Kemble Finance 7.75% 01/04/2019	1,376	0.18

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 19.63% (23.54%) (continued)</b>						<b>B+ 0.52% (0.00%)</b>			
		<b>B 2.86% (3.85%)</b>			EUR	1,130,000	Kronos International 3.75% 15/09/2025	1,034	0.13
EUR	1,220,000	Boparan Finance 4.375% 15/07/2021	1,110	0.14	EUR	3,290,000	Netflix 3.625% 15/05/2027	3,049	0.39
GBP	1,600,000	Boparan Finance 5.5% 15/07/2021	1,571	0.20			<b>B 0.57% (0.39%)</b>		
GBP	4,124,000	Cognita Finance 7.75% 15/08/2021	4,268	0.55			CSC Holdings 10.875% 15/10/2025	4,475	0.57
USD	4,050,000	*Royal Bank of Scotland 8.625% 29/12/2049	3,423	0.44	USD	4,762,000			
EUR	3,980,000	Thomas Cook Group 6.25% 15/06/2022	3,951	0.51			<b>B- 0.00% (0.71%)</b>		
EUR	4,281,000	Virgin Media Finance 4.5% 15/01/2025	4,117	0.53			<b>CCC+ 0.00% (0.43%)</b>		
GBP	3,556,000	Virgin Media Finance 6.375% 15/10/2024	3,840	0.49			<b>CCC- 0.12% (0.13%)</b>		
		<b>B- 0.64% (0.40%)</b>			USD	1,986,322	*DFC Finance PIK 12% 16/06/2020	926	0.12
GBP	2,370,000	IDH Finance 6.25% 15/08/2022	2,190	0.28			<b>Not Rated 0.24% (0.00%)</b>		
GBP	628,000	Keystone Financing 9.5% 15/10/2019	248	0.03	EUR	1,945,000	Alliance Data Systems 4.5% 15/03/2022	1,842	0.24
EUR	2,535,000	Synlab 8.25% 01/07/2023	2,566	0.33			<b>Total United States of America</b>	<b>49,558</b>	<b>6.34</b>
		<b>B3 0.63% (0.00%)</b>			<b>DERIVATIVES -0.01% (0.56%)</b>				
GBP	5,000,000	KIRS Midco 3 8.375% 15/07/2023	4,904	0.63			<b>Credit Default Swaps 0.04% (0.04%)</b>		
		<b>CCC+ 0.56% (0.99%)</b>			EUR	3,300,000	Barclays Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/09/2018 Spread 500	148	0.02
USD	6,485,988	EnQuest PIK 7% 15/04/2022	3,456	0.44			Goldman Sachs Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/12/2018 Spread 500	130	0.02
GBP	1,348,000	New Look Secured Bond 6.5% 01/07/2022	916	0.12	EUR	2,400,000			
		<b>CCC 0.00% (0.29%)</b>					<b>Futures and Options 0.00% (0.00%)</b>		
		<b>Caa2 0.33% (0.00%)</b>			GBP	(69)	UBS Long Gilt Future Expiring December 2017	18	-
GBP	2,583,000	Co-Operative Bank United Kingdom 5.125% 20/09/2017	2,570	0.33			<b>Forward Foreign Exchange Contracts -0.05% (0.52%)</b>		
		<b>Ca 0.00% (0.42%)</b>					Sell EUR 1,618,734		
		<b>Not Rated 0.52% (1.34%)</b>					Buy CHF 1,843,069 J.P. Morgan	(3)	-
GBP	1,200,000	First Hydro Finance 9% 31/07/2021	1,538	0.20			Sell EUR 215,045		
EUR	2,996,000	International Personal Finance 5.75% 07/04/2021	2,512	0.32			Buy CHF 244,848 J.P. Morgan	-	-
USD	434	NV Profit Share Preference Share	-	-			Sell EUR 240,453		
		<b>Total United Kingdom</b>	<b>153,418</b>	<b>19.63</b>			Buy CHF 273,776 J.P. Morgan	-	-
							Sell USD 410,000		
<b>UNITED STATES OF AMERICA 6.34% (5.06%)</b>							Buy EUR 343,732 Goldman Sachs	2	-
		<b>BB+ 2.68% (1.73%)</b>					Sell CHF 55,000		
EUR	964,000	Ball Corporation 3.5% 15/12/2020	970	0.12			Buy EUR 48,326 Goldman Sachs	-	-
EUR	2,010,000	Ball Corporation 4.375% 15/12/2023	2,103	0.27			Sell USD 69,599,000		
EUR	2,640,000	Colfax 3.25% 15/05/2025	2,479	0.32			Buy EUR 58,861,935 UBS	767	0.10
EUR	4,015,000	Equinix 2.875% 01/10/2025	3,686	0.47			Sell CHF 10,182,000		
USD	915,000	Equinix 5.375% 15/05/2027	752	0.10			Buy EUR 8,936,425 Citigroup	10	-
EUR	5,354,000	Quintiles IMS 3.25% 15/03/2025	5,041	0.65			Sell USD 102,564		
EUR	6,112,000	Quintiles IMS 3.5% 15/10/2024	5,842	0.75			Buy EUR 86,396 J.P. Morgan	1	-
		<b>BB 0.34% (0.35%)</b>					Sell GBP 81,582,000		
EUR	2,565,000	Sealed Air 4.5% 15/09/2023	2,667	0.34			Buy EUR 88,490,449 UBS	(544)	(0.07)
		<b>BB- 1.87% (1.32%)</b>					Sell GBP 81,582,000		
EUR	823,000	Axalta Coating Systems 4.25% 15/08/2024	803	0.10			Buy EUR 88,497,937 Bank of Scotland	(537)	(0.07)
EUR	4,569,000	Catalent Pharma Solution 4.75% 15/12/2024	4,483	0.57			Sell EUR 84,000		
EUR	2,700,000	Cemex Finance 4.625% 15/06/2024	2,678	0.34			Buy GBP 77,157 Lloyds	-	-
USD	2,320,000	Hertz 7.625% 01/06/2022	1,817	0.23			Sell EUR 10,808		
EUR	1,680,000	Iron Mountain 3% 15/01/2025	1,554	0.20			Buy USD 12,799 J.P. Morgan	-	-
EUR	1,975,000	Silgan Holdings 3.25% 15/03/2025	1,862	0.24			Sell EUR 13,797		
EUR	1,569,000	Spectrum Brands 4% 01/10/2026	1,495	0.19			Buy USD 16,338 J.P. Morgan	-	-
							Sell EUR 165,943		
							Buy USD 199,951 J.P. Morgan	1	-
							Sell EUR 321,071		



## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –0.01% (0.56%) (continued)</b>			
	Buy USD 380,000 Goldman Sachs	(4)	–
	Sell EUR 6,634,656		
	Buy USD 7,856,627 J.P. Morgan	(79)	(0.01)
	<b>Total Derivatives</b>	<b>(90)</b>	<b>(0.01)</b>
<b>Total value of investments</b>		<b>715,666</b>	<b>91.56</b>
<b>Net other assets (4.89%)</b>		<b>65,959</b>	<b>8.44</b>
<b>Net assets</b>		<b>781,625</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Variable rate bonds.

(P) refers to provisional rating

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	581,021	81.18
Floating rate notes	134,735	18.83
Derivatives	(90)	(0.01)
<b>Total value of investments</b>	<b>715,666</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS Long Gilt Future Expiring December 2017	(8,790)
<b>Total net exposure</b>	<b>(8,790)</b>

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	111,912	200,771
Total sales for the period	158,657	89,579

## Threadneedle Strategic Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.51% (0.00%)</b>					<b>BB- 0.25% (0.00%)</b>				
		<b>B 0.51% (0.00%)</b>			USD	305,000	Valeant 6.5% 15/03/2022	245	0.10
USD	1,500,000	Provincia de Cordoba 7.45% 01/09/2024	1,236	0.51	USD	435,000	Valeant 7% 15/03/2024	353	0.15
		<b>Total Argentina</b>	<b>1,236</b>	<b>0.51</b>					
<b>AUSTRALIA 4.83% (5.28%)</b>					EUR	1,155,000	Cott Finance 5.5% 01/07/2024	1,159	0.48
		<b>A 0.45% (0.53%)</b>							
USD	1,395,000	Scentre Management 3.75% 23/03/2027	1,099	0.45	EUR	690,000	Valeant Pharmaceuticals 4.5% 15/05/2023	517	0.21
		<b>A- 0.59% (1.21%)</b>					<b>Total Canada</b>	<b>3,224</b>	<b>1.33</b>
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	526	0.22					
GBP	785,000	SGSP Australia Assets 5.125% 11/02/2021	886	0.37	<b>CAYMAN ISLANDS 2.26% (2.87%)</b>				
		<b>BBB+ 1.48% (1.30%)</b>							
AUD	1,700,000	Aurizon Network 4% 21/06/2024	1,042	0.43	GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	368	0.15
GBP	1,692,000	*BHP Billiton Finance 6.5% 22/10/2077	1,965	0.81					
USD	750,000	Woodside Finance 3.65% 05/03/2025	582	0.24	GBP	622,000	Dwr Cymru Financing 6.015% 31/03/2028	870	0.36
		<b>BBB 0.95% (0.93%)</b>							
GBP	2,045,000	APT Pipelines 4.25% 26/11/2024	2,317	0.95					
		<b>BBB- 0.61% (0.59%)</b>			GBP	1,021,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	1,027	0.42
GBP	1,311,000	Asciano Finance 5% 19/09/2023	1,479	0.61					
		<b>BB+ 0.29% (0.28%)</b>							
EUR	760,000	*Santos Finance FRN 8.25% 22/09/2070	698	0.29					
		<b>BB 0.46% (0.44%)</b>			GBP	565,000	Thames Water Utilities 2.875% 03/05/2027	570	0.23
EUR	489,000	*Origin Energy Finance 4% 16/09/2074	466	0.19	USD	1,608,000	Vale Overseas 6.25% 10/08/2026	1,399	0.58
EUR	694,000	*Origin Energy Finance 7.875% 16/06/2071	666	0.27					
		<b>Total Australia</b>	<b>11,726</b>	<b>4.83</b>	USD	835,000	Noble Holding International 6.95% 01/04/2045	461	0.19
<b>AUSTRIA 0.61% (0.81%)</b>									
		<b>BBB- 0.00% (0.27%)</b>							
		<b>Baa2 0.61% (0.00%)</b>			EUR	940,000	Viridian Group FundCo II 7.5% 01/03/2020	803	0.33
EUR	1,200,000	BAWAG PSK Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse 8.125% 30/10/2023	1,478	0.61			<b>Total Cayman Islands</b>	<b>5,498</b>	<b>2.26</b>
		<b>Baa3 0.00% (0.54%)</b>							
		<b>Total Austria</b>	<b>1,478</b>	<b>0.61</b>	<b>CROATIA 0.04% (0.18%)</b>				
<b>BELGIUM 0.84% (0.98%)</b>									
		<b>A- 0.84% (0.98%)</b>			EUR	545,000	*Aquarius Plus Investments FRN 08/08/2017 (Defaulted)	95	0.04
GBP	2,030,000	Anheuser-Busch 2.25% 24/05/2029	2,033	0.84			<b>Total Croatia</b>	<b>95</b>	<b>0.04</b>
		<b>Total Belgium</b>	<b>2,033</b>	<b>0.84</b>					
<b>BRITISH VIRGIN ISLANDS 1.28% (0.75%)</b>					<b>DENMARK 0.35% (0.55%)</b>				
		<b>AA- 0.51% (0.00%)</b>							
USD	1,560,000	State Grid 3.5% 04/05/2027	1,224	0.51					
		<b>BBB 0.77% (0.75%)</b>			GBP	725,000	TDC 5.625% 23/02/2023	850	0.35
GBP	1,665,000	Global Switch Holdings 4.375% 13/12/2022	1,877	0.77			<b>Total Denmark</b>	<b>850</b>	<b>0.35</b>
		<b>Total British Virgin Islands</b>	<b>3,101</b>	<b>1.28</b>					
<b>CANADA 1.33% (1.00%)</b>					<b>DOMINICAN REPUBLIC 0.88% (0.00%)</b>				
		<b>BBB 0.39% (0.20%)</b>							
USD	604,000	Cenovus Energy 3% 15/08/2022	450	0.18	USD	2,565,000	Dominican Republic International Bond 5.95% 25/01/2027	2,134	0.88
USD	671,000	Cenovus Energy 4.25% 15/04/2027	500	0.21			<b>Total Dominican Republic</b>	<b>2,134</b>	<b>0.88</b>



## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>EGYPT 0.52% (0.00%)</b>									
		<b>B3 0.52% (0.00%)</b>					<b>CCC+ 0.25% (0.24%)</b>		
USD	1,500,000	Republic of Egypt 7.5% 31/01/2027	1,274	0.52	EUR	640,000	CeramTec Group 8.25% 15/08/2021	616	0.25
		<b>Total Egypt</b>	<b>1,274</b>	<b>0.52</b>			<b>Total Germany</b>	<b>11,245</b>	<b>4.63</b>
<b>FRANCE 2.01% (2.47%)</b>					<b>GUERNSEY 0.32% (0.30%)</b>				
		<b>A- 0.43% (0.38%)</b>					<b>BBB+ 0.32% (0.30%)</b>		
EUR	1,100,000	*Total 3.369% 29/12/2049	1,040	0.43	GBP	750,000	Credit Suisse Group Funding 2.75% 08/08/2025	782	0.32
		<b>BBB+ 0.00% (0.35%)</b>					<b>Total Guernsey</b>	<b>782</b>	<b>0.32</b>
		<b>BB+ 0.20% (0.00%)</b>			<b>ITALY 1.84% (2.35%)</b>				
EUR	180,000	*Solvay Finance 5.118% 29/06/2049	184	0.08			<b>Baa3 0.40% (0.40%)</b>		
EUR	280,000	*Solvay Finance 5.869% 29/06/2049	300	0.12	GBP	948,000	Acquedotto Pugliese 6.92% 29/06/2018	981	0.40
		<b>BB 0.47% (0.56%)</b>					<b>BB+ 1.44% (1.68%)</b>		
EUR	705,000	Elis 3% 30/04/2022	664	0.27	EUR	650,000	*Enel 5% 15/01/2075	644	0.26
EUR	500,000	SPIE 3.125% 22/03/2024	477	0.20	GBP	810,000	*Enel 6.625% 15/09/2076	916	0.38
		<b>B+ 0.66% (0.91%)</b>			EUR	1,873,000	Finmeccanica 4.5% 19/01/2021	1,937	0.80
EUR	1,365,000	Paprec Holding 5.25% 01/04/2022	1,305	0.54			<b>B3 0.00% (0.27%)</b>		
USD	381,000	SFR Group 6% 15/05/2022	305	0.12			<b>Total Italy</b>	<b>4,478</b>	<b>1.84</b>
		<b>B 0.00% (0.05%)</b>			<b>IVORY COAST 0.73% (0.00%)</b>				
		<b>Not Rated 0.25% (0.22%)</b>					<b>Ba3 0.73% (0.00%)</b>		
GBP	530,000	*Credit Agricole 7.5% 31/12/2049	609	0.25	USD	2,300,000	Ivory Coast 5.375% 23/07/2024	1,780	0.73
		<b>Total France</b>	<b>4,884</b>	<b>2.01</b>			<b>Total Ivory Coast</b>	<b>1,780</b>	<b>0.73</b>
<b>GERMANY 4.63% (6.04%)</b>					<b>JAPAN 0.74% (0.70%)</b>				
		<b>BBB+ 0.00% (0.37%)</b>					<b>BB+ 0.74% (0.70%)</b>		
		<b>BBB- 0.00% (0.26%)</b>			EUR	1,132,000	Softbank Group 4% 30/07/2022	1,129	0.46
		<b>BB 0.91% (1.01%)</b>			EUR	654,000	Softbank Group 4.75% 30/07/2025	672	0.28
EUR	404,000	*Lanxess Finance 4.5% 06/12/2076	406	0.17			<b>Total Japan</b>	<b>1,801</b>	<b>0.74</b>
GBP	1,100,000	*RWVE 7% 29/03/2049	1,174	0.48	<b>JERSEY 2.36% (2.10%)</b>				
EUR	675,000	Techem 6.125% 01/10/2019	630	0.26			<b>A- 0.45% (0.44%)</b>		
		<b>BB- 2.29% (2.26%)</b>			GBP	919,000	Heathrow Funding 5.225% 15/02/2023	1,093	0.45
EUR	708,000	IHO Verwaltungs 3.25% 15/09/2023	670	0.28			<b>BBB 0.41% (0.41%)</b>		
EUR	815,000	IHO Verwaltungs PIK 2.75% 15/09/2021	765	0.31	GBP	824,000	Porterbrook Rail Finance 4.625% 04/04/2029	995	0.41
EUR	505,000	IHO Verwaltungs PIK 3.75% 15/09/2026	485	0.20			<b>BB+ 0.00% (0.15%)</b>		
EUR	350,000	Trionista Holdco 5% 30/04/2020	325	0.13			<b>(P)Ba2 0.36% (0.00%)</b>		
EUR	736,000	Unitymedia Hessen 5.125% 21/01/2023	511	0.21	EUR	960,000	LHC Three PIK 4.125% 15/08/2024	888	0.36
EUR	494,000	Unitymedia Hessen 5.625% 15/04/2023	334	0.14			<b>B 0.93% (0.87%)</b>		
EUR	1,502,000	Unitymedia Hessen 5.75% 15/01/2023	1,048	0.43	GBP	380,000	CPUK Finance 4.25% 28/08/2022	385	0.16
EUR	720,000	Unitymedia NRW 3.5% 15/01/2027	683	0.28	GBP	220,000	CPUK Finance 4.875% 28/08/2025	223	0.09
USD	922,000	Unitymedia NRW 5% 15/01/2025	741	0.31	EUR	1,020,000	Mercury Bondco 7.125% 30/05/2021	972	0.40
		<b>B+ 0.00% (0.65%)</b>			EUR	700,000	Mercury Bondco PIK 8.25% 30/05/2021	674	0.28
		<b>B 0.93% (1.02%)</b>					<b>B- 0.21% (0.23%)</b>		
EUR	1,111,000	Safari Holding Verwaltungs 8.25% 15/02/2021	698	0.29	GBP	505,000	TVL Finance 8.5% 15/05/2023	505	0.21
EUR	675,000	Techem Energy Metering Service 7.875% 01/10/2020	634	0.26			<b>Total Jersey</b>	<b>5,735</b>	<b>2.36</b>
EUR	1,000,000	Unitymedia 3.75% 15/01/2027	925	0.38					
		<b>B- 0.25% (0.23%)</b>							
EUR	630,000	Trionista Topco 6.875% 30/04/2021	600	0.25					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 11.23% (11.07%)</b>					<b>MEXICO 0.85% (0.91%)</b>				
		<b>BBB+ 0.71% (0.00%)</b>					<b>BBB+ 0.34% (0.41%)</b>		
EUR	1,900,000	Grand City Properties 1.375% 03/08/2026	1,718	0.71	GBP	754,000	United Mexican States 5.625% 19/03/2114	817	0.34
		<b>BBB 0.45% (0.86%)</b>					<b>BBB 0.35% (0.33%)</b>		
GBP	933,000	Glencore Finance Europe 6% 03/04/2022	1,095	0.45	GBP	770,000	*America Movil 6.375% 06/09/2073	843	0.35
		<b>Baa2 1.13% (0.53%)</b>					<b>BB- 0.16% (0.17%)</b>		
EUR	3,003,000	SELP Finance 1.25% 25/10/2023	2,744	1.13	EUR	150,000	Cemex 4.375% 05/03/2023	145	0.06
		<b>BBB- 0.40% (0.37%)</b>			USD	283,000	Cemex 7.75% 16/04/2026	248	0.10
EUR	1,000,000	*Grand City Properties 3.75% 29/12/2049	975	0.40			<b>Total Mexico</b>	<b>2,053</b>	<b>0.85</b>
		<b>BB+ 0.74% (1.01%)</b>			<b>NETHERLANDS 6.78% (7.95%)</b>				
GBP	1,661,000	Gaz Capital 5.338% 25/09/2020	1,789	0.74			<b>BBB+ 1.00% (1.60%)</b>		
		<b>BB 1.64% (2.10%)</b>			GBP	1,010,000	PostNL 7.5% 14/08/2018	1,072	0.44
EUR	689,000	Dufry Finance 4.55% 01/08/2023	671	0.28	USD	1,654,000	Vonovia Finance 5% 02/10/2023	1,370	0.56
EUR	500,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	520	0.21			<b>BBB- 1.51% (1.40%)</b>		
EUR	401,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	412	0.17	GBP	2,179,000	Innogy Finance 6.25% 03/06/2030	3,047	1.26
EUR	341,000	Fiat Finance & Trade 4.75% 22/03/2021	349	0.14	EUR	600,000	*Vonovia Finance 4% 29/12/2049	594	0.25
EUR	1,465,000	Hanesbrands 3.5% 15/06/2024	1,433	0.59			<b>BB+ 2.19% (1.78%)</b>		
EUR	500,000	Wind Acquisition Finance 4% 15/07/2020	463	0.19	EUR	580,000	Schaeffler Holding Finance 3.5% 15/05/2022	541	0.22
USD	200,000	Wind Acquisition Finance 4.75% 15/07/2020	154	0.06	EUR	1,200,000	*Telefonica Europe 3.75% 31/12/2049	1,145	0.47
		<b>BB- 0.18% (0.23%)</b>			EUR	300,000	*Telefonica Europe 5% 31/03/2049	295	0.12
EUR	423,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	427	0.18	GBP	1,400,000	*Telefonica Europe 6.75% Perpetual	1,551	0.64
		<b>B+ 1.12% (1.20%)</b>			EUR	1,922,000	*Tennet Holding 2.995% 01/06/2024	1,796	0.74
EUR	1,225,000	Cirsa Funding Luxembourg 5.75% 15/05/2021	1,182	0.49			<b>BB 0.40% (0.87%)</b>		
EUR	470,000	Garfunkelux 7.5% 01/08/2022	463	0.19	GBP	881,000	*Koninklijke KPN 6.875% 14/03/2073	977	0.40
GBP	1,000,000	Garfunkelux 8.5% 01/11/2022	1,079	0.44			<b>Ba2 0.00% (0.43%)</b>		
		<b>B 4.26% (3.15%)</b>					<b>BB- 0.95% (0.89%)</b>		
EUR	817,000	Altice 6.25% 15/02/2025	814	0.33	EUR	804,000	InterXion Holding 6% 15/07/2020	759	0.31
EUR	870,000	Altice 7.25% 15/05/2022	845	0.35	GBP	968,000	Petrobras Global Finance 6.625% 16/01/2034	992	0.41
USD	200,000	Altice 7.625% 15/12/2025	165	0.07	EUR	583,000	Ziggo Secured Finance 3.75% 15/01/2025	556	0.23
EUR	310,000	Befesa Zinc Capital 8.875% 15/05/2018	284	0.12			<b>B 0.59% (0.84%)</b>		
EUR	1,143,000	Bormioli Rocco Holdings 10% 01/08/2018	1,057	0.44	EUR	775,000	UPC Holding 6.75% 15/03/2023 EUR	754	0.31
EUR	1,157,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	1,093	0.45	EUR	700,000	Ziggo Bond Finance 4.625% 15/01/2025	678	0.28
EUR	930,000	Crystal Almond 10% 01/11/2021	935	0.38			<b>Not Rated 0.14% (0.14%)</b>		
EUR	935,000	Intralot Capital 6% 15/05/2021	880	0.36	USD	1,239,044	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	331	0.14
EUR	335,000	Intralot Capital 6.75% 15/09/2021	327	0.13			<b>Total Netherlands</b>	<b>16,458</b>	<b>6.78</b>
EUR	305,000	JH Holding Finance PIK 8.25% 01/12/2022	304	0.13	<b>POLAND 0.00% (0.37%)</b>				
EUR	1,665,000	*Matterhorn FRN 01/02/2023	1,525	0.63			<b>B+ 0.00% (0.17%)</b>		
EUR	2,220,000	Wind Acquisition Finance 7% 23/04/2021	2,114	0.87			<b>B- 0.00% (0.20%)</b>		
		<b>B- 0.00% (1.06%)</b>					<b>Total Poland</b>	<b>—</b>	<b>—</b>
		<b>CCC+ 0.60% (0.56%)</b>			<b>PORTUGAL 0.33% (0.29%)</b>				
EUR	377,105	*Bilbao Luxembourg PIK 10.5% 24/10/2018	342	0.14			<b>Not Rated 0.33% (0.29%)</b>		
EUR	1,150,000	Horizon Parent Holdings 8.25% 15/02/2022	1,123	0.46	EUR	300,000	Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	82	0.04
		<b>Total Luxembourg</b>	<b>27,282</b>	<b>11.23</b>	EUR	1,800,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	494	0.20
					EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	220	0.09
							<b>Total Portugal</b>	<b>796</b>	<b>0.33</b>

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 1.76% (2.66%)</b>					<b>BB 0.33% (0.34%)</b>				
		<b>BB+ 0.20% (0.33%)</b>			USD	940,000	*Credit Suisse 7.5% 11/12/2049	807	0.33
EUR	380,000	Bank of Ireland 10% 19/12/2022	493	0.20	<b>Total Switzerland</b>				
								<b>5,146</b>	<b>2.12</b>
<b>BB 0.46% (0.00%)</b>					<b>UNITED ARAB EMIRATES 0.00% (0.57%)</b>				
EUR	1,188,000	Ardagh Packaging Finance 2.75% 15/03/2024	1,116	0.46	<b>A3 0.00% (0.57%)</b>				
					<b>Total United Arab Emirates</b>				
								—	—
<b>BB– 0.41% (1.49%)</b>					<b>UNITED KINGDOM 34.02% (34.90%)</b>				
EUR	980,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	985	0.41	<b>Aa1u 1.03% (0.10%)</b>				
					GBP	475,000	United Kingdom Gilt 0.5% 22/07/2022	477	0.20
<b>B+ 0.24% (0.18%)</b>					GBP	2,000,000	United Kingdom Gilt 1.25% 22/07/2018	2,019	0.83
GBP	617,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	576	0.24	<b>AA 0.75% (1.25%)</b>				
					GBP	574,000	Telereal Securitisation 4.9741% 10/09/2027	475	0.20
<b>B 0.45% (0.17%)</b>					GBP	1,261,000	Telereal Securitisation 5.9478% 10/12/2031	1,333	0.55
GBP	225,000	Ardagh Packaging Finance 4.75% 15/07/2027	228	0.09	<b>AA– 0.53% (0.52%)</b>				
EUR	450,000	Ardagh Packaging Finance 6.75% 15/05/2024	461	0.19	GBP	1,180,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,293	0.53
GBP	404,000	Virgin Media 5.5% 15/09/2024	419	0.17	<b>A 0.93% (1.48%)</b>				
					GBP	950,000	Canary Wharf Finance II 6.455% 22/04/2030	300	0.12
<b>B2u 0.00% (0.13%)</b>					GBP	398,000	Greene King Finance 4.0643% 15/03/2035	425	0.17
<b>CCC+ 0.00% (0.18%)</b>					GBP	731,000	Greene King Finance 5.106% 15/03/2034	883	0.36
<b>Not Rated 0.00% (0.18%)</b>					GBP	629,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	671	0.28
<b>Total Republic of Ireland</b>			<b>4,278</b>	<b>1.76</b>	<b>A– 1.10% (1.82%)</b>				
<b>SENEGAL 0.71% (0.00%)</b>					GBP	1,422,000	Mitchells & Butlers Finance 5.574% 15/12/2030	807	0.33
		<b>B+ 0.71% (0.00%)</b>			GBP	320,000	Mitchells & Butlers Finance 5.965% 15/12/2023	126	0.05
USD	2,100,000	Senegal Government International Bond 6.25% 30/07/2024	1,719	0.71	GBP	875,000	*Prudential 11.375% 29/05/2039	1,023	0.42
		<b>Total Senegal</b>	<b>1,719</b>	<b>0.71</b>	GBP	560,000	Western Power Distribution West Midlands 6% 09/05/2025	730	0.30
<b>SPAIN 0.00% (0.14%)</b>					<b>BBB+ 5.07% (4.02%)</b>				
		<b>BB 0.00% (0.14%)</b>			GBP	650,000	*Annington Finance No.4 Variable 10/01/2023	118	0.05
		<b>Total Spain</b>	—	—	GBP	1,706,000	Cadent Finance 2.125% 22/09/2028	1,702	0.70
<b>SWEDEN 1.13% (1.14%)</b>					GBP	577,000	Cadent Finance 2.75% 22/09/2046	572	0.24
		<b>BBB– 0.82% (0.79%)</b>			GBP	810,000	Eversholt Funding 3.529% 07/08/2042	828	0.34
EUR	2,155,000	Akeliu 1.75% 07/02/2025	1,994	0.82	GBP	780,000	Eversholt Funding 6.359% 02/12/2025	1,019	0.42
					GBP	770,000	*Legal & General Group 10% 23/07/2041	1,000	0.41
<b>Baa3e 0.00% (0.35%)</b>					GBP	500,000	*Legal & General Variable Bond 27/10/2045	557	0.23
		<b>BB+ 0.31% (0.00%)</b>			GBP	888,000	London Power Networks 6.125% 07/06/2027	1,205	0.50
EUR	552,000	Intrum Justitia 2.75% 15/07/2022	511	0.21	GBP	625,000	Scottish Widows 5.5% 16/06/2023	707	0.29
EUR	274,000	Intrum Justitia 3.125% 15/07/2024	252	0.10	GBP	1,575,000	*Telereal Securitisation 4.0902% 10/12/2033	1,675	0.69
		<b>Total Sweden</b>	<b>2,757</b>	<b>1.13</b>	GBP	2,662,000	Western Power Distribution 3.625% 06/11/2023	2,916	1.20
<b>SWITZERLAND 2.12% (2.07%)</b>					<b>Baa1 0.40% (0.00%)</b>				
		<b>BBB+ 0.65% (0.65%)</b>			GBP	956,000	Bupa Finance 2% 05/04/2024	965	0.40
EUR	555,000	*UBS 4.75% 12/02/2026	559	0.23					
USD	1,258,000	UBS 5.125% 15/05/2024	1,028	0.42					
<b>BBB 0.75% (0.69%)</b>									
EUR	1,760,000	*Credit Suisse 5.75% 18/09/2025	1,813	0.75					
<b>BB+ 0.39% (0.39%)</b>									
USD	1,100,000	*UBS Group 7% 29/12/2049	939	0.39					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 34.02% (34.90%) (continued)</b>						<b>BB– 2.36% (3.11%)</b>			
		<b>BBB 3.52% (4.43%)</b>			GBP	963,000	El Group 6.375% 15/02/2022	1,042	0.43
GBP	550,000	Anglian Water Services Financing 2.625% 15/06/2027	555	0.23	GBP	880,000	Iron Mountain Europe 6.125% 15/09/2022	919	0.38
GBP	629,000	*Aviva 6.625% 03/06/2041	724	0.30	GBP	700,000	*Lloyds Banking Group 7.875% 29/12/2049	840	0.35
GBP	570,000	Barclays 3.25% 12/02/2027	597	0.25	GBP	1,020,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,137	0.47
GBP	665,000	Imperial Brand Finance 8.125% 15/03/2024	908	0.37	GBP	430,000	Virgin Media 4.875% 15/01/2027	447	0.18
GBP	715,000	Imperial Brands Finance 7.75% 24/06/2019	799	0.33	GBP	635,000	Virgin Media Secured Finance 5.125% 15/01/2025	671	0.28
GBP	750,000	Imperial Tobacco Finance 9% 17/02/2022	989	0.41	GBP	688,000	Virgin Media Secured Finance 5.5% 15/01/2025	652	0.27
GBP	540,000	Longstone Finance 4.896% 19/04/2031	623	0.26			<b>Ba3 0.32% (0.32%)</b>		
GBP	2,600,000	*NGG Finance 5.625% 18/06/2073	2,957	1.22	GBP	315,000	Anglian Water 5% 30/04/2023	340	0.14
GBP	360,000	RMPA Services 5.337% 30/09/2038	366	0.15	GBP	419,000	Anglian Water Osprey Financing 7% 31/01/2018	429	0.18
		<b>(P)BBB 0.90% (0.00%)</b>					<b>B+ 1.75% (0.99%)</b>		
GBP	1,181,000	Annington Funding 3.184% 12/07/2029	1,225	0.50	GBP	465,000	*Barclays 5.875% 15/12/2065	462	0.19
GBP	885,000	Annington Funding 3.935% 12/07/2047	973	0.40	GBP	480,000	*Barclays Bank 7.75% 08/03/2075	529	0.22
		<b>Baa2 1.15% (1.11%)</b>			GBP	1,512,000	Moy Park Bondco 6.25% 29/05/2021	1,558	0.64
GBP	855,000	Bupa Finance 5% 08/12/2026	983	0.40	EUR	410,000	OTE 3.5% 09/07/2020	394	0.16
GBP	1,620,000	Bupa Finance 5% 25/04/2023	1,832	0.75	EUR	580,000	Synlab 6.25% 01/07/2022	569	0.23
		<b>BBB– 2.96% (2.65%)</b>			GBP	735,000	Voyage Care 5.875% 01/05/2023	765	0.31
GBP	812,000	Barclays Bank 10% 21/05/2021	1,035	0.43			<b>B1 0.37% (0.37%)</b>		
GBP	744,000	*CYBG 4% 22/06/2025	753	0.31	GBP	810,000	Thames Water Kemble Finance 7.75% 01/04/2019	891	0.37
GBP	1,045,000	DS Smith Plc 2.875% 26/07/2029	1,053	0.43			<b>B 1.81% (1.94%)</b>		
GBP	1,164,000	GKN Holdings 3.375% 12/05/2032	1,187	0.49	GBP	450,000	Boparan Finance 5.5% 15/07/2021	442	0.18
GBP	846,000	GKN Holdings 5.375% 19/09/2022	992	0.41	GBP	442,000	Cognita Finance 7.75% 15/08/2021	457	0.19
GBP	1,021,000	Marks & Spencer 1% 08/12/2023	1,059	0.44	USD	699,000	*Royal Bank of Scotland 8.625% 29/12/2049	591	0.24
USD	578,000	Royal Bank of Scotland 4.8% 05/04/2026	473	0.19	EUR	745,000	Thomas Cook Group 6.25% 15/06/2022	739	0.30
GBP	691,000	Unique Pub Finance 5.659% 30/06/2027	621	0.26	EUR	1,110,000	Virgin Media Finance 4.5% 15/01/2025	1,067	0.44
		<b>Baa3 1.28% (1.27%)</b>			GBP	1,030,000	Virgin Media Finance 6.375% 15/10/2024	1,112	0.46
USD	900,000	*HSBC Holdings 6% 22/05/2162	717	0.29			<b>B– 0.24% (0.36%)</b>		
GBP	1,060,000	*TSB Banking Group 5.75% 06/05/2026	1,163	0.48	GBP	486,000	Keystone Financing 9.5% 15/10/2019	192	0.08
GBP	1,075,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,239	0.51	EUR	380,000	Synlab 8.25% 01/07/2023	385	0.16
		<b>BB+ 2.58% (3.70%)</b>					<b>B3 0.46% (0.00%)</b>		
GBP	385,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	391	0.16	GBP	1,130,000	KIRS Midco 3 8.375% 15/07/2023	1,108	0.46
GBP	664,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	697	0.29			<b>CCC+ 0.46% (0.93%)</b>		
GBP	780,000	National Westminster Bank 6.5% 07/09/2021	923	0.38	USD	2,115,660	EnQuest PIK 7% 15/04/2022	1,127	0.46
GBP	540,000	*Nationwide Building Society 6.875% 11/03/2049	559	0.23			<b>Caa2 0.35% (0.00%)</b>		
GBP	800,000	*Spirit Issuer FRN 28/12/2036	805	0.33	GBP	854,000	Co-Operative Bank United Kingdom 5.125% 20/09/2017	850	0.35
GBP	890,000	Tesco Property Finance 5.5% 13/10/2041	979	0.40			<b>Ca 0.00% (0.31%)</b>		
GBP	1,075,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,282	0.53			<b>Not Rated 2.29% (2.59%)</b>		
GBP	590,000	Tesco Property Finance 6 5.4111% 13/07/2044	635	0.26	GBP	2,293,000	*Cattles 6.875% 17/01/2014 (Defaulted)	5	—
		<b>BB 1.41% (1.63%)</b>			GBP	1,950,000	First Hydro Finance 9% 31/07/2021	2,498	1.03
GBP	785,000	Arrow Global Finance 5.125% 15/09/2024	814	0.33	GBP	2,975,000	*Pennon Group 6.75% 08/03/2049	3,050	1.26
GBP	434,000	*Barclays Bank 14% 29/11/2049	519	0.21			<b>Total United Kingdom</b>	<b>82,631</b>	<b>34.02</b>
GBP	1,450,000	*Co-Operative Group FRN 08/07/2020	1,624	0.67					
GBP	477,000	*CYBG 5% 09/02/2026	486	0.20					

## Threadneedle Strategic 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 10.95% (10.93%)</b>					<b>DERIVATIVES –0.76% (–1.57%)</b>				
		<b>A 0.00% (0.21%)</b>					<b>Credit Default Swaps –0.82% (–0.28%)</b>		
		<b>BBB+ 4.01% (4.69%)</b>			EUR	(2,800,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(26)	(0.01)
GBP	1,650,000	American International Group 5% 26/04/2023	1,928	0.79	EUR	(919,000)	Barclays BCA Antonveneta Credit Default Swap Buy Protection 20/12/2019 Spread 500	435	0.18
GBP	2,148,000	AT&T 4.375% 14/09/2029	2,455	1.01					
GBP	450,000	AT&T 5.5% 15/03/2027	558	0.23	EUR	(8,550,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(174)	(0.07)
GBP	1,495,000	BAT Capital 2.125% 15/08/2025	1,503	0.62					
USD	1,060,000	Southern Natural Gas 4.8% 15/03/2047	887	0.37	EUR	(8,000,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	26	0.01
USD	1,000,000	Verizon Communications 4.4% 01/11/2034	760	0.31					
GBP	700,000	Welltower 4.8% 20/11/2028	833	0.34	EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(5)	–
GBP	820,000	Westfield America Management 2.125% 30/03/2025	816	0.34	EUR	(1,100,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(24)	(0.01)
		<b>BBB 2.23% (1.20%)</b>			EUR	(4,360,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(81)	(0.03)
GBP	1,110,000	Digital Stout 3.3% 19/07/2029	1,151	0.47	EUR	(1,855,000)	Barclays Swedbank Credit Default Swap Buy Protection 20/06/2020 Spread 100	(41)	(0.02)
GBP	878,000	Digital Stout Holding 4.75% 13/10/2023	1,001	0.41					
EUR	718,000	Liberty Mutual 2.75% 04/05/2026	711	0.29	EUR	(750,000)	Barclays Unilabs Credit Default Swap Buy Protection 20/06/2022 Spread 500	(52)	(0.02)
USD	1,480,000	Transcontinental Gas Pipe Line 7.85% 01/02/2026	1,481	0.61	EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(16)	(0.01)
USD	1,430,000	Voya Financial 3.125% 15/07/2024	1,091	0.45	EUR	(3,400,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(32)	(0.01)
		<b>BBB– 1.44% (2.79%)</b>			EUR	(600,000)	Citigroup PizzaExpress Credit Default Swap Buy Protection 20/06/2022 Spread 500	82	0.03
USD	751,000	Charter Communications Operating 5.375% 01/05/2047	574	0.24	EUR	(1,680,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(37)	(0.01)
USD	1,000,000	Kinder Morgan Energy Partners 5% 01/03/2043	754	0.31	EUR	(1,000,000)	Citigroup Stretford 79 PLC Credit Default Swap Buy Protection 20/06/2022 Spread 500	(82)	(0.03)
USD	1,079,000	Molson Coors Brewing 5% 01/05/2042	917	0.38					
USD	1,550,000	Plains All American Pipeline 4.65% 15/10/2025	1,224	0.51	EUR	(4,000,000)	Credit Suisse Kelda Group Credit Default Swap Buy Protection 20/03/2018 Spread 100	(16)	(0.01)
		<b>BB+ 1.65% (0.76%)</b>			EUR	(17,500,000)	Goldman Sachs Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2022 Spread 500	(1,872)	(0.77)
EUR	400,000	Ball Corporation 4.375% 15/12/2023	419	0.17					
EUR	1,255,000	Equinix 2.875% 01/10/2025	1,152	0.48	EUR	(4,000,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(66)	(0.03)
USD	290,000	Equinix 5.375% 15/05/2027	238	0.10					
EUR	2,332,000	Quintiles IMS 3.25% 15/03/2025	2,195	0.90	EUR	(1,160,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(25)	(0.01)
		<b>BB– 0.89% (0.29%)</b>			EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	10	–
EUR	605,000	Catalent Pharma Solution 4.75% 15/12/2024	594	0.25					
EUR	467,000	Cemex Finance 4.625% 15/06/2024	463	0.19	EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(37)	(0.01)
USD	730,000	Hertz 7.625% 01/06/2022	572	0.24					
EUR	550,000	Iron Mountain 3% 15/01/2025	509	0.21	EUR	(500,000)	Goldman Sachs Virgin Media Finance Credit Default Swap Sell Protection 20/09/2018 Spread 500	22	0.01
		<b>B+ 0.13% (0.00%)</b>							
EUR	355,000	Kronos International 3.75% 15/09/2025	325	0.13	EUR	(1,000,000)	Goldman Sachs Vue International Bidco Credit Default Swap Sell Protection 20/12/2021 Spread 500	112	0.05
		<b>B 0.51% (0.46%)</b>							
USD	905,000	CSC Holdings 10.875% 15/10/2025	851	0.35					
USD	500,000	Wind Acquisitions Finance 7.375% Notes 23/04/2021	396	0.16					
		<b>B– 0.00% (0.43%)</b>							
		<b>CCC– 0.09% (0.10%)</b>							
USD	484,061	*DFC Finance PIK 12% 16/06/2020	226	0.09					
		<b>Total United States of America</b>	<b>26,584</b>	<b>10.95</b>					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

			Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment		
<b>DERIVATIVES –0.76% (–1.57%) (continued)</b>								
USD	(4,900,000)	Goldman Sachs Westpac Banking Credit Default Swap Buy Protection 20/03/2020 Spread 100	(71)	(0.03)		Sell USD 230,000		
						Buy GBP 177,856 Lloyds	2	–
						Sell USD 44,070,000		
						Buy GBP 34,373,897 J.P. Morgan	727	0.30
EUR	(1,240,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	52	0.02		Sell CHF 9,100		
						Buy GBP 7,363 Citigroup	-	–
						Sell EUR 79,635,000		
EUR	(950,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/12/2019 Spread 100	1	–		Buy GBP 73,439,405 J.P. Morgan	511	0.21
						Sell CHF 938,900		
EUR	(1,000,000)	J.P. Morgan Care UK Health and Social Care Credit Default Swap Buy Protection 20/12/2021 Spread 500	(85)	(0.03)		Buy GBP 760,020 UBS	6	–
						<b>Total Derivatives</b>	<b>(1,849)</b>	<b>(0.76)</b>
EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(11)	–		<b>Total value of investments</b>	<b>231,209</b>	<b>95.20</b>
						<b>Net other assets (2.19%)</b>	<b>11,645</b>	<b>4.80</b>
EUR	(240,000)	J.P. Morgan PizzaExpress Credit Default Swap Buy Protection 20/06/2022 Spread 500	33	0.01		<b>Net assets</b>	<b>242,854</b>	<b>100.00</b>
EUR	(3,100,000)	J.P. Morgan United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(51)	(0.02)		<i>March 2017 comparatives in brackets.</i>		
						<i>*Variable rate bonds.</i>		
						<i>(P) refers to provisional rating.</i>		
		<b>Interest Rate Swaps –0.39% (–0.39%)</b>				<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
GBP	8,400,000	Barclays Interest Rate Swap Receive GBP Libor Pay 2.705% 26/11/2023	(952)	(0.39)			<b>Value £000</b>	<b>% of Investment</b>
						Fixed interest	187,422	81.06
						Floating rate notes	45,636	19.74
						Derivatives	(1,849)	(0.80)
		<b>Futures and Options –0.06% (0.06%)</b>				<b>Total value of investments</b>	<b>231,209</b>	<b>100.00</b>
AUD	114	UBS Australia 3 Year Bond Future Expiring September 2017	(52)	(0.02)				
						<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>		
EUR	(30)	UBS EURO-Bobl Future Expiring December 2017	1	–		<b>Value £000</b>		
						UBS Australia 3 Year Bond Future Expiring September 2017	7,795	
EUR	111	UBS EURO-Btp Bond Future Expiring December 2017	55	0.02		UBS EURO-Bobl Future Expiring December 2017	(3,615)	
						UBS EURO-Btp Bond Future Expiring December 2017	13,851	
EUR	(271)	UBS EURO Bond Future Expiring December 2017	(65)	(0.03)		UBS EURO Bond Future Expiring December 2017	(40,304)	
						UBS EURO Schatz Fut Future Expiring December 2017	(30,400)	
EUR	(296)	UBS EURO Schatz Future Expiring December 2017	4	–		UBS Japan 10 Year Bond Future Expiring December 2017	(13,781)	
						UBS Long Gilt Future Expiring December 2017	8,153	
JPY	(13)	UBS Japan 10 Year Bond Future Expiring December 2017	(2)	–		UBS US 5 Year Note Future Expiring December 2017	(17,051)	
						UBS US 10 Year Note Future Expiring December 2017	10,601	
GBP	64	UBS Long Gilt Future Expiring December 2017	(17)	(0.01)		UBS US 10 Year Ultra Future Expiring December 2017	(3,871)	
						UBS US Long Bond Future Expiring December 2017	(2,874)	
USD	(188)	UBS US 5 Year Note Future Expiring December 2017	(39)	(0.02)		UBS US Ultra Bond Future Expiring December 2017	(389)	
						<b>Total net exposure</b>	<b>(71,885)</b>	
USD	109	UBS US 10 Year Note Future Expiring December 2017	35	0.02				
						<b>Total Purchases and Sales</b>		
USD	(37)	UBS US 10 Year Ultra Future Expiring December 2017	(17)	(0.01)		<i>for the accounting period 8 March 2017 to 7 September 2017</i>		
USD	(24)	UBS US Long Bond Future Expiring December 2017	(18)	(0.01)				
USD	(3)	UBS US Ultra Bond Future Expiring December 2017	(3)	–				
		<b>Forward Foreign Exchange Contracts 0.51% (–0.96%)</b>					<b>2017 £000</b>	<b>2016 £000</b>
		Sell GBP 764,379				Total purchases for the period	72,247	65,579
		Buy CHF 948,000 J.P. Morgan	(3)	–		Total sales for the period	90,205	85,441
		Sell GBP 576,172						
		Buy EUR 630,000 Lloyds	1	–				
		Sell AUD 1,813,000						
		Buy GBP 1,117,383 J.P. Morgan	7	–				
		Sell USD 150,000						
		Buy GBP 115,627 J.P. Morgan	1	–				



## Threadneedle American Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.51% (7.22%)</b>				<b>HEALTH CARE 16.35% (14.64%)</b>			
	<b>Oil &amp; Gas Producers 4.14% (5.42%)</b>				<b>Health Care Equipment &amp; Services 7.20% (6.08%)</b>		
459,208	Chevron	39,220	1.69	287,016	Cigna	39,928	1.72
1,025,237	Devon Energy	25,588	1.11	725,625	Medtronic	44,275	1.91
462,681	EOG Resources	31,045	1.34	361,120	Thermo Fisher Scientific	52,242	2.26
	<b>Oil Equipment, Services &amp; Distribution 1.37% (1.80%)</b>			199,965	UnitedHealth Group	30,299	1.31
1,015,462	Halliburton	31,814	1.37		<b>Pharmaceuticals &amp; Biotechnology 9.15% (8.56%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>127,667</b>	<b>5.51</b>	267,596	Alexion Pharmaceuticals	29,669	1.28
				424,441	Celgene	45,440	1.96
<b>BASIC MATERIALS 3.38% (3.30%)</b>				465,534	Johnson & Johnson	46,504	2.01
	<b>Chemicals 2.74% (2.57%)</b>			1,921,433	Pfizer	49,893	2.16
256,991	Albemarle	23,294	1.01	86,644	Tesaro	8,587	0.37
810,720	Dowdupont	40,164	1.73	264,177	Vertex Pharmaceuticals	31,699	1.37
	<b>Industrial Metals &amp; Mining 0.64% (0.73%)</b>				<b>Total Health Care</b>	<b>378,536</b>	<b>16.35</b>
352,630	Nucor	14,897	0.64				
	<b>Total Basic Materials</b>	<b>78,355</b>	<b>3.38</b>	<b>CONSUMER SERVICES 12.62% (12.91%)</b>			
					<b>Food &amp; Drug Retailers 0.95% (0.93%)</b>		
<b>INDUSTRIALS 8.76% (6.56%)</b>				542,998	Sysco	21,940	0.95
	<b>Construction &amp; Materials 0.66% (0.62%)</b>				<b>General Retailers 5.77% (6.20%)</b>		
358,893	Granite Construction	15,359	0.66	90,024	Amazon.com	66,569	2.87
	<b>Aerospace &amp; Defence 4.05% (2.97%)</b>			80,459	Costco Wholesale	9,763	0.42
213,795	Boeing	38,330	1.66	480,122	Home Depot	57,453	2.48
239,934	Lockheed Martin	55,262	2.39		<b>Media 2.79% (2.53%)</b>		
	<b>Electronic &amp; Electrical Equipment 0.58% (0.00%)</b>			2,052,535	Comcast	64,555	2.79
399,379	Macom Technology Solutions	13,412	0.58		<b>Travel &amp; Leisure 3.11% (3.25%)</b>		
	<b>Industrial Engineering 2.76% (1.66%)</b>			385,611	McDonald's	46,659	2.02
368,862	Caterpillar	32,998	1.42	277,904	Royal Caribbean Cruises	25,219	1.09
480,520	Ingersoll-Rand	30,979	1.34		<b>Total Consumer Services</b>	<b>292,158</b>	<b>12.62</b>
	<b>Industrial Transportation 0.00% (0.64%)</b>						
	<b>Support Services 0.71% (0.67%)</b>			<b>UTILITIES 1.57% (2.53%)</b>			
622,173	Booz Allen Hamilton Holdings	16,507	0.71		<b>Electricity 1.57% (2.53%)</b>		
	<b>Total Industrials</b>	<b>202,847</b>	<b>8.76</b>	958,396	Xcel Energy	36,278	1.57
					<b>Total Utilities</b>	<b>36,278</b>	<b>1.57</b>
<b>CONSUMER GOODS 8.43% (7.40%)</b>							
	<b>Automobiles &amp; Parts 0.00% (0.61%)</b>			<b>FINANCIALS 17.42% (19.36%)</b>			
	<b>Beverages 1.79% (1.68%)</b>				<b>Banks 7.08% (8.15%)</b>		
466,942	PepsiCo	41,493	1.79	998,530	Citigroup	51,361	2.22
	<b>Household Goods &amp; Home Construction 0.00% (1.00%)</b>			660,719	Comerica	33,753	1.46
	<b>Leisure Goods 1.74% (1.53%)</b>			1,143,300	JPMorgan Chase	78,703	3.40
450,098	Electronic Arts	40,230	1.74		<b>Nonlife Insurance 4.05% (3.06%)</b>		
	<b>Personal Goods 2.49% (1.04%)</b>			471,834	Berkshire Hathaway	63,753	2.75
989,930	Coach	31,384	1.36	500,539	Marsh & McLennan	30,201	1.30
265,975	PVH	26,232	1.13		<b>Life Insurance 1.19% (0.65%)</b>		
	<b>Tobacco 2.41% (1.54%)</b>			442,852	Aflac	27,633	1.19
615,732	Philip Morris International	55,788	2.41		<b>Real Estate Investment Trusts 1.04% (1.70%)</b>		
	<b>Total Consumer Goods</b>	<b>195,127</b>	<b>8.43</b>	262,404	Digital Realty	23,987	1.04
					<b>Financial Services 4.06% (5.80%)</b>		
				213,084	Goldman Sachs Group	35,658	1.54
				739,484	Visa 'A' Shares	58,272	2.52
					<b>Total Financials</b>	<b>403,321</b>	<b>17.42</b>

## Threadneedle American Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 24.53% (23.71%)</b>			
<b>Software &amp; Computer Services 14.45% (14.16%)</b>			
256,290	Adobe Systems	30,101	1.30
139,648	Alphabet Class A	100,463	4.34
633,463	Facebook	83,275	3.60
398,800	Leidos	17,658	0.76
1,835,807	Microsoft	102,940	4.45
<b>Technology Hardware &amp; Equipment 10.08% (9.55%)</b>			
970,004	Apple	119,950	5.18
237,675	Broadcom	45,267	1.95
340,915	Lam Research	42,967	1.86
199,611	Nvidia	25,280	1.09
<b>Total Technology</b>		<b>567,901</b>	<b>24.53</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
Sell USD 3,272			
Buy EUR 2,756 J.P. Morgan		—	—
Sell USD 28,441			
Buy EUR 23,604 J.P. Morgan		—	—
Sell USD 5,690,745			
Buy EUR 4,805,642 J.P. Morgan		57	—
Sell USD 638,479			
Buy EUR 539,174 J.P. Morgan		6	—
Sell USD 7,462			
Buy EUR 6,304 J.P. Morgan		—	—
Sell USD 98,428			
Buy EUR 82,658 J.P. Morgan		1	—
Sell USD 2,093,000			
Buy GBP 1,611,702 Citigroup		13	—
Sell USD 2,742,000			
Buy GBP 2,115,870 Barclays		21	—
Sell EUR 742			
Buy USD 885 J.P. Morgan		—	—
<b>Total Derivatives</b>		<b>98</b>	<b>—</b>
<b>Total value of investments</b>		<b>2,282,288</b>	<b>98.57</b>
<b>Net other assets (2.37%)</b>		<b>33,161</b>	<b>1.43</b>
<b>Net assets</b>		<b>2,315,449</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	818,162	889,554
Total sales for the period	639,781	980,763



## Threadneedle American Select Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.24% (7.24%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.90% (6.59%)</b>			
	<b>Oil &amp; Gas Producers 3.21% (4.61%)</b>			129,114	Alexion Pharmaceuticals	14,315	1.22
192,270	EOG Resources	12,901	1.10	149,011	Celgene	15,953	1.36
381,009	Noble Energy	7,341	0.62	1,286,072	Pfizer	33,395	2.85
182,637	Phillips 66	11,632	0.99	65,042	Tesaro	6,446	0.55
735,071	WPX Energy	5,829	0.50	90,145	Vertex Pharmaceuticals	10,817	0.92
	<b>Oil Equipment, Services &amp; Distribution 2.03% (2.63%)</b>			<b>Total Health Care</b>		<b>173,692</b>	<b>14.81</b>
759,163	Halliburton	23,784	2.03				
	<b>Total Oil &amp; Gas</b>	<b>61,487</b>	<b>5.24</b>	<b>CONSUMER SERVICES 11.35% (10.95%)</b>			
<b>BASIC MATERIALS 2.95% (3.06%)</b>					<b>General Retailers 8.00% (5.85%)</b>		
	<b>Chemicals 2.95% (3.06%)</b>			52,741	Amazon.com	39,000	3.33
189,739	Albemarle	17,198	1.47	354,747	Costco Wholesale	43,047	3.67
350,599	Dowdupont	17,369	1.48	98,280	Home Depot	11,760	1.00
	<b>Total Basic Materials</b>	<b>34,567</b>	<b>2.95</b>		<b>Media 3.35% (3.01%)</b>		
<b>INDUSTRIALS 8.40% (8.20%)</b>				1,250,093	Comcast	39,317	3.35
	<b>Aerospace &amp; Defence 2.19% (3.42%)</b>				<b>Travel &amp; Leisure 0.00% (2.09%)</b>		
111,507	Lockheed Martin	25,682	2.19		<b>Total Consumer Services</b>	<b>133,124</b>	<b>11.35</b>
	<b>Electronic &amp; Electrical Equipment 0.89% (0.00%)</b>			<b>UTILITIES 1.94% (2.11%)</b>			
310,482	Macom Technology Solutions	10,427	0.89		<b>Electricity 1.94% (2.11%)</b>		
	<b>Industrial Engineering 2.32% (2.15%)</b>			599,504	Xcel Energy	22,693	1.94
421,467	Ingersoll-Rand	27,172	2.32		<b>Total Utilities</b>	<b>22,693</b>	<b>1.94</b>
	<b>Industrial Transportation 1.35% (1.34%)</b>			<b>FINANCIALS 18.68% (18.65%)</b>			
169,486	Norfolk Southern	15,854	1.35		<b>Banks 8.31% (7.32%)</b>		
	<b>Support Services 1.65% (1.29%)</b>			2,327,545	Bank of America	41,625	3.55
202,066	Booz Allen Hamilton Holdings	5,361	0.46	484,227	JPMorgan Chase	33,334	2.84
462,718	Johnson Controls International	14,009	1.19	238,987	PNC Financials	22,559	1.92
	<b>Total Industrials</b>	<b>98,505</b>	<b>8.40</b>		<b>Nonlife Insurance 3.15% (1.65%)</b>		
<b>CONSUMER GOODS 4.18% (7.34%)</b>				273,445	Berkshire Hathaway	36,947	3.15
	<b>Automobiles &amp; Parts 0.00% (1.11%)</b>				<b>Life Insurance 2.19% (1.27%)</b>		
	<b>Beverages 1.97% (1.77%)</b>			57,918	Brighthouse Financial	2,353	0.20
260,304	PepsiCo	23,131	1.97	637,106	Metlife	23,343	1.99
	<b>Household Goods &amp; Home Construction 0.00% (1.24%)</b>				<b>Financial Services 5.03% (8.41%)</b>		
	<b>Leisure Goods 1.28% (1.31%)</b>			104,361	Goldman Sachs Group	17,464	1.49
167,627	Electronic Arts	14,983	1.28	526,962	Visa 'A' Shares	41,525	3.54
	<b>Personal Goods 0.93% (0.64%)</b>				<b>Total Financials</b>	<b>219,150</b>	<b>18.68</b>
110,600	PVH	10,908	0.93	<b>TECHNOLOGY 28.95% (26.60%)</b>			
	<b>Tobacco 0.00% (1.27%)</b>				<b>Software &amp; Computer Services 16.76% (14.53%)</b>		
	<b>Total Consumer Goods</b>	<b>49,022</b>	<b>4.18</b>	281,688	Adobe Systems	33,084	2.82
<b>HEALTH CARE 14.81% (13.78%)</b>				104,077	Alphabet Class A	74,873	6.38
	<b>Health Care Equipment &amp; Services 7.91% (7.19%)</b>			248,873	Facebook	32,717	2.79
244,174	Cigna	33,968	2.90	996,924	Microsoft	55,901	4.77
385,855	Medtronic	23,543	2.01		<b>Technology Hardware &amp; Equipment 12.19% (12.07%)</b>		
243,699	Thermo Fisher Scientific	35,255	3.00	194,148	Analog Devices	12,236	1.04
				520,245	Apple	64,333	5.49
				131,830	Broadcom	25,108	2.14
				148,348	Lam Research	18,697	1.59
				79,961	Nvidia	10,127	0.86
				85,039	NXP Semiconductors	7,288	0.62
				136,810	Qualcomm	5,270	0.45
					<b>Total Technology</b>	<b>339,634</b>	<b>28.95</b>

## Threadneedle American Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	Sell USD 18,943		
	Buy CHF 18,217 J.P. Morgan	–	–
	Sell USD 1,649,766		
	Buy EUR 1,393,171 J.P. Morgan	17	–
	Sell USD 7,606		
	Buy EUR 6,423 J.P. Morgan	–	–
	Sell USD 824,072		
	Buy EUR 695,901 J.P. Morgan	8	–
	Sell USD 133,281		
	Buy GBP 103,777 J.P. Morgan	2	–
	Sell USD 78		
	Buy GBP 60 J.P. Morgan	–	–
	Sell USD 1,181,000		
	Buy GBP 909,422 Citigroup	7	–
	Sell GBP 8		
	Buy USD 10 J.P. Morgan	–	–
	<b>Total Derivatives</b>	<b>34</b>	<b>–</b>
<b>Total value of investments</b>		<b>1,131,908</b>	<b>96.50</b>
<b>Net other assets (2.07%)</b>		<b>41,087</b>	<b>3.50</b>
<b>Net assets</b>		<b>1,172,995</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	297,294	182,057
Total sales for the period	380,163	306,748

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.30% (4.75%)</b>				<b>Personal Goods 1.33% (0.00%)</b>			
	<b>Oil &amp; Gas Producers 1.01% (1.45%)</b>			625,875	ELF Beauty	9,744	1.33
311,495	RSP Permian	7,389	1.01	<b>Total Consumer Goods</b>			
	<b>Oil Equipment, Services &amp; Distribution 2.29% (3.30%)</b>					<b>109,835</b>	<b>15.02</b>
133,707	Core Laboratories	9,300	1.27	<b>HEALTH CARE 7.48% (6.37%)</b>			
725,391	Keane Group	7,448	1.02		<b>Health Care Equipment &amp; Services 0.99% (1.45%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>24,137</b>	<b>3.30</b>	111,655	Nevro	7,226	0.99
<b>BASIC MATERIALS 6.61% (4.38%)</b>					<b>Pharmaceuticals &amp; Biotechnology 6.49% (4.92%)</b>		
	<b>Chemicals 6.12% (3.21%)</b>			80,809	Acadia Pharmaceuticals	2,202	0.30
198,508	Ashland Global Holdings	9,305	1.27	51,277	Aerie Pharmaceuticals	2,248	0.31
327,657	Axalta Coating Systems	7,264	1.00	350,639	Catalent	11,162	1.53
370,604	Methanex	14,312	1.96	23,277	Intercept Pharmaceuticals	2,090	0.28
663,088	Univar	13,804	1.89	366,456	Medpace Holdings	8,970	1.23
	<b>Industrial Metals &amp; Mining 0.49% (1.17%)</b>			267,187	PRA Health Sciences	15,833	2.16
138,242	Steel Dynamics	3,608	0.49	50,143	Tesaro	4,969	0.68
	<b>Total Basic Materials</b>	<b>48,293</b>	<b>6.61</b>		<b>Total Health Care</b>	<b>54,700</b>	<b>7.48</b>
<b>INDUSTRIALS 17.56% (20.33%)</b>				<b>CONSUMER SERVICES 9.18% (10.68%)</b>			
	<b>Construction &amp; Materials 3.89% (7.05%)</b>				<b>General Retailers 0.61% (4.27%)</b>		
131,315	Granite Construction	5,620	0.77	125,151	Servicemaster Global Holdings	4,466	0.61
151,150	Masonite International	7,488	1.02		<b>Travel &amp; Leisure 8.57% (6.41%)</b>		
350,618	Summit Materials	8,094	1.11	387,834	Dave & Buster's Entertainment	15,229	2.08
64,498	Watsco	7,244	0.99	1,004,895	Extended Stay America	14,686	2.01
	<b>General Industrials 0.00% (1.92%)</b>			250,461	JetBlue Airways	3,607	0.49
	<b>Electronic &amp; Electrical Equipment 4.82% (3.41%)</b>			286,301	Papa Johns International	15,689	2.15
402,117	Macom Technology Solutions	13,504	1.85	704,900	Planet Fitness	13,425	1.84
231,700	PerkinElmer	11,964	1.64		<b>Total Consumer Services</b>	<b>67,102</b>	<b>9.18</b>
330,026	Trimble Navigation	9,734	1.33		<b>UTILITIES 4.99% (2.29%)</b>		
	<b>Industrial Engineering 4.14% (4.75%)</b>				<b>Electricity 4.99% (2.29%)</b>		
272,110	Kennametal	7,242	0.99	576,113	PNM Resources	18,595	2.54
304,404	REV Group	5,881	0.80	464,564	Westar Energy	17,894	2.45
749,595	Ritchie Bros Auctioneers	17,151	2.35		<b>Total Utilities</b>	<b>36,489</b>	<b>4.99</b>
	<b>Industrial Transportation 0.00% (0.49%)</b>			<b>FINANCIALS 22.06% (23.65%)</b>			
	<b>Support Services 4.71% (2.71%)</b>				<b>Banks 8.41% (10.13%)</b>		
661,406	Booz Allen Hamilton Holdings	17,548	2.40	1,141,630	Associated Banc-Corp	18,882	2.58
456,499	TransUnion	16,868	2.31	715,986	Bank of the Ozarks	22,710	3.11
	<b>Total Industrials</b>	<b>128,338</b>	<b>17.56</b>	37,676	Great Western Bank	1,009	0.14
<b>CONSUMER GOODS 15.02% (9.76%)</b>				579,605	Zions Bancorporation	18,863	2.58
	<b>Automobiles &amp; Parts 5.40% (1.32%)</b>				<b>Nonlife Insurance 0.48% (0.97%)</b>		
767,661	Valvoline	12,456	1.70	49,682	Hanover Insurance Group	3,501	0.48
91,636	Visteon	7,951	1.09		<b>Life Insurance 1.80% (2.78%)</b>		
175,820	Wabco Holdings	19,059	2.61	793,791	CNO Financial Group	13,183	1.80
	<b>Food Producers 4.96% (5.38%)</b>				<b>Real Estate Investment Trusts 9.79% (8.72%)</b>		
808,766	Blue Buffalo Pet Products	15,848	2.17	1,263,184	American Homes 4 Rent	21,114	2.89
328,553	Pinnacle Foods	14,952	2.04	1,149,337	CubeSmart	22,346	3.06
107,276	TreeHouse Foods	5,482	0.75	506,419	CyrusOne	24,435	3.34
	<b>Household Goods &amp; Home Construction 0.53% (0.00%)</b>			218,540	Outfront Media	3,621	0.50
254,211	Welbilt	3,870	0.53		<b>Financial Services 1.58% (1.05%)</b>		
	<b>Leisure Goods 2.80% (3.06%)</b>			286,635	Athene Holding	11,573	1.58
263,928	Pool Corporation	20,473	2.80		<b>Total Financials</b>	<b>161,237</b>	<b>22.06</b>

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 12.85% (15.64%)</b>			
<b>Software &amp; Computer Services 9.91% (11.95%)</b>			
219,300	Callidus Software	4,180	0.57
214,234	Criteo ADR	7,398	1.01
331,189	Fortinet	9,457	1.29
274,153	Leidos	12,139	1.66
1,275,104	Nuance Communications	15,498	2.12
333,834	Nutanix	5,731	0.79
186,088	PTC	7,947	1.09
77,811	Tyler Technologies	10,107	1.38
<b>Technology Hardware &amp; Equipment 2.94% (3.69%)</b>			
284,809	NCR	7,848	1.07
1,080,201	ON Semiconductor	13,657	1.87
<b>Total Technology</b>		<b>93,962</b>	<b>12.85</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
Sell USD 199,000			
Buy GBP 153,239 Citigroup		1	—
Sell USD 282,000			
Buy GBP 217,606 Barclays		2	—
<b>Total Derivatives</b>		<b>3</b>	<b>—</b>
<b>Total value of investments</b>		<b>724,096</b>	<b>99.05</b>
<b>Net other assets (2.15%)</b>		<b>6,933</b>	<b>0.95</b>
<b>Net assets</b>		<b>731,029</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	408,536	214,232
Total sales for the period	561,518	201,183

## Threadneedle Dollar Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 89.32% (85.68%)</b>					USD	1,005,000	Anheuser-Busch InBev 5.375% 15/01/2020	830	0.64
		<b>AAA 0.73% (1.01%)</b>			USD	1,370,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	1,164	0.89
USD	370,000	Johnson & Johnson 3.625% 03/03/2037	295	0.23	USD	626,000	Comcast 3% 01/02/2024	489	0.38
USD	830,000	Microsoft 2.875% 06/02/2024	652	0.50	USD	755,000	Heathrow Funding 4.875% 15/07/2021	626	0.48
		<b>Aaa 45.65% (33.81%)</b>			USD	1,750,000	Hong Kong Electric Finance 2.875% 03/05/2026	1,318	1.01
USD	4,400,000	United States Treasury Note/Bond 0.625% 30/09/2017	3,360	2.58	USD	300,000	Indiana Michigan 6.05% 15/03/2037	292	0.22
USD	1,700,000	United States Treasury Note/Bond 0.625% 30/06/2018	1,292	0.99	USD	900,000	Indiana Michigan Power 3.75% 01/07/2047	689	0.53
USD	4,300,000	United States Treasury Note/Bond 0.75% 31/12/2017	3,281	2.52	USD	1,800,000	Reckitt Benckiser 2.75% 26/06/2024	1,380	1.06
USD	2,009,600	United States Treasury Note/Bond 1.13% 31/05/2019	1,532	1.18	USD	510,000	SGSP Australia Assets 3.25% 29/07/2026	389	0.30
USD	12,750,000	United States Treasury Note/Bond 1.875% 30/04/2022	9,836	7.55	USD	500,000	SGSP Australia Assets 3.3% 09/04/2023	393	0.30
USD	16,920,600	United States Treasury Note/Bond 2% 15/11/2021	13,149	10.09	USD	1,685,000	SGSP Australia Assets 3.5% 07/07/2027	1,302	1.00
USD	3,800,000	United States Treasury Note/Bond 2% 31/12/2021	2,950	2.27	USD	800,000	UBS Group Fund 4.253% 23/03/2028	652	0.50
USD	1,200,000	United States Treasury Note/Bond 2.125% 30/11/2023	933	0.72			<b>BBB+ 14.00% (13.67%)</b>		
USD	15,425,000	United States Treasury Note/Bond 2.250% 15/02/2027	11,944	9.17	USD	400,000	21 <sup>st</sup> Century Fox America 4.75% 15/11/2046	331	0.25
USD	10,561,700	United States Treasury Note/Bond 2.5% 15/02/2046	7,734	5.94	USD	1,689,000	AT&T 4.9% 14/08/2037	1,290	0.99
USD	3,506,000	United States Treasury Note/Bond 4.25% 15/05/2039	3,444	2.64	USD	2,200,000	BAT Capital 2.297% 14/08/2020	1,691	1.30
		<b>AA+ 0.59% (0.00%)</b>			USD	1,360,000	BAT Capital 3.222% 15/08/2024	1,051	0.81
USD	1,000,000	Apple 3% 20/06/2027	769	0.59	USD	580,000	BAT International Finance 2.75% 15/06/2020	451	0.35
		<b>AA 0.00% (0.77%)</b>			USD	1,280,000	Becton Dickinson 2.894% 06/06/2022	982	0.75
		<b>AA- 1.97% (2.18%)</b>			USD	1,046,000	Becton Dickinson 3.7% 06/06/2027	811	0.62
USD	640,000	GE Capital International Funding Company 4.418% 15/11/2035	534	0.41	USD	425,000	Canadian Natural Resources 6.25% 15/03/2038	382	0.29
USD	400,000	Guardian Life Insurance 4.85% 24/01/2077	331	0.25	USD	1,903,000	Centrica 4% 16/10/2023	1,525	1.17
USD	310,000	Japan Tobacco 2% 13/04/2021	236	0.18	USD	1,034,000	Credit Suisse Group Funding 4.55% 17/04/2026	851	0.65
USD	400,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	355	0.27	USD	600,000	ERAC USA Finance 2.6% 01/12/2021	459	0.35
USD	840,000	State Grid 3.5% 04/05/2027	659	0.51	USD	407,000	ERAC USA Finance 4.5% 15/02/2045	314	0.24
USD	528,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	458	0.35	USD	600,000	Lockheed Martin 4.5% 15/05/2036	509	0.39
		<b>A+ 0.30% (0.85%)</b>			USD	689,000	NiSource Finance 4.8% 15/02/2044	589	0.45
USD	500,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	394	0.30	USD	685,000	PPL Capital Funding 3.95% 15/03/2024	555	0.43
		<b>A 2.19% (2.34%)</b>			USD	370,000	PPL Capital Funding 4.2% 15/06/2022	306	0.24
USD	1,050,000	Amgen 2.6% 19/08/2026	772	0.59	USD	845,000	Sempra Energy 3.55% 15/06/2024	668	0.51
USD	985,000	Five Corners Funding Trust 4.419% 15/11/2023	820	0.63	USD	765,000	Southern Copper 4.4% 01/07/2046	612	0.47
USD	1,215,000	Loews 3.75% 01/04/2026	974	0.75	USD	610,000	Southern Natural Gas 4.8% 15/03/2047	510	0.39
USD	355,000	Scentre Management 3.75% 23/03/2027	280	0.22	USD	627,000	Thomson Reuters 4.3% 23/11/2023	519	0.40
		<b>A- 7.90% (7.51%)</b>			USD	1,700,000	Verizon Communications 4.4% 01/11/2034	1,293	0.99
USD	360,000	Abbvie 3.2% 06/11/2022	284	0.22	USD	1,250,000	Vonovia Finance 5% 02/10/2023	1,036	0.80
USD	600,000	Anheuser-Busch InBev 3.3% 01/02/2023	477	0.37	USD	980,000	Welltower 4.25% 01/04/2026	804	0.62
					USD	910,000	Woodside Finance 3.65% 05/03/2025	706	0.54
							<b>Baa1e 0.13% (0.00%)</b>		
					USD	225,000	HPHT Finance 17 2.75% 11/09/2022	171	0.13
							<b>BBB 9.73% (11.81%)</b>		
					USD	505,000	APT Pipelines 4.2% 23/03/2025	408	0.31
					USD	350,000	APT Pipelines 5% 23/03/2035	286	0.22
					USD	840,000	BAE Systems 3.8% 07/10/2024	678	0.52
					USD	150,000	BAE Systems 6.38% 01/06/2019	123	0.09
					USD	1,552,000	Barclays 4.337% 10/01/2028	1,241	0.95
					USD	600,000	Cenovus Energy 3.8% 15/09/2023	460	0.35
					USD	1,000,000	Cenovus Energy 5.4% 15/06/2047	733	0.56

## Threadneedle Dollar Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 89.32% (85.68%) (continued)</b>					<b>A- 1.39% (0.64%)</b>				
USD	850,000	Discover Bank 3.2% 09/08/2021	666	0.51	USD	1,000,000	*Friends Life Holdings FRN 08/11/2049	809	0.62
USD	935,000	DTE Energy 2.4% 01/12/2019	719	0.55	USD	1,300,000	*JPMorgan Chase Variable 3.882% 24/07/2038	997	0.77
USD	960,000	DTE Energy 3.5% 01/06/2024	756	0.58	<b>BBB+ 0.87% (0.94%)</b>				
USD	530,000	E.ON International Finance 6.65% 30/04/2038	527	0.40	USD	348,000	*BG Energy Capital 6.5% 30/11/2072 USD	268	0.21
USD	300,000	Glencore Finance Canada 4.95% 15/11/2021	249	0.19	USD	1,100,000	*ING Bank 4.125% 21/11/2023	857	0.66
USD	1,120,000	Grupo Bimbo 3.875% 27/06/2024	892	0.69	<b>BBB 0.68% (1.11%)</b>				
USD	1,650,000	Imperial Tobacco Finance 2.05% 11/02/2018	1,261	0.97	USD	1,150,000	*Swedish Export 2.88% 14/11/2023	879	0.68
USD	520,000	LYB International Finance 4.875% 15/03/2044	432	0.33	<b>BBB- 0.12% (0.00%)</b>				
USD	730,000	Peachtree Funding 3.976% 15/02/2025	574	0.44	USD	200,000	*ABN AMRO Bank 4.4% 27/03/2028	159	0.12
USD	500,000	Regions Financial 3.2% 08/02/2021	393	0.30	<b>B 0.51% (0.40%)</b>				
USD	1,095,000	Scripps Networks 2.8% 15/06/2020	844	0.65	USD	792,000	*Royal Bank of Scotland 8.625% 29/12/2049	670	0.51
USD	430,000	Transcontinental Gas Pipe Line 7.85% 01/02/2026	430	0.33	<b>Total Floating Rate Notes</b>				
USD	1,340,000	Voya Financial 3.125% 15/07/2024	1,023	0.79					
<b>BBB- 4.58% (6.89%)</b>					<b>DERIVATIVES -0.07% (0.13%)</b>				
USD	330,000	Adani Ports and Special Economic Zone 4% 30/07/2027	254	0.20	<b>Futures and Options -0.07% (0.13%)</b>				
USD	325,000	Barrick Gold 5.25% 01/04/2042	287	0.22	USD	(145)	UBS US 10 Year Note Future Expiring December 2017	(43)	(0.03)
USD	500,000	Charter Communications Operating 5.375% 01/05/2047	383	0.29	USD	(49)	UBS US Long Bond Future Expiring December 2017	(42)	(0.04)
USD	300,000	Indonesia Government International Bond 3.375% 15/04/2023	235	0.18	USD	(2)	UBS US Ultra Bond Future Expiring December 2017	(2)	-
USD	1,072,000	Kansas City Southern Railway 3.85% 15/11/2023	860	0.66	<b>Total Derivatives</b>				
USD	630,000	Kinder Morgan Energy Partners 5% 01/03/2043	475	0.36					
USD	745,000	Molson Coors Brewing 5% 01/05/2042	633	0.49	<b>Total value of investments</b>				
USD	2,040,000	Plains All American Pipeline 4.65% 15/10/2025	1,610	1.24	<b>Net other assets (10.03%)</b>				
USD	500,000	Royal Bank of Scotland 3.875% 12/09/2023	391	0.30	<b>Net assets</b>				
USD	290,000	Vale Overseas 4.375% 11/01/2022	234	0.18					
USD	690,000	Vale Overseas 6.25% 10/08/2026	600	0.46	<i>March 2017 comparatives in brackets.</i>				
<b>Baa3 0.36% (0.00%)</b>					<i>*Variable rate bonds.</i>				
USD	620,000	Anglo American Capital 3.625% 11/09/2024	473	0.36	<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
<b>BB+ 0.42% (0.77%)</b>							Value £000	% of Investment	
USD	710,000	Tesco 5.5% 15/11/2017	545	0.42	Fixed interest		116,353	95.46	
<b>BB- 0.14% (0.35%)</b>					Floating rate notes		5,619	4.61	
USD	325,000	Noble Holding International 6.95% 01/04/2045	179	0.14	Derivatives		(87)	(0.07)	
USD	340,000	SFR Group 6% 15/05/2022	272	0.21	<b>Total value of investments</b>				
<b>B+ 0.21% (0.34%)</b>									
USD	700,000	United States Treasury Note/Bond 2.250% 15/08/2027	542	0.42	<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
<b>Total Fixed Interest</b>							Value £000		
					UBS US 10 Year Note Future Expiring December 2017		(14,102)		
					UBS US Long Bond Future Expiring December 2017		(5,868)		
					UBS US Ultra Bond Future Expiring December 2017		(259)		
					<b>Total net exposure</b>				
					<b>Total Purchases and Sales</b>				
					<i>for the accounting period 8 March 2017 to 7 September 2017</i>				

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BASIC MATERIALS 3.87% (5.06%)</b>				<b>Personal Goods 2.67% (1.85%)</b>			
	<b>Chemicals 2.90% (3.79%)</b>			84,400	KOSE	8,207	1.35
2,364,000	Mitsui Chemicals	10,565	1.73	288,400	Pigeon	8,083	1.32
107,300	Nitto Denko	7,139	1.17	<b>Total Consumer Goods</b>			
						<b>127,480</b>	<b>20.88</b>
	<b>Industrial Metals &amp; Mining 0.97% (1.27%)</b>			<b>HEALTH CARE 3.61% (3.42%)</b>			
322,600	Nippon Steel & Sumitomo Metal	5,947	0.97		<b>Health Care Equipment &amp; Services 0.97% (0.00%)</b>		
<b>Total Basic Materials</b>				223,900	Olympus	5,961	0.97
		<b>23,651</b>	<b>3.87</b>		<b>Pharmaceuticals &amp; Biotechnology 2.64% (3.42%)</b>		
<b>INDUSTRIALS 31.71% (26.04%)</b>				495,700	Daiichi Sankyo	8,800	1.44
	<b>Construction &amp; Materials 5.57% (5.30%)</b>			574,200	Kyowa Hakko Kirin	7,308	1.20
179,300	Daikin Industries	13,762	2.25	<b>Total Health Care</b>			
1,230,000	Maeda	11,503	1.88			<b>22,069</b>	<b>3.61</b>
1,931,600	Penta-Ocean Construction	8,822	1.44	<b>CONSUMER SERVICES 5.85% (6.57%)</b>			
	<b>Electronic &amp; Electrical Equipment 10.42% (8.70%)</b>				<b>Food &amp; Drug Retailers 2.48% (0.97%)</b>		
320,100	Alps Electric	6,506	1.07	152,900	Cocokara Fine	6,726	1.10
458,500	Amano Corporation	8,215	1.35	90,300	Tsuruha Holdings	8,438	1.38
381,400	Hoya	16,202	2.65		<b>General Retailers 3.37% (2.59%)</b>		
51,300	Keyence	20,558	3.37	241,700	Don Quijote Holdings	7,241	1.19
141,500	Nidec	12,101	1.98	182,000	Seria	7,827	1.28
	<b>Industrial Engineering 7.47% (7.52%)</b>			231,800	Start Today	5,464	0.90
89,200	DISCO	12,541	2.05		<b>Media 0.00% (0.94%)</b>		
846,600	Kubota	11,404	1.87		<b>Travel &amp; Leisure 0.00% (2.07%)</b>		
468,900	Misumi Group	9,152	1.50	<b>Total Consumer Services</b>			
157,400	Nittoku Engineering	4,494	0.74			<b>35,696</b>	<b>5.85</b>
479,000	Tsubaki Nakashima	7,978	1.31	<b>TELECOMMUNICATIONS 5.63% (4.35%)</b>			
	<b>Support Services 8.25% (4.52%)</b>				<b>Mobile Telecommunications 5.63% (4.35%)</b>		
121,000	Benefit One	3,684	0.60	676,700	KDDI	13,934	2.28
816,000	Hanwa	4,173	0.68	341,600	SoftBank	20,409	3.35
747,800	Itochu	9,197	1.51	<b>Total Telecommunications</b>			
487,900	Jac Recruitment	5,535	0.91			<b>34,343</b>	<b>5.63</b>
1,004,200	Mitsubishi	17,775	2.91	<b>UTILITIES 1.52% (1.62%)</b>			
642,200	Persol Holdings	9,998	1.64		<b>Electricity 1.52% (1.62%)</b>		
<b>Total Industrials</b>				454,300	Electric Power Development	9,268	1.52
		<b>193,600</b>	<b>31.71</b>	<b>Total Utilities</b>			
						<b>9,268</b>	<b>1.52</b>
<b>CONSUMER GOODS 20.88% (21.31%)</b>				<b>FINANCIALS 15.69% (20.99%)</b>			
	<b>Automobiles &amp; Parts 9.26% (8.99%)</b>				<b>Banks 5.72% (8.81%)</b>		
484,200	Bridgestone	16,020	2.62	2,064,000	Chiba Bank	10,426	1.71
297,600	Koito Manufacturing	14,490	2.37	5,314,800	Mitsubishi UFJ Financial Group	24,490	4.01
186,000	Subaru	5,011	0.82		<b>Life Insurance 3.48% (4.26%)</b>		
234,700	Suzuki Motor	9,376	1.54	231,100	Anicom Holdings	4,817	0.79
267,100	Toyota Motor	11,682	1.91	850,900	Dai-ichi Life Insurance	10,277	1.68
	<b>Beverages 1.34% (1.38%)</b>			661,700	Japan Post Holdings	6,165	1.01
230,100	Suntory Beverage & Food	8,185	1.34		<b>Real Estate Investment &amp; Services 2.15% (3.94%)</b>		
	<b>Food Producers 1.05% (1.52%)</b>			306,700	Open House	7,015	1.15
105,100	Meiji Holdings	6,408	1.05	368,500	Relo Group	6,135	1.00
	<b>Household Goods &amp; Home Construction 1.91% (2.39%)</b>				<b>Financial Services 4.34% (3.98%)</b>		
793,100	Sekisui Chemical	11,679	1.91	1,922,000	Daiwa Securities Group	8,111	1.33
	<b>Leisure Goods 4.65% (5.18%)</b>			261,300	Nihon M&A Center	9,569	1.57
584,000	Casio Computer	6,260	1.03	731,400	Orix	8,808	1.44
40,100	Nintendo	9,965	1.63	<b>Total Financials</b>			
405,600	Sony	12,114	1.99			<b>95,813</b>	<b>15.69</b>

## Threadneedle Japan Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 9.80% (9.91%)</b>			
<b>Software &amp; Computer Services 3.64% (3.73%)</b>			
493,700	Capcom	9,241	1.51
466,800	Itochu Techno-Solutions	12,969	2.13
<b>Technology Hardware &amp; Equipment 6.16% (6.18%)</b>			
566,000	Elecom	8,815	1.44
234,200	Renesas Electronics	1,779	0.29
116,300	Rohm	6,731	1.10
571,400	Seiko Epson	10,936	1.79
87,900	Tokyo Electron	9,386	1.54
	<b>Total Technology</b>	<b>59,857</b>	<b>9.80</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell GBP 105,465		
	Buy JPY 14,987,000 Citigroup	—	—
	Sell GBP 129,477		
	Buy JPY 18,384,000 Lloyds	(1)	—
	<b>Total Derivatives</b>	<b>(1)</b>	<b>—</b>
<b>Total value of investments</b>		<b>601,776</b>	<b>98.56</b>
<b>Net other assets (0.73%)</b>		<b>8,811</b>	<b>1.44</b>
<b>Net assets</b>		<b>610,587</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	271,463	205,722
Total sales for the period	136,077	256,786



## Threadneedle Asia Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 12.40% (17.43%)</b>							
	<b>Mining 4.23% (4.51%)</b>				<b>Banks 4.31% (3.93%)</b>		
817,270	BHP Billiton (AUD)	13,654	2.16	24,697,000	Bank of China	9,635	1.53
310,444	Rio Tinto (AUD)	13,033	2.07	17,292,524	China Construction Bank	11,363	1.80
				2,227,000	China Merchants Bank	6,162	0.98
	<b>General Industrials 0.73% (1.23%)</b>				<b>Life Insurance 2.57% (2.15%)</b>		
480,395	Amcor	4,593	0.73	2,706,772	Ping An Insurance Group	16,251	2.57
	<b>Industrial Transportation 0.67% (0.90%)</b>				<b>Total China</b>	<b>56,844</b>	<b>9.01</b>
567,848	Transurban	4,218	0.67				
	<b>Support Services 0.48% (1.11%)</b>			<b>HONG KONG 9.77% (11.02%)</b>			
669,104	Link Administration Holdings	2,994	0.48		<b>Oil &amp; Gas Producers 0.76% (0.87%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 1.69% (1.42%)</b>			5,319,760	CNOOC	4,817	0.76
132,986	CSL	10,667	1.69		<b>Automobiles &amp; Parts 0.00% (0.43%)</b>		
	<b>Travel &amp; Leisure 0.38% (0.52%)</b>				<b>Household Goods &amp; Home Construction 0.83% (0.77%)</b>		
92,967	Domino's Pizza Enterprises	2,416	0.38	1,319,000	Techtronic Industries	5,210	0.83
	<b>Banks 2.39% (5.57%)</b>				<b>Personal Goods 0.20% (0.00%)</b>		
552,497	Australia & New Zealand Banking Group	9,823	1.56	2,212,000	Li-Ning	1,265	0.20
276,542	Westpac Banking	5,237	0.83	3,752,000	CSPC Pharmaceutical Group	4,681	0.74
	<b>Real Estate Investment &amp; Services 0.87% (0.89%)</b>				<b>Travel &amp; Leisure 0.86% (0.61%)</b>		
554,547	Lend Lease Group	5,509	0.87	1,081,000	Galaxy Entertainment Group	5,428	0.86
	<b>Financial Services 0.96% (1.28%)</b>				<b>Mobile Telecommunications 0.00% (1.21%)</b>		
119,360	Macquarie Group	6,075	0.96		<b>Gas, Water &amp; Multiutilities 0.50% (0.63%)</b>		
	<b>Total Australia</b>	<b>78,219</b>	<b>12.40</b>	2,834,468	Guangdong Investment	3,126	0.50
					<b>Banks 1.32% (1.65%)</b>		
<b>CAYMAN ISLANDS 14.68% (11.97%)</b>				2,232,000	BOC Hong Kong Holdings	8,348	1.32
	<b>General Industrials 0.00% (0.79%)</b>				<b>Life Insurance 3.59% (3.60%)</b>		
	<b>Automobiles &amp; Parts 0.54% (0.00%)</b>			3,944,116	AIA Group	22,676	3.59
914,000	Minth Group	3,405	0.54		<b>Real Estate Investment &amp; Services 0.97% (0.94%)</b>		
	<b>Personal Goods 0.73% (0.77%)</b>			2,280,521	China Overseas Land & Investment	6,132	0.97
1,563,000	Anta Sports Products	4,608	0.73		<b>Total Hong Kong</b>	<b>61,683</b>	<b>9.77</b>
	<b>General Retailers 5.86% (3.78%)</b>			<b>INDIA 9.92% (7.04%)</b>			
240,121	Alibaba Group ADR	30,867	4.89		<b>Oil &amp; Gas Producers 1.44% (0.95%)</b>		
193,470	JD.com ADR	6,153	0.97	926,468	Reliance Industries	9,026	1.44
	<b>Travel &amp; Leisure 0.88% (0.60%)</b>				<b>Construction &amp; Materials 0.95% (1.78%)</b>		
56,916	Ctrip.Com International ADS	2,187	0.35	445,160	Larsen & Toubro	6,000	0.95
917,600	Sands China	3,351	0.53		<b>Industrial Engineering 1.44% (0.74%)</b>		
	<b>Real Estate Investment &amp; Services 0.00% (0.72%)</b>			10,336	Eicher Motors	4,045	0.64
	<b>Software &amp; Computer Services 6.67% (5.31%)</b>			316,428	Mahindra & Mahindra	5,066	0.80
30,390	Netease	6,293	1.00		<b>Industrial Transportation 0.86% (0.00%)</b>		
28,691	Sina	2,376	0.38		Adani Ports And Special Economic Zone	5,432	0.86
1,064,980	Tencent Holdings	33,385	5.29	1,174,628			
	<b>Total Cayman Islands</b>	<b>92,625</b>	<b>14.68</b>		<b>Automobiles &amp; Parts 0.74% (0.72%)</b>		
				49,583	Maruti Suzuki India	4,684	0.74
<b>CHINA 9.01% (9.08%)</b>					<b>Personal Goods 0.54% (0.00%)</b>		
	<b>Oil &amp; Gas Producers 1.29% (1.83%)</b>			310,746	Godrej Consumer Products	3,420	0.54
8,671,488	China Petroleum & Chemical	5,104	0.81		<b>Media 0.64% (0.00%)</b>		
6,236,000	PetroChina	3,037	0.48	647,736	Zee Entertainment Enterprises	4,030	0.64
	<b>Construction &amp; Materials 0.84% (1.17%)</b>						
1,831,500	Anhui Conch Cement	5,292	0.84				

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>INDIA 9.92% (7.04%) (continued)</b>				<b>Banks 0.88% (0.56%)</b>			
	<b>Banks 3.31% (2.85%)</b>			4,262,159	Metropolitan Bank & Trust	5,560	0.88
391,887	HDFC Bank	8,298	1.31	<b>Real Estate Investment &amp; Services 0.59% (0.00%)</b>			
1,227,764	ICICI Bank ADR	8,620	1.37	5,731,200	Ayala Land	3,686	0.59
185,723	Yes Bank	3,979	0.63	<b>Total Philippines</b>			
	<b>Total India</b>	<b>62,600</b>	<b>9.92</b>			<b>13,476</b>	<b>2.14</b>
<b>INDONESIA 3.14% (3.46%)</b>				<b>REPUBLIC OF IRELAND 0.50% (0.47%)</b>			
	<b>Automobiles &amp; Parts 0.59% (0.76%)</b>			283,316	<b>Construction &amp; Materials 0.50% (0.47%)</b>		
8,460,200	Astra International	3,704	0.59		James Hardie Industries	3,152	0.50
	<b>Food Producers 0.49% (0.00%)</b>			<b>Total Republic of Ireland</b>			
6,382,200	PT Indofood Sukses	3,124	0.49			<b>3,152</b>	<b>0.50</b>
	<b>General Retailers 0.29% (0.49%)</b>			<b>SINGAPORE 1.87% (1.28%)</b>			
3,225,300	Matahari Department Store	1,852	0.29	747,424	<b>Banks 1.38% (0.57%)</b>		
	<b>Fixed Line Telecommunications 0.95% (1.23%)</b>				DBS Group Holdings	8,688	1.38
22,123,100	Telekomunikasi Indonesia	5,971	0.95	1,466,200	<b>Real Estate Investment &amp; Services 0.49% (0.71%)</b>		
	<b>Banks 0.82% (0.98%)</b>				Capitaland	3,092	0.49
6,031,400	Bank Rakyat Indonesia	5,178	0.82	<b>Total Singapore</b>			
	<b>Total Indonesia</b>	<b>19,829</b>	<b>3.14</b>			<b>11,780</b>	<b>1.87</b>
<b>LUXEMBOURG 3.47% (2.26%)</b>				<b>SOUTH KOREA 16.52% (15.57%)</b>			
	<b>Electronic &amp; Electrical Equipment 0.78% (0.50%)</b>			29,467	<b>Chemicals 1.17% (2.14%)</b>		
1,267,266	JP Morgan Structured Notes Warrant (Hangzhou Hikvision Digital Technology) 16/04/2020	4,944	0.78		LG Chemicals	7,374	1.17
	<b>Beverages 1.07% (0.48%)</b>			38,939	<b>Industrial Metals &amp; Mining 1.39% (1.25%)</b>		
63,278	JP Morgan Structured Note Warrant (Kweichow Moutai) 10/07/2020	3,578	0.57		POSCO	8,744	1.39
500,953	JP Morgan Structured Notes Warrant (Wuliangye Yibin) 30/06/2020	3,130	0.50	51,690	<b>Electronic &amp; Electrical Equipment 2.30% (0.86%)</b>		
	<b>Food Producers 0.73% (0.45%)</b>			64,982	LG Innotek	6,066	0.96
1,679,757	JP Morgan Structured Notes Warrant (Inner Mongolia) 24/10/2019	4,633	0.73		Samsung SDI	8,483	1.34
	<b>Household Goods &amp; Home Construction 0.89% (0.83%)</b>			54,932	<b>Industrial Engineering 0.22% (0.53%)</b>		
1,805,070	Samsonite International	5,621	0.89		Doosan Bobcat	1,356	0.22
	<b>Total Luxembourg</b>	<b>21,906</b>	<b>3.47</b>	<b>Household Goods &amp; Home Construction 0.00% (0.40%)</b>			
<b>MALAYSIA 0.43% (0.44%)</b>					<b>Leisure Goods 6.49% (7.03%)</b>		
	<b>Health Care Equipment &amp; Services 0.00% (0.44%)</b>			14,306	NCSOFT	4,490	0.71
	<b>Financial Services 0.43% (0.00%)</b>			22,405	Samsung Electronics	36,445	5.78
1,454,700	Bursa Malaysia	2,730	0.43		<b>General Retailers 0.81% (0.00%)</b>		
	<b>Total Malaysia</b>	<b>2,730</b>	<b>0.43</b>	36,134	E-Mart	5,132	0.81
<b>PAKISTAN 0.19% (0.51%)</b>				386,967	<b>Mobile Telecommunications 0.57% (0.00%)</b>		
	<b>Banks 0.19% (0.51%)</b>				LG Uplus	3,612	0.57
1,099,300	Habib Bank	1,227	0.19		<b>Banks 2.13% (1.45%)</b>		
	<b>Total Pakistan</b>	<b>1,227</b>	<b>0.19</b>	193,138	Hana Financial Group	5,891	0.93
<b>PHILIPPINES 2.14% (1.21%)</b>				214,310	KB Financial Group	7,537	1.20
	<b>Travel &amp; Leisure 0.00% (0.30%)</b>				<b>Life Insurance 0.79% (0.67%)</b>		
	<b>Gas, Water &amp; Multiutilities 0.67% (0.35%)</b>			62,905	Samsung Life Insurance	4,978	0.79
42,303,100	Metro Pacific Investments	4,230	0.67		<b>Software &amp; Computer Services 0.65% (1.24%)</b>		
<b>TAIWAN 9.01% (11.14%)</b>				8,344	NAVER	4,120	0.65
	<b>Chemicals 0.00% (0.82%)</b>				<b>Total South Korea</b>	<b>104,228</b>	<b>16.52</b>
	<b>Electronic &amp; Electrical Equipment 2.74% (2.33%)</b>			1,813,000	Chroma Ate	4,590	0.73
				4,337,000	Hon Hai Precision Industry	12,679	2.01

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TAIWAN 9.01% (11.14%) (continued)</b>			
	<b>Leisure Goods 0.74% (0.85%)</b>		
31,000	Largan Precision	4,685	0.74
	<b>Banks 0.56% (0.81%)</b>		
7,580,743	E.Sun Financial	3,517	0.56
	<b>Life Insurance 0.59% (1.31%)</b>		
3,032,000	Cathay Financial Holdings	3,707	0.59
	<b>Technology Hardware &amp; Equipment 4.38% (5.02%)</b>		
1,790,216	Macronix International	2,116	0.33
4,644,408	Taiwan Semiconductor Manufacturing	25,561	4.05
	<b>Total Taiwan</b>	<b>56,855</b>	<b>9.01</b>
<b>THAILAND 0.50% (1.18%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.58%)</b>		
	<b>Banks 0.50% (0.60%)</b>		
667,732	Kasikornbank	3,145	0.50
	<b>Total Thailand</b>	<b>3,145</b>	<b>0.50</b>
<b>UNITED KINGDOM 4.41% (4.49%)</b>			
	<b>Collective Investment Schemes 4.41% (4.49%)</b>		
7,684,303	Threadneedle China Opportunities Fund	27,812	4.41
	<b>Total United Kingdom</b>	<b>27,812</b>	<b>4.41</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	Sell USD 838,000		
	Buy GBP 645,297 Citigroup	5	—
	<b>Total Derivatives</b>	<b>5</b>	<b>—</b>
<b>Total value of investments</b>		<b>618,116</b>	<b>97.96</b>
<b>Net other assets (1.45%)</b>		<b>12,882</b>	<b>2.04</b>
<b>Net assets</b>		<b>630,998</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	197,401	70,298
Total sales for the period	188,280	89,202

## Threadneedle Latin America Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.43% (0.70%)</b>				<b>Banks 15.20% (14.78%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.70%)</b>			4,543,618	Banco Bradesco	38,384	7.58
	<b>Electricity 0.43% (0.00%)</b>			3,726,845	Itau Unibanco ADR	38,607	7.62
45,896	Pampa Energia ADR	2,174	0.43		<b>Nonlife Insurance 1.52% (1.59%)</b>		
	<b>Total Argentina</b>	<b>2,174</b>	<b>0.43</b>	1,086,000	BB Seguridade Participacoes	7,683	1.52
<b>BERMUDA 2.15% (2.11%)</b>					<b>Real Estate Investment &amp; Services 2.16% (2.35%)</b>		
	<b>Banks 2.15% (2.11%)</b>			1,716,930	BR Malls Participacoes	5,909	1.17
68,818	Credicorp	10,866	2.15	530,400	Iguatemi Empresa de Shopping Centers	5,027	0.99
	<b>Total Bermuda</b>	<b>10,866</b>	<b>2.15</b>		<b>Financial Services 3.03% (5.28%)</b>		
<b>BRAZIL 56.29% (56.41%)</b>				2,090,300	B3	11,728	2.32
	<b>Oil &amp; Gas Producers 5.34% (6.39%)</b>			653,040	Cielo	3,603	0.71
3,117,800	Petroleo Brasileiro	11,913	2.35		<b>Total Brazil</b>	<b>285,133</b>	<b>56.29</b>
2,055,377	Petroleo Brasileiro ADR	15,168	2.99				
	<b>Industrial Metals &amp; Mining 5.31% (0.80%)</b>			<b>CHILE 4.78% (2.93%)</b>			
927,600	Gerdau Preference Share	2,952	0.58		<b>Beverages 1.48% (0.00%)</b>		
514,100	Vale	4,537	0.90	360,481	Cia Cervecerias ADR	7,521	1.48
2,210,416	Vale ADR	19,419	3.83		<b>General Retailers 3.30% (2.93%)</b>		
	<b>Mining 0.00% (4.38%)</b>			2,243,525	S.A.C.I. Falabella	16,701	3.30
	<b>General Industrials 1.55% (1.46%)</b>				<b>Total Chile</b>	<b>24,222</b>	<b>4.78</b>
1,802,800	Klabin	7,839	1.55				
	<b>Industrial Transportation 2.11% (0.83%)</b>			<b>COLOMBIA 1.29% (1.77%)</b>			
2,463,800	CCR	10,702	2.11		<b>Banks 1.29% (1.77%)</b>		
	<b>Support Services 0.00% (0.74%)</b>			176,677	Bancolombia ADR	6,524	1.29
	<b>Automobiles &amp; Parts 1.47% (0.00%)</b>				<b>Total Colombia</b>	<b>6,524</b>	<b>1.29</b>
1,408,700	Iochpe-Maxion	7,459	1.47				
	<b>Beverages 6.34% (5.63%)</b>			<b>LUXEMBOURG 0.68% (1.38%)</b>			
6,528,055	Ambev ADR	32,117	6.34		<b>Food Producers 0.68% (1.38%)</b>		
	<b>Food Producers 1.09% (2.60%)</b>			451,238	Adecoagro	3,461	0.68
730,900	Hypermarcas	5,515	1.09		<b>Total Luxembourg</b>	<b>3,461</b>	<b>0.68</b>
	<b>Personal Goods 1.05% (0.71%)</b>			<b>MEXICO 28.47% (26.37%)</b>			
1,530,700	Alpargatas	5,309	1.05		<b>Industrial Metals &amp; Mining 3.06% (3.24%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 1.09% (0.00%)</b>			6,087,421	Grupo Mexico	15,498	3.06
859,800	Biotoscana Farma	5,543	1.09		<b>Construction &amp; Materials 4.01% (4.11%)</b>		
	<b>General Retailers 0.82% (0.00%)</b>			1,869,142	Cemex ADR	13,137	2.59
509,700	Lojas Renner	4,168	0.82	858,713	Promotora y Operadora de Infraestructura	7,212	1.42
	<b>Fixed Line Telecommunications 2.71% (2.85%)</b>				<b>General Industrials 1.45% (1.34%)</b>		
1,143,500	Telefonica Brasil	13,745	2.71	7,100,100	Alfa	7,318	1.45
	<b>Mobile Telecommunications 1.23% (1.18%)</b>				<b>Beverages 3.90% (4.07%)</b>		
1,309,380	Linx	6,213	1.23	261,381	Fomento Economico Mexicano ADR	19,730	3.90
	<b>Electricity 4.27% (4.84%)</b>				<b>Food Producers 1.53% (0.00%)</b>		
2,169,800	AES Tiete Energia	7,649	1.51	684,990	Gruma	7,736	1.53
709,100	Energisa	4,442	0.88		<b>General Retailers 2.89% (2.82%)</b>		
1,692,900	Transmissora Alianca de Energia Eletrica	9,502	1.88	7,918,194	Wal-Mart de Mexico	14,634	2.89
					<b>Media 0.86% (2.18%)</b>		
				229,325	Grupo Televisa ADR	4,376	0.86
					<b>Travel &amp; Leisure 0.77% (0.00%)</b>		
				1,417,600	Alsea Sab de CV	3,922	0.77

## Threadneedle Latin America Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 28.47% (26.37%) (continued)</b>			
	<b>Mobile Telecommunications 4.74% (3.09%)</b>		
1,713,269	America Movil ADR	24,004	4.74
	<b>Gas, Water &amp; Multiutilities 0.70% (0.94%)</b>		
844,541	Infraestructura Energetica Nova	3,521	0.70
	<b>Banks 4.56% (4.12%)</b>		
2,582,200	Banco del Bajio	4,059	0.80
3,648,500	Grupo Financiero Banorte	19,039	3.76
	<b>Financial Services 0.00% (0.46%)</b>		
	<b>Total Mexico</b>	<b>144,186</b>	<b>28.47</b>
<b>UNITED KINGDOM 0.00% (0.16%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.16%)</b>		
	<b>Total United Kingdom</b>	<b>–</b>	<b>–</b>
<b>UNITED STATES OF AMERICA 2.76% (3.39%)</b>			
	<b>Banks 2.02% (2.71%)</b>		
464,961	BCO Santander Chile ADR	10,230	2.02
	<b>Financial Services 0.74% (0.68%)</b>		
533,801	Grupo Aval Acciones y Valores	3,756	0.74
	<b>Total United States of America</b>	<b>13,986</b>	<b>2.76</b>
<b>Total value of investments</b>		<b>490,552</b>	<b>96.85</b>
<b>Net other assets (4.78%)</b>		<b>15,959</b>	<b>3.15</b>
<b>Net assets</b>		<b>506,511</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	92,607	84,089
Total sales for the period	96,990	58,649

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

as at 7 September 2017

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>ANGOLA 0.00% (0.50%)</b>					<b>CAYMAN ISLANDS 0.00% (1.86%)</b>				
	<b>B1 0.00% (0.50%)</b>					<b>BB- 0.00% (1.86%)</b>			
	<b>Total Angola</b>		—	—		<b>Total Cayman Islands</b>		—	—
<b>ARGENTINA 7.83% (7.67%)</b>					<b>COLOMBIA 1.74% (1.99%)</b>				
	<b>B 7.83% (0.00%)</b>					<b>BBB 1.74% (1.99%)</b>			
USD	3,070,000	Provincia de Buenos Aires 7.875% 15/06/2027	2,537	1.02	USD	2,960,000	Ecopetrol 5.375% 26/06/2026	2,425	0.98
USD	1,843,903	Provincia de Buenos Aires 9.95% 09/06/2021	1,619	0.65	USD	2,540,000	Ecopetrol 5.875% 28/05/2045	1,896	0.76
USD	4,125,000	Provincia de Cordoba 7.125% 01/08/2027	3,248	1.31			<b>Total Colombia</b>	<b>4,321</b>	<b>1.74</b>
USD	1,500,000	Provincia de Cordoba 7.45% 01/09/2024	1,236	0.50					
USD	4,495,000	Republic of Argentina 6.625% 06/07/2028	3,608	1.45	USD	1,112,000	Costa Rica Government International Bond 4.25% 26/01/2023	841	0.34
USD	1,410,000	Republic of Argentina 6.875% 22/04/2021	1,170	0.47	USD	2,595,000	Costa Rica Government International Bond 7.158% 12/03/2045	2,148	0.86
USD	1,840,000	Republic of Argentina 6.875% 26/01/2027	1,519	0.61			<b>Total Costa Rica</b>	<b>2,989</b>	<b>1.20</b>
USD	2,050,000	Republic of Argentina 7.125% 06/07/2036	1,644	0.66					
USD	2,980,000	Republic of Argentina 7.125% 28/06/2117	2,246	0.90					
USD	760,000	Republic of Argentina 7.5% 22/04/2026	652	0.26					
	<b>B- 0.00% (6.66%)</b>				<b>CROATIA 1.78% (1.85%)</b>				
	<b>B3 0.00% (1.01%)</b>					<b>BB 1.78% (1.85%)</b>			
	<b>Total Argentina</b>		<b>19,479</b>	<b>7.83</b>	USD	2,560,000	Croatia Government International Bond 6% 26/01/2024	2,250	0.91
<b>AZERBAIJAN 1.01% (0.00%)</b>					USD	1,925,000	Croatia Government International Bond 6.75% 05/11/2019	1,601	0.64
	<b>Ba2 1.01% (0.00%)</b>				USD	684,000	Hrvatska Elektroprivreda 5.875% 23/10/2022	577	0.23
USD	2,900,000	Southern Gas Corridor 6.875% 24/03/2026	2,506	1.01			<b>Total Croatia</b>	<b>4,428</b>	<b>1.78</b>
	<b>Total Azerbaijan</b>		<b>2,506</b>	<b>1.01</b>	<b>DOMINICAN REPUBLIC 7.28% (7.40%)</b>				
<b>BELARUS 1.35% (0.00%)</b>						<b>BB- 5.79% (6.43%)</b>			
	<b>B- 1.35% (0.00%)</b>				USD	1,992,000	Dominican Republic International Bond 5.875% 18/04/2024	1,657	0.67
USD	1,300,000	Republic of Belarus 6.875% 28/02/2023	1,067	0.43	USD	5,350,000	Dominican Republic International Bond 5.95% 25/01/2027	4,451	1.79
USD	2,700,000	Republic of Belarus 7.625% 29/06/2027	2,288	0.92	USD	1,475,000	Dominican Republic International Bond 6.85% 27/01/2045	1,278	0.51
	<b>Total Belarus</b>		<b>3,355</b>	<b>1.35</b>	USD	1,480,000	Dominican Republic International Bond 6.875% 29/01/2026	1,305	0.52
<b>BRAZIL 3.45% (4.37%)</b>					USD	2,382,000	Dominican Republic International Bond 7.45% 30/04/2044	2,195	0.88
	<b>BB 3.45% (4.37%)</b>				USD	4,158,000	Dominican Republic International Bond 7.5% 06/05/2021	3,534	1.42
USD	3,552,000	Brazil Government International Bond 5.625% 07/01/2041	2,727	1.10			<b>Not Rated 1.49% (0.97%)</b>		
USD	1,580,000	Brazil Government International Bond 8.25% 20/01/2034	1,570	0.63	DOP	85,400,000	Dominican Republic International Bond 11.5% 10/05/2024	1,456	0.59
BRL	12,900	Brazil Government International Bond 10% 01/01/2023	3,310	1.33	DOP	112,000,000	Dominican Republic International Bond 16.95% 04/12/2022	2,228	0.90
BRL	3,840	Brazil Government International Bond 10% 01/01/2025	980	0.39			<b>Total Dominican Republic</b>	<b>18,104</b>	<b>7.28</b>
	<b>Total Brazil</b>		<b>8,587</b>	<b>3.45</b>	<b>ECUADOR 1.51% (2.64%)</b>				
<b>BRITISH VIRGIN ISLANDS 2.02% (0.00%)</b>						<b>B 0.00% (2.64%)</b>			
	<b>AA- 2.02% (0.00%)</b>					<b>B- 1.14% (0.00%)</b>			
USD	6,400,000	State Grid 3.5% 04/05/2027	5,021	2.02	USD	1,500,000	Republic of Ecuador 7.95% 20/06/2024	1,124	0.45
	<b>Total British Virgin Islands</b>		<b>5,021</b>	<b>2.02</b>	USD	1,145,000	Republic of Ecuador 9.65% 13/12/2026	919	0.37
					USD	960,000	Republic of Ecuador 10.75% 28/03/2022	806	0.32
							<b>Not Rated 0.37% (0.00%)</b>		
					USD	1,275,000	Petroamazonas 4.625% 16/02/2020	915	0.37
							<b>Total Ecuador</b>	<b>3,764</b>	<b>1.51</b>

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>EGYPT 3.42% (2.87%)</b>					<b>B+ 0.00% (0.51%)</b>				
		<b>B- 0.00% (1.17%)</b>				<b>Total Honduras</b>		<b>3,529</b>	<b>1.42</b>
		<b>B3 1.74% (1.70%)</b>			<b>HUNGARY 1.17% (1.23%)</b>				
USD	2,256,000	Republic of Egypt 7.5% 31/01/2027	1,916	0.77		<b>BBB- 0.74% (0.77%)</b>			
USD	2,780,000	Republic of Egypt 8.5% 31/01/2047	2,419	0.97	USD	2,308,000	Magyar Export-Import Bank 4% 30/01/2020	1,826	0.74
		<b>Not Rated 1.68% (0.00%)</b>				<b>Baa3 0.43% (0.46%)</b>			
EGP	72,000,000	Egypt Treasury Bill 0% 12/06/2018	2,719	1.10	USD	1,270,000	MFB Magyar Fejlesztési Bank 6.25% 21/10/2020	1,075	0.43
EGP	39,000,000	Egypt Treasury Bill 0% 24/07/2018	1,445	0.58		<b>Total Hungary</b>		<b>2,901</b>	<b>1.17</b>
		<b>Total Egypt</b>	<b>8,499</b>	<b>3.42</b>					
<b>EL SALVADOR 0.77% (1.15%)</b>					<b>INDONESIA 6.19% (7.22%)</b>				
		<b>B- 0.00% (1.15%)</b>				<b>BBB- 5.20% (0.00%)</b>			
		<b>CCC 0.77% (0.00%)</b>			USD	1,490,000	Indonesia Government International Bond 3.375% 15/04/2023	1,166	0.47
USD	883,000	El Salvador Government International Bond 5.88% 30/01/2025	642	0.26	USD	1,588,000	Indonesia Government International Bond 3.75% 25/04/2022	1,265	0.51
USD	1,572,000	El Salvador Government International Bond 8.25% 10/04/2032	1,266	0.51	USD	1,643,000	Indonesia Government International Bond 4.625% 15/04/2043	1,311	0.53
		<b>Total El Salvador</b>	<b>1,908</b>	<b>0.77</b>	USD	2,137,000	Indonesia Government International Bond 5.25% 17/01/2042	1,831	0.74
<b>ETHIOPIA 0.36% (0.36%)</b>					USD	2,062,000	Indonesia Government International Bond 5.875% 15/01/2024	1,830	0.74
		<b>B 0.36% (0.36%)</b>			USD	1,935,000	Indonesia Government International Bond 6.63% 17/02/2037	1,902	0.76
USD	1,156,000	Federal Democratic Republic of Ethiopia 6.625% 11/12/2024	906	0.36	USD	1,051,000	Indonesia Government International Bond 7.75% 17/01/2038	1,152	0.46
		<b>Total Ethiopia</b>	<b>906</b>	<b>0.36</b>	USD	556,000	Indonesia Government International Bond 8.5% 12/10/2035	635	0.25
<b>GABON 0.00% (1.12%)</b>					USD	2,342,000	Perusahaan Penerbit SBSN Indonesia 4% 21/11/2018	1,833	0.74
		<b>B1 0.00% (0.33%)</b>				<b>BB+ 0.00% (6.43%)</b>			
		<b>Not Rated 0.00% (0.79%)</b>				<b>BB 0.99% (0.79%)</b>			
		<b>Total Gabon</b>	<b>-</b>	<b>-</b>	USD	3,101,000	Perusahaan Listrik Negara PT 5.25% 24/10/2042	2,460	0.99
<b>GEORGIA 0.57% (0.61%)</b>						<b>Total Indonesia</b>		<b>15,385</b>	<b>6.19</b>
		<b>BB- 0.21% (0.22%)</b>							
USD	611,000	Georgia Government International Bond 6.875% 12/04/2021	521	0.21		<b>IVORY COAST 2.76% (1.39%)</b>			
		<b>B+ 0.36% (0.39%)</b>				<b>Ba3 1.82% (0.21%)</b>			
USD	1,062,000	Georgian Railway JSC 7.75% 11/07/2022	900	0.36	EUR	1,102,000	Ivory Coast 5.125% 15/06/2025	1,050	0.42
		<b>Total Georgia</b>	<b>1,421</b>	<b>0.57</b>	USD	3,922,000	Ivory Coast 6.125% 15/06/2033	2,993	1.20
<b>GHANA 1.79% (1.36%)</b>					USD	644,000	Ivory Coast Government International Bond 5.375% 23/07/2024	498	0.20
		<b>B1 1.79% (0.11%)</b>				<b>Not Rated 0.94% (1.18%)</b>			
USD	4,500,000	Republic of Ghana 10.75% 14/10/2030	4,462	1.79	USD	3,168,000	*Ivory Coast Government International Bond 2.5% 31/12/2032	2,330	0.94
		<b>B- 0.00% (1.25%)</b>				<b>Total Ivory Coast</b>		<b>6,871</b>	<b>2.76</b>
		<b>Total Ghana</b>	<b>4,462</b>	<b>1.79</b>					
<b>GUATEMALA 1.17% (1.22%)</b>					<b>JAMAICA 1.13% (1.14%)</b>				
		<b>BB 1.17% (1.22%)</b>				<b>B 1.13% (1.14%)</b>			
USD	3,689,000	Guatemala Government Bond 4.875% 13/02/2028	2,911	1.17	USD	2,500,000	Jamaica 6.75% 28/04/2028	2,226	0.90
		<b>Total Guatemala</b>	<b>2,911</b>	<b>1.17</b>	USD	610,000	Jamaica 8% 15/03/2039	580	0.23
<b>HONDURAS 1.42% (0.51%)</b>						<b>Total Jamaica</b>		<b>2,806</b>	<b>1.13</b>
		<b>BB- 1.42% (0.00%)</b>				<b>KAZAKHSTAN 0.00% (0.38%)</b>			
USD	1,530,000	Republic of Honduras 6.25% 19/01/2027	1,266	0.51		<b>BBB- 0.00% (0.38%)</b>			
USD	2,600,000	Republic of Honduras 7.5% 15/03/2024	2,263	0.91		<b>Total Kazakhstan</b>		<b>-</b>	<b>-</b>



## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>LUXEMBOURG 1.07% (1.98%)</b>					<b>PAKISTAN 2.03% (1.39%)</b>				
		<b>BB+ 1.07% (1.98%)</b>					<b>B 2.03% (1.39%)</b>		
USD	1,629,000	Gaz Capital 6.51% 07/03/2022	1,384	0.56	USD	4,900,000	Islamic Republic of Pakistan 8.25% 15/04/2024	4,231	1.70
USD	1,638,000	GPN Capital 4.375% 19/09/2022	1,276	0.51	USD	1,034,000	Pakistan Government International Bond 6.75% 03/12/2019	826	0.33
		<b>Total Luxembourg</b>	<b>2,660</b>	<b>1.07</b>			<b>Total Pakistan</b>	<b>5,057</b>	<b>2.03</b>
<b>MEXICO 13.65% (13.22%)</b>					<b>PANAMA 0.81% (0.58%)</b>				
		<b>A 2.12% (1.66%)</b>					<b>A- 0.81% (0.58%)</b>		
MXN	115,200,000	Mexican Bonos 7.75% 23/11/2034	5,260	2.12	USD	2,370,000	Autoridad del Canal de Panama 4.95% 29/07/2035	2,005	0.81
		<b>BBB+ 11.53% (11.05%)</b>					<b>Total Panama</b>	<b>2,005</b>	<b>0.81</b>
USD	910,000	Comision Federal de Electricidad 4.75% 23/02/2027	728	0.29	<b>PARAGUAY 0.74% (0.46%)</b>				
USD	1,767,000	Comision Federal de Electricidad 4.88% 26/05/2021	1,446	0.58			<b>BB 0.74% (0.46%)</b>		
USD	2,950,000	Mexico City Airport Trust 4.25% 31/10/2026	2,322	0.93	USD	775,000	Republic of Paraguay 4.7% 27/03/2027	628	0.25
USD	3,581,000	Petroleos Mexicanos 3.5% 30/01/2023	2,709	1.09	USD	1,380,000	Republic of Paraguay 6.1% 11/08/2044	1,217	0.49
USD	1,320,000	Petroleos Mexicanos 4.625% 21/09/2023	1,048	0.42			<b>Total Paraguay</b>	<b>1,845</b>	<b>0.74</b>
USD	2,032,000	Petroleos Mexicanos 4.875% 24/01/2022	1,631	0.66	<b>PERU 3.19% (2.72%)</b>				
USD	4,356,000	Petroleos Mexicanos 4.875% 18/01/2024	3,465	1.39			<b>A- 0.98% (0.96%)</b>		
USD	1,607,000	Petroleos Mexicanos 5.5% 21/01/2021	1,318	0.53	PEN	9,200,000	Peruvian Government International Bond 6.95% 12/08/2031	2,433	0.98
USD	1,512,000	Petroleos Mexicanos 5.5% 27/06/2044	1,089	0.44			<b>A3 0.51% (0.00%)</b>		
USD	2,741,000	Petroleos Mexicanos 6.375% 23/01/2045	2,149	0.86	PEN	5,000,000	Republic of Peru 6.35% 12/08/2028	1,267	0.51
USD	2,093,000	Petroleos Mexicanos 6.5% 02/06/2041	1,683	0.68			<b>BBB+ 1.41% (1.45%)</b>		
USD	2,092,000	Petroleos Mexicanos 6.625% 15/06/2035	1,736	0.70	USD	637,000	Peruvian Government International Bond 5.625% 18/11/2050	620	0.25
USD	2,040,000	Petroleos Mexicanos 6.75% 21/09/2047	1,665	0.67	USD	2,849,000	Peruvian Government International Bond 7.35% 21/07/2025	2,878	1.16
USD	2,104,000	United Mexican States 3.625% 15/03/2022	1,688	0.68			<b>BBB- 0.29% (0.31%)</b>		
USD	1,665,000	United Mexican States 4.6% 23/01/2046	1,296	0.52	USD	900,000	*Financiera de Desarrollo 5.25% 15/07/2029	723	0.29
USD	2,727,000	United Mexican States 6.75% 27/09/2034	2,719	1.09			<b>Total Peru</b>	<b>7,921</b>	<b>3.19</b>
		<b>Ba1 0.00% (0.51%)</b>			<b>REPUBLIC OF IRELAND 1.77% (2.48%)</b>				
		<b>Total Mexico</b>	<b>33,952</b>	<b>13.65</b>			<b>BB+ 1.77% (2.48%)</b>		
<b>NAMIBIA 0.00% (0.27%)</b>					USD	830,000	VEB Finance 5.94% 21/11/2023	681	0.27
		<b>Baa3 0.00% (0.27%)</b>			USD	2,050,000	VEB Finance 6.8% 22/11/2025	1,764	0.71
		<b>Total Namibia</b>	<b>-</b>	<b>-</b>	USD	2,369,000	VEB Finance 6.9% 09/07/2020	1,958	0.79
							<b>Total Republic of Ireland</b>	<b>4,403</b>	<b>1.77</b>
<b>NETHERLANDS 3.47% (4.01%)</b>					<b>RUSSIA 2.79% (3.45%)</b>				
		<b>BB 0.00% (0.25%)</b>					<b>BBB- 1.65% (0.00%)</b>		
		<b>BB- 3.47% (3.76%)</b>			RUB	314,000,000	Russian Federal Bond 7.05% 19/01/2028	4,106	1.65
USD	2,938,000	Kazakhstan Temir Zholy Finance 6.95% 10/07/2042	2,537	1.02			<b>BB+ 1.14% (3.45%)</b>		
USD	6,046,000	Petrobras Global Finance 6.25% 17/03/2024	4,948	1.99	USD	1,982,005	*Russian Foreign Bond – Eurobond 5% 31/03/2030	917	0.37
USD	1,250,000	Petrobras Global Finance 8.75% 23/05/2026	1,155	0.46	USD	2,200,000	Russian Foreign Bond – Eurobond 5.625% 04/04/2042	1,910	0.77
		<b>Total Netherlands</b>	<b>8,640</b>	<b>3.47</b>			<b>Total Russia</b>	<b>6,933</b>	<b>2.79</b>
<b>NIGERIA 0.63% (0.63%)</b>									
		<b>B 0.63% (0.63%)</b>							
USD	1,820,000	Nigeria Government International Bond 7.875% 16/02/2032	1,564	0.63					
		<b>Total Nigeria</b>	<b>1,564</b>	<b>0.63</b>					



## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SENEGAL 1.33% (0.58%)</b>					<b>URUGUAY 0.64% (0.65%)</b>				
		<b>B+ 1.33% (0.58%)</b>					<b>BBB 0.64% (0.65%)</b>		
USD	1,750,000	Senegal Government International Bond 6.25% 30/07/2024	1,433	0.58	USD	1,055,669	Uruguay Government International Bond 4.375% 27/10/2027	875	0.35
USD	2,358,000	Senegal Government International Bond 6.25% 23/05/2033	1,868	0.75	USD	387,878	Uruguay Government International Bond 4.5% 14/08/2024	328	0.14
		<b>Total Senegal</b>	<b>3,301</b>	<b>1.33</b>	USD	397,368	Uruguay Government International Bond 6.88% 28/09/2025	377	0.15
							<b>Total Uruguay</b>	<b>1,580</b>	<b>0.64</b>
<b>SRI LANKA 1.06% (0.71%)</b>					<b>VENEZUELA 2.50% (3.84%)</b>				
		<b>B+ 1.06% (0.71%)</b>					<b>CCC 0.00% (1.66%)</b>		
USD	1,050,000	Republic of Sri Lanka 6.2% 11/05/2027	850	0.34			<b>CCC- 2.50% (1.53%)</b>		
USD	2,100,000	Sri Lanka Government International Bond 6.85% 03/11/2025	1,775	0.72	USD	2,799,922	Petroleos de Venezuela 6% 16/05/2024	640	0.26
		<b>Total Sri Lanka</b>	<b>2,625</b>	<b>1.06</b>	USD	8,692,931	Petroleos de Venezuela 6% 15/11/2026	1,986	0.80
<b>SUPRANATIONAL 1.00% (1.07%)</b>					USD	2,685,000	Venezuela Government International Bond 7.65% 21/04/2025	721	0.29
		<b>BB- 1.00% (1.07%)</b>			USD	8,677,700	Venezuela Government International Bond 8.25% 13/10/2024	2,349	0.94
USD	1,365,000	Republic of Serbia 4.875% 25/02/2020	1,097	0.44	USD	1,897,500	Venezuela Government International Bond 9% 07/05/2023	525	0.21
USD	1,755,000	Republic of Serbia 5.875% 03/12/2018	1,397	0.56			<b>Caa3 0.00% (0.31%)</b>		
		<b>Total Supranational</b>	<b>2,494</b>	<b>1.00</b>			<b>Not Rated 0.00% (0.34%)</b>		
<b>TRINIDAD AND TOBAGO 0.97% (1.02%)</b>							<b>Total Venezuela</b>	<b>6,221</b>	<b>2.50</b>
		<b>BB 0.97% (1.02%)</b>			<b>ZAMBIA 0.00% (0.67%)</b>				
USD	2,895,000	Petroleum of Trinidad & Tobago 9.75% 14/08/2019	2,407	0.97			<b>B 0.00% (0.67%)</b>		
		<b>Total Trinidad And Tobago</b>	<b>2,407</b>	<b>0.97</b>			<b>Total Zambia</b>	<b>-</b>	<b>-</b>
<b>TUNISIA 0.20% (0.20%)</b>					<b>DERIVATIVES -0.11% (-0.23%)</b>				
		<b>Ba3 0.00% (0.20%)</b>					<b>Forward Foreign Exchange Contracts -0.11% (-0.23%)</b>		
		<b>B1 0.20% (0.00%)</b>					Sell USD 17,717		
USD	645,000	Banque Centrale de Tunisie 5.75% 30/01/2025	487	0.20			Buy EUR 15,000 Lloyds	-	-
		<b>Total Tunisia</b>	<b>487</b>	<b>0.20</b>			Sell USD 193,000		
<b>TURKEY 5.30% (5.29%)</b>							Buy GBP 148,929 Barclays	2	-
		<b>Ba1 5.30% (5.29%)</b>					Sell USD 25,790		
USD	2,098,000	Turkey Government International Bond 5.125% 25/03/2022	1,690	0.68			Buy GBP 20,000 Barclays	-	-
USD	5,960,000	Turkey Government International Bond 6% 25/03/2027	4,977	2.00			Sell EUR 1,087,000		
USD	1,760,000	Turkey Government International Bond 6.25% 26/09/2022	1,485	0.60			Buy USD 1,243,879 HSBC	(45)	(0.02)
USD	2,082,000	Turkey Government International Bond 6.875% 17/03/2036	1,842	0.74			Sell GBP 1,370,000		
USD	2,201,000	Turkey Government International Bond 7.375% 05/02/2025	1,983	0.80			Buy USD 1,788,349 HSBC	(4)	-
USD	1,239,000	Turkey Government International Bond 8% 14/02/2034	1,206	0.48			Sell BRL 16,638,073		
		<b>Total Turkey</b>	<b>13,183</b>	<b>5.30</b>			Buy USD 5,055,782 Bank of Scotland	(236)	(0.09)
<b>UKRAINE 2.67% (0.00%)</b>							Sell EUR 54,000		
		<b>B- 2.67% (0.00%)</b>					Buy USD 63,851 J.P. Morgan	(1)	-
USD	2,520,000	Ukraine Government 7.75% 01/09/2020	2,016	0.81			<b>Total Derivatives</b>	<b>(284)</b>	<b>(0.11)</b>
USD	5,850,000	Ukraine Government 7.75% 01/09/2026	4,625	1.86			<b>Total value of investments</b>	<b>237,788</b>	<b>95.63</b>
		<b>Total Ukraine</b>	<b>6,641</b>	<b>2.67</b>			<b>Net other assets (4.35%)</b>	<b>10,856</b>	<b>4.37</b>
							<b>Net assets</b>	<b>248,644</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Investment
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	234,102	98.45
Floating rate notes	3,970	1.67
Derivatives	(284)	(0.12)
<b>Total value of investments</b>	<b>237,788</b>	<b>100.00</b>

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	63,924	45,104
Total sales for the period	60,999	28,507

## Threadneedle High Yield Bond Fund

### Portfolio Statement

as at 7 September 2017

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
<b>AUSTRALIA 1.12% (0.73%)</b>					EUR	1,600,000	Areva 3.125% 20/03/2023	1,510	0.18
	<b>BB 1.12% (0.73%)</b>				EUR	1,800,000	Areva 3.5% EMTN 22/03/2021	1,751	0.21
EUR	5,641,000	*Origin Energy Finance 4% 16/09/2074	5,375	0.64	EUR	4,900,000	Crown European Holdings 2.625% 30/09/2024	4,589	0.54
EUR	4,271,000	*Origin Energy Finance 7.875% 16/06/2071	4,100	0.48	EUR	212,000	Crown European Holdings 4% 15/07/2022	217	0.03
	<b>Total Australia</b>		<b>9,475</b>	<b>1.12</b>	EUR	4,167,000	Elis 3% 30/04/2022	3,924	0.46
<b>BELGIUM 0.65% (0.34%)</b>					EUR	1,800,000	SPIE 3.125% 22/03/2024	1,719	0.20
	<b>BB 0.30% (0.34%)</b>				EUR	1,041,000	Rexel 3.5% 15/06/2023	1,002	0.12
EUR	2,647,000	*KBC Groep 5.625% 19/12/2049	2,507	0.30			<b>BB- 0.12% (0.10%)</b>		
	<b>Not Rated 0.35% (0.00%)</b>				EUR	700,000	La Financiere Atalian 4% 15/05/2024	668	0.08
EUR	3,900,000	*Belfius Bank 4.609% 29/12/2165	2,988	0.35	EUR	3,754,000	Numericable-SFR 5.625% 15/05/2024	3,717	0.44
	<b>Total Belgium</b>		<b>5,495</b>	<b>0.65</b>	EUR	5,504,000	Paprec Holding 5.25% 01/04/2022	5,263	0.62
<b>CANADA 1.79% (1.37%)</b>					EUR	2,759,000	SFR Group 5.375% 15/05/2022	2,635	0.31
	<b>BB- 0.27% (0.00%)</b>				USD	1,482,000	SFR Group 6% 15/05/2022	1,186	0.14
USD	1,155,000	Valeant 6.5% 15/03/2022	928	0.11			<b>B 0.57% (0.54%)</b>		
USD	1,651,000	Valeant 7% 15/03/2024	1,340	0.16	EUR	720,000	Homevi 6.875% 15/08/2021	681	0.08
	<b>B 0.85% (0.00%)</b>				EUR	4,230,000	Horizon Holdings III 5.125% 01/08/2022	4,103	0.49
EUR	7,173,000	Cott Finance 5.5% 01/07/2024	7,200	0.85			<b>B- 0.45% (0.27%)</b>		
	<b>B- 0.67% (1.37%)</b>				EUR	1,955,000	Newco Sab Midco 5.375% 15/04/2025	1,868	0.22
EUR	7,641,000	Valeant Pharmaceuticals 4.5% 15/05/2023	5,729	0.67	EUR	1,978,000	Paprec Holding 7.375% 01/04/2023	1,952	0.23
	<b>Total Canada</b>		<b>15,197</b>	<b>1.79</b>			<b>CCC+ 0.33% (0.13%)</b>		
<b>CAYMAN ISLANDS 0.68% (0.57%)</b>					EUR	1,097,000	Holdikks SAS 6.75% 15/07/2021	690	0.08
	<b>BB 0.24% (0.00%)</b>				EUR	2,164,000	Horizon Holdings I 7.25% 01/08/2023	2,119	0.25
EUR	2,220,000	UPCB Finance VII 3.625% 15/06/2029	2,018	0.24			<b>Total France</b>	<b>58,103</b>	<b>6.86</b>
	<b>B2 0.44% (0.47%)</b>				<b>GERMANY 7.85% (9.10%)</b>				
EUR	4,405,000	Viridian Group FundCo II 7.5% 01/03/2020	3,763	0.44			<b>BB 1.76% (2.62%)</b>		
	<b>Not Rated 0.00% (0.10%)</b>				EUR	1,892,000	*Lanxess Finance 4.5% 06/12/2076	1,901	0.22
	<b>Total Cayman Islands</b>		<b>5,781</b>	<b>0.68</b>	EUR	1,476,000	*RWWE 3.5% 21/04/2075	1,348	0.16
<b>CROATIA 0.06% (0.24%)</b>					GBP	4,800,000	*RWWE 7% 29/03/2049	5,121	0.61
	<b>Not Rated 0.06% (0.24%)</b>				EUR	1,795,000	Techem 6.125% 01/10/2019	1,675	0.20
EUR	2,820,000	*Aquarius Plus Investments FRN 08/08/2017 (Defaulted)	491	0.06	EUR	2,756,000	Thyssenkrupp 2.75% 08/03/2021	2,669	0.32
	<b>Total Croatia</b>		<b>491</b>	<b>0.06</b>	EUR	2,236,000	WEPA Hygieneprodukte 3.75% 15/05/2024	2,134	0.25
<b>FRANCE 6.86% (6.16%)</b>							<b>BB- 4.22% (3.71%)</b>		
	<b>A- 0.00% (0.56%)</b>				EUR	3,956,000	IHO Verwaltungs 3.25% 15/09/2023	3,745	0.44
	<b>BBB 0.31% (0.31%)</b>				EUR	5,132,000	IHO Verwaltungs PIK 2.75% 15/09/2021	4,819	0.57
USD	3,266,000	*Credit Agricole 8.125% 19/09/2033	2,642	0.31	EUR	3,225,514	IHO Verwaltungs PIK 3.75% 15/09/2026	3,098	0.37
	<b>BBB- 0.48% (0.46%)</b>				EUR	990,000	ProGroup 5.125% 01/05/2022	952	0.11
EUR	4,124,000	*Orange 4% 26/10/2049	4,092	0.48	EUR	1,298,000	Trionista Holdco 5% 30/04/2020	1,207	0.14
	<b>BB+ 1.22% (0.47%)</b>				EUR	2,000,000	Unitymedia Hessen 4% 15/01/2025	1,939	0.23
EUR	1,166,000	*Credit Agricole 6.5% 23/12/2049	1,178	0.14	EUR	3,190,000	Unitymedia Hessen 5.125% 21/01/2023	2,216	0.26
EUR	1,791,000	*Solvay Finance 5.118% 29/06/2049	1,827	0.22	EUR	1,943,000	Unitymedia Hessen 5.625% 15/04/2023	1,314	0.16
EUR	3,881,000	*Solvay Finance 5.869% 29/06/2049	4,161	0.49	EUR	9,958,000	Unitymedia Hessen 5.75% 15/01/2023	6,948	0.82
EUR	3,354,000	SPCM 2.875% 15/06/2023	3,152	0.37	EUR	2,250,000	Unitymedia Hessen 6.25% 15/01/2029	2,340	0.28
	<b>BB 1.79% (1.62%)</b>				EUR	3,332,000	Unitymedia NRW 3.5% 15/01/2027	3,162	0.37
EUR	1,500,000	*Accor 4.125% 30/06/2049	1,457	0.17	USD	4,980,000	Unitymedia NRW 5% 15/01/2025	4,003	0.47
							<b>B+ 0.00% (1.02%)</b>		
					EUR	4,839,000	Safari Holding Verwaltungs 8.25% 15/02/2021	3,040	0.36
					EUR	1,920,000	Techem Energy Metering Service 7.875% 01/10/2020	1,805	0.21
					EUR	4,425,000	Unitymedia 3.75% 15/01/2027	4,094	0.48

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>GERMANY 7.85% (9.10%) (continued)</b>					GBP	896,000	Leonardo 8% 16/12/2019	1,033	0.12
		<b>B- 0.31% (0.26%)</b>					<b>Ba1 0.80% (0.00%)</b>		
EUR	2,735,000	Trionista Topco 6.875% 30/04/2021	2,603	0.31	GBP	6,545,000	Gaz Capital 4.25% 06/04/2024	6,804	0.80
		<b>CCC+ 0.51% (0.44%)</b>					<b>BB 2.76% (3.37%)</b>		
EUR	4,482,000	CeramTec Group 8.25% 15/08/2021	4,314	0.51	EUR	1,322,000	Dufry Finance 4.5% 15/07/2022	1,252	0.15
		<b>Total Germany</b>	<b>66,447</b>	<b>7.85</b>	EUR	2,768,000	Dufry Finance 4.55% 01/08/2023	2,697	0.32
<b>ITALY 5.34% (4.70%)</b>					EUR	3,813,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	3,968	0.47
		<b>BB+ 5.05% (4.42%)</b>			EUR	3,882,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	3,993	0.47
EUR	6,759,000	*Enel 5% 15/01/2025	6,697	0.79	EUR	2,758,000	Fiat Finance & Trade 4.75% 22/03/2021	2,822	0.33
EUR	360,000	*Enel 6.5% 10/01/2074	354	0.04	EUR	5,765,000	Hanesbrands 3.5% 15/06/2024	5,639	0.67
GBP	4,040,000	*Enel 6.625% 15/09/2076	4,567	0.54	EUR	3,240,000	Wind Acquisition Finance 4% 15/07/2020	2,997	0.35
EUR	7,161,000	Finmeccanica 4.5% 19/01/2021	7,405	0.88			<b>BB- 0.87% (0.94%)</b>		
EUR	2,095,000	Telecom Italia 3% 30/09/2025	2,046	0.24	EUR	1,970,000	Altice Financing 5.25% 15/02/2023	1,899	0.23
EUR	1,185,000	Telecom Italia 3.625% 19/01/2024	1,214	0.14	EUR	715,000	Altice Financing 6.5% 15/01/2022	688	0.08
EUR	3,150,000	Telecom Italia 3.625% 25/05/2026	3,210	0.38	USD	982,000	Altice Financing 6.625% 15/02/2025	791	0.09
EUR	8,079,000	Telecom Italia 4.5% 25/01/2021	8,400	0.99	USD	1,750,000	Altice Financing 7.5% 15/05/2026	1,457	0.17
EUR	5,450,000	Telecom Italia 5.25% 10/02/2022	5,934	0.70	EUR	2,538,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	2,560	0.30
EUR	2,900,000	Telecom Italia 5.25% 17/03/2055	2,948	0.35			<b>B+ 1.35% (1.65%)</b>		
		<b>BB 0.29% (0.28%)</b>			EUR	1,456,000	Cirsa Funding 5.875% 15/05/2023	1,400	0.17
EUR	2,400,000	LKG Italia Bondco 3.875% 01/04/2024	2,404	0.29	EUR	1,311,000	Cirsa Funding Luxembourg 5.75% 15/05/2021	1,264	0.15
		<b>Total Italy</b>	<b>45,179</b>	<b>5.34</b>	EUR	5,684,000	Garfunkelux 7.5% 01/08/2022	5,594	0.66
<b>JAPAN 1.69% (1.37%)</b>					GBP	2,870,000	Garfunkelux 8.5% 01/11/2022	3,096	0.37
		<b>BB+ 1.69% (1.37%)</b>					<b>B 6.43% (5.67%)</b>		
EUR	6,300,000	Softbank Group 4% 30/07/2022	6,284	0.74	EUR	4,807,000	Altice 6.25% 15/02/2025	4,787	0.57
EUR	7,322,000	Softbank Group 4.75% 30/07/2025	7,524	0.89	EUR	11,363,000	Altice 7.25% 15/05/2022	11,036	1.30
EUR	484,000	Softbank Group 5.25% 30/07/2027	506	0.06	USD	573,000	Altice 7.625% 15/12/2025	472	0.06
		<b>Total Japan</b>	<b>14,314</b>	<b>1.69</b>	EUR	523,000	Befesa Zinc Capital 8.875% 15/05/2018	479	0.06
<b>JERSEY 2.58% (2.04%)</b>					EUR	4,759,000	Bormioli Rocco Holdings 10% 01/08/2018	4,399	0.52
		<b>BB+ 0.52% (0.45%)</b>			EUR	4,149,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	3,918	0.46
EUR	4,466,000	Lincoln Finance 6.875% 15/04/2021	4,352	0.52	EUR	3,670,000	Crystal Almond 10% 01/11/2021	3,691	0.44
		<b>(P)Ba2 0.37% (0.00%)</b>			EUR	2,817,000	Intralot Capital 6% 15/05/2021	2,652	0.31
EUR	3,390,000	LHC Three PIK 4.125% 15/08/2024	3,135	0.37	EUR	1,590,000	Intralot Capital 6.75% 15/09/2021	1,550	0.18
		<b>B 1.29% (1.19%)</b>			EUR	1,820,000	JH Holding Finance PIK 8.25% 01/12/2022	1,813	0.21
GBP	1,370,000	CPUK Finance 4.25% 28/08/2022	1,387	0.16	EUR	2,677,000	Lecta 6.5% 01/08/2023	2,551	0.30
GBP	790,000	CPUK Finance 4.875% 28/08/2025	802	0.10	EUR	2,688,000	Matterhorn Telecom 3.875% 01/05/2022	2,537	0.30
EUR	2,590,000	Mercury Bondco 7.125% 30/05/2021	2,469	0.29	EUR	15,296,000	Wind Acquisition Finance 7% 23/04/2021	14,568	1.72
EUR	6,520,000	Mercury Bondco PIK 8.25% 30/05/2021	6,282	0.74			<b>B- 0.10% (1.58%)</b>		
		<b>B- 0.40% (0.40%)</b>			EUR	860,000	ARD Finance PIK 6.625% 15/09/2023	839	0.10
GBP	3,399,000	TVL Finance 8.5% 15/05/2023	3,398	0.40			<b>CCC+ 1.17% (0.70%)</b>		
		<b>Total Jersey</b>	<b>21,825</b>	<b>2.58</b>	EUR	2,900,375	*Bilbao Luxembourg PIK 10.5% 24/10/2018	2,630	0.31
<b>LUXEMBOURG 17.04% (17.86%)</b>					EUR	4,339,000	Horizon Parent Holdings 8.25% 15/02/2022	4,236	0.50
		<b>BBB- 0.80% (0.66%)</b>			EUR	3,274,000	Matterhorn Telecom 4.875% 01/05/2023	3,043	0.36
EUR	6,900,000	*Grand City Properties 3.75% 29/12/2049	6,726	0.80			<b>Total Luxembourg</b>	<b>144,302</b>	<b>17.04</b>
		<b>BB+ 2.76% (3.29%)</b>							
EUR	1,435,000	Aramark International Finance 3.125% 01/04/2025	1,374	0.16					
EUR	2,293,000	Gaz Capital 3.389% 20/03/2020	2,208	0.26					
GBP	5,414,000	Gaz Capital 5.338% 25/09/2020	5,832	0.69					
USD	11,696,000	Gaz Capital 6.51% 07/03/2022	9,933	1.17					
EUR	3,204,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	3,074	0.36					

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 0.31% (0.29%)</b>					EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	1,267	0.15
EUR	1,019,000	<b>BB- 0.31% (0.29%)</b> Cemex 4.375% 05/03/2023	985	0.11	USD	4,726,969	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	1,264	0.15
USD	1,902,000	Cemex 7.75% 16/04/2026	1,666	0.20			<b>Total Netherlands</b>	<b>99,219</b>	<b>11.72</b>
		<b>Total Mexico</b>	<b>2,651</b>	<b>0.31</b>					
<b>NETHERLANDS 11.72% (12.13%)</b>					<b>POLAND 0.00% (0.35%)</b>				
EUR	3,200,000	<b>BBB- 0.36% (0.34%)</b> *Vonovia Finance 4.625% 08/04/2024	3,084	0.36			<b>B+ 0.00% (0.20%)</b>		
		<b>BB+ 4.85% (3.46%)</b>					<b>B- 0.00% (0.15%)</b>		
EUR	4,143,000	Schaeffler Holding Finance 2.5% 15/05/2020	3,843	0.45			<b>Total Poland</b>	<b>-</b>	<b>-</b>
EUR	2,427,000	Schaeffler Holding Finance 3.25% 15/05/2025	2,377	0.28	<b>PORTUGAL 0.37% (0.30%)</b>				
EUR	3,330,000	Schaeffler Holding Finance 3.5% 15/05/2022	3,106	0.37	EUR	1,100,000	<b>Not Rated 0.37% (0.30%)</b> Banco Espirito Santo 2.625% 08/05/2017 (Defaulted)	302	0.04
EUR	10,000,000	*Telefonica Europe 3.75% 31/12/2049	9,544	1.13	EUR	8,600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	2,362	0.28
EUR	5,800,000	*Telefonica Europe 4.2% 29/12/2049	5,606	0.66	EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	439	0.05
EUR	1,900,000	*Telefonica Europe 5% 31/03/2049	1,866	0.22			<b>Total Portugal</b>	<b>3,103</b>	<b>0.37</b>
EUR	5,600,000	*Telefonica Europe 6.5% 29/09/2049	5,423	0.64	<b>REPUBLIC OF IRELAND 2.53% (3.21%)</b>				
GBP	5,100,000	*Telefonica Europe 6.75% Perpetual	5,650	0.67	EUR	209,000	<b>BB+ 0.02% (0.16%)</b> Smurfit Kappa 3.25% 01/06/2021	207	0.02
EUR	3,925,000	*Tennet Holding 2.995% 01/06/2024	3,668	0.43			<b>BB 0.61% (0.00%)</b>		
		<b>BB 0.94% (1.41%)</b>			EUR	5,454,000	Ardagh Packaging Finance 2.75% 15/03/2024	5,124	0.61
EUR	1,562,000	*Koninklijke KPN 6.125% 29/03/2049	1,506	0.18			<b>BB- 0.30% (1.57%)</b>		
GBP	4,932,000	*Koninklijke KPN 6.875% 14/03/2073	5,470	0.65	EUR	2,522,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,535	0.30
EUR	899,000	OI European Group 6.75% 15/09/2020	972	0.11			<b>B+ 0.42% (0.36%)</b>		
		<b>Ba2 0.00% (0.76%)</b>			EUR	3,740,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	3,567	0.42
		<b>BB- 2.77% (2.60%)</b>					<b>B1u 0.09% (0.00%)</b>		
EUR	2,075,000	Axalta Coating Systems 3.75% 15/01/2025	2,001	0.24	EUR	749,000	*Allied Irish Banks 7.375% 29/12/2049	756	0.09
EUR	7,110,000	InterXion Holding 6% 15/07/2020	6,711	0.79			<b>B 1.09% (0.27%)</b>		
EUR	3,040,000	Petrobras Global Finance 4.75% 14/01/2025	2,935	0.35	GBP	790,000	Ardagh Packaging Finance 4.75% 15/07/2027	801	0.09
GBP	1,552,000	Petrobras Global Finance 5.375% 01/10/2029	1,515	0.18	EUR	5,747,000	Ardagh Packaging Finance 6.75% 15/05/2024	5,886	0.70
GBP	2,875,000	Petrobras Global Finance 6.625% 16/01/2034	2,946	0.35	GBP	2,432,000	Virgin Media 5.5% 15/09/2024	2,525	0.30
GBP	3,992,000	Petrobras International Finance 6.25% 14/12/2026	4,195	0.49			<b>B2u 0.00% (0.26%)</b>		
EUR	821,000	Ziggo Secured Finance 3.75% 15/01/2025	784	0.09			<b>CCC+ 0.00% (0.59%)</b>		
EUR	2,435,000	Ziggo Secured Finance 4.25% 15/01/2027	2,355	0.28			<b>Total Republic of Ireland</b>	<b>21,401</b>	<b>2.53</b>
		<b>B 2.27% (3.18%)</b>			<b>RUSSIA 0.75% (0.83%)</b>				
GBP	3,859,000	InterGen 7.5% 30/06/2021	3,711	0.44	EUR	1,102,000	<b>BB+ 0.75% (0.83%)</b> Gaz Capital 3.125% 17/11/2023	1,059	0.12
EUR	4,811,000	LGE HoldCo VI 7.125% 15/05/2024	4,961	0.59	EUR	5,443,000	Gaz Capital 3.6% 26/02/2021	5,323	0.63
EUR	2,095,000	UPC Holding 3.875% 15/06/2029	1,829	0.22			<b>Total Russia</b>	<b>6,382</b>	<b>0.75</b>
EUR	4,573,000	UPC Holding 6.75% 15/03/2023	4,446	0.52	<b>SPAIN 0.44% (0.02%)</b>				
EUR	4,361,000	Ziggo Bond Finance 4.625% 15/01/2025	4,224	0.50			<b>BB+ 0.22% (0.00%)</b>		
		<b>B- 0.23% (0.00%)</b>			EUR	2,000,000	Cellnex Telecom 2.375% 16/01/2024	1,894	0.22
EUR	2,069,000	Maxeda DIY Holding 6.125% 15/07/2022	1,960	0.23					
		<b>CCC+ 0.00% (0.16%)</b>							
		<b>Not Rated 0.30% (0.22%)</b>							

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>SPAIN 0.44% (0.02%) (continued)</b>					<b>BB 3.27% (3.20%)</b>				
		<b>B+ 0.22% (0.00%)</b>			GBP	3,833,000	Arrow Global Finance 5.125% 15/09/2024	3,975	0.47
EUR	2,005,000	Grifols 3.2% 01/05/2025	1,864	0.22	GBP	3,347,000	*Barclays Bank 14% 29/11/2049	4,001	0.47
		<b>Ca 0.00% (0.02%)</b>			GBP	6,149,000	*Co-Operative Group FRN 08/07/2020	6,888	0.81
		<b>Total Spain</b>	<b>3,758</b>	<b>0.44</b>	EUR	6,344,000	Ineos Finance 4% 01/05/2023	6,002	0.71
<b>SWEDEN 0.69% (0.04%)</b>					EUR	5,491,000	Merlin Entertainments 2.75% 15/03/2022	5,264	0.62
		<b>BBB- 0.05% (0.00%)</b>			USD	2,000,000	Royal Bank of Scotland Group 5.125% 28/05/2024	1,618	0.19
EUR	303,000	*Volvo Treasury 4.2% 10/06/2075	298	0.03			<b>BB- 2.46% (3.81%)</b>		
EUR	129,000	*Volvo Treasury 4.85% 10/03/2078	132	0.02	GBP	1,486,000	El Group 6.375% 15/02/2022	1,608	0.19
		<b>BB+ 0.64% (0.04%)</b>			GBP	1,460,000	El Group 6.875% 15/02/2021	1,624	0.19
EUR	3,033,000	Intrum Justitia 2.75% 15/07/2022	2,808	0.33	GBP	4,520,000	Iron Mountain Europe 6.125% 15/09/2022	4,723	0.56
EUR	2,843,000	Intrum Justitia 3.125% 15/07/2024	2,619	0.31			*Lloyds Banking Group 7% 29/12/2049	3,167	0.37
		<b>Total Sweden</b>	<b>5,857</b>	<b>0.69</b>	GBP	3,034,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,344	0.16
<b>SWITZERLAND 2.54% (2.23%)</b>					GBP	1,205,000	Virgin Media 4.875% 15/01/2027	5,788	0.68
		<b>BBB+ 0.54% (0.49%)</b>			GBP	5,565,000	Virgin Media Secured Finance 5.125% 15/01/2025	2,556	0.30
EUR	1,885,000	*UBS 4.75% 12/02/2026	1,900	0.22	GBP	2,420,000	Virgin Media Secured Finance 5.5% 15/01/2025	95	0.01
USD	3,320,000	UBS 5.125% 15/05/2024	2,712	0.32			<b>Ba3 0.25% (0.29%)</b>		
		<b>BBB 1.32% (1.17%)</b>			GBP	1,085,000	Anglian Water 5% 30/04/2023	1,172	0.14
EUR	6,901,000	*Credit Suisse 5.75% 18/09/2025	7,108	0.84	GBP	925,000	Ocado Group 4% 15/06/2024	924	0.11
USD	4,700,000	Credit Suisse 6.5% 08/08/2023	4,055	0.48			<b>B+ 2.38% (1.48%)</b>		
		<b>BB+ 0.68% (0.57%)</b>			EUR	900,000	EC Finance 5.125% 15/07/2021	843	0.10
EUR	5,660,000	*UBS Group 5.75% 29/12/2049	5,775	0.68	EUR	2,330,000	Inovyn Finance 6.25% 15/05/2021	1,775	0.21
		<b>Total Switzerland</b>	<b>21,550</b>	<b>2.54</b>	GBP	6,585,000	Moy Park Bondco 6.25% 29/05/2021	6,785	0.80
<b>UNITED KINGDOM 19.75% (24.03%)</b>					EUR	1,520,000	OTE 3.5% 09/07/2020	1,460	0.17
		<b>Baa2 0.47% (0.42%)</b>			EUR	2,770,000	OTE 4.375% 02/12/2019	2,699	0.32
GBP	2,574,000	Santander UK 10.0625% 29/10/2049	3,943	0.47	EUR	3,947,000	Synlab 6.25% 01/07/2022	3,871	0.46
		<b>BBB- 0.26% (0.00%)</b>			GBP	2,615,000	Voyage Care 5.875% 01/05/2023	2,720	0.32
EUR	386,000	Anglo American Capital 2.5% 29/04/2021	377	0.05			<b>B1 0.61% (0.56%)</b>		
EUR	1,771,000	Anglo American Capital 2.875% 20/11/2020	1,742	0.21	GBP	4,711,000	Thames Water Kemble Finance 7.75% 01/04/2019	5,181	0.61
		<b>BB+ 5.02% (7.67%)</b>					<b>B 2.48% (3.20%)</b>		
GBP	1,235,000	Drax Finco 4.25% 01/05/2022	1,285	0.15	GBP	2,426,000	Boparan Finance 5.5% 15/07/2021	2,383	0.28
EUR	1,380,000	International Game Technology 4.75% 15/02/2023	1,400	0.17	GBP	3,862,000	Cognita Finance 7.75% 15/08/2021	3,997	0.47
EUR	510,000	Jaguar Land Rover Automotive 2.2% 15/01/2024	471	0.06	USD	3,550,000	*Royal Bank of Scotland 8.625% 29/12/2049	3,001	0.35
GBP	1,465,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	1,490	0.18	EUR	3,425,000	Thomas Cook Group 6.25% 15/06/2022	3,400	0.40
GBP	6,521,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	6,840	0.81	GBP	7,715,000	Virgin Media Finance 6.375% 15/10/2024	8,331	0.98
GBP	2,848,000	*Lloyds Bank 13% 29/01/2049	5,395	0.64			<b>B- 0.64% (0.51%)</b>		
GBP	12,111,000	Tesco 6.125% 24/02/2022	13,956	1.65	GBP	1,869,000	IDH Finance 6.25% 15/08/2022	1,727	0.20
GBP	916,000	Tesco Property Finance 5.5% 13/10/2041	1,007	0.12	GBP	1,783,000	Keystone Financing 9.5% 15/10/2019	704	0.08
GBP	3,295,000	Tesco Property Finance 1 7.6227% 13/07/2039	3,931	0.46	EUR	3,040,000	Synlab 8.25% 01/07/2023	3,078	0.36
GBP	1,380,000	Tesco Property Finance 3 5.744% 13/04/2040	1,522	0.18			<b>B3 0.65% (0.00%)</b>		
GBP	2,120,000	Travis Perkins 4.5% 07/09/2023	2,207	0.26	GBP	5,600,000	KIRS Midco 3 8.375% 15/07/2023	5,492	0.65
GBP	2,773,000	William Hill 4.875% 07/09/2023	2,906	0.34			<b>CCC+ 0.60% (0.90%)</b>		
					USD	7,480,136	EnQuest PIK 7% 15/04/2022	3,986	0.47
					GBP	1,597,000	New Look Secured Bond 6.5% 01/07/2022	1,085	0.13





## Threadneedle Global Select Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 1.59% (1.43%)</b>				<b>INDONESIA 2.26% (1.76%)</b>			
	<b>Beverages 1.59% (1.43%)</b>				<b>Banks 2.26% (1.76%)</b>		
207,595	Anheuser-Busch InBev	19,138	1.59	31,792,200	Bank Rakyat Indonesia	27,294	2.26
	<b>Total Belgium</b>	<b>19,138</b>	<b>1.59</b>		<b>Total Indonesia</b>	<b>27,294</b>	<b>2.26</b>
<b>BERMUDA 1.40% (1.83%)</b>				<b>JAPAN 6.94% (5.44%)</b>			
	<b>Financial Services 1.40% (1.83%)</b>				<b>Industrial Engineering 2.82% (1.79%)</b>		
467,793	Ihs Markit	16,918	1.40	1,181,500	Kubota	15,915	1.32
	<b>Total Bermuda</b>	<b>16,918</b>	<b>1.40</b>	787,800	Yaskawa Electric	18,073	1.50
<b>BRAZIL 0.00% (0.44%)</b>					<b>Automobiles &amp; Parts 1.27% (1.26%)</b>		
	<b>General Retailers 0.00% (0.44%)</b>			463,700	Bridgestone	15,342	1.27
	<b>Total Brazil</b>	<b>—</b>	<b>—</b>		<b>Household Goods &amp; Home Construction 1.67% (1.38%)</b>		
<b>CANADA 1.30% (1.42%)</b>				1,365,000	Sekisui Chemical	20,101	1.67
	<b>Oil &amp; Gas Producers 1.30% (1.42%)</b>				<b>Leisure Goods 1.18% (1.01%)</b>		
628,200	Suncor Energy USD	15,616	1.30	57,100	Nintendo	14,189	1.18
	<b>Total Canada</b>	<b>15,616</b>	<b>1.30</b>		<b>Total Japan</b>	<b>83,620</b>	<b>6.94</b>
<b>CAYMAN ISLANDS 2.15% (4.52%)</b>				<b>JERSEY 1.29% (1.72%)</b>			
	<b>General Retailers 2.15% (2.08%)</b>				<b>Support Services 1.29% (1.72%)</b>		
201,705	Alibaba Group ADR	25,929	2.15	342,206	Ferguson	15,519	1.29
	<b>Software &amp; Computer Services 0.00% (2.44%)</b>				<b>Total Jersey</b>	<b>15,519</b>	<b>1.29</b>
	<b>Total Cayman Islands</b>	<b>25,929</b>	<b>2.15</b>	<b>MEXICO 0.82% (0.81%)</b>			
<b>CHINA 3.08% (2.53%)</b>					<b>Beverages 0.82% (0.81%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 1.02% (0.94%)</b>			131,445	Fomento Economico Mexicano ADR	9,922	0.82
3,510,400	Sinopharm Group	12,254	1.02		<b>Total Mexico</b>	<b>9,922</b>	<b>0.82</b>
	<b>Life Insurance 2.06% (1.59%)</b>			<b>NETHERLANDS 1.72% (1.45%)</b>			
4,144,500	Ping An Insurance Group	24,882	2.06		<b>Media 1.72% (1.45%)</b>		
	<b>Total China</b>	<b>37,136</b>	<b>3.08</b>	1,280,651	RELX (EUR)	20,681	1.72
<b>DENMARK 0.96% (0.98%)</b>					<b>Total Netherlands</b>	<b>20,681</b>	<b>1.72</b>
	<b>Pharmaceuticals &amp; Biotechnology 0.96% (0.98%)</b>			<b>REPUBLIC OF IRELAND 3.41% (4.33%)</b>			
316,175	Novo Nordisk	11,579	0.96		<b>Construction &amp; Materials 1.59% (1.16%)</b>		
	<b>Total Denmark</b>	<b>11,579</b>	<b>0.96</b>	715,739	CRH (Dublin Listing)	19,176	1.59
<b>GERMANY 2.38% (2.53%)</b>					<b>Support Services 1.35% (1.29%)</b>		
	<b>Chemicals 0.62% (0.99%)</b>			537,474	Johnson Controls International	16,272	1.35
190,857	Brenntag	7,538	0.62		<b>Pharmaceuticals &amp; Biotechnology 0.47% (0.65%)</b>		
1,535,837	Deutsche Telekom	21,182	1.76	149,217	Alkermes	5,677	0.47
	<b>Total Germany</b>	<b>28,720</b>	<b>2.38</b>		<b>Banks 0.00% (1.23%)</b>		
<b>HONG KONG 1.58% (1.09%)</b>					<b>Total Republic of Ireland</b>	<b>41,125</b>	<b>3.41</b>
	<b>Life Insurance 1.58% (1.09%)</b>			<b>SPAIN 0.86% (2.01%)</b>			
3,302,000	AIA Group	18,985	1.58		<b>General Retailers 0.86% (1.27%)</b>		
	<b>Total Hong Kong</b>	<b>18,985</b>	<b>1.58</b>	362,783	Inditex	10,390	0.86
<b>INDIA 1.80% (1.57%)</b>					<b>Mobile Telecommunications 0.00% (0.74%)</b>		
	<b>Banks 1.80% (1.57%)</b>				<b>Total Spain</b>	<b>10,390</b>	<b>0.86</b>
1,021,973	HDFC Bank	21,639	1.80	<b>SWITZERLAND 3.66% (4.06%)</b>			
	<b>Total India</b>	<b>21,639</b>	<b>1.80</b>		<b>Electronic &amp; Electrical Equipment 1.41% (1.44%)</b>		
				281,949	TE Connectivity	17,048	1.41



## Threadneedle Global Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>SWITZERLAND 3.66% (4.06%) (continued)</b>				<b>Pharmaceuticals &amp; Biotechnology 5.85% (4.26%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 0.91% (1.16%)</b>			328,170	Gilead Sciences	20,808	1.73
169,139	Novartis	10,917	0.91	58,503	Illumina	9,270	0.77
	<b>Banks 1.34% (1.46%)</b>			512,592	Pfizer	13,310	1.10
1,298,911	UBS Group	16,173	1.34	89,270	Tesaro	8,847	0.73
	<b>Total Switzerland</b>	<b>44,138</b>	<b>3.66</b>	152,663	Vertex Pharmaceuticals	18,318	1.52
<b>UNITED KINGDOM 4.42% (5.61%)</b>				<b>General Retailers 4.52% (5.00%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.79%)</b>			35,885	Amazon.com	26,535	2.20
	<b>Personal Goods 2.42% (2.31%)</b>			151,851	Costco Wholesale	18,426	1.53
646,008	Unilever	29,200	2.42	170,912	TJX Companies	9,533	0.79
	<b>Tobacco 0.49% (0.53%)</b>			<b>Media 1.55% (1.39%)</b>			
119,406	British American Tobacco	5,851	0.49	594,416	Comcast	18,695	1.55
	<b>Fixed Line Telecommunications 0.00% (0.61%)</b>			<b>Travel &amp; Leisure 0.27% (1.34%)</b>			
	<b>Nonlife Insurance 1.51% (1.37%)</b>			131,174	Spirit Airlines	3,215	0.27
170,384	Aon	18,253	1.51	<b>Banks 4.60% (4.63%)</b>			
	<b>Total United Kingdom</b>	<b>53,304</b>	<b>4.42</b>	1,082,973	Bank of America	19,368	1.61
				372,694	BB&T	12,829	1.06
				338,909	JPMorgan Chase	23,330	1.93
<b>UNITED STATES OF AMERICA 54.70% (53.21%)</b>				<b>Financial Services 8.31% (8.67%)</b>			
	<b>Oil &amp; Gas Producers 2.56% (2.30%)</b>			810,711	Charles Schwab	24,117	2.00
99,828	Diamondback Energy	7,066	0.59	120,381	Goldman Sachs Group	20,145	1.67
222,312	EOG Resources	14,916	1.24	255,591	MasterCard Class A	25,950	2.15
185,991	Occidental Petroleum	8,757	0.73	380,974	Visa 'A' Shares	30,021	2.49
	<b>Oil Equipment, Services &amp; Distribution 2.02% (1.45%)</b>			<b>Software &amp; Computer Services 6.23% (6.53%)</b>			
718,576	Enterprise Products Partners	14,372	1.19	58,097	Alphabet Class A	41,795	3.47
321,008	Halliburton	10,057	0.83	12,515	Alphabet Class C	8,871	0.74
	<b>Construction &amp; Materials 1.45% (1.49%)</b>			185,413	Facebook	24,374	2.02
66,746	Sherwin-Williams	17,479	1.45	<b>Technology Hardware &amp; Equipment 2.38% (1.74%)</b>			
	<b>Electronic &amp; Electrical Equipment 1.15% (1.13%)</b>			738,950	Micron Technology	18,194	1.51
224,662	Amphenol	13,828	1.15	82,664	Nvidia	10,469	0.87
	<b>Industrial Engineering 0.59% (0.55%)</b>			<b>Total United States of America</b>			
82,064	Graco	7,162	0.59			<b>659,321</b>	<b>54.70</b>
	<b>Industrial Transportation 0.95% (1.50%)</b>			<b>DERIVATIVES 0.00% (0.00%)</b>			
142,114	Union Pacific	11,404	0.95	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	<b>Support Services 1.50% (1.47%)</b>			Sell USD 350,000			
195,522	United Rentals	18,094	1.50	Buy GBP 269,515 Citigroup			
	<b>Beverages 1.45% (0.00%)</b>			<b>Total Derivatives</b>			
196,621	PepsiCo	17,472	1.45			<b>2</b>	<b>—</b>
	<b>Leisure Goods 1.09% (2.59%)</b>			<b>Total value of investments</b>			
270,105	Activision Blizzard	13,204	1.09			<b>1,160,976</b>	<b>96.32</b>
	<b>Personal Goods 3.14% (1.71%)</b>			<b>Net other assets (1.26%)</b>			
236,023	Estee Lauder Companies Class A	19,484	1.62			<b>44,327</b>	<b>3.68</b>
453,953	NIKE	18,297	1.52	<b>Net assets</b>			
	<b>Health Care Equipment &amp; Services 5.09% (5.46%)</b>					<b>1,205,303</b>	<b>100.00</b>
269,240	Centene	18,164	1.51	<i>March 2017 comparatives in brackets.</i>			
306,437	Dentsply Sirona	13,332	1.11	<b>Total Purchases and Sales</b>			
157,941	Stryker	17,027	1.41	<i>for the accounting period 8 March 2017 to 7 September 2017</i>			
144,759	Zimmer Holdings	12,786	1.06			<b>2017</b>	<b>2016</b>
						<b>£000</b>	<b>£000</b>
				Total purchases for the period			
				Total sales for the period			
						162,523	174,300
						186,168	225,408

## Threadneedle Global Bond Fund

### Portfolio Statement

as at 7 September 2017

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 4.67% (6.91%)</b>					<b>GERMANY 0.00% (2.50%)</b>				
		<b>Aaa 4.67% (6.91%)</b>					<b>Aaa 0.00% (2.50%)</b>		
AUD	27,110,000	Australia Government Bond 1.75% 21/11/2020	16,470	3.48			<b>Total Germany</b>	—	—
AUD	4,975,000	Australia Government Bond 3% 21/03/2047	2,791	0.59					
AUD	3,925,000	Australia Government Bond 4.75% 21/04/2027	2,843	0.60					
		<b>Total Australia</b>	<b>22,104</b>	<b>4.67</b>					
<b>BELGIUM 1.62% (1.47%)</b>					<b>HONG KONG 0.31% (0.35%)</b>				
		<b>Not Rated 1.62% (1.47%)</b>					<b>A 0.31% (0.35%)</b>		
EUR	6,700,000	Belgium Government Bond 0.8% 22/06/2027	6,200	1.31	USD	1,950,000	AIA Group 1.75% 13/03/2018	1,489	0.31
EUR	1,500,000	Belgium Government Bond 1.9% 22/06/2038	1,486	0.31			<b>Total Hong Kong</b>	<b>1,489</b>	<b>0.31</b>
		<b>Total Belgium</b>	<b>7,686</b>	<b>1.62</b>					
<b>BRITISH VIRGIN ISLANDS 0.48% (0.52%)</b>					<b>ITALY 10.73% (3.12%)</b>				
		<b>AA– 0.48% (0.00%)</b>					<b>Baa2u 6.65% (2.33%)</b>		
USD	3,000,000	Sinopec Group 2% 29/09/2021	2,253	0.48	EUR	7,500,000	Buoni Poliennali Del Tesoro 0.65% 01/11/2020	6,961	1.47
		<b>A+ 0.00% (0.52%)</b>			EUR	5,345,000	Buoni Poliennali Del Tesoro 0.95% 15/03/2023	4,887	1.03
		<b>Total British Virgin Islands</b>	<b>2,253</b>	<b>0.48</b>	EUR	8,815,000	Buoni Poliennali Del Tesoro 2.2% 01/06/2027	8,193	1.73
<b>CANADA 3.55% (3.80%)</b>					EUR	8,590,000	Buoni Poliennali Del Tesoro 2.25% 01/09/2036	7,302	1.54
		<b>AAA 2.04% (2.14%)</b>			EUR	5,000,000	Buoni Poliennali Del Tesoro 2.7% 01/03/2047	4,162	0.88
CAD	6,850,000	Canada Housing Trust No 1 2.55% 15/03/2025	4,383	0.93			<b>Not Rated 4.08% (0.79%)</b>		
USD	4,500,000	CPPIB Capital 2.25% 25/01/2022	3,488	0.74	EUR	21,100,000	Buoni Poliennali Del Tesoro 2.05% 01/08/2027	19,308	4.08
CAD	2,700,000	Province of British Columbia 3.25% 18/12/2021	1,778	0.37			<b>Total Italy</b>	<b>50,813</b>	<b>10.73</b>
		<b>A+ 1.51% (1.66%)</b>			<b>JAPAN 11.45% (10.90%)</b>				
USD	3,130,000	Province of Ontario Canada 2% 30/01/2019	2,406	0.51			<b>AA– 0.25% (0.27%)</b>		
USD	3,425,000	Province of Ontario Canada 2.5% 10/09/2021	2,671	0.56	USD	1,550,000	Japan Tobacco 2% 13/04/2021	1,178	0.25
USD	2,575,000	Province of Ontario Canada 3.2% 16/05/2024	2,076	0.44			<b>A+ 0.38% (0.38%)</b>		
		<b>Total Canada</b>	<b>16,802</b>	<b>3.55</b>	CAD	2,850,000	Japan Bank for International Cooperation 2.3% 19/03/2018	1,795	0.38
<b>CAYMAN ISLANDS 0.15% (0.00%)</b>							<b>A1 10.82% (10.25%)</b>		
		<b>Baa1e 0.15% (0.00%)</b>			JPY	977,000,000	Japan Government 0.1% 20/09/2026	6,935	1.46
USD	925,000	HPHT Finance 17 2.75% 11/09/2022	704	0.15	JPY	2,439,550,000	Japan Government 0.2% 20/06/2036	16,248	3.43
		<b>Total Cayman Islands</b>	<b>704</b>	<b>0.15</b>	JPY	369,000,000	Japan Government 0.4% 20/06/2025	2,686	0.57
<b>FRANCE 2.36% (7.23%)</b>					JPY	1,070,450,000	Japan Government 1.4% 20/12/2045	8,669	1.83
		<b>Aa2e 0.00% (1.03%)</b>			JPY	145,000,000	Japan Government 1.9% 20/03/2025	1,170	0.25
EUR	3,915,000	France Government Bond 1.5% 25/05/2031	3,776	0.80	JPY	1,843,000,000	Japan Government 2.1% 20/03/2027	15,537	3.28
EUR	2,500,000	France Government Bond 1.75% 25/06/2039	2,403	0.51			<b>Total Japan</b>	<b>54,218</b>	<b>11.45</b>
EUR	3,940,000	France Government Bond 2% 25/05/2048	3,807	0.80	<b>MEXICO 0.47% (1.10%)</b>				
EUR	970,000	France Government Bond 3.25% 25/05/2045	1,199	0.25			<b>BBB+ 0.47% (1.10%)</b>		
		<b>Total France</b>	<b>11,185</b>	<b>2.36</b>	USD	2,850,000	Petroleos Mexicanos 5.75% 01/03/2018	2,217	0.47
							<b>Total Mexico</b>	<b>2,217</b>	<b>0.47</b>
					<b>NETHERLANDS 2.75% (5.27%)</b>				
		<b>Aa2u 2.36% (6.20%)</b>					<b>AAA 0.65% (0.72%)</b>		
USD	4,000,000	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden 1.5% 12/02/2018	3,058	0.65			<b>A+ 1.39% (1.49%)</b>		
		<b>A+ 1.39% (1.49%)</b>			AUD	3,400,000	BMW Finance 2.5% 24/08/2020	2,080	0.44
					USD	6,000,000	Siemens Financieringsmaatschappij 1.7% 15/09/2021	4,513	0.95

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>NETHERLANDS 2.75% (5.27%) (continued)</b>					<b>AA 0.47% (0.74%)</b>				
		<b>BBB+ 0.71% (0.78%)</b>			EUR	2,360,000	European Financial Stability Facility 1.7% 13/02/2043	2,249	0.47
USD	4,500,000	Deutsche Telekom 1.95% 19/09/2021	3,382	0.71			<b>Total Supranational</b>	<b>17,037</b>	<b>3.60</b>
		<b>Not Rated 0.00% (2.28%)</b>			<b>SWEDEN 0.62% (0.69%)</b>				
		<b>Total Netherlands</b>	<b>13,033</b>	<b>2.75</b>	USD	3,800,000	Aaa 0.62% (0.69%) Kommuninvest I Sverige 2.88% 31/05/2018	2,935	0.62
<b>NORWAY 0.00% (0.43%)</b>							<b>Total Sweden</b>	<b>2,935</b>	<b>0.62</b>
		<b>BBB+ 0.00% (0.43%)</b>			<b>UNITED ARAB EMIRATES 1.17% (1.31%)</b>				
		<b>Total Norway</b>	<b>–</b>	<b>–</b>	USD	4,750,000	Aa3 0.77% (0.00%) First Gulf Bank 2.86% 09/10/2017	3,630	0.77
<b>SINGAPORE 0.13% (0.14%)</b>							<b>A2 0.00% (0.86%)</b>		
USD	800,000	A– 0.13% (0.00%) BOC Aviation 2.88% 10/10/2017	612	0.13	USD	2,485,000	A3 0.40% (0.45%) Emirates NBD 3.25% 19/11/2019	1,922	0.40
		<b>BBB+ 0.00% (0.14%)</b>					<b>Total United Arab Emirates</b>	<b>5,552</b>	<b>1.17</b>
		<b>Total Singapore</b>	<b>612</b>	<b>0.13</b>	<b>UNITED KINGDOM 11.16% (6.34%)</b>				
<b>SLOVENIA 0.00% (2.33%)</b>					GBP	8,125,000	Aa1u 5.18% (5.66%) United Kingdom Gilt 0.5% 22/07/2022	8,153	1.72
		<b>A 0.00% (2.33%)</b>			GBP	2,025,000	United Kingdom Gilt 1.5% 22/07/2047	1,935	0.41
		<b>Total Slovenia</b>	<b>–</b>	<b>–</b>	GBP	4,200,000	United Kingdom Gilt 1.75% 07/09/2037	4,258	0.90
<b>SOUTH KOREA 2.43% (3.23%)</b>					GBP	2,614,000	United Kingdom Gilt 3.25% 22/01/2044	3,455	0.73
USD	4,275,000	AA 2.04% (2.80%) Doosan Infracore 2.375% 21/11/2019	3,262	0.69	GBP	3,820,000	United Kingdom Gilt 3.5% 22/01/2045	5,296	1.12
USD	6,000,000	Export-Import Bank of Korea 2.75% 25/01/2022	4,620	0.97	GBP	822,000	United Kingdom Gilt 3.5% 22/07/2068	1,398	0.30
USD	1,500,000	Export-Import Bank of Korea 2.88% 17/09/2018	1,156	0.24			<b>A 0.46% (0.50%)</b>		
USD	850,000	Korea Finance 2.875% 22/08/2018	655	0.14	USD	2,800,000	*HSBC Holdings 3.262% 13/03/2023	2,193	0.46
		<b>Aa2 0.39% (0.43%)</b>					<b>A– 0.16% (0.18%)</b>		
USD	716,000	Korea Midland Power 2.75% 11/02/2019	550	0.12	USD	1,000,000	BP Capital Markets 2.24% 26/09/2018	768	0.16
USD	1,650,000	Korea Western Power 2.875% 10/10/2018	1,270	0.27			<b>Not Rated 5.36% (0.00%)</b>		
		<b>Total South Korea</b>	<b>11,513</b>	<b>2.43</b>	GBP	11,735,000	United Kingdom Gilt 0.75% 22/07/2023	11,850	2.50
<b>SPAIN 1.92% (1.03%)</b>					GBP	13,325,000	United Kingdom Gilt 1.25% 22/07/2027	13,536	2.86
		<b>BBB+ 1.92% (1.03%)</b>					<b>Total United Kingdom</b>	<b>52,842</b>	<b>11.16</b>
EUR	1,000,000	Spain Government Bond 0.75% 30/07/2021	941	0.20	<b>UNITED STATES OF AMERICA 37.68% (37.20%)</b>				
EUR	3,265,000	Spain Government Bond 1.5% 30/04/2027	3,000	0.64	USD	1,730,000	AAA 0.44% (0.48%) Microsoft 1.55% 08/08/2021	1,303	0.27
EUR	5,470,000	Spain Government Bond 2.9% 31/10/2046	5,126	1.08	USD	1,025,000	Microsoft 2.875% 06/02/2024	805	0.17
		<b>Total Spain</b>	<b>9,067</b>	<b>1.92</b>			<b>Aaa 24.21% (23.54%)</b>		
<b>SUPRANATIONAL 3.60% (2.10%)</b>					USD	21,000,000	United States Treasury Note/Bond 0.625% 30/09/2017	16,037	3.39
		<b>Aaa 1.77% (1.36%)</b>			USD	15,000,000	United States Treasury Note/Bond 0.75% 31/10/2018	11,395	2.41
GBP	2,710,000	European Investment Bank 1% 21/09/2026	2,654	0.56	USD	15,000,000	United States Treasury Note/Bond 0.875% 15/10/2017	11,454	2.42
USD	2,825,000	European Investment Bank 2.375% 15/06/2022	2,208	0.47	USD	13,000,000	United States Treasury Note/Bond 1% 15/12/2017	9,928	2.10
USD	4,520,000	International Bank for Reconstruction and Development 2% 26/01/2022	3,487	0.74	USD	820,000	United States Treasury Note/Bond 1.625% 31/05/2023	621	0.13
		<b>AA+ 1.36% (0.00%)</b>			USD	4,360,000	United States Treasury Note/Bond 2% 31/05/2024	3,354	0.71
USD	7,511,000	African Development Bank 8.8% 01/09/2019	6,439	1.36	USD	5,236,000	United States Treasury Note/Bond 2% 15/11/2026	3,973	0.84



## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.19% (0.21%) (continued)</b>			
	Sell JPY 621,668,661		
	Buy USD 5,633,960 HSBC	(58)	(0.01)
	Sell EUR 5,208,154		
	Buy USD 6,178,485 UBS	(48)	(0.01)
	Sell GBP 7,806,514		
	Buy USD 9,992,447 Lloyds	(173)	(0.04)
	<b>Total Derivatives</b>	<b>877</b>	<b>0.19</b>
<b>Total value of investments</b>		<b>461,317</b>	<b>97.44</b>
<b>Net other assets (1.82%)</b>		<b>12,130</b>	<b>2.56</b>
<b>Net assets</b>		<b>473,447</b>	<b>100.00</b>

March 2017 comparatives in brackets.

\*Variable rate bonds.

	Value £000	% of Investment
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	458,247	99.33
Floating rate notes	2,193	0.48
Derivatives	877	0.19
<b>Total value of investments</b>	<b>461,317</b>	<b>100.00</b>

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	533,722	518,690
Total sales for the period	513,311	499,536

## Threadneedle UK Institutional Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.08% (8.09%)</b>							
	<b>Oil &amp; Gas Producers 5.91% (7.25%)</b>			3,438,045	Hays	6,302	0.58
1,558,362	Cairn Energy	2,724	0.25	1,936,342	Howden Joinery Group	8,218	0.76
2,531,171	EnQuest	683	0.06	405,411	Mears Group	1,763	0.16
2,772,956	Royal Dutch Shell B Shares	60,839	5.60	315,957	Northgate	1,273	0.12
	<b>Oil Equipment, Services &amp; Distribution 1.17% (0.84%)</b>			228,072	PayPoint	2,086	0.19
2,033,280	John Wood Group	12,667	1.17	253,225	Paysafe Group	1,474	0.14
	<b>Total Oil &amp; Gas</b>	<b>76,913</b>	<b>7.08</b>	6,663,911	Rentokil Initial	20,225	1.86
				203,200	Ricardo	1,505	0.14
				709,210	RPS Group	2,034	0.19
				222,485	Sanne Group IPO	1,702	0.16
					<b>Total Industrials</b>	<b>190,984</b>	<b>17.57</b>
<b>BASIC MATERIALS 2.98% (2.80%)</b>							
	<b>Chemicals 2.93% (2.50%)</b>			<b>CONSUMER GOODS 16.38% (16.70%)</b>			
1,294,097	Elementis	3,599	0.33		<b>Automobiles &amp; Parts 1.12% (1.36%)</b>		
650,130	Johnson Matthey	18,626	1.71	3,690,891	GKN	12,202	1.12
181,202	Scapa Group	814	0.08		<b>Beverages 3.48% (3.27%)</b>		
378,664	Victrex	8,812	0.81	1,347,254	Diageo	34,773	3.20
	<b>Mining 0.05% (0.30%)</b>			1,256,511	Stock Spirits Group	3,066	0.28
567,862	Petra Diamonds	507	0.05		<b>Food Producers 0.10% (0.04%)</b>		
	<b>Total Basic Materials</b>	<b>32,358</b>	<b>2.98</b>	354,047	Hotel Chocolat Group	1,041	0.10
					<b>Household Goods &amp; Home Construction 0.38% (0.45%)</b>		
<b>INDUSTRIALS 17.57% (16.63%)</b>				444,845	Countryside Properties	1,555	0.14
	<b>Construction &amp; Materials 3.23% (3.40%)</b>			333,331	Crest Nicholson Holdings	1,818	0.17
7,545,181	Breedon Aggregates	6,659	0.61	52,841	Galliford Try	736	0.07
443,129	Costain Group	1,983	0.18		<b>Leisure Goods 0.14% (0.14%)</b>		
279,785	CRH	7,495	0.69	929,744	Photo-Me International	1,520	0.14
475,355	Marshalls	2,064	0.19		<b>Personal Goods 5.29% (5.16%)</b>		
6,120,692	Melrose Industries	12,964	1.19	878,793	Burberry Group	15,493	1.43
392,089	Polypipe Group	1,584	0.15	126,641	Ted Baker	3,077	0.28
695,230	Tyman	2,362	0.22	861,659	Unilever	38,947	3.58
	<b>Aerospace &amp; Defence 4.38% (3.78%)</b>				<b>Tobacco 5.87% (6.28%)</b>		
169,949	Avon Rubber	1,599	0.15	735,174	British American Tobacco	36,024	3.31
2,385,510	BAE Systems	14,206	1.31	841,483	Imperial Brands	27,803	2.56
10,634,012	Cobham	14,388	1.32		<b>Total Consumer Goods</b>	<b>178,055</b>	<b>16.38</b>
1,550,375	Rolls-Royce Holdings	13,721	1.26				
1,340,416	Senior	3,650	0.34		<b>HEALTH CARE 10.17% (10.72%)</b>		
	<b>General Industrials 1.74% (1.75%)</b>				<b>Health Care Equipment &amp; Services 1.82% (1.75%)</b>		
4,443,761	Coats Group	3,424	0.31	140,318	Consort Medical	1,520	0.14
996,890	Smiths Group	15,551	1.43	1,310,058	Smith & Nephew	18,210	1.68
	<b>Electronic &amp; Electrical Equipment 0.69% (0.74%)</b>				<b>Pharmaceuticals &amp; Biotechnology 8.35% (8.97%)</b>		
491,461	Luceco	1,230	0.11	720,422	AstraZeneca	33,359	3.07
630,902	Morgan Advanced Materials	1,823	0.17	163,416	Clinigen Group	1,829	0.17
303,000	Oxford Instruments	3,394	0.31	207,055	Decbra Pharmaceuticals	4,044	0.37
43,883	XP Power	1,140	0.10	135,889	Genus	2,617	0.24
	<b>Industrial Engineering 1.32% (0.96%)</b>			3,126,859	GlaxoSmithKline	47,106	4.33
165,595	Bodycote	1,567	0.14	2,065,699	Vectura Group	1,868	0.17
485,553	Fenner	1,682	0.15		<b>Total Health Care</b>	<b>110,553</b>	<b>10.17</b>
3,848,474	Rotork	9,090	0.84				
1,636,384	Severfield	1,015	0.09		<b>CONSUMER SERVICES 17.65% (16.98%)</b>		
520,540	Trifast	1,110	0.10		<b>Food &amp; Drug Retailers 2.59% (2.62%)</b>		
	<b>Industrial Transportation 1.06% (0.98%)</b>			4,980,717	Booker Group	10,076	0.93
28,707	Clarkson	807	0.07	7,289,261	WM Morrison Supermarkets	18,063	1.66
115,479	James Fisher & Sons	1,740	0.16		<b>General Retailers 2.11% (1.91%)</b>		
2,353,189	Royal Mail	8,980	0.83	82,624	Dignity	1,853	0.17
	<b>Support Services 5.15% (5.02%)</b>			296,439	Joules Group	845	0.08
157,781	Diploma	1,726	0.16				
164,225	Ferguson	7,448	0.69				





## Threadneedle UK Overseas Earnings Fund

### Portfolio Statement

as at 7 September 2017

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.28% (6.40%)</b>				<b>CONSUMER SERVICES 24.38% (23.55%)</b>			
	<b>Oil &amp; Gas Producers 3.88% (6.40%)</b>				<b>Food &amp; Drug Retailers 4.79% (4.80%)</b>		
194,080	Royal Dutch Shell B Shares	4,258	3.88	830,096	Booker Group	1,679	1.53
	<b>Oil Equipment, Services &amp; Distribution 1.40% (0.00%)</b>			1,446,522	WM Morrison Supermarkets	3,584	3.26
246,692	John Wood Group	1,537	1.40		<b>General Retailers 2.82% (2.60%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>5,795</b>	<b>5.28</b>	947,850	Marks & Spencer Group	3,098	2.82
<b>BASIC MATERIALS 3.66% (2.73%)</b>					<b>Media 6.48% (7.22%)</b>		
	<b>Chemicals 3.66% (2.73%)</b>			1,225,663	ITV	1,965	1.79
88,143	Johnson Matthey	2,525	2.30	361,573	Pearson	2,160	1.97
64,166	Victrex	1,493	1.36	178,355	RELX	2,982	2.72
	<b>Total Basic Materials</b>	<b>4,018</b>	<b>3.66</b>		<b>Travel &amp; Leisure 10.29% (8.93%)</b>		
<b>INDUSTRIALS 18.11% (16.30%)</b>				105,088	Compass Group	1,717	1.56
	<b>Construction &amp; Materials 1.57% (1.85%)</b>			140,500	easyJet	1,631	1.49
814,396	Melrose Industries	1,725	1.57	1,471,935	Firstgroup	1,675	1.53
	<b>Aerospace &amp; Defence 4.30% (3.44%)</b>			180,703	J D Wetherspoon	1,901	1.73
166,710	BAE Systems	993	0.90	510,541	Rank Group	1,149	1.05
1,539,388	Cobham	2,083	1.90	640,296	Restaurant Group	1,971	1.80
185,429	Rolls-Royce Holdings	1,641	1.50	771,754	Stagecoach Group	1,244	1.13
	<b>General Industrials 2.04% (2.16%)</b>				<b>Total Consumer Services</b>	<b>26,756</b>	<b>24.38</b>
143,377	Smiths Group	2,237	2.04	<b>TELECOMMUNICATIONS 2.69% (2.89%)</b>			
	<b>Industrial Engineering 1.12% (0.79%)</b>				<b>Fixed Line Telecommunications 2.69% (2.89%)</b>		
521,191	Rotork	1,231	1.12	1,025,388	BT Group	2,947	2.69
	<b>Industrial Transportation 1.03% (1.00%)</b>				<b>Total Telecommunications</b>	<b>2,947</b>	<b>2.69</b>
296,241	Royal Mail	1,130	1.03	<b>UTILITIES 2.81% (3.63%)</b>			
	<b>Support Services 8.05% (7.06%)</b>				<b>Gas, Water &amp; Multiutilities 2.81% (3.63%)</b>		
567,789	Electrocomponents	3,549	3.23	1,575,797	Centrica	3,078	2.81
366,484	Howden Joinery Group	1,555	1.42		<b>Total Utilities</b>	<b>3,078</b>	<b>2.81</b>
1,230,436	Rentokil Initial	3,734	3.40	<b>FINANCIALS 19.23% (17.58%)</b>			
	<b>Total Industrials</b>	<b>19,878</b>	<b>18.11</b>		<b>Banks 4.60% (4.40%)</b>		
<b>CONSUMER GOODS 15.50% (17.02%)</b>				1,035,555	Royal Bank of Scotland Group	2,522	2.30
	<b>Automobiles &amp; Parts 1.42% (1.70%)</b>			338,193	Standard Chartered	2,526	2.30
469,910	GKN	1,553	1.42		<b>Nonlife Insurance 3.14% (3.32%)</b>		
	<b>Beverages 3.63% (3.23%)</b>			533,905	RSA Insurance Group	3,449	3.14
154,432	Diageo	3,986	3.63		<b>Life Insurance 5.81% (5.75%)</b>		
	<b>Food Producers 1.46% (1.55%)</b>			1,164,065	Legal & General Group	2,973	2.71
241,594	Tate & Lyle	1,602	1.46	191,895	Prudential	3,395	3.10
	<b>Personal Goods 5.74% (5.32%)</b>				<b>Financial Services 5.68% (4.11%)</b>		
116,215	Burberry Group	2,049	1.87	336,745	3i Group	3,149	2.87
94,070	Unilever	4,252	3.87	2,236,190	Sherborne Investors Guernsey	2,326	2.12
	<b>Tobacco 3.25% (5.22%)</b>			1,549,692	Sherborne Investors Guernsey B	759	0.69
108,093	Imperial Brands	3,571	3.25		<b>Total Financials</b>	<b>21,099</b>	<b>19.23</b>
	<b>Total Consumer Goods</b>	<b>17,013</b>	<b>15.50</b>	<b>Total value of investments</b>			
<b>HEALTH CARE 9.03% (10.06%)</b>						<b>110,495</b>	<b>100.69</b>
	<b>Pharmaceuticals &amp; Biotechnology 9.03% (10.06%)</b>			<b>Net other liabilities (-0.16%)</b>			
104,019	AstraZeneca	4,817	4.39			<b>(755)</b>	<b>(0.69)</b>
338,166	GlaxoSmithKline	5,094	4.64	<b>Net assets</b>			
	<b>Total Health Care</b>	<b>9,911</b>	<b>9.03</b>			<b>109,740</b>	<b>100.00</b>

March 2017 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2017 to 7 September 2017

	2017 £000	2016 £000
Total purchases for the period	8,567	10,501
Total sales for the period	18,094	11,771



## Performance Summary for the six months ended 31 August 2017

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>UNITED KINGDOM</b>							
UK Fund	(IA) UK All Companies	FTSE All-Share Total Return	+4.01%	+4.31%	+5.10%	+5.15%	+5.30%
UK Select Fund	(IA) UK All Companies	FTSE All-Share Total Return	+4.78%	+5.11%	+5.10%	+5.74%	+5.30%
UK Smaller Companies Fund	(IA) UK Smaller Companies	Numis Smaller Companies (ex Investment Trusts)	+21.40%	+21.78%	+13.57%	+22.54%	+10.31%
UK Growth & Income Fund	(IA) UK All Companies	FTSE All-Share Total Return	+3.63%	+3.92%	+5.10%	+4.97%	+5.30%
UK Equity Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+3.48%	+3.77%	+4.44%	+4.82%	+5.30%
UK Monthly Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+1.84%	—	+4.44%	+2.96%	+5.30%
Monthly Extra Income Fund	(IA) UK Equity & Bond Income	—	+3.30%	—	+3.66%	+4.37%	—
UK Corporate Bond Fund	(IA) £ Corporate Bond	iBoxx £ Non-Gilts	+3.05%	+3.25%	+3.17%	+3.37%	+2.78%
Strategic Bond Fund	(IA) £ Strategic Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB(100% £ Hedged).	+1.93%	+2.24%	+2.77%	+2.78%	+2.67%
Sterling Bond Fund	(IA) UK Gilt	FTSE All Stocks Gilts	+1.06%	—	+1.32%	+1.32%	+1.21%
UK Institutional Fund	(IA) UK All Companies	FTSE All-Share Total Return	+3.77%	+4.22%	+5.10%	+5.00%	+5.30%
UK Overseas Earnings Fund	(IA) UK All Companies	FTSE All-Share Total Return	—	+3.84%	+5.10%	+5.06%	+5.30%
<b>EUROPE</b>							
European Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+15.29%	+15.65%	+14.87%	+16.16%	+15.12%
European Select Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+15.70%	+16.03%	+14.87%	+16.73%	+15.12%
European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney European Small Cos. Ex UK	+17.65%	+18.01%	+18.03%	+18.77%	+17.41%
Pan European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney Smaller Europe Inc UK	+17.56%	+17.93%	+18.03%	+18.28%	+15.06%
Pan European Fund	(IA) Europe Including UK	MSCI World Europe	+13.36%	+13.71%	+12.39%	+14.60%	+11.68%
European Bond Fund†	(IA) Global Bond	ML Pan Europe Large Cap	+6.88%	—	+1.99%	+7.30%	+7.75%
European Corporate Bond Fund†	(IA) Global Bond	iBoxx European All Corporate Bond	+9.21%	+9.54%	+1.99%	+9.93%	+9.52%
European High Yield Bond Fund†	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+10.90%	+11.24%	+1.99%	+11.73%	+11.55%
European High Yield Bond Fund (€)†	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+2.63%	+2.94%	-5.61%	+3.41%	+3.24%
<b>US</b>							
American Fund	(IA) North America	S&P 500 Composite	+3.39%	+3.69%	+1.07%	+5.31%	+2.03%
American Select Fund	(IA) North America	S&P 500 Composite	+2.52%	+2.82%	+1.07%	+4.46%	+2.03%
American Smaller Companies Fund (US)	(IA) North American Smaller Companies	S&P 400 Mid Cap	-2.78%	-2.47%	-2.39%	-0.18%	-2.56%
Dollar Bond Fund†	(IA) Global Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	-1.41%	—	+1.99%	-0.58%	-0.54%
<b>JAPAN</b>							
Japan Fund	(IA) Japan	TOPIX	+7.07%	+7.40%	+4.06%	+8.06%	+4.59%
<b>PACIFIC BASIN &amp; EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN</b>							
Asia Fund	(IA) Asia Pacific Excluding Japan	MSCI AC Asia Pacific Ex Japan	+16.16%	+16.53%	+12.10%	+17.39%	+12.52%
Latin America Fund†	UK Registered – Equity Latin America	MSCI 10/40 Latin America	+6.21%	+6.54%	+4.20%	+8.27%	+8.29%
Emerging Market Bond Fund†	UK IA – Global Emerging Markets Bond	JPM Emerging Market Bonds Global	+1.51%	+1.85%	+4.34%	+2.82%	+1.43%

## Performance Summary for the six months ended 31 August 2017 (continued)

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>GLOBAL</b>							
<b>High Yield Bond Fund</b>	(IA) £ High Yield	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+2.91%	+3.22%	+2.65%	+3.80%	+3.68%
<b>Global Select Fund</b>	(IA) Global Growth	MSCI AC World Free	+8.21%	+8.54%	+5.45%	+10.12%	+5.52%
<b>Global Bond Fund</b>	(IA) Global Bond	JPM GBI Global (Traded)	+1.16%	+1.48%	+1.99%	+2.25%	+1.98%
<b>CASH</b>							
<b>Sterling Fund</b>	—	—	+0.10%	—	—	—	—

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>†</sup>The Sector Median for these funds (as defined by the Investment Association) is not felt to be representative.

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

## Threadneedle OEIC Returns against the Offshore Universe

### Performance Summary for the six months ended 31 August 2017

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>UK EQUITY</b>								
<b>UK Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+4.01%	+4.31%	+4.61%	+5.15%	+5.30%	GBP
<b>UK Select Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+4.78%	+5.11%	+4.61%	+5.74%	+5.30%	GBP
<b>UK Smaller Companies Fund</b>	UK Small Cap Equity	Numis Smaller Companies (ex Investment Trusts)	+21.40%	+21.78%	+13.31%	+22.54%	+10.31%	GBP
<b>UK Growth &amp; Income Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+3.63%	+3.92%	+4.61%	+4.97%	+5.30%	GBP
<b>UK Equity Income Fund</b>	UK Equity Income	FTSE All-Share Total Return	+3.48%	+3.77%	+3.63%	+4.82%	+5.30%	GBP
<b>UK Monthly Income Fund</b>	UK Equity Income	FTSE All-Share Total Return	+1.84%	–	+3.63%	+2.96%	+5.30%	GBP
<b>Monthly Extra Income Fund</b>	GBP Aggressive Allocation	–	+3.30%	–	–	+4.37%	–	GBP
<b>UK Corporate Bond Fund</b>	GBP Corporate Bond	iBoxx £ Non-Gilts	+3.05%	+3.25%	+2.91%	+3.37%	+2.78%	GBP
<b>Sterling Bond Fund*</b>	GBP Government Bond	FTSE All Stocks Gilts	+1.07%	–	+1.17%	+1.32%	+1.21%	GBP
<b>UK Institutional Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	+3.77%	+4.22%	+4.61%	+5.00%	+5.30%	GBP
<b>UK Overseas Earnings Fund</b>	UK Large Cap Blend	FTSE All-Share Total Return	–	+3.84%	+4.61%	+5.06%	+5.30%	GBP
<b>EUROPE EQUITY</b>								
<b>European Fund</b>	Europe ex UK Large Cap	FTSE World Europe ex UK	+6.69%	+7.02%	+5.47%	+7.50%	+6.54%	EUR
<b>European Select Fund</b>	Europe ex UK Large Cap	FTSE World Europe ex UK	+7.07%	+7.38%	+5.47%	+8.03%	+6.54%	EUR
<b>European Smaller Companies Fund</b>	Europe Small-Mid Cap Combined	HSBC European Smaller Companies. Ex UK	+8.87%	+9.21%	+7.17%	+9.92%	+8.69%	EUR
<b>Pan European Smaller Companies Fund</b>	Europe Small-Mid Cap Combined	EuroMoney Smaller Europe Inc UK	+8.79%	+9.13%	+7.17%	+9.46%	+6.52%	EUR
<b>Pan European Fund</b>	Europe Large Cap Blend	MSCI World Europe	+4.90%	+5.23%	+4.62%	+6.06%	+3.36%	EUR
<b>European Bond Fund*</b>	Europe Bond	ML Pan Europe Large Cap	-1.09%	-0.78%	-0.42%	-0.70%	-0.28%	EUR
<b>European Corporate Bond Fund*</b>	Fixed Income Europe/Corporate	iBoxx European All Corporate Bond	+1.06%	+1.37%	+1.31%	+1.74%	+1.36%	EUR
<b>European High Yield Bond Fund*</b>	Europe High Yield	ML European Currency High Yield 3% constrained ex sub-financials (100% £ Hedged)	+2.62%	+2.94%	+2.47%	+3.41%	+3.24%	EUR
<b>Strategic Bond Fund</b>	GBP Flexible Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB (100% £ Hedged).	+1.93%	+2.24%	+2.53%	+2.78%	+2.67%	GBP
<b>US</b>								
<b>American Fund</b>	US Large Cap Growth	S&P 500 Composite	+7.01%	+7.32%	+9.30%	+9.05%	+5.65%	USD
<b>American Select Fund</b>	US Large Cap Growth	S&P 500 Composite	+6.11%	+6.42%	+9.30%	+8.16%	+5.65%	USD
<b>American Smaller Companies Fund (US)</b>	US Mid Cap Equity	S&P 400 Mid Cap	+0.63%	+0.95%	+0.64%	+3.37%	+0.90%	USD
<b>Dollar Bond Fund*</b>	USD Diversified Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+2.10%	–	+2.48%	+2.95%	+2.99%	USD
<b>JAPAN</b>								
<b>Japan Fund</b>	Japan Large Cap	TOPIX	+9.19%	+9.53%	+5.57%	+10.07%	+6.53%	JPY
<b>FAR EAST &amp; PACIFIC</b>								
<b>Asia Fund</b>	Asia-Pacific ex-Japan	MSCI AC Asia Pacific Ex Japan	+20.24%	+20.61%	+14.06%	+21.55%	+16.51%	USD
<b>Latin America Fund</b>	Latin America Equity	MSCI 10/40 Latin America	+9.93%	+10.27%	+12.41%	+12.11%	+12.13%	USD
<b>Emerging Market Bond Fund*</b>	Global Emerging Markets	JPM Emerging Market Bonds Global	+5.09%	+5.41%	+5.15%	+6.47%	+5.02%	USD

## Threadneedle OEIC Returns against the Offshore Universe

### Performance Summary for the six months ended 31 August 2017 (continued)

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
<b>INTERNATIONAL</b>								
<b>High Yield Bond Fund</b>	High Yield Bond	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+2.91%	+3.22%	+3.52%	+3.80%	+3.68%	GBP
<b>Global Select Fund</b>	Global Large Cap Growth	MSCI AC World Free	+12.00%	+12.34%	+11.65%	+14.03%	+9.27%	USD
<b>Global Bond Fund*</b>	Global Bond	JPM GBI Global (Traded)	-6.37%	-6.08%	-5.73%	-5.37%	-5.62%	EUR

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

Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments.

*\*The performance of these funds relates to the gross accumulation shares of class 1.*

## Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
UK Select Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	**Class D – Accumulation shares	5
	**Class L – Accumulation shares	5
	Class X – Accumulation shares	5
	**Class X2 – Accumulation shares	5
	Class Z – Income shares	5
UK Smaller Companies Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Growth & Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class Z – Income shares	5
	**Class Z – Accumulation shares	5
UK Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 1 USD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	**Class D – Income shares	5
	**Class L – Income shares	5
	**Class L – 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
	Class Z EUR Hedged – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
UK Monthly Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class Z – Income shares	5
Monthly Extra Income Fund	Class 1 – Income shares	4
	Class 1 EUR Hedged – Income shares	4
	**Class 1 EUR Hedged – Accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	**Class Z EUR Hedged – Accumulation shares	4
UK Corporate Bond Fund	Class 1 – Income shares	3
	Class 1 – Accumulation shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross accumulation shares	3
	Class L – Income shares	3
	Class L – Accumulation shares	3
	Class L – Gross income shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Sterling Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Sterling Fund	Class 1 – Income shares	1
	Class 2 – Accumulation shares	1
	Class X – Gross accumulation shares	1
European Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class D – Accumulation shares	5
	**Class L – Income shares	5
	**Class L – Accumulation shares	5
	**Class L GBP Hedged – Income shares	5
	Class X – Accumulation shares	5
	**Class X2 – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
European Select Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 SGD Hedged – Accumulation shares	5
	Class 1 USD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 USD Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
European Smaller Companies Fund	Class Z – Accumulation shares	5
	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Pan European Smaller Companies Fund	Class Z CHF Hedged – Accumulation shares	5
	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 1 USD Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Pan European Fund	Class Z CHF Hedged – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class 2i – Accumulation shares	5
	Class X – Accumulation shares	5
European Bond Fund	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
European Corporate Bond Fund	Class 2 – Gross accumulation shares	4
	Class Z – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross accumulation shares	4
European Corporate Bond Fund	Class 2 – Gross accumulation shares	4
	Class Z – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross accumulation shares	4

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
European High Yield Bond Fund	Class 1 – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 USD Hedged – Monthly gross income shares	3
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross income shares	4
	Class 2 – Gross accumulation shares	4
	Class 2 CHF Hedged – Gross accumulation shares	3
	**Class N USD Hedged – Monthly gross income shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Accumulation shares	4
	Class Z – Gross income shares	4
	Class Z CHF Hedged – Gross income shares	4
	Class Z – Gross accumulation shares	4
	Class Z CHF Hedged – Gross accumulation shares	4
	Class Z USD Hedged – Gross accumulation shares	4
Strategic Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Gross income shares	3
American Fund	Class Z – Gross accumulation shares	3
	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
American Select Fund	Class Z EUR Hedged – Accumulation shares	5
	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5
American Smaller Companies Fund (US)	Class Z GBP Hedged – Accumulation shares	5
	Class 1 – Income shares	6
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Income shares	6
Dollar Bond Fund	Class Z – Accumulation shares	6
	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class Z – Income shares	4
Japan Fund	Class Z – Gross accumulation shares	4
	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	**Class L – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	**Class X2 – Accumulation shares	6
	Class Z – Accumulation shares	6

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Asia Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class L – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	**Class X2 – Accumulation shares	5
	Class Z – Accumulation shares	5
Latin America Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Bond Fund	Class 1 – Income shares	5
	Class 1 – Gross income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income 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 income shares	5
High Yield Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 1 USD Hedged – Gross income shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Accumulation shares	3
	Class Z – Gross income shares	3
	Class Z – Gross accumulation shares	3
Global Select Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Global Bond Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
UK Institutional Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
UK Overseas Earnings Fund	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5



## Risk and Reward Profiles

(continued)

\*As at 7 September 2017 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 Monthly Extra Income Fund changed from 5 to 4 for all share classes on 17 March 2017.

The risk and reward profile of the European Select Fund changed from 6 to 5 for all share classes on 17 March 2017.

The risk and reward profile of the Pan European Fund changed from 6 to 5 for all share classes on 17 March 2017.

The risk and reward profile of the European High Yield Bond Fund Class 2 CHF Hedged – Gross accumulation shares changed from 4 to 3 on 17 March 2017.

The risk and reward profile of the European High Yield Bond Fund Class 1 USD Hedged – Monthly gross income shares changed from 4 to 3 on 17 March 2017.

The risk and reward profile of the European High Yield Bond Fund Class Z CHF Hedged – Gross accumulation shares changed from 5 to 4 on 17 March 2017.

The risk and reward profile of the American Select Fund Class Z EUR Hedged – Accumulation shares changed from 6 to 5 on 24 May 2017.

The risk and reward profile of the Asia Fund changed from 6 to 5 for all share classes on 17 March 2017.

The risk and reward profile of the Emerging Market Bond Fund changed from 6 to 5 for all share classes on 29 March 2017.

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

## Important Information

Threadneedle 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, International Financial Data Services, 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:

- Resignation of Mr Tim Gillbanks on 31 March 2017;
- Appointment of Michelle Scrimgeour on 14 August 2017.

### Changes to the Prospectus

During the period from 8 March 2017 to 7 September 2017 the following changes were made to the Prospectus of the Company:

- Addition of new share classes for mergers of funds of TIF II into five TIF funds on 12 May 2017;
- Updates to include changes to the COLL rules (including PRN, changes regarding short reports, eligible markets);
- Updates to reflect changes being made to UK tax on distributions (gross vs net shares, as well as tax changes more generally);
- Updates to the list of funds managed by the ACD and the directors of the ACD;
- Enhanced disclosures regarding hedged share classes and performance fee calculations;
- Updates to performance, dilution adjustments and available share classes;
- Miscellaneous changes including address of the Financial Services Ombudsman, clarification on privacy statement, clarification of dividend payment dates, addresses of paying agents.

### Changes to the Instrument of Incorporation

There were no changes to the instrument of incorporation of the Company during the period from 8 March 2016 to 7 September 2017.

### Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 32 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 Class 1 EUR (including Class 1 Hedged Shares) Class 1 USD (including Class 1 Hedged Shares) Class 1 JPY Class 1 CHF (including Class 1 Hedged Shares) Class 1 SGD (Hedged Shares)	GBP 2,000 EUR 2,500 USD 3,000 JPY 280,000 CHF 3,000 SGD 4,000	Retail and non-retail investors
Class L	Class L GBP	GBP 0.5 million	Non-retail investors
Class M	Class M AUD (Hedged Share Class) Class M USD (Hedged Share Class)	AUD 750 USD 3,000	Retail and non-retail investors
Class N	Class N USD (Hedged Share Class)	USD 1.5 million	Retail and non-retail investors
Class 2	Class 2 GBP Class 2 EUR (including Class 2 Hedged Shares) Class 2 USD (including Class 2 Hedged Shares) Class 2 JPY Class 2 CHF (Hedged Share Class)	GBP 0.5 million EUR 0.75 million USD 0.8 million JPY 70 million CHF 1.2 million	Non-retail investors
Class 2i	Class 2i USD Class 2i GBP Class 2i EUR Class 2i JPY	USD 0.8 million GBP 0.5 million EUR 0.75 million JPY 70 million	Available to non-retail investors in the Pan European Fund
Class 3	Class 3 GBP	GBP 0.5 million	Non-retail investors

## Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
Class X	Class X GBP Class X EUR Class X USD Class X JPY Class X AUD (Hedged Share Class)	GBP 3 million EUR 5 million USD 5 million JPY 420 million AUD 5 million	Available only to Eligible Shareholders
Class Z	Class Z GBP* Class Z EUR (including Class Z Hedged Shares)* Class Z USD (including Class Z Hedged Shares)* Class Z JPY* Class Z CHF (including Class Z Hedged Shares)*	GBP 1 million EUR 1.5 million USD 1.5 million JPY 140 million CHF 1.5 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients

\*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

### Changes to the share class names

With effect from 6 April 2017, all payments from the Funds are paid gross of UK tax, following changes to the way savings and investments are taxed in the UK. As a result of the change, the word "net" has been removed from the names of all the share classes that were previously "net" paying shares.

### Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios. The annual accounting period for the funds ends on 7 March and the interim reporting period ends on 7 September.

### Income Equalisation

The first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

### Investor Reports

At the end of each reporting period short form reports are available on our website [columbiathreadneedle.com/shortform](http://columbiathreadneedle.com/shortform) and from Threadneedle Investment Services Limited P.O. Box 10033, Chelmsford, Essex CM99 2AL.

The annual accounting period for the Company ends on 7 March and the interim reporting period ends on 7 September.

Where there is any inconsistency between the version presented in English and any translation, the English language version takes precedence.

### 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.

## 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	Investment in Deposits
UK Fund	X	X													X	X		
UK Select Fund	X	X						X							X	X		
UK Smaller Companies Fund	X	X					X								X	X		
UK Growth and Income Fund	X	X													X		X	
UK Equity Income Fund	X	X													X		X	
UK Monthly Income Fund	X	X													X		X	
Monthly Extra Income Fund	X	X			X		X		X	X					X	X		
UK Corporate Bond Fund	X	X			X		X		X	X					X			
Sterling Bond Fund	X	X			X		X		X	X					X			
Sterling Fund	X		X	X					X						X			X
European Fund	X	X													X		X	
European Select Fund	X	X						X							X		X	
European Smaller Companies Fund	X	X					X								X		X	
Pan European Smaller Companies Fund	X	X					X								X		X	
Pan European Fund	X	X													X		X	
European Bond Fund	X	X			X		X		X	X					X			
European Corporate Bond Fund	X	X			X		X		X	X					X			
European High Yield Bond Fund	X	X			X		X		X	X	X				X	X		
Strategic Bond Fund	X	X		X	X		X		X	X	X	X	X	X				
American Fund	X	X													X	X		
American Select Fund	X	X						X							X	X		
American Smaller Companies Fund (US)	X	X					X								X		X	
Dollar Bond Fund	X	X			X		X		X	X					X			
Japan Fund	X	X													X		X	
Asia Fund	X	X				X	X								X		X	
Latin America Fund	X	X				X	X								X		X	
Emerging Market Bond Fund	X	X			X	X	X		X	X					X	X		
High Yield Bond Fund	X	X			X		X		X	X	X				X	X		
Global Select Fund	X	X						X							X	X		
Global Bond Fund	X	X			X		X		X	X					X			
UK Institutional Fund	X	X													X		X	
UK Overseas Earnings Fund	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.

## Important Information

*(continued)*

**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.

**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:** The fund actively invests directly in foreign currency instruments. Currency markets are complex and exchange rates are sensitive to political and market events. This aspect of the fund's investment policy may affect the value of your investments.

**Investment in Derivatives 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.

**Leverage Risk:** The Investment Policy of the fund allows it to invest materially in derivatives.

**Derivatives for EPM/Hedging 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.

**Volatility Risk:** Where funds are permitted to hold significant levels of cash, this should help to protect capital in a falling market but may also limit gains if markets rise.

**High Volatility Risk:** The fund may exhibit significant price volatility.

**Investment in Deposits Risk:** The Investment Policy of the Fund is to replicate the reference index. The effect of on-going charges means that although tracking this index, the Fund will not exactly replicate the index performance.

Further risks applicable to the fund can be found in the Prospectus.

## Directory

### Registered Office

Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Authorised Corporate Director (ACD)

Threadneedle Investment Services Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Registrar

Threadneedle Investment Services Limited  
Delegated to:  
DST Financial Services Europe Limited\*\*  
(Authorised and regulated by the Financial Conduct Authority (FCA))  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

### Investment Manager

Threadneedle Asset Management Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Depository

Citibank Europe plc, UK branch  
(Authorised by the Prudential Regulatory Authority (PRA)  
and regulated by the FCA and PRA)  
Citigroup Centre  
33 Canada Square  
Canary Wharf  
London E14 5LB

### Legal Advisers

Eversheds LLP  
One Wood Street  
London EC2V 7WS

Baum Financial Services Law Team  
Grosser Burstah 42  
20457 Hamburg  
Germany

### Independent Auditor

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Authorised Corporate Director Client Services Details

#### UK Investors

**Address:** Threadneedle Investment Services Limited  
PO Box 10033  
Chelmsford  
Essex CM99 2AL  
**Telephone** (dealing & customer enquiries): 0800 953 0134\*  
**Fax** (dealing): 0845 113 0274  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk

#### Asian Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +852 3667 7111\*  
**Fax** (dealing): +352 2452 9807  
**Email** (enquiries): threadneedleenquiries@statestreet.com

### All Other Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +352 464 010 7020\*  
**Fax** (dealing): +352 2452 9807  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk  
**Website:** columbiathreadneedle.com

### Paying and Information Agent in Austria

Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna  
Austria

### Paying and Information Agent in Belgium

CACEIS Belgium S.A.  
avenue du Port 86 C b 320  
1000 Brussels  
Belgium

### Paying and Information Agent in France

BNP Paribas Securities Services  
66 rue de la Victoire  
75009 Paris  
France

### Paying and Information Agent in Germany

J.P. Morgan AG  
Junghofstr. 14  
60311 Frankfurt am Main  
Germany

### Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited  
Services Transfer Agency, Fund Services  
1 Queen's Road Central  
Hong Kong

### Paying and Information Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited  
J.P. Morgan House, International Financial Services Centre  
Dublin 1  
Ireland

### Paying and Information Agent in Italy

Allfunds Bank S.A. (filiale di Milano)  
via Bocchetto, 6  
20123 Milan  
Italy  
BNP Paribas Securities Services  
Piazza Lina Bo Bardi, 3  
20124 Milan  
Italy  
Société Générale Securities Services S.p.A.  
con sede legale in Milano  
via Benigno Crespi 19/A – MAC2  
20159 Milan  
Italy

State Street Bank S.p.A.  
Via Ferrante Aporti, 10  
20125 Milan  
Italy

### Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

\*Calls will be recorded.

\*\*International Financial Data Services (UK) Limited changed its name to DST Financial Services Europe Limited on 15 August 2017.

## Directory

*(continued)*

### **Information Agent in Spain**

Threadneedle Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 482 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)).

### **Paying and Information Agent in Sweden**

Skandinaviska Enskilda Banken AB  
Kungsträdgårdsgatan  
SE - 10640  
Stockholm  
Sweden

### **Representative and Paying Agent in Switzerland**

BNP Paribas Securities Services, Paris, Succursale de Zurich  
Selnaustrasse 16  
8002 Zurich  
Switzerland

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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