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INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS
THREADNEEDLE FOCUS INVESTMENT FUNDS ICVC
JULY 2018

THREADNEEDLE FOCUS INVESTMENT FUNDS ICVC

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*These pages comprise the Authorised Corporate Director's Report.

Company Information

Company

Threadneedle Focus Investment Funds ICVC
Registered Number IC000666

Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

Director

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

Board of Directors of the ACD

K Cates (non-executive)
D Jordison (Resigned from the Board on 1 May 2018)
D Kremer
A Roughead (non-executive)
M Scrimgeour
P Stone (Appointed to the Board on 5 September 2018)
L Weatherup

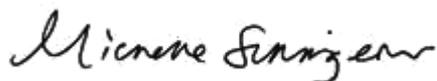
Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Focus Investment Funds ICVC for the 6 months to 21 July 2018.

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the Credit Opportunities Fund that they should vote in favour of a resolution to transfer the fund, using a cross-border UCITS merger, to an equivalent Luxembourg-based fund, in order to provide continuity and certainty for investors. For EU investors, the transfer will remove uncertainty regarding the future status of their investment in their home country. Shareholders voted in favour of the proposal at a meeting of shareholders held on 24 August 2018. Following the merger, which will take place on 20 October 2018, the Credit Opportunities Fund and the Company will be closed. Accordingly the going concern basis of preparation is no longer appropriate for the funds and their financial statements have been prepared on a basis other than going concern as described in Note 1(a) to the financial statements.

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

Thank you for your continued support.



M Scrimgeour
Director

DIRECTORS' STATEMENTS

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

L Weatherup
Director

M Scrimgeour
Director

12 September 2018

Threadneedle Credit Opportunities Fund

Investment Report

Investment Objective

The investment objective of the Credit Opportunities Fund is to achieve a total positive return over an 18-24 month period in all market conditions.

There is a risk to capital, and there is no guarantee that such a return will be achieved in 18-24 months or any other timescale.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund to gain exposure to a range of credit related instruments, by investing directly or indirectly in such securities. These instruments generate returns from contracted income flows and changes in credit worthiness.

The ACD will invest primarily in corporate bonds, sovereign bonds and other debt securities including money market securities.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in other securities and deposits. For liquidity purposes it may further invest in cash and near cash.

In addition, the ACD may use derivatives and forward transactions.

The ACD may take long and short positions through derivatives.

Performance of Class 1 – Gross accumulation shares

Over the six months to 21 July 2018, the published share price of the Threadneedle Credit Opportunities Fund has fallen from 1.3610 to 1.3412 euros.

The total return on the fund for the six months ending 31 July 2018, including gross reinvested income in euros, is -1.04%.

For information the FTSE EUR 1 Month Eurodeposit Total Return Index returned -0.24% over the same period.

Market Overview and Portfolio Activity

The six months under review were a challenging period for fixed-income assets. Core bond yields had mixed fortunes, but credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) widened globally, especially within high-yield markets.

US Treasury yields were driven higher by anticipation that the Federal Reserve (Fed) would have to raise interest rates more quickly than previously envisaged to stop the US economy from overheating. Benchmark German and UK government bond yields also rose early in the period, but later fell back and were down over the period as a whole. After their initial weakness, gilts and bunds were supported by political uncertainty in Europe and relatively low expectations for the pace of interest-rate hikes by the Bank of England (BoE) and European Central Bank (ECB).

Meanwhile, reduced appetite for risk assets pushed credit spreads wider. Factors behind this change in sentiment derived mainly from the political arena. President Trump did much to unsettle markets, pulling out of the Iran nuclear deal, for example, and stepping up his protectionist agenda with a series of new trade tariffs. To the surprise of many, these levies were aimed not only at adversaries of the US, such as China, but also at its traditional allies, including Canada and the European Union. European politics were another source of uncertainty. Italian debt was especially volatile. Populist anti-EU parties emerged as the victors in the Italian general election but then struggled to form a government. A fresh election was only narrowly avoided when the euro-sceptics scraped together a last-minute coalition deal. In Spain, the prime minister was ousted in a vote of no confidence, though this had much less of an impact on markets. And in Germany, a row over how to handle the migrant crisis appeared close to splitting that country's own fragile coalition.

In terms of monetary policy, there was further divergence between the US and Europe. The Fed raised interest rates twice, as expected, but also forecast a quicker pace of future hikes. The ECB adopted a more dovish tone, signalling that while it would end its bond-buying programme this year, there would be no rate rises before the autumn of 2019. In the UK, a run of weaker-than-expected economic data dissuaded the BoE from raising the base rate at its May meeting; a hike had been seen as a near certainty as recently as April.

Against this background, spreads in the global-investment grade and European high-yield credit market respectively widened by

around 30 basis points (bps) and 90 bps over the six months in review.

With regard to portfolio activity, we participated in new deals from a wide variety of issuers during the period. The largest of these additions included new bonds from Bacardi, Bayer, RBS, Syngenta, Becton Dickinson, Bevo Lux, AT&T, and Akelius Residential Property. We were also active in the secondary market, adding new exposure to InterGen and Daily Mail & General Trust, for example, as well as adjusting a range of existing holdings. Our exposure to a number of names was reduced as corporates took advantage of the low interest-rate environment to lower their cost of debt by calling a number of their bonds. Examples of this include Safari, CeramTec, Interxion and ICBPI. We actively managed our exposure to other issuers, reducing our exposure to names such as Altice and Imperial Brands and exiting others, such as Ford and Wm Morrison Supermarkets.

Investment-grade corporate and high-yield markets remain supported by the ongoing provision of accommodative monetary policy. This includes the low or negative interest rates in most developed economies and, until the end of this year at least, outright quantitative easing in Europe. Meanwhile, fundamentals remain strong, with growth momentum across the major geographies supporting corporate earnings. Default risk is similarly benign in the US and Europe. Nevertheless, the corporate credit cycle is fairly mature and though earnings have been robust, the benefits are largely accruing to shareholders – especially in investment grade.

From a valuation perspective, bond yields are low and despite the widening discussed above, credit spreads are still only around their long-term historic averages. The high-yield market continues to experience outflows, but remains supported by "rising star" upgrades, bond-to-loan refinancings and limited new issuance.

All things considered, market returns are expected to be low in the coming months. As a result, the fund remains positioned with a low level of interest-rate risk and a reduced quantum of credit-market risk.

STATEMENT OF TOTAL RETURN

for the accounting period 22 January 2018 to 21 July 2018

	2018 £000	2017 £000
Income		
Net capital losses	(37,898)	(2,987)
Revenue	27,841	22,426
Expenses	(6,149)	(5,378)
Foreign exchange gain/(loss) on distribution	233	(518)
Interest payable and similar charges	(7,925)	(6,035)
Net revenue before taxation	14,000	10,495
Taxation	–	–
Net revenue after taxation	14,000	10,495
Total return before equalisation	(23,898)	7,508
Equalisation	(127)	2,151
Foreign exchange gain on translation	20,422	59,890
Change in net assets attributable to shareholders from investment activities	(3,603)	69,549

BALANCE SHEET

as at 21 July 2018

	2018 £000	January 2018 £000
Assets:		
Fixed assets:		
Investments	–	1,613,960
Current assets:		
Investments*	1,574,430	–
Debtors	23,302	20,102
Cash and bank balances	190,453	209,764
Cash equivalents*	100,779	81,500
Total assets	1,888,964	1,925,326
Liabilities:		
Investment liabilities	–	(27,557)
Creditors:		
Investment liabilities*	(24,483)	–
Distribution payable	–	(285)
Other creditors	(29,713)	(42,741)
Total liabilities	(54,196)	(70,583)
Net assets attributable to shareholders	1,834,768	1,854,743

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 22 January 2018 to 21 July 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	1,854,743	1,209,692
Amounts receivable on the issue of shares	207,496	503,270
Amounts payable on the cancellation of shares	(223,977)	(111,035)
	(16,481)	392,235
Dilution adjustment	109	294
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(3,603)	69,549
Closing net assets attributable to shareholders	1,834,768	1,671,770

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 21 January 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 21 July 2017.

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

Threadneedle Credit Opportunities Fund

Comparative Table Disclosure (Presentational Currency (£))

	Class 1 GBP Hedged – Accumulation shares			Class 1 – Gross income shares ⁵		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (p)	136.49	134.03	126.71	87.34	85.33	73.34
Return before operating charges (p)	0.34	4.33	9.14	0.71	3.95	14.46
Operating charges (p)	(1.90)	(1.87)	(1.47)	(0.99)	(0.99)	(1.20)
Return after operating charges (p)*	(1.56)	2.46	7.67	(0.28)	2.96	13.26
Distributions (p)	–	(1.13)	(1.73)	–	(0.95)	(1.27)
Retained distributions on accumulation shares (p)**	–	1.13	1.38	–	–	–
Closing net asset value per share (p)	134.93	136.49	134.03	87.06	87.34	85.33
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.14)	1.84	6.05	(0.32)	3.47	18.08
Other information						
Closing net asset value (£000)	5,292	4,340	4,859	3,073	4,307	1,373
Closing number of shares	3,922,216	3,179,694	3,625,193	3,530,051	4,931,535	1,609,258
Operating charges (%)**	1.38 [†]	1.37	1.38	1.13 [†]	1.13	1.13
Direct transaction costs (%)****	–	–	–	–	–	–

	Class 1 – Gross accumulation shares ⁵			Class 1 GBP Hedged – Gross accumulation shares ⁵		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (p)	120.01	115.99	98.23	105.05	103.15	97.29
Return before operating charges (p)	0.98	5.36	18.96	0.29	3.34	7.32
Operating charges (p)	(1.36)	(1.34)	(1.20)	(1.47)	(1.44)	(1.46)
Return after operating charges (p)*	(0.38)	4.02	17.76	(1.18)	1.90	5.86
Distributions (p)	–	(1.27)	(1.71)	–	(0.88)	(1.32)
Retained distributions on accumulation shares (p)**	–	1.27	1.71	–	0.88	1.32
Closing net asset value per share (p)	119.63	120.01	115.99	103.87	105.05	103.15
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.32)	3.47	18.08	(1.12)	1.84	6.02
Other information						
Closing net asset value (£000)	333,558	351,908	370,583	11	11	11
Closing number of shares	278,835,324	293,224,869	319,486,290	10,000	10,000	10,000
Operating charges (%)**	1.13 [†]	1.12	1.13	1.38 [†]	1.37	1.37
Direct transaction costs (%)****	–	–	–	–	–	–

	Class 1 USD Hedged – Gross accumulation shares ⁵			Class 2 GBP Hedged – Income shares		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (p)	102.29	112.20	91.64	102.27	101.24	96.70
Return before operating charges (p)	7.71	(8.41)	22.02	(0.07)	3.30	7.33
Operating charges (p)	(1.45)	(1.50)	(1.46)	(0.74)	(0.72)	(0.75)
Return after operating charges (p)*	6.26	(9.91)	20.56	(0.81)	2.58	6.58
Distributions (p)	–	(0.90)	(1.31)	–	(1.55)	(2.04)
Retained distributions on accumulation shares (p)**	–	0.90	1.31	–	–	–
Closing net asset value per share (p)	108.55	102.29	112.20	101.46	102.27	101.24
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	6.12	(8.84)	22.44	(0.79)	2.55	6.80
Other information						
Closing net asset value (£000)	9,665	9,786	15,309	989	866	611
Closing number of shares	8,903,355	9,567,341	13,644,156	974,221	846,814	603,553
Operating charges (%)**	1.38 [†]	1.37	1.38	0.71 [†]	0.70	0.71
Direct transaction costs (%)****	–	–	–	–	–	–

Threadneedle Credit Opportunities Fund

Comparative Table Disclosure (Presentational Currency (£))

(continued)

	Class 2 GBP Hedged – Accumulation shares			Class 2 – Gross income shares ⁵	
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018 ¹
Change in net assets per share					
Opening net asset value per share (p)	127.42	124.28	116.86	88.21	88.67
Return before operating charges (p)	(0.12)	4.03	8.82	0.47	0.13
Operating charges (p)	(0.92)	(0.89)	(0.91)	(0.50)	(0.15)
Return after operating charges (p)*	(1.04)	3.14	7.91	(0.03)	(0.02)
Distributions (p)	–	(1.92)	(2.46)	–	(0.44)
Retained distributions on accumulation shares (p)**	–	1.92	1.97	–	–
Closing net asset value per share (p)	126.38	127.42	124.28	88.18	88.21
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	(0.82)	2.53	6.77	(0.03)	(0.02)
Other information					
Closing net asset value (£000)	124,880	92,860	58,431	45,909	45,020
Closing number of shares	98,813,337	72,879,082	47,014,065	52,064,300	51,037,355
Operating charges (%)***	0.71 [†]	0.70	0.71	0.56 [†]	0.58 [†]
Direct transaction costs (%)****	–	–	–	–	–

	Class 2 – Gross accumulation shares ⁵			Class X GBP Hedged – Gross accumulation shares ⁵		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017 ²
Change in net assets per share						
Opening net asset value per share (p)	120.06	115.37	97.15	108.62	105.26	100.00
Return before operating charges (p)	0.63	5.35	18.85	(0.46)	3.41	5.30
Operating charges (p)	(0.68)	(0.66)	(0.63)	(0.07)	(0.05)	(0.04)
Return after operating charges (p)*	(0.05)	4.69	18.22	(0.53)	3.36	5.26
Distributions (p)	–	(2.00)	(2.34)	–	(2.32)	(2.31)
Retained distributions on accumulation shares (p)**	–	2.00	2.34	–	2.32	2.31
Closing net asset value per share (p)	120.01	120.06	115.37	108.09	108.62	105.26
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.04)	4.07	18.75	(0.49)	3.19	5.26
Other information						
Closing net asset value (£000)	1,308,631	1,342,845	758,426	2,760	2,820	89
Closing number of shares	1,090,457,326	1,118,486,357	657,377,228	2,554,226	2,595,891	84,033
Operating charges (%)***	0.56 [†]	0.55	0.56	0.06 [†]	0.05	0.04 [†]
Direct transaction costs (%)****	–	–	–	–	–	–

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

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

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

⁵Only available to eligible investors.

¹Class 2 – Gross income shares commenced 3 October 2017.

²Class X GBP Hedged – Gross accumulation shares commenced 16 March 2016.

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

Threadneedle Credit Opportunities Fund

Comparative Table Disclosure (Fund Currency (€))

(continued)

	Class 1 GBP Hedged – Accumulation shares			Class 1 – Gross income shares [§]		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (c)	154.46	154.84	163.95	98.84	98.58	94.89
Return before operating charges (c)	(1.39)	1.74	(7.02)	(0.34)	2.45	6.55
Operating charges (c)	(2.13)	(2.12)	(1.69)	(1.11)	(1.12)	(1.39)
Return after operating charges (c)*	(3.52)	(0.38)	(8.71)	(1.45)	1.33	5.16
Distributions (c)	–	(1.28)	(2.00)	–	(1.07)	(1.47)
Retained distributions on accumulation shares (c)**	–	1.28	1.60	–	–	–
Closing net asset value per share (c)	150.94	154.46	154.84	97.39	98.84	98.58
*after direct transaction costs of (c)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.28)	(0.25)	(5.31)	(1.47)	1.35	5.44
Other information						
Closing net asset value (€000)	5,920	4,912	5,613	3,438	4,874	1,586
Closing number of shares	3,922,216	3,179,694	3,625,193	3,530,051	4,931,535	1,609,258
Operating charges (%)***	1.38 [†]	1.37	1.38	1.13 [†]	1.13	1.13
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (c)	157.59	161.37	172.18	99.16	100.17	100.31
Lowest share price (c)	151.28	145.88	147.73	97.36	98.85	94.15
	Class 1 – Gross accumulation shares [§]			Class 1 GBP Hedged – Gross accumulation shares [§]		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (c)	135.82	134.00	127.10	118.89	119.17	125.88
Return before operating charges (c)	(0.47)	3.33	8.29	(1.06)	1.35	(5.03)
Operating charges (c)	(1.53)	(1.51)	(1.39)	(1.64)	(1.63)	(1.68)
Return after operating charges (c)*	(2.00)	1.82	6.90	(2.70)	(0.28)	(6.71)
Distributions (c)	–	(1.44)	(1.97)	–	(0.99)	(1.53)
Retained distributions on accumulation shares (c)**	–	1.44	1.97	–	0.99	1.53
Closing net asset value per share (c)	133.82	135.82	134.00	116.19	118.89	119.17
*after direct transaction costs of (c)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.47)	1.36	5.43	(2.27)	(0.23)	(5.33)
Other information						
Closing net asset value (€000)	373,136	398,258	428,123	12	12	12
Closing number of shares	278,835,324	293,224,869	319,486,290	10,000	10,000	10,000
Operating charges (%)***	1.13 [†]	1.12	1.13	1.38 [†]	1.37	1.37
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (c)	136.25	136.17	134.35	121.30	124.20	132.34
Lowest share price (c)	133.78	134.37	126.10	116.45	112.28	113.64
	Class 1 USD Hedged – Gross accumulation shares [§]			Class 2 GBP Hedged – Income shares		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017
Change in net assets per share						
Opening net asset value per share (c)	115.76	129.62	118.57	115.74	116.96	125.12
Return before operating charges (c)	7.29	(12.16)	12.73	(1.42)	1.36	(4.93)
Operating charges (c)	(1.62)	(1.70)	(1.68)	(0.82)	(0.82)	(0.87)
Return after operating charges (c)*	5.67	(13.86)	11.05	(2.24)	0.54	(5.80)
Distributions (c)	–	(1.02)	(1.51)	–	(1.76)	(2.36)
Retained distributions on accumulation shares (c)**	–	1.02	1.51	–	–	–
Closing net asset value per share (c)	121.43	115.76	129.62	113.50	115.74	116.96
*after direct transaction costs of (c)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.90	(10.69)	9.32	(1.94)	0.46	(4.64)
Other information						
Closing net asset value (€000)	10,812	11,075	17,686	1,106	980	706
Closing number of shares	8,903,355	9,567,341	13,644,156	974,221	846,814	603,553
Operating charges (%)***	1.38 [†]	1.37	1.38	0.71 [†]	0.70	0.71
Direct transaction costs (%)****	–	–	–	–	–	–
Prices						
Highest share price (c)	122.75	132.17	132.79	118.29	122.12	131.68
Lowest share price (c)	113.88	115.98	113.28	113.76	110.67	113.22

Threadneedle Credit Opportunities Fund

Comparative Table Disclosure (Fund Currency (€))

(continued)

	Class 2 GBP Hedged – Accumulation shares			Class 2 – Gross income shares ⁵		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018 ¹	
Change in net assets per share						
Opening net asset value per share (c)	144.20	143.58	151.20	99.83	100.00	
Return before operating charges (c)	(1.81)	1.62	(6.00)	(0.63)	0.50	
Operating charges (c)	(1.02)	(1.00)	(1.05)	(0.56)	(0.17)	
Return after operating charges (c)*	(2.83)	0.62	(7.05)	(1.19)	0.33	
Distributions (c)	–	(2.18)	(2.85)	–	(0.50)	
Retained distributions on accumulation shares (c)**	–	2.18	2.28	–	–	
Closing net asset value per share (c)	141.37	144.20	143.58	98.64	99.83	
*after direct transaction costs of (c)	–	–	–	–	–	
Performance						
Return after charges (%)	(1.96)	0.43	(4.66)	(1.19)	0.33	
Other information						
Closing net asset value (€000)	139,697	105,090	67,504	51,356	50,950	
Closing number of shares	98,813,337	72,879,082	47,014,065	52,064,300	51,037,355	
Operating charges (%)**	0.71 ¹	0.70	0.71	0.56 ¹	0.58 ¹	
Direct transaction costs (%)**	–	–	–	–	–	
Prices						
Highest share price (c)	147.35	149.88	159.09	100.17	100.56	
Lowest share price (c)	141.69	135.82	136.78	98.59	99.89	
	Class 2 – Gross accumulation shares ⁵			Class X GBP Hedged – Gross accumulation shares ⁵		
	21/07/2018	21/01/2018	21/01/2017	21/07/2018	21/01/2018	21/01/2017 ²
Change in net assets per share						
Opening net asset value per share (c)	135.87	133.29	125.70	122.93	121.60	127.13
Return before operating charges (c)	(0.86)	3.32	8.32	(1.94)	1.39	(5.49)
Operating charges (c)	(0.76)	(0.74)	(0.73)	(0.07)	(0.06)	(0.04)
Return after operating charges (c)*	(1.62)	2.58	7.59	(2.01)	1.33	(5.53)
Distributions (c)	–	(2.26)	(2.71)	–	(2.62)	(2.66)
Retained distributions on accumulation shares (c)**	–	2.26	2.71	–	2.62	2.66
Closing net asset value per share (c)	134.25	135.87	133.29	120.92	122.93	121.60
*after direct transaction costs of (c)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.19)	1.94	6.04	(1.64)	1.09	(4.35)
Other information						
Closing net asset value (€000)	1,463,905	1,519,688	876,185	3,088	3,191	102
Closing number of shares	1,090,457,326	1,118,486,357	657,377,228	2,554,226	2,595,891	84,033
Operating charges (%)**	0.56 ¹	0.55	0.56	0.06 ¹	0.05	0.04 ¹
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (c)	136.32	136.19	133.62	125.81	127.13	133.87
Lowest share price (c)	134.17	133.65	124.75	121.15	115.49	115.54

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

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

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

¹Only available to eligible investors.

²Class 2 – Gross income shares commenced 3 October 2017.

³Class X GBP Hedged – Gross accumulation shares commenced 16 March 2016.

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

Threadneedle Credit Opportunities Fund

Notes to the financial statements

for the accounting period 22 January 2018 to 21 July 2018

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.

Following the merger, which will take place on 20 October 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the funds and their financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the funds' financial statements to reduce assets to their realisable values or to provide for liabilities arising from the termination. Fixed assets and long term liabilities have been reclassified as current assets and liabilities. The comparative financial information was prepared on a going concern basis.

(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

	2018
Class 1 GBP Hedged – Accumulation shares	
Opening shares	3,179,694
Shares issued	1,296,909
Shares redeemed	(551,016)
Net conversions	(3,371)
Closing shares	<u>3,922,216</u>
Class 1 – Gross income shares	
Opening shares	4,931,535
Shares issued	645,833
Shares redeemed	(2,047,317)
Net conversions	–
Closing shares	<u>3,530,051</u>
Class 1 – Gross accumulation shares	
Opening shares	293,224,869
Shares issued	17,247,303
Shares redeemed	(31,553,432)
Net conversions	(83,416)
Closing shares	<u>278,835,324</u>
Class 1 GBP Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 1 USD Hedged – Gross accumulation shares	
Opening shares	9,567,341
Shares issued	1,668,565
Shares redeemed	(2,332,551)
Net conversions	–
Closing shares	<u>8,903,355</u>
Class 2 GBP Hedged – Income shares	
Opening shares	846,814
Shares issued	221,701
Shares redeemed	(94,294)
Net conversions	–
Closing shares	<u>974,221</u>
Class 2 GBP Hedged – Accumulation shares	
Opening shares	72,879,082
Shares issued	26,689,721
Shares redeemed	(759,073)
Net conversions	3,607
Closing shares	<u>98,813,337</u>

	2018
Class 2 – Gross income shares	
Opening shares	51,037,355
Shares issued	1,027,098
Shares redeemed	(153)
Net conversions	–
Closing shares	<u>52,064,300</u>
Class 2 – Gross accumulation shares	
Opening shares	1,118,486,357
Shares issued	124,871,278
Shares redeemed	(152,983,620)
Net conversions	83,311
Closing shares	<u>1,090,457,326</u>
Class X GBP Hedged – Gross accumulation shares	
Opening shares	2,595,891
Shares issued	–
Shares redeemed	(41,665)
Net conversions	–
Closing shares	<u>2,554,226</u>

Threadneedle Credit Opportunities Fund

Portfolio Statement

as at 21 July 2018

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
AUSTRALIA 3.01% (4.41%)					BBB 0.79% (0.75%)				
A- 0.77% (0.93%)					USD	7,285,000	Cenovus Energy 3.8% 15/09/2023	5,461	0.30
EUR	8,471,000	SGSP Australia Assets 2% 30/06/2022	8,043	0.44	USD	12,025,000	Cenovus Energy 4.25% 15/04/2027	8,979	0.49
USD	7,752,000	SGSP Australia Assets 3.25% 29/07/2026	5,591	0.30	BB- 0.59% (0.55%)				
AUD	800,000	SGSP Australia Assets 5.5% 12/03/2021	480	0.03	USD	3,760,000	Bausch Health 6.5% 15/03/2022	2,997	0.16
BBB+ 0.64% (0.86%)					USD	4,591,000	Valeant 5.5% 01/11/2025	3,497	0.19
EUR	6,200,000	*BHP Billiton Finance 5.625% 22/10/2079	6,593	0.36	USD	5,357,000	Valeant 7% 15/03/2024	4,355	0.24
USD	6,069,000	*BHP Billiton Finance USA Variable 19/10/2075	5,073	0.28	B 0.39% (0.38%)				
BBB 0.75% (0.76%)					EUR	7,575,000	Cott Finance 5.5% 01/07/2024	7,162	0.39
GBP	6,200,000	APT Pipelines 4.25% 26/11/2024	6,806	0.37	Total Canada				
USD	4,670,000	APT Pipelines 4.25% 15/07/2027	3,495	0.19				38,838	2.12
AUD	6,240,000	Holcim Finance 3.5% 16/06/2022	3,554	0.19	CAYMAN ISLANDS 1.01% (1.31%)				
BBB- 0.52% (0.67%)					A+ 0.47% (0.46%)				
GBP	8,570,000	Asciano Finance 5% 19/09/2023	9,577	0.52	USD	10,678,000	Alibaba Group 4% 06/12/2037	7,653	0.42
BB 0.33% (1.19%)					USD	1,172,000	Tencent Holding 3.925% 19/01/2038	828	0.05
EUR	6,483,000	*Origin Energy Finance 4% 16/09/2074	5,975	0.33	BBB- 0.29% (0.62%)				
Total Australia			55,187	3.01	GBP	5,506,000	Thames Water Utilities 2.875% 03/05/2027	5,340	0.29
AUSTRIA 0.00% (0.43%)					B 0.25% (0.23%)				
Baa2 0.00% (0.43%)					USD	6,728,000	Noble Holding International 6.95% 01/04/2045	4,647	0.25
Total Austria					Total Cayman Islands				
			-	-				18,468	1.01
BELGIUM 0.39% (1.24%)					CROATIA 0.00% (0.05%)				
A- 0.00% (0.88%)					Not Rated 0.00% (0.05%)				
BB 0.05% (0.04%)					Total Croatia				
EUR	1,015,000	*KBC Groep 5.625% 19/12/2049	922	0.05				-	-
Not Rated 0.34% (0.32%)					DENMARK 0.35% (0.61%)				
EUR	6,700,000	*Belfius Bank 4.609% 29/12/2165	6,257	0.34	BBB+ 0.35% (0.35%)				
Total Belgium			7,179	0.39	GBP	6,310,000	*Danske Bank 5.375% 29/09/2021	6,332	0.35
BERMUDA 2.28% (0.00%)					BB+ 0.00% (0.26%)				
BBB- 2.28% (0.00%)					Total Denmark				
USD	20,765,000	Bacardi 4.45% 15/05/2025	15,909	0.87				6,332	0.35
USD	26,525,000	Bacardi 4.7% 15/05/2028	20,269	1.10	FRANCE 2.94% (2.13%)				
USD	7,530,000	Bacardi 5.3% 15/05/2048	5,675	0.31	AA 0.29% (0.29%)				
Total Bermuda			41,853	2.28	EUR	6,000,000	Sanofi 0% 13/01/2020	5,376	0.29
BRITISH VIRGIN ISLANDS 0.31% (0.31%)					BBB+ 0.34% (0.00%)				
BBB 0.31% (0.31%)					GBP	6,600,000	Orange 0.375% 27/06/2021	6,305	0.34
GBP	5,180,000	Global Switch Holdings 4.375% 13/12/2022	5,689	0.31	BBB 0.56% (0.53%)				
Total British Virgin Islands			5,689	0.31	USD	13,210,000	*Credit Agricole 8.125% 19/09/2033	10,194	0.56
CANADA 2.12% (2.03%)					BB+ 0.28% (0.25%)				
BBB+ 0.35% (0.35%)					EUR	5,000,000	Casino Guichard-Perrachon 4.726% 26/05/2021	4,871	0.26
CAD	5,933,000	Canadian Natural Resources 2.89% 14/08/2020	3,442	0.19	EUR	400,000	Elis 3% 30/04/2022	363	0.02
CAD	5,057,000	Canadian Natural Resources 3.05% 19/06/2019	2,945	0.16	B+ 0.36% (0.93%)				
					EUR	5,410,000	Paprec Holding 4% 31/03/2025	4,824	0.26
					EUR	1,960,000	*Paprec Holding FRN 31/03/2025	1,759	0.10
					B1 0.51% (0.00%)				
					EUR	10,282,000	Altice France 5.875% 01/02/2027	9,347	0.51

Threadneedle Credit Opportunities Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of				
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value		
FRANCE 2.94% (2.13%) (continued)					ITALY 0.51% (0.06%)				
B 0.46% (0.00%)					BB+ 0.03% (0.03%)				
EUR	595,000	Horizon Holdings III 5.125% 01/08/2022	546	0.03	EUR	616,000	Leonardo 4.5% 19/01/2021	598	0.03
EUR	175,000	SFR Group 5.375% 15/05/2022	161	0.01	BB- 0.00% (0.03%)				
USD	9,708,000	SFR Group 6% 15/05/2022	7,676	0.42	B+ 0.48% (0.00%)				
CCC+ 0.14% (0.13%)					B+ 0.48% (0.00%)				
EUR	2,682,000	Horizon Holdings I 7.25% 01/08/2023	2,488	0.14	EUR	9,892,000	Nexi Capital 4.125% 01/11/2023	8,829	0.48
Total France					Total Italy				
			53,910	2.94	9,427 0.51				
GERMANY 4.10% (5.46%)					JAPAN 0.06% (0.62%)				
A 0.35% (0.79%)					BB+ 0.06% (0.62%)				
EUR	7,097,000	*BASF FRN 15/11/2019	6,364	0.35	EUR	1,155,000	SoftBank Group 4% 20/04/2023	1,071	0.06
BBB 0.00% (0.39%)					Total Japan				
BBB- 0.00% (0.19%)					1,071 0.06				
BB+ 0.36% (0.00%)					JERSEY 0.98% (1.95%)				
EUR	5,400,000	ADLER Real Estate 1.875% 27/04/2023	4,726	0.26	BB+ 0.20% (0.20%)				
EUR	2,100,000	ADLER Real Estate 3% 27/04/2026	1,837	0.10	EUR	3,965,000	Lincoln Finance 6.875% 15/04/2021	3,665	0.20
BB 0.41% (0.83%)					(P)Ba2 0.35% (0.34%)				
EUR	1,940,000	ThyssenKrupp 2.75% 08/03/2021	1,813	0.10	EUR	7,125,000	LHC Three PIK 4.125% 15/08/2024	6,349	0.35
EUR	6,442,000	ThyssenKrupp 4% 27/08/2018	5,777	0.31	B 0.28% (1.25%)				
Ba2 0.50% (0.00%)					GBP	3,710,000	CPUK Finance 4.25% 28/08/2022	3,706	0.20
GBP	8,900,000	*RWVE 7% 29/03/2049	9,141	0.50	GBP	1,370,000	CPUK Finance 4.875% 28/08/2025	1,369	0.08
BB- 1.09% (0.99%)					B- 0.15% (0.16%)				
EUR	4,695,000	IHO Verwaltungs 3.25% 15/09/2023	4,261	0.23	GBP	3,390,000	TVL Finance 8.5% 15/05/2023	2,830	0.15
EUR	6,450,000	IHO Verwaltungs PIK 2.75% 15/09/2021	5,844	0.32	Total Jersey				
EUR	5,340,000	IHO Verwaltungs PIK 3.75% 15/09/2026	4,836	0.26	17,919 0.98				
EUR	5,500,000	Unitymedia NRW 3.5% 15/01/2027	5,167	0.28	LUXEMBOURG 8.13% (6.71%)				
B 0.48% (1.78%)					BBB+ 1.18% (1.18%)				
EUR	4,409,000	Kirk Beauty Zero 6.25% 15/07/2022	3,764	0.20	EUR	13,400,000	Grand City Properties 1.375% 03/08/2026	11,581	0.63
EUR	5,630,000	Safari Holdings 5.375% 30/11/2022	5,067	0.28	EUR	11,400,000	Grand City Properties 1.5% 17/04/2025	10,150	0.55
B2 0.04% (0.00%)					BBB 0.72% (0.00%)				
EUR	883,000	Tele Columbus 3.875% 02/05/2025	758	0.04	EUR	14,685,000	Bevco 1.75% 09/02/2023	13,268	0.72
CCC+ 0.00% (0.49%)					Baa2 1.02% (1.15%)				
Caa1 0.43% (0.00%)					EUR	20,834,000	SELP Finance 1.25% 25/10/2023	18,603	1.02
EUR	8,730,000	Blitz 6% 30/07/2026	7,804	0.43	BBB- 1.63% (1.38%)				
Not Rated 0.44% (0.00%)					EUR	10,958,000	Gaz Capital 4.625% 15/10/2018	9,874	0.54
EUR	8,800,000	Telefonica Deutschland 1.75% 05/07/2025	7,993	0.44	EUR	4,300,000	*Grand City Properties 3.75% 29/12/2049	3,979	0.22
Total Germany					EUR	16,183,000	HeidelbergCement Finance Luxembourg 8.5% 31/10/2019	16,020	0.87
			75,152	4.10	EUR	150,000	HeidelbergCement Finance Luxembourg 9.5% 15/12/2018	139	0.01
ICELAND 0.34% (0.51%)					Baa3 0.01% (0.01%)				
BBB+ 0.34% (0.51%)					BB+ 0.67% (0.45%)				
EUR	6,861,000	Arion Bank 1.625% 01/12/2021	6,300	0.34	EUR	1,705,000	BMBG Bond Finance 3% 15/06/2021	1,542	0.08
Total Iceland					EUR	8,765,000	*CPI Property Group 4.375% 09/05/2167	7,391	0.40
			6,300	0.34	EUR	2,520,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	2,427	0.13
INDIA 0.29% (0.31%)					GBP	980,000	Leonardo 8% 16/12/2019	1,061	0.06
BB+ 0.29% (0.31%)									
USD	8,251,000	GMR Hyderabad 4.25% 27/10/2027	5,375	0.29					
Total India									
			5,375	0.29					

Threadneedle Credit Opportunities Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 23.40% (25.38%) (continued)					B- 1.09% (0.32%)				
		Baa3 0.91% (0.85%)			GBP	3,563,000	Cognita Finance 7.75% 15/08/2021	3,625	0.20
USD	5,480,000	*HSBC Holdings 6% 22/05/2162	3,966	0.22	USD	15,257,509	EnQuest PIK 7% 15/04/2022	10,604	0.58
GBP	1,250,000	National Express Group 6.625% 17/06/2020	1,361	0.07	GBP	6,000,000	Matalan Financial 6.75% 31/01/2023	5,624	0.31
EUR	5,941,000	*National Express Group FRN 15/05/2020	5,317	0.29	B3 0.49% (0.41%)				
GBP	5,720,000	*TSB Banking Group 5.75% 06/05/2026	6,003	0.33	GBP	860,000	Arqiva Broadcast Finance 9.5% 31/03/2020	890	0.05
		BB+ 1.96% (1.56%)			GBP	8,000,000	KIRS Midco 3 8.375% 15/07/2023	8,097	0.44
GBP	7,336,000	Daily Mail and General Trust 5.75% 07/12/2018	7,432	0.41	CCC+ 0.00% (0.50%)				
GBP	3,395,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	3,331	0.18	Not Rated 1.52% (1.64%)				
GBP	7,120,000	National Westminster Bank 6.5% 07/09/2021	8,030	0.44	GBP	8,970,000	First Hydro Finance 9% 31/07/2021	10,829	0.59
GBP	7,007,000	Tesco Property Finance 3 5.744% 13/04/2040	7,966	0.43	GBP	2,182,000	Intu Debenture 5.562% 31/12/2027	2,144	0.12
GBP	8,024,000	Tesco Property Finance 5.5% 13/10/2041	9,170	0.50	GBP	1,150,000	Northern Ireland Electricity 6.875% 18/09/2018	1,159	0.06
		BB 0.93% (0.96%)			GBP	13,870,000	*Pennon Group Perpetual Variable 22/05/2066	13,839	0.75
GBP	4,450,000	*Barclays Bank 14% 29/11/2049	4,883	0.27	Total United Kingdom				
GBP	799,000	Co-operative Group FRN 08/07/2020	859	0.05	429,400				
GBP	5,875,000	*CYBG 5% 09/02/2026	6,051	0.33	23.40				
EUR	1,010,000	OTE 3.5% 09/07/2020	937	0.05	UNITED STATES OF AMERICA 20.66% (19.12%)				
EUR	1,400,000	OTE 4.375% 02/12/2019	1,307	0.07	AA 1.31% (1.29%)				
GBP	6,600,000	Unique Pub Finance 6.542% 30/03/2021	2,934	0.16	EUR	7,244,000	Berkshire Hathaway 0.25% 17/01/2021	6,506	0.36
		BB- 1.06% (1.38%)			EUR	7,000,000	Berkshire Hathaway 0.5% 13/03/2020	6,314	0.34
EUR	2,365,000	EC Finance 2.375% 15/11/2022	2,106	0.11	EUR	12,500,000	*Pfizer FRN 06/03/2019	11,193	0.61
GBP	956,000	Ei Group 6.5% 06/12/2018	967	0.05	AA- 0.00% (0.62%)				
GBP	2,878,000	*Lloyds Banking Group Perpetual 7.875% 29/12/2049	3,327	0.18	A+ 0.63% (0.00%)				
USD	5,669,000	Neptune Energy Bondco 6.625% 15/05/2025	4,226	0.23	EUR	13,000,000	*Coca-Cola FRN 08/03/2019	11,639	0.63
GBP	6,004,000	Southern Water Greensands Financing 8.5% 15/04/2019	6,288	0.34	A 0.86% (0.81%)				
GBP	2,800,000	Virgin Media 4.875% 15/01/2027	2,738	0.15	USD	7,201,000	Loews 3.75% 01/04/2026	5,429	0.30
		Ba3 0.00% (0.33%)			USD	13,330,000	*Qualcomm FRN 30/01/2023	10,175	0.56
		B+ 1.15% (1.15%)			A- 1.01% (0.53%)				
GBP	2,200,000	*Barclays Bank 7.75% 08/03/2075	2,338	0.13	USD	24,600,000	Anheuser-Busch InBev 3.65% 01/02/2026	18,599	1.01
GBP	1,930,000	*Barclays Perpetual 5.875% 15/12/2065	1,832	0.10	BBB+ 2.86% (5.14%)				
EUR	5,984,000	Synlab 6.25% 01/07/2022	5,498	0.30	USD	9,820,000	American Electric Power 3.2% 13/11/2027	7,080	0.39
EUR	5,370,000	*Synlab Bondco FRN 01/07/2022	4,794	0.26	GBP	7,450,000	American International Group 5% 26/04/2023	8,373	0.46
EUR	6,891,000	Thomas Cook Group 6.25% 15/06/2022	6,534	0.36	USD	21,880,000	BAT Capital 3.222% 15/08/2024	16,020	0.87
		B1 0.74% (0.64%)			USD	8,165,000	Sempra Energy 3.55% 15/06/2024	6,157	0.34
GBP	13,187,000	Thames Water Kemble Finance 7.75% 01/04/2019	13,680	0.74	USD	7,000,000	Verizon Communications 4.4% 01/11/2034	5,155	0.28
		B 0.20% (1.19%)			GBP	8,335,000	Welltower 4.8% 20/11/2028	9,504	0.52
GBP	2,219,000	Virgin Media Finance 7% 15/04/2023	2,291	0.12	BBB 6.56% (3.42%)				
GBP	1,415,000	Vougeot Bidco 7.875% 15/07/2020	1,416	0.08	EUR	6,645,000	AT&T 1.8% 05/09/2026	6,002	0.33
		(P)B 0.00% (0.19%)			USD	20,650,000	AT&T 3.6% 17/02/2023	15,672	0.85
		B2 0.31% (0.42%)			EUR	9,965,000	*AT&T FRN 05/09/2023	9,004	0.49
GBP	6,694,000	Shop Direct Funding 7.75% 15/11/2022	5,766	0.31	USD	19,375,000	Bayer US Finance II 4.25% 15/12/2025	15,074	0.82
					EUR	8,340,000	Becton Dickinson 0.368% 06/06/2019	7,475	0.41
					EUR	14,975,000	Becton Dickinson 1.401% 24/05/2023	13,511	0.74
					USD	7,400,000	Becton Dickinson 2.404% 05/06/2020	5,570	0.30

Threadneedle Credit Opportunities Fund

Portfolio Statement

(continued)

	Value £000	% of Net Asset Value		Value £000	% of Net Asset Value		
UNITED STATES OF AMERICA 20.66% (19.12%) (continued)							
USD 9,975,000	Becton Dickinson 3.7% 06/06/2027	7,327	0.40	EUR (20,250,000)	Barclays Électricité de France Credit Default Swap Buy Protection 20/06/2023 Spread 100	(338)	(0.02)
USD 15,965,000	*Becton Dickinson FRN 06/06/2022	12,310	0.67	EUR 10,000,000	Barclays Garfunkelux HoldCo Credit Default Swap Sell Protection 20/06/2023 Spread 500	(162)	(0.01)
GBP 10,531,000	Digital Stout 3.3% 19/07/2029	10,641	0.58	EUR (56,300,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(811)	(0.04)
GBP 2,718,000	Digital Stout Holding 4.75% 13/10/2023	3,012	0.16	EUR (3,850,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(40)	–
EUR 6,028,000	Liberty Mutual 2.75% 04/05/2026	5,735	0.31	EUR (27,400,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(363)	(0.02)
USD 6,170,000	Pacific Gas & Electric 4.75% 15/06/2024	4,601	0.25	EUR (11,400,000)	BNP Paribas Tesco Credit Default Swap Buy Protection 20/06/2020 Spread 100	(143)	(0.01)
USD 6,280,000	Voya Financial 3.125% 15/07/2024	4,566	0.25	EUR (15,220,000)	Citigroup Bayerische Motoren Werke Credit Default Swap Buy Protection 20/06/2023 Spread 100	(247)	(0.01)
	BBB- 4.64% (4.33%)			EUR (9,000,000)	Citigroup Credit Agricole Credit Default Swap Buy Protection 20/12/2018 Spread 500	(162)	(0.01)
USD 12,571,000	Broadcom 3.625% 15/01/2024	9,293	0.51	EUR (9,000,000)	Citigroup Iceland Bond Credit Default Swap Buy Protection 20/06/2023 Spread 500	(460)	(0.03)
USD 7,200,000	Continental Resources 5% 15/09/2022	5,609	0.31	EUR 10,000,000	Citigroup ING Bank Credit Default Swap Sell Protection 20/06/2020 Spread 100	102	0.01
GBP 6,933,000	Discovery 2.5% 20/09/2024	6,796	0.37	EUR (51,000,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2023 Spread 500	(4,106)	(0.22)
USD 6,374,000	Discovery Communications 2.8% 15/06/2020	4,828	0.26	EUR (21,023,928)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2020 Spread 500	(1,444)	(0.08)
USD 7,560,000	*Discovery Communications FRN 20/09/2019	5,814	0.32	EUR (14,000,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2021 Spread 500	(1,235)	(0.07)
USD 17,750,000	Kinder Morgan 3.15% 15/01/2023	13,199	0.72	EUR (10,680,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(112)	(0.01)
USD 16,668,000	Kinder Morgan Energy Partners 4.25% 01/09/2024	12,895	0.70	EUR (19,225,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(322)	(0.02)
EUR 7,000,000	*Molson Coors Brewing 0.021% 15/03/2019	6,262	0.34	EUR (5,650,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(89)	(0.01)
EUR 7,360,000	Molson Coors Brewing 1.25% 15/07/2024	6,559	0.36	EUR (10,000,000)	Credit Suisse UPC Holding Credit Default Swap Buy Protection 20/06/2023 Spread 500	(1,478)	(0.08)
USD 5,440,000	Molson Coors Brewing 5% 01/05/2042	4,248	0.23	USD (12,080,000)	Goldman Sachs BHP Billiton Credit Default Swap Buy Protection 20/06/2023 Spread 100	(178)	(0.01)
USD 12,410,000	Plains All American Pipeline 4.65% 15/10/2025	9,585	0.52	EUR (31,900,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(364)	(0.02)
	Baa3e 0.00% (0.33%)			EUR (3,895,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(61)	–
	BB+ 0.66% (1.03%)			EUR (8,400,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(172)	(0.01)
EUR 8,930,000	Equinix 2.875% 01/10/2025	7,715	0.42				
EUR 5,135,000	Equinix 2.875% 01/02/2026	4,441	0.24				
	BB 0.66% (0.00%)						
USD 4,310,000	Teva Pharmaceutical Finance 2.25% 18/03/2020	3,201	0.17				
GBP 9,426,000	Vantiv 3.875% 15/11/2025	8,915	0.49				
	BB- 0.18% (0.19%)						
USD 4,580,000	Hertz 7.625% 01/06/2022	3,382	0.18				
	B+ 0.56% (0.24%)						
EUR 4,995,000	Catalent Pharma Solution 4.75% 15/12/2024	4,673	0.26				
EUR 6,200,000	Spectrum Brands 4% 01/10/2026	5,432	0.30				
	B1 0.00% (0.49%)						
	B 0.44% (0.43%)						
EUR 9,081,000	Avantor 4.75% 01/10/2024	8,154	0.44				
	B- 0.29% (0.27%)						
USD 5,912,000	CSC Holdings 10.875% 15/10/2025	5,256	0.29				
	Total United States of America	378,901	20.66				
	DERIVATIVES -0.46% (-0.08%)						
	Credit Default Swaps -0.77% (-1.15%)						
EUR (1,577,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	63	–				

Threadneedle Credit Opportunities Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.46% (-0.08%) (continued)					Sell EUR 9,105		
	Sell GBP 51,222				Buy GBP 8,038 J.P. Morgan	–	–
	Buy EUR 57,872 J.P. Morgan	1	–		Sell EUR 10,069		
	Sell GBP 5,651				Buy GBP 8,992 J.P. Morgan	–	–
	Buy EUR 6,394 J.P. Morgan	–	–		Sell EUR 99,099		
	Sell GBP 55,889				Buy GBP 87,679 J.P. Morgan	(1)	–
	Buy EUR 63,145 J.P. Morgan	1	–		Sell EUR 111,450		
	Sell CAD 11,408,179				Buy GBP 98,515 J.P. Morgan	(1)	–
	Buy EUR 7,381,785 J.P. Morgan	(8)	–		Sell EUR 1,120		
	Sell GBP 7,367				Buy GBP 999 J.P. Morgan	–	–
	Buy EUR 8,330 J.P. Morgan	–	–		Sell EUR 11,219,737		
	Sell USD 101,661				Buy USD 13,138,402 J.P. Morgan	43	–
	Buy EUR 87,089 J.P. Morgan	–	–		Sell EUR 3,799,129		
	Sell GBP 8,355				Buy USD 4,455,026 J.P. Morgan	21	–
	Buy EUR 9,464 J.P. Morgan	–	–		Total Derivatives	(8,377)	(0.46)
	Sell EUR 1,189,041				Total value of investments²	1,650,726	89.97
	Buy GBP 1,047,299 J.P. Morgan	(16)	–		Net other assets (10.07%)	184,042	10.03
	Sell EUR 1,877,090				Net assets	1,834,768	100.00
	Buy GBP 1,658,128 Goldman Sachs	(20)	–		<i>January 2018 comparatives in brackets.</i>		
	Sell EUR 11,815				<i>*Variable rate bonds.</i>		
	Buy GBP 10,407 J.P. Morgan	–	–		<i>(P) refers to provisional rating</i>		
	Sell EUR 115,106				<i>¹Cash equivalents.</i>		
	Buy GBP 101,957 J.P. Morgan	(1)	–		<i>²Includes Cash equivalents.</i>		
	Sell EUR 138,768,147				ANALYSIS OF INVESTMENTS BY ASSET CLASS		
	Buy GBP 122,226,013 J.P. Morgan	(1,862)	(0.10)			Value	% of
	Sell EUR 145,574					£000	Investment
	Buy GBP 128,932 J.P. Morgan	(1)	–		Fixed interest	1,303,752	78.98
	Sell EUR 16,213				Floating rate notes	355,351	21.53
	Buy GBP 14,265 J.P. Morgan	–	–		Derivatives	(8,377)	(0.51)
	Sell EUR 169,672				Total value of investments	1,650,726	100.00
	Buy GBP 149,289 J.P. Morgan	(3)	–		ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS		
	Sell EUR 19,041					Value	
	Buy GBP 16,790 J.P. Morgan	–	–			£000	
	Sell EUR 182,856				UBS Australia 10 Year Bond Future Expiring September 2018	2,784	
	Buy GBP 161,879 J.P. Morgan	(2)	–		UBS EURO-Bobl Future Expiring September 2018	(172,079)	
	Sell EUR 206,571				UBS EURO Bond Future Expiring September 2018	(125,397)	
	Buy GBP 184,231 J.P. Morgan	–	–		UBS EURO Buxl 30 Year Future Expiring September 2018	(4,111)	
	Sell EUR 3,137,804				UBS Long Gilt Future Expiring September 2018	(226,582)	
	Buy GBP 2,763,756 J.P. Morgan	(42)	–		UBS US 5 Year Note Future Expiring September 2018	(14,719)	
	Sell EUR 229,880				UBS US 10 Year Note Future Expiring September 2018	(158,039)	
	Buy GBP 202,760 J.P. Morgan	(3)	–		UBS US 10 Year Ultra Future Expiring September 2018	(53,288)	
	Sell EUR 251,866				UBS US Long Bond Future Expiring September 2018	(24,930)	
	Buy GBP 223,272 J.P. Morgan	(2)	–		UBS US Ultra Bond Future Expiring September 2018	(10,294)	
	Sell EUR 297,214				Total net exposure	(786,655)	
	Buy GBP 263,024 J.P. Morgan	(3)	–		Total Purchases and Sales		
	Sell EUR 299,969				<i>for the accounting period 22 January 2018 to 21 July 2018</i>		
	Buy GBP 264,737 J.P. Morgan	(4)	–			2018	2017
	Sell EUR 32,331					£000	£000
	Buy GBP 28,616 J.P. Morgan	–	–		Total purchases for the period	578,918	761,523
	Sell EUR 325,206				Total sales for the period	593,255	306,333
	Buy GBP 287,306 J.P. Morgan	(4)	–				
	Sell EUR 328,869						
	Buy GBP 290,671 J.P. Morgan	(3)	–				
	Sell EUR 43,862						
	Buy GBP 39,172 J.P. Morgan	–	–				
	Sell EUR 445,645						
	Buy GBP 394,117 J.P. Morgan	(4)	–				
	Sell EUR 50,539						
	Buy GBP 44,741 J.P. Morgan	–	–				
	Sell EUR 5,975,060						
	Buy GBP 5,262,791 J.P. Morgan	(80)	–				

Performance Summary – UK Universe

for the six months ended 31 July 2018

Funds	Fund Sector	Net Tax Return Class 1 %	Net Tax Return Class 2 %	Index* Total Return %
Credit Opportunities Fund*	Absolute Return	-0.72	-0.38	+0.26

All fund and peer group data sourced from Morningstar.

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.

Unless otherwise stated, all of the above returns are quoted net of fees, in Sterling and on a bid to bid basis with net income reinvested for a UK basic rate taxpayer. Index returns are gross. These returns are also after annual management charges have been deducted.

*Index for the Credit Opportunities (GBP Hedged) Fund is the Citigroup WMMI Euro Deposit EMU GBP (1 month).

†GBP Hedged Share Class shown. Class 2 Share Class launch date – 30 April 2010.

Performance Summary – Offshore Universe

for the six months ended 31 July 2018

Funds	Fund Sector	Performance Share Class 1 %	Index* Total Return %	Performance Share Class 2 %	Currency
Credit Opportunities Fund	Absolute Return	-1.04	-0.24	-0.76	EUR

Morningstar, Offshore Territories, NAV to NAV in fund currency, net of fees with gross income reinvested. Data reflects current management and other charges, but does not consider the effect of initial charges applicable to new investments. All index returns are gross.

*Index for the Credit Opportunities Fund is the Citigroup Euro Deposit (1 month).

Risk and Reward Profiles

Fund	Share Class	SRRI*
Credit Opportunities Fund	Class 1 GBP Hedged – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 1 GBP Hedged – Gross accumulation shares	4
	Class 1 USD Hedged – Gross accumulation shares	4
	Class 2 GBP Hedged – Income shares	2
	Class 2 Gross Income shares	4
	Class 2 GBP Hedged – Accumulation shares	2
	Class 2 – Gross accumulation shares	4
	Class X GBP Hedged – Gross accumulation shares	4

*As at 21 July 2018 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 lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

Important Information

Threadneedle Focus Investment Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) and the shareholders are not liable for the debts of the Company.

The Company is structured as an umbrella company in which different sub-funds (funds) may be established from time to time by the ACD with the approval of the Financial Conduct Authority (FCA) and the agreement of the Depositary.

References in this document to any fund do not constitute an offer or invitation to subscribe to shares in such a fund. We recommend you obtain detailed information before the purchase of shares. Subscriptions to a fund may only be made on the basis of the current Prospectus or Key Investor Information document (KIID) and the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future returns. The value of investments and any income from them is not guaranteed and may fall as well as rise and the investor may not get back the original investment. Exchange rate movements could increase or decrease the value of underlying investments/holdings. The dealing price of the funds may include a dilution adjustment. Further details are available in the Prospectus.

The mention of any specific shares or bonds should not be taken as a recommendation to deal and anyone considering dealing in these financial instruments should consult a stockbroker or financial adviser. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Prospectus

A prospectus (the Prospectus), which describes each fund in detail, is available from Threadneedle Investment Services Limited, DST Financial Services Europe Limited, P.O. Box 10033, Chelmsford, Essex CM99 2AL and from the paying agents and distributors in the countries where the fund is distributed.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other fund, and shall not be available for any such purpose.

Each fund has the investment powers equivalent to those of a UCITS scheme (as defined in the FCA rules).

Other funds may be launched in the future.

Key Investor Information Document – Subscription requirements

The KIID is a pre-contractual document and investors have to confirm that they have read the latest KIID before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID from columbiathreadneedle.com.

Compulsory conversions

The Prospectus and Instrument of the Company have been updated to give the ACD the ability to convert shares in a Fund from one share class of the Fund to another share class of the same Fund, effective from 1 February 2018. This is known as compulsory conversion. The ACD will only apply compulsory conversions if it is in the best interests of shareholders to do so and any shareholders affected by a compulsory conversion will be notified of any such conversion in accordance with the FCA rules.

Changes to the management of the ACD

The following changes have been made to the directors of the ACD:

- Resignation of Don Jordison on 1 May 2018.
- Appointment of Peter Stone on 5 September 2018.

Changes to the Prospectus

There were no changes to the prospectus of the Company during the period from 22 January 2018 to 21 July 2018.

Changes to the Instrument of Incorporation

There were no changes to the instrument of incorporation of the Company during the period from 22 January 2018 to 21 July 2018.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of one sub-fund. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

Share Class	Minimum Investment	Eligibility
Class 1	Euro 2,500	Available to retail and institutional investors seeking income or growth (or a combination of both) over the medium to long term
Class 2	EUR 750,000	Available at the ACD's discretion to institutional investors and eligible distributors that have entered into separate fee arrangements with their clients. If operating within the European Union (ex UK), the distributors will ordinarily be distributors providing (i) discretionary portfolio management; (ii) investment advice on an independent basis or (iii) investment advice on a non-independent basis where those distributors have agreed with their clients to receive fee-based remuneration and will not receive commission and or trail fees, each as defined in the Markets in Financial Instruments Directive. For distributors operating under (i), (ii) or (iii) above no minimum subscription/investment level applies. Existing Shareholders in Class 2 Shares, who held such Shares as at 1 January 2018 but no longer comply with the requirements set out above, can continue to hold such Shares and will be able to continue to apply for additional subscriptions in Class 2 Shares.

Important Information

(continued)

Share Class	Minimum Investment	Eligibility
Class X	EUR 5 million	Available only to Eligible investors
Class 1 Hedged Shares	GBP 2,000 USD 3,000	Available to retail and institutional investors seeking income or growth (or a combination of both) over the medium to long-term.
Class 2 Hedged Shares	GBP 500,000 USD 800,000	Available at the ACD's discretion to institutional investors and eligible distributors that have entered into separate fee arrangements with their clients. If operating within the European Union (ex UK), the distributors will ordinarily be distributors providing (i) discretionary portfolio management; (ii) investment advice on an independent basis or (iii) investment advice on a non-independent basis where those distributors have agreed with their clients to receive fee-based remuneration and will not receive commission and or trail fees, each as defined in the Markets in Financial Instruments Directive. For distributors operating under (i), (ii) or (iii) above no minimum subscription/ investment level applies. Existing Shareholders in Class 2 Shares, who held such Shares as at 1 January 2018 but no longer comply with the requirements set out above, can continue to hold such Shares and will be able to continue to apply for additional subscriptions in Class 2 Shares.
Hedged Share Class (Class X)	GBP 3 million USD 5 million	Available only to Eligible investors

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. For further information please refer to the Prospectus.

Hedged Share Classes (HSCs)

HSCs use currency hedging transactions to try to reduce the exposure to the Reference Currency and replace it with an exposure to the hedged Currency. The terms Reference Currency, Portfolio Currency and Hedged Currency are defined as follows:

- "Reference Currency" or "Reference Currencies" means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;

- "Portfolio Currency" or "Portfolio Currencies" means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;

- "Hedged Currency" is the currency in which the Hedged Share Class is denominated.

These HSCs should not be confused with other share classes that may be denominated in other currencies but will not be hedged. For full details of the HSCs available, including details of the Reference Currency or Portfolio Currency of each fund for which HSCs are available, please refer to the latest version of the Prospectus.

Income Equalisation

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

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and interim long report and financial statements will be published within two months of the close of each interim accounting period. At the end of each reporting period short form reports are available on our website columbiathreadneedle.com/shortform and from Threadneedle Investment Services Limited P.O. Box 10033, Chelmsford, Essex CM99 2AL. The annual accounting period for the Company ends on 21 January and the interim reporting period ends on 21 July.

Where there is any inconsistency between the version presented in English and any translation, the English language version has precedent.

The documents will also be available from the paying agents in the countries where the fund is registered. The reports will provide information on the performance of the fund, the market background, and details of the portfolio.

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.

Important Information

(continued)

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.

Important information for Swiss investors

The Threadneedle Credit Opportunities Fund is not registered with the Swiss Financial Market Supervisory Authority (FINMA). The distribution of Shares in Switzerland in respect of this Fund will be exclusively made to, and directed at, regulated qualified investors (the Regulated Qualified Investors), as defined in Article 10(3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (CISA). Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA) and no Swiss representative or paying agent has been or will be appointed in Switzerland for this Fund. This report may be made available in Switzerland solely to Regulated Qualified Investors or existing investors.

Brexit

In June 2016 the United Kingdom voted to leave the European Union. This is known as "Brexit". While negotiations progress, there is significant uncertainty relating to the UK's withdrawal from the EU, the potential consequences and precise timeframe. It is expected that the UK will exit from the EU on 29 March 2019.

Depending on the outcome of the UK's negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the Funds may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company.

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the Credit Opportunities Fund that they should vote in favour of a resolution to transfer the fund, using a cross-border UCITS merger, to an equivalent Luxembourg-based fund, in order to provide continuity and certainty for investors. For EU investors, the transfer will remove uncertainty regarding the future status of their investment in their home country. Shareholders voted in favour of the proposal at a meeting of shareholders held on 24 August 2018. Following the merger, which will take place on 20 October 2018, the Credit Opportunities Fund and the Company will be closed. Further information, including a Q&A document is available at www.columbiathreadneedle.com/changs.

Key Risks of the fund:

The following Key Risks apply to the Credit Opportunities Fund:

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

Currency Risk: Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments.

No Capital Guarantee Risk: Positive returns are not guaranteed and no form of capital protection applies.

Counterparty Risk: The fund may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of fund assets.

Issuer Risk: The fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.

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.

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: Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

Investment in Derivatives Risk: The Investment Policy of the fund allows it to invest materially in derivatives.

Leverage Risk: Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

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
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A list of the appointed local distributors Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

*Calls will be recorded.

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