

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS  
THREADNEEDLE INVESTMENT FUNDS ICVC  
SEPTEMBER 2018

# THREADNEEDLE INVESTMENT FUNDS ICVC

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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)  
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

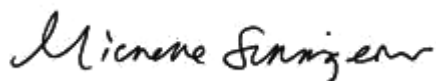
## Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Investment Funds ICVC for the 6 months to 7 September 2018.

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the European Corporate Bond Fund, European High Yield Bond Fund, Pan European Fund and Pan European Smaller Companies Fund that they should vote in favour of a resolution to transfer these funds, using a cross-border UCITS merger, to equivalent Luxembourg-based funds, 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 took place on 22 September 2018 for the European Corporate Bond Fund, and on 6 October 2018 for the European High Yield Fund, Pan European Fund and Pan European Smaller Companies Fund, these funds have been closed and are now in the process of being wound up. Accordingly the going concern basis of preparation is no longer appropriate for these 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 of these funds.

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

17 October 2018

## 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 2018, the published share price of the Threadneedle UK Fund has risen from 136.26p to 140.84p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +5.43% as compared to a median return of +5.63% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters" could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

We initiated a position in Associated British Foods. The company owns a diverse range of subsidiaries – including clothing retailer Primark and tea brand Twinings – which are well supported by a strong balance sheet and an impressive management team focused on long-term value creation.

We topped up several holdings over the review period, notably in British American Tobacco, BT and Weir.

GKN was de-listed, as the company was acquired by Melrose Industries; we already held a position in the latter prior to the acquisition. We subsequently took some profits in Melrose.

Over the review period, we also realised some gains in stocks which have performed well over the last year; these included InterContinental Hotels, AstraZeneca and London Stock Exchange.

Despite uncertainties about the UK's domestic and economic prospects, and the global shift towards quantitative tightening, we still feel that there are large pockets of value in the UK market, especially in more defensive areas. The polarity in valuations between defensives and cyclical looks vulnerable to mean-reversion.

The UK market's high exposure to defensives means that it should be relatively more resilient if global markets correct. While UK defensives carry low relative valuations, the underlying fundamentals of some have stabilised. Domestically-oriented UK stocks remain undervalued relative to more globally-exposed peers. UK firms should continue to attract takeover bids, which have risen this year as corporates have sought to capitalise on the value arbitrage opportunity.

We will retain our focus on company fundamentals, and use volatile markets to top up and buy favoured stocks.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	49,824	19,204
Revenue	49,571	49,057
Expenses	(11,745)	(11,455)
Interest payable and similar charges	(3)	–
Net revenue before taxation	37,823	37,602
Taxation	–	–
Net revenue after taxation	37,823	37,602
<b>Total return before distributions</b>	<b>87,647</b>	<b>56,806</b>
Distributions	(37,823)	(37,605)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>49,824</b>	<b>19,201</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	2,168,743	2,114,670
<b>Current assets:</b>		
Debtors	19,550	12,293
Cash and bank balances	21,339	5,430
Cash equivalents**	–	1,007
<b>Total assets</b>	<b>2,209,632</b>	<b>2,133,400</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(498)	(3)
<b>Creditors:</b>		
Bank overdrafts	–	(130)
Distribution payable	(25,445)	(8,534)
Other creditors	(5,833)	(6,200)
<b>Total liabilities</b>	<b>(31,776)</b>	<b>(14,867)</b>
<b>Net assets attributable to shareholders</b>	<b>2,177,856</b>	<b>2,118,533</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,118,533</b>	<b>2,161,668</b>
Amounts receivable on the issue of shares	194,077	146,494
Amounts payable on the cancellation of shares	(197,007)	(160,307)
	(2,930)	(13,813)
Dilution adjustment	35	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	49,824	19,201
Retained distribution on accumulation shares	12,387	11,602
Unclaimed distributions	7	3
<b>Closing net assets attributable to shareholders</b>	<b>2,177,856</b>	<b>2,178,661</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 7 – 9 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	1.9939	–	1.9939	2.0066
<b>Group 2</b>				
08/03/18 to 07/09/18	1.3891	0.6048	1.9939	2.0066
<b>Total distributions in the period</b>			<b>1.9939</b>	<b>2.0066</b>

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	1.8383	–	1.8383	1.8182
<b>Group 2</b>				
08/03/18 to 07/09/18	1.4278	0.4105	1.8383	1.8182
<b>Total distributions in the period</b>			<b>1.8383</b>	<b>1.8182</b>

\*\*The total value of investments in the March 2018 portfolio statement included the Cash equivalents amount shown under current assets.

## Threadneedle UK Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.4167	–	2.4167	2.4243
<b>Group 2</b> 08/03/18 to 07/09/18	0.7805	1.6362	2.4167	2.4243
<b>Total distributions in the period</b>			<b>2.4167</b>	<b>2.4243</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.8389	–	1.8389	1.8025
<b>Group 2</b> 08/03/18 to 07/09/18	0.9115	0.9274	1.8389	1.8025
<b>Total distributions in the period</b>			<b>1.8389</b>	<b>1.8025</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.5613	–	2.5613	2.5614
<b>Group 2</b> 08/03/18 to 07/09/18	1.1139	1.4474	2.5613	2.5614
<b>Total distributions in the period</b>			<b>2.5613</b>	<b>2.5614</b>

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.8314	–	2.8314	2.7401
<b>Group 2</b> 08/03/18 to 07/09/18	0.9433	1.8881	2.8314	2.7401
<b>Total distributions in the period</b>			<b>2.8314</b>	<b>2.7401</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.8270	–	2.8270	2.8421
<b>Group 2</b> 08/03/18 to 07/09/18	1.3572	1.4698	2.8270	2.8421
<b>Total distributions in the period</b>			<b>2.8270</b>	<b>2.8421</b>

#### Class Z EUR – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.8330	–	2.8330	
<b>Group 2</b> 08/03/18 to 07/09/18	–	2.8330	2.8330	
<b>Total distributions in the period</b>			<b>2.8330</b>	

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	3.2203	–	3.2203	3.1463
<b>Group 2</b> 08/03/18 to 07/09/18	1.6361	1.5842	3.2203	3.1463
<b>Total distributions in the period</b>			<b>3.2203</b>	<b>3.1463</b>

#### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.5601	–	2.5601	2.6602
<b>Group 2</b> 08/03/18 to 07/09/18	0.8704	1.6897	2.5601	2.6602
<b>Total distributions in the period</b>			<b>2.5601</b>	<b>2.6602</b>

#### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.8219	–	2.8219	2.7566
<b>Group 2</b> 08/03/18 to 07/09/18	1.3086	1.5133	2.8219	2.7566
<b>Total distributions in the period</b>			<b>2.8219</b>	<b>2.7566</b>

#### Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.7334	–	2.7334	2.7711
<b>Group 2</b> 08/03/18 to 07/09/18	1.2952	1.4382	2.7334	2.7711
<b>Total distributions in the period</b>			<b>2.7334</b>	<b>2.7711</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		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	135.81	138.34	117.46	125.20	125.35	104.66
Return before operating charges (p)	6.16	2.19	25.15	5.68	1.95	22.50
Operating charges (p)	(1.17)	(2.30)	(2.05)	(1.08)	(2.10)	(1.81)
Return after operating charges (p)*	4.99	(0.11)	23.10	4.60	(0.15)	20.69
Distributions (p)	(1.99)	(2.42)	(2.22)	(1.84)	(2.20)	(1.98)
Retained distributions on accumulation shares (p)	–	–	–	1.84	2.20	1.98
Closing net asset value per share (p)	138.81	135.81	138.34	129.80	125.20	125.35
*after direct transaction costs of (p)	0.08	0.14	0.24	0.08	0.13	0.21
<b>Performance</b>						
Return after charges (%)	3.67	(0.08)	19.67	3.67	(0.12)	19.77
<b>Other information</b>						
Closing net asset value (£000)	445,184	450,191	443,921	2,217	1,717	2,256
Closing number of shares	320,723,619	331,491,703	320,891,671	1,708,018	1,371,644	1,799,947
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>	1.63	1.63
Direct transaction costs (%)***	0.12	0.10	0.20	0.12	0.10	0.20
<b>Prices</b>						
Highest share price (p)	149.10	146.01	139.40	137.46	133.81	125.86
Lowest share price (p)	132.86	134.70	113.60	122.48	123.81	101.21
	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	136.02	138.58	117.62	103.51	103.03	85.53
Return before operating charges (p)	6.18	2.18	25.24	4.70	1.61	18.48
Operating charges (p)	(0.76)	(1.50)	(1.33)	(0.58)	(1.13)	(0.98)
Return after operating charges (p)*	5.42	0.68	23.91	4.12	0.48	17.50
Distributions (p)	(2.42)	(3.24)	(2.95)	(1.84)	(2.42)	(2.16)
Retained distributions on accumulation shares (p)	–	–	–	1.84	2.42	2.16
Closing net asset value per share (p)	139.02	136.02	138.58	107.63	103.51	103.03
*after direct transaction costs of (p)	0.08	0.14	0.24	0.06	0.10	0.18
<b>Performance</b>						
Return after charges (%)	3.98	0.49	20.33	3.98	0.47	20.46
<b>Other information</b>						
Closing net asset value (£000)	464,035	461,592	472,576	246,740	180,919	216,423
Closing number of shares	333,798,516	339,346,214	341,025,084	229,257,175	174,791,020	210,048,849
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.05	1.06 <sup>†</sup>	1.06	1.05
Direct transaction costs (%)***	0.12	0.10	0.20	0.12	0.10	0.20
<b>Prices</b>						
Highest share price (p)	149.52	146.46	140.00	113.78	110.53	103.45
Lowest share price (p)	133.11	135.26	113.96	101.29	101.91	82.87



## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	110.67	112.77	95.66	122.44	120.67	100.00
Return before operating charges (p)	5.02	1.77	20.60	5.55	1.84	20.72
Operating charges (p)	(0.04)	(0.07)	(0.05)	(0.04)	(0.07)	(0.05)
Return after operating charges (p)*	4.98	1.70	20.55	5.51	1.77	20.67
Distributions (p)	(2.56)	(3.80)	(3.44)	(2.83)	(4.09)	(3.52)
Retained distributions on accumulation shares (p)	–	–	–	2.83	4.09	3.52
Closing net asset value per share (p)	113.09	110.67	112.77	127.95	122.44	120.67
*after direct transaction costs of (p)	0.07	0.11	0.20	0.08	0.12	0.22
<b>Performance</b>						
Return after charges (%)	4.50	1.51	21.48	4.50	1.47	20.67
<b>Other information</b>						
Closing net asset value (£000)	62,712	57,625	44,941	34,358	28,362	32,749
Closing number of shares	55,453,153	52,069,718	39,852,395	26,853,533	23,164,007	27,140,136
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.05	0.06 <sup>†</sup>	0.06	0.04 <sup>†</sup>
Direct transaction costs (%)***	0.12	0.10	0.20	0.12	0.10	0.20
<b>Prices</b>						
Highest share price (p)	121.90	119.47	114.45	134.87	130.57	121.14
Lowest share price (p)	108.34	110.54	92.96	119.86	119.49	96.37
	Class Z – Income shares			Class Z EUR – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>2</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	149.45	152.26	129.22	162.69		
Return before operating charges (p)	6.83	2.39	27.75	(6.94)		
Operating charges (p)	(0.66)	(1.29)	(1.15)	(0.14)		
Return after operating charges (p)*	6.17	1.10	26.60	(7.08)		
Distributions (p)	(2.83)	(3.91)	(3.56)	(2.83)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	152.79	149.45	152.26	152.78		
*after direct transaction costs of (p)	0.09	0.15	0.27	0.04		
<b>Performance</b>						
Return after charges (%)	4.13	0.72	20.59	(4.35)		
<b>Other information</b>						
Closing net asset value (£000)	516,830	525,499	537,314	2		
Closing number of shares	338,270,758	351,630,750	352,902,254	1,012		
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>		
Direct transaction costs (%)***	0.12	0.10	0.20	0.12		
<b>Prices</b>						
Highest share price (p)	164.35	161.01	153.98	163.33		
Lowest share price (p)	146.26	148.75	125.27	155.66		

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	169.71	168.55	139.61	137.04	145.43	106.84
Return before operating charges (p)	7.69	2.60	30.19	10.10	(7.20)	39.62
Operating charges (p)	(0.75)	(1.44)	(1.25)	(0.59)	(1.19)	(1.03)
Return after operating charges (p)*	6.94	1.16	28.94	9.51	(8.39)	38.59
Distributions (p)	(3.22)	(4.35)	(3.87)	(2.56)	(3.63)	(3.17)
Retained distributions on accumulation shares (p)	3.22	4.35	3.87	2.56	3.63	3.17
Closing net asset value per share (p)	176.65	169.71	168.55	146.55	137.04	145.43
*after direct transaction costs of (p)	0.11	0.17	0.29	0.08	0.14	0.24
<b>Performance</b>						
Return after charges (%)	4.09	0.69	20.73	6.94	(5.77)	36.12
<b>Other information</b>						
Closing net asset value (£000)	359,994	371,361	373,266	6,122	5,507	5,874
Closing number of shares	203,794,640	218,822,439	221,451,666	4,177,391	4,018,724	4,039,078
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.12	0.10	0.20	0.12	0.10	0.20
<b>Prices</b>						
Highest share price (p)	186.63	181.17	169.24	152.68	152.79	145.89
Lowest share price (p)	166.08	166.76	135.35	129.61	135.99	104.86
	Class Z EUR Hedged – Accumulation shares			Class Z USD Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	150.79	146.46	109.24	139.26	155.33	109.82
Return before operating charges (p)	5.35	5.60	38.27	16.59	(14.83)	46.55
Operating charges (p)	(0.65)	(1.27)	(1.05)	(0.64)	(1.24)	(1.04)
Return after operating charges (p)*	4.70	4.33	37.22	15.95	(16.07)	45.51
Distributions (p)	(2.82)	(3.82)	(3.23)	(2.73)	(3.78)	(3.24)
Retained distributions on accumulation shares (p)	2.82	3.82	3.23	2.73	3.78	3.24
Closing net asset value per share (p)	155.49	150.79	146.46	155.21	139.26	155.33
*after direct transaction costs of (p)	0.09	0.15	0.24	0.09	0.15	0.24
<b>Performance</b>						
Return after charges (%)	3.12	2.96	34.07	11.45	(10.35)	41.44
<b>Other information</b>						
Closing net asset value (£000)	20,368	17,534	12,438	19,294	18,226	19,910
Closing number of shares	13,099,502	11,627,814	8,492,277	12,430,612	13,087,364	12,817,700
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.12	0.10	0.20	0.12	0.10	0.20
<b>Prices</b>						
Highest share price (p)	165.01	160.54	146.51	165.61	157.93	155.48
Lowest share price (p)	143.99	139.93	108.65	133.25	137.41	107.11

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

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

<sup>†</sup>Commenced 16 March 2016.

<sup>‡</sup>Commenced 15 June 2018.

<sup>§</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	331,491,703
Shares issued	15,700,143
Shares redeemed	(26,375,446)
Net conversions	(92,781)
Closing shares	<u>320,723,619</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	1,371,644
Shares issued	466,998
Shares redeemed	(130,624)
Net conversions	–
Closing shares	<u>1,708,018</u>
<b>Class 2 – Income shares</b>	
Opening shares	339,346,214
Shares issued	10,532,693
Shares redeemed	(16,068,641)
Net conversions	(11,750)
Closing shares	<u>333,798,516</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	174,791,020
Shares issued	98,460,463
Shares redeemed	(43,994,308)
Net conversions	–
Closing shares	<u>229,257,175</u>
<b>Class X – Income shares</b>	
Opening shares	52,069,718
Shares issued	3,383,435
Shares redeemed	–
Net conversions	–
Closing shares	<u>55,453,153</u>
<b>Class X – Accumulation shares</b>	
Opening shares	23,164,007
Shares issued	4,892,252
Shares redeemed	(1,202,726)
Net conversions	–
Closing shares	<u>26,853,533</u>
<b>Class Z – Income shares</b>	
Opening shares	351,630,750
Shares issued	6,342,836
Shares redeemed	(19,866,204)
Net conversions	163,376
Closing shares	<u>338,270,758</u>

	2018
<b>Class Z EUR – Income shares*</b>	
Opening shares	–
Shares issued	44,612
Shares redeemed	(43,600)
Net conversions	–
Closing shares	<u>1,012</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	218,822,439
Shares issued	12,232,569
Shares redeemed	(27,199,953)
Net conversions	(60,415)
Closing shares	<u>203,794,640</u>
<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	4,018,724
Shares issued	454,245
Shares redeemed	(295,578)
Net conversions	–
Closing shares	<u>4,177,391</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	11,627,814
Shares issued	3,443,485
Shares redeemed	(1,971,797)
Net conversions	–
Closing shares	<u>13,099,502</u>
<b>Class Z USD Hedged – Accumulation shares</b>	
Opening shares	13,087,364
Shares issued	1,101,743
Shares redeemed	(1,758,495)
Net conversions	–
Closing shares	<u>12,430,612</u>

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

## 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 2018, the published share price of the Threadneedle UK Select Fund has risen from 127.85p to 129.51p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +3.65% as compared to a median return of +5.63% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters" could stage a leadership coup,

followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

New additions to the portfolio during the review period included John Wood Group, BP Shire, Rolls-Royce and Micro Focus.

Oil-services firm Wood Group is progressing well at integrating its recent acquisition, Amec Foster Wheeler. We feel the acquisition should result in significant cost savings. Furthermore, Wood Group should benefit from higher capex spending by oil majors.

For pharmaceutical firm Shire, we felt there were significant arbitrage opportunities following numerous takeover bids from Japan's Takeda. Despite the bids coming in at a healthy premium, the shares were trading at a substantial discount, one which has subsequently narrowed.

In our view, the changes that Rolls-Royce's business model is undergoing should result in management harvesting high margins and highly-visible aftermarket revenues. We also feel that the company's corporate change programme is making it leaner, more responsive and ultimately much more profitable and disciplined in terms of capital allocation. The non-core disposal programme is also reducing the company's complexity and operating losses while strengthening the balance sheet.

We took advantage of a dramatic share-price fall earlier in the year to initiate a position in technology firm Micro Focus. We believe its shares have de-rated too far and offer an attractive yield; the company enjoys high margins, strong cash flow and has the option to break-up if trading deteriorates further.

We also topped up some existing holdings, notably GlaxoSmithKline.

We exited HSBC and took some profits in London Stock Exchange and Unilever among others.

Despite uncertainties about the UK's domestic and economic prospects, and the global shift towards quantitative tightening, we still feel that there are large pockets of value in the UK market, especially in more defensive areas. The polarity in valuations between defensives and cyclical looks vulnerable to mean-reversion.

The UK market's high exposure to defensives means that it should be relatively more resilient if global markets correct. While UK defensives carry low relative valuations, the underlying fundamentals of some have stabilised. Domestically-oriented UK stocks remain undervalued relative to more globally-exposed peers. UK firms should continue to attract takeover bids, which have risen this year as corporates have sought to capitalise on the value arbitrage opportunity.

We will retain our focus on company fundamentals, and use volatile markets to top up and buy favoured stocks.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	233	3,854
Revenue	11,656	7,194
Expenses	(1,829)	(1,720)
Interest payable and similar charges	(2)	(1)
Net revenue before taxation	9,825	5,473
Taxation	–	–
Net revenue after taxation	9,825	5,473
Total return before distributions	10,058	9,327
Distributions	(9,825)	(5,475)
Change in net assets attributable to shareholders from investment activities	233	3,852

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	522,207	470,080
<b>Current assets:</b>		
Debtors	7,755	8,671
Cash and bank balances	11,104	11,696
Cash equivalents**	–	5,005
Total assets	541,066	495,452
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(3,681)	(898)
Other creditors	(706)	(3,326)
Total liabilities	(4,387)	(4,224)
<b>Net assets attributable to shareholders</b>	<b>536,679</b>	<b>491,228</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	491,228	237,154
Amounts receivable on the issue of shares	59,217	31,963
Amounts payable on the cancellation of shares	(20,483)	(23,949)
Amounts receivable on inspecie transfers	–	188,317
	38,734	196,331
Dilution adjustment	56	68
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	233	3,852
Retained distribution on accumulation shares	6,425	2,094
Unclaimed distributions	3	–
Closing net assets attributable to shareholders	536,679	439,499

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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 13 – 14 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.7689	–	1.7689	1.6633
<b>Group 2</b> 08/03/18 to 07/09/18	1.2111	0.9578	1.7689	1.6633
<b>Total distributions in the period</b>			<b>1.7689</b>	<b>1.6633</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.1664	–	2.1664	2.0822
<b>Group 2</b> 08/03/18 to 07/09/18	1.0419	1.1245	2.1664	2.0822
<b>Total distributions in the period</b>			<b>2.1664</b>	<b>2.0822</b>

\*\*The total value of investments in the March 2018 portfolio statement included the Cash equivalents amount shown under current assets.

## Threadneedle UK Select Fund

### DISTRIBUTION TABLE

(continued)

#### Class D – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	3.7974	–	3.7974	1.7107
<b>Group 2</b>				
08/03/18 to 07/09/18	1.7706	2.0268	3.7974	1.7107
<b>Total distributions in the period</b>			<b>3.7974</b>	<b>1.7107</b>

#### Class L – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	5.3409	–	5.3409	2.5109
<b>Group 2</b>				
08/03/18 to 07/09/18	3.5124	1.8285	5.3409	2.5109
<b>Total distributions in the period</b>			<b>5.3409</b>	<b>2.5109</b>

#### Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	2.6169	–	2.6169	2.4538
<b>Group 2</b>				
08/03/18 to 07/09/18	0.7671	1.8498	2.6169	2.4538
<b>Total distributions in the period</b>			<b>2.6169</b>	<b>2.4538</b>

#### Class X2 – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	8.8315	–	8.8315	4.2982
<b>Group 2</b>				
08/03/18 to 07/09/18	5.5073	3.3242	8.8315	4.2982
<b>Total distributions in the period</b>			<b>8.8315</b>	<b>4.2982</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	2.7404	–	2.7404	2.6374
<b>Group 2</b>				
08/03/18 to 07/09/18	1.6238	1.1166	2.7404	2.6374
<b>Total distributions in the period</b>			<b>2.7404</b>	<b>2.6374</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		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	127.47	128.11	114.87	127.95	128.61	115.29
Return before operating charges (p)	3.05	3.50	17.44	3.06	3.50	17.54
Operating charges (p)	(1.09)	(2.20)	(2.00)	(0.71)	(1.40)	(1.27)
Return after operating charges (p)*	1.96	1.30	15.44	2.35	2.10	16.27
Distributions (p)	(1.77)	(1.94)	(2.20)	(2.17)	(2.76)	(2.95)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	127.66	127.47	128.11	128.13	127.95	128.61
*after direct transaction costs of (p)	0.20	0.52	0.43	0.20	0.52	0.43
<b>Performance</b>						
Return after charges (%)	1.54	1.01	13.44	1.84	1.63	14.11
<b>Other information</b>						
Closing net asset value (£000)	122,657	122,790	121,552	95,235	89,589	87,616
Closing number of shares	96,078,470	96,327,173	94,879,509	74,326,216	70,017,489	68,127,890
Operating charges (%)**	1.63 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.29	0.39	0.36	0.29	0.39	0.36
<b>Prices</b>						
Highest share price (p)	139.69	136.15	128.74	140.39	136.95	129.61
Lowest share price (p)	123.74	125.89	107.46	124.26	126.70	108.05
	Class D – Accumulation shares		Class L – Accumulation shares			
	07/09/2018	07/03/2018 <sup>†</sup>	07/09/2018	07/03/2018 <sup>†</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	225.35	229.57	276.34	280.45		
Return before operating charges (p)	5.38	(2.57)	6.59	(2.95)		
Operating charges (p)	(1.27)	(1.65)	(0.89)	(1.16)		
Return after operating charges (p)*	4.11	(4.22)	5.70	(4.11)		
Distributions (p)	(3.80)	(2.88)	(5.34)	(4.60)		
Retained distributions on accumulation shares (p)	3.80	2.88	5.34	4.60		
Closing net asset value per share (p)	229.46	225.35	282.04	276.34		
*after direct transaction costs of (p)	0.35	0.75	0.43	0.91		
<b>Performance</b>						
Return after charges (%)	1.82	(1.84)	2.06	(1.47)		
<b>Other information</b>						
Closing net asset value (£000)	9,048	9,352	3,740	4,058		
Closing number of shares	3,943,257	4,149,947	1,326,115	1,468,352		
Operating charges (%)**	1.07 <sup>†</sup>	1.06 <sup>†</sup>	0.61 <sup>†</sup>	0.61 <sup>†</sup>		
Direct transaction costs (%)***	0.29	0.39	0.29	0.39		
<b>Prices</b>						
Highest share price (p)	247.24	239.94	303.48	294.00		
Lowest share price (p)	218.84	221.98	268.46	272.11		

## Threadneedle UK Select Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017 <sup>2</sup>	07/09/2018	07/03/2018 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	117.53	114.54	100.00	396.67	400.80
Return before operating charges (p)	2.80	3.06	14.59	9.44	(3.97)
Operating charges (p)	(0.04)	(0.07)	(0.05)	(0.13)	(0.16)
Return after operating charges (p)*	2.76	2.99	14.54	9.31	(4.13)
Distributions (p)	(2.62)	(3.67)	(3.57)	(8.83)	(8.40)
Retained distributions on accumulation shares (p)	2.62	3.67	3.57	8.83	8.40
Closing net asset value per share (p)	120.29	117.53	114.54	405.98	396.67
*after direct transaction costs of (p)	0.18	0.47	0.40	0.62	1.31
<b>Performance</b>					
Return after charges (%)	2.35	2.61	14.54	2.35	(1.03)
<b>Other information</b>					
Closing net asset value (£000)	513	272	319	284,688	239,766
Closing number of shares	426,122	231,352	277,927	70,123,559	60,444,332
Operating charges (%)**	0.06 <sup>1</sup>	0.06	0.05 <sup>1</sup>	0.06 <sup>1</sup>	0.06 <sup>1</sup>
Direct transaction costs (%)***	0.29	0.39	0.36	0.29	0.39
<b>Prices</b>					
Highest share price (p)	129.22	124.93	114.60	436.13	421.66
Lowest share price (p)	114.23	113.44	93.32	385.52	390.48
<b>Class Z – Income shares</b>					
	07/09/2018	07/03/2018	07/03/2017		
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	153.42	154.20	138.22		
Return before operating charges (p)	3.66	4.21	21.04		
Operating charges (p)	(0.71)	(1.40)	(1.27)		
Return after operating charges (p)*	2.95	2.81	19.77		
Distributions (p)	(2.74)	(3.59)	(3.79)		
Retained distributions on accumulation shares (p)	–	–	–		
Closing net asset value per share (p)	153.63	153.42	154.20		
*after direct transaction costs of (p)	0.24	0.62	0.52		
<b>Performance</b>					
Return after charges (%)	1.92	1.82	14.30		
<b>Other information</b>					
Closing net asset value (£000)	20,798	25,401	27,667		
Closing number of shares	13,537,702	16,556,554	17,942,218		
Operating charges (%)**	0.88 <sup>1</sup>	0.88	0.88		
Direct transaction costs (%)***	0.29	0.39	0.36		
<b>Prices</b>					
Highest share price (p)	168.39	164.31	155.53		
Lowest share price (p)	149.01	152.03	129.61		

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

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

<sup>1</sup>Commenced 12 May 2017.

<sup>2</sup>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 UK Select Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	96,327,173
Shares issued	2,787,700
Shares redeemed	(2,946,767)
Net conversions	(89,636)
Closing shares	<u>96,078,470</u>
<b>Class 2 – Income shares</b>	
Opening shares	70,017,489
Shares issued	8,653,399
Shares redeemed	(4,344,672)
Net conversions	–
Closing shares	<u>74,326,216</u>
<b>Class D – Accumulation shares</b>	
Opening shares	4,149,947
Shares issued	26,338
Shares redeemed	(233,028)
Net conversions	–
Closing shares	<u>3,943,257</u>
<b>Class L – Accumulation shares</b>	
Opening shares	1,468,352
Shares issued	4,408
Shares redeemed	(146,645)
Net conversions	–
Closing shares	<u>1,326,115</u>
<b>Class X – Accumulation shares</b>	
Opening shares	231,352
Shares issued	202,101
Shares redeemed	(7,331)
Net conversions	–
Closing shares	<u>426,122</u>
<b>Class X2 – Accumulation shares</b>	
Opening shares	60,444,332
Shares issued	10,801,790
Shares redeemed	(1,122,563)
Net conversions	–
Closing shares	<u>70,123,559</u>
<b>Class Z – Income shares</b>	
Opening shares	16,556,554
Shares issued	127,758
Shares redeemed	(3,221,015)
Net conversions	74,405
Closing shares	<u>13,537,702</u>



## 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 2018, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 346.52p to 352.60p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +3.11% as compared to a median return of +7.05% over the same period. (For information the Numis Smaller Companies (ex Investment Trusts) Index returned +4.98% over the same period).

#### Market Overview and Portfolio Activity

Over the review period, the Numis Smaller Companies index posted a positive return but underperformed the FTSE All-Share index.

Increased takeover activity and robust corporate earnings – both at home and overseas – helped UK equities overcome lingering uncertainties around Brexit and government wrangling. These political concerns were heightened by the resignations of the Brexit secretary and the foreign secretary in July. Investors fretted that “hard Brexiters” could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election. UK equities were also periodically buffeted by worries

over the outlook for global trade due to the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter (Q1). As we expected, activity subsequently rebounded, leading investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be “gradual and limited”. While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows. After remaining static at 2.4% for three months, annual consumer price inflation rose to 2.5% in July, though this uptick was largely driven by price increases in recreation & culture – typically a volatile sector – and higher transport costs. We retain our belief that inflation driven by sterling-related cost increases has peaked.

There were several new additions to the portfolio over the review period, notably video-game developers Team17 and CodeMasters. Though the market environment for these firms has been historically difficult, we think some significant changes to the market structure mean that these two companies have much higher quality business models. The first is a fragmentation of platforms and the growth of mobile as a platform. We feel this is positive for Team17; as it allows developers to get onto larger platforms and access a wider audience by using the company's expertise. Codemasters is benefiting from the other key trend which is the growth of in-game purchases; these improve the gaming experience and also help to smooth out revenue, as well as carrying very high margins.

We participated in the initial public offering of JTC, a global provider of administrative services to fund, corporate and private clients. We

feel there is potential for organic growth, margin progression and further consolidation in a fragmented market.

Genus was another key new position. The company sells biotechnology-based products to meat and dairy farmers. We have followed Genus over the last few years and feel that it can benefit from investments in new technologies involving pig and cattle breeding.

We exited Just Eat, as the company's growth meant that it has moved out of our index. We also sold Gamma Communications, on valuation grounds.

Our outlook for UK smaller companies has changed slightly, with inflation slowing at a more moderate rate than we had forecast, due to higher commodity prices, particularly oil. We had also expected productivity to pick up, but it actually fell in Q1 2018 for the first time since Q2 2017. The continued tightness of labour supply, combined with slower investment due to the uncertainties around Brexit, is leading to lower productivity and higher wage growth. This is partly why the Bank of England raised rates in August. We have previously stated that much of the increase in disposable income resulting from higher wage growth would be invested into pensions and that this, along with higher inflation for longer, will pressure UK consumers. As a result, we anticipate more weakness in consumer spending in the second half of 2018. The weaker pound continues to benefit some businesses, and at the time of writing, UK manufacturing order books have rebounded back to the highs seen in January.

In spite of the strong performance of small-caps in 2017, we feel the asset class still has untapped potential. The uncertainties for the UK economy and higher inflation for longer, combined with widening credit spreads, have impacted the performance of UK small-caps in the first half of this year. While the environment is likely to remain tough in the second half, we still see opportunities in quality businesses that operate in growth markets or have the strength to increase market share and profits.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	3,515	34,667
Revenue	2,185	2,116
Expenses	(1,338)	(1,245)
Interest payable and similar charges	(2)	–
Net revenue before taxation	845	871
Taxation	–	–
Net revenue after taxation	845	871
<b>Total return before distributions</b>	<b>4,360</b>	<b>35,538</b>
Distributions	(845)	(872)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,515</b>	<b>34,666</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	212,713	209,010
<b>Current assets:</b>		
Debtors	790	2,521
Cash and bank balances	4,247	1,706
<b>Total assets</b>	<b>217,750</b>	<b>213,237</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(734)	(128)
Other creditors	(748)	(552)
<b>Total liabilities</b>	<b>(1,482)</b>	<b>(680)</b>
<b>Net assets attributable to shareholders</b>	<b>216,268</b>	<b>212,557</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>212,557</b>	<b>183,312</b>
Amounts receivable on the issue of shares	21,198	42,427
Amounts payable on the cancellation of shares	(21,170)	(40,922)
	28	1,505
Dilution adjustment	68	382
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,515	34,666
Retained distribution on accumulation shares	100	99
<b>Closing net assets attributable to shareholders</b>	<b>216,268</b>	<b>219,964</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 18 – 19 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.5250	–	0.5250	0.5396
<b>Group 2</b>				
08/03/18 to 07/09/18	0.3260	0.1990	0.5250	0.5396
<b>Total distributions in the period</b>			<b>0.5250</b>	<b>0.5396</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	1.6443	–	1.6443	1.5474
<b>Group 2</b>				
08/03/18 to 07/09/18	0.8374	0.8069	1.6443	1.5474
<b>Total distributions in the period</b>			<b>1.6443</b>	<b>1.5474</b>

## Threadneedle UK Smaller Companies Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.4688	–	1.4688	1.3492
<b>Group 2</b> 08/03/18 to 07/09/18	1.4688	–	1.4688	1.3492
<b>Total distributions in the period</b>			<b>1.4688</b>	<b>1.3492</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.3268	–	1.3268	1.2404
<b>Group 2</b> 08/03/18 to 07/09/18	0.8268	0.5000	1.3268	1.2404
<b>Total distributions in the period</b>			<b>1.3268</b>	<b>1.2404</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.1275	–	1.1275	1.0463
<b>Group 2</b> 08/03/18 to 07/09/18	0.5826	0.5449	1.1275	1.0463
<b>Total distributions in the period</b>			<b>1.1275</b>	<b>1.0463</b>

#### Class Z CHF Hedged – Gross accumulation shares\*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018
<b>Group 1</b> 08/03/18 to 07/09/18	0.2960	–	0.2960
<b>Group 2</b> 08/03/18 to 07/09/18	0.2960	–	0.2960
<b>Total distributions in the period</b>			<b>0.2960</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	343.90	282.40	242.84	349.17	286.00	245.52
Return before operating charges (p)	9.12	67.67	44.60	9.26	68.58	45.24
Operating charges (p)	(2.95)	(5.63)	(4.22)	(1.90)	(3.62)	(2.71)
Return after operating charges (p)*	6.17	62.04	40.38	7.36	64.96	42.53
Distributions (p)	(0.53)	(0.54)	(0.82)	(1.64)	(1.79)	(2.05)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	349.54	343.90	282.40	354.89	349.17	286.00
*after direct transaction costs of (p)	0.19	0.78	0.64	0.19	0.79	0.64
<b>Performance</b>						
Return after charges (%)	1.79	21.97	16.63	2.11	22.71	17.32
<b>Other information</b>						
Closing net asset value (£000)	70,198	66,294	51,808	87,144	91,964	91,321
Closing number of shares	20,083,179	19,277,211	18,345,720	24,554,810	26,338,001	31,930,773
Operating charges (%)**	1.67 <sup>†</sup>	1.68	1.67	1.06 <sup>†</sup>	1.07	1.06
Direct transaction costs (%)***	0.11	0.23	0.25	0.11	0.23	0.25
<b>Prices</b>						
Highest share price (p)	369.07	372.05	285.66	375.36	377.64	289.70
Lowest share price (p)	327.88	285.90	215.56	333.07	289.55	218.39
	Class X – Income shares			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	148.20	121.35	104.09	236.26	193.51	166.10
Return before operating charges (p)	3.95	29.15	19.28	6.27	46.42	30.63
Operating charges (p)	(0.05)	(0.10)	(0.07)	(1.07)	(2.06)	(1.53)
Return after operating charges (p)*	3.90	29.05	19.21	5.20	44.36	29.10
Distributions (p)	(1.47)	(2.20)	(1.95)	(1.33)	(1.61)	(1.69)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	150.63	148.20	121.35	240.13	236.26	193.51
*after direct transaction costs of (p)	0.08	0.34	0.26	0.13	0.54	0.44
<b>Performance</b>						
Return after charges (%)	2.63	23.94	18.46	2.20	22.92	17.52
<b>Other information</b>						
Closing net asset value (£000)	40	40	32	40,613	41,193	17,945
Closing number of shares	26,664	26,664	26,664	16,912,629	17,435,342	9,273,257
Operating charges (%)**	0.06 <sup>†</sup>	0.07	0.07	0.88 <sup>†</sup>	0.89	0.88
Direct transaction costs (%)***	0.11	0.23	0.25	0.11	0.23	0.25
<b>Prices</b>						
Highest share price (p)	159.75	160.83	123.44	254.11	255.68	196.16
Lowest share price (p)	141.47	122.86	92.91	225.40	195.91	147.84

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Gross accumulation shares <sup>5</sup>
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	200.80	163.34	138.91	100.00
Return before operating charges (p)	5.33	39.17	25.71	3.36
Operating charges (p)	(0.91)	(1.71)	(1.28)	(0.12)
Return after operating charges (p)*	4.42	37.46	24.43	3.24
Distributions (p)	(1.13)	(1.36)	(1.41)	(0.30)
Retained distributions on accumulation shares (p)	1.13	1.36	1.41	0.30
Closing net asset value per share (p)	205.22	200.80	163.34	103.24
*after direct transaction costs of (p)	0.11	0.45	0.37	0.03
<b>Performance</b>				
Return after charges (%)	2.20	22.93	17.59	3.24
<b>Other information</b>				
Closing net asset value (£000)	18,272	13,066	22,206	1
Closing number of shares	8,903,800	6,506,994	13,594,653	1,000
Operating charges (%)**	0.88 <sup>1</sup>	0.89	0.88	0.76 <sup>1</sup>
Direct transaction costs (%)***	0.11	0.23	0.25	0.11
<b>Prices</b>				
Highest share price (p)	215.97	216.97	165.18	106.58
Lowest share price (p)	191.56	165.37	123.63	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>1</sup>Commenced 30 May 2018.

<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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	19,277,211
Shares issued	1,913,343
Shares redeemed	(1,051,561)
Net conversions	(55,814)
Closing shares	<u>20,083,179</u>
<b>Class 2 – Income shares</b>	
Opening shares	26,338,001
Shares issued	1,218,012
Shares redeemed	(2,741,603)
Net conversions	(259,600)
Closing shares	<u>24,554,810</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	17,435,342
Shares issued	1,416,596
Shares redeemed	(2,066,570)
Net conversions	127,261
Closing shares	<u>16,912,629</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	6,506,994
Shares issued	3,313,318
Shares redeemed	(1,313,648)
Net conversions	397,136
Closing shares	<u>8,903,800</u>
<b>Class Z CHF Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>

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

#### 3 POST BALANCE SHEET EVENT

Subsequent to the period end, market fluctuations have resulted in changes to the NAV as described in the table below:

Share class	Net asset value per share (p)		% Movement
	7 September 2018	11 October 2018	
Class 1 – Income shares	352.08	315.05	(10.52)
Class 2 – Income shares	357.48	320.07	(10.46)
Class X – Income shares	151.72	135.98	(10.37)
Class Z – Income shares	241.88	216.60	(10.45)
Class Z – Accumulation shares	206.70	185.10	(10.45)
Class Z CHF Hedged – Gross accumulation shares	104.00	89.12	(14.31)

## 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 2018, the published share price of the Threadneedle UK Growth & Income Fund has risen from 90.01p to 96.59p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +10.73% as compared to a median return of +5.63% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters"

could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

We participated in the rights issue of DS Smith, which was launched to fund its takeover of rival Spanish packaging firm Europac. DS Smith is progressing effectively with the integration of its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets.

GKN was de-listed following its acquisition by turnaround specialists Melrose Industries. We subsequently took some profits on our holding in Melrose.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

Since the start of 2018, we have begun to see market leadership broaden out somewhat as last year's rotation into cyclical stocks has been reappraised. A further escalation in trade tensions combined with central banks' moves to withdraw their stimulus measures could further pressure these more economically sensitive companies.

At a stock level, we still see numerous pockets of value. Several of the more defensive (less economically sensitive) areas in the UK market still appear very out of favour. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall Mergers and Acquisitions volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

In a broader context, we are cautious about the risks of monetary tightening for equities. We are also mindful that the increased influence of passive investments could amplify any synchronised market downturn, just as it has supported earlier gains.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	22,726	3,284
Revenue	7,454	9,617
Expenses	(2,123)	(2,679)
Interest payable and similar charges	(1)	–
Net revenue before taxation	5,330	6,938
Taxation	–	–
Net revenue after taxation	5,330	6,938
<b>Total return before distributions</b>	<b>28,056</b>	<b>10,222</b>
Distributions	(7,239)	(9,357)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>20,817</b>	<b>865</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	332,501	402,885
<b>Current assets:</b>		
Debtors	1,297	4,656
Cash and bank balances	377	580
<b>Total assets</b>	<b>334,175</b>	<b>408,121</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(6,835)	(5,646)
Other creditors	(2,521)	(1,841)
<b>Total liabilities</b>	<b>(9,356)</b>	<b>(7,487)</b>
<b>Net assets attributable to shareholders</b>	<b>324,819</b>	<b>400,634</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>400,634</b>	<b>415,349</b>
Amounts receivable on the issue of shares	14,152	40,925
Amounts payable on the cancellation of shares	(110,967)	(32,521)
	(96,815)	8,404
Dilution adjustment	109	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	20,817	865
Retained distribution on accumulation shares	67	24
Unclaimed distributions	7	4
<b>Closing net assets attributable to shareholders</b>	<b>324,819</b>	<b>424,646</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 23 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.0066	–	2.0066	2.0821
<b>Group 2</b> 08/03/18 to 07/09/18	1.2794	0.7272	2.0066	2.0821
<b>Total distributions in the period</b>			<b>2.0066</b>	<b>2.0821</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.2683	–	2.2683	2.3407
<b>Group 2</b> 08/03/18 to 07/09/18	1.2853	0.9830	2.2683	2.3407
<b>Total distributions in the period</b>			<b>2.2683</b>	<b>2.3407</b>

## Threadneedle UK Growth & Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	3.2560	–	3.2560	3.3533
<b>Group 2</b> 08/03/18 to 07/09/18	1.9321	1.3239	3.2560	3.3533
<b>Total distributions in the period</b>			<b>3.2560</b>	<b>3.3533</b>

#### Class Z – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.1387	–	2.1387	0.7617
<b>Group 2</b> 08/03/18 to 07/09/18	1.9204	0.2183	2.1387	0.7617
<b>Total distributions in the period</b>			<b>2.1387</b>	<b>0.7617</b>

## Threadneedle UK Growth & Income Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	88.67	93.34	80.93	98.32	102.98	88.84
Return before operating charges (p)	8.64	0.21	17.02	9.58	0.22	18.74
Operating charges (p)	(0.78)	(1.54)	(1.42)	(0.56)	(1.11)	(1.02)
Return after operating charges (p)*	7.86	(1.33)	15.60	9.02	(0.89)	17.72
Distributions (p)	(2.01)	(3.34)	(3.19)	(2.27)	(3.77)	(3.58)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	94.52	88.67	93.34	105.07	98.32	102.98
*after direct transaction costs of (p)	0.00	0.05	0.10	0.00	0.06	0.11
<b>Performance</b>						
Return after charges (%)	8.86	(1.42)	19.28	9.17	(0.86)	19.95
<b>Other information</b>						
Closing net asset value (£000)	135,190	154,559	191,457	39,022	40,329	59,168
Closing number of shares	143,028,407	174,316,681	205,121,749	37,137,444	41,019,411	57,456,100
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.01	0.06	0.12	0.01	0.06	0.12
<b>Prices</b>						
Highest share price (p)	100.48	100.21	94.69	111.69	110.71	104.50
Lowest share price (p)	86.08	88.22	79.11	95.47	97.82	86.99
	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>†</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.61	150.04	129.11	94.33	100.00	
Return before operating charges (p)	14.01	0.29	27.26	9.20	(5.21)	
Operating charges (p)	(0.68)	(1.34)	(1.23)	(0.45)	(0.46)	
Return after operating charges (p)*	13.33	(1.05)	26.03	8.75	(5.67)	
Distributions (p)	(3.26)	(5.38)	(5.10)	(2.14)	(2.08)	
Retained distributions on accumulation shares (p)	–	–	–	2.14	2.08	
Closing net asset value per share (p)	153.68	143.61	150.04	103.08	94.33	
*after direct transaction costs of (p)	0.01	0.08	0.16	0.00	0.04	
<b>Performance</b>						
Return after charges (%)	9.28	(0.70)	20.16	9.28	(5.67)	
<b>Other information</b>						
Closing net asset value (£000)	147,390	202,806	164,724	3,217	2,940	
Closing number of shares	95,906,727	141,221,346	109,787,343	3,120,928	3,116,610	
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88 <sup>†</sup>	
Direct transaction costs (%)***	0.01	0.06	0.12	0.01	0.06	
<b>Prices</b>						
Highest share price (p)	163.27	161.37	155.20	107.24	101.62	
Lowest share price (p)	139.47	142.80	126.47	91.61	92.49	

\*\*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>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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	174,316,681
Shares issued	1,115,431
Shares redeemed	(32,088,208)
Net conversions	(315,497)
Closing shares	<u>143,028,407</u>
<b>Class 2 – Income shares</b>	
Opening shares	41,019,411
Shares issued	4,261,542
Shares redeemed	(8,111,579)
Net conversions	(31,930)
Closing shares	<u>37,137,444</u>
<b>Class Z – Income shares</b>	
Opening shares	141,221,346
Shares issued	5,698,437
Shares redeemed	(51,229,454)
Net conversions	216,398
Closing shares	<u>95,906,727</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	3,116,610
Shares issued	4,318
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,120,928</u>

## 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 2018, the published share price of the Threadneedle UK Equity Income Fund has risen from 92.75p to 98.75p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, +10.50% as compared to a median return of +5.13% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters" could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election. Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between

Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

During the review period, we participated in the right issues of DS Smith and Phoenix Group. The former was launched to fund the company's takeover of rival Spanish packaging firm Europac. DS Smith is progressing effectively with the integration of its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets. Phoenix Group's offering was to help it finance its acquisition of Standard Life Aberdeen's UK and European insurance businesses.

We topped up our position in GKN shortly before the final shareholder vote on the bid by industrial turnaround specialists Melrose. In our view, both parties' respective proposals to restructure the business offered the prospect of a significant step

forward in reviving GKN's fortunes and maximising shareholder value. GKN was later de-listed as it was acquired by Melrose.

We closed a small position in Kier to fund higher conviction ideas.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

Since the start of 2018, we have begun to see market leadership broaden out somewhat as last year's rotation into cyclical stocks has been reappraised. A further escalation in trade tensions combined with central banks' moves to withdraw their stimulus measures could further pressure these more economically sensitive companies.

At a stock level, we still see numerous pockets of value. Several of the more defensive (less economically sensitive) areas in the UK market still appear very out of favour. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall Mergers and Acquisitions volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

In a broader context, we are cautious about the risks of monetary tightening for equities. We are also mindful that the increased influence of passive investments could amplify any synchronised market downturn, just as it has supported earlier gains.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	273,306	16,679
Revenue	95,635	97,948
Expenses	(19,476)	(19,526)
Interest payable and similar charges	(7)	–
Net revenue before taxation	76,152	78,422
Taxation	–	–
Net revenue after taxation	76,152	78,422
<b>Total return before distributions</b>	<b>349,458</b>	<b>95,101</b>
Distributions	(94,067)	(96,301)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>255,391</b>	<b>(1,200)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	4,143,608	3,930,837
<b>Current assets:</b>		
Debtors	25,510	30,684
Cash and bank balances	6,083	7,701
<b>Total assets</b>	<b>4,175,201</b>	<b>3,969,222</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(175)	–
<b>Creditors:</b>		
Distribution payable	(26,238)	(18,916)
Other creditors	(8,870)	(4,191)
<b>Total liabilities</b>	<b>(35,283)</b>	<b>(23,107)</b>
<b>Net assets attributable to shareholders</b>	<b>4,139,918</b>	<b>3,946,115</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>3,946,115</b>	<b>3,733,290</b>
Amounts receivable on the issue of shares	152,462	251,561
Amounts payable on the cancellation of shares	(247,726)	(102,116)
Amounts receivable on inspecie transfers	–	124,035
	(95,264)	273,480
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	255,391	(1,200)
Retained distribution on accumulation shares	33,662	30,380
Unclaimed distributions	14	11
<b>Closing net assets attributable to shareholders</b>	<b>4,139,918</b>	<b>4,035,961</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 27 – 31 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.2493	–	1.2493	1.2924
08/06/18 to 07/09/18	0.9699	–	0.9699	1.0967
<b>Group 2</b>				
08/03/18 to 07/06/18	0.4710	0.7783	1.2493	1.2924
08/06/18 to 07/09/18	0.5414	0.4285	0.9699	1.0967
<b>Total distributions in the period</b>			<b>2.2192</b>	<b>2.3891</b>

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.7524	–	1.7524	1.7426
08/06/18 to 07/09/18	1.3774	–	1.3774	1.4981
<b>Group 2</b>				
08/03/18 to 07/06/18	1.0524	0.7000	1.7524	1.7426
08/06/18 to 07/09/18	0.7864	0.5910	1.3774	1.4981
<b>Total distributions in the period</b>			<b>3.1298</b>	<b>3.2407</b>

## Threadneedle UK Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.7543	–	1.7543	1.8822
08/06/18 to 07/09/18	1.4410	–	1.4410	1.6353
<b>Group 2</b>				
08/03/18 to 07/06/18	0.6543	1.1000	1.7543	1.8822
08/06/18 to 07/09/18	0.8082	0.6328	1.4410	1.6353
<b>Total distributions in the period</b>			<b>3.1953</b>	<b>3.5175</b>

#### Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.7022	–	1.7022	1.6666
08/06/18 to 07/09/18	1.3641	–	1.3641	1.4984
<b>Group 2</b>				
08/03/18 to 07/06/18	1.7022	–	1.7022	1.6666
08/06/18 to 07/09/18	0.6609	0.7032	1.3641	1.4984
<b>Total distributions in the period</b>			<b>3.0663</b>	<b>3.1650</b>

#### Class 1 USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	2.0698	–	2.0698	2.1940
08/06/18 to 07/09/18	1.7256	–	1.7256	1.8609
<b>Group 2</b>				
08/03/18 to 07/06/18	0.1523	1.9175	2.0698	2.1940
08/06/18 to 07/09/18	0.7414	0.9842	1.7256	1.8609
<b>Total distributions in the period</b>			<b>3.7954</b>	<b>4.0549</b>

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.4038	–	1.4038	1.4534
08/06/18 to 07/09/18	1.0946	–	1.0946	1.2380
<b>Group 2</b>				
08/03/18 to 07/06/18	0.6244	0.7794	1.4038	1.4534
08/06/18 to 07/09/18	0.7594	0.3352	1.0946	1.2380
<b>Total distributions in the period</b>			<b>2.4984</b>	<b>2.6914</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.6008	–	1.6008	1.5920
08/06/18 to 07/09/18	1.2639	–	1.2639	1.3736
<b>Group 2</b>				
08/03/18 to 07/06/18	0.7639	0.8369	1.6008	1.5920
08/06/18 to 07/09/18	0.8471	0.4168	1.2639	1.3736
<b>Total distributions in the period</b>			<b>2.8647</b>	<b>2.9656</b>

#### Class D – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	2.4578	–	2.4578	0.6587
08/06/18 to 07/09/18	1.9068	–	1.9068	2.1602
<b>Group 2</b>				
08/03/18 to 07/06/18	1.4829	0.9749	2.4578	0.6587
08/06/18 to 07/09/18	0.2454	1.6614	1.9068	2.1602
<b>Total distributions in the period</b>			<b>4.3646</b>	<b>2.8189</b>

#### Class L – Income shares\*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	2.3734	–	2.3734	0.6345
08/06/18 to 07/09/18	1.8526	–	1.8526	2.0857
<b>Group 2</b>				
08/03/18 to 07/06/18	1.3565	1.0169	2.3734	0.6345
08/06/18 to 07/09/18	1.1040	0.7486	1.8526	2.0857
<b>Total distributions in the period</b>			<b>4.2260</b>	<b>2.7202</b>

#### Class L – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	3.8055	–	3.8055	0.9868
08/06/18 to 07/09/18	3.0078	–	3.0078	3.2535
<b>Group 2</b>				
08/03/18 to 07/06/18	2.4973	1.3082	3.8055	0.9868
08/06/18 to 07/09/18	2.1121	0.8957	3.0078	3.2535
<b>Total distributions in the period</b>			<b>6.8133</b>	<b>4.2403</b>

#### Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.5513	–	1.5513	1.5897
08/06/18 to 07/09/18	1.2124	–	1.2124	1.3574
<b>Group 2</b>				
08/03/18 to 07/06/18	1.1357	0.4156	1.5513	1.5897
08/06/18 to 07/09/18	0.2124	1.0000	1.2124	1.3574
<b>Total distributions in the period</b>			<b>2.7637</b>	<b>2.9471</b>

#### Class X – Accumulation shares\*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	3.9931	–	3.9931	1.0301
08/06/18 to 07/09/18	3.1604	–	3.1604	3.4004
<b>Group 2</b>				
08/03/18 to 07/06/18	3.9931	–	3.9931	1.0301
08/06/18 to 07/09/18	3.1604	–	3.1604	3.4004
<b>Total distributions in the period</b>			<b>7.1535</b>	<b>4.4305</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.8705	–	1.8705	1.9317
08/06/18 to 07/09/18	1.4569	–	1.4569	1.6450
<b>Group 2</b>				
08/03/18 to 07/06/18	1.0810	0.7895	1.8705	1.9317
08/06/18 to 07/09/18	0.7747	0.6822	1.4569	1.6450
<b>Total distributions in the period</b>			<b>3.3274</b>	<b>3.5767</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	2.3233	–	2.3233	2.3055
08/06/18 to 07/09/18	1.8322	–	1.8322	1.9885
<b>Group 2</b>				
08/03/18 to 07/06/18	1.4372	0.8861	2.3233	2.3055
08/06/18 to 07/09/18	0.9549	0.8773	1.8322	1.9885
<b>Total distributions in the period</b>			<b>4.1555</b>	<b>4.2940</b>

#### Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.8094	–	1.8094	1.9374
08/06/18 to 07/09/18	1.4910	–	1.4910	1.6894
<b>Group 2</b>				
08/03/18 to 07/06/18	1.8094	–	1.8094	1.9374
08/06/18 to 07/09/18	0.2976	1.1934	1.4910	1.6894
<b>Total distributions in the period</b>			<b>3.3004</b>	<b>3.6268</b>

#### Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	1.8010	–	1.8010	1.7601
08/06/18 to 07/09/18	1.4480	–	1.4480	1.5880
<b>Group 2</b>				
08/03/18 to 07/06/18	–	1.8010	1.8010	1.7601
08/06/18 to 07/09/18	0.9588	0.4892	1.4480	1.5880
<b>Total distributions in the period</b>			<b>3.2490</b>	<b>3.3481</b>

#### Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	2.1460	–	2.1460	2.2697
08/06/18 to 07/09/18	1.7951	–	1.7951	1.9381
<b>Group 2</b>				
08/03/18 to 07/06/18	0.5403	1.6057	2.1460	2.2697
08/06/18 to 07/09/18	1.1358	0.6593	1.7951	1.9381
<b>Total distributions in the period</b>			<b>3.9411</b>	<b>4.2078</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		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	92.01	97.70	85.44	129.06	131.73	110.62
Return before operating charges (p)	8.72	(0.23)	17.44	12.21	(0.48)	23.06
Operating charges (p)	(0.78)	(1.60)	(1.47)	(1.11)	(2.19)	(1.95)
Return after operating charges (p)*	7.94	(1.83)	15.97	11.10	(2.67)	21.11
Distributions (p)	(2.22)	(3.86)	(3.71)	(3.13)	(5.28)	(4.88)
Retained distributions on accumulation shares (p)	–	–	–	3.13	5.28	4.88
Closing net asset value per share (p)	97.73	92.01	97.70	140.16	129.06	131.73
*after direct transaction costs of (p)	0.01	0.07	0.02	0.01	0.10	0.03
<b>Performance</b>						
Return after charges (%)	8.63	(1.87)	18.69	8.60	(2.03)	19.08
<b>Other information</b>						
Closing net asset value (£000)	367,307	368,909	458,628	251,676	230,892	252,136
Closing number of shares	375,853,506	400,926,969	469,440,679	179,559,627	178,900,787	191,403,198
Operating charges (%)**	1.59 <sup>†</sup>	1.63	1.62	1.59 <sup>†</sup>	1.63	1.62
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	0.03
<b>Prices</b>						
Highest share price (p)	102.82	104.06	98.49	146.01	140.32	131.90
Lowest share price (p)	89.00	90.54	81.88	124.83	126.07	107.59
	Class 1 CHF Hedged – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	134.04	146.12	108.88	128.53	128.18	96.96
Return before operating charges (p)	16.58	(9.76)	39.38	10.87	2.51	33.08
Operating charges (p)	(1.13)	(2.32)	(2.14)	(1.08)	(2.16)	(1.86)
Return after operating charges (p)*	15.45	(12.08)	37.24	9.79	0.35	31.22
Distributions (p)	(3.20)	(5.64)	(5.16)	(3.07)	(5.18)	(4.57)
Retained distributions on accumulation shares (p)	3.20	5.64	5.16	3.07	5.18	4.57
Closing net asset value per share (p)	149.49	134.04	146.12	138.32	128.53	128.18
*after direct transaction costs of (p)	0.01	0.11	0.03	0.01	0.10	0.03
<b>Performance</b>						
Return after charges (%)	11.53	(8.27)	34.20	7.62	0.27	32.20
<b>Other information</b>						
Closing net asset value (£000)	370	403	544	2,256	2,095	919
Closing number of shares	247,364	300,658	372,574	1,630,564	1,629,997	717,119
Operating charges (%)**	1.59 <sup>†</sup>	1.62	1.62	1.59 <sup>†</sup>	1.63	1.61
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	0.03
<b>Prices</b>						
Highest share price (p)	154.75	154.79	146.20	145.72	139.49	129.07
Lowest share price (p)	125.62	131.18	106.17	121.27	122.87	95.82

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Accumulation shares			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	150.78	172.93	124.24	102.42	108.20	94.15
Return before operating charges (p)	25.81	(19.47)	51.13	9.72	(0.26)	19.27
Operating charges (p)	(1.34)	(2.68)	(2.44)	(0.58)	(1.15)	(1.05)
Return after operating charges (p)*	24.47	(22.15)	48.69	9.14	(1.41)	18.22
Distributions (p)	(3.80)	(6.49)	(5.84)	(2.50)	(4.37)	(4.17)
Retained distributions on accumulation shares (p)	3.80	6.49	5.84	–	–	–
Closing net asset value per share (p)	175.25	150.78	172.93	109.06	102.42	108.20
*after direct transaction costs of (p)	0.02	0.12	0.04	0.01	0.08	0.02
<b>Performance</b>						
Return after charges (%)	16.23	(12.81)	39.19	8.92	(1.30)	19.35
<b>Other information</b>						
Closing net asset value (£000)	1,058	1,053	1,122	199,506	210,343	355,996
Closing number of shares	603,611	698,723	648,658	182,936,415	205,367,961	329,006,664
Operating charges (%)**	1.59 <sup>†</sup>	1.63	1.62	1.05 <sup>†</sup>	1.06	1.05
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	0.03
<b>Prices</b>						
Highest share price (p)	185.98	177.28	173.03	114.70	115.42	109.09
Lowest share price (p)	142.57	146.68	120.02	99.09	100.76	90.36
	Class 2 – Accumulation shares			Class D – Income shares		
	07/09/2018	07/03/2018	07/03/2017 <sup>†</sup>	07/09/2018	07/03/2018 <sup>‡</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	116.79	118.53	100.00	181.90	196.90	
Return before operating charges (p)	11.05	(0.47)	19.54	17.21	(7.94)	
Operating charges (p)	(0.66)	(1.27)	(1.01)	(0.99)	(1.34)	
Return after operating charges (p)*	10.39	(1.74)	18.53	16.22	(9.28)	
Distributions (p)	(2.86)	(4.85)	(3.57)	(4.36)	(5.72)	
Retained distributions on accumulation shares (p)	2.86	4.85	3.57	–	–	
Closing net asset value per share (p)	127.18	116.79	118.53	193.76	181.90	
*after direct transaction costs of (p)	0.01	0.09	0.03	0.02	0.12	
<b>Performance</b>						
Return after charges (%)	8.90	(1.47)	18.53	8.92	(4.71)	
<b>Other information</b>						
Closing net asset value (£000)	385	274	207	1,578	1,719	
Closing number of shares	303,032	234,626	174,211	814,437	944,993	
Operating charges (%)**	1.05 <sup>†</sup>	1.05	1.05 <sup>†</sup>	1.02 <sup>†</sup>	1.03 <sup>†</sup>	
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	
<b>Prices</b>						
Highest share price (p)	132.44	126.43	118.68	203.77	202.89	
Lowest share price (p)	112.99	114.04	96.40	175.98	178.92	

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class L – Income shares		Class L – Accumulation shares		
	07/09/2018	07/03/2018 <sup>2</sup>	07/09/2018	07/03/2018 <sup>2</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	173.04	186.77	277.45	290.42	
Return before operating charges (p)	16.42	(7.43)	26.28	(11.80)	
Operating charges (p)	(0.57)	(0.75)	(0.90)	(1.17)	
Return after operating charges (p)*	15.85	(8.18)	25.38	(12.97)	
Distributions (p)	(4.23)	(5.55)	(6.81)	(8.72)	
Retained distributions on accumulation shares (p)	–	–	6.81	8.72	
Closing net asset value per share (p)	184.66	173.04	302.83	277.45	
*after direct transaction costs of (p)	0.02	0.11	0.03	0.17	
<b>Performance</b>					
Return after charges (%)	9.16	(4.38)	9.15	(4.47)	
<b>Other information</b>					
Closing net asset value (£000)	136,030	15,412	172,155	139,416	
Closing number of shares	73,663,390	8,906,635	56,848,157	50,248,860	
Operating charges (%)**	0.60 <sup>†</sup>	0.61 <sup>†</sup>	0.60 <sup>†</sup>	0.61 <sup>†</sup>	
Direct transaction costs (%)***	0.02	0.07	0.02	0.07	
<b>Prices</b>					
Highest share price (p)	194.16	192.49	315.23	299.33	
Lowest share price (p)	167.44	170.18	268.47	270.83	
	Class X – Income shares			Class X – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	113.00	118.18	101.82	290.89	303.13
Return before operating charges (p)	10.72	(0.33)	20.95	27.57	(12.12)
Operating charges (p)	(0.03)	(0.06)	(0.06)	(0.08)	(0.12)
Return after operating charges (p)*	10.69	(0.39)	20.89	27.49	(12.24)
Distributions (p)	(2.76)	(4.79)	(4.53)	(7.15)	(9.12)
Retained distributions on accumulation shares (p)	–	–	–	7.15	9.12
Closing net asset value per share (p)	120.93	113.00	118.18	318.38	290.89
*after direct transaction costs of (p)	0.01	0.09	0.03	0.03	0.18
<b>Performance</b>					
Return after charges (%)	9.46	(0.33)	20.52	9.45	(4.04)
<b>Other information</b>					
Closing net asset value (£000)	1,859	1,053	1,174	32,999	50,321
Closing number of shares	1,537,381	932,013	993,784	10,364,566	17,298,673
Operating charges (%)**	0.05 <sup>†</sup>	0.05	0.05	0.05 <sup>†</sup>	0.06 <sup>†</sup>
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07
<b>Prices</b>					
Highest share price (p)	127.09	126.36	119.15	331.28	312.51
Lowest share price (p)	109.37	111.08	97.99	281.55	283.84

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	137.08	144.45	125.38	170.26	172.41	143.63
Return before operating charges (p)	12.99	(0.36)	25.70	16.12	(0.68)	30.07
Operating charges (p)	(0.60)	(1.21)	(1.10)	(0.75)	(1.47)	(1.29)
Return after operating charges (p)*	12.39	(1.57)	24.60	15.37	(2.15)	28.78
Distributions (p)	(3.33)	(5.80)	(5.53)	(4.16)	(7.02)	(6.43)
Retained distributions on accumulation shares (p)	–	–	–	4.16	7.02	6.43
Closing net asset value per share (p)	146.14	137.08	144.45	185.63	170.26	172.41
*after direct transaction costs of (p)	0.01	0.11	0.03	0.02	0.13	0.04
<b>Performance</b>						
Return after charges (%)	9.04	(1.09)	19.62	9.03	(1.25)	20.04
<b>Other information</b>						
Closing net asset value (£000)	1,925,120	1,955,410	1,848,080	1,035,803	959,094	799,277
Closing number of shares	1,317,298,211	1,426,492,453	1,279,367,778	557,998,338	563,301,037	463,595,811
Operating charges (%)**	0.82 <sup>†</sup>	0.83	0.82	0.82 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	0.03
<b>Prices</b>						
Highest share price (p)	153.67	154.16	145.63	193.26	184.00	172.62
Lowest share price (p)	132.63	134.82	120.40	164.74	166.23	140.00
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	137.57	148.79	109.89	135.32	133.92	100.49
Return before operating charges (p)	17.02	(10.00)	40.02	11.46	2.55	34.41
Operating charges (p)	(0.60)	(1.22)	(1.12)	(0.59)	(1.15)	(0.98)
Return after operating charges (p)*	16.42	(11.22)	38.90	10.87	1.40	33.43
Distributions (p)	(3.30)	(5.83)	(5.29)	(3.25)	(5.50)	(4.81)
Retained distributions on accumulation shares (p)	3.30	5.83	5.29	3.25	5.50	4.81
Closing net asset value per share (p)	153.99	137.57	148.79	146.19	135.32	133.92
*after direct transaction costs of (p)	0.01	0.11	0.03	0.01	0.10	0.03
<b>Performance</b>						
Return after charges (%)	11.94	(7.54)	35.40	8.03	1.05	33.27
<b>Other information</b>						
Closing net asset value (£000)	400	465	714	8,578	6,645	12,484
Closing number of shares	259,600	337,940	479,914	5,867,758	4,910,832	9,321,764
Operating charges (%)**	0.82 <sup>†</sup>	0.83	0.82	0.82 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.02	0.07	0.03	0.02	0.07	0.03
<b>Prices</b>						
Highest share price (p)	159.39	157.98	148.88	153.98	146.27	134.41
Lowest share price (p)	128.98	134.56	107.34	127.71	128.49	99.47

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	155.55	176.96	126.10
Return before operating charges (p)	26.68	(20.01)	52.10
Operating charges (p)	(0.72)	(1.40)	(1.24)
Return after operating charges (p)*	25.96	(21.41)	50.86
Distributions (p)	(3.94)	(6.75)	(6.03)
Retained distributions on accumulation shares (p)	3.94	6.75	6.03
Closing net asset value per share (p)	181.51	155.55	176.96
*after direct transaction costs of (p)	0.02	0.12	0.04
<b>Performance</b>			
Return after charges (%)	16.69	(12.10)	40.33
<b>Other information</b>			
Closing net asset value (£000)	2,838	2,611	2,009
Closing number of shares	1,563,685	1,678,459	1,135,384
Operating charges (%)**	0.82 <sup>1</sup>	0.83	0.82
Direct transaction costs (%)***	0.02	0.07	0.03
<b>Prices</b>			
Highest share price (p)	192.51	181.81	177.07
Lowest share price (p)	147.15	151.23	121.97

\*\*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>1</sup>Commenced 28 April 2016.

<sup>2</sup>Commenced 12 May 2017.

<sup>3</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018	2018
<b>Class 1 – Income shares</b>		
Opening shares	400,926,969	
Shares issued	17,198,956	
Shares redeemed	(34,308,002)	
Net conversions	(7,964,417)	
Closing shares	<u>375,853,506</u>	
<b>Class 1 – Accumulation shares</b>		
Opening shares	178,900,787	
Shares issued	7,703,100	
Shares redeemed	(6,937,912)	
Net conversions	(106,348)	
Closing shares	<u>179,559,627</u>	
<b>Class 1 CHF Hedged – Accumulation shares</b>		
Opening shares	300,658	
Shares issued	4,803	
Shares redeemed	(58,097)	
Net conversions	–	
Closing shares	<u>247,364</u>	
<b>Class 1 EUR Hedged – Accumulation shares</b>		
Opening shares	1,629,997	
Shares issued	247,447	
Shares redeemed	(246,880)	
Net conversions	–	
Closing shares	<u>1,630,564</u>	
<b>Class 1 USD Hedged – Accumulation shares</b>		
Opening shares	698,723	
Shares issued	43,130	
Shares redeemed	(138,242)	
Net conversions	–	
Closing shares	<u>603,611</u>	
<b>Class 2 – Income shares</b>		
Opening shares	205,367,961	
Shares issued	10,216,048	
Shares redeemed	(32,617,847)	
Net conversions	(29,747)	
Closing shares	<u>182,936,415</u>	
<b>Class 2 – Accumulation shares</b>		
Opening shares	234,626	
Shares issued	91,411	
Shares redeemed	(23,005)	
Net conversions	–	
Closing shares	<u>303,032</u>	
<b>Class D – Income shares</b>		
Opening shares	944,993	
Shares issued	29,096	
Shares redeemed	(159,652)	
Net conversions	–	
Closing shares	<u>814,437</u>	
<b>Class L – Income shares</b>		
Opening shares	8,906,635	
Shares issued	6,096,299	
Shares redeemed	(2,488,630)	
Net conversions	61,149,086	
Closing shares	<u>73,663,390</u>	
<b>Class L – Accumulation shares</b>		
Opening shares	50,248,860	
Shares issued	4,722,007	
Shares redeemed	(3,557,753)	
Net conversions	5,435,043	
Closing shares	<u>56,848,157</u>	
<b>Class X – Income shares</b>		
Opening shares	932,013	
Shares issued	605,368	
Shares redeemed	–	
Net conversions	–	
Closing shares	<u>1,537,381</u>	
<b>Class X – Accumulation shares</b>		
Opening shares	17,298,673	
Shares issued	–	
Shares redeemed	(6,934,107)	
Net conversions	–	
Closing shares	<u>10,364,566</u>	
<b>Class Z – Income shares</b>		
Opening shares	1,426,492,453	
Shares issued	39,356,494	
Shares redeemed	(72,158,680)	
Net conversions	(76,392,056)	
Closing shares	<u>1,317,298,211</u>	
<b>Class Z – Accumulation shares</b>		
Opening shares	563,301,037	
Shares issued	15,198,121	
Shares redeemed	(15,371,277)	
Net conversions	(5,129,543)	
Closing shares	<u>557,998,338</u>	
<b>Class Z CHF Hedged – Accumulation shares</b>		
Opening shares	337,940	
Shares issued	26,650	
Shares redeemed	(104,990)	
Net conversions	–	
Closing shares	<u>259,600</u>	
<b>Class Z EUR Hedged – Accumulation shares</b>		
Opening shares	4,910,832	
Shares issued	1,090,951	
Shares redeemed	(134,025)	
Net conversions	–	
Closing shares	<u>5,867,758</u>	
<b>Class Z USD Hedged – Accumulation shares</b>		
Opening shares	1,678,459	
Shares issued	127,018	
Shares redeemed	(241,792)	
Net conversions	–	
Closing shares	<u>1,563,685</u>	

## 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 2018, the published share price of the Threadneedle UK Monthly Income Fund has risen from 72.60p to 74.16p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +6.61% as compared to a median return of +5.13% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

Expectations for economic growth outside of the US (where forecasts slightly rose) moderated during the last six months. The uncertainty over the impact on global trade of higher US import tariffs, the election of an Italian government hostile to the EU, the continued lack of clarity over the shape and terms of Brexit and a series of emerging market crises from Argentina to Venezuela to Turkey all combined to weigh on expectations.

However, some geopolitical uncertainties did diminish, as tensions with North Korea dissipated and the seven-year-old Syrian civil war appeared to have entered its end phase.

The normalisation of US monetary policy continued, with two more 0.25% rate rises (the sixth and seventh since tightening began in the fourth quarter of 2015) increasing rates to 1.75–2.00%. Market expectations are for five more increases by the end of calendar year 2019. This accelerated the bearish 'flattening of the yield curve' (with 2-year rates rising faster than 10-year rates) which historically has been a reliable precursor of an imminent recession. The UK also saw a second 0.25% rate rise (to 0.75%), though expectations of further domestic increases are very modest given the many uncertainties around Brexit.

The UK equity market ended the six months modestly higher, which in the context of the above-mentioned headwinds, felt quite respectable. The fund's return very slightly outperformed that of the market over the period.

Activity during the period was very modest. Only one new holding was added to the fund during the period, taking the total number of holdings to 60. This was student accommodation provider Empiric Student Property. Earlier management failings enabled the fund to purchase a holding at an attractive 5.25% yield and a 10% discount to net asset value. During the period, the fund also purchased and then subsequently disposed of a small holding in Direct Line. Elsewhere, a significant number of the fund's holdings were

either modestly increased, decreased or in some cases both as the balanced but inherently strategically cautious shape of the fund was maintained while simultaneously trying to take advantage of any tactical price anomalies.

The dividend cover across the UK equity market continued to remain acceptable, given companies' strong balance sheets, at an unchanged c.1.65x. However, a combination of the uncertainty about Brexit, the impact of US tariff increases upon global trade, the relatively mature economic cycle and the volatile sterling-dollar exchange rate suggests that dividend growth in the market will be modest this year.

The fund's monthly distributions for the Class 1 shares again rose by 0.01 pence per unit, increasing from 0.25 pence per unit to 0.26 pence per unit. This is the eighth consecutive year of such an absolute rate of increase. For the Z class shares, these monthly distributions rose from 0.43 pence per unit to 0.45 pence per unit, a broadly similar rate of increase.

However, for the reasons mentioned above, it would currently appear to be prudent to limit the aspiration for the fund's overall dividend increase for the current year to approximately 2.5%, the same rate of increase as that achieved last year. Therefore, like last year, this will probably result in a small reduction in the larger twelfth and final payment for the year so as to deliver the aforementioned overall growth rate for the year of 2.5%.

At the end of the half-year both major share classes yielded 4.6%.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	14,108	(9,308)
Revenue	14,353	16,214
Expenses	(3,828)	(4,384)
Interest payable and similar charges	(1)	–
Net revenue before taxation	10,524	11,830
Taxation	–	–
Net revenue after taxation	10,524	11,830
<b>Total return before distributions</b>	<b>24,632</b>	<b>2,522</b>
Distributions	(10,602)	(11,257)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>14,030</b>	<b>(8,735)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	481,905	496,030
<b>Current assets:</b>		
Debtors	5,027	3,897
Cash and bank balances	5,354	3,861
Total assets	492,286	503,788
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,720)	(4,336)
Other creditors	(1,098)	(2,317)
Total liabilities	(2,818)	(6,653)
<b>Net assets attributable to shareholders</b>	<b>489,468</b>	<b>497,135</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>497,135</b>	<b>596,267</b>
Amounts receivable on the issue of shares	6,867	7,808
Amounts payable on the cancellation of shares	(28,654)	(44,276)
	(21,787)	(36,468)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	14,030	(8,735)
Unclaimed distributions	90	65
<b>Closing net assets attributable to shareholders</b>	<b>489,468</b>	<b>551,129</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 35 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2600	–	0.2600	0.2500
08/04/18 to 07/05/18	0.2600	–	0.2600	0.2500
08/05/18 to 07/06/18	0.2600	–	0.2600	0.2500
08/06/18 to 07/07/18	0.2600	–	0.2600	0.2500
08/07/18 to 07/08/18	0.2600	–	0.2600	0.2500
08/08/18 to 07/09/18	0.2600	–	0.2600	0.2500
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0914	0.1686	0.2600	0.2500
08/04/18 to 07/05/18	–	0.2600	0.2600	0.2500
08/05/18 to 07/06/18	–	0.2600	0.2600	0.2500
08/06/18 to 07/07/18	–	0.2600	0.2600	0.2500
08/07/18 to 07/08/18	–	0.2600	0.2600	0.2500
08/08/18 to 07/09/18	–	0.2600	0.2600	0.2500
<b>Total distributions in the period</b>			<b>1.5600</b>	<b>1.5000</b>

## Threadneedle UK Monthly Income Fund

### Distribution Table

(continued)

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3900	–	0.3900	0.3700
08/04/18 to 07/05/18	0.3900	–	0.3900	0.3700
08/05/18 to 07/06/18	0.3900	–	0.3900	0.3700
08/06/18 to 07/07/18	0.3900	–	0.3900	0.3700
08/07/18 to 07/08/18	0.3900	–	0.3900	0.3700
08/08/18 to 07/09/18	0.3900	–	0.3900	0.3700
<b>Group 2</b>				
08/03/18 to 07/04/18	0.3900	–	0.3900	0.3700
08/04/18 to 07/05/18	0.3900	–	0.3900	0.3700
08/05/18 to 07/06/18	0.3900	–	0.3900	0.3700
08/06/18 to 07/07/18	0.3900	–	0.3900	0.3700
08/07/18 to 07/08/18	–	0.3900	0.3900	0.3700
08/08/18 to 07/09/18	0.3900	–	0.3900	0.3700
<b>Total distributions in the period</b>			<b>2.3400</b>	<b>2.2200</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.4500	–	0.4500	0.4300
08/04/18 to 07/05/18	0.4500	–	0.4500	0.4300
08/05/18 to 07/06/18	0.4500	–	0.4500	0.4300
08/06/18 to 07/07/18	0.4500	–	0.4500	0.4300
08/07/18 to 07/08/18	0.4500	–	0.4500	0.4300
08/08/18 to 07/09/18	0.4500	–	0.4500	0.4300
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1609	0.2891	0.4500	0.4300
08/04/18 to 07/05/18	0.0426	0.4074	0.4500	0.4300
08/05/18 to 07/06/18	–	0.4500	0.4500	0.4300
08/06/18 to 07/07/18	–	0.4500	0.4500	0.4300
08/07/18 to 07/08/18	–	0.4500	0.4500	0.4300
08/08/18 to 07/09/18	–	0.4500	0.4500	0.4300
<b>Total distributions in the period</b>			<b>2.7000</b>	<b>2.5800</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		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	71.88	77.99	72.37	105.32	113.70	104.96
Return before operating charges (p)	4.12	(1.48)	10.14	6.05	(2.17)	14.76
Operating charges (p)	(0.61)	(1.26)	(1.23)	(0.59)	(1.20)	(1.16)
Return after operating charges (p)*	3.51	(2.74)	8.91	5.46	(3.37)	13.60
Distributions (p)	(1.56)	(3.37)	(3.29)	(2.34)	(5.01)	(4.86)
Closing net asset value per share (p)	73.83	71.88	77.99	108.44	105.32	113.70
*after direct transaction costs of (p)	0.02	0.13	0.12	0.03	0.19	0.17
<b>Performance</b>						
Return after charges (%)	4.88	(3.51)	12.31	5.18	(2.96)	12.96
<b>Other information</b>						
Closing net asset value (£000)	404,028	406,560	484,630	92	80	73
Closing number of shares	547,219,045	565,574,075	621,396,134	84,409	75,616	64,357
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.06	0.17	0.15	0.06	0.17	0.15
<b>Prices</b>						
Highest share price (p)	77.94	81.71	79.32	114.31	119.27	115.42
Lowest share price (p)	69.46	71.45	68.89	101.80	104.68	100.09

	Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	125.48	135.11	124.42
Return before operating charges (p)	7.19	(2.59)	17.50
Operating charges (p)	(0.58)	(1.18)	(1.14)
Return after operating charges (p)*	6.61	(3.77)	16.36
Distributions (p)	(2.70)	(5.86)	(5.67)
Closing net asset value per share (p)	129.39	125.48	135.11
*after direct transaction costs of (p)	0.04	0.22	0.20
<b>Performance</b>			
Return after charges (%)	5.27	(2.79)	13.15
<b>Other information</b>			
Closing net asset value (£000)	85,348	90,495	111,564
Closing number of shares	65,959,647	72,121,364	82,571,843
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.06	0.17	0.15
<b>Prices</b>			
Highest share price (p)	136.27	141.81	136.99
Lowest share price (p)	121.28	124.70	118.73

\*\*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.

## Threadneedle UK Monthly Income Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	565,574,075
Shares issued	8,514,470
Shares redeemed	(26,303,026)
Net conversions	(566,474)
Closing shares	<u>547,219,045</u>
<b>Class 2 – Income shares</b>	
Opening shares	75,616
Shares issued	13,266
Shares redeemed	(4,473)
Net conversions	–
Closing shares	<u>84,409</u>
<b>Class Z – Income shares</b>	
Opening shares	72,121,364
Shares issued	451,799
Shares redeemed	(6,937,668)
Net conversions	324,152
Closing shares	<u>65,959,647</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 2018, the published share price of the Threadneedle Monthly Extra Income Fund has risen from 78.23p to 82.29p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +8.76% as compared to a median return of +4.54% 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

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 derived additional support from sterling's weakness and stronger oil prices; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were especially rife in July, when the resignations of the Brexit secretary and the foreign secretary in July increased fears that Tory "hard Brexiters" could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by America's imposition of tariffs on China and other key US trading partners, and these countries' subsequent

retaliation. The review period was also marked by concerns about the looming prospect of a world with "easy money"; these contributed to sharp falls in the Turkish and Argentine currencies in August as did these countries' idiosyncratic issues. The currency sell-off in turn prompted investors to fret over the possibility about contagion. Sterling credit spreads widened against this backdrop.

The UK's economic growth in the first quarter was impacted by poor weather. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes would likely be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the sector's outlook as key firms went bankrupt, or came close to doing so, while others closed stores and implemented cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

Within equities, we participated in the right issues of DS Smith and Phoenix Group. The former was launched to fund DS Smith's takeover of Spanish rival Europac. DS Smith is progressing effectively integrating its previous acquisition – US-based Interstate Resources. We expect management to create good shareholder value by bolting on more overseas assets. Phoenix Group's offering was to help it finance its acquisition of Standard Life Aberdeen's UK and European insurance businesses. We also topped up our holding in Spirent Communications; we are positive about the company's launch of new products.

We added to GKN, shortly before the final shareholder vote on the takeover bid by industrial turnaround specialists Melrose. GKN was later de-listed as part of the takeover process.

In credit, we maintained a defensive credit risk position and were modestly underweight duration versus the benchmark. Purchases included bonds from Bayer, Becton Dickinson, BP, Northumbrian Water, Land Securities, Experian and Bacardi. We closed positions in BAE Systems and Travis Perkins, and reduced exposure to Heathrow Funding and Metropolitan Life.

More broadly, the fund's fixed income element remains overweight in defensive sectors, such as regulated utilities and infrastructure. We feel these areas should be more resilient given the late stage of the credit cycle and the level of credit spreads. We have also rotated our banking exposure, by moving up the capital structure and focusing on more defensive operating company bonds.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

Since the start of 2018, we have begun to see market leadership broaden out somewhat as last year's rotation into cyclical stocks has been reappraised. A further escalation in trade tensions combined with central banks' moves to withdraw their stimulus measures could further pressure these more economically sensitive companies.

At a stock level, we still see numerous pockets of value. Several of the more defensive (less economically sensitive) areas in the UK market appear very unpopular. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. Favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall Mergers and Acquisitions volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

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

The macro growth environment and strong earnings continue to support global credit markets but are not resulting in stronger balance sheets. We are late in the credit cycle and do not consider this to be a period to be aggressive with overall credit risk.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	19,854	2,402
Revenue	8,008	9,290
Expenses	(1,706)	(1,976)
Interest payable and similar charges	(1)	–
Net revenue before taxation	6,301	7,314
Taxation	–	–
Net revenue after taxation	6,301	7,314
Total return before distributions	26,155	9,716
Distributions	(6,369)	(6,856)
Change in net assets attributable to shareholders from investment activities	19,786	2,860

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	338,336	349,150
<b>Current assets:</b>		
Debtors	3,171	3,708
Cash and bank balances	705	1,605
Total assets	342,212	354,463
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(41)	(64)
<b>Creditors:</b>		
Distribution payable	(969)	(1,857)
Other creditors	(691)	(646)
Total liabilities	(1,701)	(2,567)
<b>Net assets attributable to shareholders</b>	<b>340,511</b>	<b>351,896</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	351,896	389,526
Amounts receivable on the issue of shares	12,961	15,751
Amounts payable on the cancellation of shares	(44,469)	(23,487)
	(31,508)	(7,736)
Dilution adjustment	15	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	19,786	2,860
Retained distribution on accumulation shares	321	395
Unclaimed distributions	1	1
Closing net assets attributable to shareholders	340,511	385,046

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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 39 – 40 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2450	–	0.2450	0.2400
08/04/18 to 07/05/18	0.2450	–	0.2450	0.2400
08/05/18 to 07/06/18	0.2450	–	0.2450	0.2400
08/06/18 to 07/07/18	0.2450	–	0.2450	0.2400
08/07/18 to 07/08/18	0.2450	–	0.2450	0.2400
08/08/18 to 07/09/18	0.2450	–	0.2450	0.2400
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1972	0.0478	0.2450	0.2400
08/04/18 to 07/05/18	0.0372	0.2078	0.2450	0.2400
08/05/18 to 07/06/18	–	0.2450	0.2450	0.2400
08/06/18 to 07/07/18	–	0.2450	0.2450	0.2400
08/07/18 to 07/08/18	–	0.2450	0.2450	0.2400
08/08/18 to 07/09/18	–	0.2450	0.2450	0.2400
<b>Total distributions in the period</b>			<b>1.4700</b>	<b>1.4400</b>

## Threadneedle Monthly Extra Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3846	–	0.3846	0.4174
08/04/18 to 07/05/18	0.4915	–	0.4915	0.5389
08/05/18 to 07/06/18	0.6792	–	0.6792	0.5829
08/06/18 to 07/07/18	0.3398	–	0.3398	0.4886
08/07/18 to 07/08/18	0.1146	–	0.1146	0.1228
08/08/18 to 07/09/18	0.7784	–	0.7784	0.7864
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1769	0.2077	0.3846	0.4174
08/04/18 to 07/05/18	–	0.4915	0.4915	0.5389
08/05/18 to 07/06/18	0.0574	0.6218	0.6792	0.5829
08/06/18 to 07/07/18	0.0105	0.3293	0.3398	0.4886
08/07/18 to 07/08/18	0.0628	0.0518	0.1146	0.1228
08/08/18 to 07/09/18	0.2936	0.4848	0.7784	0.7864
<b>Total distributions in the period</b>			<b>2.7881</b>	<b>2.9370</b>

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

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3001	–	0.3001	–
08/04/18 to 07/05/18	0.3847	–	0.3847	–
08/05/18 to 07/06/18	0.5335	–	0.5335	–
08/06/18 to 07/07/18	0.2698	–	0.2698	0.1842
08/07/18 to 07/08/18	0.0930	–	0.0930	0.0945
08/08/18 to 07/09/18	0.6178	–	0.6178	0.6009
<b>Group 2</b>				
08/03/18 to 07/04/18	0.3001	–	0.3001	–
08/04/18 to 07/05/18	0.3847	–	0.3847	–
08/05/18 to 07/06/18	0.5335	–	0.5335	–
08/06/18 to 07/07/18	0.2698	–	0.2698	0.1842
08/07/18 to 07/08/18	0.0930	–	0.0930	0.0945
08/08/18 to 07/09/18	0.6178	–	0.6178	0.6009
<b>Total distributions in the period</b>			<b>2.1989</b>	<b>0.8796</b>

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.4200	–	0.4200	0.4100
08/04/18 to 07/05/18	0.4200	–	0.4200	0.4100
08/05/18 to 07/06/18	0.4200	–	0.4200	0.4100
08/06/18 to 07/07/18	0.4200	–	0.4200	0.4100
08/07/18 to 07/08/18	0.4200	–	0.4200	0.4100
08/08/18 to 07/09/18	0.4200	–	0.4200	0.4100
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2225	0.1975	0.4200	0.4100
08/04/18 to 07/05/18	0.1387	0.2813	0.4200	0.4100
08/05/18 to 07/06/18	–	0.4200	0.4200	0.4100
08/06/18 to 07/07/18	–	0.4200	0.4200	0.4100
08/07/18 to 07/08/18	–	0.4200	0.4200	0.4100
08/08/18 to 07/09/18	–	0.4200	0.4200	0.4100
<b>Total distributions in the period</b>			<b>2.5200</b>	<b>2.4600</b>

#### Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3700	–	0.3700	0.3600
08/04/18 to 07/05/18	0.3700	–	0.3700	0.3600
08/05/18 to 07/06/18	0.3700	–	0.3700	0.3600
08/06/18 to 07/07/18	0.3700	–	0.3700	0.3600
08/07/18 to 07/08/18	0.3700	–	0.3700	0.3600
08/08/18 to 07/09/18	0.3700	–	0.3700	0.3600
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1778	0.1922	0.3700	0.3600
08/04/18 to 07/05/18	0.1014	0.2686	0.3700	0.3600
08/05/18 to 07/06/18	–	0.3700	0.3700	0.3600
08/06/18 to 07/07/18	–	0.3700	0.3700	0.3600
08/07/18 to 07/08/18	–	0.3700	0.3700	0.3600
08/08/18 to 07/09/18	–	0.3700	0.3700	0.3600
<b>Total distributions in the period</b>			<b>2.2200</b>	<b>2.1600</b>

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

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2988	–	0.2988	–
08/04/18 to 07/05/18	0.3860	–	0.3860	–
08/05/18 to 07/06/18	0.5348	–	0.5348	–
08/06/18 to 07/07/18	0.2704	–	0.2704	0.1835
08/07/18 to 07/08/18	0.0924	–	0.0924	0.0931
08/08/18 to 07/09/18	0.6204	–	0.6204	0.5991
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2988	–	0.2988	–
08/04/18 to 07/05/18	0.3860	–	0.3860	–
08/05/18 to 07/06/18	0.5348	–	0.5348	–
08/06/18 to 07/07/18	0.0404	0.2300	0.2704	0.1835
08/07/18 to 07/08/18	0.0924	–	0.0924	0.0931
08/08/18 to 07/09/18	0.6204	–	0.6204	0.5991
<b>Total distributions in the period</b>			<b>2.2028</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		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	77.69	81.44	72.21	122.47	125.53	100.44
Return before operating charges (p)	6.30	0.46	13.33	8.63	3.47	31.22
Operating charges (p)	(0.57)	(1.13)	(1.06)	(0.88)	(1.76)	(1.63)
Return after operating charges (p)*	5.73	(0.67)	12.27	7.75	1.71	29.59
Distributions (p)	(1.47)	(3.08)	(3.04)	(2.79)	(4.77)	(4.50)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	81.95	77.69	81.44	127.43	122.47	125.53
*after direct transaction costs of (p)	0.00	0.02	0.02	0.00	0.03	0.03
<b>Performance</b>						
Return after charges (%)	7.38	(0.82)	16.99	6.33	1.36	29.46
<b>Other information</b>						
Closing net asset value (£000)	106,783	129,443	159,236	3,565	2,597	2,054
Closing number of shares	130,302,665	166,619,550	195,516,352	2,797,406	2,120,674	1,636,021
Operating charges (%)**	1.38 <sup>†</sup>	1.38	1.38	1.38 <sup>†</sup>	1.38	1.38
Direct transaction costs (%)***	0.01	0.03	0.03	0.01	0.03	0.03
<b>Prices</b>						
Highest share price (p)	84.82	85.90	82.13	134.01	134.34	129.02
Lowest share price (p)	76.05	76.89	70.98	116.78	119.79	99.27
<b>Class 1 EUR Hedged – Accumulation shares</b>						
	07/09/2018	07/03/2018 <sup>†</sup>		<b>Class Z – Income shares</b>		
				07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	95.40	100.00		133.60	139.17	122.67
Return before operating charges (p)	6.76	(3.92)		10.81	0.71	22.60
Operating charges (p)	(0.68)	(0.68)		(0.52)	(1.03)	(0.96)
Return after operating charges (p)*	6.08	(4.60)		10.29	(0.32)	21.64
Distributions (p)	(2.20)	(2.30)		(2.52)	(5.25)	(5.14)
Retained distributions on accumulation shares (p)	2.20	2.30		–	–	–
Closing net asset value per share (p)	101.48	95.40		141.37	133.60	139.17
*after direct transaction costs of (p)	0.00	0.02		0.00	0.04	0.04
<b>Performance</b>						
Return after charges (%)	6.37	(4.60)		7.70	(0.23)	17.64
<b>Other information</b>						
Closing net asset value (£000)	10	10		211,487	200,709	203,577
Closing number of shares	10,001	10,001		149,593,104	150,232,940	146,279,143
Operating charges (%)**	1.37 <sup>†</sup>	1.37 <sup>†</sup>		0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)***	0.01	0.03		0.01	0.03	0.03
<b>Prices</b>						
Highest share price (p)	106.06	102.48		146.26	147.00	140.31
Lowest share price (p)	90.98	92.85		130.81	132.16	120.73



## Threadneedle Monthly Extra Income Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	123.96	124.37	105.45	95.83	100.00
Return before operating charges (p)	10.06	0.52	19.75	6.79	(3.81)
Operating charges (p)	(0.48)	(0.93)	(0.83)	(0.36)	(0.36)
Return after operating charges (p)*	9.58	(0.41)	18.92	6.43	(4.17)
Distributions (p)	(2.22)	(4.76)	(4.49)	(2.20)	(2.30)
Retained distributions on accumulation shares (p)	2.22	4.76	4.49	2.20	2.30
Closing net asset value per share (p)	133.54	123.96	124.37	102.26	95.83
*after direct transaction costs of (p)	0.00	0.03	0.03	0.00	0.02
<b>Performance</b>					
Return after charges (%)	7.73	(0.33)	17.94	6.71	(4.17)
<b>Other information</b>					
Closing net asset value (£000)	18,652	19,127	24,659	14	10
Closing number of shares	13,966,680	15,429,800	19,826,888	13,496	10,001
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73	0.72 <sup>1</sup>	0.72 <sup>1</sup>
Direct transaction costs (%)***	0.01	0.03	0.03	0.01	0.03
<b>Prices</b>					
Highest share price (p)	137.74	132.13	124.63	106.87	102.60
Lowest share price (p)	121.37	121.95	104.77	91.41	93.22

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

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

<sup>1</sup>Commenced 22 June 2017.

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

## Threadneedle Monthly Extra Income Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	166,619,550
Shares issued	1,869,749
Shares redeemed	(37,587,646)
Net conversions	(598,988)
Closing shares	<u>130,302,665</u>
<b>Class 1 EUR Hedged – Income shares</b>	
Opening shares	2,120,674
Shares issued	1,010,339
Shares redeemed	(333,607)
Net conversions	–
Closing shares	<u>2,797,406</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
<b>Class Z – Income shares</b>	
Opening shares	150,232,940
Shares issued	6,826,670
Shares redeemed	(7,554,297)
Net conversions	87,791
Closing shares	<u>149,593,104</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	15,429,800
Shares issued	359,221
Shares redeemed	(2,101,953)
Net conversions	279,612
Closing shares	<u>13,966,680</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	10,001
Shares issued	3,497
Shares redeemed	(2)
Net conversions	–
Closing shares	<u>13,496</u>

## 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 2018, the published share price of the Threadneedle UK Corporate Bond Fund has fallen from 61.53p to 61.21p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +0.80% as compared to a median return of +0.66% over the same period. The fund return equates approximately to +1.26% gross of tax and charges\*\*. (For information the iBoxx E Non-Gilts gave a total return of +1.01% for the same period).

#### Market Overview and Portfolio Activity

Sterling investment-grade credit made modest positive returns over the six months in review. UK government bond yields finished a little below where they started but, for corporate-bond prices, the benefit of this was offset by widening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). Globally, investors continued to weigh a reasonably strong macroeconomic background and tightening US monetary policy against rising political uncertainty in Europe and worries about the outlook for global trade. In the UK, the possibility of a disorderly Brexit also dampened appetite for risk.

On the economic front, there was further evidence of cooling momentum in the eurozone, but the US economy picked up speed

in the second quarter (Q2), aided by President Trump's recent tax cuts. The UK had a weak first quarter, with GDP growing just 0.2% on the quarter. This appears to have been largely due to unusually harsh weather, and Q2 was brighter, with GDP up 0.4%. UK inflation remained above target, stalling at a year low of 2.4% in April, May and June before edging upwards again. Pay rises were only slightly ahead of inflation: in April, real wage growth was shown to have finally turned positive in the three months to February.

In terms of monetary policy, there was further divergence between the US and the UK – a move that was reflected in a weaker pound against the dollar. The Federal Reserve raised interest rates twice, as expected, but also forecast a quicker pace of future hikes. In the UK, the poor Q1 data and a bigger-than-expected drop in inflation dissuaded the Monetary Policy Committee (MPC) from raising rates in May. Although the MPC voted unanimously for a hike in August, the market appeared sceptical about the prospect of further such action in the near term.

It was an eventful period in the political arena, with events at home and abroad exerting an influence on UK markets. Having thrashed out a new Brexit strategy with her cabinet, Prime Minister Theresa May was surprised to see her foreign secretary and Brexit secretary both resign in protest at the plan. Their departure increased fears of a Conservative leadership challenge, in turn raising the prospect of an early general election and potentially a new Labour government.

The success of euro-sceptic parties in the Italian general election clouded the outlook for political harmony in the eurozone, as did disputes within and among EU member states about the ongoing migrant crisis. In the US, 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 import 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. Each of the affected trading partners retaliated in kind, stoking fears of a global trade war.

As regards portfolio activity, we participated in new deals from a wide variety of companies during the period. The largest of these additions included new bonds from Bacardi, Becton Dickinson, Bayer, BP and RBS. We were also active in the secondary market, for example adding a new position in TSB, and increasing exposure to Lloyds Bank, E.ON, HSBC and GKN, among others. On the other side, we reduced exposure to a number of issuers, such as MetLife, Morrisons, AT&T and Welltower; we exited others, including Westfield America Management, London & Continental Railways, Clydesdale Bank, ING Bank and British American Tobacco.

More broadly, the fund remains overweight in defensive sectors, such as regulated utilities and infrastructure; we feel these areas of the market should be more resilient given the late stage of the credit cycle and the level of credit spreads.

Investment-grade corporate markets remain supported by the ongoing provision of expansionary monetary policy. This includes the low or negative interest rates in most developed economies and, for the rest of 2018 at least, outright quantitative easing in Europe. The economic outlook of solid GDP growth but low inflation is also a reasonable investment background for markets. The corporate credit cycle is, however, fairly mature and though earnings have been strong, the benefits are largely accruing to shareholders – particularly within investment grade. That said, demand for income will remain a powerful and positive force. From a valuation perspective, bond yields are low and, despite the recent move wider, credit spreads are still only around their long-term average. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period to be aggressive with overall credit risk.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(5,178)	17,257
Revenue	16,156	17,116
Expenses	(2,057)	(2,630)
Interest payable and similar charges	(331)	(111)
Net revenue before taxation	13,768	14,375
Taxation	–	–
Net revenue after taxation	13,768	14,375
<b>Total return before distributions</b>	<b>8,590</b>	<b>31,632</b>
Distributions	(13,776)	(14,374)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(5,186)</b>	<b>17,258</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	925,970	903,184
<b>Current assets:</b>		
Debtors	18,017	16,143
Cash and bank balances	23,470	21,856
Total assets	967,457	941,183
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(1,315)	(849)
<b>Creditors:</b>		
Bank overdrafts	(271)	–
Distribution payable	(2,130)	(2,157)
Other creditors	(542)	(11,341)
Total liabilities	(4,258)	(14,347)
<b>Net assets attributable to shareholders</b>	<b>963,199</b>	<b>926,836</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>926,836</b>	<b>944,656</b>
Amounts receivable on the issue of shares	119,242	131,819
Amounts payable on the cancellation of shares	(87,748)	(157,045)
	31,494	(25,226)
Dilution adjustment	278	265
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(5,186)	17,258
Retained distribution on accumulation shares	9,770	6,415
Unclaimed distributions	7	6
<b>Closing net assets attributable to shareholders</b>	<b>963,199</b>	<b>943,374</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group. (See Performance summary on pages 259 to 260).

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

Please refer to pages 44 – 46 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.3852	–	0.3852	0.3891
08/06/18 to 07/09/18	0.3733	–	0.3733	0.4149
<b>Group 2</b>				
08/03/18 to 07/06/18	0.1828	0.2024	0.3852	0.3891
08/06/18 to 07/09/18	0.1894	0.1839	0.3733	0.4149
<b>Total distributions in the period</b>			<b>0.7585</b>	<b>0.8040</b>

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.6510	–	0.6510	0.6420
08/06/18 to 07/09/18	0.6348	–	0.6348	0.6884
<b>Group 2</b>				
08/03/18 to 07/06/18	0.5510	0.1000	0.6510	0.6420
08/06/18 to 07/09/18	0.6348	–	0.6348	0.6884
<b>Total distributions in the period</b>			<b>1.2858</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 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.3854	–	0.3854	0.3893
08/06/18 to 07/09/18	0.3735	–	0.3735	0.4151
<b>Group 2</b>				
08/03/18 to 07/06/18	0.2176	0.1678	0.3854	0.3893
08/06/18 to 07/09/18	0.1652	0.2083	0.3735	0.4151
<b>Total distributions in the period</b>			<b>0.7589</b>	<b>0.8044</b>

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.4362	–	0.4362	0.4473
08/06/18 to 07/09/18	0.4242	–	0.4242	0.4734
<b>Group 2</b>				
08/03/18 to 07/06/18	0.2150	0.2212	0.4362	0.4473
08/06/18 to 07/09/18	0.2351	0.1891	0.4242	0.4734
<b>Total distributions in the period</b>			<b>0.8604</b>	<b>0.9207</b>

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.8451	–	0.8451	0.8424
08/06/18 to 07/09/18	0.8279	–	0.8279	0.8979
<b>Group 2</b>				
08/03/18 to 07/06/18	0.2878	0.5573	0.8451	0.8424
08/06/18 to 07/09/18	0.3250	0.5029	0.8279	0.8979
<b>Total distributions in the period</b>			<b>1.6730</b>	<b>1.7403</b>

#### Class L – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.7357	–	0.7357	0.7542
08/06/18 to 07/09/18	0.7161	–	0.7161	0.7969
<b>Group 2</b>				
08/03/18 to 07/06/18	0.2102	0.5255	0.7357	0.7542
08/06/18 to 07/09/18	0.2163	0.4988	0.7161	0.7969
<b>Total distributions in the period</b>			<b>1.4518</b>	<b>1.5511</b>

#### Class L – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.7671	–	0.7671	0.7633
08/06/18 to 07/09/18	0.7520	–	0.7520	0.8126
<b>Group 2</b>				
08/03/18 to 07/06/18	0.3485	0.4186	0.7671	0.7633
08/06/18 to 07/09/18	0.3938	0.3582	0.7520	0.8126
<b>Total distributions in the period</b>			<b>1.5191</b>	<b>1.5759</b>

#### Class L – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.7357	–	0.7357	0.7541
08/06/18 to 07/09/18	0.7161	–	0.7161	0.7970
<b>Group 2</b>				
08/03/18 to 07/06/18	0.5287	0.2070	0.7357	0.7541
08/06/18 to 07/09/18	0.2827	0.4334	0.7161	0.7970
<b>Total distributions in the period</b>			<b>1.4518</b>	<b>1.5511</b>

#### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.9008	–	0.9008	0.9224
08/06/18 to 07/09/18	0.8794	–	0.8794	0.9692
<b>Group 2</b>				
08/03/18 to 07/06/18	0.9008	–	0.9008	0.9224
08/06/18 to 07/09/18	0.8794	–	0.8794	0.9692
<b>Total distributions in the period</b>			<b>1.7802</b>	<b>1.8916</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/06/18	0.9572	–	0.9572	0.9477
08/06/18 to 07/09/18	0.9424	–	0.9424	1.0042
<b>Group 2</b>				
08/03/18 to 07/06/18	0.3874	0.5698	0.9572	0.9477
08/06/18 to 07/09/18	0.5991	0.3433	0.9424	1.0042
<b>Total distributions in the period</b>			<b>1.8996</b>	<b>1.9519</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	60.96	61.51	56.62	103.01	101.38	100.00
Return before operating charges (p)	0.72	1.58	7.30	1.21	2.58	1.85
Operating charges (p)	(0.27)	(0.57)	(0.56)	(0.46)	(0.95)	(0.38)
Return after operating charges (p)*	0.45	1.01	6.74	0.75	1.63	1.47
Distributions (p)	(0.76)	(1.56)	(1.85)	(1.29)	(2.60)	(1.13)
Retained distributions on accumulation shares (p)**	–	–	–	1.29	2.60	1.04
Closing net asset value per share (p)	60.65	60.96	61.51	103.76	103.01	101.38
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.74	1.64	11.90	0.73	1.61	1.47
<b>Other information</b>						
Closing net asset value (£000)	39,659	41,541	46,072	337	191	67
Closing number of shares	65,394,437	68,146,854	74,897,533	325,064	184,932	65,755
Operating charges (%)***	0.88 <sup>†</sup>	0.92	0.92	0.88 <sup>†</sup>	0.91	0.96 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	61.56	63.28	63.55	104.67	105.64	101.75
Lowest share price (p)	60.70	61.06	56.93	102.76	101.28	97.74
	Class 1 – Gross income shares <sup>5</sup>			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	60.99	61.55	56.65	61.05	61.61	56.70
Return before operating charges (p)	0.72	1.57	7.31	0.72	1.58	7.33
Operating charges (p)	(0.27)	(0.57)	(0.56)	(0.17)	(0.35)	(0.34)
Return after operating charges (p)*	0.45	1.00	6.75	0.55	1.23	6.99
Distributions (p)	(0.76)	(1.56)	(1.85)	(0.86)	(1.79)	(2.08)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	60.68	60.99	61.55	60.74	61.05	61.61
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.74	1.62	11.92	0.90	2.00	12.33
<b>Other information</b>						
Closing net asset value (£000)	16,592	16,733	21,163	198,204	246,559	228,123
Closing number of shares	27,342,692	27,434,683	34,384,379	326,310,233	403,837,101	370,284,218
Operating charges (%)***	0.88 <sup>†</sup>	0.92	0.92	0.56 <sup>†</sup>	0.56	0.56
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	61.59	63.32	63.67	61.69	63.44	63.68
Lowest share price (p)	60.74	61.10	56.97	60.80	61.20	57.02

## 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>	
	07/09/2018	07/03/2018	07/03/2017	08/06/2017 <sup>2</sup>	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	118.32	116.03	103.23	111.29	99.50
Return before operating charges (p)	1.39	2.96	13.43	3.05	12.89
Operating charges (p)	(0.33)	(0.67)	(0.63)	(0.29)	(1.10)
Return after operating charges (p)*	1.06	2.29	12.80	2.76	11.79
Distributions (p)	(1.67)	(3.41)	(3.83)	(0.68)	(3.17)
Retained distributions on accumulation shares (p)**	1.67	3.41	3.83	0.68	3.17
Closing net asset value per share (p)	119.38	118.32	116.03	114.05	111.29
*after direct transaction costs of (p)	–	–	–	–	–
<b>Performance</b>					
Return after charges (%)	0.90	1.97	12.40	2.48	11.85
<b>Other information</b>					
Closing net asset value (£000)	369,501	349,536	375,617	–	3
Closing number of shares	309,511,241	295,405,481	323,725,313	–	3,000
Operating charges (%)***	0.56 <sup>†</sup>	0.56	0.56	–	1.02
Direct transaction costs (%)****	–	–	–	–	–
<b>Prices</b>					
Highest share price (p)	120.41	121.28	117.24	114.26	112.73
Lowest share price (p)	118.05	115.93	103.81	111.18	100.04

	Class L – Income shares			Class L – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.44	100.34	100.00	103.67	101.56	100.00
Return before operating charges (p)	1.17	2.59	1.84	1.22	2.59	1.86
Operating charges (p)	(0.23)	(0.47)	(0.19)	(0.24)	(0.48)	(0.19)
Return after operating charges (p)*	0.94	2.12	1.65	0.98	2.11	1.67
Distributions (p)	(1.45)	(3.02)	(1.31)	(1.52)	(3.09)	(1.32)
Retained distributions on accumulation shares (p)**	–	–	–	1.52	3.09	1.21
Closing net asset value per share (p)	98.93	99.44	100.34	104.65	103.67	101.56
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.95	2.11	1.65	0.95	2.08	1.67
<b>Other information</b>						
Closing net asset value (£000)	46,481	487	589	11,209	11,510	11,697
Closing number of shares	46,984,106	489,476	587,242	10,711,250	11,102,748	11,517,039
Operating charges (%)***	0.45 <sup>†</sup>	0.46	0.47 <sup>†</sup>	0.46 <sup>†</sup>	0.46	0.47 <sup>†</sup>
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	100.50	103.34	101.51	105.55	106.24	101.93
Lowest share price (p)	99.03	99.69	97.71	103.44	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>		
	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.44	100.34	100.00	107.03	108.00	99.38
Return before operating charges (p)	1.17	2.59	1.84	1.26	2.79	12.86
Operating charges (p)	(0.23)	(0.47)	(0.19)	(0.03)	(0.07)	(0.06)
Return after operating charges (p)*	0.94	2.12	1.65	1.23	2.72	12.80
Distributions (p)	(1.45)	(3.02)	(1.31)	(1.78)	(3.69)	(4.18)
Retained distributions on accumulation shares (p)**	–	–	–	–	–	–
Closing net asset value per share (p)	98.93	99.44	100.34	106.48	107.03	108.00
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.95	2.11	1.65	1.15	2.52	12.88
<b>Other information</b>						
Closing net asset value (£000)	8,328	10,090	218,524	381	383	650
Closing number of shares	8,418,475	10,147,441	217,788,097	357,739	357,739	602,107
Operating charges (%)***	0.46 <sup>†</sup>	0.46	0.47 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)****	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	100.49	103.35	101.51	108.25	111.35	111.92
Lowest share price (p)	99.02	99.69	97.71	106.59	107.39	99.94
<b>Class X – Gross accumulation shares<sup>5</sup></b>						
	07/09/2018	07/03/2018	07/03/2017 <sup>2</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	113.73	110.97	100.00			
Return before operating charges (p)	1.34	2.83	11.02			
Operating charges (p)	(0.03)	(0.07)	(0.05)			
Return after operating charges (p)*	1.31	2.76	10.97			
Distributions (p)	(1.90)	(3.84)	(4.11)			
Retained distributions on accumulation shares (p)**	1.90	3.84	4.11			
Closing net asset value per share (p)	115.04	113.73	110.97			
*after direct transaction costs of (p)	–	–	–			
<b>Performance</b>						
Return after charges (%)	1.15	2.49	10.97			
<b>Other information</b>						
Closing net asset value (£000)	272,507	249,806	42,151			
Closing number of shares	236,880,593	219,642,935	37,984,213			
Operating charges (%)***	0.06 <sup>†</sup>	0.06	0.05 <sup>†</sup>			
Direct transaction costs (%)****	–	–	–			
<b>Prices</b>						
Highest share price (p)	116.00	116.47	111.82			
Lowest share price (p)	113.49	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>Commenced 12 October 2016.

<sup>2</sup>Closed 8 June 2017.

<sup>3</sup>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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	68,146,854
Shares issued	869,325
Shares redeemed	(3,598,718)
Net conversions	(23,024)
Closing shares	<u>65,394,437</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	184,932
Shares issued	150,602
Shares redeemed	(10,470)
Net conversions	–
Closing shares	<u>325,064</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	27,434,683
Shares issued	754,107
Shares redeemed	(846,098)
Net conversions	–
Closing shares	<u>27,342,692</u>
<b>Class 2 – Income shares</b>	
Opening shares	403,837,101
Shares issued	20,859,080
Shares redeemed	(22,608,794)
Net conversions	(75,777,154)
Closing shares	<u>326,310,233</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	295,405,481
Shares issued	63,575,668
Shares redeemed	(49,469,908)
Net conversions	–
Closing shares	<u>309,511,241</u>
<b>Class L – Income shares</b>	
Opening shares	489,476
Shares issued	119,358
Shares redeemed	(156,178)
Net conversions	46,531,450
Closing shares	<u>46,984,106</u>
<b>Class L - Accumulation shares</b>	
Opening shares	11,102,748
Shares issued	569,789
Shares redeemed	(961,287)
Net conversions	–
Closing shares	<u>10,711,250</u>

	2018
<b>Class L – Gross income shares</b>	
Opening shares	10,147,441
Shares issued	101,796
Shares redeemed	(1,830,762)
Net conversions	–
Closing shares	<u>8,418,475</u>
<b>Class X – Gross income shares</b>	
Opening shares	357,739
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>357,739</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	219,642,935
Shares issued	25,547,728
Shares redeemed	(8,310,070)
Net conversions	–
Closing shares	<u>236,880,593</u>



## 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 2018, the published share price of the Threadneedle Sterling Bond Fund has risen from 56.46p to 57.08p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +1.93% as compared to a median return of +1.94% over the same period. The fund return equates approximately to +2.25% gross of tax and charges\*\*. (For information the FTSE All Stocks Gilts Index gave a total return of +2.01% for the same period).

#### Market Overview and Portfolio Activity

Over the review period, fears of a US-led global trade war periodically bolstered demand for gilts and other core government bonds, as did deteriorating relations between Russia and the West, and political uncertainty in Italy. In August, heightened volatility in emerging markets, in response to sharp falls in the Turkish lira and the Argentine peso, lent further impetus to core bonds.

Gilts also gained from uncertainties over Brexit and not-unrelated fears that Prime Minister Theresa May could be ousted in a leadership coup,

and concerns of a hard-left victory in any resulting snap election. These fears were particularly pronounced in July when the Brexit Secretary and – more surprisingly – the Foreign Secretary resigned in protest at the prime minister's proposals for a "soft exit" from the EU. August saw growing concern about the potential for a "no-deal" Brexit.

The impact of poor weather on the UK's GDP growth in the first quarter and a sharper-than-expected fall in inflation dissuaded the Bank of England (BoE) from a previously near-certain interest-rate hike in May. A rebound in economic activity in the second quarter led investors to correctly anticipate a quarter-point hike in August though expectations for further rate hikes remained muted.

The portfolio started the review period with a relative duration of around 0.5 years long of the index.

Activity in March was fairly quiet, and largely comprised various relative-value switches within maturity buckets. On 21 March, we moved around +0.2 (years) contribution to duration (CTD) from the 7–15 year area into the 15–25 and 25–35 year areas. At month-end, relative duration remained at +0.5 years.

On 10 April we sold 2055 and some 2065 gilts into 2057s and also sold 2027s into 2026s and 2028s. Later, we trimmed duration in 7–15s and 15–25s but added more in 25–35s and ultra-longs. The portfolio was underweight at the front-end of the yield curve ahead of the BoE's May meeting, but we later added some duration here. Towards month-end, as the Italian crisis took hold, we reduced duration in the 7–15 year segment to flat. On 1 June, we halved the long position in 25–35s, and a week after added duration in 10-years. Later, we increased duration in ultra-longs after they cheapened. In mid-June, we closed the underweight in 15–25s and took 25–35s to flat. Before the BoE's meeting, we took the portfolio to flat across all maturities, which was how the fund ended June.

In July, we added 0.1 CTD to the ultra-long segment. On 19 July, we added 0.15 CTD to 20-years and ultra-longs. At the same time, we switched 0.15 CTD of 10-year gilts into ultra-longs, where we also

added another 0.1 CTD. By month-end, the portfolio had an overall relative duration of 0.2 years long.

After the BoE's rate hike in early August, we added 0.3 CTD to the 7–15 year sector. A week later we added 0.1 years duration to the 25–35 year segment. Mid-month, we moved to flat positions in the 7–15 and 15–25 year segments, and just before month-end we added a further 0.1 CTD to the 25–35 year segment. By the end of the review period, the portfolio had an overall relative duration of 0.4 years long.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improved investment, though the degree of global synchronisation appears to have slowed from the turn of the year. The recent escalation of US-China trade tensions may have impacted world trade; a generalised rise in protectionism could cause further damage.

Though the first half of 2018 was disappointing, we remain optimistic about the eurozone's growth and see scope for a material recovery in inflation. At current levels, core European government bond yields are not yet adequately reflecting these improved prospects. Despite the uncertainty caused by recent events in Italy, we think the risk of a break-up of the eurozone is low.

While developed economies appear in good shape, it is not clear whether long-term growth potential has been increased. A key uncertainty is whether the US tax reform can meaningfully boost investment and productivity. Our base case is that while growth should be supported in 2018 and the first part of 2019, the path of growth further out will be hindered by the increased debt burden of the fiscal package and the limited scope for fiscal easing in response to future downturns; this should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

In the UK, we see little chance of further rate hikes in the foreseeable future, with Brexit set to kick in next March.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	3,030	4,259
Revenue	2,526	1,866
Expenses	(969)	(1,516)
Interest payable and similar charges	(1)	–
Net revenue before taxation	1,556	350
Taxation	–	–
Net revenue after taxation	1,556	350
<b>Total return before distributions</b>	<b>4,586</b>	<b>4,609</b>
Distributions	(2,355)	(1,614)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,231</b>	<b>2,995</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	399,000	310,561
<b>Current assets:</b>		
Debtors	44,589	1,030
Cash and bank balances	5,893	2,515
<b>Total assets</b>	<b>449,482</b>	<b>314,106</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,976)	(1,250)
Other creditors	(44,327)	(1,421)
<b>Total liabilities</b>	<b>(46,303)</b>	<b>(2,671)</b>
<b>Net assets attributable to shareholders</b>	<b>403,179</b>	<b>311,435</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>311,435</b>	<b>324,765</b>
Amounts receivable on the issue of shares	207,637	60,684
Amounts payable on the cancellation of shares	(118,849)	(92,112)
	88,788	(31,428)
Dilution adjustment	79	8
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,231	2,995
Retained distribution on accumulation shares	646	474
<b>Closing net assets attributable to shareholders</b>	<b>403,179</b>	<b>296,814</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 50 – 51 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share				
<b>Class 1 – Income shares</b>				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable	Distribution Paid
			2018	2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.3719	–	0.3719	0.2919
<b>Group 2</b>				
08/03/18 to 07/09/18	0.0778	0.2941	0.3719	0.2919
<b>Total distributions in the period</b>			<b>0.3719</b>	<b>0.2919</b>
<b>Class 1 – Gross accumulation shares</b>				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated	Gross Revenue Accumulated
			2018	2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.7984	–	0.7984	0.6203
<b>Group 2</b>				
08/03/18 to 07/09/18	0.4650	0.3334	0.7984	0.6203
<b>Total distributions in the period</b>			<b>0.7984</b>	<b>0.6203</b>

## Threadneedle Sterling Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.7966	–	0.7966	0.6990
<b>Group 2</b>				
08/03/18 to 07/09/18	0.7966	–	0.7966	0.6990
<b>Total distributions in the period</b>			<b>0.7966</b>	<b>0.6990</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.7167	–	0.7167	0.6036
<b>Group 2</b>				
08/03/18 to 07/09/18	0.3452	0.3715	0.7167	0.6036
<b>Total distributions in the period</b>			<b>0.7167</b>	<b>0.6036</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.6943	–	0.6943	0.5872
<b>Group 2</b>				
08/03/18 to 07/09/18	0.4474	0.2469	0.6943	0.5872
<b>Total distributions in the period</b>			<b>0.6943</b>	<b>0.5872</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.7562	–	0.7562	0.6326
<b>Group 2</b>				
08/03/18 to 07/09/18	0.4875	0.2687	0.7562	0.6326
<b>Total distributions in the period</b>			<b>0.7562</b>	<b>0.6326</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	56.13	57.66	55.37	120.55	122.53	116.33
Return before operating charges (p)	1.08	(0.29)	3.66	2.32	(0.61)	7.63
Operating charges (p)	(0.15)	(0.63)	(0.67)	(0.33)	(1.37)	(1.43)
Return after operating charges (p)*	0.93	(0.92)	2.99	1.99	(1.98)	6.20
Distributions (p)	(0.37)	(0.61)	(0.70)	(0.80)	(1.29)	(1.47)
Retained distributions on accumulation shares (p)	–	–	–	0.80	1.29	1.47
Closing net asset value per share (p)	56.69	56.13	57.66	122.54	120.55	122.53
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.66	(1.60)	5.40	1.65	(1.62)	5.33
<b>Other information</b>						
Closing net asset value (£000)	293,429	210,876	187,043	30,971	19,899	22,470
Closing number of shares	517,587,288	375,705,291	324,416,218	25,274,476	16,506,423	18,338,201
Operating charges (%)**	0.53 <sup>†</sup>	1.10	1.17	0.53 <sup>†</sup>	1.12	1.17
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	57.87	58.66	61.89	124.28	125.09	130.19
Lowest share price (p)	55.88	55.33	54.64	120.03	118.18	114.85
	Class X – Gross income shares <sup>§</sup>			Class X – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	114.87	116.88	111.13	105.99	106.60	100.00
Return before operating charges (p)	2.23	(0.56)	7.36	2.05	(0.55)	6.65
Operating charges (p)	(0.01)	(0.02)	(0.02)	(0.03)	(0.06)	(0.05)
Return after operating charges (p)*	2.22	(0.58)	7.34	2.02	(0.61)	6.60
Distributions (p)	(0.80)	(1.43)	(1.59)	(0.72)	(1.24)	(1.39)
Retained distributions on accumulation shares (p)	–	–	–	0.72	1.24	1.39
Closing net asset value per share (p)	116.29	114.87	116.88	108.01	105.99	106.60
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.93	(0.50)	6.60	1.91	(0.57)	6.60
<b>Other information</b>						
Closing net asset value (£000)	3	3	3	4,055	3,891	19,344
Closing number of shares	3,000	3,000	3,000	3,754,121	3,670,742	18,146,953
Operating charges (%)**	0.02 <sup>†</sup>	0.02	0.02	0.06 <sup>†</sup>	0.06	0.05 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	118.65	119.49	125.06	109.46	109.44	112.58
Lowest share price (p)	114.45	113.29	109.88	105.59	103.88	98.92

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	109.00	111.35	106.30	118.71	119.97	113.16
Return before operating charges (p)	2.10	(0.55)	7.02	2.30	(0.62)	7.44
Operating charges (p)	(0.29)	(0.59)	(0.59)	(0.32)	(0.64)	(0.63)
Return after operating charges (p)*	1.81	(1.14)	6.43	1.98	(1.26)	6.81
Distributions (p)	(0.69)	(1.21)	(1.38)	(0.76)	(1.30)	(1.48)
Retained distributions on accumulation shares (p)	–	–	–	0.76	1.30	1.48
Closing net asset value per share (p)	110.12	109.00	111.35	120.69	118.71	119.97
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.66	(1.02)	6.05	1.67	(1.05)	6.02
<b>Other information</b>						
Closing net asset value (£000)	8,088	12,849	17,528	66,633	63,917	78,377
Closing number of shares	7,344,404	11,788,519	15,740,931	55,209,812	53,841,774	65,333,205
Operating charges (%)**	0.53 <sup>†</sup>	0.53	0.53	0.53 <sup>†</sup>	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	112.37	113.55	119.18	122.39	122.87	127.03
Lowest share price (p)	108.52	107.46	104.99	118.20	116.38	111.81

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

## Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	375,705,291
Shares issued	148,003,221
Shares redeemed	(6,121,224)
Net conversions	–
Closing shares	<u>517,587,288</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	16,506,423
Shares issued	87,255,250
Shares redeemed	(78,487,197)
Net conversions	–
Closing shares	<u>25,274,476</u>
<b>Class X – Gross income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	3,670,742
Shares issued	312,844
Shares redeemed	(229,465)
Net conversions	–
Closing shares	<u>3,754,121</u>
<b>Class Z – Income shares</b>	
Opening shares	11,788,519
Shares issued	304,320
Shares redeemed	(4,748,435)
Net conversions	–
Closing shares	<u>7,344,404</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	53,841,774
Shares issued	13,429,778
Shares redeemed	(12,061,740)
Net conversions	–
Closing shares	<u>55,209,812</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:

- 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;
- 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
- 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 2018, the published share price of the Threadneedle Sterling Fund has risen from 99.83p to 99.98p.

The total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +0.16%. (Source: Threadneedle, bid-bid, net income reinvested.)

#### Market Overview and Portfolio Activity

Sterling edged slightly lower over the six months to 7 September 2018. The Bank of England (BoE)'s Effective Exchange Rate Index (ERI), which measures the pound's value against a basket of other currencies, fell 0.8%

over the period. Sentiment towards sterling was dampened by Brexit-related uncertainty, a relatively sluggish UK economy, and, related to both of these factors, comparatively low expectations for the pace of interest-rate rises by the BoE.

The modest fall in the ERI masks a near 7% decline in the value of sterling versus the dollar as the US and the UK diverged further in terms of both economic growth and monetary policy. Meanwhile, both countries' leaders remained beset by mounting calls for their resignations, but Prime Minister Theresa May's position appeared less secure than that of her US counterpart.

On the economic front, quarterly UK GDP growth was initially reported to have slowed from 0.4% in the fourth quarter (Q4) of 2017 to 0.1% in Q1 of 2018, though the latter figure was later revised up to 0.2%. The slowdown appears to have been largely due to unusually harsh weather, and Q2 was brighter, with GDP up 0.4%. Still, this pales in comparison with US GDP growth. According to the latest estimates, this accelerated from an annualised rate of 2.2% in Q1 to a whopping 4.2% in Q2, buoyed in part by President Donald Trump's recent tax cuts.

The Federal Reserve raised interest rates twice during the period, as expected, but also forecast a quicker pace of future hikes. In the UK, the poor Q1 data and a bigger-than-expected drop in inflation dissuaded the BoE's Monetary Policy Committee (MPC) from raising rates in May, a move that had been previously seen as a near-certainty. Sterling had been on a rising trend along with rate-hike expectations but fell sharply in mid-April when the disappointing economic data emerged. Although the MPC voted unanimously for a hike in August, satisfied that the soft patch in the economy had indeed been due to the weather, the market appeared sceptical about the prospect of further such action in the near term. The hike was not accompanied by a rally in sterling.

It was an eventful period in the political arena. In April, the resignation of UK home secretary Amber Rudd weighed on the pound. Ms Rudd is

seen as a "soft Brexiter" and her departure stoked fears of a leadership challenge against the prime minister by proponents of a hard exit from the EU. In early July, the prime minister and her cabinet thrashed out a new Brexit strategy. Shortly afterwards, however, her foreign secretary and Brexit secretary both resigned in protest at the plan. This too raised the prospect of revolt within the Conservative party and forced investors to consider the possibility that Labour could gain power should an early general election be called.

Sterling was down only modestly against the euro. The eurozone economy remained reasonably solid, with GDP growing 0.4% in both Q1 and Q2, but there was further evidence of cooling momentum as purchasing managers' indices edged down from the highs achieved last year. The European Central Bank adopted a dovish tone, signalling that while it would end its bond-buying programme at the end of 2018, there would be no rate rises before the autumn of 2019. Political concerns in the eurozone also helped to keep the euro within touching distance of the pound. The success of euro-sceptic parties in the Italian general election clouded the outlook for political harmony in the eurozone, as did disputes within and among EU member states about the ongoing migrant crisis.

We kept the fund relatively short but broadly unchanged over the six months in review. The weighted average maturity of the fund is approximately 35 days and the weighted average yield 0.66%. The holdings comprise approximately 69% in bank-issued certificates of deposit, 13% in short-dated bank deposits (including 6% in an AAA rated external liquidity fund), 8% in euro commercial paper issued by banks and supranationals (i.e. government-backed issuers) and 10% in UK government-issued Treasury bills.

The fund remains 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 continue to 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 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	23	29
Revenue	1,389	527
Expenses	(452)	(507)
Interest payable and similar charges	(3)	–
Net revenue before taxation	934	20
Taxation	–	–
Net revenue after taxation	934	20
<b>Total return before distributions</b>	<b>957</b>	<b>49</b>
Distributions	(934)	(104)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>23</b>	<b>(55)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	450,445	439,340
<b>Current assets:</b>		
Debtors	278	208
Cash and bank balances	33,540	54,766
Cash equivalents***	30,084	20,014
<b>Total assets</b>	<b>514,347</b>	<b>514,328</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(461)	(52)
Other creditors	(34,091)	(119)
<b>Total liabilities</b>	<b>(34,552)</b>	<b>(171)</b>
<b>Net assets attributable to shareholders</b>	<b>479,795</b>	<b>514,157</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>514,157</b>	<b>459,824</b>
Amounts receivable on the issue of shares	260,094	136,120
Amounts payable on the cancellation of shares	(294,942)	(96,003)
	(34,848)	40,117
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	23	(55)
Retained distribution on accumulation shares	463	108
<b>Closing net assets attributable to shareholders</b>	<b>479,795</b>	<b>499,994</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 54 for comparative tables.

\*\*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 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.1624	–	0.1624	–
<b>Group 2</b>				
08/03/18 to 07/09/18	0.1024	0.0600	0.1624	–
<b>Total distributions in the period</b>			<b>0.1624</b>	<b>–</b>

#### Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.1754	–	0.1754	–
<b>Group 2</b>				
08/03/18 to 07/09/18	0.0399	0.1355	0.1754	–
<b>Total distributions in the period</b>			<b>0.1754</b>	<b>–</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.2527	–	0.2527	0.0870
<b>Group 2</b>				
08/03/18 to 07/09/18	0.1220	0.1307	0.2527	0.0870
<b>Total distributions in the period</b>			<b>0.2527</b>	<b>0.0870</b>

Group 2: shares purchased during a distribution period.

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

## Threadneedle Sterling Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.81	99.81	99.82	100.06	100.02	100.00
Return before operating charges (p)	0.29	0.30	0.43	0.30	0.30	0.12
Operating charges (p)	(0.12)	(0.28)	(0.28)	(0.11)	(0.26)	(0.10)
Return after operating charges (p)*	0.17	0.02	0.15	0.19	0.04	0.02
Distributions (p)	(0.16)	(0.02)	(0.16)	(0.18)	(0.03)	(0.04)
Retained distributions on accumulation shares (p)	–	–	–	0.18	0.03	0.04
Closing net asset value per share (p)	99.82	99.81	99.81	100.25	100.06	100.02
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.17	0.02	0.15	0.19	0.04	0.02
<b>Other information</b>						
Closing net asset value (£000)	283,068	343,102	296,801	38,899	39,196	49,032
Closing number of shares	283,581,501	343,751,180	297,352,012	38,803,668	39,172,736	49,020,940
Operating charges (%)**	0.23 <sup>†</sup>	0.28	0.28	0.21 <sup>†</sup>	0.26	0.26 <sup>†</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	99.98	99.83	99.92	100.25	100.07	100.02
Lowest share price (p)	99.82	99.79	99.82	100.06	100.01	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	07/09/2018	07/03/2018	07/03/2017 <sup>3</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	99.73	99.95	100.62	100.39	100.00	
Return before operating charges (p)	0.07	0.44	0.30	0.29	0.44	
Operating charges (p)	(0.16)	(0.66)	(0.03)	(0.06)	(0.05)	
Return after operating charges (p)*	(0.09)	(0.22)	0.27	0.23	0.39	
Distributions (p)	–	–	(0.25)	(0.23)	(0.40)	
Retained distributions on accumulation shares (p)	–	–	0.25	0.23	0.40	
Closing net asset value per share (p)	99.64	99.73	100.89	100.62	100.39	
*after direct transaction costs of (p)	–	–	–	–	–	
<b>Performance</b>						
Return after charges (%)	(0.09)	(0.22)	0.27	0.23	0.39	
<b>Other information</b>						
Closing net asset value (£000)	–	3	157,828	131,859	113,988	
Closing number of shares	–	3,000	156,442,735	131,044,192	113,546,450	
Operating charges (%)**	–	0.66 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.05 <sup>†</sup>	
Direct transaction costs (%)***	–	–	–	–	–	
<b>Prices</b>						
Highest share price (p)	99.73	99.95	100.89	100.63	100.39	
Lowest share price (p)	99.64	99.73	100.63	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>5</sup>Only available to eligible investors.

<sup>1</sup>Commenced 12 October 2016.

<sup>2</sup>Closed 8 June 2017.

<sup>3</sup>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 Sterling Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	343,751,180
Shares issued	179,356,364
Shares redeemed	(235,703,654)
Net conversions	(3,822,389)
Closing shares	<u>283,581,501</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	39,172,736
Shares issued	2,408,249
Shares redeemed	(6,589,409)
Net conversions	3,812,092
Closing shares	<u>38,803,668</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	131,044,192
Shares issued	78,158,836
Shares redeemed	(52,760,293)
Net conversions	–
Closing shares	<u>156,442,735</u>



## 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 2018, the published share price of the Threadneedle European Fund has risen from 227.56p to 234.15p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +5.87% as compared to a median return of +3.39% over the same period. (For information the FTSE World Europe ex UK Index returned +3.59% over the same period).

#### Market Overview and Portfolio Activity

This was a more volatile period for European equity markets.

The economic backdrop in the eurozone continued to be supportive and the composite purchasing managers' index remained firmly in expansionary territory. Interest rates in the region are likely to stay low for some time. The European Central Bank's stimulus programme will be tapered after September, before being wound up at the year-end,

if inflationary conditions permit – the announcement caused little turbulence in equity markets as it had been widely anticipated. UK interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there are concerns that the UK may leave the EU in March without securing a deal.

Stocks came under pressure from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist Partido Socialista Obrero Espanol party. In Turkey, the lira plunged in response to the country's economic deterioration and the US's introduction of tariffs on metals, prompting speculation that a bailout or capital controls may prove necessary.

Markets were also unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs (which could impact car manufacturers in particular), President Trump's rhetoric hardened once more. Merger and acquisition (M&A) activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

Major transactions included opening a new position in Interxion, which provides outsourced data storage and

network infrastructure. Its market share in Europe is large and this is a growth sector. We also inherited a position in Epiroc, which was spun out of Atlas Copco; it is one of the more attractive parts of the Atlas conglomerate and there are good possibilities for reducing costs and increasing margins. We topped up a number of holdings including energy giant Total.

We sold luxury-apparel firm Moncler; the stock's valuation had become stretched after strong performance. Other sales included Svenska Handelsbanken; after many years of good performance relative to the sector, the company is now suffering from competition and pricing pressure in the Swedish mortgage market.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	19,301	87,701
Revenue	24,103	19,824
Expenses	(5,234)	(5,222)
Interest payable and similar charges	(6)	(5)
Net revenue before taxation	18,863	14,597
Taxation	(1,128)	(1,049)
Net revenue after taxation	17,735	13,548
<b>Total return before equalisation</b>	<b>37,036</b>	<b>101,249</b>
Equalisation	(109)	138
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>36,927</b>	<b>101,387</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	1,117,848	1,071,634
<b>Current assets:</b>		
Debtors	8,671	9,250
Cash and bank balances	4,515	2,072
Total assets	1,131,034	1,082,956
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(10)	(6)
<b>Creditors:</b>		
Distribution payable	–	(13)
Other creditors	(9,463)	(1,542)
Total liabilities	(9,473)	(1,561)
<b>Net assets attributable to shareholders</b>	<b>1,121,561</b>	<b>1,081,395</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,081,395</b>	<b>740,932</b>
Amounts receivable on the issue of shares	79,848	194,992
Amounts payable on the cancellation of shares	(76,609)	(254,184)
Amounts receivable on inspecie transfers	–	306,155
	3,239	246,963
Dilution adjustment	–	334
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	36,927	101,387
<b>Closing net assets attributable to shareholders</b>	<b>1,121,561</b>	<b>1,089,616</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 57 – 59 for comparative tables.

## Threadneedle European Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	227.50	210.31	178.68	256.75	235.91	199.21
Return before operating charges (p)	8.51	21.03	34.90	9.62	23.58	39.02
Operating charges (p)	(1.92)	(3.84)	(3.27)	(1.41)	(2.74)	(2.32)
Return after operating charges (p)*	6.59	17.19	31.63	8.21	20.84	36.70
Distributions (p)	–	(1.53)	(1.27)	–	(3.29)	(2.76)
Retained distributions on accumulation shares (p)	–	1.53	1.27	–	3.29	2.76
Closing net asset value per share (p)	234.09	227.50	210.31	264.96	256.75	235.91
*after direct transaction costs of (p)	0.16	0.37	0.42	0.18	0.42	0.47
<b>Performance</b>						
Return after charges (%)	2.90	8.17	17.70	3.20	8.83	18.42
<b>Other information</b>						
Closing net asset value (£000)	356,659	361,879	316,254	364,779	346,112	319,929
Closing number of shares	152,358,918	159,069,537	150,376,673	137,673,309	134,804,454	135,616,138
Operating charges (%)**	1.63 <sup>†</sup>	1.67	1.68	1.06 <sup>†</sup>	1.06	1.07
Direct transaction costs (%)***	0.14	0.16	0.21	0.14	0.16	0.21
<b>Prices</b>						
Highest share price (p)	246.95	241.55	210.36	279.48	272.18	235.96
Lowest share price (p)	219.52	207.11	176.98	247.86	232.49	197.56
	Class D – Accumulation shares		Class L – Income shares			
	07/09/2018	07/03/2018 <sup>†</sup>	07/09/2018	07/03/2018 <sup>†</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	430.82	419.74	188.20	183.66		
Return before operating charges (p)	16.13	14.22	7.06	6.34		
Operating charges (p)	(2.39)	(3.14)	(0.60)	(0.79)		
Return after operating charges (p)*	13.74	11.08	6.46	5.55		
Distributions (p)	–	(0.66)	–	(1.01)		
Retained distributions on accumulation shares (p)	–	0.66	–	–		
Closing net asset value per share (p)	444.56	430.82	194.66	188.20		
*after direct transaction costs of (p)	0.31	0.59	0.14	0.26		
<b>Performance</b>						
Return after charges (%)	3.19	2.64	3.43	3.02		
<b>Other information</b>						
Closing net asset value (£000)	1,023	996	217	211		
Closing number of shares	230,213	231,232	111,587	112,119		
Operating charges (%)**	1.07 <sup>†</sup>	1.06 <sup>†</sup>	0.61 <sup>†</sup>	0.61 <sup>†</sup>		
Direct transaction costs (%)***	0.14	0.16	0.14	0.16		
<b>Prices</b>						
Highest share price (p)	468.92	456.72	205.30	200.47		
Lowest share price (p)	415.90	412.40	181.75	180.45		

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

	Class L – Accumulation shares		Class L GBP – Income shares		
	07/09/2018	07/03/2018 <sup>1</sup>	07/09/2018	07/03/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	262.36	254.66	166.53	169.32	
Return before operating charges (p)	9.84	8.80	7.56	(1.20)	
Operating charges (p)	(0.83)	(1.10)	(0.54)	(0.68)	
Return after operating charges (p)*	9.01	7.70	7.02	(1.88)	
Distributions (p)	–	(1.41)	–	(0.91)	
Retained distributions on accumulation shares (p)	–	1.41	–	–	
Closing net asset value per share (p)	271.37	262.36	173.55	166.53	
*after direct transaction costs of (p)	0.19	0.36	0.12	0.22	
<b>Performance</b>					
Return after charges (%)	3.43	3.02	4.22	(1.11)	
<b>Other information</b>					
Closing net asset value (£000)	1,808	2,377	434	475	
Closing number of shares	666,091	905,998	249,957	284,914	
Operating charges (%)**	0.61 <sup>†</sup>	0.61 <sup>†</sup>	0.61 <sup>†</sup>	0.60 <sup>†</sup>	
Direct transaction costs (%)***	0.14	0.16	0.14	0.16	
<b>Prices</b>					
Highest share price (p)	286.20	277.97	181.26	180.09	
Lowest share price (p)	253.37	250.21	165.03	162.73	
	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>1</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	129.62	117.91	98.57	513.63	496.31
Return before operating charges (p)	4.86	11.79	19.41	19.26	17.53
Operating charges (p)	(0.04)	(0.08)	(0.07)	(0.16)	(0.21)
Return after operating charges (p)*	4.82	11.71	19.34	19.10	17.32
Distributions (p)	–	(2.94)	(2.45)	–	(5.08)
Retained distributions on accumulation shares (p)	–	2.94	2.45	–	5.08
Closing net asset value per share (p)	134.44	129.62	117.91	532.73	513.63
*after direct transaction costs of (p)	0.09	0.21	0.25	0.37	0.70
<b>Performance</b>					
Return after charges (%)	3.72	9.93	19.62	3.72	3.49
<b>Other information</b>					
Closing net asset value (£000)	226,841	198,699	85,483	147,773	148,571
Closing number of shares	168,730,970	153,294,434	72,497,914	27,738,709	28,925,626
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06	0.06 <sup>†</sup>	0.06 <sup>†</sup>
Direct transaction costs (%)***	0.14	0.16	0.21	0.14	0.16
<b>Prices</b>					
Highest share price (p)	141.77	137.23	117.94	561.76	543.80
Lowest share price (p)	125.23	116.34	97.96	496.23	487.68

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	139.31	129.66	110.77	183.00	167.84	141.49
Return before operating charges (p)	5.21	12.97	21.72	6.84	16.78	27.73
Operating charges (p)	(0.63)	(1.26)	(1.08)	(0.83)	(1.62)	(1.38)
Return after operating charges (p)*	4.58	11.71	20.64	6.01	15.16	26.35
Distributions (p)	–	(2.06)	(1.75)	–	(2.66)	(2.23)
Retained distributions on accumulation shares (p)	–	–	–	–	2.66	2.23
Closing net asset value per share (p)	143.89	139.31	129.66	189.01	183.00	167.84
*after direct transaction costs of (p)	0.10	0.23	0.26	0.13	0.30	0.33
<b>Performance</b>						
Return after charges (%)	3.29	9.03	18.63	3.28	9.03	18.62
<b>Other information</b>						
Closing net asset value (£000)	516	608	363	21,511	21,467	18,903
Closing number of shares	358,411	436,406	279,762	11,380,666	11,730,948	11,261,904
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.89	0.88 <sup>†</sup>	0.88	0.89
Direct transaction costs (%)***	0.14	0.16	0.21	0.14	0.16	0.21
<b>Prices</b>						
Highest share price (p)	151.76	149.83	131.44	199.36	193.95	167.88
Lowest share price (p)	134.50	127.81	109.89	176.68	165.44	140.36

\*\*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>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 European Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	159,069,537
Shares issued	7,867,293
Shares redeemed	(14,577,912)
Net conversions	–
Closing shares	<u>152,358,918</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	134,804,454
Shares issued	11,580,680
Shares redeemed	(8,711,825)
Net conversions	–
Closing shares	<u>137,673,309</u>
<b>Class D – Accumulation shares</b>	
Opening shares	231,232
Shares issued	954
Shares redeemed	(1,973)
Net conversions	–
Closing shares	<u>230,213</u>
<b>Class L – Income shares</b>	
Opening shares	112,119
Shares issued	–
Shares redeemed	(532)
Net conversions	–
Closing shares	<u>111,587</u>
<b>Class L – Accumulation shares</b>	
Opening shares	905,998
Shares issued	260
Shares redeemed	(240,167)
Net conversions	–
Closing shares	<u>666,091</u>
<b>Class L GBP – Income shares</b>	
Opening shares	284,914
Shares issued	–
Shares redeemed	(34,957)
Net conversions	–
Closing shares	<u>249,957</u>
<b>Class X – Accumulation shares</b>	
Opening shares	153,294,434
Shares issued	19,531,641
Shares redeemed	(4,095,105)
Net conversions	–
Closing shares	<u>168,730,970</u>

2018

##### Class X2 – Accumulation shares

Opening shares	28,925,626
Shares issued	917,034
Shares redeemed	(2,103,951)
Net conversions	–
Closing shares	<u>27,738,709</u>

##### Class Z – Income shares

Opening shares	436,406
Shares issued	59,163
Shares redeemed	(137,158)
Net conversions	–
Closing shares	<u>358,411</u>

##### Class Z – Accumulation shares

Opening shares	11,730,948
Shares issued	475,257
Shares redeemed	(825,539)
Net conversions	–
Closing shares	<u>11,380,666</u>

## 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 2018, the published share price of the Threadneedle European Select Fund has risen from 295.36p to 306.35p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +7.42% as compared to a median return of +3.39% over the same period. (For information the FTSE World Europe ex UK Index returned +3.59% over the same period).

#### Market Overview and Portfolio Activity

This was a more volatile period for European equity markets.

The economic backdrop in the eurozone continued to be supportive and the composite purchasing managers' index

remained firmly in expansionary territory. Interest rates in the region are likely to stay low for some time. The European Central Bank's stimulus programme will be tapered after September, before being wound up at the year-end, if inflationary conditions permit – the announcement caused little turbulence in equity markets as it had been widely anticipated. UK interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there are concerns that the UK may leave the EU in March without securing a deal.

Stocks came under pressure from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist Partido Socialista Obrero Espanol party. In Turkey, the lira plunged in response to the country's economic deterioration and the US's introduction of tariffs on metals, prompting speculation that a bailout or capital controls may prove necessary.

Markets were also unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs (which could impact car manufacturers in particular), President Trump's rhetoric hardened once more. Merger and acquisition (M&A) activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

New holdings included Interxion, Schneider Electric and Epiroc. Interxion provides computing, network, storage and IT infrastructure on an outsourced basis. Its market share in Europe is large, and this is a growth sector. Schneider Electric is well positioned in digital, is benefiting from Chinese growth, and is deriving significant benefits from acquisitions. Epiroc was spun out of Atlas Copco; it is one of the more attractive parts of the Atlas conglomerate and there are good possibilities for reducing costs and increasing margins.

We sold Svenska Handelsbanken; after many years of good performance relative to the sector, the bank is now suffering from competition and pricing pressure in the Swedish mortgage market. Other sales included Smurfit Kappa; shares in the packaging firm had risen following a takeover approach from International Paper, but the bid was rejected.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

Our main focus in managing this high-conviction portfolio is on stock selection. We seek to identify high-quality companies with the pricing power to sustain strong returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	87,336	331,832
Revenue	57,108	52,947
Expenses	(17,523)	(17,735)
Interest payable and similar charges	(25)	(21)
Net revenue before taxation	39,560	35,191
Taxation	(2,892)	(2,981)
Net revenue after taxation	36,668	32,210
<b>Total return before equalisation</b>	<b>124,004</b>	<b>364,042</b>
Equalisation	(1,424)	(813)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>122,580</b>	<b>363,229</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	3,023,763	3,129,017
<b>Current assets:</b>		
Debtors	12,351	13,246
Cash and bank balances	29,139	4,837
Total assets	3,065,253	3,147,100
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(249)	(306)
<b>Creditors:</b>		
Distribution payable	–	(2,143)
Other creditors	(11,869)	(6,322)
Total liabilities	(12,118)	(8,771)
<b>Net assets attributable to shareholders</b>	<b>3,053,135</b>	<b>3,138,329</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>3,138,329</b>	<b>2,886,813</b>
Amounts receivable on the issue of shares	1,435,211	159,414
Amounts payable on the cancellation of shares	(1,642,985)	(281,422)
	(207,774)	(122,008)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	122,580	363,229
<b>Closing net assets attributable to shareholders</b>	<b>3,053,135</b>	<b>3,128,034</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 62 – 66 for comparative tables.

## Threadneedle European Select Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	126.83	115.44	96.23	132.95
Return before operating charges (p)	5.76	13.89	21.36	(1.17)
Operating charges (p)	(1.04)	(2.09)	(1.73)	(0.23)
Return after operating charges (p)*	4.72	11.80	19.63	(1.40)
Distributions (p)	–	(0.41)	(0.42)	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	131.55	126.83	115.44	131.55
*after direct transaction costs of (p)	0.02	0.08	0.16	0.01
<b>Performance</b>				
Return after charges (%)	3.72	10.22	20.40	(1.05)
<b>Other information</b>				
Closing net asset value (£000)	316	4,032	2,219	4,323
Closing number of shares	240,001	3,179,272	1,922,302	3,286,246
Operating charges (%)**	1.62 <sup>†</sup>	1.63	1.63	1.60 <sup>†</sup>
Direct transaction costs (%)***	0.04	0.06	0.15	0.04
<b>Prices</b>				
Highest share price (p)	138.89	133.84	115.90	138.89
Lowest share price (p)	123.06	115.22	94.76	129.73
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	295.27	267.87	222.47	309.51
Return before operating charges (p)	13.41	32.22	49.41	(2.72)
Operating charges (p)	(2.42)	(4.82)	(4.01)	(0.53)
Return after operating charges (p)*	10.99	27.40	45.40	(3.25)
Distributions (p)	–	(0.96)	(0.98)	–
Retained distributions on accumulation shares (p)	–	0.96	0.98	–
Closing net asset value per share (p)	306.26	295.27	267.87	306.26
*after direct transaction costs of (p)	0.06	0.18	0.37	0.03
<b>Performance</b>				
Return after charges (%)	3.72	10.23	20.41	(1.05)
<b>Other information</b>				
Closing net asset value (£000)	279,811	1,072,075	1,022,097	820,375
Closing number of shares	91,363,825	363,087,509	381,570,993	267,869,036
Operating charges (%)**	1.61 <sup>†</sup>	1.63	1.63	1.60 <sup>†</sup>
Direct transaction costs (%)***	0.04	0.06	0.15	0.04
<b>Prices</b>				
Highest share price (p)	323.33	310.57	267.95	323.33
Lowest share price (p)	286.50	267.37	219.09	302.02

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>			07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	309.51			165.60	162.05	130.09
Return before operating charges (p)	(2.72)			12.62	6.32	34.29
Operating charges (p)	(0.53)			(1.40)	(2.77)	(2.33)
Return after operating charges (p)*	(3.25)			11.22	3.55	31.96
Distributions (p)	–			–	(0.61)	(0.56)
Retained distributions on accumulation shares (p)	–			–	0.61	0.56
Closing net asset value per share (p)	306.26			176.82	165.60	162.05
*after direct transaction costs of (p)	0.03			0.03	0.10	0.22
<b>Performance</b>						
Return after charges (%)	(1.05)			6.78	2.19	24.57
<b>Other information</b>						
Closing net asset value (£000)	3,855			26,551	31,830	38,893
Closing number of shares	1,258,576			15,015,475	19,220,877	24,000,866
Operating charges (%)**	1.60 <sup>†</sup>			1.60 <sup>†</sup>	1.63	1.63
Direct transaction costs (%)***	0.04			0.04	0.06	0.15
<b>Prices</b>						
Highest share price (p)	323.33			187.16	178.31	162.09
Lowest share price (p)	302.02			161.68	161.52	125.87
	Class 1 USD Hedged – Accumulation shares			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	136.89	142.82	112.51	188.89	171.92	143.23
Return before operating charges (p)	17.70	(3.56)	32.33	8.60	20.65	31.87
Operating charges (p)	(1.18)	(2.37)	(2.02)	(1.03)	(1.98)	(1.64)
Return after operating charges (p)*	16.52	(5.93)	30.31	7.57	18.67	30.23
Distributions (p)	–	(0.57)	(0.45)	–	(1.70)	(1.54)
Retained distributions on accumulation shares (p)	–	0.57	0.45	–	–	–
Closing net asset value per share (p)	153.41	136.89	142.82	196.46	188.89	171.92
*after direct transaction costs of (p)	0.03	0.09	0.19	0.04	0.11	0.24
<b>Performance</b>						
Return after charges (%)	12.07	(4.15)	26.94	4.01	10.86	21.11
<b>Other information</b>						
Closing net asset value (£000)	6,504	10,151	10,179	2,061	3,367	23,649
Closing number of shares	4,239,885	7,414,994	7,127,197	1,049,081	1,782,764	13,756,276
Operating charges (%)**	1.60 <sup>†</sup>	1.63	1.63	1.06 <sup>†</sup>	1.07	1.05
Direct transaction costs (%)***	0.04	0.06	0.15	0.04	0.06	0.15
<b>Prices</b>						
Highest share price (p)	160.91	153.65	142.89	207.38	200.18	173.51
Lowest share price (p)	133.26	135.42	108.54	183.36	171.60	141.22



## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR – Income shares	Class 2 – Accumulation shares		
	07/09/2018 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	198.30	333.00	300.37	248.04
Return before operating charges (p)	(1.61)	15.18	36.15	55.23
Operating charges (p)	(0.23)	(1.83)	(3.52)	(2.90)
Return after operating charges (p)*	(1.84)	13.35	32.63	52.33
Distributions (p)	–	–	(2.97)	(2.67)
Retained distributions on accumulation shares (p)	–	–	2.97	2.67
Closing net asset value per share (p)	196.46	346.35	333.00	300.37
*after direct transaction costs of (p)	0.02	0.07	0.20	0.41
<b>Performance</b>				
Return after charges (%)	(0.93)	4.01	10.86	21.10
<b>Other information</b>				
Closing net asset value (£000)	1,126	222,387	556,027	698,969
Closing number of shares	573,359	64,209,558	166,976,283	232,701,017
Operating charges (%)**	1.06 <sup>†</sup>	1.07 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.04	0.04	0.06	0.15
<b>Prices</b>				
Highest share price (p)	207.38	365.60	349.75	300.46
Lowest share price (p)	193.55	323.24	299.82	244.55
	Class 2 EUR – Accumulation shares	Class 2 USD Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	349.58	139.61	144.80	113.42
Return before operating charges (p)	(2.83)	18.12	(3.62)	32.72
Operating charges (p)	(0.40)	(0.81)	(1.57)	(1.34)
Return after operating charges (p)*	(3.23)	17.31	(5.19)	31.38
Distributions (p)	–	–	(1.42)	(1.18)
Retained distributions on accumulation shares (p)	–	–	1.42	1.18
Closing net asset value per share (p)	346.35	156.92	139.61	144.80
*after direct transaction costs of (p)	0.03	0.03	0.09	0.19
<b>Performance</b>				
Return after charges (%)	(0.92)	12.40	(3.58)	27.67
<b>Other information</b>				
Closing net asset value (£000)	240,242	13,284	19,050	31,857
Closing number of shares	69,364,872	8,465,346	13,645,147	22,000,553
Operating charges (%)**	1.06 <sup>†</sup>	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.04	0.04	0.06	0.15
<b>Prices</b>				
Highest share price (p)	365.60	164.57	156.02	144.84
Lowest share price (p)	341.21	135.99	138.05	109.54

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	136.69	122.07	99.80	152.02	138.36	115.26
Return before operating charges (p)	6.24	14.70	22.34	6.93	16.65	25.69
Operating charges (p)	(0.04)	(0.08)	(0.07)	(0.65)	(1.28)	(1.06)
Return after operating charges (p)*	6.20	14.62	22.27	6.28	15.37	24.63
Distributions (p)	–	(2.56)	(2.19)	–	(1.71)	(1.53)
Retained distributions on accumulation shares (p)	–	2.56	2.19	–	–	–
Closing net asset value per share (p)	142.89	136.69	122.07	158.30	152.02	138.36
*after direct transaction costs of (p)	0.03	0.08	0.17	0.03	0.09	0.19
<b>Performance</b>						
Return after charges (%)	4.54	11.98	22.31	4.13	11.11	21.37
<b>Other information</b>						
Closing net asset value (£000)	105,497	78,459	44,254	180,267	186,351	103,327
Closing number of shares	73,832,738	57,399,396	36,252,507	113,880,523	122,581,844	74,679,528
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06	0.83 <sup>†</sup>	0.83	0.83
Direct transaction costs (%)***	0.04	0.06	0.15	0.04	0.06	0.15
<b>Prices</b>						
Highest share price (p)	150.79	143.38	122.11	167.08	161.42	139.93
Lowest share price (p)	132.79	121.85	98.59	147.59	138.11	113.68
	Class Z – Accumulation shares			Class Z EUR – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>†</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	193.92	174.52	143.80	203.70		
Return before operating charges (p)	8.83	21.01	32.04	(1.60)		
Operating charges (p)	(0.83)	(1.61)	(1.32)	(0.18)		
Return after operating charges (p)*	8.00	19.40	30.72	(1.78)		
Distributions (p)	–	(2.16)	(1.91)	–		
Retained distributions on accumulation shares (p)	–	2.16	1.91	–		
Closing net asset value per share (p)	201.92	193.92	174.52	201.92		
*after direct transaction costs of (p)	0.04	0.12	0.24	0.02		
<b>Performance</b>						
Return after charges (%)	4.13	11.12	21.36	(0.87)		
<b>Other information</b>						
Closing net asset value (£000)	881,525	1,176,987	911,369	252,813		
Closing number of shares	436,578,286	606,959,394	522,202,689	125,206,788		
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.83	0.83 <sup>†</sup>		
Direct transaction costs (%)***	0.04	0.06	0.15	0.04		
<b>Prices</b>						
Highest share price (p)	213.13	203.61	174.58	213.13		
Lowest share price (p)	188.27	174.20	141.83	198.84		

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares 07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>	
Opening net asset value per share (p)	203.70
Return before operating charges (p)	(1.60)
Operating charges (p)	(0.18)
Return after operating charges (p)*	(1.78)
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	201.92
*after direct transaction costs of (p)	0.02
<b>Performance</b>	
Return after charges (%)	(0.87)
<b>Other information</b>	
Closing net asset value (£000)	12,198
Closing number of shares	6,041,005
Operating charges (%)**	0.83 <sup>1</sup>
Direct transaction costs (%)***	0.04
<b>Prices</b>	
Highest share price (p)	213.13
Lowest share price (p)	198.84

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>1</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018		2018
<b>Class 1 – Income shares</b>		<b>Class 2 EUR – Income shares*</b>	
Opening shares	3,179,272	Opening shares	–
Shares issued	284,111	Shares issued	593,360
Shares redeemed	(3,223,382)	Shares redeemed	(20,001)
Net conversions	–	Net conversions	–
Closing shares	<u>240,001</u>	Closing shares	<u>573,359</u>
<b>Class 1 EUR – Income shares*</b>		<b>Class 2 – Accumulation shares</b>	
Opening shares	–	Opening shares	166,976,283
Shares issued	3,317,999	Shares issued	3,005,279
Shares redeemed	(31,753)	Shares redeemed	(105,768,382)
Net conversions	–	Net conversions	(3,622)
Closing shares	<u>3,286,246</u>	Closing shares	<u>64,209,558</u>
<b>Class 1 – Accumulation shares</b>		<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	363,087,509	Opening shares	–
Shares issued	6,557,158	Shares issued	70,802,131
Shares redeemed	(277,035,841)	Shares redeemed	(1,437,259)
Net conversions	(1,245,001)	Net conversions	–
Closing shares	<u>91,363,825</u>	Closing shares	<u>69,364,872</u>
<b>Class 1 EUR – Accumulation shares*</b>		<b>Class 2 USD Hedged – Accumulation shares</b>	
Opening shares	–	Opening shares	13,645,147
Shares issued	269,527,396	Shares issued	71,097
Shares redeemed	(1,658,360)	Shares redeemed	(5,250,898)
Net conversions	–	Net conversions	–
Closing shares	<u>267,869,036</u>	Closing shares	<u>8,465,346</u>
<b>Class 1 USD – Accumulation shares*</b>		<b>Class X – Accumulation shares</b>	
Opening shares	–	Opening shares	57,399,396
Shares issued	1,258,576	Shares issued	16,437,970
Shares redeemed	–	Shares redeemed	(4,628)
Net conversions	–	Net conversions	–
Closing shares	<u>1,258,576</u>	Closing shares	<u>73,832,738</u>
<b>Class 1 SGD Hedged – Accumulation shares</b>		<b>Class Z – Income shares</b>	
Opening shares	19,220,877	Opening shares	122,581,844
Shares issued	250,588	Shares issued	3,912,566
Shares redeemed	(4,455,990)	Shares redeemed	(12,713,263)
Net conversions	–	Net conversions	99,376
Closing shares	<u>15,015,475</u>	Closing shares	<u>113,880,523</u>
<b>Class 1 USD Hedged – Accumulation shares</b>		<b>Class Z – Accumulation shares</b>	
Opening shares	7,414,994	Opening shares	606,959,394
Shares issued	153,428	Shares issued	15,125,092
Shares redeemed	(3,328,537)	Shares redeemed	(187,363,588)
Net conversions	–	Net conversions	1,857,388
Closing shares	<u>4,239,885</u>	Closing shares	<u>436,578,286</u>
<b>Class 2 – Income shares</b>		<b>Class Z EUR – Accumulation shares*</b>	
Opening shares	1,782,764	Opening shares	–
Shares issued	8,575	Shares issued	126,537,835
Shares redeemed	(707,175)	Shares redeemed	(1,331,047)
Net conversions	(35,083)	Net conversions	–
Closing shares	<u>1,049,081</u>	Closing shares	<u>125,206,788</u>
		<b>Class Z USD – Accumulation shares*</b>	
		Opening shares	–
		Shares issued	6,041,005
		Shares redeemed	–
		Net conversions	–
		Closing shares	<u>6,041,005</u>

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

## 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 2018, the published share price of the Threadneedle European Smaller Companies Fund has risen from 870.19p to 905.63p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +7.59% as compared to a median return of +4.71% over the same period. (For information the Euromoney European Small Cos. Ex UK Index returned +3.56% over the same period).

#### Market Overview and Portfolio Activity

This was a more volatile period for European equity markets.

The economic backdrop in the eurozone continued to be supportive and the composite purchasing managers' index remained firmly in expansionary territory. Interest rates in the region are likely to stay low for some time. The European Central Bank's stimulus programme will be tapered after

September, before being wound up at the year-end, if inflationary conditions permit – the announcement caused little turbulence in equity markets as it had been widely anticipated. UK interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there are concerns that the UK may leave the EU in March without securing a deal.

Stocks came under pressure from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist Partido Socialista Obrero Espanol party. In Turkey, the lira plunged in response to the country's economic deterioration and the US's introduction of tariffs on metals, prompting speculation that a bailout or capital controls may prove necessary.

Markets were also unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs (which could impact car manufacturers in particular), President Trump's rhetoric hardened once more. Merger and acquisition (M&A) activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

Purchases included new holdings in Interxion and SEB. Interxion provides outsourced data storage and network infrastructure. Its market share in Europe is large, and this is a growth sector. SEB is a kitchen-product business. The company's brands give it pricing power and penetration in emerging markets is very successful, especially in China. We also took advantage of recent share-price weakness to open a new holding in VAT Group, a manufacturer of vacuum valves and other products for the electronics industry.

We sold Paddy Power Betfair; the regulatory situation has changed in the UK to the detriment of betting companies. We also trimmed several holdings including Ambu (diagnostic and life-saving medical equipment) following a period of good returns.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	81,317	248,007
Revenue	38,814	34,517
Expenses	(16,728)	(13,958)
Interest payable and similar charges	(18)	(20)
Net revenue before taxation	22,068	20,539
Taxation	(2,829)	(1,888)
Net revenue after taxation	19,239	18,651
<b>Total return before equalisation</b>	<b>100,556</b>	<b>266,658</b>
Equalisation	150	1,057
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>100,706</b>	<b>267,715</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	2,414,471	2,237,197
<b>Current assets:</b>		
Debtors	8,393	21,273
Cash and bank balances	27,227	16,051
Cash equivalents**	21,347	26,838
Total assets	2,471,438	2,301,359
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(2)	(20)
<b>Creditors:</b>		
Distribution payable	–	(184)
Other creditors	(10,460)	(11,960)
Total liabilities	(10,462)	(12,164)
<b>Net assets attributable to shareholders</b>	<b>2,460,976</b>	<b>2,289,195</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,289,195</b>	<b>1,717,667</b>
Amounts receivable on the issue of shares	2,222,159	261,500
Amounts payable on the cancellation of shares	(2,151,084)	(114,675)
	71,075	146,825
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	100,706	267,715
<b>Closing net assets attributable to shareholders</b>	<b>2,460,976</b>	<b>2,132,207</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 69 – 71 for comparative tables.

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

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	846.11	710.70	566.89	892.73
Return before operating charges (p)	41.77	149.44	154.63	(10.48)
Operating charges (p)	(7.23)	(13.53)	(10.64)	(1.60)
Return after operating charges (p)*	34.54	135.91	143.99	(12.08)
Distributions (p)	–	(0.50)	(0.18)	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	880.65	846.11	710.70	880.65
*after direct transaction costs of (p)	0.18	0.48	0.40	0.09
<b>Performance</b>				
Return after charges (%)	4.08	19.12	25.40	(1.35)
<b>Other information</b>				
Closing net asset value (£000)	477	37,151	22,964	42,243
Closing number of shares	54,127	4,390,817	3,231,135	4,796,801
Operating charges (%)**	1.69 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>
Direct transaction costs (%)***	0.04	0.06	0.06	0.04
<b>Prices</b>				
Highest share price (p)	921.17	871.49	711.58	921.17
Lowest share price (p)	809.98	711.50	559.28	873.38
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	869.42	729.86	582.03	917.33
Return before operating charges (p)	42.95	153.42	158.72	(10.77)
Operating charges (p)	(7.45)	(13.86)	(10.89)	(1.64)
Return after operating charges (p)*	35.50	139.56	147.83	(12.41)
Distributions (p)	–	(0.51)	(0.16)	–
Retained distributions on accumulation shares (p)	–	0.51	0.16	–
Closing net asset value per share (p)	904.92	869.42	729.86	904.92
*after direct transaction costs of (p)	0.19	0.49	0.41	0.09
<b>Performance</b>				
Return after charges (%)	4.08	19.12	25.40	(1.35)
<b>Other information</b>				
Closing net asset value (£000)	98,610	1,340,754	1,065,302	1,303,990
Closing number of shares	10,897,110	154,211,766	145,959,714	144,100,428
Operating charges (%)**	1.69 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>
Direct transaction costs (%)***	0.04	0.06	0.06	0.04
<b>Prices</b>				
Highest share price (p)	946.55	894.98	730.59	946.55
Lowest share price (p)	832.31	730.67	574.21	897.45

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class 1 CHF Hedged – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.32	131.53	103.34	979.38	817.13	647.63
Return before operating charges (p)	12.41	14.16	30.09	48.50	172.11	177.18
Operating charges (p)	(1.24)	(2.37)	(1.90)	(5.36)	(9.86)	(7.68)
Return after operating charges (p)*	11.17	11.79	28.19	43.14	162.25	169.50
Distributions (p)	–	(0.18)	(0.01)	–	(6.26)	(4.63)
Retained distributions on accumulation shares (p)	–	0.18	0.01	–	6.26	4.63
Closing net asset value per share (p)	154.49	143.32	131.53	1,022.52	979.38	817.13
*after direct transaction costs of (p)	0.03	0.08	0.07	0.22	0.55	0.45
<b>Performance</b>						
Return after charges (%)	7.79	8.96	27.28	4.40	19.86	26.17
<b>Other information</b>						
Closing net asset value (£000)	403	374	196	136,460	385,333	334,659
Closing number of shares	260,901	260,891	148,890	13,345,385	39,344,529	40,955,479
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.66	1.07 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.04	0.06	0.06	0.04	0.06	0.06
<b>Prices</b>						
Highest share price (p)	159.99	149.00	131.69	1,069.41	1,007.29	817.94
Lowest share price (p)	135.88	131.89	101.48	938.01	818.05	638.96
	Class 2 EUR – Accumulation shares			Class Z – Income shares		
	07/09/2018 <sup>†</sup>			07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	1,035.08			188.06	157.90	125.83
Return before operating charges (p)	(11.39)			9.32	33.27	34.48
Operating charges (p)	(1.18)			(0.86)	(1.59)	(1.26)
Return after operating charges (p)*	(12.57)			8.46	31.68	33.22
Distributions (p)	–			–	(1.52)	(1.15)
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	1,022.51			196.52	188.06	157.90
*after direct transaction costs of (p)	0.10			0.04	0.11	0.09
<b>Performance</b>						
Return after charges (%)	(1.21)			4.50	20.06	26.40
<b>Other information</b>						
Closing net asset value (£000)	256,314			21,614	20,019	11,790
Closing number of shares	25,067,068			10,998,311	10,644,917	7,466,765
Operating charges (%)**	1.06 <sup>†</sup>			0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.04			0.04	0.06	0.06
<b>Prices</b>						
Highest share price (p)	1,069.41			205.52	194.94	159.20
Lowest share price (p)	1,012.97			180.14	158.08	124.15

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z EUR – Income shares		Class Z – Accumulation shares		
	07/09/2018 <sup>1</sup>		07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	198.85		206.89	172.32	136.33
Return before operating charges (p)	(2.14)		10.24	36.31	37.34
Operating charges (p)	(0.19)		(0.93)	(1.74)	(1.35)
Return after operating charges (p)*	(2.33)		9.31	34.57	35.99
Distributions (p)	–		–	(1.66)	(1.24)
Retained distributions on accumulation shares (p)	–		–	1.66	1.24
Closing net asset value per share (p)	196.52		216.20	206.89	172.32
*after direct transaction costs of (p)	0.02		0.05	0.12	0.10
<b>Performance</b>					
Return after charges (%)	(1.17)		4.50	20.06	26.40
<b>Other information</b>					
Closing net asset value (£000)	15,277		252,943	504,483	282,260
Closing number of shares	7,773,654		116,997,072	243,838,268	163,804,006
Operating charges (%)**	0.87 <sup>1</sup>		0.88 <sup>1</sup>	0.88	0.88
Direct transaction costs (%)***	0.04		0.04	0.06	0.06
<b>Prices</b>					
Highest share price (p)	205.52		226.10	212.74	172.49
Lowest share price (p)	194.62		198.18	172.51	134.51
	Class Z EUR – Accumulation shares		Class Z CHF Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>		07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	218.76		146.30	133.18	103.79
Return before operating charges (p)	(2.35)		12.69	14.39	30.43
Operating charges (p)	(0.21)		(0.67)	(1.27)	(1.04)
Return after operating charges (p)*	(2.56)		12.02	13.12	29.39
Distributions (p)	–		–	(1.31)	(0.94)
Retained distributions on accumulation shares (p)	–		–	1.31	0.94
Closing net asset value per share (p)	216.20		158.32	146.30	133.18
*after direct transaction costs of (p)	0.02		0.03	0.09	0.07
<b>Performance</b>					
Return after charges (%)	(1.17)		8.22	9.85	28.32
<b>Other information</b>					
Closing net asset value (£000)	331,103		1,542	1,081	496
Closing number of shares	153,148,999		974,100	739,107	372,501
Operating charges (%)**	0.88 <sup>1</sup>		0.88 <sup>1</sup>	0.88	0.88
Direct transaction costs (%)***	0.04		0.04	0.06	0.06
<b>Prices</b>					
Highest share price (p)	226.10		163.94	151.20	133.32
Lowest share price (p)	214.11		138.78	133.54	102.08

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>1</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	4,390,817
Shares issued	465,025
Shares redeemed	(4,801,715)
Net conversions	–
Closing shares	<u>54,127</u>
<b>Class 1 EUR – Income shares*</b>	
Opening shares	–
Shares issued	4,932,998
Shares redeemed	(136,197)
Net conversions	–
Closing shares	<u>4,796,801</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	154,211,766
Shares issued	2,905,030
Shares redeemed	(145,960,472)
Net conversions	(259,214)
Closing shares	<u>10,897,110</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	144,998,179
Shares redeemed	(847,351)
Net conversions	(50,400)
Closing shares	<u>144,100,428</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	260,891
Shares issued	10
Shares redeemed	–
Net conversions	–
Closing shares	<u>260,901</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	39,344,529
Shares issued	4,196,215
Shares redeemed	(30,140,372)
Net conversions	(54,987)
Closing shares	<u>13,345,385</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	30,487,801
Shares redeemed	(5,420,733)
Net conversions	–
Closing shares	<u>25,067,068</u>

	2018
<b>Class Z – Income shares</b>	
Opening shares	10,644,917
Shares issued	2,408,590
Shares redeemed	(2,224,826)
Net conversions	169,630
Closing shares	<u>10,998,311</u>
<b>Class Z EUR – Income shares*</b>	
Opening shares	–
Shares issued	7,782,038
Shares redeemed	(8,384)
Net conversions	–
Closing shares	<u>7,773,654</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	243,838,268
Shares issued	41,998,766
Shares redeemed	(170,034,497)
Net conversions	1,194,535
Closing shares	<u>116,997,072</u>
<b>Class Z EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	170,398,691
Shares redeemed	(17,460,914)
Net conversions	211,222
Closing shares	<u>153,148,999</u>
<b>Class Z CHF Hedged – Accumulation shares</b>	
Opening shares	739,107
Shares issued	234,993
Shares redeemed	–
Net conversions	–
Closing shares	<u>974,100</u>

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

### 3 POST BALANCE SHEET EVENT

Subsequent to the period end, market fluctuations have resulted in changes to the NAV as described in the table below:

Share class	Net asset value per share (p)		
	7 September 2018	11 October 2018	% Movement
Class 1 CHF Hedged – Accumulation shares	154.61	136.91	(11.45)
Class Z CHF Hedged – Accumulation shares	158.45	140.40	(11.39)

## 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 2018, the published share price of the Threadneedle Pan European Smaller Companies Fund has risen from 256.39p to 269.60p.

The total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +8.80% as compared to a median return of +4.71% over the same period. (For information the Euromoney Smaller Europe Inc UK Index gave a total return of +4.41% for the same period).

#### Market Overview and Portfolio Activity

This was a more volatile period for European equity markets.

The economic backdrop in the eurozone continued to be supportive and the composite purchasing managers' index remained firmly in

expansionary territory. Interest rates in the region are likely to stay low for some time. The European Central Bank's stimulus programme will be tapered after September, before being wound up at the year-end, if inflationary conditions permit – the announcement caused little turbulence in equity markets as it had been widely anticipated. UK interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there are concerns that the UK may leave the EU in March without securing a deal.

Stocks came under pressure from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist Partido Socialista Obrero Espanol party. In Turkey, the lira plunged in response to the country's economic deterioration and the US's introduction of tariffs on metals, prompting speculation that a bailout or capital controls may prove necessary.

Markets were also unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs (which could impact car manufacturers in particular), President Trump's rhetoric hardened once more. Merger and acquisition (M&A) activity

gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

We opened new holdings in SEB and Rentokil. SEB is a kitchen-product business; the company's brands give it pricing power, and penetration in emerging markets is very successful, especially in China. Rentokil has an attractive business model, with a leading position in pest control. Synthomer was another new position; a rejuvenated management team is turning round a business which is capable of better performance, and is introducing an acquisitions policy.

Sales included Paddy Power Betfair; the regulatory situation has changed in the UK to the detriment of betting companies.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 3 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	76,847	225,830
Revenue	27,328	27,717
Expenses	(10,192)	(10,373)
Interest payable and similar charges	(51)	(17)
Net revenue before taxation	17,085	17,327
Taxation	(882)	(1,270)
Net revenue after taxation	16,203	16,057
<b>Total return before equalisation</b>	<b>93,050</b>	<b>241,887</b>
Equalisation	(399)	704
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>92,651</b>	<b>242,591</b>

### BALANCE SHEET

as at 3 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Investments</b>	–	1,724,185
<b>Current assets:</b>		
Investments**	1,672,543	–
Debtors	6,047	12,513
Cash and bank balances	28,206	51
Cash equivalents**	83	442
<b>Total assets</b>	<b>1,706,879</b>	<b>1,737,191</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(509)
<b>Creditors:</b>		
Investment liabilities**	(135)	–
Bank overdrafts	–	(2,603)
Distribution payable	–	(569)
Other creditors	(7,079)	(12,381)
<b>Total liabilities</b>	<b>(7,214)</b>	<b>(16,062)</b>
<b>Net assets attributable to shareholders</b>	<b>1,699,665</b>	<b>1,721,129</b>

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

for the accounting period 8 March 2018 to 3 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,721,129</b>	<b>1,556,441</b>
Amounts receivable on the issue of shares	202,062	253,042
Amounts payable on the cancellation of shares	(316,244)	(132,912)
	(114,182)	120,130
Dilution adjustment	67	244
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	92,651	242,591
<b>Closing net assets attributable to shareholders</b>	<b>1,699,665</b>	<b>1,919,406</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 74 – 76 for comparative tables.

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

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	03/09/2018	07/03/2018	07/03/2017 <sup>1</sup>	03/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	145.00	122.48	100.00	256.20	216.33	179.45
Return before operating charges (p)	8.71	24.95	24.54	15.40	43.96	40.13
Operating charges (p)	(1.24)	(2.38)	(1.86)	(2.19)	(4.09)	(3.25)
Return after operating charges (p)*	7.47	22.57	22.68	13.21	39.87	36.88
Distributions (p)	–	(0.05)	(0.20)	–	(0.09)	(0.36)
Retained distributions on accumulation shares (p)	–	–	–	–	0.09	0.36
Closing net asset value per share (p)	152.47	145.00	122.48	269.41	256.20	216.33
*after direct transaction costs of (p)	0.04	0.13	0.09	0.07	0.23	0.16
<b>Performance</b>						
Return after charges (%)	5.15	18.43	22.68	5.16	18.43	20.55
<b>Other information</b>						
Closing net asset value (£000)	4,270	2,489	234	587,553	561,601	562,041
Closing number of shares	2,800,692	1,716,708	191,150	218,090,973	219,200,336	259,801,294
Operating charges (%)**	1.66 <sup>†</sup>	1.67	1.66 <sup>†</sup>	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.05	0.09	0.08	0.05	0.09	0.08
<b>Prices</b>						
Highest share price (p)	159.23	150.16	122.34	281.35	265.22	215.73
Lowest share price (p)	139.41	122.25	100.00	246.34	215.92	176.33
	Class 1 CHF Hedged – Accumulation shares			Class 1 USD Hedged – Accumulation shares		
	03/09/2018	07/03/2018	07/03/2017	03/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	130.31	120.25	98.31	148.32	143.88	113.50
Return before operating charges (p)	12.73	12.23	23.75	21.42	6.95	32.42
Operating charges (p)	(1.12)	(2.17)	(1.81)	(1.33)	(2.51)	(2.04)
Return after operating charges (p)*	11.61	10.06	21.94	20.09	4.44	30.38
Distributions (p)	–	(0.11)	(0.19)	–	(0.14)	(0.19)
Retained distributions on accumulation shares (p)	–	0.11	0.19	–	0.14	0.19
Closing net asset value per share (p)	141.92	130.31	120.25	168.41	148.32	143.88
*after direct transaction costs of (p)	0.03	0.12	0.09	0.04	0.14	0.10
<b>Performance</b>						
Return after charges (%)	8.91	8.37	22.32	13.55	3.09	26.77
<b>Other information</b>						
Closing net asset value (£000)	1,862	1,442	314	53,724	60,115	43,333
Closing number of shares	1,312,231	1,106,949	261,069	31,900,493	40,531,817	30,117,937
Operating charges (%)**	1.67 <sup>†</sup>	1.67	1.67	1.67 <sup>†</sup>	1.67	1.67
Direct transaction costs (%)***	0.05	0.09	0.08	0.05	0.09	0.08
<b>Prices</b>						
Highest share price (p)	146.74	135.08	120.12	175.33	158.35	143.48
Lowest share price (p)	124.08	120.15	96.33	144.36	141.31	108.29

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class X – Accumulation shares		
	03/09/2018	07/03/2018	07/03/2017	03/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	276.80	232.29	191.51	184.09	152.94	124.84
Return before operating charges (p)	16.67	47.32	42.98	11.13	31.25	28.18
Operating charges (p)	(1.50)	(2.81)	(2.20)	(0.06)	(0.10)	(0.08)
Return after operating charges (p)*	15.17	44.51	40.78	11.07	31.15	28.10
Distributions (p)	–	(1.71)	(1.67)	–	(2.87)	(2.46)
Retained distributions on accumulation shares (p)	–	1.71	1.67	–	2.87	2.46
Closing net asset value per share (p)	291.97	276.80	232.29	195.16	184.09	152.94
*after direct transaction costs of (p)	0.07	0.25	0.17	0.05	0.16	0.11
<b>Performance</b>						
Return after charges (%)	5.48	19.16	21.29	6.01	20.37	22.51
<b>Other information</b>						
Closing net asset value (£000)	354,601	365,832	273,032	60,389	63,911	87,038
Closing number of shares	121,451,099	132,162,758	117,538,674	30,943,384	34,716,984	56,908,346
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.06	0.06 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)***	0.05	0.09	0.08	0.05	0.09	0.08
<b>Prices</b>						
Highest share price (p)	304.87	286.33	231.65	203.73	190.20	152.52
Lowest share price (p)	266.27	231.86	188.19	177.22	152.67	122.68
	Class Z – Income shares			Class Z – Accumulation shares		
	03/09/2018	07/03/2018	07/03/2017	03/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	151.36	127.80	106.11	197.39	165.35	136.09
Return before operating charges (p)	9.11	26.11	23.84	11.89	33.70	30.56
Operating charges (p)	(0.67)	(1.36)	(1.02)	(0.89)	(1.66)	(1.30)
Return after operating charges (p)*	8.44	24.75	22.82	11.00	32.04	29.26
Distributions (p)	–	(1.19)	(1.13)	–	(1.54)	(1.45)
Retained distributions on accumulation shares (p)	–	–	–	–	1.54	1.45
Closing net asset value per share (p)	159.80	151.36	127.80	208.39	197.39	165.35
*after direct transaction costs of (p)	0.04	0.14	0.09	0.05	0.18	0.12
<b>Performance</b>						
Return after charges (%)	5.58	19.37	21.51	5.57	19.38	21.50
<b>Other information</b>						
Closing net asset value (£000)	32,733	72,027	82	590,467	583,293	586,806
Closing number of shares	20,484,296	47,584,799	64,001	283,353,648	295,508,454	354,878,865
Operating charges (%)**	0.87 <sup>†</sup>	0.89	0.88	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.05	0.09	0.08	0.05	0.09	0.08
<b>Prices</b>						
Highest share price (p)	166.85	157.78	128.58	217.58	204.14	164.90
Lowest share price (p)	145.62	127.56	104.27	189.90	165.05	133.73

## Threadneedle Pan European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares			Class Z USD Hedged – Accumulation shares		
	03/09/2018	07/03/2018	07/03/2017	03/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	133.19	121.94	98.86	140.18	134.98	105.54
Return before operating charges (p)	13.05	12.41	24.04	20.27	6.45	30.45
Operating charges (p)	(0.60)	(1.16)	(0.96)	(0.67)	(1.25)	(1.01)
Return after operating charges (p)*	12.45	11.25	23.08	19.60	5.20	29.44
Distributions (p)	–	(1.15)	(1.04)	–	(1.24)	(1.09)
Retained distributions on accumulation shares (p)	–	1.15	1.04	–	1.24	1.09
Closing net asset value per share (p)	145.64	133.19	121.94	159.78	140.18	134.98
*after direct transaction costs of (p)	0.03	0.12	0.09	0.04	0.13	0.09
<b>Performance</b>						
Return after charges (%)	9.35	9.23	23.35	13.98	3.85	27.89
<b>Other information</b>						
Closing net asset value (£000)	1,016	635	445	13,050	9,784	3,116
Closing number of shares	697,588	476,515	365,371	8,167,348	6,979,235	2,308,240
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.05	0.09	0.08	0.05	0.09	0.08
<b>Prices</b>						
Highest share price (p)	150.57	137.77	121.74	166.32	149.52	134.60
Lowest share price (p)	126.90	121.85	97.02	136.50	132.62	100.80

\*\*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>Commenced 10 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 Smaller Companies Fund

## Notes to the financial statements

for the accounting period 8 March 2018 to 3 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 and are described in those financial statements.

Following the merger, which will take place on 6th October 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's 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
<b>Class 1 – Income shares</b>	
Opening shares	1,716,708
Shares issued	1,830,553
Shares redeemed	(746,569)
Net conversions	–
Closing shares	<u>2,800,692</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	219,200,336
Shares issued	14,055,403
Shares redeemed	(14,414,176)
Net conversions	(750,590)
Closing shares	<u>218,090,973</u>
<b>Class 1 CHF Hedged – Accumulation shares</b>	
Opening shares	1,106,949
Shares issued	362,432
Shares redeemed	(157,150)
Net conversions	–
Closing shares	<u>1,312,231</u>
<b>Class 1 USD Hedged – Accumulation shares</b>	
Opening shares	40,531,817
Shares issued	2,255,513
Shares redeemed	(10,886,837)
Net conversions	–
Closing shares	<u>31,900,493</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	132,162,758
Shares issued	21,985,238
Shares redeemed	(32,703,927)
Net conversions	7,030
Closing shares	<u>121,451,099</u>
<b>Class X – Accumulation shares</b>	
Opening shares	34,716,984
Shares issued	471,039
Shares redeemed	(4,244,639)
Net conversions	–
Closing shares	<u>30,943,384</u>

2018

#### Class Z – Income shares

Opening shares	47,584,799
Shares issued	6,464,995
Shares redeemed	(33,565,498)
Net conversions	–
Closing shares	<u>20,484,296</u>

#### Class Z – Accumulation shares

Opening shares	295,508,454
Shares issued	40,641,312
Shares redeemed	(53,758,923)
Net conversions	962,805
Closing shares	<u>283,353,648</u>

#### Class Z CHF Hedged – Accumulation shares

Opening shares	476,515
Shares issued	255,000
Shares redeemed	(33,927)
Net conversions	–
Closing shares	<u>697,588</u>

#### Class Z USD Hedged – Accumulation shares

Opening shares	6,979,235
Shares issued	1,699,944
Shares redeemed	(511,831)
Net conversions	–
Closing shares	<u>8,167,348</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 2018, the published share price of the Threadneedle Pan European Fund has risen from 168.83p to 170.28p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +4.61% as compared to a median return of +5.03% over the same period. (For information the MSCI World Europe Index returned +4.42% over the same period).

#### Market Overview and Portfolio Activity

This was a more volatile period for European equity markets.

The economic backdrop in the eurozone continued to be supportive and the composite purchasing managers' index remained firmly in expansionary territory. Interest rates in the region are likely to stay low for some time. The European Central Bank's stimulus programme will be tapered after September,

before being wound up at the year-end, if inflationary conditions permit – the announcement caused little turbulence in equity markets as it had been widely anticipated. UK interest rates edged upwards; the economic outlook is clouded by Brexit-related uncertainties and there are concerns that the UK may leave the EU in March without securing a deal.

Stocks came under pressure from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist Partido Socialista Obrero Espanol party. In Turkey, the lira plunged in response to the country's economic deterioration and the US's introduction of tariffs on metals, prompting speculation that a bailout or capital controls may prove necessary.

Markets were also unsettled when the US exchanged protectionist threats with its major trading partners, and imposed tariffs on a range of imports from China and the EU. Having appeared to soften his stance towards the EU on additional trade tariffs (which could impact car manufacturers in particular), President Trump's rhetoric hardened once more. Merger and acquisition (M&A) activity gathered pace, especially in media and finance, while energy stocks were bolstered by strength in oil prices.

New holdings included ITV, Tesco and Weir. Under a new CEO, ITV is well-placed to take advantage of online video and

sponsorship – viewing share is growing and the media sector is consolidating. Tesco's finances should be boosted by the Booker takeover – the company has powerful scale and stands to benefit as the discounters (Aldi and Lidl) turn their focus to the US market. Weir announced the acquisition of ESCO Corporation, a US-based mining tools business which stands to gain from a recovery in the cycle; Weir's loss-making flow control division is to be sold.

We sold Italian bank UniCredit – the stock is likely to be affected by political turmoil, a growing budget deficit, and poor prospects for interest rate rises. Other sales included Smurfit Kappa; shares in the packaging firm had risen following a takeover approach from International Paper, but the bid was rejected.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	962	27,725
Revenue	5,033	6,896
Expenses	(1,191)	(1,650)
Interest payable and similar charges	(5)	(4)
Net revenue before taxation	3,837	5,242
Taxation	(217)	(353)
Net revenue after taxation	3,620	4,889
<b>Total return before equalisation</b>	<b>4,582</b>	<b>32,614</b>
Equalisation	(732)	(226)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,850</b>	<b>32,388</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	–	255,123
<b>Current assets:</b>		
Investments	199,249	–
Debtors	1,362	1,343
Cash and bank balances	1,793	2,213
Total assets	202,404	258,679
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(596)	(816)
Total liabilities	(596)	(816)
<b>Net assets attributable to shareholders</b>	<b>201,808</b>	<b>257,863</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>257,863</b>	<b>315,892</b>
Amounts receivable on the issue of shares	12,730	17,655
Amounts payable on the cancellation of shares	(72,703)	(43,494)
	(59,973)	(25,839)
Dilution adjustment	68	60
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,850	32,388
<b>Closing net assets attributable to shareholders</b>	<b>201,808</b>	<b>322,501</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 79 – 80 for comparative tables.

## Threadneedle Pan European Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	126.55	119.13	100.00	168.79	157.87	131.13
Return before operating charges (p)	2.18	10.43	21.84	2.91	13.78	29.14
Operating charges (p)	(1.09)	(2.17)	(1.78)	(1.46)	(2.86)	(2.40)
Return after operating charges (p)*	1.09	8.26	20.06	1.45	10.92	26.74
Distributions (p)	–	(0.84)	(0.93)	–	(1.11)	(1.18)
Retained distributions on accumulation shares (p)	–	–	–	–	1.11	1.18
Closing net asset value per share (p)	127.64	126.55	119.13	170.24	168.79	157.87
*after direct transaction costs of (p)	0.17	0.23	0.30	0.22	0.30	0.39
<b>Performance</b>						
Return after charges (%)	0.86	6.93	20.06	0.86	6.92	20.39
<b>Other information</b>						
Closing net asset value (£000)	4	4	4	46,980	50,410	68,712
Closing number of shares	3,000	3,000	3,000	27,596,372	29,864,374	43,524,392
Operating charges (%)**	1.67 <sup>1</sup>	1.68	1.63 <sup>1</sup>	1.68 <sup>1</sup>	1.68	1.67
Direct transaction costs (%)***	0.26	0.18	0.28	0.26	0.18	0.28
<b>Prices</b>						
Highest share price (p)	135.76	136.01	120.08	181.07	180.22	157.91
Lowest share price (p)	121.77	117.86	98.41	162.42	156.17	129.46
	Class 2 – Accumulation shares			Class 2i – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	188.56	175.28	144.70	204.08	189.70	156.60
Return before operating charges (p)	3.25	15.31	32.27	3.52	16.58	34.91
Operating charges (p)	(1.04)	(2.03)	(1.69)	(1.13)	(2.20)	(1.81)
Return after operating charges (p)*	2.21	13.28	30.58	2.39	14.38	33.10
Distributions (p)	–	(2.40)	(2.28)	–	(2.60)	(2.47)
Retained distributions on accumulation shares (p)	–	2.40	2.28	–	2.60	2.47
Closing net asset value per share (p)	190.77	188.56	175.28	206.47	204.08	189.70
*after direct transaction costs of (p)	0.25	0.34	0.43	0.27	0.37	0.47
<b>Performance</b>						
Return after charges (%)	1.17	7.58	21.13	1.17	7.58	21.14
<b>Other information</b>						
Closing net asset value (£000)	93,564	139,016	155,723	151	149	181
Closing number of shares	49,046,597	73,724,303	88,844,283	73,081	73,081	95,650
Operating charges (%)**	1.07 <sup>1</sup>	1.07	1.06	1.07 <sup>1</sup>	1.07	1.06
Direct transaction costs (%)***	0.26	0.18	0.28	0.26	0.18	0.28
<b>Prices</b>						
Highest share price (p)	202.87	201.16	175.31	219.57	217.72	189.74
Lowest share price (p)	181.52	173.52	143.09	196.46	187.80	154.87



## Threadneedle Pan European Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	186.32	171.47	140.15	134.53	126.67	105.94
Return before operating charges (p)	3.20	14.98	31.41	2.30	11.05	23.65
Operating charges (p)	(0.07)	(0.13)	(0.09)	(0.56)	(1.14)	(0.94)
Return after operating charges (p)*	3.13	14.85	31.32	1.74	9.91	22.71
Distributions (p)	–	(4.22)	(3.77)	–	(2.05)	(1.98)
Retained distributions on accumulation shares (p)	–	4.22	3.77	–	–	–
Closing net asset value per share (p)	189.45	186.32	171.47	136.27	134.53	126.67
*after direct transaction costs of (p)	0.25	0.33	0.42	0.18	0.25	0.31
<b>Performance</b>						
Return after charges (%)	1.68	8.66	22.35	1.29	7.82	21.44
<b>Other information</b>						
Closing net asset value (£000)	36,645	41,249	44,554	1	1	1
Closing number of shares	19,342,569	22,138,682	25,983,987	1,000	1,000	1,000
Operating charges (%)**	0.07 <sup>†</sup>	0.07	0.06	0.81 <sup>†</sup>	0.83	0.83
Direct transaction costs (%)***	0.26	0.18	0.28	0.26	0.18	0.28
<b>Prices</b>						
Highest share price (p)	201.42	198.51	171.50	144.91	145.67	128.68
Lowest share price (p)	179.50	169.95	138.98	129.54	125.43	104.84

	Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	182.16	169.03	139.30
Return before operating charges (p)	3.14	14.76	31.07
Operating charges (p)	(0.84)	(1.63)	(1.34)
Return after operating charges (p)*	2.30	13.13	29.73
Distributions (p)	–	(2.63)	(2.47)
Retained distributions on accumulation shares (p)	–	2.63	2.47
Closing net asset value per share (p)	184.46	182.16	169.03
*after direct transaction costs of (p)	0.24	0.33	0.41
<b>Performance</b>			
Return after charges (%)	1.26	7.77	21.34
<b>Other information</b>			
Closing net asset value (£000)	24,463	27,034	46,717
Closing number of shares	13,262,282	14,840,726	27,637,976
Operating charges (%)**	0.89 <sup>†</sup>	0.89	0.88
Direct transaction costs (%)***	0.26	0.18	0.28
<b>Prices</b>			
Highest share price (p)	196.15	194.29	169.07
Lowest share price (p)	175.38	167.37	137.82

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

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

<sup>†</sup>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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 and are described in those financial statements.

Following the merger, which will take place on 6th October 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's 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
<b>Class 1 – Income shares</b>	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	29,864,374
Shares issued	1,784,265
Shares redeemed	(4,043,086)
Net conversions	(9,181)
Closing shares	<u>27,596,372</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	73,724,303
Shares issued	3,656,928
Shares redeemed	(28,334,634)
Net conversions	–
Closing shares	<u>49,046,597</u>
<b>Class 2i – Accumulation shares</b>	
Opening shares	73,081
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>73,081</u>
<b>Class X – Accumulation shares</b>	
Opening shares	22,138,682
Shares issued	–
Shares redeemed	(2,796,113)
Net conversions	–
Closing shares	<u>19,342,569</u>
<b>Class Z – Income shares</b>	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>

2018

#### Class Z – Accumulation shares

Opening shares	14,840,726
Shares issued	1,416,087
Shares redeemed	(3,003,035)
Net conversions	8,504
Closing shares	<u>13,262,282</u>

## 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 2018, the published share price of the Threadneedle European Bond Fund has fallen from 79.09p to 78.80p.

The sterling total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +1.20%, which equates approximately to +1.33% gross of tax and charges\*\*. For information the ML Pan Europe Large Cap Index returned +1.38% over the same period.

#### Market Overview and Portfolio Activity

Over the review period, fears of a US-led global trade war periodically bolstered demand for safe-haven assets, such as core government bonds. Deteriorating relations between Russia and the West also put downward pressure on core bond yields, as did political uncertainty in Italy. Euro-sceptic parties fared well in the Italian general election in March but struggled to form a government. Even after a last-minute coalition deal was reached, markets remained unsettled amid fears that the new government's plans to pursue expansionary fiscal policy could breach EU budget-deficit rules and increase Italy's already large debt burden. In August, heightened volatility in emerging markets, in response to sharp falls in the Turkish lira and the Argentine peso,

dealt a further blow to risk assets but benefited core bonds. The eurozone's periphery was caught up in the sell-off, because of the "risk off" move and concerns over eurozone banks with exposure to Turkey.

Against this backdrop, peripheral bond yields generally rose over the review period though Greek bonds fared relatively well due to a positive response to the country's exit from its bailout programme in August 2018. By contrast, yields on German bonds and those of other eurozone countries perceived to be "stable" trended lower over the six months in question due to the aforementioned bouts of risk aversion and signs that the eurozone's economic momentum could be cooling.

UK gilts benefited from uncertainties around Brexit, the economy and the stability of Prime Minister Theresa May's government. Weak first-quarter growth in the UK caused the Bank of England (BoE) to refrain from a previously near-certain rate hike in May. A rebound in economic activity in the second quarter led investors to correctly anticipate a quarter-point hike in August though expectations for further rate hikes remained muted. The European Central Bank (ECB) announced it would wind up its quantitative easing programme by year-end, but emphasised rates would be unlikely to rise before the autumn of 2019.

In terms of activity over the review period, within sovereigns, we added Austrian, French and Spanish bonds to the portfolio. We increased our exposure to gilts and Italian sovereigns but reduced our holdings in Germany and the Netherlands. We closed our position in Belgium.

Within corporate bonds, new additions included Deutsche Telekom, Ausgrid, and State Grid Overseas Investment. We topped up Bacardi, Innogy Finance and Vesteda, among others. We exited Fonterra early in the period, before the dairy co-operative cut its guidance and reported a loss for the 2018 financial year. We also closed positions in ISS, Netherlands Financing, Dexia, SCA Hygiene, Aurizon Network and Avinor.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improved investment, though the degree of global synchronisation appears to have slowed from the turn of the year. The recent escalation of tensions between the US and China may have impacted growth in world trade volumes; a generalised rise in protectionism could cause further damage.

While the first half of 2018 was disappointing, we remain optimistic about the eurozone's growth and see scope for a material recovery in inflation. At current levels, core European government bond yields are not yet adequately reflecting these improved prospects. Despite the uncertainty caused by recent events in Italy, we think the risk of a break-up of the eurozone is low.

While developed economies appear in good shape, it is not clear whether long-term growth potential has been increased. A key uncertainty is whether the US tax reform can meaningfully boost investment and productivity. Our base case is that while growth should be supported in 2018 and the first part of 2019, the path of growth further out will be hindered by the increased debt burden of the fiscal package and the limited scope for fiscal easing in response to future downturns; this should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

The Federal Reserve (Fed) is normalising its balance sheet. We expect a total of four rate hikes in 2018 and two more in 2019. The Fed's chairman and the majority of the Federal Open Market Committee seem comfortable to allow inflation to rise modestly above the target for a period. The ECB will end its asset purchase programme this year and may hike rates in the second half of 2019. In the UK, we see little chance of further rate hikes in the foreseeable future, with Brexit set to kick in next March.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(181)	5,887
Revenue	846	892
Expenses	(546)	(747)
Interest payable and similar charges	(255)	(465)
Net revenue/(expense) before taxation	45	(320)
Taxation	–	–
Net revenue/(expense) after taxation	45	(320)
<b>Total return before distributions</b>	<b>(136)</b>	<b>5,567</b>
Distributions	(516)	(308)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(652)</b>	<b>5,259</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	94,360	84,644
<b>Current assets:</b>		
Debtors	745	613
Cash and bank balances	6,218	6,710
Total assets	101,323	91,967
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(837)	(1,736)
<b>Creditors:</b>		
Distribution payable	(122)	(34)
Other creditors	(641)	(326)
Total liabilities	(1,600)	(2,096)
<b>Net assets attributable to shareholders</b>	<b>99,723</b>	<b>89,871</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>89,871</b>	<b>142,164</b>
Amounts receivable on the issue of shares	29,458	14,694
Amounts payable on the cancellation of shares	(19,389)	(68,999)
	10,069	(54,305)
Dilution adjustment	36	75
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(652)	5,259
Retained distribution on accumulation shares	399	162
<b>Closing net assets attributable to shareholders</b>	<b>99,723</b>	<b>93,355</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to page 84 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.4111	–	0.4111	0.1871
<b>Group 2</b>				
08/03/18 to 07/09/18	0.1714	0.2397	0.4111	0.1871
<b>Total distributions in the period</b>			<b>0.4111</b>	<b>0.1871</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	0.8100	–	0.8100	0.3672
<b>Group 2</b>				
08/03/18 to 07/09/18	0.4851	0.3249	0.8100	0.3672
<b>Total distributions in the period</b>			<b>0.8100</b>	<b>0.3672</b>

## Threadneedle European Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.8005	–	0.8005	0.4180
<b>Group 2</b> 08/03/18 to 07/09/18	0.7310	0.0695	0.8005	0.4180
<b>Total distributions in the period</b>			<b>0.8005</b>	<b>0.4180</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.5979	–	0.5979	0.2935
<b>Group 2</b> 08/03/18 to 07/09/18	0.1828	0.4151	0.5979	0.2935
<b>Total distributions in the period</b>			<b>0.5979</b>	<b>0.2935</b>

Group 2: shares purchased during a distribution period.

## Threadneedle European Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	78.88	77.17	69.40	155.38	151.44	134.93
Return before operating charges (p)	0.27	2.94	9.40	0.55	5.77	18.27
Operating charges (p)	(0.45)	(0.93)	(0.90)	(0.89)	(1.83)	(1.76)
Return after operating charges (p)*	(0.18)	2.01	8.50	(0.34)	3.94	16.51
Distributions (p)	(0.41)	(0.30)	(0.73)	(0.81)	(0.60)	(1.41)
Retained distributions on accumulation shares (p)	–	–	–	0.81	0.60	1.41
Closing net asset value per share (p)	78.29	78.88	77.17	155.04	155.38	151.44
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.23)	2.60	12.25	(0.22)	2.60	12.24
<b>Other information</b>						
Closing net asset value (£000)	17,923	17,872	27,814	76,048	66,997	109,379
Closing number of shares	22,892,662	22,657,687	36,044,002	49,050,432	43,117,742	72,226,456
Operating charges (%)**	1.15 <sup>†</sup>	1.19	1.19	1.15 <sup>†</sup>	1.19	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	79.73	82.47	82.08	157.05	161.85	160.50
Lowest share price (p)	76.72	75.05	69.20	151.12	147.29	134.64
	Class 2 – Gross accumulation shares <sup>5</sup>			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	143.04	138.57	122.70	114.54	111.50	99.77
Return before operating charges (p)	0.51	5.39	16.63	0.41	4.26	13.54
Operating charges (p)	(0.42)	(0.92)	(0.76)	(0.37)	(0.74)	(0.71)
Return after operating charges (p)*	0.09	4.47	15.87	0.04	3.52	12.83
Distributions (p)	(0.80)	(0.70)	(1.45)	(0.60)	(0.48)	(1.10)
Retained distributions on accumulation shares (p)	0.80	0.70	1.45	–	–	–
Closing net asset value per share (p)	143.13	143.04	138.57	113.98	114.54	111.50
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.06	3.23	12.93	0.03	3.16	12.86
<b>Other information</b>						
Closing net asset value (£000)	353	281	375	5,399	4,721	4,596
Closing number of shares	246,553	196,630	270,733	4,736,534	4,121,096	4,121,693
Operating charges (%)**	0.60 <sup>†</sup>	0.65	0.56	0.65 <sup>†</sup>	0.65	0.65
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	144.97	148.54	146.50	116.05	119.47	118.36
Lowest share price (p)	139.27	134.92	122.60	111.51	108.54	99.60

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

## Threadneedle European Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	22,657,687
Shares issued	1,044,332
Shares redeemed	(728,838)
Net conversions	(80,519)
Closing shares	<u>22,892,662</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	43,117,742
Shares issued	8,787,370
Shares redeemed	(2,854,680)
Net conversions	–
Closing shares	<u>49,050,432</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	196,630
Shares issued	10,098,872
Shares redeemed	(10,048,949)
Net conversions	–
Closing shares	<u>246,553</u>
<b>Class Z – Income shares</b>	
Opening shares	4,121,096
Shares issued	829,243
Shares redeemed	(269,134)
Net conversions	55,329
Closing shares	<u>4,736,534</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 2018, the published share price of the Threadneedle European Corporate Bond Fund has fallen from 112.73p to 112.04p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +1.40%. The fund return equates approximately to +1.60% gross of tax and charges\*\*. (For information the iBoxx European All Corporate Bond Index gave a total return of +1.05% for the same period).

#### Market Overview and Portfolio Activity

The six months under review were a challenging period for European corporate credit. Benchmark German government bond yields fell, but the benefit from this – as regards corporate-bond prices – was offset by widening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). Key factors driving these moves included increasing global trade tensions, rising political uncertainty in the eurozone, and relatively low expectations

for the pace of monetary tightening by the European Central Bank (ECB). The wider spreads came despite strong corporate earnings and a broadly supportive macroeconomic backdrop across core markets.

Developments in European politics prompted spells of risk-off sentiment. Italian bonds were particularly volatile as 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 thanks to a last-minute coalition deal. Subsequently, investors worried that the new government would breach EU budget-deficit rules. In Spain, the prime minister was ousted in a vote of no confidence, though this had much less of an impact on markets. In Germany, a row over how to handle the migrant crisis appeared close with a splitting that country's own fragile coalition. More recently, the Turkish lira has fallen heavily on fears for the Turkish economy under President Erdogan's autocratic regime.

Away from Europe, US President Donald 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 import 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 EU.

In terms of monetary policy, there was further divergence between the US and Europe. The Federal Reserve 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. Eurozone inflation hit an over-five-year high of 2.1% in July, but much of this was due to a sharp rise in oil prices: core inflation was much more sluggish at 1.1%. According to preliminary estimates, both measures fell in August, to 2.0% and 1.0% respectively, apparently vindicating the ECB's cautious approach to tightening.

Against this background, the benchmark 10-year bond yield fell around 27 basis points over the six months in review; spreads in the European investment-grade credit market widened by around 38 basis points over the same period.

The portfolio's duration (sensitivity to changes in interest rates) was maintained at a modest underweight relative to the index. Our credit-risk position also remained slightly underweight as we continued to position the fund defensively given where we are in the credit cycle and the level of credit spreads. We are more constructive on defensive sectors such as regulated utilities and infrastructure sectors, which we feel will be more resilient at this late point in the credit cycle.

With regard to individual issuers, we participated in new deals from a wide variety of companies during the period. The largest of these additions included new bonds from Deutsche Bank, Deutsche Telekom, Innogy, Swisscom, and Belgian Post Group (later sold). We were also active in the secondary market, adding new exposure to Italgas, for example, and increasing a range of existing holdings, including Bacardi, Delamare, and UnityMedia. On the other side, we reduced exposure to a number of issuers, such as APT Pipelines, Kinder Morgan, ChemChina, Arion Bank, and exited others, including Annington, SCA Hygiene, Air Liquide, Fonterra Co-operative Group, Avinor, and CRH.

Investment-grade corporate markets remain supported by the ongoing provision of expansionary monetary policy. This includes the low or negative interest rates in most developed economies and, at least for the remainder of 2018, outright quantitative easing in Europe. The economic outlook of solid GDP growth but low inflation is also a reasonable investment background for markets. The corporate credit cycle is, however, fairly mature and though earnings have been strong, the benefits are largely accruing to shareholders – particularly within investment grade. That said, demand for income will remain a powerful and positive force. From a valuation perspective, bond yields are low and, despite the recent move wider, credit spreads are still close to their long-term averages. Consequently, market returns are expected to be muted in the coming months. Hence, we do not consider this to be a period to be aggressive with overall credit risk.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(1,522)	11,884
Revenue	1,398	1,608
Expenses	(675)	(741)
Interest payable and similar charges	(233)	(188)
Net revenue before taxation	490	679
Taxation	–	–
Net revenue after taxation	490	679
<b>Total return before distributions</b>	<b>(1,032)</b>	<b>12,563</b>
Distributions	(490)	(679)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,522)</b>	<b>11,884</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	–	174,649
<b>Current assets:</b>		
Investments	149,240	–
Debtors	1,137	1,326
Cash and bank balances	5,522	2,805
<b>Total assets</b>	<b>155,899</b>	<b>178,780</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(659)
<b>Creditors:</b>		
Investment liabilities	(771)	–
Bank overdrafts	–	(11)
Other creditors	(3,950)	(1,186)
<b>Total liabilities</b>	<b>(4,721)</b>	<b>(1,856)</b>
<b>Net assets attributable to shareholders</b>	<b>151,178</b>	<b>176,924</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>176,924</b>	<b>194,056</b>
Amounts receivable on the issue of shares	10,231	21,081
Amounts payable on the cancellation of shares	(34,936)	(49,899)
	(24,705)	(28,818)
Dilution adjustment	38	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,522)	11,884
Retained distribution on accumulation shares	443	611
<b>Closing net assets attributable to shareholders</b>	<b>151,178</b>	<b>177,733</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 88 – 89 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.1410	–	0.1410	0.1834
<b>Group 2</b> 08/03/18 to 07/09/18	0.0920	0.0490	0.1410	0.1834
<b>Total distributions in the period</b>			<b>0.1410</b>	<b>0.1834</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.1526	–	0.1526	0.1992
<b>Group 2</b> 08/03/18 to 07/09/18	0.0940	0.0586	0.1526	0.1992
<b>Total distributions in the period</b>			<b>0.1526</b>	<b>0.1992</b>

## Threadneedle European Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.6175	–	0.6175	0.6954
<b>Group 2</b> 08/03/18 to 07/09/18	0.2821	0.3354	0.6175	0.6954
<b>Total distributions in the period</b>			<b>0.6175</b>	<b>0.6954</b>

#### Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.4643	–	0.4643	0.5300
<b>Group 2</b> 08/03/18 to 07/09/18	0.2368	0.2275	0.4643	0.5300
<b>Total distributions in the period</b>			<b>0.4643</b>	<b>0.5300</b>

#### Class Z CHF Hedged – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018
<b>Group 1</b> 08/03/18 to 07/09/18	0.2640	–	0.2640
<b>Group 2</b> 08/03/18 to 07/09/18	0.2640	–	0.2640
<b>Total distributions in the period</b>			<b>0.2640</b>

#### Class Z USD Hedged – Gross accumulation shares\*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018
<b>Group 1</b> 08/03/18 to 07/09/18	0.2650	–	0.2650
<b>Group 2</b> 08/03/18 to 07/09/18	0.2650	–	0.2650
<b>Total distributions in the period</b>			<b>0.2650</b>

Group 2: shares purchased during a distribution period.

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



## Threadneedle European Corporate Bond Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	112.55	108.03	92.36	122.23	117.32	100.25
Return before operating charges (p)	(0.09)	5.83	16.98	(0.08)	6.33	18.43
Operating charges (p)	(0.63)	(1.31)	(1.24)	(0.69)	(1.42)	(1.36)
Return after operating charges (p)*	(0.72)	4.52	15.74	(0.77)	4.91	17.07
Distributions (p)	(0.14)	(0.28)	(0.53)	(0.15)	(0.30)	(0.57)
Retained distributions on accumulation shares (p)**	0.14	0.28	0.46	0.15	0.30	0.57
Closing net asset value per share (p)	111.83	112.55	108.03	121.46	122.23	117.32
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.64)	4.18	17.04	(0.63)	4.19	17.03
<b>Other information</b>						
Closing net asset value (£000)	53,996	66,431	57,528	8,705	9,401	13,158
Closing number of shares	48,282,859	59,025,494	53,252,845	7,167,212	7,691,023	11,215,485
Operating charges (%)**	1.14 <sup>†</sup>	1.18	1.19	1.14 <sup>†</sup>	1.18	1.19
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	114.09	117.72	113.44	123.91	127.85	123.22
Lowest share price (p)	108.72	104.63	92.33	118.07	113.63	100.21
	Class 2 – Gross accumulation shares <sup>5</sup>			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	150.09	143.19	121.59	124.13	118.51	100.85
Return before operating charges (p)	(0.10)	7.74	22.41	(0.09)	6.40	18.54
Operating charges (p)	(0.42)	(0.84)	(0.81)	(0.39)	(0.78)	(0.75)
Return after operating charges (p)*	(0.52)	6.90	21.60	(0.48)	5.62	17.79
Distributions (p)	(0.62)	(1.27)	(1.54)	(0.46)	(0.96)	(1.18)
Retained distributions on accumulation shares (p)**	0.62	1.27	1.54	0.46	0.96	1.05
Closing net asset value per share (p)	149.57	150.09	143.19	123.65	124.13	118.51
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.35)	4.82	17.76	(0.39)	4.74	17.64
<b>Other information</b>						
Closing net asset value (£000)	85,679	98,232	121,387	2,796	2,860	1,983
Closing number of shares	57,283,092	65,449,313	84,775,988	2,261,275	2,304,203	1,673,208
Operating charges (%)**	0.57 <sup>†</sup>	0.57	0.58	0.64 <sup>†</sup>	0.64	0.65
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	152.56	156.50	150.00	126.13	129.48	124.17
Lowest share price (p)	145.07	138.79	121.55	119.97	114.86	100.81

## Threadneedle European Corporate Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares <sup>§</sup> 07/09/2018 <sup>†</sup>	Class Z USD Hedged – Gross accumulation shares <sup>§</sup> 07/09/2018 <sup>†</sup>
<b>Change in net assets per share</b>		
Opening net asset value per share (p)	100.00	100.00
Return before operating charges (p)	4.49	2.69
Operating charges (p)	(0.07)	(0.07)
Return after operating charges (p)*	4.42	2.62
Distributions (p)	(0.26)	(0.27)
Retained distributions on accumulation shares (p)**	0.26	0.27
Closing net asset value per share (p)	104.42	102.62
*after direct transaction costs of (p)	–	–
<b>Performance</b>		
Return after charges (%)	4.42	2.62
<b>Other information</b>		
Closing net asset value (£000)	1	1
Closing number of shares	1,000	1,000
Operating charges (%)***	0.46 <sup>†</sup>	0.46 <sup>†</sup>
Direct transaction costs (%)****	–	–
<b>Prices</b>		
Highest share price (p)	105.51	105.82
Lowest share price (p)	99.05	98.34

\*\*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>Commenced 30 May 2018.

<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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 and are described in those financial statements.

Following the merger, which will take place on 22nd September 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's 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
<b>Class 1 – Accumulation shares</b>	
Opening shares	59,025,494
Shares issued	834,246
Shares redeemed	(11,576,881)
Net conversions	–
Closing shares	<u>48,282,859</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	7,691,023
Shares issued	119,021
Shares redeemed	(385,952)
Net conversions	(256,880)
Closing shares	<u>7,167,212</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	65,449,313
Shares issued	5,854,377
Shares redeemed	(14,229,764)
Net conversions	209,166
Closing shares	<u>57,283,092</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	2,304,203
Shares issued	396,139
Shares redeemed	(439,067)
Net conversions	–
Closing shares	<u>2,261,275</u>
<b>Class Z CHF Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>
<b>Class Z USD Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>

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

## 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 non-investment 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 2018, the published share price of the Threadneedle European High Yield Bond Fund has fallen from 165.07p to 164.41p.

The sterling total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +1.73%, which equates approximately to +1.98% gross of tax and charges\*\* and compares against a return of +1.63% for the ML European Currency High Yield Index 3% constrained ex sub-financials (100% € Hedged). The gross returns equate to approximately +0.84% for the fund and +0.49% for the index when quoted in Euros\*\*.

#### Market Overview and Portfolio Activity

The period under review witnessed a material increase in global trade tensions, particularly between the US and China, but also between the US and its traditional allies. The escalation was initiated by the Trump administration's implementation of protectionist import tariffs, which

subsequently caused a series of back-and-forth retaliations between the US and its affected trading partners. Elsewhere in the political space, Angela Merkel ended a prolonged period of uncertainty in Germany after securing a coalition government with the SPD party in March. The same month, elections in Italy saw the two leading populist parties gain the highest share of the vote, leading to an extended bout of regional volatility as uncertain coalition talks progressed and finally concluded at the end of May.

In the macroeconomic space, the US continued to post very strong economic data and 10-year Treasury yields consequently climbed to five-year highs in May before retreating to close the period just below 3%. However, long-term inflation expectations remained anchored at low levels, resulting in a flattening of the yield curve as the Federal Reserve continued to raise short-term policy rates. In Europe, economic and sentiment data retreated from highs reached at the beginning of the year but remained at elevated levels. The European Central Bank announced its intention to end quantitative easing by the end of 2018, but its broader stance remained very supportive for markets. Interest rates on German bunds moved lower over the period, helped by a risk-off move in May as markets responded to the electoral uncertainty in Italy. At the same time, there was a significant widening of the spread between Italian government bonds and bunds as investors became increasingly concerned over the outlook for the Italian budget deficit.

Overall, it was a mixed period for risk assets. In equity markets, the US outperformed on the back of strong corporate results and robust macroeconomic data; other developed markets were broadly unchanged. Emerging markets were notably weaker, weighed down by country-specific volatility (particularly in Argentina and Turkey) and the wider implications of an increasingly strong US dollar. Commodities succumbed to a combination of emerging-market weakness and global trade-war concerns, and generally ended the period lower. Oil prices bucked the trend on production issues and Iranian sanctions, and the Brent benchmark closed around 20% higher.

The European high yield market was fairly choppy in the opening four months of the period under review. The market hit a low at the beginning of July before rallying through the rest of the month, and ultimately closed the period marginally higher. Spreads over government bonds widened 73 basis points (bps) to close at 384 bps.

In the primary market, we participated in over 25 new issues. The largest of these included SFR, Telefonica and Akelius. In the secondary market, our largest purchases over the period included Teva, Spectrum Brands and Telecom Italia; we also covered a portion of the underweight position in Casino. Against this, we reduced the exposure to Gazprom and SoftBank among others, and exited various positions including Manutecoop, Voyage Care and Maxeda.

Fundamentals remain strong, with growth momentum across the major geographies supporting corporate earnings. Default risk similarly remains benign in the US and Europe. There are mixed signs of inflation and this remains the key pivot point for credit spreads, although volatility has reduced. Valuations are more balanced, with credit spreads in European high yield in the region of 380 bps, having widened around 30% year-to-date. Technicals are balanced: outflows have moderated, and the asset class remains supported by credit rating upgrades, bond-to-loan refinancings and limited new issuance.

In this environment of lower expected 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 prefer the middle part of the credit curve (higher quality B and lower rated BB) and remain underweight in terms of portfolio duration.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(12,292)	47,267
Revenue	14,888	19,496
Expenses	(3,646)	(4,492)
Interest payable and similar charges	(24)	(25)
Net revenue before taxation	11,218	14,979
Taxation	–	–
Net revenue after taxation	11,218	14,979
Total return before distributions	(1,074)	62,246
Distributions	101	(756)
Change in net assets attributable to shareholders from investment activities	(973)	61,490

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	–	616,923
<b>Current assets:</b>		
Investments***	613,393	–
Debtors	12,406	9,784
Cash and bank balances	38,292	18,748
Cash equivalents***	8,894	8,942
Total assets	672,985	654,397
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(89)
<b>Creditors:</b>		
Investment liabilities***	(596)	–
Bank overdrafts	(67)	(221)
Distribution payable	(12)	(4,086)
Other creditors	(1,878)	(2,528)
Total liabilities	(2,553)	(6,924)
<b>Net assets attributable to shareholders</b>	<b>670,432</b>	<b>647,473</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	647,473	774,313
Amounts receivable on the issue of shares	106,004	116,595
Amounts payable on the cancellation of shares	(82,099)	(170,830)
	23,905	(54,235)
Dilution adjustment	27	57
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(973)	61,490
<b>Closing net assets attributable to shareholders</b>	<b>670,432</b>	<b>781,625</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 93 – 96 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

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

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2739	–	0.2739	0.3695
08/04/18 to 07/05/18	0.3404	–	0.3404	0.3836
08/05/18 to 07/06/18	0.3052	–	0.3052	0.3657
08/06/18 to 07/07/18	0.3172	–	0.3172	0.3738
08/07/18 to 07/08/18	0.3218	–	0.3218	0.4503
08/08/18 to 07/09/18	0.3151	–	0.3151	0.3476
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2739	–	0.2739	0.3695
08/04/18 to 07/05/18	0.3404	–	0.3404	0.3836
08/05/18 to 07/06/18	0.3052	–	0.3052	0.3657
08/06/18 to 07/07/18	0.3172	–	0.3172	0.3738
08/07/18 to 07/08/18	0.3218	–	0.3218	0.4503
08/08/18 to 07/09/18	0.3151	–	0.3151	0.3476
<b>Total distributions in the period</b>			<b>1.8736</b>	<b>2.2905</b>

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

## 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 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2680	–	0.2680	–
08/04/18 to 07/05/18	0.3185	–	0.3185	–
08/05/18 to 07/06/18	0.2952	–	0.2952	–
08/06/18 to 07/07/18	0.3027	–	0.3027	0.2573
08/07/18 to 07/08/18	0.3085	–	0.3085	0.4108
08/08/18 to 07/09/18	0.3057	–	0.3057	0.3316
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2680	–	0.2680	–
08/04/18 to 07/05/18	0.3185	–	0.3185	–
08/05/18 to 07/06/18	0.2952	–	0.2952	–
08/06/18 to 07/07/18	0.3027	–	0.3027	0.2573
08/07/18 to 07/08/18	0.3085	–	0.3085	0.4108
08/08/18 to 07/09/18	0.3057	–	0.3057	0.3316
<b>Total distributions in the period</b>			<b>1.7986</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>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	164.48	154.86	125.54	127.96	124.59	104.67
Return before operating charges (p)	0.41	11.90	31.36	0.34	9.61	26.18
Operating charges (p)	(1.08)	(2.28)	(2.04)	(0.84)	(1.85)	(1.71)
Return after operating charges (p)*	(0.67)	9.62	29.32	(0.50)	7.76	24.47
Distributions (p)	–	(5.45)	(5.45)	–	(4.39)	(4.55)
Retained distributions on accumulation shares (p)	–	5.45	5.45	–	–	–
Closing net asset value per share (p)	163.81	164.48	154.86	127.46	127.96	124.59
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.41)	6.21	23.36	(0.39)	6.23	23.38
<b>Other information</b>						
Closing net asset value (£000)	11,040	12,289	13,224	19,189	19,766	26,195
Closing number of shares	6,739,431	7,471,449	8,539,135	15,054,502	15,446,743	21,024,098
Operating charges (%)**	1.33 <sup>†</sup>	1.41	1.42	1.33 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	167.57	170.47	157.16	130.39	137.17	131.07
Lowest share price (p)	159.34	149.65	125.86	123.98	120.42	104.95
	Class 1 USD Hedged – Monthly gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	117.41	131.52	105.19	205.61	193.57	156.92
Return before operating charges (p)	9.86	(8.15)	32.55	0.52	14.89	39.22
Operating charges (p)	(0.86)	(1.76)	(1.71)	(1.35)	(2.85)	(2.57)
Return after operating charges (p)*	9.00	(9.91)	30.84	13.00	12.04	36.65
Distributions (p)	(1.87)	(4.20)	(4.51)	–	(6.82)	(6.83)
Retained distributions on accumulation shares (p)	–	–	–	–	6.82	6.83
Closing net asset value per share (p)	124.54	117.41	131.52	204.78	205.61	193.57
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	7.67	(7.53)	29.32	(0.40)	6.22	23.36
<b>Other information</b>						
Closing net asset value (£000)	4,622	6,875	5,784	358,992	380,410	420,290
Closing number of shares	3,711,274	5,855,170	4,397,907	175,303,027	185,012,344	217,121,210
Operating charges (%)**	1.42 <sup>†</sup>	1.42	1.42	1.33 <sup>†</sup>	1.41	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	128.40	132.39	132.43	209.49	213.10	196.46
Lowest share price (p)	114.43	116.01	104.02	199.19	187.06	157.33

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares <sup>5</sup>			Class 2 – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	131.64	128.16	107.64	261.08	244.27	196.79
Return before operating charges (p)	0.37	9.91	26.98	0.68	18.87	49.31
Operating charges (p)	(0.53)	(1.09)	(1.00)	(1.05)	(2.06)	(1.83)
Return after operating charges (p)*	(0.16)	8.82	25.98	(0.37)	16.81	47.48
Distributions (p)	–	(5.34)	(5.46)	–	(10.18)	(9.98)
Retained distributions on accumulation shares (p)	–	–	–	–	10.18	9.98
Closing net asset value per share (p)	131.48	131.64	128.16	260.71	261.08	244.27
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.12)	6.88	24.14	(0.14)	6.88	24.13
<b>Other information</b>						
Closing net asset value (£000)	52,158	50,916	49,573	117,917	104,840	175,020
Closing number of shares	39,670,760	38,676,920	38,679,927	45,228,477	40,156,155	71,649,568
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)	134.48	141.52	135.32	266.66	269.69	247.38
Lowest share price (p)	127.62	123.96	107.93	253.06	236.22	197.30
	Class 2 CHF Hedged – Gross accumulation shares <sup>5</sup>			Class N USD Hedged – Monthly gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>1</sup>	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	155.44	159.04	126.24	91.90	100.00	
Return before operating charges (p)	6.09	(2.32)	33.99	7.69	(4.90)	
Operating charges (p)	(0.63)	(1.28)	(1.19)	(0.34)	(0.37)	
Return after operating charges (p)*	5.46	(3.60)	32.80	7.35	(5.27)	
Distributions (p)	–	(6.29)	(6.45)	(1.80)	(2.83)	
Retained distributions on accumulation shares (p)	–	6.29	6.45	–	–	
Closing net asset value per share (p)	160.90	155.44	159.04	97.45	91.90	
*after direct transaction costs of (p)	–	–	–	–	–	
<b>Performance</b>						
Return after charges (%)	3.51	(2.26)	25.98	8.00	(5.27)	
<b>Other information</b>						
Closing net asset value (£000)	202	208	216	10	9	
Closing number of shares	125,326	133,581	135,581	10,001	10,001	
Operating charges (%)**	0.81 <sup>†</sup>	0.81	0.81	0.72 <sup>†</sup>	0.72 <sup>†</sup>	
Direct transaction costs (%)***	–	–	–	–	–	
<b>Prices</b>						
Highest share price (p)	162.89	165.04	160.61	100.50	100.96	
Lowest share price (p)	148.00	151.92	126.15	89.58	90.84	

## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross income shares <sup>5</sup>			Class X – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	124.97	121.65	102.12	110.37	102.51	81.98
Return before operating charges (p)	0.35	9.45	25.68	0.28	7.92	20.59
Operating charges (p)	(0.04)	(0.08)	(0.07)	(0.03)	(0.06)	(0.06)
Return after operating charges (p)*	0.31	9.37	25.61	0.25	7.86	20.53
Distributions (p)	–	(6.05)	(6.08)	–	(5.11)	(4.88)
Retained distributions on accumulation shares (p)	–	–	–	–	5.11	4.88
Closing net asset value per share (p)	125.28	124.97	121.65	110.62	110.37	102.51
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.25	7.70	25.08	0.23	7.67	25.04
<b>Other information</b>						
Closing net asset value (£000)	18,969	18,921	48,410	2,754	3	2,612
Closing number of shares	15,141,036	15,141,036	39,793,817	2,489,543	3,000	2,547,563
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06	0.05 <sup>†</sup>	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	128.11	134.82	129.01	113.12	113.58	103.54
Lowest share price (p)	121.23	117.77	102.40	107.06	99.22	82.19
	Class Z – Accumulation shares			Class Z – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	129.63	121.21	97.56	123.99	120.72	101.40
Return before operating charges (p)	0.33	9.35	24.47	0.34	9.32	25.39
Operating charges (p)	(0.47)	(0.93)	(0.82)	(0.45)	(0.92)	(0.84)
Return after operating charges (p)*	(0.14)	8.42	23.65	(0.11)	8.40	24.55
Distributions (p)	–	(5.15)	(5.07)	–	(5.13)	(5.23)
Retained distributions on accumulation shares (p)	–	5.15	5.07	–	–	–
Closing net asset value per share (p)	129.49	129.63	121.21	123.88	123.99	120.72
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.11)	6.95	24.24	(0.09)	6.96	24.21
<b>Other information</b>						
Closing net asset value (£000)	31,010	14,898	5,339	12,461	9,683	5,738
Closing number of shares	23,947,997	11,492,769	4,404,467	10,058,727	7,809,047	4,753,175
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)	132.44	133.87	122.72	126.70	133.36	127.52
Lowest share price (p)	125.66	117.22	97.81	120.21	116.77	101.67



## Threadneedle European High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross income shares <sup>5</sup>			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	115.05	122.67	101.45	156.04	145.93	117.49
Return before operating charges (p)	4.51	(1.79)	27.36	0.41	11.23	29.43
Operating charges (p)	(0.42)	(0.89)	(0.87)	(0.57)	(1.12)	(0.99)
Return after operating charges (p)*	4.09	(2.68)	26.49	(0.16)	10.11	28.44
Distributions (p)	–	(4.94)	(5.27)	–	(6.19)	(6.06)
Retained distributions on accumulation shares (p)	–	–	–	–	6.19	6.06
Closing net asset value per share (p)	119.14	115.05	122.67	155.88	156.04	145.93
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.55	(2.18)	26.11	(0.10)	6.93	24.21
<b>Other information</b>						
Closing net asset value (£000)	225	217	211	40,079	27,218	20,243
Closing number of shares	188,754	188,754	172,031	25,712,224	17,443,181	13,872,306
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73	0.73 <sup>1</sup>	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	120.61	127.36	129.18	159.43	161.16	147.73
Lowest share price (p)	109.55	117.25	101.41	151.25	141.13	117.80
	Class Z CHF Hedged – Gross accumulation shares <sup>5</sup>			Class Z USD Hedged – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	127.05	129.90	103.00	120.03	128.98	100.00
Return before operating charges (p)	4.97	(1.91)	27.78	10.09	(8.05)	29.69
Operating charges (p)	(0.46)	(0.94)	(0.88)	(0.45)	(0.90)	(0.71)
Return after operating charges (p)*	4.51	(2.85)	26.90	9.64	(8.95)	28.98
Distributions (p)	–	(5.24)	(5.35)	–	(5.06)	(4.40)
Retained distributions on accumulation shares (p)	–	5.24	5.35	–	5.06	4.40
Closing net asset value per share (p)	131.56	127.05	129.90	129.67	120.03	128.98
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.55	(2.19)	26.12	8.03	(6.94)	28.98
<b>Other information</b>						
Closing net asset value (£000)	791	1,208	1,445	13	12	13
Closing number of shares	601,145	950,738	1,112,754	10,000	10,000	10,000
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73	0.72 <sup>1</sup>	0.72	0.72 <sup>1</sup>
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	133.18	134.85	131.15	133.29	129.81	129.50
Lowest share price (p)	120.98	124.15	102.97	117.08	117.89	98.70

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

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

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

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

<sup>2</sup>Commenced 4 May 2016.

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

# Threadneedle European High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 and are described in those financial statements.

Following the merger, which will take place on 6th October 2018, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the fund's 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		2018
<b>Class 1 – Accumulation shares</b>		<b>Class 2 CHF Hedged – Gross accumulation shares</b>	
Opening shares	7,471,449	Opening shares	133,581
Shares issued	461,547	Shares issued	–
Shares redeemed	(1,193,565)	Shares redeemed	(8,255)
Net conversions	–	Net conversions	–
Closing shares	<u>6,739,431</u>	Closing shares	<u>125,326</u>
<b>Class 1 – Gross income shares</b>		<b>Class N USD Hedged – Monthly gross income shares</b>	
Opening shares	15,446,743	Opening shares	10,001
Shares issued	2,312,989	Shares issued	–
Shares redeemed	(2,629,503)	Shares redeemed	–
Net conversions	(75,727)	Net conversions	–
Closing shares	<u>15,054,502</u>	Closing shares	<u>10,001</u>
<b>Class 1 USD Hedged – Monthly gross income shares</b>		<b>Class X – Gross income shares</b>	
Opening shares	5,855,170	Opening shares	15,141,036
Shares issued	–	Shares issued	–
Shares redeemed	(2,143,896)	Shares redeemed	–
Net conversions	–	Net conversions	–
Closing shares	<u>3,711,274</u>	Closing shares	<u>15,141,036</u>
<b>Class 1 – Gross accumulation shares</b>		<b>Class X – Gross accumulation shares</b>	
Opening shares	185,012,344	Opening shares	3,000
Shares issued	9,151,208	Shares issued	2,486,543
Shares redeemed	(18,536,525)	Shares redeemed	–
Net conversions	(324,000)	Net conversions	–
Closing shares	<u>175,303,027</u>	Closing shares	<u>2,489,543</u>
<b>Class 2 – Gross income shares</b>		<b>Class Z – Accumulation shares</b>	
Opening shares	38,676,920	Opening shares	11,492,769
Shares issued	1,049,638	Shares issued	13,417,520
Shares redeemed	(55,798)	Shares redeemed	(974,312)
Net conversions	–	Net conversions	12,020
Closing shares	<u>39,670,760</u>	Closing shares	<u>23,947,997</u>
<b>Class 2 – Gross accumulation shares</b>		<b>Class Z – Gross income shares</b>	
Opening shares	40,156,155	Opening shares	7,809,047
Shares issued	14,594,009	Shares issued	5,332,143
Shares redeemed	(8,096,702)	Shares redeemed	(3,187,717)
Net conversions	(1,424,985)	Net conversions	105,254
Closing shares	<u>45,228,477</u>	Closing shares	<u>10,058,727</u>
		<b>Class Z CHF Hedged – Gross income shares</b>	
		Opening shares	188,754
		Shares issued	–
		Shares redeemed	–
		Net conversions	–
		Closing shares	<u>188,754</u>
		<b>Class Z – Gross accumulation shares</b>	
		Opening shares	17,443,181
		Shares issued	12,592,702
		Shares redeemed	(7,102,417)
		Net conversions	2,778,758
		Closing shares	<u>25,712,224</u>
		<b>Class Z CHF Hedged – Gross accumulation shares</b>	
		Opening shares	950,738
		Shares issued	–
		Shares redeemed	(349,593)
		Net conversions	–
		Closing shares	<u>601,145</u>
		<b>Class Z USD Hedged – Gross accumulation shares</b>	
		Opening shares	10,000
		Shares issued	–
		Shares redeemed	–
		Net conversions	–
		Closing shares	<u>10,000</u>

## 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 2018, the published share price of the Threadneedle Strategic Bond Fund has fallen from 46.69p to 45.80p.

The total return on the fund for the six months ending 31 August 2018, including net reinvested income, is -0.37%, which equates approximately to +0.46% gross of tax and charges\*\*. This compares against a return of +0.91% for a composite index of 60% iBoxx Sterling Non Gilts Index & 40% ML European Currency High Yield Index 3% constrained B-BB (100% £ Hedged).

#### Market Overview and Portfolio Activity

The six months under review were a challenging period for corporate bonds. 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 European investment-grade and high-yield markets.

US Treasury yields finished slightly higher, underpinned by anticipation that the Federal Reserve would continue its programme of interest-rate rises to stop the strong US economy from overheating. German government bond yields were down over the period, as were UK gilt yields, albeit to a lesser extent. This was due in part to political uncertainty in Europe and relatively low expectations for the pace of rate hikes by the Bank of England (BoE) and European Central Bank (ECB).

Meanwhile, reduced appetite for risk in fixed-income markets helped to push 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 EU.

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. Investors subsequently worried that the new coalition would breach EU budget-deficit rules. In Spain, the prime minister was ousted in a vote of no confidence, though this had much less of an impact on markets. In Germany, a row over how to handle the migrant crisis appeared close to splitting that country's own fragile coalition. More recently, the Turkish lira has fallen heavily on fears for the Turkish economy under President Erdogan's autocratic regime.

In terms of monetary policy, there was further divergence between the US and Europe. The Federal Reserve 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 disappointing economic data dissuaded the BoE's Monetary Policy Committee from raising rates in May. However, satisfied that harsh

weather had been to blame for the poor data, the MPC voted unanimously for a hike in August.

Against this background, spreads in the UK investment-grade and European high-yield credit markets respectively widened by around 13 basis points (bps) and 73 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, Syngenta, Becton Dickinson, Bayer, and State Grid Overseas Investment. We were also active in the secondary market, adding new exposure to InterGen and Tencent, for example, and increasing a range of existing holdings, including APT Pipelines, GKN and Newriver REIT. On the other side, we reduced exposure to a number of issuers, such as Teva Pharmaceutical and Grand City Properties, and exited others, including ALG and Global Switch.

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, investment-grade credit spreads are still only around their long-term historic averages. In the high-yield market, valuations are now more balanced, with spreads having widened to around 384 bps by the end of the period; outflows have also moderated and the asset class remains supported by credit-rating 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 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(3,254)	2,061
Revenue	5,193	5,587
Expenses	(1,091)	(1,160)
Interest payable and similar charges	(1,140)	(885)
Net revenue before taxation	2,962	3,542
Taxation	–	–
Net revenue after taxation	2,962	3,542
<b>Total return before distributions</b>	<b>(292)</b>	<b>5,603</b>
Distributions	(3,911)	(4,559)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(4,203)</b>	<b>1,044</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	233,834	236,257
<b>Current assets:</b>		
Debtors	3,363	3,443
Cash and bank balances	15,653	9,107
<b>Total assets</b>	<b>252,850</b>	<b>248,807</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(3,278)</b>	<b>(4,952)</b>
<b>Creditors:</b>		
Bank overdrafts	(721)	–
Distribution payable	(393)	(381)
Other creditors	(567)	(1,090)
<b>Total liabilities</b>	<b>(4,959)</b>	<b>(6,423)</b>
<b>Net assets attributable to shareholders</b>	<b>247,891</b>	<b>242,384</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>242,384</b>	<b>245,823</b>
Amounts receivable on the issue of shares	20,216	14,094
Amounts payable on the cancellation of shares	(12,023)	(19,953)
	8,193	(5,859)
Dilution adjustment	34	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,203)	1,044
Retained distribution on accumulation shares	1,480	1,844
Unclaimed distributions	3	2
<b>Closing net assets attributable to shareholders</b>	<b>247,891</b>	<b>242,854</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 100 – 101 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1218	–	0.1218	0.1368
08/04/18 to 07/05/18	0.1445	–	0.1445	0.1392
08/05/18 to 07/06/18	0.1117	–	0.1117	0.1342
08/06/18 to 07/07/18	0.1167	–	0.1167	0.1433
08/07/18 to 07/08/18	0.1160	–	0.1160	0.1734
08/08/18 to 07/09/18	0.1125	–	0.1125	0.1374
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0746	0.0472	0.1218	0.1368
08/04/18 to 07/05/18	0.0290	0.1155	0.1445	0.1392
08/05/18 to 07/06/18	0.0651	0.0466	0.1117	0.1342
08/06/18 to 07/07/18	0.0455	0.0712	0.1167	0.1433
08/07/18 to 07/08/18	0.0651	0.0509	0.1160	0.1734
08/08/18 to 07/09/18	0.0270	0.0855	0.1125	0.1374
<b>Total distributions in the period</b>			<b>0.7232</b>	<b>0.8643</b>

# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1220	–	0.1220	0.1370
08/04/18 to 07/05/18	0.1448	–	0.1448	0.1395
08/05/18 to 07/06/18	0.1119	–	0.1119	0.1344
08/06/18 to 07/07/18	0.1168	–	0.1168	0.1436
08/07/18 to 07/08/18	0.1163	–	0.1163	0.1737
08/08/18 to 07/09/18	0.1127	–	0.1127	0.1376
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1019	0.0201	0.1220	0.1370
08/04/18 to 07/05/18	0.0383	0.1065	0.1448	0.1395
08/05/18 to 07/06/18	0.0364	0.0755	0.1119	0.1344
08/06/18 to 07/07/18	0.0536	0.0632	0.1168	0.1436
08/07/18 to 07/08/18	0.0963	0.0200	0.1163	0.1737
08/08/18 to 07/09/18	0.0527	0.0600	0.1127	0.1376
<b>Total distributions in the period</b>			<b>0.7245</b>	<b>0.8658</b>

### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1371	–	0.1371	0.1526
08/04/18 to 07/05/18	0.1616	–	0.1616	0.1553
08/05/18 to 07/06/18	0.1262	–	0.1262	0.1500
08/06/18 to 07/07/18	0.1314	–	0.1314	0.1598
08/07/18 to 07/08/18	0.1310	–	0.1310	0.1925
08/08/18 to 07/09/18	0.1272	–	0.1272	0.1536
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0377	0.0994	0.1371	0.1526
08/04/18 to 07/05/18	0.0218	0.1398	0.1616	0.1553
08/05/18 to 07/06/18	0.0070	0.1192	0.1262	0.1500
08/06/18 to 07/07/18	0.0029	0.1285	0.1314	0.1598
08/07/18 to 07/08/18	0.0021	0.1289	0.1310	0.1925
08/08/18 to 07/09/18	–	0.1272	0.1272	0.1536
<b>Total distributions in the period</b>			<b>0.8145</b>	<b>0.9638</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1448	–	0.1448	0.1612
08/04/18 to 07/05/18	0.1707	–	0.1707	0.1641
08/05/18 to 07/06/18	0.1333	–	0.1333	0.1584
08/06/18 to 07/07/18	0.1388	–	0.1388	0.1688
08/07/18 to 07/08/18	0.1384	–	0.1384	0.2034
08/08/18 to 07/09/18	0.1343	–	0.1343	0.1623
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0544	0.0904	0.1448	0.1612
08/04/18 to 07/05/18	0.1707	–	0.1707	0.1641
08/05/18 to 07/06/18	0.0370	0.0963	0.1333	0.1584
08/06/18 to 07/07/18	0.0286	0.1102	0.1388	0.1688
08/07/18 to 07/08/18	0.1180	0.0204	0.1384	0.2034
08/08/18 to 07/09/18	0.0043	0.1300	0.1343	0.1623
<b>Total distributions in the period</b>			<b>0.8603</b>	<b>1.0182</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3212	–	0.3212	0.3452
08/04/18 to 07/05/18	0.3795	–	0.3795	0.3522
08/05/18 to 07/06/18	0.2974	–	0.2974	0.3412
08/06/18 to 07/07/18	0.3103	–	0.3103	0.3644
08/07/18 to 07/08/18	0.3103	–	0.3103	0.4406
08/08/18 to 07/09/18	0.3019	–	0.3019	0.3530
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2227	0.0985	0.3212	0.3452
08/04/18 to 07/05/18	0.1623	0.2172	0.3795	0.3522
08/05/18 to 07/06/18	0.1370	0.1604	0.2974	0.3412
08/06/18 to 07/07/18	0.0703	0.2400	0.3103	0.3644
08/07/18 to 07/08/18	0.2690	0.0413	0.3103	0.4406
08/08/18 to 07/09/18	0.1220	0.1799	0.3019	0.3530
<b>Total distributions in the period</b>			<b>1.9206</b>	<b>2.1966</b>

### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2675	–	0.2675	0.2979
08/04/18 to 07/05/18	0.3165	–	0.3165	0.3034
08/05/18 to 07/06/18	0.2458	–	0.2458	0.2927
08/06/18 to 07/07/18	0.2563	–	0.2563	0.3124
08/07/18 to 07/08/18	0.2555	–	0.2555	0.3776
08/08/18 to 07/09/18	0.2477	–	0.2477	0.3000
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0855	0.1820	0.2675	0.2979
08/04/18 to 07/05/18	0.2249	0.0916	0.3165	0.3034
08/05/18 to 07/06/18	0.1183	0.1275	0.2458	0.2927
08/06/18 to 07/07/18	0.1354	0.1209	0.2563	0.3124
08/07/18 to 07/08/18	0.1012	0.1543	0.2555	0.3776
08/08/18 to 07/09/18	0.0966	0.1511	0.2477	0.3000
<b>Total distributions in the period</b>			<b>1.5893</b>	<b>1.8840</b>

### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2675	–	0.2675	0.2979
08/04/18 to 07/05/18	0.3165	–	0.3165	0.3034
08/05/18 to 07/06/18	0.2458	–	0.2458	0.2927
08/06/18 to 07/07/18	0.2563	–	0.2563	0.3124
08/07/18 to 07/08/18	0.2554	–	0.2554	0.3776
08/08/18 to 07/09/18	0.2478	–	0.2478	0.3000
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0774	0.1901	0.2675	0.2979
08/04/18 to 07/05/18	0.2961	0.0204	0.3165	0.3034
08/05/18 to 07/06/18	0.1778	0.0680	0.2458	0.2927
08/06/18 to 07/07/18	0.1524	0.1039	0.2563	0.3124
08/07/18 to 07/08/18	0.0954	0.1600	0.2554	0.3776
08/08/18 to 07/09/18	0.1613	0.0865	0.2478	0.3000
<b>Total distributions in the period</b>			<b>1.5893</b>	<b>1.8840</b>

### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3436	–	0.3436	0.3698
08/04/18 to 07/05/18	0.4076	–	0.4076	0.3776
08/05/18 to 07/06/18	0.3176	–	0.3176	0.3654
08/06/18 to 07/07/18	0.3320	–	0.3320	0.3911
08/07/18 to 07/08/18	0.3316	–	0.3316	0.4742
08/08/18 to 07/09/18	0.3226	–	0.3226	0.3782
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1751	0.1685	0.3436	0.3698
08/04/18 to 07/05/18	0.2904	0.1172	0.4076	0.3776
08/05/18 to 07/06/18	0.1999	0.1177	0.3176	0.3654
08/06/18 to 07/07/18	0.1717	0.1603	0.3320	0.3911
08/07/18 to 07/08/18	0.2651	0.0665	0.3316	0.4742
08/08/18 to 07/09/18	0.0491	0.2735	0.3226	0.3782
<b>Total distributions in the period</b>			<b>2.0550</b>	<b>2.3563</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	46.43	47.31	44.58	46.51	47.39	44.66
Return before operating charges (p)	0.16	1.41	5.28	0.16	1.41	5.29
Operating charges (p)	(0.33)	(0.68)	(0.66)	(0.33)	(0.68)	(0.66)
Return after operating charges (p)*	(0.17)	0.73	4.62	(0.17)	0.73	4.63
Distributions (p)	(0.72)	(1.61)	(1.89)	(0.72)	(1.61)	(1.90)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	45.54	46.43	47.31	45.62	46.51	47.39
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.37)	1.54	10.36	(0.37)	1.54	10.37
<b>Other information</b>						
Closing net asset value (£000)	31,069	33,385	38,890	8,138	8,838	20,802
Closing number of shares	68,229,885	71,906,636	82,205,604	17,839,336	19,002,136	43,892,083
Operating charges (%)**	1.43 <sup>†</sup>	1.43	1.42	1.43 <sup>†</sup>	1.43	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	46.60	47.88	47.90	46.69	47.97	48.02
Lowest share price (p)	45.73	46.62	44.86	45.81	46.71	44.95
	Class 2 – Income shares			Class 2 – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	50.36	51.06	47.88	53.20	53.94	50.58
Return before operating charges (p)	0.18	1.52	5.69	0.19	1.60	6.00
Operating charges (p)	(0.21)	(0.42)	(0.41)	(0.22)	(0.44)	(0.43)
Return after operating charges (p)*	(0.03)	1.10	5.28	(0.03)	1.16	5.57
Distributions (p)	(0.81)	(1.80)	(2.10)	(0.86)	(1.90)	(2.21)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	49.52	50.36	51.06	52.31	53.20	53.94
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.06)	2.15	11.03	(0.06)	2.15	11.01
<b>Other information</b>						
Closing net asset value (£000)	6,948	7,114	7,361	4,250	4,259	3,187
Closing number of shares	14,029,898	14,125,014	14,416,041	8,125,036	8,007,233	5,908,908
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.81	0.82 <sup>†</sup>	0.82	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	50.56	51.75	51.58	53.40	54.67	54.52
Lowest share price (p)	49.69	50.58	48.18	52.49	53.42	50.90

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares <sup>5</sup>			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	117.95	115.46	103.86	100.58	101.82	95.33
Return before operating charges (p)	0.42	3.46	12.50	0.35	3.04	11.32
Operating charges (p)	(0.49)	(0.97)	(0.90)	(0.37)	(0.76)	(0.73)
Return after operating charges (p)*	(0.07)	2.49	11.60	(0.02)	2.28	10.59
Distributions (p)	(1.92)	(4.14)	(4.64)	(1.59)	(3.52)	(4.10)
Retained distributions on accumulation shares (p)	1.92	4.14	4.64	–	–	–
Closing net asset value per share (p)	117.88	117.95	115.46	98.97	100.58	101.82
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.06)	2.16	11.17	(0.02)	2.24	11.11
<b>Other information</b>						
Closing net asset value (£000)	87,391	89,609	97,833	49,954	54,494	62,169
Closing number of shares	74,134,043	75,969,699	84,732,217	50,474,855	54,181,845	61,057,794
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.81	0.74 <sup>†</sup>	0.74	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	118.65	119.67	115.94	100.97	103.23	102.77
Lowest share price (p)	117.45	115.55	104.53	99.28	100.99	95.94
	Class Z – Gross income shares <sup>5</sup>			Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	100.58	101.82	95.33	129.19	126.37	113.58
Return before operating charges (p)	0.35	3.04	11.32	0.45	3.78	13.68
Operating charges (p)	(0.37)	(0.76)	(0.73)	(0.48)	(0.96)	(0.89)
Return after operating charges (p)*	(0.02)	2.28	10.59	(0.03)	2.82	12.79
Distributions (p)	(1.59)	(3.52)	(4.10)	(2.06)	(4.44)	(4.98)
Retained distributions on accumulation shares (p)	–	–	–	2.06	4.44	4.98
Closing net asset value per share (p)	98.97	100.58	101.82	129.16	129.19	126.37
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(0.02)	2.24	11.11	(0.02)	2.23	11.26
<b>Other information</b>						
Closing net asset value (£000)	56,898	41,356	12,965	3,243	3,329	2,616
Closing number of shares	57,490,354	41,118,844	12,733,590	2,511,261	2,576,480	2,070,242
Operating charges (%)**	0.74 <sup>†</sup>	0.74	0.73	0.74 <sup>†</sup>	0.74	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	100.97	103.23	102.84	129.96	131.06	126.89
Lowest share price (p)	99.28	100.99	95.94	128.67	126.46	114.32

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

## Threadneedle Strategic Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	71,906,636
Shares issued	944,144
Shares redeemed	(4,556,689)
Net conversions	(64,206)
Closing shares	<u>68,229,885</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	19,002,136
Shares issued	667,555
Shares redeemed	(1,806,702)
Net conversions	(23,653)
Closing shares	<u>17,839,336</u>
<b>Class 2 – Income shares</b>	
Opening shares	14,125,014
Shares issued	32,861
Shares redeemed	(127,977)
Net conversions	–
Closing shares	<u>14,029,898</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	8,007,233
Shares issued	257,570
Shares redeemed	(139,767)
Net conversions	–
Closing shares	<u>8,125,036</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	75,969,699
Shares issued	1,879,508
Shares redeemed	(3,715,164)
Net conversions	–
Closing shares	<u>74,134,043</u>
<b>Class Z – Income shares</b>	
Opening shares	54,181,845
Shares issued	484,921
Shares redeemed	(4,221,487)
Net conversions	29,576
Closing shares	<u>50,474,855</u>
<b>Class Z – Gross income shares</b>	
Opening shares	41,118,844
Shares issued	16,511,677
Shares redeemed	(151,073)
Net conversions	10,906
Closing shares	<u>57,490,354</u>

	2018
<b>Class Z – Gross accumulation shares</b>	
Opening shares	2,576,480
Shares issued	84,894
Shares redeemed	(150,113)
Net conversions	–
Closing shares	<u>2,511,261</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 2018, the published share price of the Threadneedle American Fund has risen from 282.61p to 322.58p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is 13.23% as compared to a median return of +13.28% over the same period. (For information the S&P 500 Composite Index returned +14.45% over the same period).

#### Market Overview and Portfolio Activity

US equities made solid gains during the period under the review, as persistently strong economic markers and corporate results in the US overcame fears around trade wars, sanctions and political uncertainty in Europe.

Earlier in the period, US President Donald Trump unsettled markets by pulling out of the Iran nuclear deal and aiming various new import tariffs at China and Europe. Subsequently, with the Turkish lira already in freefall, President Trump ramped up an ongoing diplomatic row with the country by doubling import tariffs on Turkish steel and aluminium.

Trade war fears continued to wax and wane. The US-China talks in August achieved little, but towards the end of the period news of a deal between the US and Mexico provided a tailwind for equities. As August drew to a close, US stocks weakened somewhat as reports emerged that Trump intended to press ahead with more tariffs against China, but this was not enough to erase earlier gains.

The US economy continued to provide support for equities. Job-creation figures remained strong and unemployment fell to an 18-year low in May. Strong earnings reports from US companies and an unexpectedly high GDP number added more fuel to the rally. By the end of the period, almost all of the S&P 500 constituents had posted their results and were on track for an average earnings growth of around 25%. Second-quarter GDP growth was revised up to an annualised rate of 4.2% (from the initial estimate of 4.1%). The robust backdrop saw the Federal Reserve take a more hawkish turn. The central bank raised interest rates in June as expected, but also increased its projections for the pace of future rate hikes.

New positions over the period included Thermo Fisher, Nvidia, Mondelez, Xylem, Steel Dynamics, and BioMarin Pharmaceutical, among others.

A leading maker of scientific instruments, Thermo Fisher should be able to maintain or accelerate its organic growth rate, following recent acquisitions. Earnings could exceed expectations given the recent deals and impressive sales growth. Thermo Fisher is also reasonably priced, with room for modest multiple expansion.

Nvidia designs chip and graphics-processing units. Demand for semiconductors has grown rapidly in recent years, as machines and devices worldwide have become ever-more data intensive. The growth of technologies including autonomous vehicles, the internet of things and AI promises to drive semiconductor demand further, and companies such as Nvidia should among be the key beneficiaries. With the next gaming-upgrade cycle imminent,

Nvidia is well placed to exceed consensus results estimates over the next year.

Strong Q2 results, including beats on organic growth and margins, show that Mondelez's turnaround is on track. The company is exposed to relatively fast-growing markets and is trading at historically cheap levels.

Occupying a strong position in water management, Xylem is growing faster than its broader sector thanks to new products and technologies. The company should continue to see margin expansion through 2020. Steel Dynamics is a quality business supported by a strong economic backdrop. The stock is trading at a discount to company fundamentals and does not reflect current steel prices.

BioMarin is trading at levels that don't fully price in the company's pipeline. The business is likely to pick up further momentum with the forthcoming commercial launch of products such as Pegvaliase, which gained approval from the US Food and Drug Administration at the end of May.

Sales included Micron Technology, Tapestry, Berkshire Hathaway, Pfizer and Halliburton.

Looking ahead, the backdrop remains very supportive for US equities. These are set to benefit domestically from strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronised global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	312,118	9,002
Revenue	19,445	18,469
Expenses	(12,746)	(12,020)
Interest payable and similar charges	(7)	(6)
Net revenue before taxation	6,692	6,443
Taxation	(2,616)	(2,553)
Net revenue after taxation	4,076	3,890
<b>Total return before equalisation</b>	<b>316,194</b>	<b>12,892</b>
Equalisation	18	389
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>316,212</b>	<b>13,281</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	2,654,576	2,317,382
<b>Current assets:</b>		
Debtors	31,491	26,879
Cash and bank balances	21,865	38,146
Cash equivalents**	2,367	4,361
Total assets	2,710,299	2,386,768
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(83)	(4)
<b>Creditors:</b>		
Distribution payable	–	(108)
Other creditors	(5,884)	(9,210)
Total liabilities	(5,967)	(9,322)
<b>Net assets attributable to shareholders</b>	<b>2,704,332</b>	<b>2,377,446</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,377,446</b>	<b>2,166,311</b>
Amounts receivable on the issue of shares	726,586	387,594
Amounts payable on the cancellation of shares	(715,912)	(251,871)
	10,674	135,723
Dilution adjustment	–	134
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	316,212	13,281
<b>Closing net assets attributable to shareholders</b>	<b>2,704,332</b>	<b>2,315,449</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 104 – 107 for comparative tables.

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



## Threadneedle American Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	285.17	270.62	195.74	304.69
Return before operating charges (p)	39.69	19.00	78.60	18.34
Operating charges (p)	(2.38)	(4.45)	(3.66)	(0.55)
Return after operating charges (p)*	37.31	14.55	74.94	17.79
Distributions (p)	–	–	(0.06)	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	322.48	285.17	270.62	322.48
*after direct transaction costs of (p)	0.07	0.21	0.37	0.04
<b>Performance</b>				
Return after charges (%)	13.08	5.38	38.29	5.84
<b>Other information</b>				
Closing net asset value (£000)	1,290	4,803	6,091	4,136
Closing number of shares	400,193	1,684,411	2,250,851	1,282,636
Operating charges (%)**	1.64 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.05	0.08	0.16	0.05
<b>Prices</b>				
Highest share price (p)	331.24	295.25	271.22	331.24
Lowest share price (p)	264.90	254.18	192.15	297.95
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	285.25	270.69	195.75	304.78
Return before operating charges (p)	39.74	19.02	78.60	18.34
Operating charges (p)	(2.42)	(4.46)	(3.66)	(0.55)
Return after operating charges (p)*	37.32	14.56	74.94	17.79
Distributions (p)	–	–	(0.06)	–
Retained distributions on accumulation shares (p)	–	–	0.06	–
Closing net asset value per share (p)	322.57	285.25	270.69	322.57
*after direct transaction costs of (p)	0.08	0.21	0.37	0.04
<b>Performance</b>				
Return after charges (%)	13.08	5.38	38.28	5.84
<b>Other information</b>				
Closing net asset value (£000)	409,087	485,728	583,445	39,412
Closing number of shares	126,822,514	170,279,598	215,539,877	12,218,128
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.05	0.08	0.16	0.05
<b>Prices</b>				
Highest share price (p)	331.33	295.32	271.23	331.33
Lowest share price (p)	264.98	254.24	192.15	298.03

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>			07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	304.78			312.10	258.59	196.48
Return before operating charges (p)	18.34			16.43	58.21	65.76
Operating charges (p)	(0.55)			(2.52)	(4.70)	(3.65)
Return after operating charges (p)*	17.79			13.91	53.51	62.11
Distributions (p)	–			–	–	(0.07)
Retained distributions on accumulation shares (p)	–			–	–	0.07
Closing net asset value per share (p)	322.57			326.01	312.10	258.59
*after direct transaction costs of (p)	0.04			0.08	0.23	0.37
<b>Performance</b>						
Return after charges (%)	5.84			4.46	20.69	31.61
<b>Other information</b>						
Closing net asset value (£000)	131,497			6,573	4,750	3,157
Closing number of shares	40,765,832			2,016,114	1,522,027	1,220,851
Operating charges (%)**	1.63 <sup>†</sup>			1.62 <sup>†</sup>	1.63	1.62
Direct transaction costs (%)***	0.05			0.05	0.08	0.16
<b>Prices</b>						
Highest share price (p)	331.33			333.94	323.85	258.60
Lowest share price (p)	298.03			286.30	245.95	193.21
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	321.97	303.79	218.43	344.55		
Return before operating charges (p)	44.96	21.45	88.01	21.00		
Operating charges (p)	(1.78)	(3.27)	(2.65)	(0.40)		
Return after operating charges (p)*	43.18	18.18	85.36	20.60		
Distributions (p)	–	(0.85)	(1.53)	–		
Retained distributions on accumulation shares (p)	–	0.85	1.53	–		
Closing net asset value per share (p)	365.15	321.97	303.79	365.15		
*after direct transaction costs of (p)	0.09	0.24	0.42	0.04		
<b>Performance</b>						
Return after charges (%)	13.41	5.98	39.08	5.98		
<b>Other information</b>						
Closing net asset value (£000)	1,011,167	1,235,583	1,000,698	110,048		
Closing number of shares	276,919,928	383,761,073	329,406,571	30,137,928		
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.05	1.06 <sup>†</sup>		
Direct transaction costs (%)***	0.05	0.08	0.16	0.05		
<b>Prices</b>						
Highest share price (p)	375.05	333.15	304.37	375.05		
Lowest share price (p)	299.22	285.52	214.42	336.99		

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares			Class X – Accumulation shares		
	07/09/2018 <sup>1</sup>			07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	344.55			345.57	322.85	229.83
Return before operating charges (p)	21.00			48.47	22.92	93.14
Operating charges (p)	(0.40)			(0.11)	(0.20)	(0.12)
Return after operating charges (p)*	20.60			48.36	22.72	93.02
Distributions (p)	–			–	(4.20)	(4.30)
Retained distributions on accumulation shares (p)	–			–	4.20	4.30
Closing net asset value per share (p)	365.15			393.93	345.57	322.85
*after direct transaction costs of (p)	0.04			0.09	0.26	0.51
<b>Performance</b>						
Return after charges (%)	5.98			13.99	7.04	40.47
<b>Other information</b>						
Closing net asset value (£000)	235,984			302,938	247,116	159,517
Closing number of shares	64,626,635			76,900,710	71,508,964	49,409,227
Operating charges (%)**	1.06 <sup>†</sup>			0.06 <sup>†</sup>	0.06	0.04
Direct transaction costs (%)***	0.05			0.05	0.08	0.16
<b>Prices</b>						
Highest share price (p)	375.05			404.58	357.25	323.42
Lowest share price (p)	336.99			321.44	303.80	225.62
	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	240.05	227.09	164.04	248.51	233.96	167.84
Return before operating charges (p)	33.55	16.04	66.19	34.73	16.52	67.72
Operating charges (p)	(1.05)	(1.92)	(1.56)	(1.08)	(1.97)	(1.60)
Return after operating charges (p)*	32.50	14.12	64.63	33.65	14.55	66.12
Distributions (p)	–	(1.16)	(1.58)	–	(1.19)	(1.62)
Retained distributions on accumulation shares (p)	–	–	–	–	1.19	1.62
Closing net asset value per share (p)	272.55	240.05	227.09	282.16	248.51	233.96
*after direct transaction costs of (p)	0.06	0.18	0.31	0.07	0.19	0.32
<b>Performance</b>						
Return after charges (%)	13.54	6.22	39.40	13.54	6.22	39.39
<b>Other information</b>						
Closing net asset value (£000)	28,397	22,354	19,865	384,965	376,544	393,089
Closing number of shares	10,418,914	9,312,193	8,747,635	136,433,842	151,521,910	168,018,806
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.05	0.08	0.16	0.05	0.08	0.16
<b>Prices</b>						
Highest share price (p)	279.94	249.54	229.09	289.81	257.09	234.39
Lowest share price (p)	223.13	213.49	161.12	231.00	219.95	164.76

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares	Class Z EUR Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	266.11	176.13	144.71	109.07
Return before operating charges (p)	16.29	9.33	32.75	36.68
Operating charges (p)	(0.24)	(0.73)	(1.33)	(1.04)
Return after operating charges (p)*	16.05	8.60	31.42	35.64
Distributions (p)	–	–	(0.80)	(1.05)
Retained distributions on accumulation shares (p)	–	–	0.80	1.05
Closing net asset value per share (p)	282.16	184.73	176.13	144.71
*after direct transaction costs of (p)	0.03	0.04	0.13	0.21
<b>Performance</b>				
Return after charges (%)	6.03	4.88	21.71	32.68
<b>Other information</b>				
Closing net asset value (£000)	38,187	651	568	449
Closing number of shares	13,533,818	352,285	322,276	310,276
Operating charges (%)**	0.83 <sup>†</sup>	0.83 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.05	0.05	0.08	0.16
<b>Prices</b>				
Highest share price (p)	289.81	189.22	182.48	144.72
Lowest share price (p)	260.29	161.67	137.77	107.26

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

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

<sup>1</sup>Commenced 15 June 2018.

<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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	1,684,411
Shares issued	77,277
Shares redeemed	(1,361,495)
Net conversions	–
Closing shares	<u>400,193</u>
<b>Class 1 EUR – Income shares*</b>	
Opening shares	–
Shares issued	1,312,876
Shares redeemed	(30,240)
Net conversions	–
Closing shares	<u>1,282,636</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	170,279,598
Shares issued	18,301,823
Shares redeemed	(58,824,480)
Net conversions	(2,934,427)
Closing shares	<u>126,822,514</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	12,321,227
Shares redeemed	(103,099)
Net conversions	–
Closing shares	<u>12,218,128</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	41,153,319
Shares redeemed	(387,487)
Net conversions	–
Closing shares	<u>40,765,832</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>	
Opening shares	1,522,027
Shares issued	686,170
Shares redeemed	(192,083)
Net conversions	–
Closing shares	<u>2,016,114</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	383,761,073
Shares issued	18,870,273
Shares redeemed	(125,700,528)
Net conversions	(10,890)
Closing shares	<u>276,919,928</u>

	2018
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	30,285,873
Shares redeemed	(147,945)
Net conversions	–
Closing shares	<u>30,137,928</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	75,647,625
Shares redeemed	(11,020,990)
Net conversions	–
Closing shares	<u>64,626,635</u>
<b>Class X – Accumulation shares</b>	
Opening shares	71,508,964
Shares issued	7,445,486
Shares redeemed	(2,053,740)
Net conversions	–
Closing shares	<u>76,900,710</u>
<b>Class Z – Income shares</b>	
Opening shares	9,312,193
Shares issued	1,359,541
Shares redeemed	(307,859)
Net conversions	55,039
Closing shares	<u>10,418,914</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	151,521,910
Shares issued	2,264,796
Shares redeemed	(20,680,147)
Net conversions	3,327,283
Closing shares	<u>136,433,842</u>
<b>Class Z USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	14,049,163
Shares redeemed	(515,345)
Net conversions	–
Closing shares	<u>13,533,818</u>
<b>Class Z EUR Hedged – Accumulation shares</b>	
Opening shares	322,276
Shares issued	30,009
Shares redeemed	–
Net conversions	–
Closing shares	<u>352,285</u>

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

## 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 2018, the published share price of the Threadneedle American Select Fund has risen from 294.36p to 328.40p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +12.16% as compared to a median return of +13.28% over the same period. (For information the S&P 500 Composite Index returned +14.45% over the same period, and the NASDAQ Composite Index returned 18.84%).

#### Market Overview and Portfolio Activity

US equities made solid gains during the period under the review, as persistently strong economic markers and corporate

results in the US overcame fears around trade wars, sanctions and political uncertainty in Europe.

Earlier in the period, US President Donald Trump unsettled markets by pulling out of the Iran nuclear deal and aiming various new import tariffs at China and Europe. Subsequently, with the Turkish lira already in freefall, President Trump ramped up an ongoing diplomatic row with the country by doubling import tariffs on Turkish steel and aluminium.

Trade war fears continued to wax and wane. The US-China talks in August achieved little, but towards the end of the period news of a deal between the US and Mexico provided a tailwind for equities. As August drew to a close, US stocks weakened somewhat as reports emerged that Trump intended to press ahead with more tariffs against China, but this was not enough to erase earlier gains.

The US economy continued to provide support for equities. Job-creation figures remained strong and unemployment fell to an 18-year low in May. Strong earnings reports from US companies and an unexpectedly high GDP number added more fuel to the rally. By the end of the period, almost all of the S&P 500 constituents had posted their results and were on track for an average earnings growth of around 25%. Second-quarter GDP growth was revised up to an annualised rate of 4.2% (from the initial estimate of 4.1%). The robust backdrop saw the Federal Reserve take a more hawkish turn. The central bank raised interest rates in June as expected, but also increased its projections for the pace of future rate hikes.

Key activity over the period included opening positions in confectionery company Mondelez, and biotech company Biogen.

Strong Q2 results, including beats on organic growth and margins, show that Mondelez's turnaround is on track. The company is exposed to relatively fast-growing markets and is trading at historically cheap levels.

Elsewhere, we added to existing positions in Alphabet and Charter Communications, and exited names including Cigna, Apple, PayPal, Gilead Sciences and Tesaro.

Looking ahead, the backdrop remains very supportive for US equities. These are set to benefit domestically from strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronised global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	126,715	(13,305)
Revenue	6,706	8,552
Expenses	(7,650)	(7,343)
Interest payable and similar charges	(7)	–
Net (expense)/revenue before taxation	(951)	1,209
Taxation	(804)	(1,136)
Net (expense)/revenue after taxation	(1,755)	73
<b>Total return before equalisation</b>	<b>124,960</b>	<b>(13,232)</b>
Equalisation	10	(21)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>124,970</b>	<b>(13,253)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,280,422	1,143,303
<b>Current assets:</b>		
Debtors	11,620	1,584
Cash and bank balances	29,867	22,960
Total assets	1,321,909	1,167,847
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(3)	(10)
<b>Creditors:</b>		
Distribution payable	–	(39)
Other creditors	(4,200)	(4,336)
Total liabilities	(4,203)	(4,385)
<b>Net assets attributable to shareholders</b>	<b>1,317,706</b>	<b>1,163,462</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,163,462</b>	<b>1,254,034</b>
Amounts receivable on the issue of shares	520,219	59,390
Amounts payable on the cancellation of shares	(490,982)	(127,239)
	29,237	(67,849)
Dilution adjustment	37	63
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	124,970	(13,253)
<b>Closing net assets attributable to shareholders</b>	<b>1,317,706</b>	<b>1,172,995</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 110 – 114 for comparative tables.

## Threadneedle American Select Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>†</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	296.95	284.56	198.90	314.33
Return before operating charges (p)	33.72	17.03	89.45	14.43
Operating charges (p)	(2.48)	(4.64)	(3.79)	(0.57)
Return after operating charges (p)*	31.24	12.39	85.66	13.86
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	328.19	296.95	284.56	328.19
*after direct transaction costs of (p)	0.09	0.29	0.27	0.05
<b>Performance</b>				
Return after charges (%)	10.52	4.35	43.07	4.41
<b>Other information</b>				
Closing net asset value (£000)	834	2,691	2,611	2,404
Closing number of shares	254,155	906,216	917,705	732,518
Operating charges (%)**	1.64 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.10	0.11	0.06
<b>Prices</b>				
Highest share price (p)	340.40	304.86	285.12	340.40
Lowest share price (p)	274.23	265.57	195.14	307.30
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>†</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	297.12	284.72	199.02	314.51
Return before operating charges (p)	33.75	17.04	89.50	14.44
Operating charges (p)	(2.49)	(4.64)	(3.80)	(0.57)
Return after operating charges (p)*	31.26	12.40	85.70	13.87
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	328.38	297.12	284.72	328.38
*after direct transaction costs of (p)	0.09	0.29	0.27	0.05
<b>Performance</b>				
Return after charges (%)	10.52	4.36	43.06	4.41
<b>Other information</b>				
Closing net asset value (£000)	318,685	515,779	612,497	108,745
Closing number of shares	97,048,523	173,594,227	215,122,590	33,116,072
Operating charges (%)**	1.63 <sup>†</sup>	1.63	1.62	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.10	0.11	0.06
<b>Prices</b>				
Highest share price (p)	340.59	305.03	285.28	340.59
Lowest share price (p)	274.38	265.71	195.25	307.47

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	07/09/2018 <sup>1</sup>			07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	314.51			268.91	224.99	165.30
Return before operating charges (p)	14.44			7.82	47.92	62.73
Operating charges (p)	(0.57)			(2.17)	(4.00)	(3.04)
Return after operating charges (p)*	13.87			5.65	43.92	59.69
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	328.38			274.56	268.91	224.99
*after direct transaction costs of (p)	0.05			0.08	0.25	0.22
<b>Performance</b>						
Return after charges (%)	4.41			2.10	19.52	36.11
<b>Other information</b>						
Closing net asset value (£000)	154,298			1,413	1,341	1,098
Closing number of shares	46,987,940			514,592	498,703	487,943
Operating charges (%)**	1.63 <sup>†</sup>			1.63 <sup>†</sup>	1.63	1.62
Direct transaction costs (%)***	0.06			0.06	0.10	0.11
<b>Prices</b>						
Highest share price (p)	340.59			284.22	276.72	225.01
Lowest share price (p)	307.47			245.26	212.66	162.45
	Class 2 – Accumulation shares			Class 2 USD – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	335.62	319.78	222.24	355.83		
Return before operating charges (p)	38.24	19.25	100.30	16.60		
Operating charges (p)	(1.85)	(3.41)	(2.76)	(0.42)		
Return after operating charges (p)*	36.39	15.84	97.54	16.18		
Distributions (p)	–	(0.33)	(1.00)	–		
Retained distributions on accumulation shares (p)	–	0.33	1.00	–		
Closing net asset value per share (p)	372.01	335.62	319.78	372.01		
*after direct transaction costs of (p)	0.11	0.32	0.30	0.05		
<b>Performance</b>						
Return after charges (%)	10.84	4.95	43.89	4.55		
<b>Other information</b>						
Closing net asset value (£000)	226,607	281,257	261,488	86,676		
Closing number of shares	60,914,164	83,802,021	81,771,761	23,299,330		
Operating charges (%)**	1.06 <sup>†</sup>	1.06	1.05	1.06 <sup>†</sup>		
Direct transaction costs (%)***	0.06	0.10	0.11	0.06		
<b>Prices</b>						
Highest share price (p)	385.83	344.36	320.38	385.83		
Lowest share price (p)	310.08	298.63	218.05	347.93		



## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>2</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	231.04	192.12	140.23	152.44	143.81	100.00
Return before operating charges (p)	7.12	41.14	53.57	17.45	8.72	43.86
Operating charges (p)	(1.22)	(2.22)	(1.68)	(0.05)	(0.09)	(0.05)
Return after operating charges (p)*	5.90	38.92	51.89	17.40	8.63	43.81
Distributions (p)	–	(0.21)	(0.63)	–	(1.60)	(1.60)
Retained distributions on accumulation shares (p)	–	0.21	0.63	–	1.60	1.60
Closing net asset value per share (p)	236.94	231.04	192.12	169.84	152.44	143.81
*after direct transaction costs of (p)	0.07	0.21	0.18	0.05	0.15	0.16
<b>Performance</b>						
Return after charges (%)	2.55	20.26	37.00	11.41	6.00	43.81
<b>Other information</b>						
Closing net asset value (£000)	31,471	255	357	28,105	20,889	18,506
Closing number of shares	13,282,419	110,361	185,799	16,547,928	13,703,331	12,867,844
Operating charges (%)**	1.02 <sup>†</sup>	1.06	1.05	0.06 <sup>†</sup>	0.06	0.04 <sup>†</sup>
Direct transaction costs (%)***	0.06	0.10	0.11	0.06	0.10	0.11
<b>Prices</b>						
Highest share price (p)	245.24	237.55	192.14	176.13	156.27	144.07
Lowest share price (p)	210.90	181.71	137.82	140.96	134.46	98.50
	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	230.08	219.41	152.91	236.03	224.39	155.60
Return before operating charges (p)	26.23	13.23	69.07	26.92	13.51	70.30
Operating charges (p)	(1.00)	(1.83)	(1.48)	(1.02)	(1.87)	(1.51)
Return after operating charges (p)*	25.23	11.40	67.59	25.90	11.64	68.79
Distributions (p)	–	(0.73)	(1.09)	–	(0.74)	(1.11)
Retained distributions on accumulation shares (p)	–	–	–	–	0.74	1.11
Closing net asset value per share (p)	255.31	230.08	219.41	261.93	236.03	224.39
*after direct transaction costs of (p)	0.07	0.22	0.21	0.07	0.23	0.21
<b>Performance</b>						
Return after charges (%)	10.97	5.20	44.20	10.97	5.19	44.21
<b>Other information</b>						
Closing net asset value (£000)	13,159	12,205	13,263	313,981	328,751	343,844
Closing number of shares	5,154,237	5,304,581	6,044,875	119,874,339	139,282,738	153,236,301
Operating charges (%)**	0.83 <sup>†</sup>	0.83	0.82	0.83 <sup>†</sup>	0.83	0.82
Direct transaction costs (%)***	0.06	0.10	0.11	0.06	0.10	0.11
<b>Prices</b>						
Highest share price (p)	264.79	236.76	220.92	271.65	242.13	224.81
Lowest share price (p)	212.61	204.96	150.02	218.11	209.61	152.66

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class Z EUR – Accumulation shares			Class Z USD – Accumulation shares	
	07/09/2018 <sup>1</sup>			07/09/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	250.40			250.40	
Return before operating charges (p)	11.76			11.76	
Operating charges (p)	(0.23)			(0.23)	
Return after operating charges (p)*	11.53			11.53	
Distributions (p)	–			–	
Retained distributions on accumulation shares (p)	–			–	
Closing net asset value per share (p)	261.93			261.93	
*after direct transaction costs of (p)	0.04			0.04	
<b>Performance</b>					
Return after charges (%)	4.60			4.60	
<b>Other information</b>					
Closing net asset value (£000)	17,831			13,196	
Closing number of shares	6,807,553			5,037,936	
Operating charges (%)**	0.83 <sup>†</sup>			0.83 <sup>†</sup>	
Direct transaction costs (%)***	0.06			0.06	
<b>Prices</b>					
Highest share price (p)	271.65			271.65	
Lowest share price (p)	244.86			244.86	
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	23/11/2017 <sup>3</sup>	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	156.88	141.82	101.75	178.36	129.99
Return before operating charges (p)	10.28	16.26	41.05	24.83	49.63
Operating charges (p)	(0.64)	(1.20)	(0.98)	(1.11)	(1.26)
Return after operating charges (p)*	9.64	15.06	40.07	23.72	48.37
Distributions (p)	–	(0.50)	(0.74)	–	(0.92)
Retained distributions on accumulation shares (p)	–	0.50	0.74	–	0.92
Closing net asset value per share (p)	166.52	156.88	141.82	202.08	178.36
*after direct transaction costs of (p)	0.05	0.15	0.14	0.19	0.18
<b>Performance</b>					
Return after charges (%)	6.14	10.62	39.38	13.30	37.21
<b>Other information</b>					
Closing net asset value (£000)	17	16	14	–	5
Closing number of shares	10,000	10,000	10,000	–	3,001
Operating charges (%)**	0.82 <sup>†</sup>	0.82	0.81	–	0.82
Direct transaction costs (%)***	0.06	0.10	0.11	–	0.11
<b>Prices</b>					
Highest share price (p)	171.37	161.98	142.45	203.30	178.37
Lowest share price (p)	141.75	134.62	99.70	168.74	127.75

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

	Class Z GBP Hedged – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	144.82	123.09	99.75
Return before operating charges (p)	5.53	22.82	24.30
Operating charges (p)	(0.61)	(1.09)	(0.96)
Return after operating charges (p)*	4.92	21.73	23.34
Distributions (p)	–	(0.43)	(0.67)
Retained distributions on accumulation shares (p)	–	0.43	0.67
Closing net asset value per share (p)	149.74	144.82	123.09
*after direct transaction costs of (p)	0.04	0.13	0.13
<b>Performance</b>			
Return after charges (%)	3.40	17.65	23.40
<b>Other information</b>			
Closing net asset value (£000)	284	278	351
Closing number of shares	189,727	192,079	285,143
Operating charges (%)**	0.83 <sup>1</sup>	0.83	0.83
Direct transaction costs (%)***	0.06	0.10	0.11
<b>Prices</b>			
Highest share price (p)	153.72	151.19	124.29
Lowest share price (p)	135.35	119.91	98.33

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 16 March 2016.

<sup>3</sup>Closed 23 November 2017.

<sup>1</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018		2018
<b>Class 1 – Income shares</b>		<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	906,216	Opening shares	–
Shares issued	89,397	Shares issued	24,444,649
Shares redeemed	(741,458)	Shares redeemed	(1,136,322)
Net conversions	–	Net conversions	(8,997)
Closing shares	<u>254,155</u>	Closing shares	<u>23,299,330</u>
<b>Class 1 EUR – Income shares*</b>		<b>Class 2 EUR Hedged – Accumulation shares</b>	
Opening shares	–	Opening shares	110,361
Shares issued	741,974	Shares issued	13,330,541
Shares redeemed	(9,456)	Shares redeemed	(158,483)
Net conversions	–	Net conversions	–
Closing shares	<u>732,518</u>	Closing shares	<u>13,282,419</u>
<b>Class 1 – Accumulation shares</b>		<b>Class X – Accumulation shares</b>	
Opening shares	173,594,227	Opening shares	13,703,331
Shares issued	15,157,004	Shares issued	2,855,238
Shares redeemed	(91,676,765)	Shares redeemed	(10,641)
Net conversions	(25,943)	Net conversions	–
Closing shares	<u>97,048,523</u>	Closing shares	<u>16,547,928</u>
<b>Class 1 EUR – Accumulation shares*</b>		<b>Class Z – Income shares</b>	
Opening shares	–	Opening shares	5,304,581
Shares issued	39,707,905	Shares issued	237,332
Shares redeemed	(6,591,833)	Shares redeemed	(480,223)
Net conversions	–	Net conversions	92,547
Closing shares	<u>33,116,072</u>	Closing shares	<u>5,154,237</u>
<b>Class 1 USD – Accumulation shares*</b>		<b>Class Z – Accumulation shares</b>	
Opening shares	–	Opening shares	139,282,738
Shares issued	47,882,682	Shares issued	172,707
Shares redeemed	(894,742)	Shares redeemed	(19,796,669)
Net conversions	–	Net conversions	215,563
Closing shares	<u>46,987,940</u>	Closing shares	<u>119,874,339</u>
<b>Class 1 EUR Hedged – Accumulation shares</b>		<b>Class Z EUR – Accumulation shares*</b>	
Opening shares	498,703	Opening shares	–
Shares issued	458,982	Shares issued	7,165,955
Shares redeemed	(443,093)	Shares redeemed	(358,402)
Net conversions	–	Net conversions	–
Closing shares	<u>514,592</u>	Closing shares	<u>6,807,553</u>
<b>Class 2 – Accumulation shares</b>		<b>Class Z USD – Accumulation shares*</b>	
Opening shares	83,802,021	Opening shares	–
Shares issued	12,308,561	Shares issued	5,267,961
Shares redeemed	(35,004,278)	Shares redeemed	(242,809)
Net conversions	(192,140)	Net conversions	12,784
Closing shares	<u>60,914,164</u>	Closing shares	<u>5,037,936</u>
		<b>Class Z CHF Hedged – Accumulation shares</b>	
		Opening shares	10,000
		Shares issued	–
		Shares redeemed	–
		Net conversions	–
		Closing shares	<u>10,000</u>
		<b>Class Z GBP Hedged – Accumulation shares</b>	
		Opening shares	192,079
		Shares issued	–
		Shares redeemed	(2,352)
		Net conversions	–
		Closing shares	<u>189,727</u>

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

## 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 2018, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 304.43p to 352.31p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +16.38% as compared to a median return of +19.05% over the same period. (For information the Russel 2500 returned 20.27% over the same period).

#### Market Overview and Portfolio Activity

US equities made solid gains during the period under the review, as persistently strong economic markers and corporate results in the US overcame fears around trade wars, sanctions and political uncertainty in Europe.

Earlier in the period, US President Donald Trump unsettled markets by pulling out of the Iran nuclear deal and aiming various new import tariffs at China and Europe. Subsequently,

with the Turkish lira already in freefall, President Trump ramped up an ongoing diplomatic row with the country by doubling import tariffs on Turkish steel and aluminium.

Trade war fears continued to wax and wane. The US-China talks in August achieved little, but towards the end of the period news of a deal between the US and Mexico provided a tailwind for equities. As August drew to a close, US stocks weakened somewhat as reports emerged that Trump intended to press ahead with more tariffs against China, but this was not enough to erase earlier gains.

The US economy continued to provide support for equities. Job-creation figures remained strong and unemployment fell to an 18-year low in May. Strong earnings reports from US companies and an unexpectedly high GDP number added more fuel to the rally. By the end of the period, almost all of the S&P 500 constituents had posted their results and were on track for an average earnings growth of around 25%. Second-quarter GDP growth was revised up to an annualised rate of 4.2% (from the initial estimate of 4.1%). The robust backdrop saw the Federal Reserve take a more hawkish turn. The central bank raised interest rates in June as expected, but also increased its projections for the pace of future rate hikes.

We made several new additions to the portfolio over the review period. Notable examples include NiSource (utilities), Store Capital (real-estate investment trust), Virtu Financial (market-making and liquidity), Cubic (transportation systems) and Switch (data centres).

NiSource, a gas and electricity utility company, has an above-average growth forecast for its earnings and the value of its assets. Operating under a favourable regulatory regime in Indiana, NiSource is well placed to grow its customer base

and achieve cost efficiencies. It also trades at a discount to other gas utilities.

Benefiting from a diversified customer base in the service sector, Store Capital looks well placed to achieve 3% internal growth and a further 3-4% from acquisitions. While trading at a discount to its peers, the company has a healthy dividend payout ratio of 70%. Additionally, the management team has a history of innovating and creating value.

Virtu, a platform for high-frequency trading and market-making, is well placed to gain from the continued unbundling of research from trading, and from the increased levels of volatility witnessed recently; both trends are likely to continue. Following the acquisition of KCG last year, Virtu stands to benefit from further synergies and margin improvement.

Besides having attractive environmental, social and governance (ESG) characteristics, transportation company Cubic recently won a major new contract, also providing it with the opportunity to grow its margins. Finally, Switch is set to benefit from the continued rapid growth in data use and storage, which promises to boost the utilisation rates of its data centres.

We closed positions in TrueBlue, Associated Banc-Corp, RPM International, Dave & Buster's Entertainment, FCB Financial, Nuance Communications and Coherent.

Looking ahead, the backdrop remains very supportive for US equities. These are set to benefit domestically from strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronised global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	97,337	(47,713)
Revenue	4,143	5,052
Expenses	(3,990)	(4,778)
Interest payable and similar charges	(16)	–
Net revenue before taxation	137	274
Taxation	(436)	(641)
Net expense after taxation	(299)	(367)
<b>Total return before equalisation</b>	<b>97,038</b>	<b>(48,080)</b>
Equalisation	2	(93)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>97,040</b>	<b>(48,173)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	733,589	684,024
<b>Current assets:</b>		
Debtors	4,966	6,009
Cash and bank balances	4,509	7,458
Cash equivalents**	36	3,624
<b>Total assets</b>	<b>743,100</b>	<b>701,115</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(24)
Other creditors	(7,640)	(7,284)
<b>Total liabilities</b>	<b>(7,640)</b>	<b>(7,308)</b>
<b>Net assets attributable to shareholders</b>	<b>735,460</b>	<b>693,807</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>693,807</b>	<b>936,915</b>
Amounts receivable on the issue of shares	378,480	60,245
Amounts payable on the cancellation of shares	(433,893)	(218,161)
	(55,413)	(157,916)
Dilution adjustment	26	203
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	97,040	(48,173)
<b>Closing net assets attributable to shareholders</b>	<b>735,460</b>	<b>731,029</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 117 – 120 for comparative tables.

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

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	307.15	317.83	215.26	340.43
Return before operating charges (p)	47.52	(5.56)	106.98	12.26
Operating charges (p)	(2.58)	(5.12)	(4.41)	(0.60)
Return after operating charges (p)*	44.94	(10.68)	102.57	11.66
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	352.09	307.15	317.83	352.09
*after direct transaction costs of (p)	0.18	0.53	0.45	0.09
<b>Performance</b>				
Return after charges (%)	14.63	(3.36)	47.65	3.43
<b>Other information</b>				
Closing net asset value (£000)	1,824	15,936	20,563	15,591
Closing number of shares	518,081	5,188,424	6,469,878	4,428,081
Operating charges (%)**	1.64 <sup>†</sup>	1.67	1.67	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.11	0.17	0.17	0.11
<b>Prices</b>				
Highest share price (p)	361.13	319.72	320.44	361.13
Lowest share price (p)	286.80	290.72	211.79	332.29
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	307.28	317.96	215.35	340.58
Return before operating charges (p)	47.56	(5.55)	106.99	12.26
Operating charges (p)	(2.60)	(5.13)	(4.38)	(0.60)
Return after operating charges (p)*	44.96	(10.68)	102.61	11.66
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	352.24	307.28	317.96	352.24
*after direct transaction costs of (p)	0.18	0.53	0.44	0.09
<b>Performance</b>				
Return after charges (%)	14.63	(3.36)	47.65	3.42
<b>Other information</b>				
Closing net asset value (£000)	31,128	179,438	243,762	22,817
Closing number of shares	8,837,237	58,395,304	76,663,936	6,477,729
Operating charges (%)**	1.64 <sup>†</sup>	1.67	1.67	1.63 <sup>†</sup>
Direct transaction costs (%)***	0.11	0.17	0.17	0.11
<b>Prices</b>				
Highest share price (p)	361.28	319.86	320.58	361.28
Lowest share price (p)	286.93	290.84	211.87	332.43

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	07/09/2018 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	340.58	348.03	357.93	240.94
Return before operating charges (p)	12.26	54.02	(6.23)	120.12
Operating charges (p)	(0.60)	(1.95)	(3.67)	(3.13)
Return after operating charges (p)*	11.66	52.07	(9.90)	116.99
Distributions (p)	–	–	–	(0.07)
Retained distributions on accumulation shares (p)	–	–	–	0.07
Closing net asset value per share (p)	352.24	400.10	348.03	357.93
*after direct transaction costs of (p)	0.09	0.21	0.59	0.50
<b>Performance</b>				
Return after charges (%)	3.42	14.96	(2.77)	48.56
<b>Other information</b>				
Closing net asset value (£000)	134,984	179,486	227,095	329,206
Closing number of shares	38,322,015	44,860,415	65,252,001	91,974,566
Operating charges (%)**	1.63 <sup>†</sup>	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.11	0.11	0.17	0.17
<b>Prices</b>				
Highest share price (p)	361.28	410.35	361.95	360.84
Lowest share price (p)	332.43	325.12	328.46	237.06
<hr/>				
	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	07/09/2018 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	386.35	287.83	293.18	195.43
Return before operating charges (p)	14.19	44.82	(5.18)	97.87
Operating charges (p)	(0.44)	(0.09)	(0.17)	(0.12)
Return after operating charges (p)*	13.75	44.73	(5.35)	97.75
Distributions (p)	–	–	(2.74)	(2.46)
Retained distributions on accumulation shares (p)	–	–	2.74	2.46
Closing net asset value per share (p)	400.10	332.56	287.83	293.18
*after direct transaction costs of (p)	0.10	0.17	0.49	0.39
<b>Performance</b>				
Return after charges (%)	3.56	15.54	(1.82)	50.02
<b>Other information</b>				
Closing net asset value (£000)	43,463	12,219	9,278	9
Closing number of shares	10,863,146	3,674,156	3,223,328	3,000
Operating charges (%)**	1.05 <sup>†</sup>	0.06 <sup>†</sup>	0.06	0.05
Direct transaction costs (%)***	0.11	0.11	0.17	0.17
<b>Prices</b>				
Highest share price (p)	410.35	341.05	298.91	295.52
Lowest share price (p)	377.38	269.11	270.41	192.29

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	185.31	190.56	128.26	243.78	250.28	168.18
Return before operating charges (p)	28.79	(3.32)	64.01	37.85	(4.37)	83.94
Operating charges (p)	(0.87)	(1.63)	(1.40)	(1.13)	(2.13)	(1.84)
Return after operating charges (p)*	27.92	(4.95)	62.61	36.72	(6.50)	82.10
Distributions (p)	–	(0.30)	(0.31)	–	(0.39)	(0.41)
Retained distributions on accumulation shares (p)	–	–	–	–	0.39	0.41
Closing net asset value per share (p)	213.23	185.31	190.56	280.50	243.78	250.28
*after direct transaction costs of (p)	0.11	0.32	0.27	0.14	0.42	0.35
<b>Performance</b>						
Return after charges (%)	15.07	(2.60)	48.81	15.06	(2.60)	48.82
<b>Other information</b>						
Closing net asset value (£000)	18,226	14,835	13,834	173,543	247,225	329,541
Closing number of shares	8,547,741	8,005,588	7,259,494	61,868,204	101,413,510	131,668,272
Operating charges (%)**	0.88 <sup>†</sup>	0.88	0.88	0.88 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.11	0.17	0.17	0.11	0.17	0.17
<b>Prices</b>						
Highest share price (p)	218.69	192.98	192.42	287.69	253.47	252.31
Lowest share price (p)	173.14	175.03	126.34	227.77	229.89	165.47
	Class Z USD – Accumulation shares		Class Z EUR Hedged – Gross accumulation shares <sup>§</sup>			
	07/09/2018 <sup>†</sup>		07/09/2018 <sup>‡</sup>			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	270.75		100.00			
Return before operating charges (p)	10.01		7.31			
Operating charges (p)	(0.26)		(0.14)			
Return after operating charges (p)*	9.75		7.17			
Distributions (p)	–		–			
Retained distributions on accumulation shares (p)	–		–			
Closing net asset value per share (p)	280.50		107.17			
*after direct transaction costs of (p)	0.07		0.03			
<b>Performance</b>						
Return after charges (%)	3.60		7.17			
<b>Other information</b>						
Closing net asset value (£000)	102,123		55			
Closing number of shares	36,407,036		51,001			
Operating charges (%)**	0.88 <sup>†</sup>		0.88 <sup>†</sup>			
Direct transaction costs (%)***	0.11		0.11			
<b>Prices</b>						
Highest share price (p)	287.69		109.64			
Lowest share price (p)	264.50		100.00			



## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Gross accumulation shares <sup>5</sup> 07/09/2018 <sup>2</sup>
<b>Change in net assets per share</b>	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	9.85
Operating charges (p)	(0.12)
Return after operating charges (p)*	9.73
Distributions (p)	–
Retained distributions on accumulation shares (p)	–
Closing net asset value per share (p)	109.73
*after direct transaction costs of (p)	0.03
<b>Performance</b>	
Return after charges (%)	9.73
<b>Other information</b>	
Closing net asset value (£000)	1
Closing number of shares	1,000
Operating charges (%)**	0.76 <sup>1</sup>
Direct transaction costs (%)***	0.11
<b>Prices</b>	
Highest share price (p)	111.66
Lowest share price (p)	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>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 30 May 2018.

<sup>3</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	5,188,424
Shares issued	91,656
Shares redeemed	(4,761,999)
Net conversions	–
Closing shares	<u>518,081</u>
<b>Class 1 EUR – Income shares*</b>	
Opening shares	–
Shares issued	4,506,511
Shares redeemed	(78,430)
Net conversions	–
Closing shares	<u>4,428,081</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	58,395,304
Shares issued	877,696
Shares redeemed	(50,325,616)
Net conversions	(110,147)
Closing shares	<u>8,837,237</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	6,720,636
Shares redeemed	(242,907)
Net conversions	–
Closing shares	<u>6,477,729</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	40,931,052
Shares redeemed	(2,549,587)
Net conversions	(59,450)
Closing shares	<u>38,322,015</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	65,252,001
Shares issued	611,749
Shares redeemed	(21,003,335)
Net conversions	–
Closing shares	<u>44,860,415</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	19,752,833
Shares redeemed	(8,889,687)
Net conversions	–
Closing shares	<u>10,863,146</u>

	2018
<b>Class X – Accumulation shares</b>	
Opening shares	3,223,328
Shares issued	549,502
Shares redeemed	(98,674)
Net conversions	–
Closing shares	<u>3,674,156</u>
<b>Class Z – Income shares</b>	
Opening shares	8,005,588
Shares issued	741,585
Shares redeemed	(207,936)
Net conversions	8,504
Closing shares	<u>8,547,741</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	101,413,510
Shares issued	3,269,543
Shares redeemed	(42,947,175)
Net conversions	132,326
Closing shares	<u>61,868,204</u>
<b>Class Z USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	39,385,783
Shares redeemed	(3,053,477)
Net conversions	74,730
Closing shares	<u>36,407,036</u>
<b>Class Z EUR Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	51,001
Shares redeemed	–
Net conversions	–
Closing shares	<u>51,001</u>
<b>Class Z CHF Hedged – Gross accumulation shares*</b>	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	<u>1,000</u>

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

### 3 POST BALANCE SHEET EVENT

Subsequent to the period end, market fluctuations have resulted in changes to the NAV as described in the table below:

Share class	Net asset value per share (p)		% Movement
	7 September 2018	11 October 2018	
Class 1 – Income shares	352.17	313.32	(11.03)
Class 1 EUR – Income shares	352.16	313.32	(11.03)
Class 1 – Accumulation shares	352.31	313.45	(11.03)
Class 1 EUR – Accumulation shares	352.31	313.45	(11.03)
Class 1 USD – Accumulation shares	352.31	313.45	(11.03)
Class 2 – Accumulation shares	400.19	356.24	(10.98)
Class 2 USD – Accumulation shares	400.19	356.25	(10.98)
Class X – Accumulation shares	332.63	296.36	(10.90)
Class Z – Income shares	213.27	189.89	(10.96)
Class Z – Accumulation shares	280.57	249.80	(10.97)
Class Z USD – Accumulation shares	280.57	249.80	(10.97)
Class Z EUR Hedged – Gross accumulation shares	107.20	94.85	(11.52)
Class Z CHF Hedged – Gross accumulation shares	109.75	94.87	(13.56)

## 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 2018, the published share price of the Threadneedle Dollar Bond Fund has risen from 57.21p to 60.31p.

The sterling total return on the fund for the six months ending 31 August 2018, including gross reinvested income, is +7.12% gross of tax and charges\*\*. (For information the 50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master Index gave a total return of +7.11% in sterling terms for the same period).

#### Market Overview and Portfolio Activity

Benchmark 10-year Treasury yields finished the period marginally higher than where they began, and the government yield curve continued to flatten.

While longer-dated bond yields edged down, shorter-dated yields continued to rise in anticipation that the Federal Reserve will

continue its programme of interest-rate rises. At the same time, credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) widened as a number of largely political developments dampened investors' appetite for risk.

The widening in spreads came despite a supportive macroeconomic and corporate backdrop. US GDP was reported to have grown by 4.2% (annualised) in the second quarter of the year, with the already-strong economy given extra impetus by President Trump's tax cuts. On the corporate earnings front, S&P 500 companies posted strong aggregate earnings growth.

Trump was quick to claim credit for the strong GDP number and fresh highs in US equities. However, he also 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 import 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 EU. Each of the affected trading partners retaliated in kind, stoking fears of a global trade war. The president faced additional challenges at home in the US. On top of various other controversies, calls for impeachment grew louder as more of his associates were charged in relation to the ongoing Russia probe.

Away from the US, meanwhile, the success of populist anti-EU parties in the Italian general election sparked worries over political harmony in the eurozone, as did disputes within and among EU member states about the ongoing migrant crisis. In Turkey, concern for the economy under the country's autocratic regime caused a collapse in the Turkish lira, which in turn triggered fears of contagion into other markets.

In terms of monetary policy, there was further divergence between the US and Europe, which was reflected in a stronger dollar versus

the euro and the underperformance of US Treasuries versus German bunds. The Federal Reserve 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.

Through the period, the fund was invested with a duration (or interest-rate risk) that was shorter than the secondary index benchmark. This was beneficial as yields rose. With regard to individual issuers, we participated in new deals from a wide variety of companies during the period. The largest of these additions included new bonds from AT&T, Welltower, Cigna, Bacardi, Ausgrid and Syngenta. We were also active in the secondary market, adding new exposure to Imperial Brands, Deutsche Telekom, and Kroger, for example. On the other side, we reduced exposure to a number of issuers, such as Royal Bank of Scotland, Anheuser-Busch InBev, Goodman, AT&T, and Becton Dickinson.

We expect to see low returns from the US bond market in the coming period.

The US government bond market remains challenged by strong economic performance (and rising interest rates) at a time when real yields remain well below the long-term average. A lack of a clear pass-through (from this strength and falling unemployment rates) into inflation has been supportive for the market, however.

Corporate credit markets are supported by the ongoing provision of still-accommodative monetary policy. The corporate credit cycle is, however, mature and though earnings have been strong, the benefits are largely accruing to shareholders – particularly within investment grade. That said, demand for income will remain a powerful and positive force. Corporate valuations or spreads are close to their long-term average.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	3,856	(5,439)
Revenue	1,238	1,316
Expenses	(432)	(589)
Interest payable and similar charges	(103)	(137)
Net revenue before taxation	703	590
Taxation	–	–
Net revenue after taxation	703	590
<b>Total return before distributions</b>	<b>4,559</b>	<b>(4,849)</b>
Distributions	(1,073)	(1,083)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,486</b>	<b>(5,932)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	63,182	110,449
<b>Current assets:</b>		
Debtors	2,046	1,173
Cash and bank balances	4,066	5,588
<b>Total assets</b>	<b>69,294</b>	<b>117,210</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(31)	(28)
<b>Creditors:</b>		
Distribution payable	(718)	(1,313)
Other creditors	(6,705)	(137)
<b>Total liabilities</b>	<b>(7,454)</b>	<b>(1,478)</b>
<b>Net assets attributable to shareholders</b>	<b>61,840</b>	<b>115,732</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>115,732</b>	<b>84,437</b>
Amounts receivable on the issue of shares	7,170	60,578
Amounts payable on the cancellation of shares	(64,706)	(9,004)
	(57,536)	51,574
Dilution adjustment	31	65
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,486	(5,932)
Retained distribution on accumulation shares	127	115
<b>Closing net assets attributable to shareholders</b>	<b>61,840</b>	<b>130,259</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 124 – 125 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.8149	–	0.8149	0.6801
<b>Group 2</b> 08/03/18 to 07/09/18	0.3976	0.4173	0.8149	0.6801
<b>Total distributions in the period</b>			<b>0.8149</b>	<b>0.6801</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.7979	–	1.7979	1.4670
<b>Group 2</b> 08/03/18 to 07/09/18	0.4928	1.3051	1.7979	1.4670
<b>Total distributions in the period</b>			<b>1.7979</b>	<b>1.4670</b>

## Threadneedle Dollar Bond Fund

### DISTRIBUTION TABLE

(continued)

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

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018
<b>Group 1</b>			
08/03/18 to 07/09/18	1.4128	–	1.4128
<b>Group 2</b>			
08/03/18 to 07/09/18	1.4128	–	1.4128
<b>Total distributions in the period</b>			<b>1.4128</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	1.5532	–	1.5532	1.3149
<b>Group 2</b>				
08/03/18 to 07/09/18	0.4247	1.1285	1.5532	1.3149
<b>Total distributions in the period</b>			<b>1.5532</b>	<b>1.3149</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/09/18	1.8692	–	1.8692	1.5457
<b>Group 2</b>				
08/03/18 to 07/09/18	0.9163	0.9529	1.8692	1.5457
<b>Total distributions in the period</b>			<b>1.8692</b>	<b>1.5457</b>

Group 1: shares purchased during a distribution period.

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

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	56.45	65.29	55.74	124.62	140.84	117.79
Return before operating charges (p)	4.19	6.74	11.60	9.28	(14.63)	24.62
Operating charges (p)	(0.34)	(0.73)	(0.74)	(0.75)	(1.59)	(1.57)
Return after operating charges (p)*	3.85	7.47	10.86	8.53	(16.22)	23.05
Distributions (p)	(0.81)	(1.37)	(1.31)	(1.80)	(2.98)	(2.78)
Retained distributions on accumulation shares (p)	–	–	–	1.80	2.98	2.78
Closing net asset value per share (p)	59.49	56.45	65.29	133.15	124.62	140.84
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	6.82	(11.44)	19.48	6.84	(11.52)	19.57
<b>Other information</b>						
Closing net asset value (£000)	45,977	101,110	61,987	8,412	7,908	14,327
Closing number of shares	77,286,055	179,107,797	94,935,460	6,317,910	6,345,373	10,172,145
Operating charges (%)**	1.16 <sup>†</sup>	1.19	1.19	1.16 <sup>†</sup>	1.19	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	61.99	65.45	67.07	136.84	141.18	143.22
Lowest share price (p)	54.79	56.18	54.99	120.94	122.51	116.35
	Class X – Gross accumulation shares <sup>§</sup>		Class Z – Income shares			
	07/09/2018	07/03/2018 <sup>†</sup>	07/09/2018	07/03/2018	07/03/2017	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	93.83	100.00	107.53	123.75	105.11	
Return before operating charges (p)	7.00	(6.17)	8.01	(12.81)	21.92	
Operating charges (p)	(0.01)	–	(0.37)	(0.76)	(0.76)	
Return after operating charges (p)*	6.99	(6.17)	7.64	(13.57)	21.16	
Distributions (p)	(1.41)	(1.00)	(1.55)	(2.65)	(2.52)	
Retained distributions on accumulation shares (p)	1.41	1.00	–	–	–	
Closing net asset value per share (p)	100.82	93.83	113.62	107.53	123.75	
*after direct transaction costs of (p)	–	–	–	–	–	
<b>Performance</b>						
Return after charges (%)	7.45	(6.17)	7.10	(10.97)	20.13	
<b>Other information</b>						
Closing net asset value (£000)	3	3	6,431	5,562	7,098	
Closing number of shares	3,001	3,001	5,659,814	5,172,505	5,736,167	
Operating charges (%)**	0.03 <sup>†</sup>	0.02 <sup>†</sup>	0.66 <sup>†</sup>	0.65	0.65	
Direct transaction costs (%)***	–	–	–	–	–	
<b>Prices</b>						
Highest share price (p)	103.55	101.00	118.34	124.05	126.90	
Lowest share price (p)	91.18	92.15	104.42	106.97	103.86	

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	129.40	145.47	121.00
Return before operating charges (p)	9.64	(15.18)	25.37
Operating charges (p)	(0.44)	(0.89)	(0.90)
Return after operating charges (p)*	9.20	(16.07)	24.47
Distributions (p)	(1.87)	(3.14)	(2.92)
Retained distributions on accumulation shares (p)	1.87	3.14	2.92
Closing net asset value per share (p)	138.60	129.40	145.47
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	7.11	(11.05)	20.22
<b>Other information</b>			
Closing net asset value (£000)	1,017	1,149	1,025
Closing number of shares	734,148	887,801	704,940
Operating charges (%)**	0.66 <sup>1</sup>	0.65	0.65
Direct transaction costs (%)***	–	–	–
<b>Prices</b>			
Highest share price (p)	142.41	145.82	147.64
Lowest share price (p)	125.65	127.15	119.72

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

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

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

<sup>1</sup>Commenced 5 October 2017.

<sup>1</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	179,107,797
Shares issued	6,862,997
Shares redeemed	(108,684,739)
Net conversions	–
Closing shares	<u>77,286,055</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	6,345,373
Shares issued	918,279
Shares redeemed	(945,742)
Net conversions	–
Closing shares	<u>6,317,910</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>
<b>Class Z – Income shares</b>	
Opening shares	5,172,505
Shares issued	1,629,108
Shares redeemed	(1,141,799)
Net conversions	–
Closing shares	<u>5,659,814</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	887,801
Shares issued	81,306
Shares redeemed	(234,959)
Net conversions	–
Closing shares	<u>734,148</u>

## 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 in a concentrated portfolio, primarily in the equities of companies domiciled in Japan or with significant Japanese operations. The investment approach of the Fund means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility.

If the ACD considers it desirable it may further invest up to one third of the 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 2018, the published share price of the Threadneedle Japan Fund has risen from 60.33p to 60.84p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +1.99% as compared to a median return of +1.37% over the same period. (For information the MSCI Japan Index returned +1.64% over the same period).

#### Market Overview and Portfolio Activity

The MSCI Japan index was steady in the six months to 7 September, rising in local currency and in sterling terms.

Market returns were firm early in the review period as economic growth remained solid and corporate earnings were healthy. However, markets then fell as investors' focus subsequently shifted to the escalation of trade tensions between the US and China. On 6 July, President Trump introduced tariffs of 25% on \$34bn of imports from China, with levies on a further \$16bn of goods towards the end of August. In the wake of retaliatory measures by China, the US president has also threatened a 10% tariff on another \$200bn of Chinese imports, and subsequently proposed raising this to 25%. Despite this, over the period Japan worked to independently strengthen its trade ties, through the Japan-EU free trade deal and the Trans-Pacific Partnership.

The yen's strength was another headwind to equity markets. The Japanese currency benefited from a flight to perceived safe havens, amid rising geopolitical risks.

Domestically, investors were reassured when Haruhiko Kuroda was reappointed as the Bank of Japan's (BoJ's) governor. Though the BoJ stated that monetary policy would be likely to remain accommodative for an "extended period" and lowered its inflation forecasts for 2019 and 2020, Japan's labour market continued to tighten, as pay growth rates hit a 21-year record high.

We continued to focus on investing in companies that we believe have strong long-term prospects. We purchased

Suzuki, believing its high auto market exposure in India and strong execution in Japan bode well for earnings. We also bought Matsumotokiyoshi, a drug store operator, which we feel is undervalued given its earnings visibility and improving margins.

We initiated a position in Astellas Pharma due to its ability to capitalise on the growth potential of its prostate cancer treatment Xtandi, and its increasingly proactive shareholder return profile. The company also recently announced a medium-term plan to recover from a patent cliff in 2020, which should boost investor confidence.

Sales included Subaru, given potential vulnerabilities and its reliance on the US market where competition is intensifying; and industrial machinery manufacturer Disco on concerns over slowing earnings growth coupled with full valuations.

We remain positive on Japanese equities. Along with corporate governance reforms, we see managements increasingly focusing on improving corporate profitability. We are vigilant of inflation risk, though currently there are no signs of notable inflation. However, amid rising material costs and the sustained tightness in the labour market, we are wary of companies exposed to cost-push inflation, and prefer companies that can benefit from this environment. Japanese equities remain attractively valued relative to other markets, and a strong global growth outlook is set to support Japanese exporters while domestic economic fundamentals continue to strengthen.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	7,155	20,421
Revenue	6,036	4,607
Expenses	(2,461)	(2,133)
Interest payable and similar charges	(31)	(1)
Net revenue before taxation	3,544	2,473
Taxation	(590)	(474)
Net revenue after taxation	2,954	1,999
<b>Total return before equalisation</b>	<b>10,109</b>	<b>22,420</b>
Equalisation	28	366
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>10,137</b>	<b>22,786</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	689,295	666,686
<b>Current assets:</b>		
Debtors	10,663	20,348
Cash and bank balances	20,098	14,356
Total assets	720,056	701,390
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(4)
<b>Creditors:</b>		
Distribution payable	–	(17)
Other creditors	(1,724)	(7,618)
Total liabilities	(1,724)	(7,639)
<b>Net assets attributable to shareholders</b>	<b>718,332</b>	<b>693,751</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>693,751</b>	<b>449,380</b>
Amounts receivable on the issue of shares	54,044	111,436
Amounts payable on the cancellation of shares	(39,600)	(30,177)
Amounts payable on in specie transfers	–	57,103
	14,444	138,362
Dilution adjustment	–	59
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,137	22,786
<b>Closing net assets attributable to shareholders</b>	<b>718,332</b>	<b>610,587</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 128 – 129 for comparative tables.



## Threadneedle Japan Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	60.29	55.99	42.74	68.23	62.98	47.78
Return before operating charges (p)	1.00	5.28	14.05	1.14	5.95	15.78
Operating charges (p)	(0.50)	(0.98)	(0.80)	(0.37)	(0.70)	(0.58)
Return after operating charges (p)*	0.50	4.30	13.25	0.77	5.25	15.20
Distributions (p)	–	–	–	–	(0.29)	(0.33)
Retained distributions on accumulation shares (p)	–	–	–	–	0.29	0.33
Closing net asset value per share (p)	60.79	60.29	55.99	69.00	68.23	62.98
*after direct transaction costs of (p)	0.03	0.08	0.07	0.03	0.09	0.08
<b>Performance</b>						
Return after charges (%)	0.83	7.68	31.00	1.13	8.34	31.81
<b>Other information</b>						
Closing net asset value (£000)	123,402	121,061	110,080	241,972	231,075	198,352
Closing number of shares	202,994,183	200,799,874	196,607,021	350,682,945	338,658,021	314,932,533
Operating charges (%)**	1.63 <sup>†</sup>	1.67	1.67	1.06 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.10	0.14	0.15	0.10	0.14	0.15
<b>Prices</b>						
Highest share price (p)	64.04	65.14	56.04	72.64	73.66	63.04
Lowest share price (p)	57.58	52.59	41.10	65.18	59.20	46.00
	Class L – Accumulation shares		Class X – Income shares			
	16/11/2017 <sup>†</sup>		07/09/2018	07/03/2018	07/03/2017	
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	222.96		159.31	147.62	112.43	
Return before operating charges (p)	34.16		2.67	14.00	37.35	
Operating charges (p)	(0.74)		(0.05)	(0.09)	(0.08)	
Return after operating charges (p)*	33.42		2.62	13.91	37.27	
Distributions (p)	–		–	(2.22)	(2.08)	
Retained distributions on accumulation shares (p)	–		–	–	–	
Closing net asset value per share (p)	256.38		161.93	159.31	147.62	
*after direct transaction costs of (p)	–		0.08	0.22	0.20	
<b>Performance</b>						
Return after charges (%)	14.99		1.64	9.42	33.15	
<b>Other information</b>						
Closing net asset value (£000)	–		1,402	1,221	905	
Closing number of shares	–		866,048	766,577	612,799	
Operating charges (%)**	–		0.06 <sup>†</sup>	0.06	0.06	
Direct transaction costs (%)***	–		0.10	0.14	0.15	
<b>Prices</b>						
Highest share price (p)	260.29		170.25	174.11	149.82	
Lowest share price (p)	220.30		152.27	138.91	108.41	

## Threadneedle Japan Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>2</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	144.13	131.71	98.93	253.78	226.05
Return before operating charges (p)	2.39	12.50	32.85	4.23	27.83
Operating charges (p)	(0.04)	(0.08)	(0.07)	(0.08)	(0.10)
Return after operating charges (p)*	2.35	12.42	32.78	4.15	27.73
Distributions (p)	–	(1.98)	(1.83)	–	(1.80)
Retained distributions on accumulation shares (p)	–	1.98	1.83	–	1.80
Closing net asset value per share (p)	146.48	144.13	131.71	257.93	253.78
*after direct transaction costs of (p)	0.07	0.20	0.18	0.13	0.29
<b>Performance</b>					
Return after charges (%)	1.63	9.43	33.13	1.64	12.27
<b>Other information</b>					
Closing net asset value (£000)	250,861	240,272	138,403	98,797	98,336
Closing number of shares	171,255,802	166,709,740	105,080,656	38,303,752	38,748,938
Operating charges (%)**	0.06 <sup>1</sup>	0.06	0.06	0.06 <sup>1</sup>	0.06
Direct transaction costs (%)***	0.10	0.14	0.15	0.10	0.14
<b>Prices</b>					
Highest share price (p)	154.03	155.35	131.82	271.21	273.54
Lowest share price (p)	137.76	123.94	95.38	242.57	223.38
<b>Class Z – Accumulation shares</b>					
	07/09/2018	07/03/2018	07/03/2017		
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	208.03	191.68	145.16		
Return before operating charges (p)	3.47	18.13	47.96		
Operating charges (p)	(0.94)	(1.78)	(1.44)		
Return after operating charges (p)*	2.53	16.35	46.52		
Distributions (p)	–	(1.22)	(1.30)		
Retained distributions on accumulation shares (p)	–	1.22	1.30		
Closing net asset value per share (p)	210.56	208.03	191.68		
*after direct transaction costs of (p)	0.11	0.29	0.24		
<b>Performance</b>					
Return after charges (%)	1.22	8.53	32.05		
<b>Other information</b>					
Closing net asset value (£000)	1,898	1,786	1,640		
Closing number of shares	901,415	858,327	855,446		
Operating charges (%)**	0.88 <sup>1</sup>	0.88	0.88		
Direct transaction costs (%)***	0.10	0.14	0.15		
<b>Prices</b>					
Highest share price (p)	221.61	224.50	191.85		
Lowest share price (p)	198.75	180.19	139.78		

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

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

<sup>1</sup>Commenced 12 May 2017 and closed 16 November 2017.

<sup>2</sup>Commenced 12 May 2017.

<sup>3</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	200,799,874
Shares issued	13,274,633
Shares redeemed	(11,080,324)
Net conversions	–
Closing shares	<u>202,994,183</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	338,658,021
Shares issued	37,095,166
Shares redeemed	(25,070,242)
Net conversions	–
Closing shares	<u>350,682,945</u>
<b>Class X – Income shares</b>	
Opening shares	766,577
Shares issued	99,471
Shares redeemed	–
Net conversions	–
Closing shares	<u>866,048</u>
<b>Class X – Accumulation shares</b>	
Opening shares	166,709,740
Shares issued	8,038,941
Shares redeemed	(3,492,879)
Net conversions	–
Closing shares	<u>171,255,802</u>
<b>Class X2 – Accumulation shares</b>	
Opening shares	38,748,938
Shares issued	3,416,913
Shares redeemed	(3,862,099)
Net conversions	–
Closing shares	<u>38,303,752</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	858,327
Shares issued	85,469
Shares redeemed	(42,381)
Net conversions	–
Closing shares	<u>901,415</u>

## 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. The Fund may invest up to 40% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

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

Over the six months to 7 September 2018, the published share price of the Threadneedle Asia Fund has fallen from 224.08p to 216.67p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is -0.92% as compared to a median return of -0.37% over the same period. (For information the MSCI AC Asia Pacific Ex Japan Index returned +0.05% over the same period).

#### Market Overview and Portfolio Activity

The six months under review was a volatile period for Asian equity markets. Despite solid economic growth and healthy corporate earnings across the region, and improved relations between North and South Korea, investors focused their attention on the escalation of trade tensions between the US and China. On 6 July, President Trump introduced tariffs of 25% on \$34bn of imports from China, with levies on a further \$16bn of goods towards the end of August. In the wake of retaliatory measures by China, the US president also threatened a 10% tariff on another \$200bn of Chinese imports, and subsequently proposed raising this to 25%. China's economy proved to be relatively resilient in the first half of 2018 against a backdrop

of ongoing structural de-leveraging. However, a slate of economic data for June came in weaker than expected, so in the face of the anticipated drag on growth from the US tariff impact, the Chinese authorities have eased both their fiscal and monetary stance.

Chinese equities had initially performed well in the run-up to the inclusion of China A-shares in the MSCI Emerging Markets (EM) index in May, which represents a further important step in the opening up of China's financial markets to overseas capital. However, Chinese equity markets fell sharply from mid-June in response to the escalating trade tensions and concerns over the slowing momentum of the economy. Elsewhere in the region as the interest rate differential with the US widened, central banks in India, the Philippines and Indonesia, all of whom need to fund current account deficits, resorted to tightening monetary policy to support their exchange rates. However, despite the Indian rupee depreciating sharply, the Indian market was the strongest performing market in the period under review, registering a double-digit return. Sentiment was helped by a pick-up in economic growth and strong domestic inflows into the equity market. The depreciation of the Indian rupee has benefited India's export-oriented pharmaceutical and software sectors.

In terms of portfolio activity, the fund adopted a more defensive stance over the period under review. It reduced its exposure to the technology sector by trimming the overweight position in Samsung Electronics, while exiting Sina, Hangzhou Hikvision and Netease in China, and NC Soft and LG Innotek in Korea. In the consumer discretionary sector, we sold out of Minth, the Chinese auto parts manufacturer, on concerns over margin pressure; and Midea, a leading Chinese consumer appliance manufacturer that is facing weakening demand as property transactions slow. The underweight position in the traditionally more defensive telecoms sector was reduced by purchasing a position in China Unicom, where the risk-reward profile looks attractive against a backdrop of improving margins and cost efficiency. Elsewhere, the exposure to healthcare was raised by increasing the holding in Sino Biopharmaceutical,

a leading mainland Chinese pharmaceutical company with a diversified and growing product portfolio. The fund also participated in the Hong Kong initial public offering (IPO) of BeiGene, a clinical biopharmaceutical company focused on the discovery and development of immuno-oncology drugs for the treatment of cancer. In the financial sector, the fund participated in the IPO of Bandhan Bank, India's largest microfinance-centric lender, which performed strongly on listing. The fund also took advantage of temporary weakness in the Malaysia market following the surprise election result to initiate a position in Public Bank. This activity was funded by exiting Bank of China and closing positions in Australian firms Westpac and Challenger.

Asian markets are currently undergoing a de-rating in the face of the triple headwinds of ongoing strength in the US dollar, escalating trade tensions and concerns over the slowdown of China's economy. However, compared with other emerging market economies, Asian economies are better positioned to withstand a US tightening cycle, given factors such as the aggregate current account surplus, reduced dependence on external financing, foreign exchange buffers, benign inflation and positive real interest rates. In China, the ongoing focus on financial deleveraging combined with the impact of the trade sanctions is expected to temper the rate of real GDP growth. That said, we expect the economic deceleration to be mild as growth stability remains a policy priority for the Chinese authorities, who have a number of levers at their disposal to support growth. Corporate earnings growth remains robust for the Asia Pacific region, helped by resilient domestic demand, and equity valuations remain undemanding both on an absolute basis and relative to their history. In addition, relative to developed markets, where returns on equity are similar, the valuation discount on offer in the Asia Pacific region represents an attractive investment opportunity.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(26,705)	59,483
Revenue	11,811	9,388
Expenses	(2,914)	(2,991)
Interest payable and similar charges	(7)	(4)
Net revenue before taxation	8,890	6,393
Taxation	(1,876)	(1,073)
Net revenue after taxation	7,014	5,320
<b>Total return before equalisation</b>	<b>(19,691)</b>	<b>64,803</b>
Equalisation	438	335
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(19,253)</b>	<b>65,138</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	606,005	615,320
<b>Current assets:</b>		
Debtors	12,428	8,401
Cash and bank balances	10,417	7,211
<b>Total assets</b>	<b>628,850</b>	<b>630,932</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(80)	(3)
<b>Creditors:</b>		
Other creditors	(5,057)	(5,934)
<b>Total liabilities</b>	<b>(5,137)</b>	<b>(5,937)</b>
<b>Net assets attributable to shareholders</b>	<b>623,713</b>	<b>624,995</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>624,995</b>	<b>557,047</b>
Amounts receivable on the issue of shares	321,715	88,448
Amounts payable on the cancellation of shares	(303,783)	(128,832)
Amounts receivable on inspecie transfers	—	48,677
	17,932	8,293
Dilution adjustment	39	520
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(19,253)	65,138
<b>Closing net assets attributable to shareholders</b>	<b>623,713</b>	<b>630,998</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 132 – 134 for comparative tables.

## Threadneedle Asia Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	223.94	192.05	141.62	233.55	
Return before operating charges (p)	(5.63)	35.56	53.30	(16.72)	
Operating charges (p)	(1.88)	(3.67)	(2.87)	(0.40)	
Return after operating charges (p)*	(7.51)	31.89	50.43	(17.12)	
Distributions (p)	–	(0.65)	(1.95)	–	
Retained distributions on accumulation shares (p)	–	0.65	1.95	–	
Closing net asset value per share (p)	216.43	223.94	192.05	216.43	
*after direct transaction costs of (p)	0.13	0.49	0.35	0.06	
<b>Performance</b>					
Return after charges (%)	(3.35)	16.61	35.61	(7.33)	
<b>Other information</b>					
Closing net asset value (£000)	62,095	148,098	147,496	3,755	
Closing number of shares	28,690,781	66,133,496	76,802,345	1,735,050	
Operating charges (%)**	1.66 <sup>†</sup>	1.72	1.72	1.65 <sup>†</sup>	
Direct transaction costs (%)***	0.11	0.23	0.21	0.11	
<b>Prices</b>					
Highest share price (p)	237.99	237.58	192.42	232.75	
Lowest share price (p)	213.99	186.44	136.47	216.67	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	07/09/2018 <sup>1</sup>		07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	233.55		250.48	213.50	156.48
Return before operating charges (p)	(16.72)		(6.31)	39.62	59.09
Operating charges (p)	(0.40)		(1.39)	(2.64)	(2.07)
Return after operating charges (p)*	(17.12)		(7.70)	36.98	57.02
Distributions (p)	–		–	(2.17)	(3.30)
Retained distributions on accumulation shares (p)	–		–	2.17	3.30
Closing net asset value per share (p)	216.43		242.78	250.48	213.50
*after direct transaction costs of (p)	0.06		0.15	0.54	0.39
<b>Performance</b>					
Return after charges (%)	(7.33)		(3.07)	17.32	36.44
<b>Other information</b>					
Closing net asset value (£000)	70,525		130,289	289,302	331,772
Closing number of shares	32,585,947		53,665,763	115,499,365	155,396,261
Operating charges (%)**	1.65 <sup>†</sup>		1.09 <sup>†</sup>	1.11	1.12
Direct transaction costs (%)***	0.11		0.11	0.23	0.21
<b>Prices</b>					
Highest share price (p)	232.75		266.58	265.55	213.92
Lowest share price (p)	216.67		239.51	207.41	150.97

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares 07/09/2018 <sup>1</sup>	Class 2 USD – Accumulation shares 07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>		
Opening net asset value per share (p)	261.64	261.64
Return before operating charges (p)	(18.57)	(18.57)
Operating charges (p)	(0.29)	(0.29)
Return after operating charges (p)*	(18.86)	(18.86)
Distributions (p)	–	–
Retained distributions on accumulation shares (p)	–	–
Closing net asset value per share (p)	242.78	242.78
*after direct transaction costs of (p)	0.07	0.07
<b>Performance</b>		
Return after charges (%)	(7.21)	(7.21)
<b>Other information</b>		
Closing net asset value (£000)	99,992	33,680
Closing number of shares	41,186,267	13,872,499
Operating charges (%)**	1.08 <sup>†</sup>	1.08 <sup>†</sup>
Direct transaction costs (%)***	0.11	0.11
<b>Prices</b>		
Highest share price (p)	260.75	260.75
Lowest share price (p)	243.05	243.05
	Class L – Accumulation shares 16/11/2017 <sup>2</sup>	Class X – Income shares 16/11/2017 <sup>3</sup> 07/03/2017
<b>Change in net assets per share</b>		
Opening net asset value per share (p)	302.54	132.92      98.83
Return before operating charges (p)	51.62	26.86      37.40
Operating charges (p)	(0.65)	(0.05)      (0.09)
Return after operating charges (p)*	50.97	26.81      37.31
Distributions (p)	–	–      (3.22)
Retained distributions on accumulation shares (p)	–	–      –
Closing net asset value per share (p)	353.51	159.73      132.92
*after direct transaction costs of (p)	0.39	0.23      0.25
<b>Performance</b>		
Return after charges (%)	16.85	20.17      37.75
<b>Other information</b>		
Closing net asset value (£000)	–	–      4
Closing number of shares	–	–      3,001
Operating charges (%)**	–	–      0.08
Direct transaction costs (%)***	–	0.23      0.21
<b>Prices</b>		
Highest share price (p)	357.89	161.69      136.41
Lowest share price (p)	297.92	129.29      95.55

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018 <sup>4</sup>
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	165.70	139.83	101.57	642.14	555.71
Return before operating charges (p)	(4.22)	26.03	38.39	(16.47)	86.89
Operating charges (p)	(0.07)	(0.16)	(0.13)	(0.26)	(0.46)
Return after operating charges (p)*	(4.29)	25.87	38.26	(16.73)	86.43
Distributions (p)	–	(2.99)	(3.26)	–	(9.77)
Retained distributions on accumulation shares (p)	–	2.99	3.26	–	9.77
Closing net asset value per share (p)	161.41	165.70	139.83	625.41	642.14
*after direct transaction costs of (p)	0.10	0.36	0.29	0.37	1.17
<b>Performance</b>					
Return after charges (%)	(2.59)	18.50	37.67	(2.61)	15.55
<b>Other information</b>					
Closing net asset value (£000)	111,316	66,298	53,687	83,191	87,516
Closing number of shares	68,966,058	40,011,829	38,393,835	13,301,733	13,628,740
Operating charges (%)**	0.08 <sup>1</sup>	0.10	0.10	0.08 <sup>1</sup>	0.11 <sup>1</sup>
Direct transaction costs (%)***	0.11	0.23	0.21	0.11	0.23
<b>Prices</b>					
Highest share price (p)	176.79	175.46	140.10	685.12	680.02
Lowest share price (p)	158.62	136.00	98.18	614.71	547.25
	Class Z – Accumulation shares			Class Z USD – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>4</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	195.92	166.70	121.97	204.75	
Return before operating charges (p)	(4.96)	30.96	46.09	(14.50)	
Operating charges (p)	(0.90)	(1.74)	(1.36)	(0.19)	
Return after operating charges (p)*	(5.86)	29.22	44.73	(14.69)	
Distributions (p)	–	(2.02)	(2.83)	–	
Retained distributions on accumulation shares (p)	–	2.02	2.83	–	
Closing net asset value per share (p)	190.06	195.92	166.70	190.06	
*after direct transaction costs of (p)	0.11	0.43	0.31	0.05	
<b>Performance</b>					
Return after charges (%)	(2.99)	17.53	36.67	(7.17)	
<b>Other information</b>					
Closing net asset value (£000)	20,164	33,781	24,088	8,706	
Closing number of shares	10,608,841	17,241,993	14,450,322	4,580,743	
Operating charges (%)**	0.90 <sup>1</sup>	0.93	0.94	0.90 <sup>1</sup>	
Direct transaction costs (%)***	0.11	0.23	0.21	0.11	
<b>Prices</b>					
Highest share price (p)	208.61	207.66	167.02	204.06	
Lowest share price (p)	187.38	161.98	117.71	190.28	

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

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

<sup>1</sup>Commenced 15 June 2018.

<sup>2</sup>Commenced 12 May 2017 and closed 16 November 2017.

<sup>3</sup>Closed 16 November 2017.

<sup>4</sup>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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	66,133,496
Shares issued	3,882,355
Shares redeemed	(41,322,296)
Net conversions	(2,774)
Closing shares	<u>28,690,781</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	1,775,548
Shares redeemed	(40,498)
Net conversions	–
Closing shares	<u>1,735,050</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	34,330,570
Shares redeemed	(1,539,623)
Net conversions	(205,000)
Closing shares	<u>32,585,947</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	115,499,365
Shares issued	4,944,975
Shares redeemed	(66,778,577)
Net conversions	–
Closing shares	<u>53,665,763</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	41,186,566
Shares redeemed	(299)
Net conversions	–
Closing shares	<u>41,186,267</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	15,015,986
Shares redeemed	(1,143,487)
Net conversions	–
Closing shares	<u>13,872,499</u>
<b>Class X – Accumulation shares</b>	
Opening shares	40,011,829
Shares issued	29,563,738
Shares redeemed	(609,509)
Net conversions	–
Closing shares	<u>68,966,058</u>

2018

#### Class X2 – Accumulation shares

Opening shares	13,628,740
Shares issued	418,549
Shares redeemed	(745,556)
Net conversions	–
Closing shares	<u>13,301,733</u>

#### Class Z – Accumulation shares

Opening shares	17,241,993
Shares issued	2,240,468
Shares redeemed	(8,876,780)
Net conversions	3,160
Closing shares	<u>10,608,841</u>

#### Class Z USD – Accumulation shares\*

Opening shares	–
Shares issued	7,087,385
Shares redeemed	(2,740,220)
Net conversions	233,578
Closing shares	<u>4,580,743</u>

\*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 2018, the published share price of the Threadneedle Latin America Fund has fallen from 258.66p to 219.97p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is -15.79%. (For information the MSCI 10/40 Latin America Index returned -13.30% over the same period).

#### Market Overview and Portfolio Activity

In the six months to 7 September, Latin American equities, as measured by the MSCI Latin America 10-40 index, fell in sterling terms. Over the period, US dollar strength impacted sentiment in Latin America, particularly towards those countries with current account deficits, with currencies bearing the brunt of the resulting volatility.

In addition to a depreciating currency, Brazil's market was affected by strikes by truckers, who protested against higher fuel prices. The government responded by introducing new fuel subsidies. Temporarily higher inflation and further pressure on fiscal accounts also dampened sentiment. There were also political concerns, as presidential candidate Geraldo Alckmin, seen as market-friendly, appeared to struggle to gain traction even during the TV/radio advertising period.

Uncertainties surrounding the ongoing NAFTA negotiations weighed on markets in Mexico over the period. However, in July, market-friendly rhetoric from President Lopez Obrador, who emerged victorious in the country's presidential elections, boosted sentiment. In late August, equities reflected the gains on the currency on the back of renewed optimism about NAFTA negotiations.

In the Andean region, high currency depreciation drove most of the negative returns, especially in Argentina, where weakness in the peso prompted the central bank to hike rates sharply in early May, and the government to seek aid from the IMF. Colombia held up relatively better, given Ivan Duque's lead in the presidential election polls and his eventual victory, he is seen by investors as market-friendly.

Over the period, the fund initiated a position in Suzano Papel, the largest pulp producer in Latin America, reflecting constructive views on pulp prices and the potential for synergies from the recent merger with Fibria. The fund also entered a position in Mexichem, a petrochemical producer, which is expected to benefit from strategic expansions and a ramp-up in ethylene production. Elsewhere, the fund initiated positions in Localiza Rent A Car, where strong management should benefit the long-term growth profile of the company; and Lojas Americanas, which operates a chain of department stores with attractive growth opportunities via its e-commerce, digital payments and convenience stores initiatives.

To fund these purchases, the fund sold out of Telefonica Brasil, due to the unfavourable competitive landscape in Brazil's telecoms sector; Alparagatas, as improvements in the company's corporate structure were taking longer than expected, and Azul, as sharp currency depreciation resulted in weak growth and profitability forecasts. We also exited positions in Grupo Supervielle and Loma Negra, as rate hikes in Argentina reduced economic growth forecasts significantly.

Latin American countries face diverse outlooks, considering their different points in the political, monetary and GDP growth cycles, as well as their varying exposure to commodities.

In Brazil, we continue to monitor the political situation, as the upcoming October election adds a high level of uncertainty. The country is resuming growth post the severe recession in 2015 and 2016; this is accompanied by low levels of inflation and rates.

In terms of trade tensions, Latin America remains relatively protected compared to other global regions, as some of the economies in the region are relatively closed, and most exports are related to raw commodities, thereby are less exposed to tariffs. Regarding the future of US-Mexico trade relations, we hold a constructive outlook as it seems unlikely that decades of economic integration will come to a halt.

Argentina has been feeling the repercussions of fiscal and monetary imbalances, which have shaken investor confidence. In the portfolio, we have limited exposure to domestic names given macro uncertainties, due to concerns around the country's deficit and inflation, and the currency's devaluation.

Chile is experiencing positive momentum thanks in part to Sebastián Piñera's victory in the presidential election. Elsewhere in the Andean region, ongoing concerns regarding the rate of global growth and expectations for a rate-hiking cycle in the US continue to weigh on sentiment.

The corporate sector in the region has many high-quality companies with strong balance sheets and strong market positioning. This leads to high profitability and attractive dividend yields: a theme we look for in our portfolios based on our philosophy.

We are benefiting from companies exposed to secular growth, where trends are driven by factors such as lower banking penetration; labour force formalisation, which is resulting in high growth in sectors such as asset management and insurance; and the digitalisation of the retail sector, which is reflected by high growth rates of digital payments companies.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(78,879)	23,890
Revenue	6,960	6,684
Expenses	(2,547)	(2,782)
Interest payable and similar charges	(4)	–
Net revenue before taxation	4,409	3,902
Taxation	(514)	(464)
Net revenue after taxation	3,895	3,438
<b>Total return before equalisation</b>	<b>(74,984)</b>	<b>27,328</b>
Equalisation	28	(27)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(74,956)</b>	<b>27,301</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	402,686	474,908
<b>Current assets:</b>		
Debtors	12,064	9,497
Cash and bank balances	16,470	8,886
<b>Total assets</b>	<b>431,220</b>	<b>493,291</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	–	(1)
<b>Creditors:</b>		
Other creditors	(14,850)	(6,358)
<b>Total liabilities</b>	<b>(14,850)</b>	<b>(6,359)</b>
<b>Net assets attributable to shareholders</b>	<b>416,370</b>	<b>486,932</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>486,932</b>	<b>490,755</b>
Amounts receivable on the issue of shares	112,974	66,831
Amounts payable on the cancellation of shares	(108,612)	(78,376)
	4,362	(11,545)
Dilution adjustment	32	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(74,956)	27,301
<b>Closing net assets attributable to shareholders</b>	<b>416,370</b>	<b>506,511</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 137 for comparative tables.

## Threadneedle Latin America Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	261.20	249.87	173.98	289.96	275.70	190.79
Return before operating charges (p)	(39.36)	15.53	79.44	(43.73)	17.24	87.43
Operating charges (p)	(2.00)	(4.20)	(3.55)	(1.42)	(2.98)	(2.52)
Return after operating charges (p)*	(41.36)	11.33	75.89	(45.15)	14.26	84.91
Distributions (p)	–	(2.67)	(1.67)	–	(4.68)	(3.26)
Retained distributions on accumulation shares (p)	–	2.67	1.67	–	4.68	3.26
Closing net asset value per share (p)	219.84	261.20	249.87	244.81	289.96	275.70
*after direct transaction costs of (p)	0.23	0.36	0.35	0.26	0.40	0.39
<b>Performance</b>						
Return after charges (%)	(15.83)	4.53	43.62	(15.57)	5.17	44.50
<b>Other information</b>						
Closing net asset value (£000)	63,212	70,691	77,591	306,396	363,530	362,641
Closing number of shares	28,754,257	27,064,208	31,053,160	125,157,652	125,373,778	131,534,254
Operating charges (%)**	1.69 <sup>†</sup>	1.70	1.69	1.08 <sup>†</sup>	1.09	1.08
Direct transaction costs (%)***	0.20	0.14	0.17	0.20	0.14	0.17
<b>Prices</b>						
Highest share price (p)	263.19	264.89	255.31	292.22	293.32	281.07
Lowest share price (p)	211.51	220.51	169.53	235.19	243.60	185.94
	Class X – Accumulation shares			Class Z – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	119.53	112.77	77.37	99.35	94.30	65.15
Return before operating charges (p)	(18.07)	6.85	35.48	(14.99)	5.90	29.87
Operating charges (p)	(0.04)	(0.09)	(0.08)	(0.40)	(0.85)	(0.72)
Return after operating charges (p)*	(18.11)	6.76	35.40	(15.39)	5.05	29.15
Distributions (p)	–	(2.81)	(2.12)	–	(1.76)	(1.25)
Retained distributions on accumulation shares (p)	–	2.81	2.12	–	1.76	1.25
Closing net asset value per share (p)	101.42	119.53	112.77	83.96	99.35	94.30
*after direct transaction costs of (p)	0.11	0.16	0.18	0.09	0.14	0.13
<b>Performance</b>						
Return after charges (%)	(15.15)	5.99	45.75	(15.49)	5.36	44.74
<b>Other information</b>						
Closing net asset value (£000)	200	261	259	46,562	52,450	50,264
Closing number of shares	197,394	218,070	229,795	55,457,931	52,791,368	53,301,002
Operating charges (%)**	0.08 <sup>†</sup>	0.08	0.07	0.90 <sup>†</sup>	0.91	0.90
Direct transaction costs (%)***	0.20	0.14	0.17	0.20	0.14	0.17
<b>Prices</b>						
Highest share price (p)	120.55	120.66	114.72	100.13	100.43	96.08
Lowest share price (p)	97.25	99.83	75.42	80.62	83.35	63.49

\*\*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.

# Threadneedle Latin America Fund

## Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	27,064,208
Shares issued	25,792,682
Shares redeemed	(23,983,776)
Net conversions	(118,857)
Closing shares	<u>28,754,257</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	125,373,778
Shares issued	17,853,118
Shares redeemed	(18,069,244)
Net conversions	–
Closing shares	<u>125,157,652</u>
<b>Class X – Accumulation shares</b>	
Opening shares	218,070
Shares issued	–
Shares redeemed	(20,676)
Net conversions	–
Closing shares	<u>197,394</u>
<b>Class Z – Accumulation shares</b>	
Opening shares	52,791,368
Shares issued	9,333,868
Shares redeemed	(6,979,654)
Net conversions	312,349
Closing shares	<u>55,457,931</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 Efficient Portfolio Management techniques.

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

Over the six months to 7 September 2018, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 61.07p to 59.52p.

The sterling total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +0.50%. The fund return equates approximately to +0.98% gross of tax and charges\*\*. (For information the JPM Emerging Market Bonds Global Index gave a total return of +2.77% for the same period).

#### Market Overview and Portfolio Activity

Over the review period, Emerging market (EM) bonds were pressured by a stronger dollar and rising US interest-rate expectations. Investors were also unsettled by President Trump's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliatory measures. Countries with high current-account deficits, such as Argentina, South Africa and Turkey, were particularly hard-hit; investors fretted that less "easy money" would result in less capital flowing into EMs and thereby make it hard for these countries to finance their external deficits. Country-

specific issues compounded the negative sentiment. In Turkey, the government largely continued to eschew orthodox economic policies, while following his re-election in June, President Erdogan stepped up his control of monetary policy. Meanwhile, Turkey's arrest of an American pastor led to a deterioration in its relations with the US. The US responded by imposing sanctions and hiking tariffs on Turkish metal imports in August. This compounded the sell-off in Turkey's currency and bonds, and subsequently prompted fears of contagion within the EM arena as a whole. The sharp fall in the Argentine peso forced the country to seek an aid package from the IMF. This briefly buoyed sentiment. However, in August, a widening corruption probe pushed the peso to an all-time low. This led the government to ask the IMF to bring forward its planned disbursement of the loan, which hurt the peso even more. South Africa attracted investors' ire in August too, due to a controversial constitutional amendment, which gives the government the right to use land for development without compensating the affected parties.

Russian bonds were impacted by the country's deteriorating relations with the West, which led the US to impose more sanctions on the country. However, Russian markets derived some support from the rally in oil prices over the period. Other Eastern Europe bond markets generally fared better over the review period. The same was true of most Asian markets; these economies are generally well-positioned for a US interest-rate tightening cycle, due to their aggregate current-account surplus, foreign exchange buffers and relatively lower dependence on external funding. However, India and Indonesia were hit sharply in August; both have large current-account deficits.

In Latin America, the Brazilian market and the real were periodically buffeted by concerns that an anti-establishment candidate could be elected president in October. Meanwhile, the current administration was dogged by several challenges, notably a truckers' strike in May, which forced the government to make concessions on fuel subsidies. Mexico was initially hurt by concerns around North American Free Trade Association (NAFTA) and the populist campaign of presidential candidate Andres Manuel Lopez Obrador. However, bonds later rallied after Obrador's election, as he assumed a more market-friendly stance. Further, as the period drew to a close, investors grew more optimistic about the NAFTA negotiations. In Colombia, the prospect, then reality that a business-friendly candidate would triumph in June's presidential election buoyed sentiment. By contrast, investors and

the international community reacted coolly to the re-election of President Maduro in Venezuela, due to his authoritarian style of government, which has spawned violent protests at home and international sanctions. In August, the government sharply devalued the bolivar in an effort to tackle the collapsing economy and rampant hyperinflation.

Trading within corporate bonds dominated the fund's activity over the review period. New additions included Geo Coal, Tullow Oil, MHP Lux, Star Energy, Kazmunaygas, Syngenta and Light Servicios de Electricidade. We sold out of Marb Bondco, and Beijing Gas.

In terms of sovereign debt, notable top-ups were made to positions in the Ivory Coast, Paraguay, El Salvador and Oman. We reduced holdings in Russia, Senegal, Brazil, Kenya, Indonesia and Turkey. We closed positions in Costa Rica, Ethiopia, Jamaica and Peru altogether.

In terms of agency/quasi-sovereign debt, we reduced our holding in the Argentinian province of Buenos Aires and initiated a position in the Export Credit Bank of Turkey.

Valuations continue to look attractive within EMs, given the generally strong growth backdrop and the fundamental improvements across a number of EM economies.

Though a candidate perceived as a populist won Mexico's recent presidential election, his subsequent comments indicate he may be more pragmatic than some of his earlier rhetoric suggests. Much of the political focus now turns to Brazil, where the outcome of the election remains highly uncertain, despite recent gains by mainstream candidate Alckmin.

Trade concerns are still lingering, with uncertainty around US policy, and are likely to remain a focus over the coming months.

Despite rising yields on US Treasuries, we expect spreads to remain resilient, particularly in the high-yield space, where the spread cushion is more meaningful and the fundamentals are supportive.

Idiosyncratic country stories will continue to be key to overall EM performance, not least in markets such as Russia, Argentina, Turkey, South Africa and Venezuela.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital losses	(5,374)	(9,591)
Revenue	7,379	7,932
Expenses	(1,309)	(1,510)
Interest payable and similar charges	(4)	(1)
Net revenue before taxation	6,066	6,421
Taxation	–	–
Net revenue after taxation	6,066	6,421
<b>Total return before distributions</b>	692	(3,170)
Distributions	(7,207)	(7,739)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(6,515)</b>	<b>(10,909)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	195,336	221,757
<b>Current assets:</b>		
Debtors	2,998	2,804
Cash and bank balances	14,627	9,852
<b>Total assets</b>	<b>212,961</b>	<b>234,413</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(188)	(41)
<b>Creditors:</b>		
Distribution payable	(4,596)	(4,452)
Other creditors	(8,974)	(803)
<b>Total liabilities</b>	<b>(13,758)</b>	<b>(5,296)</b>
<b>Net assets attributable to shareholders</b>	<b>199,203</b>	<b>229,117</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>229,117</b>	<b>250,271</b>
Amounts receivable on the issue of shares	11,077	40,089
Amounts payable on the cancellation of shares	(36,574)	(33,291)
	(25,497)	6,798
Dilution adjustment	45	77
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,515)	(10,909)
Retained distribution on accumulation shares	2,053	2,407
<b>Closing net assets attributable to shareholders</b>	<b>199,203</b>	<b>248,644</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 141 – 143 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.9335	–	1.9335	2.0354
<b>Group 2</b> 08/03/18 to 07/09/18	0.8820	1.0515	1.9335	2.0354
<b>Total distributions in the period</b>			<b>1.9335</b>	<b>2.0354</b>

#### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	3.2866	–	3.2866	3.4598
<b>Group 2</b> 08/03/18 to 07/09/18	2.1392	1.1474	3.2866	3.4598
<b>Total distributions in the period</b>			<b>3.2866</b>	<b>3.4598</b>

## Threadneedle Emerging Market Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1 08/03/18 to 07/09/18	8.2846	–	8.2846	8.2285
Group 2 08/03/18 to 07/09/18	5.3337	2.9509	8.2846	8.2285
<b>Total distributions in the period</b>			<b>8.2846</b>	<b>8.2285</b>

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1 08/03/18 to 07/09/18	3.5045	–	3.5045	3.6985
Group 2 08/03/18 to 07/09/18	2.4139	1.0906	3.5045	3.6985
<b>Total distributions in the period</b>			<b>3.5045</b>	<b>3.6985</b>

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1 08/03/18 to 07/09/18	8.4980	–	8.4980	8.4527
Group 2 08/03/18 to 07/09/18	4.9241	3.5739	8.4980	8.4527
<b>Total distributions in the period</b>			<b>8.4980</b>	<b>8.4527</b>

#### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1 08/03/18 to 07/09/18	3.7630	–	3.7630	3.9311
Group 2 08/03/18 to 07/09/18	3.7630	–	3.7630	3.9311
<b>Total distributions in the period</b>			<b>3.7630</b>	<b>3.9311</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1 08/03/18 to 07/09/18	3.7359	–	3.7359	3.6791
Group 2 08/03/18 to 07/09/18	1.8365	1.8994	3.7359	3.6791
<b>Total distributions in the period</b>			<b>3.7359</b>	<b>3.6791</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1 08/03/18 to 07/09/18	3.2641	–	3.2641	3.4284
Group 2 08/03/18 to 07/09/18	2.0131	1.2510	3.2641	3.4284
<b>Total distributions in the period</b>			<b>3.2641</b>	<b>3.4284</b>

#### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1 08/03/18 to 07/09/18	3.0571	–	3.0571	3.2110
Group 2 08/03/18 to 07/09/18	1.4369	1.6202	3.0571	3.2110
<b>Total distributions in the period</b>			<b>3.0571</b>	<b>3.2110</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1 08/03/18 to 07/09/18	4.6089	–	4.6089	4.5662
Group 2 08/03/18 to 07/09/18	2.0666	2.5423	4.6089	4.5662
<b>Total distributions in the period</b>			<b>4.6089</b>	<b>4.5662</b>

Group 2: shares purchased during a distribution period.

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	59.25	68.47	55.75	100.72	116.39	94.76
Return before operating charges (p)	0.51	(4.42)	17.83	0.88	(7.52)	30.33
Operating charges (p)	(0.48)	(1.10)	(1.08)	(0.82)	(1.86)	(1.85)
Return after operating charges (p)*	0.03	(5.52)	16.75	0.06	(9.38)	28.48
Distributions (p)	(1.93)	(3.70)	(4.03)	(3.29)	(6.29)	(6.85)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	57.35	59.25	68.47	97.49	100.72	116.39
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.05	(8.06)	30.04	0.06	(8.06)	30.05
<b>Other information</b>						
Closing net asset value (£000)	6,857	7,369	10,078	72,440	79,146	86,252
Closing number of shares	11,957,109	12,436,437	14,718,193	74,307,953	78,578,002	74,107,207
Operating charges (%)**	1.61 <sup>†</sup>	1.68	1.69	1.61 <sup>†</sup>	1.68	1.69
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	61.74	68.93	71.08	104.95	117.18	121.03
Lowest share price (p)	57.51	59.50	55.54	97.76	101.14	94.41
	Class 1 – Gross accumulation shares <sup>5</sup>			Class 2 – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	253.91	276.83	212.38	106.02	121.90	98.74
Return before operating charges (p)	2.17	(18.43)	68.66	0.91	(7.91)	31.72
Operating charges (p)	(2.06)	(4.49)	(4.21)	(0.58)	(1.24)	(1.28)
Return after operating charges (p)*	0.11	(22.92)	64.45	0.33	(9.15)	30.44
Distributions (p)	(8.28)	(15.16)	(15.59)	(3.50)	(6.73)	(7.28)
Retained distributions on accumulation shares (p)	8.28	15.16	15.59	–	–	–
Closing net asset value per share (p)	254.02	253.91	276.83	102.85	106.02	121.90
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.04	(8.28)	30.35	0.31	(7.51)	30.83
<b>Other information</b>						
Closing net asset value (£000)	32,022	33,097	37,465	1,466	1,508	1,821
Closing number of shares	12,606,360	13,034,914	13,533,658	1,425,180	1,422,592	1,493,778
Operating charges (%)**	1.61 <sup>†</sup>	1.68	1.69	1.09 <sup>†</sup>	1.07	1.08
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	264.55	278.68	279.15	110.72	122.73	126.31
Lowest share price (p)	246.41	248.01	211.57	102.93	106.49	98.37

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares <sup>5</sup>			Class X – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	257.11	278.62	212.44	113.56	129.24	103.63
Return before operating charges (p)	2.20	(18.62)	68.84	0.98	(8.42)	33.40
Operating charges (p)	(1.41)	(2.89)	(2.66)	(0.05)	(0.09)	(0.10)
Return after operating charges (p)*	0.79	(21.51)	66.18	0.93	(8.51)	33.30
Distributions (p)	(8.50)	(15.60)	(15.94)	(3.76)	(7.17)	(7.69)
Retained distributions on accumulation shares (p)	8.50	15.60	15.94	–	–	–
Closing net asset value per share (p)	257.90	257.11	278.62	110.73	113.56	129.24
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.31	(7.72)	31.15	0.82	(6.58)	32.13
<b>Other information</b>						
Closing net asset value (£000)	7,376	7,922	9,253	131	135	585
Closing number of shares	2,859,970	3,081,086	3,321,131	118,448	118,448	452,184
Operating charges (%)**	1.09 <sup>†</sup>	1.07	1.08	0.09 <sup>†</sup>	0.07	0.08
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	268.48	280.49	280.31	119.09	130.12	133.73
Lowest share price (p)	249.59	251.06	211.62	110.30	113.99	103.25
	Class X – Gross accumulation shares <sup>5</sup>			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	112.75	120.96	91.30	99.82	114.30	92.21
Return before operating charges (p)	0.96	(8.13)	29.75	0.85	(7.43)	29.64
Operating charges (p)	(0.05)	(0.08)	(0.09)	(0.38)	(0.81)	(0.80)
Return after operating charges (p)*	0.91	(8.21)	29.66	0.47	(8.24)	28.84
Distributions (p)	(3.74)	(6.80)	(6.91)	(3.26)	(6.24)	(6.75)
Retained distributions on accumulation shares (p)	3.74	6.80	6.91	–	–	–
Closing net asset value per share (p)	113.66	112.75	120.96	97.03	99.82	114.30
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.81	(6.79)	32.49	0.47	(7.21)	31.28
<b>Other information</b>						
Closing net asset value (£000)	14,376	20,732	23,999	53,722	68,420	69,334
Closing number of shares	12,648,076	18,387,977	19,839,699	55,365,277	68,545,013	60,659,338
Operating charges (%)**	0.09 <sup>†</sup>	0.07	0.08	0.76 <sup>†</sup>	0.74	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	118.23	121.78	121.33	104.38	115.08	118.26
Lowest share price (p)	109.50	110.04	90.95	96.92	100.20	91.87

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	93.49	107.05	86.36	140.95	152.25	115.71
Return before operating charges (p)	0.81	(6.96)	27.77	1.21	(10.21)	37.56
Operating charges (p)	(0.36)	(0.76)	(0.76)	(0.54)	(1.09)	(1.02)
Return after operating charges (p)*	0.45	(7.72)	27.01	0.67	(11.30)	36.54
Distributions (p)	(3.06)	(5.84)	(6.32)	(4.61)	(8.43)	(8.59)
Retained distributions on accumulation shares (p)	–	–	–	4.61	8.43	8.59
Closing net asset value per share (p)	90.88	93.49	107.05	141.62	140.95	152.25
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.48	(7.21)	31.28	0.48	(7.42)	31.58
<b>Other information</b>						
Closing net asset value (£000)	1,811	1,848	1,992	9,002	8,940	9,492
Closing number of shares	1,992,974	1,976,918	1,860,555	6,356,292	6,342,926	6,234,382
Operating charges (%)**	0.76 <sup>†</sup>	0.74	0.75	0.76 <sup>†</sup>	0.74	0.75
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	97.76	107.78	110.95	147.39	153.27	153.00
Lowest share price (p)	90.77	93.84	86.04	136.85	137.61	115.27

\*\*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.



## Threadneedle Emerging Market Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Income shares</b>	
Opening shares	12,436,437
Shares issued	501,899
Shares redeemed	(955,062)
Net conversions	(26,165)
Closing shares	<u>11,957,109</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	78,578,002
Shares issued	674,664
Shares redeemed	(4,944,713)
Net conversions	–
Closing shares	<u>74,307,953</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	13,034,914
Shares issued	602,890
Shares redeemed	(1,003,935)
Net conversions	(27,509)
Closing shares	<u>12,606,360</u>
<b>Class 2 – Income shares</b>	
Opening shares	1,422,592
Shares issued	34,688
Shares redeemed	(32,100)
Net conversions	–
Closing shares	<u>1,425,180</u>
<b>Class 2 – Gross accumulation shares</b>	
Opening shares	3,081,086
Shares issued	1,348,990
Shares redeemed	(1,570,106)
Net conversions	–
Closing shares	<u>2,859,970</u>
<b>Class X – Gross income shares</b>	
Opening shares	118,448
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>118,448</u>
<b>Class X – Gross accumulation shares</b>	
Opening shares	18,387,977
Shares issued	943,241
Shares redeemed	(6,683,142)
Net conversions	–
Closing shares	<u>12,648,076</u>

	2018
<b>Class Z – Income shares</b>	
Opening shares	68,545,013
Shares issued	3,668,231
Shares redeemed	(16,853,226)
Net conversions	5,259
Closing shares	<u>55,365,277</u>
<b>Class Z – Gross income shares</b>	
Opening shares	1,976,918
Shares issued	162,297
Shares redeemed	(244,881)
Net conversions	98,640
Closing shares	<u>1,992,974</u>
<b>Class Z – Gross accumulation shares</b>	
Opening shares	6,342,926
Shares issued	174,520
Shares redeemed	(152,409)
Net conversions	(8,745)
Closing shares	<u>6,356,292</u>

## 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 2018, the published share price of the Threadneedle High Yield Bond Fund has fallen from 42.90p to 42.18p.

The total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +0.74%, which equates to approximately +1.54% gross of tax and charges\*\*. (For information the ML European High Yield 3% constrained ex sub-financials (100% £ Hedged) Index gave a total return of +1.04% for the same period).

#### Market Overview and Portfolio Activity

The period under review witnessed a material increase in global trade tensions, particularly between the US and China, but also between the US and its traditional allies. The escalation was initiated by the Trump administration's implementation of protectionist import tariffs, which subsequently caused a series of back-and-forth retaliations between the US and its affected trading partners. Elsewhere in the political space, Angela Merkel ended a prolonged period of uncertainty in Germany after securing a coalition government with the SPD party in March. The same month, elections in Italy saw the two leading populist

parties gain the highest share of the vote, leading to an extended bout of regional volatility as uncertain coalition talks progressed and finally concluded at the end of May.

In the macroeconomic space, the US continued to post very strong economic data and 10-year Treasury yields consequently climbed to five-year highs in May before retracing to close the period just below 3%. However, long-term inflation expectations remained anchored at low levels, resulting in a flattening of the yield curve as the Federal Reserve continued to raise short-term policy rates. In Europe, economic and sentiment data retreated from highs reached at the beginning of the year but remained at elevated levels. The European Central Bank announced its intention to end quantitative easing by the end of 2018, but its broader stance remained very supportive for markets. Interest rates on German bunds moved lower over the period, helped by a risk-off move in May as markets responded to the electoral uncertainty in Italy. At the same time, there was a significant widening of the spread between Italian government bonds and bunds as investors became increasingly concerned over the outlook for the Italian budget deficit.

Overall, it was a mixed period for risk assets. In equity markets, the US outperformed on the back of strong corporate results and robust macroeconomic data; other developed markets were broadly unchanged. Emerging markets were notably weaker, weighed down by country-specific volatility (particularly in Argentina and Turkey) and the wider implications of an increasingly strong US dollar. Commodities succumbed to a combination of emerging-market weakness and global trade-war concerns, and generally ended the period lower. Oil prices bucked the trend on production issues and Iranian sanctions, and the Brent benchmark closed around 20% higher.

The European high yield market was fairly choppy in the opening four months of the period under review. The market hit a low at the beginning of July before rallying through the rest of the month, and ultimately closed the period marginally higher. Spreads over government bonds widened 73 basis points (bps) to close at 384 bps.

In the primary market, we participated in over 25 new issues. The largest of these included SFR, Telefonica and Akelius. In the secondary market, our largest purchases over the period included Teva, Spectrum Brands and Telecom Italia; we also covered a portion of the underweight position in Casino. Against this, we reduced the exposure to Gazprom and SoftBank among others, and exited various positions including Manutencoop, Voyage Care and Maxeda.

Fundamentals remain strong, with growth momentum across the major geographies supporting corporate earnings. Default risk similarly remains benign in the US and Europe. There are mixed signs of inflation and this remains the key pivot point for credit spreads, although volatility has reduced. Valuations are more balanced, with credit spreads in European high yield in the region of 380 bps, having widened around 30% year-to-date. Technicals are balanced: outflows have moderated, and the asset class remains supported by credit rating upgrades, bond-to-loan refinancings and limited new issuance.

In this environment of lower expected 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 prefer the middle part of the credit curve (higher quality B and lower rated BB) and remain underweight in terms of portfolio duration.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(7,818)	9,079
Revenue	16,685	22,526
Expenses	(3,056)	(3,828)
Interest payable and similar charges	(19)	(15)
Net revenue before taxation	13,610	18,683
Taxation	–	–
Net revenue after taxation	13,610	18,683
<b>Total return before distributions</b>	<b>5,792</b>	<b>27,762</b>
Distributions	(16,267)	(22,007)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(10,475)</b>	<b>5,755</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	700,810	712,480
<b>Current assets:</b>		
Debtors	11,882	11,567
Cash and bank balances	30,342	46,027
<b>Total assets</b>	<b>743,034</b>	<b>770,074</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	(114)	(8,662)
<b>Creditors:</b>		
Distribution payable	(1,688)	(1,762)
Other creditors	(1,368)	(1,050)
<b>Total liabilities</b>	<b>(3,170)</b>	<b>(11,474)</b>
<b>Net assets attributable to shareholders</b>	<b>739,864</b>	<b>758,600</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>758,600</b>	<b>934,450</b>
Amounts receivable on the issue of shares	34,631	86,216
Amounts payable on the cancellation of shares	(48,807)	(187,359)
	(14,176)	(101,143)
Dilution adjustment	–	74
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(10,475)	5,755
Retained distribution on accumulation shares	5,909	7,668
Unclaimed distributions	6	5
<b>Closing net assets attributable to shareholders</b>	<b>739,864</b>	<b>846,809</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 148 – 151 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross		Distribution Paid/Payable 2018	Distribution Paid 2017
	Revenue	Equalisation		
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1436	–	0.1436	0.1700
08/04/18 to 07/05/18	0.1660	–	0.1660	0.1732
08/05/18 to 07/06/18	0.1506	–	0.1506	0.1775
08/06/18 to 07/07/18	0.1518	–	0.1518	0.1721
08/07/18 to 07/08/18	0.1533	–	0.1533	0.2018
08/08/18 to 07/09/18	0.1492	–	0.1492	0.1738
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0708	0.0728	0.1436	0.1700
08/04/18 to 07/05/18	0.0727	0.0933	0.1660	0.1732
08/05/18 to 07/06/18	0.0728	0.0778	0.1506	0.1775
08/06/18 to 07/07/18	0.0753	0.0765	0.1518	0.1721
08/07/18 to 07/08/18	0.0758	0.0775	0.1533	0.2018
08/08/18 to 07/09/18	0.0682	0.0810	0.1492	0.1738
<b>Total distributions in the period</b>			<b>0.9145</b>	<b>1.0684</b>

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1437	–	0.1437	0.1701
08/04/18 to 07/05/18	0.1662	–	0.1662	0.1734
08/05/18 to 07/06/18	0.1507	–	0.1507	0.1777
08/06/18 to 07/07/18	0.1520	–	0.1520	0.1722
08/07/18 to 07/08/18	0.1535	–	0.2021	0.1535
08/08/18 to 07/09/18	0.1493	–	0.1493	0.1739
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1185	0.0252	0.1437	0.1701
08/04/18 to 07/05/18	0.0258	0.1404	0.1662	0.1734
08/05/18 to 07/06/18	0.0145	0.1362	0.1507	0.1777
08/06/18 to 07/07/18	0.0669	0.0851	0.1520	0.1722
08/07/18 to 07/08/18	0.0901	0.0634	0.1535	0.2021
08/08/18 to 07/09/18	0.0449	0.1044	0.1493	0.1739
<b>Total distributions in the period</b>			<b>0.9154</b>	<b>1.0694</b>

### Class 1 USD Hedged – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2346	–	0.2346	0.3113
08/04/18 to 07/05/18	0.2721	–	0.2721	0.3085
08/05/18 to 07/06/18	0.2574	–	0.2574	0.3114
08/06/18 to 07/07/18	0.2631	–	0.2631	0.3045
08/07/18 to 07/08/18	0.2690	–	0.2690	0.3518
08/08/18 to 07/09/18	0.2678	–	0.2678	0.3057
<b>Group 2</b>				
08/03/18 to 07/04/18	–	0.2346	0.2346	0.3113
08/04/18 to 07/05/18	–	0.2721	0.2721	0.3085
08/05/18 to 07/06/18	–	0.2574	0.2574	0.3114
08/06/18 to 07/07/18	–	0.2631	0.2631	0.3045
08/07/18 to 07/08/18	–	0.2690	0.2690	0.3518
08/08/18 to 07/09/18	–	0.2678	0.2678	0.3057
<b>Total distributions in the period</b>			<b>1.5640</b>	<b>1.8932</b>

### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3803	–	0.3803	0.4296
08/04/18 to 07/05/18	0.4411	–	0.4411	0.4392
08/05/18 to 07/06/18	0.4015	–	0.4015	0.4527
08/06/18 to 07/07/18	0.4121	–	0.4121	0.4406
08/07/18 to 07/08/18	0.4119	–	0.4119	0.5185
08/08/18 to 07/09/18	0.4022	–	0.4022	0.4482
<b>Group 2</b>				
08/03/18 to 07/04/18	0.2203	0.1600	0.3803	0.4296
08/04/18 to 07/05/18	0.4411	–	0.4411	0.4392
08/05/18 to 07/06/18	0.4015	–	0.4015	0.4527
08/06/18 to 07/07/18	0.0221	0.3900	0.4121	0.4406
08/07/18 to 07/08/18	0.2319	0.1800	0.4119	0.5185
08/08/18 to 07/09/18	0.4022	–	0.4022	0.4482
<b>Total distributions in the period</b>			<b>2.4491</b>	<b>2.7288</b>

### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.2115	–	0.2115	0.2506
08/04/18 to 07/05/18	0.2439	–	0.2439	0.2550
08/05/18 to 07/06/18	0.2217	–	0.2217	0.2616
08/06/18 to 07/07/18	0.2234	–	0.2234	0.2536
08/07/18 to 07/08/18	0.2257	–	0.2257	0.2968
08/08/18 to 07/09/18	0.2199	–	0.2199	0.2565
<b>Group 2</b>				
08/03/18 to 07/04/18	0.0944	0.1171	0.2115	0.2506
08/04/18 to 07/05/18	0.1237	0.1202	0.2439	0.2550
08/05/18 to 07/06/18	0.0894	0.1323	0.2217	0.2616
08/06/18 to 07/07/18	0.1221	0.1013	0.2234	0.2536
08/07/18 to 07/08/18	0.1183	0.1074	0.2257	0.2968
08/08/18 to 07/09/18	0.0735	0.1464	0.2199	0.2565
<b>Total distributions in the period</b>			<b>1.3461</b>	<b>1.5741</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.1820	–	0.1820	0.2156
08/04/18 to 07/05/18	0.2099	–	0.2099	0.2195
08/05/18 to 07/06/18	0.1908	–	0.1908	0.2252
08/06/18 to 07/07/18	0.1923	–	0.1923	0.2183
08/07/18 to 07/08/18	0.1943	–	0.1943	0.2555
08/08/18 to 07/09/18	0.1891	–	0.1891	0.2208
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1369	0.0451	0.1820	0.2156
08/04/18 to 07/05/18	0.1282	0.0817	0.2099	0.2195
08/05/18 to 07/06/18	0.0308	0.1600	0.1908	0.2252
08/06/18 to 07/07/18	0.1029	0.0894	0.1923	0.2183
08/07/18 to 07/08/18	0.1304	0.0639	0.1943	0.2555
08/08/18 to 07/09/18	0.0634	0.1257	0.1891	0.2208
<b>Total distributions in the period</b>			<b>1.1584</b>	<b>1.3549</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.6131	–	0.6131	0.6926
08/04/18 to 07/05/18	0.7090	–	0.7090	0.7080
08/05/18 to 07/06/18	0.6473	–	0.6473	0.7291
08/06/18 to 07/07/18	0.6546	–	0.6546	0.7100
08/07/18 to 07/08/18	0.6642	–	0.6642	0.8344
08/08/18 to 07/09/18	0.6492	–	0.6492	0.7242
<b>Group 2</b>				
08/03/18 to 07/04/18	0.3201	0.2930	0.6131	0.6926
08/04/18 to 07/05/18	0.1971	0.5119	0.7090	0.7080
08/05/18 to 07/06/18	0.1073	0.5400	0.6473	0.7291
08/06/18 to 07/07/18	0.1948	0.4598	0.6546	0.7100
08/07/18 to 07/08/18	0.2410	0.4232	0.6642	0.8344
08/08/18 to 07/09/18	0.4737	0.1755	0.6492	0.7242
<b>Total distributions in the period</b>			<b>3.9374</b>	<b>4.3983</b>

### Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3445	–	0.3445	0.4050
08/04/18 to 07/05/18	0.3974	–	0.3974	0.4126
08/05/18 to 07/06/18	0.3615	–	0.3615	0.4234
08/06/18 to 07/07/18	0.3667	–	0.3667	0.4109
08/07/18 to 07/08/18	0.3687	–	0.3687	0.4812
08/08/18 to 07/09/18	0.3592	–	0.3592	0.4159
<b>Group 2</b>				
08/03/18 to 07/04/18	0.3445	–	0.3445	0.4050
08/04/18 to 07/05/18	0.3974	–	0.3974	0.4126
08/05/18 to 07/06/18	0.3615	–	0.3615	0.4234
08/06/18 to 07/07/18	0.0377	0.3290	0.3667	0.4109
08/07/18 to 07/08/18	0.2187	0.1500	0.3687	0.4812
08/08/18 to 07/09/18	0.0734	0.2858	0.3592	0.4159
<b>Total distributions in the period</b>			<b>2.1980</b>	<b>2.5490</b>

### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3993	–	0.3993	0.4477
08/04/18 to 07/05/18	0.4623	–	0.4623	0.4580
08/05/18 to 07/06/18	0.4221	–	0.4221	0.4719
08/06/18 to 07/07/18	0.4272	–	0.4272	0.4599
08/07/18 to 07/08/18	0.4337	–	0.4337	0.5406
08/08/18 to 07/09/18	0.4241	–	0.4241	0.4697
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1293	0.2700	0.3993	0.4477
08/04/18 to 07/05/18	0.4623	–	0.4623	0.4580
08/05/18 to 07/06/18	0.4221	–	0.4221	0.4719
08/06/18 to 07/07/18	0.4272	–	0.4272	0.4599
08/07/18 to 07/08/18	0.4337	–	0.4337	0.5406
08/08/18 to 07/09/18	0.3941	0.0300	0.4241	0.4697
<b>Total distributions in the period</b>			<b>2.5687</b>	<b>2.8478</b>

### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3463	–	0.3463	0.4108
08/04/18 to 07/05/18	0.4006	–	0.4006	0.4186
08/05/18 to 07/06/18	0.3633	–	0.3633	0.4292
08/06/18 to 07/07/18	0.3666	–	0.3666	0.4164
08/07/18 to 07/08/18	0.3704	–	0.3704	0.4882
08/08/18 to 07/09/18	0.3605	–	0.3605	0.4209
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1692	0.1771	0.3463	0.4108
08/04/18 to 07/05/18	0.2280	0.1726	0.4006	0.4186
08/05/18 to 07/06/18	0.1893	0.1740	0.3633	0.4292
08/06/18 to 07/07/18	0.1657	0.2009	0.3666	0.4164
08/07/18 to 07/08/18	0.1843	0.1861	0.3704	0.4882
08/08/18 to 07/09/18	0.1566	0.2039	0.3605	0.4209
<b>Total distributions in the period</b>			<b>2.2077</b>	<b>2.5841</b>

### Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3892	–	0.3892	0.4406
08/04/18 to 07/05/18	0.4517	–	0.4517	0.4508
08/05/18 to 07/06/18	0.4114	–	0.4114	0.4641
08/06/18 to 07/07/18	0.4165	–	0.4165	0.4511
08/07/18 to 07/08/18	0.4223	–	0.4223	0.5324
08/08/18 to 07/09/18	0.4126	–	0.4126	0.4610
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1845	0.2047	0.3892	0.4406
08/04/18 to 07/05/18	0.2659	0.1858	0.4517	0.4508
08/05/18 to 07/06/18	0.2060	0.2054	0.4114	0.4641
08/06/18 to 07/07/18	0.1201	0.2964	0.4165	0.4511
08/07/18 to 07/08/18	0.3231	0.0992	0.4223	0.5324
08/08/18 to 07/09/18	0.1692	0.2434	0.4126	0.4610
<b>Total distributions in the period</b>			<b>2.5037</b>	<b>2.8000</b>

## Threadneedle High Yield Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.3373	–	0.3373	0.4001
08/04/18 to 07/05/18	0.3901	–	0.3901	0.4077
08/05/18 to 07/06/18	0.3540	–	0.3540	0.4180
08/06/18 to 07/07/18	0.3570	–	0.3570	0.4056
08/07/18 to 07/08/18	0.3608	–	0.3608	0.4756
08/08/18 to 07/09/18	0.3512	–	0.3512	0.4100
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1791	0.1582	0.3373	0.4001
08/04/18 to 07/05/18	0.2032	0.1869	0.3901	0.4077
08/05/18 to 07/06/18	0.1951	0.1589	0.3540	0.4180
08/06/18 to 07/07/18	0.1600	0.1970	0.3570	0.4056
08/07/18 to 07/08/18	0.1438	0.2170	0.3608	0.4756
08/08/18 to 07/09/18	0.1922	0.1590	0.3512	0.4100
<b>Total distributions in the period</b>			<b>2.1504</b>	<b>2.5170</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b>				
08/03/18 to 07/04/18	0.4801	–	0.4801	0.5436
08/04/18 to 07/05/18	0.5572	–	0.5572	0.5561
08/05/18 to 07/06/18	0.5074	–	0.5074	0.5722
08/06/18 to 07/07/18	0.5137	–	0.5137	0.5579
08/07/18 to 07/08/18	0.5210	–	0.5210	0.6563
08/08/18 to 07/09/18	0.5089	–	0.5089	0.5686
<b>Group 2</b>				
08/03/18 to 07/04/18	0.1992	0.2809	0.4801	0.5436
08/04/18 to 07/05/18	0.2941	0.2631	0.5572	0.5561
08/05/18 to 07/06/18	0.2620	0.2254	0.5074	0.5722
08/06/18 to 07/07/18	0.2160	0.2977	0.5137	0.5579
08/07/18 to 07/08/18	0.2141	0.3069	0.5210	0.6563
08/08/18 to 07/09/18	0.2450	0.2639	0.5089	0.5686
<b>Total distributions in the period</b>			<b>3.0883</b>	<b>3.4547</b>

Group 2: shares purchased during a distribution period.

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross income shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	42.59	43.03	40.74	42.63	43.07	40.77
Return before operating charges (p)	0.47	2.19	5.14	0.48	2.19	5.15
Operating charges (p)	(0.28)	(0.62)	(0.60)	(0.28)	(0.62)	(0.60)
Return after operating charges (p)*	0.19	1.57	4.54	0.20	1.57	4.55
Distributions (p)	(0.91)	(2.01)	(2.25)	(0.92)	(2.01)	(2.25)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	41.87	42.59	43.03	41.91	42.63	43.07
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.45	3.65	11.14	0.47	3.65	11.16
<b>Other information</b>						
Closing net asset value (£000)	79,401	87,344	98,876	35,087	41,092	80,287
Closing number of shares	189,634,753	205,095,991	229,782,665	83,716,684	96,396,972	186,402,890
Operating charges (%)**	1.33 <sup>†</sup>	1.42	1.42	1.33 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	42.85	43.90	43.34	42.89	43.95	43.41
Lowest share price (p)	41.89	42.70	40.99	41.93	42.74	41.03
	Class 1 USD Hedged – Gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	70.35	79.90	64.74	112.67	108.70	97.60
Return before operating charges (p)	5.86	(5.01)	20.05	1.28	5.52	12.58
Operating charges (p)	(0.48)	(1.07)	(1.04)	(0.76)	(1.55)	(1.48)
Return after operating charges (p)*	5.38	(6.08)	19.01	0.52	3.97	11.10
Distributions (p)	(1.56)	(3.47)	(3.85)	(2.45)	(5.18)	(5.54)
Retained distributions on accumulation shares (p)	–	–	–	2.45	5.18	5.54
Closing net asset value per share (p)	74.17	70.35	79.90	113.19	112.67	108.70
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	7.65	(7.61)	29.36	0.46	3.65	11.37
<b>Other information</b>						
Closing net asset value (£000)	4,230	3,927	11,524	75	37	11
Closing number of shares	5,703,115	5,582,725	14,422,966	66,655	32,987	10,133
Operating charges (%)**	1.33 <sup>†</sup>	1.42	1.42	1.33 <sup>†</sup>	1.38	1.40
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	76.62	80.40	80.58	114.00	114.19	109.13
Lowest share price (p)	68.51	69.60	63.76	112.03	108.45	98.20

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	61.54	61.86	58.27	52.96	53.25	50.16
Return before operating charges (p)	0.70	3.15	7.38	0.60	2.70	6.35
Operating charges (p)	(0.25)	(0.51)	(0.49)	(0.21)	(0.44)	(0.42)
Return after operating charges (p)*	0.45	2.64	6.89	0.39	2.26	5.93
Distributions (p)	(1.35)	(2.96)	(3.30)	(1.16)	(2.55)	(2.84)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	60.64	61.54	61.86	52.19	52.96	53.25
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.73	4.27	11.82	0.74	4.24	11.82
<b>Other information</b>						
Closing net asset value (£000)	16,058	17,050	45,702	3,233	3,741	10,445
Closing number of shares	26,479,654	27,706,416	73,881,942	6,195,329	7,063,089	19,616,410
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)	61.95	63.34	62.30	53.32	54.52	53.67
Lowest share price (p)	60.62	61.68	58.63	52.17	53.09	50.47
	Class 2 – Gross accumulation shares <sup>5</sup>			Class X – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	178.37	171.04	152.62	100.19	99.98	93.47
Return before operating charges (p)	2.03	8.76	19.76	1.15	5.07	11.89
Operating charges (p)	(0.73)	(1.43)	(1.34)	(0.03)	(0.06)	(0.06)
Return after operating charges (p)*	1.30	7.33	18.42	1.12	5.01	11.83
Distributions (p)	(3.94)	(8.36)	(8.87)	(2.20)	(4.80)	(5.32)
Retained distributions on accumulation shares (p)	3.94	8.36	8.87	–	–	–
Closing net asset value per share (p)	179.67	178.37	171.04	99.11	100.19	99.98
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.73	4.29	12.07	1.12	5.01	12.66
<b>Other information</b>						
Closing net asset value (£000)	187,844	195,709	257,428	3,187	2,130	2,247
Closing number of shares	104,547,944	109,722,377	150,511,031	3,215,510	2,125,776	2,247,258
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)	180.93	180.66	171.71	100.95	102.89	100.77
Lowest share price (p)	177.65	170.70	153.59	98.94	99.80	94.06

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares <sup>5</sup>			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	116.14	110.53	100.00	102.66	103.06	96.93
Return before operating charges (p)	1.33	5.68	10.58	1.16	5.22	12.29
Operating charges (p)	(0.04)	(0.07)	(0.05)	(0.37)	(0.76)	(0.74)
Return after operating charges (p)*	1.29	5.61	10.53	0.79	4.46	11.55
Distributions (p)	(2.57)	(5.42)	(5.57)	(2.21)	(4.86)	(5.42)
Retained distributions on accumulation shares (p)	2.57	5.42	5.57	–	–	–
Closing net asset value per share (p)	117.43	116.14	110.53	101.24	102.66	103.06
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	1.11	5.08	10.53	0.77	4.33	11.92
<b>Other information</b>						
Closing net asset value (£000)	44,993	49,498	50,716	290,059	285,789	306,168
Closing number of shares	38,313,191	42,618,521	45,883,921	286,514,468	278,392,263	297,084,126
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.05 <sup>†</sup>	0.73 <sup>†</sup>	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	118.23	117.54	110.96	103.36	105.62	103.79
Lowest share price (p)	115.95	110.33	99.98	101.17	102.86	97.53
	Class Z – Accumulation shares			Class Z – Gross income shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	115.38	110.55	99.63	99.99	100.38	94.41
Return before operating charges (p)	1.31	5.67	12.84	1.14	5.08	11.97
Operating charges (p)	(0.43)	(0.84)	(0.78)	(0.37)	(0.74)	(0.72)
Return after operating charges (p)*	0.88	4.83	12.06	0.77	4.34	11.25
Distributions (p)	(2.50)	(5.32)	(5.68)	(2.15)	(4.73)	(5.28)
Retained distributions on accumulation shares (p)	2.50	5.32	4.54	–	–	–
Closing net asset value per share (p)	116.26	115.38	110.55	98.61	99.99	100.38
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	0.76	4.37	12.10	0.77	4.32	11.92
<b>Other information</b>						
Closing net asset value (£000)	14,051	13,756	10,257	42,249	42,593	31,093
Closing number of shares	12,085,667	11,922,607	9,278,316	42,845,718	42,597,550	30,974,909
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)	117.08	116.85	110.99	100.67	102.87	101.17
Lowest share price (p)	114.94	110.33	100.25	98.54	100.19	95.00

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares <sup>5</sup>		
	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	142.32	136.37	121.59
Return before operating charges (p)	1.62	6.98	15.74
Operating charges (p)	(0.52)	(1.03)	(0.96)
Return after operating charges (p)*	1.10	5.95	14.78
Distributions (p)	(3.09)	(6.56)	(6.97)
Retained distributions on accumulation shares (p)	3.09	6.56	6.97
Closing net asset value per share (p)	143.42	142.32	136.37
*after direct transaction costs of (p)	–	–	–
<b>Performance</b>			
Return after charges (%)	0.77	4.36	12.16
<b>Other information</b>			
Closing net asset value (£000)	19,397	15,934	29,696
Closing number of shares	13,524,835	11,195,946	21,775,631
Operating charges (%)**	0.73 <sup>1</sup>	0.73	0.73
Direct transaction costs (%)***	–	–	–
<b>Prices</b>			
Highest share price (p)	144.42	144.14	136.91
Lowest share price (p)	141.78	136.11	122.36

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

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

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

<sup>1</sup>Commenced 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 High Yield Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018		2018
<b>Class 1 – Income shares</b>		<b>Class X – Gross income shares</b>	
Opening shares	205,095,991	Opening shares	2,125,776
Shares issued	4,604,141	Shares issued	1,089,734
Shares redeemed	(11,905,634)	Shares redeemed	–
Net conversions	(8,159,745)	Net conversions	–
Closing shares	<u>189,634,753</u>	Closing shares	<u>3,215,510</u>
<b>Class 1 – Gross income shares</b>		<b>Class X – Gross accumulation shares</b>	
Opening shares	96,396,972	Opening shares	42,618,521
Shares issued	1,883,222	Shares issued	1,410,866
Shares redeemed	(14,204,170)	Shares redeemed	(5,716,196)
Net conversions	(359,340)	Net conversions	–
Closing shares	<u>83,716,684</u>	Closing shares	<u>38,313,191</u>
<b>Class 1 USD Hedged – Gross income shares</b>		<b>Class Z – Income shares</b>	
Opening shares	5,582,725	Opening shares	278,392,263
Shares issued	120,390	Shares issued	10,931,787
Shares redeemed	–	Shares redeemed	(3,301,850)
Net conversions	–	Net conversions	492,268
Closing shares	<u>5,703,115</u>	Closing shares	<u>286,514,468</u>
<b>Class 1 – Gross accumulation shares</b>		<b>Class Z – Accumulation shares</b>	
Opening shares	32,987	Opening shares	11,922,607
Shares issued	33,668	Shares issued	2,467,621
Shares redeemed	–	Shares redeemed	(2,362,698)
Net conversions	–	Net conversions	58,137
Closing shares	<u>66,655</u>	Closing shares	<u>12,085,667</u>
<b>Class 2 – Income shares</b>		<b>Class Z – Gross income shares</b>	
Opening shares	27,706,416	Opening shares	42,597,550
Shares issued	1,356,059	Shares issued	2,313,042
Shares redeemed	(2,582,821)	Shares redeemed	(2,170,655)
Net conversions	–	Net conversions	105,781
Closing shares	<u>26,479,654</u>	Closing shares	<u>42,845,718</u>
<b>Class 2 – Gross income shares</b>		<b>Class Z – Gross accumulation shares</b>	
Opening shares	7,063,089	Opening shares	11,195,946
Shares issued	217,986	Shares issued	1,098,565
Shares redeemed	(1,085,746)	Shares redeemed	(840,451)
Net conversions	–	Net conversions	2,070,775
Closing shares	<u>6,195,329</u>	Closing shares	<u>13,524,835</u>
<b>Class 2 – Gross accumulation shares</b>			
Opening shares	109,722,377		
Shares issued	5,667,196		
Shares redeemed	(10,841,629)		
Net conversions	–		
Closing shares	<u>104,547,944</u>		

## 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 2018, the published share price of the Threadneedle Global Select Fund has risen from 213.58p to 228.85p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +8.48% as compared to a median return of +8.23% over the same period. (For information the MSCI AC World Free Index returned +8.63% over the same period).

#### Market Overview and Portfolio Activity

In the six months to 7 September 2018, global equities rose in local currency terms. Markets were swayed at various stages by rising trade tensions between the US and China, with investors pricing in the potential implications for global growth. This meant market volatility remained high relative to the smooth backdrop seen in 2017.

US equities led returns amid signs of domestic economic resilience. Central to this was a wave of upbeat corporate earnings, strong employment data and the continued outperformance of the country's technology giants. Nascent inflation led the Federal Reserve to continue its course of rate hikes during the period; a trend widely expected to persist in the coming quarters. European equities started the period strongly but were later weighed by political turbulence as investors worried that the formation of an Italian eurosceptic coalition could impact eurozone stability. Fears over

contagion from Turkey's currency crisis extended this downward trend later in the period.

Japanese equities experienced rotations in light of fluctuating global growth prospects. UK equities staged a resurgence early on as increased takeover activity, the country's relatively high commodities exposure and sterling weakness bolstered sentiment. Thereafter, they tracked gradually downwards as the lack of progress in the Brexit negotiations persisted. Elsewhere, emerging markets were pressured by Brazilian politics, the Turkish lira's depreciation and China's trade tensions. However, the Chinese market gained in the run-up to the inclusion of its A-shares in the MSCI Emerging Markets index. By contrast, Indian equities outperformed, supported by robust inflows from foreign investors.

During the period, Microsoft was our largest new position. Cloud computing remains one of the strongest structural trends driving markets, and Microsoft's platform should ensure it remains a long-term beneficiary of generational business migration into this space. Its large distribution channels and installed customer base continue to act as sustainable competitive advantages. We also bought sports equipment manufacturer Adidas, which continues to gain market share in a relatively concentrated industry. The arrival of well-regarded management from Henkel is promising, given their success in improving margins in their previous role.

Other purchases included internet connection specialist Equinix. The company's superior brand and premium market position generates pricing power, while its multi-region footprint drives its appeal for customers with more expansive requirements. We also initiated a holding in global medical technology company Becton Dickinson, switching in from Dentsply Sirona. With a diversified portfolio, high market share, and its recent acquisition of Bard, we believe Becton can deliver accelerations in top-line growth and margin expansion. The company retains a competitive cost advantage and is also supported by switching costs.

Smaller new positions during the period included oilfield services company Schlumberger, Japanese factory automation equipment specialist Keyence and ophthalmic lens manufacturer Essilor. We believe the latter stands to benefit from the structural growth in eyewear and synergies from its acquisition of Luxottica, given their respective positions as leading lens and frame manufacturers.

To fund these, our sales included: Deutsche Telekom, premised on the stock's price recovery and the company's increasing reliance on US earnings growth, and financial services provider UBS, as we believe the company's capital return story may take longer than anticipated to materialise. Following a strong run of performance, and with concerns over departures of senior executives, we also exited Nike. Additionally, we sold out of Japanese heavy equipment manufacturer Kubota. We believe preferable long-term opportunities now exist elsewhere when taking into account the increasing competitive intensity of the company's small tractor segment.

Other sales included biopharmaceutical company Pfizer, industrial automation leader Yaskawa Electric and US domestic bank BB&T. Having seen these names approach their price targets on strong performance, we elected to reallocate to names that we feel carry greater upside potential.

Volatility within equity markets remains somewhat elevated relative to recent periods, as uncertainties surrounding rising interest rates, tariffs, and technological regulation remain in focus. While these risks are real and have the potential to curtail valuation multiples, we draw confidence from the fact that equity fundamentals continue to look robust. Economic growth remains well-entrenched across developed and emerging markets, and this is driving healthy corporate earnings. Within this context, we retain our focus on companies with sustainable competitive advantages, reflected by high or rising returns on capital and the potential to compound earnings over time. We believe that companies exhibiting these qualities are best-placed to outperform across a range of market conditions; offering durable, above-average growth in rising markets and resilience in more turbulent periods.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	79,563	50,074
Revenue	10,773	11,179
Expenses	(6,607)	(6,483)
Interest payable and similar charges	(5)	(1)
Net revenue before taxation	4,161	4,695
Taxation	(896)	(1,175)
Net revenue after taxation	3,265	3,520
<b>Total return before equalisation</b>	<b>82,828</b>	<b>53,594</b>
Equalisation	(237)	36
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>82,591</b>	<b>53,630</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments**	1,264,664	1,195,076
<b>Current assets:</b>		
Debtors	3,336	4,529
Cash and bank balances	966	19,310
Cash equivalents**	7,797	41
Total assets	1,276,763	1,218,956
<b>Liabilities:</b>		
<b>Investment liabilities**</b>	–	(1)
<b>Creditors:</b>		
Distribution payable	–	(6)
Other creditors	(3,870)	(14,590)
Total liabilities	(3,870)	(14,597)
<b>Net assets attributable to shareholders</b>	<b>1,272,893</b>	<b>1,204,359</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,204,359</b>	<b>1,144,298</b>
Amounts receivable on the issue of shares	552,688	92,237
Amounts payable on the cancellation of shares	(566,835)	(84,862)
	(14,147)	7,375
Dilution adjustment	90	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	82,591	53,630
<b>Closing net assets attributable to shareholders</b>	<b>1,272,893</b>	<b>1,205,303</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to pages 154 – 156 for comparative tables.

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

## Threadneedle Global Select Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>	
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	214.97	194.22	148.08	228.14	
Return before operating charges (p)	15.66	24.18	48.98	1.08	
Operating charges (p)	(1.81)	(3.43)	(2.84)	(0.40)	
Return after operating charges (p)*	13.85	20.75	46.14	0.68	
Distributions (p)	–	–	–	–	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	228.82	214.97	194.22	228.82	
*after direct transaction costs of (p)	0.09	0.17	0.21	0.04	
<b>Performance</b>					
Return after charges (%)	6.44	10.68	31.16	0.30	
<b>Other information</b>					
Closing net asset value (£000)	403,616	560,883	591,007	31,365	
Closing number of shares	176,391,701	260,918,033	304,300,372	13,707,650	
Operating charges (%)**	1.63 <sup>†</sup>	1.67	1.67	1.63 <sup>†</sup>	
Direct transaction costs (%)***	0.08	0.09	0.12	0.08	
<b>Prices</b>					
Highest share price (p)	238.91	225.26	194.26	238.91	
Lowest share price (p)	202.82	186.69	146.09	221.62	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	07/09/2018 <sup>1</sup>		07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>					
Opening net asset value per share (p)	228.14		308.39	276.95	209.89
Return before operating charges (p)	1.08		22.51	34.57	69.59
Operating charges (p)	(0.40)		(1.68)	(3.13)	(2.53)
Return after operating charges (p)*	0.68		20.83	31.44	67.06
Distributions (p)	–		–	(0.97)	(1.10)
Retained distributions on accumulation shares (p)	–		–	0.97	1.10
Closing net asset value per share (p)	228.82		329.22	308.39	276.95
*after direct transaction costs of (p)	0.04		0.12	0.25	0.29
<b>Performance</b>					
Return after charges (%)	0.30		6.75	11.35	31.95
<b>Other information</b>					
Closing net asset value (£000)	161,951		33,771	137,407	110,659
Closing number of shares	70,777,246		10,257,684	44,556,195	39,955,964
Operating charges (%)**	1.63 <sup>†</sup>		1.07 <sup>†</sup>	1.06	1.06
Direct transaction costs (%)***	0.08		0.08	0.09	0.12
<b>Prices</b>					
Highest share price (p)	238.91		343.60	322.97	277.03
Lowest share price (p)	221.62		291.11	266.42	207.07

## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	07/09/2018 <sup>1</sup>			07/09/2018 <sup>1</sup>		
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	327.82			327.82		
Return before operating charges (p)	1.78			1.78		
Operating charges (p)	(0.38)			(0.38)		
Return after operating charges (p)*	1.40			1.40		
Distributions (p)	–			–		
Retained distributions on accumulation shares (p)	–			–		
Closing net asset value per share (p)	329.22			329.22		
*after direct transaction costs of (p)	0.06			0.06		
<b>Performance</b>						
Return after charges (%)	0.43			0.43		
<b>Other information</b>						
Closing net asset value (€000)	85,466			61,090		
Closing number of shares	25,960,021			18,555,861		
Operating charges (%)**	1.06 <sup>†</sup>			1.06 <sup>†</sup>		
Direct transaction costs (%)***	0.08			0.08		
<b>Prices</b>						
Highest share price (p)	343.60			343.60		
Lowest share price (p)	318.54			318.54		
	Class X – Accumulation shares			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	161.42	143.52	107.66	175.83	158.39	120.47
Return before operating charges (p)	11.83	17.99	35.93	12.85	19.78	40.02
Operating charges (p)	(0.05)	(0.09)	(0.07)	(0.78)	(1.49)	(1.22)
Return after operating charges (p)*	11.78	17.90	35.86	12.07	18.29	38.80
Distributions (p)	–	(2.04)	(1.84)	–	(0.85)	(0.88)
Retained distributions on accumulation shares (p)	–	2.04	1.84	–	–	–
Closing net asset value per share (p)	173.20	161.42	143.52	187.90	175.83	158.39
*after direct transaction costs of (p)	0.06	0.13	0.17	0.07	0.14	0.17
<b>Performance</b>						
Return after charges (%)	7.30	12.47	33.31	6.86	11.55	32.21
<b>Other information</b>						
Closing net asset value (€000)	272,607	288,261	275,415	1,458	1,320	974
Closing number of shares	157,392,540	178,581,526	191,896,369	776,207	751,020	615,028
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.05	0.85 <sup>†</sup>	0.88	0.88
Direct transaction costs (%)***	0.08	0.09	0.12	0.08	0.09	0.12
<b>Prices</b>						
Highest share price (p)	180.63	168.85	143.56	196.07	184.99	159.30
Lowest share price (p)	152.50	138.23	106.22	166.00	152.39	118.89

## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/09/2018	07/03/2018	07/03/2017	07/09/2018 <sup>1</sup>
<b>Change in net assets per share</b>				
Opening net asset value per share (p)	222.25	199.23	150.71	236.38
Return before operating charges (p)	16.24	24.89	50.03	1.35
Operating charges (p)	(0.98)	(1.87)	(1.51)	(0.22)
Return after operating charges (p)*	15.26	23.02	48.52	1.13
Distributions (p)	–	(1.07)	(1.10)	–
Retained distributions on accumulation shares (p)	–	1.07	1.10	–
Closing net asset value per share (p)	237.51	222.25	199.23	237.51
*after direct transaction costs of (p)	0.09	0.18	0.21	0.04
<b>Performance</b>				
Return after charges (%)	6.87	11.55	32.19	0.48
<b>Other information</b>				
Closing net asset value (£000)	193,720	216,488	166,243	27,849
Closing number of shares	81,562,509	97,407,726	83,441,919	11,725,180
Operating charges (%)**	0.85 <sup>†</sup>	0.88	0.88	0.85 <sup>†</sup>
Direct transaction costs (%)***	0.08	0.09	0.12	0.08
<b>Prices</b>				
Highest share price (p)	247.84	232.69	199.28	247.84
Lowest share price (p)	209.83	191.69	148.69	229.72

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

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

<sup>1</sup>Commenced 15 June 2018.

<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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	260,918,033
Shares issued	29,848,169
Shares redeemed	(111,808,873)
Net conversions	(2,565,628)
Closing shares	<u>176,391,701</u>
<b>Class 1 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	14,264,139
Shares redeemed	(556,489)
Net conversions	–
Closing shares	<u>13,707,650</u>
<b>Class 1 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	91,184,639
Shares redeemed	(20,407,393)
Net conversions	–
Closing shares	<u>70,777,246</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	44,556,195
Shares issued	14,295,070
Shares redeemed	(48,583,100)
Net conversions	(10,481)
Closing shares	<u>10,257,684</u>
<b>Class 2 EUR – Accumulation shares*</b>	
Opening shares	–
Shares issued	29,392,063
Shares redeemed	(3,432,042)
Net conversions	–
Closing shares	<u>25,960,021</u>
<b>Class 2 USD – Accumulation shares*</b>	
Opening shares	–
Shares issued	18,749,964
Shares redeemed	(194,103)
Net conversions	–
Closing shares	<u>18,555,861</u>
<b>Class X – Accumulation shares</b>	
Opening shares	178,581,526
Shares issued	3,182,007
Shares redeemed	(27,184,935)
Net conversions	2,813,942
Closing shares	<u>157,392,540</u>

2018

#### Class Z – Income shares

Opening shares	751,020
Shares issued	28,141
Shares redeemed	(9,340)
Net conversions	6,386
Closing shares	<u>776,207</u>

#### Class Z – Accumulation shares

Opening shares	97,407,726
Shares issued	2,046,789
Shares redeemed	(18,337,142)
Net conversions	445,136
Closing shares	<u>81,562,509</u>

#### Class Z USD – Accumulation shares\*

Opening shares	–
Shares issued	13,777,275
Shares redeemed	(2,052,095)
Net conversions	–
Closing shares	<u>11,725,180</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 2018, the published share price of the Threadneedle Global Bond Fund has risen from 62.00p to 62.91p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +3.45% as compared to a median return of +0.91% over the same period. The fund return equates approximately to +3.90% gross of tax and charges\*\*. (For information the JPM GBI Global (Traded) Index gave a total return of +3.76% for the same period).

#### Market Overview and Portfolio Activity

Over the review period, fears of a US-led global trade war periodically bolstered demand for core government bonds, as did deteriorating relations between Russia and the West and political uncertainty in Italy. Eurosceptic parties fared well in the Italian general election in March but struggled to form a government. Even after a last-minute coalition deal was reached, markets remained unsettled amid fears that the new government's plans to pursue expansionary fiscal policy could breach EU budget-deficit rules and increase Italy's already large debt burden.

Concerns about developed-world central banks' moves to normalise policy sporadically unnerved markets. This, along with a stronger dollar, resulted in emerging-market bonds having

a turbulent half-year. The resulting unfavourable sentiment exacerbated country-specific problems in several cases, notably in Argentina and Turkey. In August, the Argentine peso and Turkish lira fell sharply on the back of growing concerns over both countries' economic issues. This caused further pain for eurozone peripheral debt, amid worries over eurozone banks with exposure to Turkey.

Overall, bond yields generally rose in the eurozone's periphery and in emerging markets. However, core bond yields fell as bouts of risk aversion offset a largely robust corporate and economic backdrop, and fears about the prospect of less "easy money".

Economic indicators showed some evidence of cooling momentum, notably in the eurozone. But US datapoints were generally strong, stoking expectations that the Federal Reserve (Fed) would accelerate its interest-rate hiking cycle. Indeed, in June, following its second hike of 2018, the Fed increased its forecast for the total number of rate hikes in 2018 from three to four. Relatively low interest-rate expectations in the UK and the eurozone resulted in UK gilts and German bunds outperforming US Treasuries. The Bank of England (BoE) hiked rates in August as expected though expectations for further rate hikes remained muted. The European Central Bank (ECB) announced it would end its bond-buying programme by year-end, but emphasised rates would be unlikely to rise before the autumn of 2019. The Bank of Japan reiterated its plans to retain an accommodative stance, but in July, stated that the 10-year yield would now be allowed to move in a wider band around 0%.

In terms of activity within corporate bonds, we exited Verizon. Within sovereigns, we increased exposure to Italy, France, Spain, the UK and the US. We reduced holdings in Australia, Germany, Belgium and Japan, and exited South Africa.

Within agency debt, we added a 2036 bond from Federal Home Loan Bank to pick up yield and closed positions in Canada

Housing Trust and Japan Bank for International Cooperation. We initiated a position in the Australian state of Queensland.

Developed economies are currently experiencing reasonable cyclical recoveries, characterised by robust consumption and, in some cases, improved investment, though the degree of global synchronisation appears to have slowed from the turn of the year. The recent escalation of tensions between the US and China may have impacted growth in world trade volumes; a generalised rise in protectionism could cause further damage. While the first half of 2018 was disappointing, we remain optimistic about the eurozone's growth and see scope for a material recovery in inflation. At current levels, core European government bond yields are not yet adequately reflecting these improved prospects. Despite the uncertainty caused by recent events in Italy, we think the risk of a break-up of the eurozone is low.

While developed economies appear in good shape, it is not clear whether long-term growth potential has been increased. A key uncertainty is whether the US tax reform can meaningfully boost investment and productivity. Our base case is that while growth should be supported in 2018 and the first part of 2019, the path of growth further out will be hindered by the increased debt burden of the fiscal package and the limited scope for fiscal easing in response to future downturns; this should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

The Federal Reserve is normalising its balance sheet. We expect a total of four rate hikes in 2018 and two more in 2019. The Fed's chairman and the majority of the Federal Open Market Committee seem comfortable to allow inflation to rise modestly above the target for a period. The ECB will end its asset purchase programme this year and may hike rates in the second half of 2019. In the UK, we see little chance of further rate hikes in the foreseeable future, with Brexit set to kick in next March.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains/(losses)	8,959	(2,444)
Revenue	5,074	3,725
Expenses	(2,711)	(2,815)
Interest payable and similar charges	(52)	(15)
Net revenue before taxation	2,311	895
Taxation	–	–
Net revenue after taxation	2,311	895
<b>Total return before distributions</b>	<b>11,270</b>	<b>(1,549)</b>
Distributions	(4,760)	(3,369)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>6,510</b>	<b>(4,918)</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	463,176	404,855
<b>Current assets:</b>		
Debtors	12,602	2,194
Cash and bank balances	40,506	13,031
<b>Total assets</b>	<b>516,284</b>	<b>420,080</b>
<b>Liabilities:</b>		
<b>Investment liabilities</b>	<b>(1,067)</b>	<b>(88)</b>
<b>Creditors:</b>		
Bank overdrafts	–	(167)
Distribution payable	(3,014)	(2,890)
Other creditors	(41,939)	(1,040)
<b>Total liabilities</b>	<b>(46,020)</b>	<b>(4,185)</b>
<b>Net assets attributable to shareholders</b>	<b>470,264</b>	<b>415,895</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>415,895</b>	<b>457,549</b>
Amounts receivable on the issue of shares	105,884	68,718
Amounts payable on the cancellation of shares	(59,923)	(49,071)
	45,961	19,647
Dilution adjustment	30	18
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	6,510	(4,918)
Retained distribution on accumulation shares	1,868	1,151
<b>Closing net assets attributable to shareholders</b>	<b>470,264</b>	<b>473,447</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

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

Please refer to pages 160 – 162 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Interest distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.6412	–	0.6412	0.4879
<b>Group 2</b> 08/03/18 to 07/09/18	0.4910	0.1502	0.6412	0.4879
<b>Total distributions in the period</b>			<b>0.6412</b>	<b>0.4879</b>

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.6156	–	0.6156	0.4608
<b>Group 2</b> 08/03/18 to 07/09/18	0.4541	0.1615	0.6156	0.4608
<b>Total distributions in the period</b>			<b>0.6156</b>	<b>0.4608</b>

## Threadneedle Global Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.8758	–	0.8758	0.6663
<b>Group 2</b> 08/03/18 to 07/09/18	0.2937	0.5821	0.8758	0.6663
<b>Total distributions in the period</b>			<b>0.8758</b>	<b>0.6663</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.2981	–	1.2981	0.9716
<b>Group 2</b> 08/03/18 to 07/09/18	0.4943	0.8038	1.2981	0.9716
<b>Total distributions in the period</b>			<b>1.2981</b>	<b>0.9716</b>

#### Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	0.7402	–	0.7402	0.5826
<b>Group 2</b> 08/03/18 to 07/09/18	0.5102	0.2300	0.7402	0.5826
<b>Total distributions in the period</b>			<b>0.7402</b>	<b>0.5826</b>

#### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.1018	–	1.1018	0.8522
<b>Group 2</b> 08/03/18 to 07/09/18	0.4705	0.6313	1.1018	0.8522
<b>Total distributions in the period</b>			<b>1.1018</b>	<b>0.8522</b>

#### Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.1556	–	1.1556	0.8872
<b>Group 2</b> 08/03/18 to 07/09/18	0.5586	0.5970	1.1556	0.8872
<b>Total distributions in the period</b>			<b>1.1556</b>	<b>0.8872</b>

#### Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.0972	–	1.0972	0.8510
<b>Group 2</b> 08/03/18 to 07/09/18	0.5511	0.5461	1.0972	0.8510
<b>Total distributions in the period</b>			<b>1.0972</b>	<b>0.8510</b>

#### Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.0971	–	1.0971	0.8508
<b>Group 2</b> 08/03/18 to 07/09/18	0.6282	0.4689	1.0971	0.8508
<b>Total distributions in the period</b>			<b>1.0971</b>	<b>0.8508</b>

#### Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.2738	–	1.2738	0.9716
<b>Group 2</b> 08/03/18 to 07/09/18	0.6299	0.6439	1.2738	0.9716
<b>Total distributions in the period</b>			<b>1.2738</b>	<b>0.9716</b>

Group 2: shares purchased during a distribution period.



## Threadneedle Global Bond Fund

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	61.41	66.37	60.57	58.96	62.68	56.54
Return before operating charges (p)	1.90	(3.01)	7.60	1.82	(2.86)	7.09
Operating charges (p)	(0.43)	(0.91)	(0.94)	(0.41)	(0.86)	(0.88)
Return after operating charges (p)*	1.47	(3.92)	6.66	1.41	(3.72)	6.21
Distributions (p)	(0.64)	(1.04)	(0.86)	(0.62)	(0.99)	(0.80)
Retained distributions on accumulation shares (p)**	–	–	–	0.62	0.99	0.73
Closing net asset value per share (p)	62.24	61.41	66.37	60.37	58.96	62.68
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.39	(5.91)	11.00	2.39	(5.93)	10.98
<b>Other information</b>						
Closing net asset value (£000)	2,274	2,414	3,222	1,306	1,212	1,567
Closing number of shares	3,652,803	3,930,410	4,854,365	2,163,928	2,056,094	2,499,225
Operating charges (%)**	1.38 <sup>†</sup>	1.42	1.42	1.38 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	64.06	66.87	71.85	61.49	63.16	67.41
Lowest share price (p)	59.65	60.24	59.80	57.27	57.31	55.82
	Class 1 – Gross income shares <sup>§</sup>			Class 1 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	83.88	90.65	82.72	124.33	132.17	119.08
Return before operating charges (p)	2.59	(4.10)	10.38	3.84	(6.02)	14.94
Operating charges (p)	(0.58)	(1.24)	(1.28)	(0.87)	(1.82)	(1.85)
Return after operating charges (p)*	2.01	(5.34)	9.10	2.97	(7.84)	13.09
Distributions (p)	(0.88)	(1.43)	(1.17)	(1.30)	(2.09)	(1.69)
Retained distributions on accumulation shares (p)**	–	–	–	1.30	2.09	1.69
Closing net asset value per share (p)	85.01	83.88	90.65	127.30	124.33	132.17
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.40	(5.89)	11.00	2.39	(5.93)	10.99
<b>Other information</b>						
Closing net asset value (£000)	257,355	286,222	321,806	38,379	36,390	43,109
Closing number of shares	302,721,418	341,215,581	355,001,074	30,148,100	29,269,187	32,616,704
Operating charges (%)**	1.38 <sup>†</sup>	1.42	1.42	1.38 <sup>†</sup>	1.42	1.42
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	87.49	91.34	98.16	129.68	133.18	142.18
Lowest share price (p)	81.48	82.28	81.72	120.76	120.85	117.64

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	68.30	73.44	66.68	101.66	107.42	96.19
Return before operating charges (p)	2.11	(3.33)	8.38	3.16	(4.91)	12.07
Operating charges (p)	(0.28)	(0.57)	(0.59)	(0.42)	(0.85)	(0.84)
Return after operating charges (p)*	1.83	(3.90)	7.79	2.74	(5.76)	11.23
Distributions (p)	(0.74)	(1.24)	(1.03)	(1.10)	(1.82)	(1.49)
Retained distributions on accumulation shares (p)**	–	–	–	1.10	1.82	1.49
Closing net asset value per share (p)	69.39	68.30	73.44	104.40	101.66	107.42
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.68	(5.31)	11.68	2.70	(5.36)	11.67
<b>Other information</b>						
Closing net asset value (£000)	19,952	14,717	11,450	113,620	37,337	41,414
Closing number of shares	28,752,747	21,548,284	15,591,331	108,835,262	36,726,257	38,553,598
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)	71.42	74.21	79.35	106.31	108.56	115.28
Lowest share price (p)	66.38	66.99	65.92	98.81	98.77	95.15
	Class X – Gross accumulation shares <sup>§</sup>			Class Z – Income shares		
	07/09/2018	07/03/2018	07/03/2017 <sup>†</sup>	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	106.42	111.61	100.00	104.89	112.50	101.89
Return before operating charges (p)	3.31	(5.12)	11.68	3.25	(5.10)	12.80
Operating charges (p)	(0.03)	(0.07)	(0.07)	(0.33)	(0.69)	(0.70)
Return after operating charges (p)*	3.28	(5.19)	11.61	2.92	(5.79)	12.10
Distributions (p)	(1.16)	(1.90)	(1.52)	(1.10)	(1.82)	(1.49)
Retained distributions on accumulation shares (p)**	1.16	1.90	1.52	–	–	–
Closing net asset value per share (p)	109.70	106.42	111.61	106.71	104.89	112.50
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	3.08	(4.65)	11.61	2.78	(5.15)	11.88
<b>Other information</b>						
Closing net asset value (£000)	24,979	23,025	15,049	11,855	14,038	19,441
Closing number of shares	22,770,371	21,635,279	13,483,929	11,110,001	13,384,306	17,281,456
Operating charges (%)**	0.06 <sup>†</sup>	0.06	0.06 <sup>†</sup>	0.63 <sup>†</sup>	0.63	0.63
Direct transaction costs (%)**	–	–	–	–	–	–
<b>Prices</b>						
Highest share price (p)	111.66	113.20	119.41	109.77	113.78	121.43
Lowest share price (p)	103.53	103.32	98.26	101.96	102.82	100.76

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

	Class Z – Gross income shares <sup>§</sup>			Class Z – Gross accumulation shares <sup>§</sup>		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	104.87	112.48	101.87	121.82	128.49	114.86
Return before operating charges (p)	3.25	(5.10)	12.80	3.77	(5.88)	14.42
Operating charges (p)	(0.33)	(0.69)	(0.70)	(0.39)	(0.79)	(0.79)
Return after operating charges (p)*	2.92	(5.79)	12.10	3.38	(6.67)	13.63
Distributions (p)	(1.10)	(1.82)	(1.49)	(1.27)	(2.08)	(1.69)
Retained distributions on accumulation shares (p)**	–	–	–	1.27	2.08	1.69
Closing net asset value per share (p)	106.69	104.87	112.48	125.20	121.82	128.49
*after direct transaction costs of (p)	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	2.78	(5.15)	11.88	2.77	(5.19)	11.87
<b>Other information</b>						
Closing net asset value (£000)	431	442	390	113	98	101
Closing number of shares	403,821	421,836	346,813	90,272	80,448	78,657
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)	109.75	113.77	121.45	127.49	129.96	137.79
Lowest share price (p)	101.95	102.81	100.81	118.42	118.33	113.66

\*\*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>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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018		2018
<b>Class 1 – Income shares</b>		<b>Class Z – Income shares</b>	
Opening shares	3,930,410	Opening shares	13,384,306
Shares issued	38,060	Shares issued	153,737
Shares redeemed	(315,667)	Shares redeemed	(2,428,042)
Net conversions	–	Net conversions	–
Closing shares	<u>3,652,803</u>	Closing shares	<u>11,110,001</u>
<b>Class 1 – Accumulation shares</b>		<b>Class Z – Gross income shares</b>	
Opening shares	2,056,094	Opening shares	421,836
Shares issued	324,639	Shares issued	48,736
Shares redeemed	(216,805)	Shares redeemed	(66,751)
Net conversions	–	Net conversions	–
Closing shares	<u>2,163,928</u>	Closing shares	<u>403,821</u>
<b>Class 1 – Gross income shares</b>		<b>Class Z – Gross accumulation shares</b>	
Opening shares	341,215,581	Opening shares	80,448
Shares issued	10,446,969	Shares issued	15,191
Shares redeemed	(48,941,132)	Shares redeemed	(5,367)
Net conversions	–	Net conversions	–
Closing shares	<u>302,721,418</u>	Closing shares	<u>90,272</u>
<b>Class 1 – Gross accumulation shares</b>			
Opening shares	29,269,187		
Shares issued	3,962,889		
Shares redeemed	(3,083,976)		
Net conversions	–		
Closing shares	<u>30,148,100</u>		
<b>Class 2 – Income shares</b>			
Opening shares	21,548,284		
Shares issued	7,553,641		
Shares redeemed	(349,178)		
Net conversions	–		
Closing shares	<u>28,752,747</u>		
<b>Class 2 – Gross accumulation shares</b>			
Opening shares	36,726,257		
Shares issued	82,882,777		
Shares redeemed	(10,773,772)		
Net conversions	–		
Closing shares	<u>108,835,262</u>		
<b>Class X – Gross accumulation shares</b>			
Opening shares	21,635,279		
Shares issued	1,238,452		
Shares redeemed	(103,360)		
Net conversions	–		
Closing shares	<u>22,770,371</u>		

## 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 2018, the published share price of the Threadneedle UK Institutional Fund has risen from 157.90p to 167.16p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +7.38% as compared to a median return of +5.63% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters" could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations

between Russia and the West, and the instability of the Trump administration. Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

We initiated a position in Britvic. The soft drinks manufacturer has committed significant investments to low-sugar products over the last three years and is well placed to gain market share as the UK government's 'sugar tax' is implemented. We also expect improved cash generation via margin enhancement and gradual debt reduction to provide a solid foundation for future growth.

We topped up several holdings over the review period, notably in British American Tobacco, GlaxoSmithKline, Barclays and Ted Baker.

GKN was de-listed, as the company was acquired by Melrose Industries; we already held a position in the latter prior to the acquisition. We subsequently took some profits in Melrose.

We also profitably closed our holding in InterContinental Hotels, and realised some gains in Burberry and Rentokil, which have performed well over the last year.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

Since the start of 2018, we have begun to see market leadership broaden out somewhat as last year's rotation into cyclical stocks has been reappraised. A further escalation in trade tensions combined with central banks' moves to withdraw their stimulus measures could further pressure these more economically sensitive companies.

At a stock level, we still see numerous pockets of value. Several of the more defensive (less economically sensitive) areas in the UK market still appear very out of favour. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. Moreover, despite their significant gains in 2017, small caps still have untapped potential.

These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall Mergers and Acquisitions volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

In a broader context, we are cautious about the risks of monetary tightening for equities. We are also mindful that the increased influence of passive investments could amplify any synchronised market downturn, just as it has supported earlier gains.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	40,832	12,431
Revenue	23,781	23,124
Expenses	(4,807)	(4,668)
Interest payable and similar charges	(2)	(1)
Net revenue before taxation	18,972	18,455
Taxation	–	–
Net revenue after taxation	18,972	18,455
<b>Total return before distributions</b>	<b>59,804</b>	<b>30,886</b>
Distributions	(18,972)	(18,454)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>40,832</b>	<b>12,432</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	1,106,597	1,048,862
<b>Current assets:</b>		
Debtors	31,425	11,885
Cash and bank balances	4,178	6,256
Total assets	1,142,200	1,067,003
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(8,701)	(4,848)
Total liabilities	(8,701)	(4,848)
<b>Net assets attributable to shareholders</b>	<b>1,133,499</b>	<b>1,062,155</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,062,155</b>	<b>1,068,697</b>
Amounts receivable on the issue of shares	85,391	52,319
Amounts payable on the cancellation of shares	(74,134)	(64,865)
	11,257	(12,546)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	40,832	12,432
Retained distribution on accumulation shares	19,255	18,347
<b>Closing net assets attributable to shareholders</b>	<b>1,133,499</b>	<b>1,086,930</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 165 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2,1670	–	2,1670	2,0417
<b>Group 2</b> 08/03/18 to 07/09/18	1,1630	1,0040	2,1670	2,0417
<b>Total distributions in the period</b>	<b>2,1670</b>		<b>2,1670</b>	<b>2,0417</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	3,2274	–	3,2274	3,0582
<b>Group 2</b> 08/03/18 to 07/09/18	1,2763	1,9511	3,2274	3,0582
<b>Total distributions in the period</b>	<b>3,2274</b>		<b>3,2274</b>	<b>3,0582</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Institutional Fund

### Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	157.79	155.68	129.78	177.49	173.61	143.49
Return before operating charges (p)	9.73	4.79	28.24	10.93	5.34	31.37
Operating charges (p)	(1.37)	(2.68)	(2.34)	(0.77)	(1.46)	(1.25)
Return after operating charges (p)*	8.36	2.11	25.90	10.16	3.88	30.12
Distributions (p)	(2.17)	(2.75)	(2.73)	(3.23)	(4.63)	(4.39)
Retained distributions on accumulation shares (p)	2.17	2.75	2.73	3.23	4.63	4.39
Closing net asset value per share (p)	166.15	157.79	155.68	187.65	177.49	173.61
*after direct transaction costs of (p)	0.08	0.13	0.20	0.09	0.15	0.22
<b>Performance</b>						
Return after charges (%)	5.30	1.36	19.96	5.72	2.23	20.99
<b>Other information</b>						
Closing net asset value (£000)	57,922	52,596	63,598	1,075,577	1,009,559	1,005,099
Closing number of shares	34,861,490	33,333,758	40,851,564	573,190,993	568,798,273	578,926,600
Operating charges (%)**	1.63 <sup>†</sup>	1.67	1.66	0.81 <sup>†</sup>	0.81	0.80
Direct transaction costs (%)***	0.09	0.08	0.14	0.09	0.08	0.14
<b>Prices</b>						
Highest share price (p)	173.78	167.50	155.82	196.16	188.20	173.76
Lowest share price (p)	153.76	154.20	125.57	173.02	172.15	139.17

\*\*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.

## Threadneedle UK Institutional Fund

### Notes to the financial statements

for the accounting period 8 March 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 1 – Accumulation shares</b>	
Opening shares	33,333,758
Shares issued	14,840,561
Shares redeemed	(13,312,829)
Net conversions	–
Closing shares	<u>34,861,490</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	568,798,273
Shares issued	32,508,351
Shares redeemed	(28,115,631)
Net conversions	–
Closing shares	<u>573,190,993</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 2018, the published share price of the Threadneedle UK Overseas Earnings Fund has risen from 124.08p to 131.54p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2018, including net reinvested income, is +8.62% as compared to a median return of +5.63% over the same period. (For information the FTSE All-Share Total Return Index returned +5.59% over the same period).

#### Market Overview and Portfolio Activity

UK equities advanced over the review period, thanks to increased takeover activity and robust corporate earnings – both at home and overseas. The FTSE 100 outperformed the broader market as sterling weakened and oil rallied; the index has large weights in overseas earners and energy companies. Ongoing worries over government wrangling and Brexit pressured sterling, and also dampened sentiment towards UK equities. Political uncertainties were compounded by the resignations of the Brexit secretary and the foreign secretary in July. These events increased fears that Tory "hard Brexiters" could stage a leadership coup, followed by the (not unrelated) possibility of a Labour victory in any snap general election.

Equities were also periodically buffeted by concerns over rising populism (especially in Italy), deteriorating relations between Russia and the West, and the instability of the Trump administration.

Investors were even more unsettled by the US president's moves to impose tariffs on China and other key US trading partners, and these countries' subsequent retaliation. The review period was also marked by concerns about the approaching end of the "easy money" era; these contributed to sharp falls in the Turkish and Argentine currencies in August as did country-specific issues. The currency sell-off in turn prompted investors to fret that contagion could trigger a broad-based emerging-market crisis.

In terms of the domestic economy, poor weather hurt economic growth in the first quarter. A subsequent rebound led investors to correctly anticipate a 0.25% interest-rate hike in August, though the Bank of England signalled that further hikes are likely to be "gradual and limited". While retail sales were strong in the second quarter and in July, investors fretted about the outlook for the sector as key firms went bankrupt, or came close to doing so, while others were forced to close stores and implement cost cuts to stave off similar fates. More encouragingly, wage growth finally outstripped inflation in early 2018 and unemployment remained at near four-decade lows.

New additions to the portfolio during the review period included Britvic and Ted Baker. Soft drinks manufacturer Britvic has committed significant investments to low-sugar products over the last three years and is well placed to gain market share as the UK government's 'sugar tax' is implemented. We also expect improved cash generation via margin enhancement and gradual debt reduction to provide a solid foundation for future growth. Retailer Ted Baker remains best-in-class in terms of infrastructure investment and is well-prepared for the ongoing changes in the sector, such as the shift to online. We see continued top line progress as well as improvements in margins, returns and free-cash flows as catalysts for the shares in the coming years.

Over the review period, we topped up some existing holdings, such as Rank Group, Tate & Lyle and BT.

GKN was de-listed, as the company was acquired by Melrose Industries; we already held a position in the latter prior to the acquisition. We subsequently took some profits in Melrose.

We also realised some gains in Burberry, Rentokil and Diageo, which have performed well over the last year.

While there are still uncertainties about the UK's domestic political and economic prospects, we believe that the outlook for UK equities is more measured.

Since the start of 2018, we have begun to see market leadership broaden out somewhat as last year's rotation into cyclical stocks has been reappraised. A further escalation in trade tensions combined with central banks' moves to withdraw their stimulus measures could further pressure these more economically sensitive companies.

At a stock level, we still see numerous pockets of value. Several of the more defensive (less economically sensitive) areas in the UK market still appear very out of favour. There is also a strong cohort of UK-listed firms – even some with truly global operations – which still trade at significant discounts to their international counterparts. Moreover, despite their significant gains in 2017, small caps still have untapped potential.

These favourable valuations should help ensure that UK firms remain popular candidates for takeover bids. This year, we have seen overall Mergers and Acquisitions volumes accelerate and activists take stakes in UK firms; this is largely because of depressed valuations and sterling's weakness.

In a broader context, we are cautious about the risks of monetary tightening for equities. We are also mindful that the increased influence of passive investments could amplify any synchronised market downturn, just as it has supported earlier gains.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Income		
Net capital gains	5,251	1,147
Revenue	2,220	2,529
Expenses	(839)	(901)
Net revenue before taxation	1,381	1,628
Taxation	–	–
Net revenue after taxation	1,381	1,628
<b>Total return before distributions</b>	<b>6,632</b>	<b>2,775</b>
Distributions	(1,381)	(1,628)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>5,251</b>	<b>1,147</b>

### BALANCE SHEET

as at 7 September 2018

	2018 £000	March 2018 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	103,884	101,900
<b>Current assets:</b>		
Debtors	1,128	913
Cash and bank balances	206	124
<b>Total assets</b>	<b>105,218</b>	<b>102,937</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	(1,360)	(579)
Other creditors	(259)	(408)
<b>Total liabilities</b>	<b>(1,619)</b>	<b>(987)</b>
<b>Net assets attributable to shareholders</b>	<b>103,599</b>	<b>101,950</b>

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

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
<b>Opening net assets attributable to shareholders</b>	<b>101,950</b>	<b>118,691</b>
Amounts receivable on the issue of shares	4,825	2,677
Amounts payable on the cancellation of shares	(8,443)	(12,786)
	(3,618)	(10,109)
Dilution adjustment	15	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,251	1,147
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>103,599</b>	<b>109,740</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 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2017.

\*In pound Sterling and against UK peer group (See Performance summary on pages 259 to 260).

Please refer to page 169 for comparative tables.

### DISTRIBUTION TABLE

for the accounting period 8 March 2018 to 7 September 2018

Dividend distribution in pence per share

#### Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.6913	–	1.6913	1.7679
<b>Group 2</b> 08/03/18 to 07/09/18	0.8747	0.8166	1.6913	1.7679
<b>Total distributions in the period</b>			<b>1.6913</b>	<b>1.7679</b>

#### Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
<b>Group 1</b> 08/03/18 to 07/09/18	1.4855	–	1.4855	1.5178
<b>Group 2</b> 08/03/18 to 07/09/18	1.4855	–	1.4855	1.5178
<b>Total distributions in the period</b>			<b>1.4855</b>	<b>1.5178</b>



## Threadneedle UK Overseas Earnings Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
<b>Group 1</b> 08/03/18 to 07/09/18	2.1405	–	2.1405	2.2083
<b>Group 2</b> 08/03/18 to 07/09/18	0.9913	1.1492	2.1405	2.2083
<b>Total distributions in the period</b>			<b>2.1405</b>	<b>2.2083</b>

Group 2: shares purchased during a distribution period.

## Threadneedle UK Overseas Earnings Fund

### Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/09/2018	07/03/2018	07/03/2017	07/09/2018	07/03/2018	07/03/2017 <sup>1</sup>
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.29	125.40	105.77	105.94	105.63	100.00
Return before operating charges (p)	9.20	2.36	24.10	7.91	1.96	6.21
Operating charges (p)	(1.04)	(2.01)	(1.81)	(0.86)	(1.65)	(0.58)
Return after operating charges (p)*	8.16	0.35	22.29	7.05	0.31	5.63
Distributions (p)	(1.69)	(2.46)	(2.66)	(1.49)	(2.13)	(0.56)
Retained distributions on accumulation shares (p)	–	–	–	1.49	2.13	0.56
Closing net asset value per share (p)	129.76	123.29	125.40	112.99	105.94	105.63
*after direct transaction costs of (p)	0.03	0.07	0.13	0.03	0.06	0.11
<b>Performance</b>						
Return after charges (%)	6.62	0.28	21.07	6.65	0.29	5.63
<b>Other information</b>						
Closing net asset value (£000)	100,877	99,927	111,104	4	3	3
Closing number of shares	77,741,455	81,051,072	88,598,211	3,001	3,001	3,001
Operating charges (%)**	1.57 <sup>†</sup>	1.57	1.57	1.51 <sup>†</sup>	1.52	1.52 <sup>†</sup>
Direct transaction costs (%)***	0.05	0.06	0.13	0.05	0.06	0.13
<b>Prices</b>						
Highest share price (p)	137.49	133.44	126.27	118.16	112.41	105.75
Lowest share price (p)	119.32	121.76	103.60	102.53	104.05	94.99
	Class Z – Income shares					
	07/09/2018	07/03/2018	07/03/2017			
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	123.18	125.32	105.65			
Return before operating charges (p)	9.19	2.34	24.16			
Operating charges (p)	(0.59)	(1.15)	(1.05)			
Return after operating charges (p)*	8.60	1.19	23.11			
Distributions (p)	(2.14)	(3.33)	(3.44)			
Retained distributions on accumulation shares (p)	–	–	–			
Closing net asset value per share (p)	129.64	123.18	125.32			
*after direct transaction costs of (p)	0.03	0.07	0.13			
<b>Performance</b>						
Return after charges (%)	6.98	0.95	21.87			
<b>Other information</b>						
Closing net asset value (£000)	2,718	2,020	7,584			
Closing number of shares	2,096,696	1,640,001	6,051,576			
Operating charges (%)**	0.89 <sup>†</sup>	0.90	0.89			
Direct transaction costs (%)***	0.05	0.06	0.13			
<b>Prices</b>						
Highest share price (p)	137.57	133.56	126.59			
Lowest share price (p)	119.25	122.02	103.68			

\*\*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>Commenced 20 October 2016.

<sup>†</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 2018 to 7 September 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. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2018 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

	2018
<b>Class 2 – Income shares</b>	
Opening shares	81,051,072
Shares issued	2,969,259
Shares redeemed	(6,271,145)
Net conversions	(7,731)
Closing shares	<u>77,741,455</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>
<b>Class Z – Income shares</b>	
Opening shares	1,640,001
Shares issued	620,975
Shares redeemed	(172,011)
Net conversions	7,731
Closing shares	<u>2,096,696</u>

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 7.51% (6.55%)</b>				<b>Tobacco 7.49% (6.33%)</b>			
	<b>Oil &amp; Gas Producers 4.74% (3.69%)</b>			2,390,944	British American Tobacco	87,652	4.03
4,179,641	Royal Dutch Shell 'B' Shares	103,321	4.74	2,809,006	Imperial Brands	75,394	3.46
	<b>Oil Equipment, Services &amp; Distribution 2.77% (2.86%)</b>			<b>Total Consumer Goods</b>			
1,543,983	Hunting	11,549	0.53	<b>418,751 19.23</b>			
7,146,669	John Wood Group	48,726	2.24	<b>HEALTH CARE 6.41% (6.47%)</b>			
	<b>Total Oil &amp; Gas</b>	<b>163,596</b>	<b>7.51</b>	2,669,844	<b>Health Care Equipment &amp; Services 1.68% (1.68%)</b>		
					Smith & Nephew	36,630	1.68
<b>BASIC MATERIALS 5.21% (5.00%)</b>					<b>Pharmaceuticals &amp; Biotechnology 4.73% (4.79%)</b>		
	<b>Chemicals 2.57% (2.44%)</b>			381,267	AstraZeneca	21,404	0.98
1,624,277	Johnson Matthey	56,005	2.57	5,384,512	GlaxoSmithKline	81,629	3.75
	<b>Mining 2.64% (2.56%)</b>			<b>Total Health Care</b>			
1,632,210	Rio Tinto	57,454	2.64	<b>139,663 6.41</b>			
	<b>Total Basic Materials</b>	<b>113,459</b>	<b>5.21</b>	<b>CONSUMER SERVICES 19.18% (18.54%)</b>			
				10,518,293	<b>Food &amp; Drug Retailers 1.15% (0.88%)</b>		
<b>INDUSTRIALS 17.26% (15.89%)</b>					Tesco	24,928	1.15
	<b>Construction &amp; Materials 4.81% (4.22%)</b>				<b>General Retailers 0.95% (0.89%)</b>		
30,092,423	'Breedon Aggregates	23,352	1.07	3,071,887	Inchcape	20,674	0.95
1,566,351	CRH (London Listing)	39,174	1.80		<b>Media 7.29% (7.04%)</b>		
18,814,748	Melrose Industries	42,258	1.94	3,583,976	Daily Mail & General Trust	26,844	1.23
	<b>Aerospace &amp; Defence 2.45% (2.01%)</b>			4,457,390	Informa	33,404	1.53
16,722,912	Cobham	20,151	0.92	25,700,616	ITV	40,543	1.86
3,448,903	Rolls-Royce Holdings	33,330	1.53	3,499,188	RELX	58,034	2.67
	<b>General Industrials 2.55% (2.42%)</b>				<b>Travel &amp; Leisure 9.79% (9.73%)</b>		
6,611,133	DS Smith	32,216	1.48	998,800	Carnival	45,985	2.11
1,479,391	Smiths Group	23,226	1.07	2,838,936	Compass Group	46,119	2.12
	<b>Industrial Engineering 2.29% (1.74%)</b>			2,079,565	Greene King	10,668	0.49
6,137,899	Rotork	20,298	0.93	735,035	InterContinental Hotels Group	33,731	1.55
1,904,960	Weir Group	29,660	1.36	6,659,928	Merlin Entertainments	24,988	1.15
	<b>Industrial Transportation 1.06% (1.29%)</b>			8,768,398	Stagecoach Group	14,249	0.65
4,995,479	Royal Mail	23,009	1.06	800,159	Whitbread	37,487	1.72
	<b>Support Services 4.10% (4.21%)</b>			<b>Total Consumer Services</b>			
1,240,713	Aggreko	10,186	0.47	<b>417,654 19.18</b>			
585,963	Ferguson	36,441	1.67	<b>TELECOMMUNICATIONS 2.30% (2.01%)</b>			
4,436,171	Howden Joinery Group	20,930	0.96		<b>Fixed Line Telecommunications 2.30% (2.01%)</b>		
6,832,005	Rentokil Initial	21,678	1.00	22,711,300	BT Group	50,112	2.30
	<b>Total Industrials</b>	<b>375,909</b>	<b>17.26</b>	<b>Total Telecommunications</b>			
				<b>50,112 2.30</b>			
<b>CONSUMER GOODS 19.23% (19.29%)</b>				<b>FINANCIALS 19.92% (22.58%)</b>			
	<b>Automobiles &amp; Parts 0.00% (1.87%)</b>			24,855,685	<b>Banks 3.64% (4.72%)</b>		
	<b>Beverages 3.10% (2.93%)</b>			5,878,143	Barclays	43,070	1.98
2,525,499	Diageo	67,456	3.10		Standard Chartered	36,074	1.66
	<b>Food Producers 0.62% (0.00%)</b>				<b>Nonlife Insurance 1.17% (1.46%)</b>		
595,715	Associated British Foods	13,439	0.62	4,152,965	RSA Insurance Group	25,499	1.17
	<b>Household Goods &amp; Home Construction 3.77% (3.85%)</b>				<b>Life Insurance 7.65% (8.44%)</b>		
6,842,065	Crest Nicholson Holdings	25,151	1.16	20,340,020	Legal & General Group	51,176	2.35
1,936,395	Headlam Group	8,791	0.40	4,614,033	Prudential	77,516	3.56
746,031	Reckitt Benckiser Group	48,082	2.21	3,428,328	St James's Place	37,849	1.74
	<b>Personal Goods 4.25% (4.31%)</b>				<b>Real Estate Investment &amp; Services 1.01% (0.95%)</b>		
756,417	Burberry Group	15,703	0.72	7,347,802	Grainger	21,985	1.01
3,207,991	PZ Cussons	7,295	0.33		<b>Real Estate Investment Trusts 1.78% (1.92%)</b>		
1,651,588	Unilever	69,788	3.20	575,621	Derwent London	17,027	0.78
				2,471,124	Land Securities Group REIT	21,771	1.00

## Threadneedle UK Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 19.92% (22.58%) (continued)</b>							
	<b>Financial Services 4.67% (5.09%)</b>				Sell GBP 21,025,081		
2,442,981	Intermediate Capital Group	24,503	1.12		Buy USD 27,050,449 J.P. Morgan	(267)	(0.01)
1,249,303	London Stock Exchange Group	57,668	2.65		Sell GBP 3,376		
850,457	Schroders Non-voting	19,646	0.90		Buy USD 4,333 J.P. Morgan	–	–
	<b>Total Financials</b>	<b>433,784</b>	<b>19.92</b>		<b>Total Derivatives</b>	<b>(452)</b>	<b>(0.02)</b>
<b>TECHNOLOGY 2.56% (3.47%)</b>							
	<b>Software &amp; Computer Services 2.56% (3.47%)</b>				<b>Total value of investments</b>	<b>2,168,245</b>	<b>99.56</b>
2,424,363	FDM Group Holdings IPO	21,577	0.99		<b>Net other assets (0.13%)</b>	<b>9,611</b>	<b>0.44</b>
6,045,291	Sage Group	34,192	1.57		<b>Net assets</b>	<b>2,177,856</b>	<b>100.00</b>
	<b>Total Technology</b>	<b>55,769</b>	<b>2.56</b>				
<b>COLLECTIVE INVESTMENT SCHEMES 0.00% (0.05%)</b>							
	<b>Liquidity Funds 0.00% (0.05%)<sup>1</sup></b>						
	<b>Total Collective Investment Schemes</b>	<b>–</b>	<b>–</b>				
<b>DERIVATIVES –0.02% (0.02%)</b>							
	<b>Forward Foreign Exchange Contracts –0.02% (0.02%)</b>						
	Sell GBP 107						
	Buy CHF 134 J.P. Morgan	–	–				
	Sell GBP 1,698						
	Buy CHF 2,145 J.P. Morgan	–	–				
	Sell GBP 2,172						
	Buy CHF 2,710 J.P. Morgan	–	–				
	Sell GBP 24,018						
	Buy CHF 30,089 J.P. Morgan	–	–				
	Sell GBP 6,312,955						
	Buy CHF 7,972,480 J.P. Morgan	35	–				
	Sell GBP 7,280						
	Buy CHF 9,086 J.P. Morgan	–	–				
	Sell GBP 11,991						
	Buy EUR 13,294 J.P. Morgan	–	–				
	Sell GBP 21,391,138						
	Buy EUR 23,680,629 J.P. Morgan	(230)	(0.01)				
	Sell GBP 37,398						
	Buy EUR 41,193 J.P. Morgan	(1)	–				
	Sell CHF 1,740						
	Buy GBP 1,386 J.P. Morgan	–	–				
	Sell EUR 1,560						
	Buy GBP 1,403 J.P. Morgan	–	–				
	Sell EUR 1,794						
	Buy GBP 1,623 J.P. Morgan	–	–				
	Sell EUR 12,015						
	Buy GBP 10,838 J.P. Morgan	–	–				
	Sell EUR 19,533						
	Buy GBP 17,610 J.P. Morgan	–	–				
	Sell EUR 2,340						
	Buy GBP 2,105 J.P. Morgan	–	–				
	Sell CHF 6,035						
	Buy GBP 4,798 J.P. Morgan	–	–				
	Sell USD 6,425						
	Buy GBP 4,978 J.P. Morgan	–	–				
	Sell EUR 7,458						
	Buy GBP 6,696 J.P. Morgan	–	–				
	Sell USD 947,408						
	Buy GBP 738,265 J.P. Morgan	11	–				
	Sell CHF 1,074						
	Buy GBP 851 J.P. Morgan	–	–				
	Sell CHF 11,481						
	Buy GBP 9,199 J.P. Morgan	–	–				

March 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

<sup>2</sup>Cash equivalents.

#### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	239,039	172,926
Total sales for the period	234,033	181,076

## Threadneedle UK Select Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 14.14% (6.84%)</b>				<b>FINANCIALS 21.89% (33.28%)</b>			
<b>Oil &amp; Gas Producers 10.75% (6.84%)</b>				<b>Banks 0.00% (5.81%)</b>			
2,846,383	BP	15,205	2.83				
1,719,362	Royal Dutch Shell 'B' Shares	42,503	7.92				
<b>Oil Equipment, Services &amp; Distribution 3.39% (0.00%)</b>				<b>Life Insurance 11.51% (11.71%)</b>			
2,668,912	John Wood Group	18,197	3.39	8,995,772	Legal & General Group	22,633	4.22
<b>Total Oil &amp; Gas</b>				1,384,296	Prudential	23,256	4.33
		<b>75,905</b>	<b>14.14</b>	1,440,027	St James's Place	15,898	2.96
<b>BASIC MATERIALS 9.21% (10.72%)</b>				<b>Real Estate Investment Trusts 2.52% (2.18%)</b>			
<b>Chemicals 4.62% (6.12%)</b>				457,190	Derwent London	13,524	2.52
5,458,496	Elementis	13,635	2.54	<b>Financial Services 7.25% (13.26%)</b>			
323,947	Johnson Matthey	11,170	2.08	1,573,456	Intermediate Capital Group	15,782	2.94
<b>Mining 4.59% (4.60%)</b>				320,100	London Stock Exchange Group	14,776	2.75
699,964	Rio Tinto	24,639	4.59	8,385,649	Sherborne Investors Guernsey	6,625	1.24
<b>Total Basic Materials</b>				7,326,390	Sherborne Investors Guernsey B	1,714	0.32
		<b>49,444</b>	<b>9.21</b>	<b>Equity Investment Instruments 0.61% (0.32%)</b>			
<b>INDUSTRIALS 14.52% (11.65%)</b>				364,210	Electra Private Equity	3,278	0.61
<b>Construction &amp; Materials 8.11% (7.94%)</b>				<b>Total Financials</b>			
18,265,611	<sup>1</sup> Breedon Aggregates	14,174	2.64			<b>117,486</b>	<b>21.89</b>
548,392	CRH (London Listing)	13,715	2.55	<b>TECHNOLOGY 4.41% (3.25%)</b>			
6,974,652	Melrose Industries	15,665	2.92	<b>Software &amp; Computer Services 4.41% (3.25%)</b>			
<b>Aerospace &amp; Defence 2.29% (0.00%)</b>				825,135	Micro Focus International	10,397	1.94
1,269,852	Rolls-Royce Holdings	12,272	2.29	2,344,442	Sage Group	13,260	2.47
<b>General Industrials 4.12% (3.71%)</b>				<b>Total Technology</b>			
4,535,867	DS Smith	22,103	4.12			<b>23,657</b>	<b>4.41</b>
<b>Total Industrials</b>				<b>COLLECTIVE INVESTMENT SCHEMES 0.00% (1.02%)</b>			
		<b>77,929</b>	<b>14.52</b>	<b>Liquidity Funds 0.00% (1.02%)<sup>1</sup></b>			
<b>CONSUMER GOODS 10.71% (12.06%)</b>				<b>Total Collective Investment Schemes</b>			
<b>Beverages 3.03% (3.83%)</b>							
609,572	Diageo	16,282	3.03	<b>Total value of investments</b>			
<b>Personal Goods 1.52% (2.50%)</b>						<b>522,207</b>	<b>97.30</b>
192,399	Unilever	8,130	1.52	<b>Net other assets (3.29%)</b>			
<b>Tobacco 6.16% (5.73%)</b>						<b>14,472</b>	<b>2.70</b>
901,298	British American Tobacco	33,041	6.16	<b>Net assets</b>			
<b>Total Consumer Goods</b>						<b>536,679</b>	<b>100.00</b>
		<b>57,453</b>	<b>10.71</b>	<i>March 2018 comparatives in brackets.</i>			
<b>HEALTH CARE 7.34% (1.92%)</b>				<i><sup>1</sup>Alternative Investment Market.</i>			
<b>Pharmaceuticals &amp; Biotechnology 7.34% (1.92%)</b>				<i><sup>1</sup>Cash equivalents.</i>			
1,428,065	GlaxoSmithKline	21,649	4.03	<b>Total Purchases and Sales</b>			
413,600	Shire	17,754	3.31	<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
<b>Total Health Care</b>						<b>2018</b>	<b>2017</b>
		<b>39,403</b>	<b>7.34</b>			<b>£000</b>	<b>£000</b>
<b>CONSUMER SERVICES 15.08% (15.97%)</b>				Total purchases for the period		160,490	278,909
<b>Food &amp; Drug Retailers 4.21% (3.59%)</b>				Total sales for the period		113,597	90,902
9,538,005	Tesco	22,605	4.21				
<b>Media 8.13% (9.94%)</b>							
3,233,432	Ascential	13,800	2.57				
8,240,966	ITV	13,000	2.42				
1,016,016	RELX	16,851	3.14				
<b>Travel &amp; Leisure 2.74% (2.44%)</b>							
903,290	Compass Group	14,674	2.74				
<b>Total Consumer Services</b>							
		<b>80,930</b>	<b>15.08</b>				

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 1.55% (0.23%)</b>				<b>HEALTH CARE 8.55% (5.90%)</b>			
<b>Oil Equipment, Services &amp; Distribution 1.55% (0.23%)</b>				<b>Health Care Equipment &amp; Services 0.23% (0.36%)</b>			
2,008,642	<sup>1</sup> Enteq Upstream	562	0.26	2,292,816	<sup>1</sup> Totally (Suspended)	504	0.23
1,796,417	Tekmar Group	2,784	1.29	<b>Pharmaceuticals &amp; Biotechnology 8.32% (5.54%)</b>			
<b>Total Oil &amp; Gas 3,346 1.55</b>				2,723,824	<sup>1</sup> Alliance Pharma	2,517	1.17
<b>BASIC MATERIALS 3.11% (6.25%)</b>				1,004,127	<sup>1</sup> Clinigen Group	9,303	4.30
<b>Chemicals 3.11% (4.94%)</b>				86,908	Genus	2,143	0.99
931,523	<sup>1</sup> Scapa Group	3,842	1.78	5,423,325	Vectura Group	4,013	1.86
560,846	Zotefoams	2,883	1.33	<b>Total Health Care 18,480 8.55</b>			
<b>Mining 0.00% (1.31%)</b>				<b>CONSUMER SERVICES 22.58% (26.20%)</b>			
21,587,483	DiamondCorp (Delisted)	–	–	<b>Food &amp; Drug Retailers 0.00% (3.06%)</b>			
<b>Total Basic Materials 6,725 3.11</b>				1,975,582	Conviviality Retail (Delisted)	–	–
<b>INDUSTRIALS 22.31% (18.12%)</b>				<b>General Retailers 4.52% (5.64%)</b>			
<b>Construction &amp; Materials 3.21% (2.47%)</b>				879,023	<sup>1</sup> Joules Group	2,663	1.23
2,568,553	<sup>1</sup> Breedon Aggregates	1,993	0.92	2,300,961	N Brown Group	3,617	1.67
1,063,654	Eurocell Group	2,617	1.21	2,190,007	<sup>1</sup> Quiz	3,504	1.62
685,450	Tyman	2,334	1.08	<b>Media 8.36% (9.70%)</b>			
<b>Aerospace &amp; Defence 3.24% (2.89%)</b>				1,823,183	Ascential	7,781	3.60
495,358	Avon Rubber	7,009	3.24	512,255	GlobalData	3,099	1.43
<b>General Industrials 2.37% (3.81%)</b>				2,419,355	<sup>1</sup> Mirriad Advertising	726	0.33
6,441,649	Coats Group	5,134	2.37	667,447	STV Group	2,703	1.25
<b>Electronic &amp; Electrical Equipment 2.20% (1.76%)</b>				773,969	<sup>1</sup> YouGov	3,792	1.75
497,498	Oxford Instruments	4,761	2.20	<b>Travel &amp; Leisure 9.70% (7.80%)</b>			
<b>Industrial Engineering 0.83% (0.84%)</b>				1,141,193	<sup>1</sup> DP Poland	297	0.14
829,969	<sup>1</sup> Avingtrans	1,793	0.83	2,121,350	Gym Group	7,000	3.24
<b>Industrial Transportation 0.82% (0.00%)</b>				1,652,779	Hollywood Bowl Group	3,504	1.62
64,621	Clarkson	1,761	0.82	475,183	Jackpotjoy	3,754	1.74
<b>Support Services 9.64% (6.35%)</b>				839,928	Rank Group	1,431	0.66
14,368,949	<sup>1</sup> Spatial	6,466	2.99	1,848,280	Restaurant Group	4,968	2.30
490,675	Essentra	2,125	0.98	<b>Total Consumer Services 48,839 22.58</b>			
1,793,103	Knights Group Holdings	3,391	1.57	<b>TELECOMMUNICATIONS 0.00% (1.28%)</b>			
520,208	<sup>1</sup> Restore	2,643	1.22	<b>Mobile Telecommunications 0.00% (1.28%)</b>			
359,360	Ricardo	2,853	1.32	<b>Total Telecommunications – –</b>			
564,563	Sanne Group IPO	3,365	1.56	<b>UTILITIES 0.28% (0.00%)</b>			
<b>Total Industrials 48,245 22.31</b>				<b>Electricity 0.28% (0.00%)</b>			
<b>CONSUMER GOODS 14.75% (16.22%)</b>				2,565,853	<sup>1</sup> SIMEC Atlantis Energy	603	0.28
<b>Beverages 2.16% (4.10%)</b>				<b>Total Utilities 603 0.28</b>			
2,403,540	Stock Spirits Group	4,668	2.16	<b>FINANCIALS 9.12% (9.61%)</b>			
<b>Food Producers 1.96% (2.59%)</b>				<b>Life Insurance 2.31% (3.29%)</b>			
1,286,701	<sup>1</sup> Hotel Chocolat Group	4,246	1.96	6,081,844	Just Group	5,002	2.31
<b>Household Goods &amp; Home Construction 3.55% (4.36%)</b>				<b>Financial Services 6.75% (6.24%)</b>			
1,006,529	<sup>1</sup> Victoria	7,670	3.55	1,661,500	<sup>1</sup> Fairfx Group	2,310	1.07
<b>Leisure Goods 4.16% (1.05%)</b>				781,925	JTC	3,128	1.45
2,075,000	Codemasters Group Holdings	3,424	1.58	1,143,073	<sup>1</sup> Premier Asset Management Group	2,812	1.30
353,061	<sup>1</sup> Gear4Music Holdings	2,048	0.95	3,723,960	Xafinity	6,349	2.93
1,600,000	Team17 Group	3,520	1.63	<b>Nonequity Investment Instruments 0.06% (0.08%)</b>			
<b>Personal Goods 2.92% (4.12%)</b>				125,470	Wilmcote Holdings	133	0.06
184,653	Ted Baker	3,974	1.84	<b>Total Financials 19,734 9.12</b>			
978,931	<sup>1</sup> Warpaint London	2,349	1.08				
<b>Total Consumer Goods 31,899 14.75</b>							

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 16.11% (14.52%)</b>			
<b>Software &amp; Computer Services 13.78% (12.47%)</b>			
2,616,371	<sup>1</sup> Blanco Technology	2,198	1.02
409,349	<sup>1</sup> Blue Prism Group	10,398	4.81
280,924	FDM Group Holdings IPO	2,500	1.15
74,550	<sup>1</sup> First Derivatives	3,027	1.40
1,022,185	<sup>1</sup> iomart Group	4,385	2.03
244,964	SDL	1,127	0.52
39,131,179	<sup>1</sup> Shearwater Group (Suspended)	1,722	0.79
6,455,540	<sup>1</sup> Ubisense Group	4,454	2.06
<b>Technology Hardware &amp; Equipment 2.33% (2.05%)</b>			
4,057,304	Spirent Communications	5,031	2.33
	<b>Total Technology</b>	<b>34,842</b>	<b>16.11</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell GBP 1,053		
	Buy CHF 1,329 J.P. Morgan	–	–
	<b>Total Derivatives</b>	<b>–</b>	<b>–</b>
<b>Total value of investments</b>		<b>212,713</b>	<b>98.36</b>
<b>Net other assets (1.67%)</b>		<b>3,555</b>	<b>1.64</b>
<b>Net assets</b>		<b>216,268</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	44,520	70,735
Total sales for the period	44,333	74,259



## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.78% (3.71%)</b>				<b>General Retailers 2.74% (2.85%)</b>			
	<b>Oil &amp; Gas Producers 3.78% (3.71%)</b>			3,024,139	Marks & Spencer Group	8,909	2.74
496,651	Royal Dutch Shell 'B' Shares	12,277	3.78		<b>Media 7.93% (7.52%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>12,277</b>	<b>3.78</b>	4,311,135	ITV	6,801	2.09
				1,050,852	Pearson	9,348	2.88
				579,301	RELX	9,608	2.96
<b>BASIC MATERIALS 2.39% (2.26%)</b>					<b>Travel &amp; Leisure 9.57% (9.50%)</b>		
	<b>Chemicals 2.39% (2.26%)</b>			454,518	Compass Group	7,384	2.27
224,638	Johnson Matthey	7,746	2.39	4,524,032	Firstgroup	4,223	1.30
	<b>Total Basic Materials</b>	<b>7,746</b>	<b>2.39</b>	536,658	J D Wetherspoon	6,633	2.04
				2,400,853	Rank Group	4,091	1.26
				2,208,542	Restaurant Group	5,937	1.83
<b>INDUSTRIALS 30.16% (27.81%)</b>				1,732,033	Stagecoach Group	2,815	0.87
	<b>Construction &amp; Materials 2.72% (1.58%)</b>				<b>Total Consumer Services</b>	<b>89,333</b>	<b>27.50</b>
3,937,601	Melrose Industries	8,844	2.72				
	<b>Aerospace &amp; Defence 5.74% (6.10%)</b>			<b>TELECOMMUNICATIONS 2.27% (2.58%)</b>			
1,239,802	BAE Systems	7,615	2.34		<b>Fixed Line Telecommunications 2.27% (2.58%)</b>		
5,263,998	Cobham	6,343	1.95	3,341,216	BT Group	7,372	2.27
486,393	Rolls-Royce Holdings	4,701	1.45		<b>Total Telecommunications</b>	<b>7,372</b>	<b>2.27</b>
	<b>General Industrials 4.70% (4.45%)</b>						
1,827,943	DS Smith	8,908	2.74	<b>UTILITIES 3.41% (3.37%)</b>			
404,422	Smiths Group	6,349	1.96		<b>Gas, Water &amp; Multiutilities 3.41% (3.37%)</b>		
	<b>Electronic &amp; Electrical Equipment 0.82% (0.84%)</b>			4,692,629	Centrica	6,919	2.13
814,316	Morgan Advanced Materials	2,677	0.82	269,191	Pennon Group	1,996	0.62
	<b>Industrial Engineering 0.86% (0.88%)</b>			300,848	United Utilities Group	2,153	0.66
246,089	IMI	2,786	0.86		<b>Total Utilities</b>	<b>11,068</b>	<b>3.41</b>
	<b>Industrial Transportation 1.28% (1.29%)</b>			<b>FINANCIALS 11.69% (12.75%)</b>			
1,834,221	Wincanton	4,145	1.28		<b>Banks 1.21% (1.08%)</b>		
	<b>Support Services 14.04% (12.67%)</b>			226,003	Secure Trust Bank	3,921	1.21
2,510,852	Electrocomponents	18,164	5.59		<b>Nonlife Insurance 3.07% (3.31%)</b>		
136,306	Ferguson	8,477	2.61	1,624,324	RSA Insurance Group	9,973	3.07
2,713,850	Hays	5,509	1.70		<b>Life Insurance 2.60% (2.85%)</b>		
4,237,828	Rentokil Initial	13,447	4.14	3,361,195	Legal & General Group	8,457	2.60
	<b>Total Industrials</b>	<b>97,965</b>	<b>30.16</b>		<b>Financial Services 4.81% (5.51%)</b>		
				1,183,171	3i Group	10,762	3.31
				4,649,980	Sherborne Investors Guernsey	3,673	1.13
<b>CONSUMER GOODS 8.53% (10.08%)</b>				5,110,134	Sherborne Investors Guernsey B	1,196	0.37
	<b>Automobiles &amp; Parts 0.00% (1.89%)</b>				<b>Total Financials</b>	<b>37,982</b>	<b>11.69</b>
	<b>Food Producers 1.78% (1.62%)</b>			<b>TECHNOLOGY 2.26% (2.08%)</b>			
883,835	Tate & Lyle	5,801	1.78		<b>Technology Hardware &amp; Equipment 2.26% (2.08%)</b>		
	<b>Personal Goods 3.84% (3.61%)</b>			5,919,493	Spirent Communications	7,340	2.26
295,101	Unilever	12,469	3.84		<b>Total Technology</b>	<b>7,340</b>	<b>2.26</b>
	<b>Tobacco 2.91% (2.96%)</b>			<b>Total value of investments</b>			
352,088	Imperial Brands	9,450	2.91			<b>332,501</b>	<b>102.37</b>
	<b>Total Consumer Goods</b>	<b>27,720</b>	<b>8.53</b>	<b>Net other liabilities (-0.56%)</b>			
						<b>(7,682)</b>	<b>(2.37)</b>
<b>HEALTH CARE 10.38% (9.42%)</b>				<b>Net assets</b>			
	<b>Pharmaceuticals &amp; Biotechnology 10.38% (9.42%)</b>					<b>324,819</b>	<b>100.00</b>
347,041	AstraZeneca	19,483	6.00	<i>March 2018 comparatives in brackets.</i>			
937,653	GlaxoSmithKline	14,215	4.38	<b>Total Purchases and Sales</b>			
	<b>Total Health Care</b>	<b>33,698</b>	<b>10.38</b>	<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
						<b>2018</b>	<b>2017</b>
<b>CONSUMER SERVICES 27.50% (26.50%)</b>						<b>£000</b>	<b>£000</b>
	<b>Food &amp; Drug Retailers 7.26% (6.63%)</b>			Total purchases for the period	2,368	29,567	
3,469,140	Tesco	8,222	2.53	Total sales for the period	95,477	26,749	
5,867,985	WM Morrison Supermarkets	15,362	4.73				

## Threadneedle UK Equity Income Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.73% (3.72%)</b>				<b>CONSUMER SERVICES 22.81% (22.50%)</b>			
	<b>Oil &amp; Gas Producers 3.73% (3.72%)</b>				<b>Food &amp; Drug Retailers 6.40% (5.93%)</b>		
6,256,400	Royal Dutch Shell 'B' Shares	154,658	3.73	28,501,428	Tesco	67,548	1.63
	<b>Total Oil &amp; Gas</b>	<b>154,658</b>	<b>3.73</b>	75,417,702	WM Morrison Supermarkets	197,444	4.77
<b>BASIC MATERIALS 2.99% (3.20%)</b>					<b>General Retailers 2.85% (2.99%)</b>		
	<b>Chemicals 2.99% (3.20%)</b>			40,107,251	Marks & Spencer Group	118,156	2.85
14,003,186	Elementis	34,980	0.85		<b>Media 7.53% (7.24%)</b>		
2,571,593	Johnson Matthey	88,668	2.14	54,648,519	ITV	86,208	2.08
	<b>Total Basic Materials</b>	<b>123,648</b>	<b>2.99</b>	13,635,680	Pearson	121,303	2.93
				6,287,581	RELX	104,279	2.52
<b>INDUSTRIALS 27.51% (26.31%)</b>					<b>Travel &amp; Leisure 6.03% (6.34%)</b>		
	<b>Construction &amp; Materials 2.53% (2.12%)</b>			5,570,722	Compass Group	90,496	2.19
30,765,885	Melrose Industries	69,100	1.67	2,014,462	Go-Ahead Group	35,132	0.85
2,588,981	Morgan Sindall Group	35,780	0.86	4,235,395	J D Wetherspoon	52,349	1.27
	<b>Aerospace &amp; Defence 5.10% (5.50%)</b>			18,476,275	Rank Group	31,484	0.76
16,982,018	BAE Systems	104,304	2.52	24,528,357	Stagecoach Group	39,859	0.96
66,117,265	Cobham	79,671	1.92		<b>Total Consumer Services</b>	<b>944,258</b>	<b>22.81</b>
2,822,855	Rolls-Royce Holdings	27,280	0.66				
	<b>General Industrials 4.67% (4.52%)</b>			<b>TELECOMMUNICATIONS 2.47% (2.84%)</b>			
22,459,342	DS Smith	109,444	2.64		<b>Fixed Line Telecommunications 2.47% (2.84%)</b>		
5,348,049	Smiths Group	83,964	2.03	46,360,706	BT Group	102,295	2.47
	<b>Electronic &amp; Electrical Equipment 1.70% (1.59%)</b>				<b>Total Telecommunications</b>	<b>102,295</b>	<b>2.47</b>
8,532,806	Morgan Advanced Materials	28,056	0.68	<b>UTILITIES 3.79% (3.82%)</b>			
4,416,608	Oxford Instruments	42,267	1.02		<b>Gas, Water &amp; Multiutilities 3.79% (3.82%)</b>		
	<b>Industrial Engineering 0.64% (0.67%)</b>			65,520,981	Centrica	96,611	2.33
2,343,343	IMI	26,527	0.64	4,245,971	Pennon Group	31,480	0.76
	<b>Industrial Transportation 0.79% (0.86%)</b>			4,017,698	United Utilities Group	28,751	0.70
14,469,649	Wincanton	32,701	0.79		<b>Total Utilities</b>	<b>156,842</b>	<b>3.79</b>
	<b>Support Services 12.08% (11.05%)</b>			<b>FINANCIALS 14.21% (14.94%)</b>			
30,514,064	Electrocomponents	220,739	5.33		<b>Nonlife Insurance 3.15% (3.44%)</b>		
1,254,842	Ferguson	78,039	1.89	21,269,428	RSA Insurance Group	130,594	3.15
31,822,214	Hays	64,599	1.56		<b>Life Insurance 7.05% (6.88%)</b>		
43,042,060	Rentokil Initial	136,572	3.30	10,810,230	Chesnara	39,728	0.96
	<b>Total Industrials</b>	<b>1,139,043</b>	<b>27.51</b>	41,755,004	Legal & General Group	105,056	2.54
				21,451,668	Phoenix Group Holdings	147,051	3.55
<b>CONSUMER GOODS 9.59% (10.30%)</b>					<b>Financial Services 4.01% (4.62%)</b>		
	<b>Automobiles &amp; Parts 0.00% (0.86%)</b>			13,721,099	3i Group	124,807	3.02
	<b>Food Producers 1.92% (1.76%)</b>			41,469,084	Sherborne Investors Guernsey	32,761	0.79
12,104,625	Tate & Lyle	79,455	1.92	35,468,612	Sherborne Investors Guernsey B	8,300	0.20
	<b>Personal Goods 3.39% (3.23%)</b>				<b>Total Financials</b>	<b>588,297</b>	<b>14.21</b>
3,319,498	Unilever	140,265	3.39	<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Tobacco 4.28% (4.45%)</b>				<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
6,612,111	Imperial Brands	177,469	4.28		Sell GBP 15		
	<b>Total Consumer Goods</b>	<b>397,189</b>	<b>9.59</b>		Buy CHF 19 J.P. Morgan	-	-
					Sell GBP 380,628		
					Buy CHF 480,686 J.P. Morgan	2	-
					Sell GBP 554,031		
					Buy CHF 699,673 J.P. Morgan	3	-
					Sell GBP 121,027		
					Buy EUR 133,670 J.P. Morgan	(2)	-
					Sell GBP 2,260,602		
					Buy EUR 2,502,553 J.P. Morgan	(24)	-
<b>HEALTH CARE 12.98% (11.98%)</b>							
	<b>Pharmaceuticals &amp; Biotechnology 12.98% (11.98%)</b>						
5,446,166	AstraZeneca	305,748	7.39				
15,278,690	GlaxoSmithKline	231,625	5.59				
	<b>Total Health Care</b>	<b>537,373</b>	<b>12.98</b>				

## Threadneedle UK Equity Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (0.00%) (continued)</b>			
	Sell GBP 69,183		
	Buy EUR 76,205 J.P. Morgan	(1)	–
	Sell GBP 8,904,251		
	Buy EUR 9,857,271 J.P. Morgan	(96)	–
	Sell GBP 8,949		
	Buy EUR 9,921 J.P. Morgan	–	–
	Sell EUR 11,971		
	Buy GBP 10,798 J.P. Morgan	–	–
	Sell CHF 180,619		
	Buy GBP 143,579 J.P. Morgan	–	–
	Sell EUR 23,139		
	Buy GBP 21,007 J.P. Morgan	–	–
	Sell USD 6,129		
	Buy GBP 4,753 J.P. Morgan	–	–
	Sell EUR 1,046		
	Buy GBP 944 J.P. Morgan	–	–
	Sell GBP 1,131,903		
	Buy USD 1,456,283 J.P. Morgan	(14)	–
	Sell GBP 15		
	Buy USD 20 J.P. Morgan	–	–
	Sell GBP 16		
	Buy USD 21 J.P. Morgan	–	–
	Sell GBP 2,966,544		
	Buy USD 3,816,696 J.P. Morgan	(38)	–
	<b>Total Derivatives</b>	<b>(170)</b>	<b>–</b>
<b>Total value of investments</b>		<b>4,143,433</b>	<b>100.08</b>
<b>Net other liabilities/assets (0.39%)</b>		<b>(3,515)</b>	<b>(0.08)</b>
<b>Net assets</b>		<b>4,139,918</b>	<b>100.00</b>

March 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	130,307	512,849
Total sales for the period	190,466	256,282

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 9.96% (9.09%)</b>				<b>CONSUMER SERVICES 13.74% (14.04%)</b>			
	<b>Oil &amp; Gas Producers 9.96% (9.09%)</b>				<b>General Retailers 2.31% (2.37%)</b>		
2,070,000	BP	11,058	2.26	2,525,000	Marks & Spencer Group	7,439	1.52
1,525,000	Royal Dutch Shell 'B' Shares	37,698	7.70	1,275,000	N Brown Group	2,004	0.41
	<b>Total Oil &amp; Gas</b>	<b>48,756</b>	<b>9.96</b>	875,000	ScS Group IPO	1,872	0.38
<b>BASIC MATERIALS 4.36% (3.45%)</b>					<b>Media 5.28% (5.60%)</b>		
	<b>Chemicals 2.64% (1.86%)</b>			745,000	Informa	5,583	1.14
132,222	Johnson Matthey	4,559	0.93	3,740,000	ITV	5,900	1.21
1,535,000	Synthomer	8,389	1.71	865,000	RELX	14,346	2.93
	<b>Mining 1.72% (1.59%)</b>				<b>Travel &amp; Leisure 6.15% (6.07%)</b>		
550,000	BHP Billiton	8,400	1.72	300,000	Compass Group	4,873	1.00
	<b>Total Basic Materials</b>	<b>21,348</b>	<b>4.36</b>	707,280	Fuller Smith & Turner	6,663	1.36
				437,264	Go-Ahead Group	7,626	1.56
				1,750,000	Rank Group	2,982	0.61
				3,175,000	Stagecoach Group	5,159	1.05
				60,000	Whitbread	2,811	0.57
					<b>Total Consumer Services</b>	<b>67,258</b>	<b>13.74</b>
<b>INDUSTRIALS 17.15% (17.68%)</b>				<b>TELECOMMUNICATIONS 3.76% (3.72%)</b>			
	<b>Construction &amp; Materials 1.83% (1.70%)</b>				<b>Fixed Line Telecommunications 3.76% (3.72%)</b>		
120,000	CRH (London Listing)	3,001	0.61	3,620,000	BT Group	7,988	1.63
2,655,000	Melrose Industries	5,963	1.22	7,425,000	Kcom Group	7,299	1.49
	<b>Aerospace &amp; Defence 3.79% (3.80%)</b>			1,898,400	<sup>†</sup> Manx Telecom	3,094	0.64
2,370,000	BAE Systems	14,557	2.97		<b>Total Telecommunications</b>	<b>18,381</b>	<b>3.76</b>
3,315,646	Cobham	3,995	0.82				
	<b>General Industrials 3.06% (3.27%)</b>			<b>UTILITIES 3.03% (2.61%)</b>			
3,075,000	DS Smith	14,984	3.06		<b>Gas, Water &amp; Multiutilities 3.03% (2.61%)</b>		
	<b>Electronic &amp; Electrical Equipment 1.31% (1.08%)</b>			3,515,000	Centrica	5,183	1.06
270,000	Halma	3,734	0.76	570,000	Pennon Group	4,226	0.86
280,000	Oxford Instruments	2,680	0.55	280,000	Severn Trent	5,426	1.11
	<b>Industrial Engineering 0.98% (1.14%)</b>				<b>Total Utilities</b>	<b>14,835</b>	<b>3.03</b>
6,325,000	Severfield	4,820	0.98				
	<b>Industrial Transportation 1.57% (1.94%)</b>			<b>FINANCIALS 25.27% (28.30%)</b>			
160,000	James Fisher & Sons	2,800	0.57		<b>Banks 3.37% (7.01%)</b>		
1,060,000	Royal Mail	4,882	1.00	325,000	Close Brothers Group	5,148	1.05
	<b>Support Services 4.61% (4.75%)</b>			1,015,000	HSBC Holdings	6,613	1.35
990,000	De La Rue	4,737	0.97	770,000	Standard Chartered	4,725	0.97
1,280,000	Electrocomponents	9,260	1.89		<b>Nonlife Insurance 1.58% (1.50%)</b>		
137,368	Ferguson	8,543	1.75	1,295,000	Lancashire Holdings	7,731	1.58
	<b>Total Industrials</b>	<b>83,956</b>	<b>17.15</b>		<b>Life Insurance 14.21% (14.06%)</b>		
				4,360,000	Chesnara	16,023	3.27
<b>CONSUMER GOODS 11.50% (11.60%)</b>				6,775,000	Legal & General Group	17,046	3.48
	<b>Beverages 2.02% (1.92%)</b>			2,310,000	Phoenix Group Holdings	15,835	3.24
370,000	Diageo	9,883	2.02	655,000	Prudential	11,004	2.25
	<b>Personal Goods 3.13% (3.05%)</b>			875,000	St James's Place	9,660	1.97
220,000	Burberry Group	4,567	0.93		<b>Real Estate Investment Trusts 3.38% (2.79%)</b>		
255,000	Unilever	10,775	2.20	165,000	Derwent London	4,881	1.00
	<b>Tobacco 6.35% (6.63%)</b>			2,700,000	Empiric Student Property REIT	2,587	0.53
390,000	British American Tobacco	14,297	2.92	2,800,000	Londonmetric Property REIT	5,060	1.03
625,000	Imperial Brands	16,775	3.43	4,125,000	<sup>†</sup> Warehouse REIT (Suspended)	4,001	0.82
	<b>Total Consumer Goods</b>	<b>56,297</b>	<b>11.50</b>		<b>Financial Services 2.73% (2.94%)</b>		
				985,000	3i Group	8,960	1.83
<b>HEALTH CARE 9.54% (9.07%)</b>				4,302,702	Sherborne Investors Guernsey	3,399	0.70
	<b>Pharmaceuticals &amp; Biotechnology 9.54% (9.07%)</b>			4,275,000	Sherborne Investors Guernsey B	1,000	0.20
335,000	AstraZeneca	18,807	3.84		<b>Total Financials</b>	<b>123,673</b>	<b>25.27</b>
1,840,000	GlaxoSmithKline	27,894	5.70				
	<b>Total Health Care</b>	<b>46,701</b>	<b>9.54</b>				

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TECHNOLOGY 0.14% (0.22%)</b>			
<b>Software &amp; Computer Services 0.14% (0.22%)</b>			
55,578	Micro Focus International	700	0.14
	<b>Total Technology</b>	<b>700</b>	<b>0.14</b>
<b>Total value of investments</b>		<b>481,905</b>	<b>98.45</b>
<b>Net other assets (0.22%)</b>		<b>7,563</b>	<b>1.55</b>
<b>Net assets</b>		<b>489,468</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	28,646	61,449
Total sales for the period	56,879	105,165

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

as at 7 September 2018

		Value	% of			Value	% of			
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value			
<b>AUSTRALIA 0.83% (0.87%)</b>				<b>FRANCE 0.62% (0.72%)</b>						
<b>Corporate Bonds 0.83% (0.87%)</b>				<b>Corporate Bonds 0.62% (0.72%)</b>						
GBP	786,000	APT Pipelines 3.5% 22/03/2030	814	0.24	GBP	150,000	*AXA FRN 16/01/2054	162	0.05	
GBP	573,000	Asciano Finance 5% 19/09/2023	637	0.19	GBP	300,000	BPCE 5.25% 16/04/2029	343	0.10	
GBP	572,000	*BHP Billiton Finance 6.5% 22/10/2077	648	0.19	GBP	300,000	Electricite de France 5.5% 17/10/2041	378	0.11	
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	289	0.09	GBP	450,000	Electricite de France 6.125% 02/06/2034	598	0.17	
GBP	165,000	Vicinity Centres 3.375% 07/04/2026	172	0.05	GBP	125,000	Orange 5.625% 23/01/2034	163	0.05	
GBP	255,000	Westfield America Management 2.625% 30/03/2029	250	0.07	GBP	320,000	Orange 8.125% 20/11/2028	472	0.14	
<b>Total Australia</b>			<b>2,810</b>	<b>0.83</b>	<b>Total France</b>			<b>2,116</b>	<b>0.62</b>	
<b>AUSTRIA 0.00% (0.21%)</b>				<b>GERMANY 0.27% (0.16%)</b>						
<b>Corporate Bonds 0.00% (0.21%)</b>				<b>Corporate Bonds 0.27% (0.16%)</b>						
<b>Total Austria</b>				–	–	EUR	400,000	ADLER Real Estate 3% 27/04/2026	351	0.10
<b>BELGIUM 0.41% (0.45%)</b>				<b>GUERNSEY 1.10% (1.44%)</b>						
<b>Corporate Bonds 0.41% (0.45%)</b>				<b>Corporate Bonds 0.15% (0.15%)</b>						
GBP	675,000	Anheuser-Busch 2.25% 24/05/2029	643	0.19	GBP	520,000	Credit Suisse Group Funding 2.75% 08/08/2025	516	0.15	
GBP	676,000	Anheuser-Busch InBev 4% 24/09/2025	753	0.22	<b>Financial Services 0.95% (1.29%)</b>					
<b>Total Belgium</b>			<b>1,396</b>	<b>0.41</b>	3,396,059	Sherborne Investors Guernsey	2,683	0.79		
<b>BERMUDA 1.83% (1.58%)</b>				<b>ITALY 0.00% (0.19%)</b>						
<b>Corporate Bonds 0.12% (0.00%)</b>				<b>Corporate Bonds 0.00% (0.19%)</b>						
USD	550,000	Bacardi 4.7% 15/05/2028	421	0.12	<b>Total Italy</b>				–	–
<b>Nonlife Insurance 1.71% (1.58%)</b>				<b>JERSEY 0.48% (1.96%)</b>						
	346,753	Hiscox	5,812	1.71	<b>Corporate Bonds 0.48% (0.48%)</b>					
<b>Total Bermuda</b>			<b>6,233</b>	<b>1.83</b>	GBP	200,000	Gatwick Funding 5.25% 23/01/2024	230	0.07	
<b>BRITISH VIRGIN ISLANDS 0.20% (0.20%)</b>				<b>LUXEMBOURG 0.19% (0.19%)</b>						
<b>Corporate Bonds 0.20% (0.20%)</b>				<b>Corporate Bonds 0.19% (0.19%)</b>						
GBP	630,000	Global Switch Holdings 4.375% 13/12/2022	689	0.20	GBP	140,000	Gaz Capital 5.338% 25/09/2020	146	0.04	
<b>Total British Virgin Islands</b>			<b>689</b>	<b>0.20</b>	GBP	283,000	Glencore Finance Europe 6% 03/04/2022	316	0.09	
<b>CANADA 0.09% (0.08%)</b>				<b>Support Services 0.00% (1.48%)</b>						
<b>Corporate Bonds 0.09% (0.08%)</b>				<b>Total Jersey</b>				<b>1,634</b>	<b>0.48</b>	
USD	425,000	Cenovus Energy 4.25% 15/04/2027	315	0.09	<b>LUXEMBOURG 0.19% (0.19%)</b>					
<b>Total Canada</b>			<b>315</b>	<b>0.09</b>	<b>Corporate Bonds 0.19% (0.19%)</b>					
<b>CAYMAN ISLANDS 3.18% (2.74%)</b>				<b>Corporate Bonds 0.19% (0.19%)</b>						
<b>Corporate Bonds 0.53% (0.59%)</b>				<b>Corporate Bonds 0.19% (0.19%)</b>						
GBP	191,000	Dwr Cymru Financing 6.015% 31/03/2028	251	0.07	GBP	140,000	Gaz Capital 5.338% 25/09/2020	146	0.04	
USD	285,000	Noble Holding International 6.95% 01/04/2045	200	0.06	GBP	283,000	Glencore Finance Europe 6% 03/04/2022	316	0.09	
GBP	325,000	Thames Water Utilities 2.375% 03/05/2023	317	0.09	EUR	200,000	LHMC Finco 6.25% 20/12/2023	182	0.06	
GBP	656,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	639	0.19	<b>Total Luxembourg</b>			<b>644</b>	<b>0.19</b>	
GBP	333,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	316	0.09	<b>Life Insurance 2.65% (2.15%)</b>					
GBP	100,000	*Trafford Centre Finance FRN 28/07/2035 A3	92	0.03	<b>Phoenix Group Holdings</b>					
<b>Total Cayman Islands</b>			<b>10,835</b>	<b>3.18</b>	<b>Phoenix Group Holdings</b>			9,020	2.65	

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>MEXICO 0.48% (0.57%)</b>					GBP	140,000	Annington Funding 3.935% 12/07/2047	145	0.04
<b>Corporate Bonds 0.38% (0.47%)</b>					GBP	281,000	*Aviva 4.375% 12/09/2049	271	0.08
GBP	405,000	America Movil 5% 27/10/2026	477	0.14	GBP	1,087,000	*Aviva 6.625% 03/06/2041	1,192	0.35
GBP	359,000	*America Movil 6.375% 06/09/2073	383	0.11	GBP	674,000	Barclays 3.25% 17/01/2033	612	0.18
GBP	455,000	Petroleos Mexicanos 3.75% 16/11/2025	430	0.13	GBP	200,000	*Barclays Bank 7.75% 08/03/2075	213	0.06
<b>Government Bonds 0.10% (0.10%)</b>					GBP	638,000	Barclays Bank 10% 21/05/2021	758	0.22
GBP	332,000	United Mexican States 5.625% 19/03/2114	341	0.10	GBP	120,000	*Barclays Bank 14% 29/11/2049	130	0.04
<b>Total Mexico</b>			<b>1,631</b>	<b>0.48</b>	GBP	145,000	BAT International Finance 6% 24/11/2034	191	0.06
<b>NETHERLANDS 1.08% (1.04%)</b>					GBP	548,000	BP Capital Markets 2.274% 03/07/2026	553	0.16
<b>Corporate Bonds 1.08% (1.04%)</b>					GBP	140,000	Broadgate Finance 5.098% 05/04/2033	152	0.04
GBP	380,000	Deutsche Telekom 1.25% 06/10/2023	369	0.11	GBP	320,000	Broadgate Financing 4.821% 05/07/2033	413	0.12
GBP	167,000	Deutsche Telekom 2.25% 13/04/2029	159	0.05	GBP	990,000	Bunzl Finance 2.25% 11/06/2025	970	0.29
GBP	300,000	E.ON International Finance 6.375% 07/06/2032	409	0.12	GBP	249,000	Bupa Finance 2% 05/04/2024	247	0.07
GBP	130,000	Innogy Finance 5.625% 06/12/2023	152	0.05	GBP	629,000	Bupa Finance 5% 25/04/2023	684	0.20
GBP	851,000	Innogy Finance 6.25% 03/06/2030	1,123	0.33	GBP	379,000	Bupa Finance 5% 08/12/2026	414	0.12
USD	525,000	Syngenta Finance 5.182% 24/04/2028	388	0.11	GBP	370,000	Cadent Finance 2.125% 22/09/2028	350	0.10
EUR	300,000	*Telefonica Europe Perpetual 3% 04/12/2066	251	0.07	GBP	310,000	Cadent Finance 2.625% 22/09/2038	283	0.08
EUR	300,000	*Vonovia Finance 4% 17/12/2166	283	0.08	GBP	360,000	Cadent Finance 2.75% 22/09/2046	324	0.10
EUR	600,000	*Vonovia Finance 4.625% 08/04/2074	546	0.16	GBP	450,000	*Cattles 7.125% 05/07/2017 (Defaulted)	1	-
<b>Total Netherlands</b>			<b>3,680</b>	<b>1.08</b>	GBP	180,000	Centrica 7% 19/09/2033	262	0.08
<b>REPUBLIC OF IRELAND 0.62% (0.51%)</b>					GBP	577,000	Clydesdale Bank 4.625% 08/06/2026	690	0.20
<b>Corporate Bonds 0.62% (0.51%)</b>					GBP	360,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	386	0.11
GBP	324,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	320	0.09	GBP	395,000	CRH Finance UK 4.125% 02/12/2029	442	0.13
GBP	744,000	GE Capital UK Funding 5.875% 18/01/2033	982	0.29	GBP	255,000	*CYBG 4% 22/06/2025	249	0.07
EUR	340,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	328	0.10	GBP	310,000	*CYBG 5% 09/02/2026	318	0.09
GBP	165,000	PGH Capital 4.125% 20/07/2022	168	0.05	GBP	350,000	DS Smith 2.875% 26/07/2029	338	0.10
GBP	285,000	PGH Capital 6.625% 28/12/2025	311	0.09	GBP	350,000	Eastern Power Network 6.25% 12/11/2036	502	0.15
<b>Total Republic of Ireland</b>			<b>2,109</b>	<b>0.62</b>	GBP	218,000	El Group 6.375% 15/02/2022	225	0.07
<b>SWEDEN 0.29% (0.28%)</b>					GBP	370,000	Eversholt Funding 3.529% 07/08/2042	355	0.10
<b>Corporate Bonds 0.29% (0.28%)</b>					GBP	150,000	Eversholt Funding 6.359% 02/12/2025	183	0.05
EUR	655,000	Akelius Residential 1.75% 07/02/2025	573	0.17	GBP	385,000	Experian Finance 2.125% 27/09/2024	384	0.11
GBP	430,000	Akelius Residential 2.375% 15/08/2025	417	0.12	GBP	550,000	First Hydro Finance 9% 31/07/2021	658	0.19
<b>Total Sweden</b>			<b>990</b>	<b>0.29</b>	EUR	355,000	G4S International Finance 1.5% 02/06/2024	317	0.09
<b>SWITZERLAND 1.84% (0.30%)</b>					EUR	195,000	G4S International Finance 1.875% 24/05/2025	175	0.05
<b>Corporate Bonds 0.31% (0.30%)</b>					GBP	531,000	GKN Holdings 3.375% 12/05/2032	540	0.16
GBP	320,000	*Credit Suisse 2.125% 12/09/2025	307	0.09	GBP	527,000	GKN Holdings 5.375% 19/09/2022	576	0.17
USD	200,000	*Credit Suisse Group VAR 17/01/2167	158	0.05	GBP	140,000	HSBC Bank 4.75% 24/03/2046	166	0.05
USD	700,000	*UBS Group 7% 29/12/2049	570	0.17	GBP	400,000	HSBC Bank 5.375% 22/08/2033	485	0.14
<b>Support Services 1.53% (0.00%)</b>					GBP	314,000	*HSBC Holdings 2.256% 13/11/2026	301	0.09
	84,098	Ferguson	5,230	1.53	GBP	225,000	HSBC Holdings 6% 29/03/2040	283	0.08
<b>Total Switzerland</b>			<b>6,265</b>	<b>1.84</b>	GBP	280,000	Imperial Brand Finance 8.125% 15/03/2024	359	0.11
<b>UNITED KINGDOM 82.47% (82.03%)</b>					GBP	260,000	Imperial Brands Finance 4.875% 07/06/2032	295	0.09
<b>Corporate Bonds 10.43% (10.75%)</b>					GBP	120,000	Imperial Tobacco Finance 9% 17/02/2022	148	0.04
GBP	180,000	Anglian Water Services Financing 2.625% 15/06/2027	171	0.05	GBP	297,000	Integrated Accommodation Services 6.48% 31/03/2029	229	0.07
GBP	322,000	Annington Funding 3.184% 12/07/2029	321	0.09	GBP	439,000	InterContinental Hotels 3.875% 28/11/2022	472	0.14
					GBP	289,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	297	0.09
					GBP	775,000	Land Securities Capital Markets 2.375% 29/03/2029	780	0.23

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 82.47% (82.03%) (continued)</b>									
GBP	325,000	*Legal & General Group 5.5% 27/06/2064	343	0.10	GBP	597,000	Tesco Property Finance 6 5.4111% 13/07/2044	644	0.19
GBP	211,000	*Legal & General Group 10% 23/07/2041	254	0.07	GBP	320,000	*TSB Banking Group 5.75% 06/05/2026	334	0.10
GBP	148,000	*Legal & General Variable 27/10/2045	160	0.05	GBP	295,000	Unique Pub Finance 5.659% 30/06/2027	244	0.07
GBP	490,000	Lloyds Bank 6.5% 17/09/2040	709	0.21	GBP	200,000	UNITE USAF II 3.921% 30/06/2025	221	0.07
GBP	277,000	Lloyds Bank 7.625% 22/04/2025	352	0.10	GBP	143,000	Wales & West Utilities Finance 3% 03/08/2038	143	0.04
GBP	325,000	London & Quadrant 2.625% 28/02/2028	324	0.10	GBP	659,000	Western Power Distribution 3.625% 06/11/2023	692	0.20
GBP	810,000	Longstone Finance 4.791% 19/04/2030	566	0.17	GBP	530,000	Western Power Distribution West Midlands 5.75% 16/04/2032	690	0.20
GBP	300,000	Manchester Airport Group Funding 4.125% 02/04/2024	333	0.10	GBP	240,000	Western Power Distribution West Midlands 6% 09/05/2025	293	0.09
GBP	212,000	Marks & Spencer 4.75% 12/06/2025	231	0.07	GBP	156,000	WM Morrison Supermarkets 4.625% 08/12/2023	175	0.05
GBP	260,000	Meadowhall Finance 4.986% 12/01/2032	236	0.07			<b>Government Bonds 0.00% (0.11%)</b>		
GBP	361,000	Mitchells & Butlers Finance 5.574% 15/12/2030	182	0.05			<b>Oil &amp; Gas Producers 2.83% (2.83%)</b>		
GBP	160,000	National Express Group 2.5% 11/11/2023	158	0.05	390,008	Royal Dutch Shell 'B' Shares	9,641	2.83	
GBP	290,000	National Westminster Bank 6.5% 07/09/2021	325	0.10			<b>Chemicals 1.47% (1.42%)</b>		
GBP	400,000	Newriver REIT 3.5% 07/03/2028	391	0.12	145,264	Johnson Matthey	5,009	1.47	
GBP	743,000	*NGG Finance 5.625% 18/06/2073	814	0.24			<b>Construction &amp; Materials 1.23% (0.66%)</b>		
GBP	266,000	Northern Gas Networks Finance 4.875% 30/06/2027	316	0.09	1,865,703	Melrose Industries	4,190	1.23	
GBP	298,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	305	0.09			<b>Aerospace &amp; Defence 3.70% (4.01%)</b>		
GBP	250,000	Northumbrian Water Finance 2.375% 05/10/2027	243	0.07	1,066,553	BAE Systems	6,551	1.92	
GBP	130,000	Octagon Healthcare Funding 5.333% 31/12/2035	133	0.04	3,710,593	Cobham	4,471	1.31	
GBP	655,000	*Pennon Group Perpetual Variable 22/05/2066	654	0.19	164,739	Rolls-Royce Holdings	1,592	0.47	
GBP	477,000	Prudential 6.125% 19/12/2031	607	0.18			<b>General Industrials 3.59% (3.49%)</b>		
GBP	338,000	RMPA Services 5.337% 30/09/2038	329	0.10	1,399,447	DS Smith	6,819	2.00	
GBP	585,000	*Royal Bank of Scotland 2.875% 19/09/2026	572	0.17	344,173	Smiths Group	5,403	1.59	
GBP	305,000	Scotland Gas Network 3.25% 08/03/2027	319	0.09	533,098	Morgan Advanced Materials	1,753	0.51	
GBP	100,000	Scottish Widows 7% 16/06/2043	121	0.04			<b>Industrial Engineering 0.51% (0.54%)</b>		
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	617	0.18	153,610	IMI	1,739	0.51	
EUR	200,000	Sky 2.25% 17/11/2025	191	0.06			<b>Industrial Transportation 0.61% (0.65%)</b>		
GBP	190,000	South Eastern Power Networks 6.375% 12/11/2031	262	0.08	913,165	Wincanton	2,064	0.61	
GBP	267,000	Southern Gas Networks 3.1% 15/09/2036	267	0.08			<b>Support Services 7.38% (6.70%)</b>		
GBP	297,000	Southern Gas Networks 4.875% 21/03/2029	356	0.10	1,873,503	Electrocomponents	13,553	3.98	
GBP	220,000	Stagecoach Group 4% 29/09/2025	229	0.07	1,669,010	Hays	3,388	1.00	
GBP	425,000	Standard Chartered 4.375% 18/01/2038	465	0.14	2,579,057	Rentokil Initial	8,183	2.40	
GBP	35,000	*Standard Life Aberdeen 6.75% 29/07/2049	47	0.01			<b>Automobiles &amp; Parts 0.00% (0.73%)</b>		
GBP	764,000	*Telereal Securitisation 4.0902% 10/12/2033	796	0.23	734,254	Tate & Lyle	4,820	1.42	
GBP	287,000	Telereal Securitisation 4.9741% 10/09/2027	217	0.06	219,595	Unilever	9,279	2.73	
GBP	338,000	Telereal Securitisation 5.9478% 10/12/2031	330	0.10	370,794	Imperial Brands	9,952	2.92	
GBP	370,000	Tesco Property Finance 5.5% 13/10/2041	413	0.12			<b>Tobacco 2.92% (3.04%)</b>		
GBP	75,000	Tesco Property Finance 1 7.6227% 13/07/2039	88	0.03	352,614	AstraZeneca	19,796	5.81	
					970,422	GlaxoSmithKline	14,711	4.32	



## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

		Value	% of			Value	% of		
		£000	Net Asset Value			£000	Net Asset Value		
Holding	Investment			Holding	Investment				
<b>UNITED KINGDOM 82.47% (82.03%) (continued)</b>									
<b>Food &amp; Drug Retailers 4.72% (4.39%)</b>									
1,973,596	Tesco	4,677	1.37	EUR	350,000	Equinix 2.875% 01/10/2025	305	0.09	
4,360,534	WM Morrison Supermarkets	11,416	3.35	EUR	120,000	Equinix 2.875% 01/02/2026	104	0.03	
<b>General Retailers 1.96% (2.08%)</b>									
2,270,443	Marks & Spencer Group	6,689	1.96	GBP	251,000	Goldman Sachs Group 3.125% 25/07/2029	247	0.07	
<b>Media 5.74% (5.52%)</b>									
3,209,521	ITV	5,063	1.49	GBP	270,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	297	0.09	
890,175	Pearson	7,919	2.33	GBP	161,000	Morgan Stanley 2.625% 09/03/2027	158	0.05	
394,176	RELX	6,537	1.92	USD	615,000	Plains All American Pipeline 4.65% 15/10/2025	478	0.14	
<b>Travel &amp; Leisure 4.68% (4.89%)</b>									
331,785	Compass Group	5,390	1.58	GBP	280,000	Procter & Gamble 1.8% 03/05/2029	272	0.08	
3,203,106	Firstgroup	2,990	0.88	EUR	430,000	Quintiles IMS 3.25% 15/03/2025	385	0.11	
253,414	J D Wetherspoon	3,132	0.92	GBP	479,000	The Kraft Heinz 4.125% 01/07/2027	514	0.15	
1,194,609	Rank Group	2,036	0.60	GBP	125,000	Time Warner Cable 5.25% 15/07/2042	137	0.04	
1,459,376	Stagecoach Group	2,371	0.70	GBP	235,000	Time Warner Cable 5.75% 02/06/2031	268	0.08	
<b>Fixed Line Telecommunications 1.68% (1.96%)</b>									
2,597,760	BT Group	5,732	1.68	USD	620,000	Verizon Communications 4.4% 01/11/2034	459	0.13	
<b>Gas, Water &amp; Multiutilities 2.76% (2.78%)</b>									
3,890,717	Centrica	5,737	1.69	GBP	710,000	Wells Fargo 2% 28/07/2025	680	0.20	
265,771	Pennon Group	1,970	0.58	GBP	385,000	Wells Fargo 2.125% 20/12/2023	382	0.11	
232,388	United Utilities Group	1,663	0.49	GBP	609,000	Welltower 4.8% 20/11/2028	689	0.20	
<b>Banks 0.89% (0.79%)</b>									
175,461	Secure Trust Bank	3,044	0.89	<b>Total United States of America</b>				<b>11,441</b>	<b>3.36</b>
<b>Nonlife Insurance 2.37% (2.60%)</b>									
1,313,079	RSA Insurance Group	8,062	2.37	<b>DERIVATIVES 0.01% (0.03%)</b>					
<b>Life Insurance 2.99% (3.33%)</b>									
1,048,016	Chesnara	3,851	1.13	<b>Forward Foreign Exchange Contracts 0.01% (0.03%)</b>					
2,522,995	Legal & General Group	6,348	1.86	Sell GBP 10,535					
<b>Real Estate Investment Trusts 1.00% (0.95%)</b>									
1,887,153	Londonmetric Property REIT	3,410	1.00	Buy EUR 11,663 J.P. Morgan				-	-
<b>Financial Services 2.42% (2.65%)</b>									
905,538	3i Group	8,237	2.42	Sell GBP 14,324					
<b>Technology Hardware &amp; Equipment 1.80% (1.32%)</b>									
4,937,044	Spirent Communications	6,122	1.80	Buy EUR 15,857 J.P. Morgan				-	-
		<b>280,811</b>	<b>82.47</b>	Sell GBP 26,857					
				Buy EUR 29,862 J.P. Morgan				-	-
				Sell GBP 3,025					
				Buy EUR 3,344 J.P. Morgan				-	-
				Sell GBP 3,544,326					
				Buy EUR 3,923,675 J.P. Morgan				(38)	(0.01)
				Sell GBP 45,163					
				Buy EUR 49,746 J.P. Morgan				(1)	-
				Sell GBP 45,092					
				Buy EUR 49,989 J.P. Morgan				(1)	-
				Sell GBP 4,778					
				Buy EUR 5,300 J.P. Morgan				-	-
				Sell GBP 5,315					
				Buy EUR 5,892 J.P. Morgan				-	-
				Sell GBP 450					
				Buy EUR 500 J.P. Morgan				-	-
				Sell GBP 57,041					
				Buy EUR 63,000 J.P. Morgan				(1)	-
				Sell USD 28,529					
				Buy GBP 22,158 Lloyds				-	-
				Sell USD 5,148,547					
				Buy GBP 3,979,845 Lloyds				29	0.01
				Sell EUR 4,788,614					
				Buy GBP 4,302,939 Lloyds				24	0.01
				<b>Total Derivatives</b>				<b>12</b>	<b>0.01</b>
				<b>Total value of investments</b>				<b>338,295</b>	<b>99.35</b>
				<b>Net other assets (0.80%)</b>				<b>2,216</b>	<b>0.65</b>
				<b>Net assets</b>				<b>340,511</b>	<b>100.00</b>
<p>March 2018 comparatives in brackets. *Variable rate bonds.</p>									

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

*(continued)*

	Value £000	% of Net Asset Value
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	58,976	17.32
Floating rate notes	10,697	3.14
Derivatives	12	0.01
Equity	268,610	78.88
<b>Total value of investments</b>	<b>338,295</b>	<b>99.35</b>

### Total Purchases and Sales

*for the accounting period 8 March 2018 to 7 September 2018*

	2018 £000	2017 £000
Total purchases for the period	14,346	27,290
Total sales for the period	44,910	37,962

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

as at 7 September 2018

			Value	% of			Value	% of	
	Holding	Investment	£000	Net Asset Value		Holding	Investment	£000	Net Asset Value
<b>FIXED INTEREST 81.67% (83.20%)</b>									
		<b>AAA 0.91% (0.95%)</b>							
GBP	4,415,000	Broadgate Financing 4.821% 05/07/2033	5,702	0.59	GBP	5,500,000	Electricite de France 5.5% 17/10/2041	6,938	0.72
GBP	3,400,000	Meadowhall Finance 4.986% 12/01/2032	3,081	0.32	GBP	4,960,000	Experian Finance 2.125% 27/09/2024	4,944	0.51
		<b>Aaa 0.26% (0.78%)</b>			GBP	3,323,000	Experian Finance 3.5% 15/10/2021	3,498	0.36
GBP	1,862,000	Lloyds Bank 6% 08/02/2029	2,533	0.26	GBP	1,470,000	Heathrow Funding 2.75% 09/08/2049	1,309	0.14
		<b>AA 2.25% (2.29%)</b>			GBP	1,980,000	Heathrow Funding 4.625% 31/10/2046	2,436	0.25
GBP	4,095,000	Integrated Accommodation Services 6.48% 31/03/2029	3,164	0.33	GBP	1,469,000	Heathrow Funding 5.875% 13/05/2041	2,059	0.21
GBP	1,775,000	Land Securities Capital Markets 1.974% 08/02/2026	1,777	0.18	GBP	1,750,000	Heathrow Funding 6.45% 10/12/2031	2,416	0.25
GBP	6,195,000	Land Securities Capital Markets 2.375% 29/03/2029	6,236	0.65	GBP	1,860,000	HSBC Bank 4.75% 24/03/2046	2,210	0.23
GBP	2,794,000	Southern Gas Networks 4.875% 21/03/2029	3,353	0.35	GBP	4,553,000	HSBC Bank 5.375% 22/08/2033	5,515	0.57
GBP	1,684,000	Telereal Securitisation 4.9741% 10/09/2027	1,273	0.13	GBP	3,949,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,991	0.21
GBP	5,995,000	Telereal Securitisation 5.9478% 10/12/2031	5,852	0.61	GBP	2,000,000	Places For People Homes 2.875% 17/08/2026	1,960	0.20
		<b>Aa2u 2.10% (0.38%)</b>			USD	4,008,000	SGSP Australia Assets 3.25% 29/07/2026	2,892	0.30
GBP	21,687,642	United Kingdom Gilt 1.5% 22/07/2047	20,213	2.10	GBP	3,250,000	SGSP Australia Assets 5.125% 11/02/2021	3,509	0.36
		<b>AA- 1.47% (2.24%)</b>			GBP	1,909,000	Wales & West Utilities Finance 3% 03/08/2038	1,903	0.20
GBP	6,369,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	6,536	0.68	GBP	6,104,000	Wells Fargo 2% 28/07/2025	5,844	0.61
GBP	3,950,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	4,344	0.45	GBP	3,650,000	Wells Fargo 2.125% 20/12/2023	3,626	0.38
GBP	3,385,000	Procter & Gamble 1.8% 03/05/2029	3,282	0.34	GBP	1,835,000	Western Power Distribution South West 5.875% 25/03/2027	2,280	0.24
		<b>A+ 0.68% (0.62%)</b>			GBP	775,000	Western Power Distribution West Midlands 3.875% 17/10/2024	843	0.09
GBP	1,650,000	Broadgate Finance 5.098% 05/04/2033	1,797	0.19	GBP	4,740,000	Western Power Distribution West Midlands 5.75% 16/04/2032	6,171	0.64
GBP	3,270,000	Lloyds Bank 6.5% 17/09/2040	4,731	0.49	GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,361	0.45
		<b>A1 0.41% (0.42%)</b>					<b>A3 0.88% (0.00%)</b>		
GBP	3,968,000	BASF 1.75% 11/03/2025	3,950	0.41	GBP	6,661,000	Bupa Finance 2% 05/04/2024	6,611	0.69
		<b>A 3.41% (3.81%)</b>			GBP	1,765,000	Bupa Finance 3.375% 17/06/2021	1,852	0.19
GBP	3,610,000	Amgen 5.5% 07/12/2026	4,397	0.46	GBP	3,700,000	<b>BBB+ 19.81% (25.49%)</b> American International Group 5% 26/04/2023	4,143	0.43
GBP	835,000	BL Superstore Finance 5.27% 04/07/2025	216	0.02	GBP	5,685,000	BAT Capital 2.125% 15/08/2025	5,499	0.57
GBP	2,305,000	Compass Group 2% 05/09/2025	2,310	0.24	GBP	1,800,000	BAT International Finance 4% EMTN 04/09/2026	1,951	0.20
GBP	3,438,000	Dwr Cymru Financing 6.015% 31/03/2028	4,519	0.47	GBP	2,575,000	BAT International Finance 7.25% 12/03/2024	3,206	0.33
USD	2,970,000	GE Capital International Funding Company 4.418% 15/11/2035	2,193	0.23	GBP	13,930,000	Bunzl Finance 2.25% 11/06/2025	13,653	1.42
GBP	6,637,000	GE Capital UK Funding 5.875% 18/01/2033	8,756	0.91	GBP	10,844,000	Cadent Finance 2.125% 22/09/2028	10,250	1.06
GBP	3,955,000	London & Quadrant 2.625% 28/02/2028	3,947	0.41	GBP	2,330,000	Cadent Finance 2.625% 22/09/2038	2,126	0.22
GBP	3,803,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	3,895	0.40	GBP	4,330,000	Cadent Finance 2.75% 22/09/2046	3,899	0.40
GBP	2,355,000	UNITE USAF II 3.921% 30/06/2025	2,598	0.27	GBP	4,970,000	Credit Suisse Group Funding 2.75% 08/08/2025	4,929	0.51
		<b>A- 10.48% (9.90%)</b>			GBP	3,149,000	CRH Finance UK 4.125% 02/12/2029	3,526	0.37
GBP	3,138,000	America Movil 5% 27/10/2026	3,693	0.38	GBP	2,495,000	Deutsche Telekom 1.25% 06/10/2023	2,423	0.25
GBP	1,450,000	America Movil 5.75% 28/06/2030	1,839	0.19	GBP	2,080,000	Deutsche Telekom 2.25% 13/04/2029	1,979	0.21
GBP	10,380,000	Anheuser-Busch 2.25% 24/05/2029	9,892	1.03	GBP	1,060,000	Eastern Power Network 5.75% 08/03/2024	1,249	0.13
GBP	8,039,000	Anheuser-Busch InBev 4% 24/09/2025	8,954	0.93	GBP	2,330,000	Eastern Power Network 6.25% 12/11/2036	3,345	0.35
GBP	2,000,000	Bank of America 7% 31/07/2028	2,713	0.28	GBP	3,375,000	ENW Finance 6.125% 21/07/2021	3,795	0.39
GBP	7,122,000	BP Capital Markets 2.274% 03/07/2026	7,185	0.75	GBP	3,727,000	Gatwick Funding 5.25% 23/01/2024	4,288	0.45
					GBP	5,598,000	Glencore Finance Europe 6% 03/04/2022	6,256	0.65
					GBP	5,043,000	Goldman Sachs Group 3.125% 25/07/2029	4,973	0.52
					GBP	1,385,000	HSBC Holdings 6% 29/03/2040	1,742	0.18

## Threadneedle UK Corporate Bond Fund

### Portfolio Statement

(continued)

			Value	% of			Value	% of
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value
<b>FIXED INTEREST 81.67% (83.20%) (continued)</b>								
GBP	2,570,000	London Power Networks 6.125% 07/06/2027	3,265	0.34	GBP	9,380,000	Becton Dickinson 3.02% 24/05/2025	9,536
GBP	2,295,000	NIE Finance 6.375% 02/06/2026	2,930	0.30	GBP	3,500,000	BPCE 5.25% 16/04/2029	3,997
GBP	2,761,000	Northern Gas Networks Finance 4.875% 30/06/2027	3,281	0.34	GBP	1,700,000	Brit 3.625% 21/11/2047	1,645
GBP	3,600,000	Northumbrian Water Finance 1.625% 11/10/2026	3,350	0.35	GBP	1,800,000	British Sky Broadcasting Group 6% 21/05/2027	2,261
GBP	3,849,000	Northumbrian Water Finance 2.375% 05/10/2027	3,746	0.39	GBP	1,080,000	British Telecommunication 3.125% 21/11/2031	1,057
GBP	5,530,000	Orange 8.125% 20/11/2028	8,155	0.85	USD	4,957,000	Cenovus Energy 4.25% 15/04/2027	3,669
GBP	6,678,000	Petroleos Mexicanos 3.75% 16/11/2025	6,316	0.66	GBP	4,255,000	Digital Stout 3.3% 19/07/2029	4,268
GBP	1,950,000	Scotland Gas Network 3.25% 08/03/2027	2,037	0.21	GBP	6,301,000	Digital Stout Holding 4.75% 13/10/2023	6,955
GBP	2,401,000	Scottish Widows 5.5% 16/06/2023	2,653	0.28	GBP	7,825,000	E.ON International Finance 6.375% 07/06/2032	10,663
GBP	7,223,000	Severn Trent Utilities Finance 3.625% 16/01/2026	7,727	0.80	GBP	6,902,000	Global Switch Holdings 4.375% 13/12/2022	7,547
GBP	6,500,000	Severn Trent Utilities Finance 6.125% 26/02/2024	7,802	0.81	GBP	3,581,000	Imperial Brand Finance 8.125% 15/03/2024	4,585
GBP	2,062,000	South Eastern Power Networks 6.375% 12/11/2031	2,845	0.30	GBP	1,405,000	Imperial Brands Finance 5.5% 28/09/2026	1,648
GBP	1,787,000	Southern Gas Networks 2.5% 03/02/2025	1,808	0.19	GBP	2,805,000	Imperial Brands Finance 7.75% 24/06/2019	2,942
GBP	3,227,000	Southern Gas Networks 3.1% 15/09/2036	3,226	0.33	GBP	5,070,000	Imperial Tobacco Finance 9% 17/02/2022	6,233
GBP	5,625,000	Southern Gas Network 4.875% 05/10/2023	6,419	0.67	GBP	1,445,000	Innogy Finance 5.625% 06/12/2023	1,695
GBP	1,275,000	SPD Finance UK 5.875% 17/07/2026	1,580	0.16	GBP	12,371,000	Innogy Finance 6.25% 03/06/2030	16,322
GBP	4,620,000	Standard Chartered 4.375% 18/01/2038	5,059	0.53	GBP	3,110,000	InterContinental Hotels 3.875% 28/11/2022	3,344
GBP	5,466,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	5,325	0.55	GBP	5,556,000	Lloyds Bank 7.625% 22/04/2025	7,055
USD	7,472,000	UBS 5.125% 15/05/2024	5,809	0.60	GBP	1,525,000	Longstone Finance 4.896% 19/04/2031	1,718
GBP	3,774,000	United Mexican States 5.625% 19/03/2114	3,880	0.40	GBP	2,154,000	RMPA Services 5.337% 30/09/2038	2,099
USD	5,280,000	Verizon Communications 4.4% 01/11/2034	3,911	0.41	GBP	2,226,000	South East Water Finance 5.6577% 30/09/2019	2,317
GBP	6,666,000	Welltower 4.8% 20/11/2028	7,542	0.78	GBP	2,500,000	Telefonica Emisiones SAU 5.289% 09/12/2022	2,831
GBP	8,470,000	Western Power Distribution 3.625% 06/11/2023	8,893	0.92	GBP	1,300,000	Telereal Securitisation 5.4252% 10/12/2031	1,397
		<b>Baa1 1.75% (1.02%)</b>			GBP	3,080,000	The Kraft Heinz 4.125% 01/07/2027	3,307
GBP	3,865,000	Bupa Finance 5% 25/04/2023	4,200	0.44			<b>Baa2 1.48% (2.98%)</b>	
GBP	7,742,000	Bupa Finance 5% 08/12/2026	8,448	0.88	GBP	3,265,000	Eversholt Funding 3.529% 07/08/2042	3,131
GBP	2,835,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	3,038	0.32	GBP	2,585,000	Eversholt Funding 6.359% 02/12/2025	3,155
GBP	1,250,000	Vodafone Group 3% 12/08/2056	1,062	0.11	GBP	920,000	Eversholt Funding 6.697% 22/02/2035	1,172
		<b>BBB 17.81% (16.31%)</b>			GBP	4,272,000	Porterbrook Rail Finance 4.625% 04/04/2029	4,746
EUR	5,210,000	Akelius Residential 1.75% 07/02/2025	4,557	0.47	GBP	1,796,000	WM Morrison Supermarkets 4.625% 08/12/2023	2,010
GBP	6,470,000	Akelius Residential 2.375% 15/08/2025	6,272	0.65			<b>BBB- 10.47% (8.76%)</b>	
GBP	2,110,000	Anglian Water Services Financing 2.625% 15/06/2027	2,008	0.21	GBP	4,979,000	Asciano Finance 5% 19/09/2023	5,531
GBP	2,731,000	Annington Funding 3.184% 12/07/2029	2,723	0.28	USD	5,000,000	Bacardi 4.45% 15/05/2025	3,854
GBP	1,790,000	Annington Funding 3.935% 12/07/2047	1,849	0.19	USD	21,150,000	Bacardi 4.7% 15/05/2028	16,171
GBP	1,320,000	APT Pipelines 3.5% 22/03/2030	1,368	0.14	GBP	4,113,000	Barclays Bank 10% 21/05/2021	4,884
GBP	12,759,000	APT Pipelines 4.25% 26/11/2024	13,969	1.45	GBP	5,199,000	Discovery 2.5% 20/09/2024	5,096
GBP	4,317,000	AT&T 4.25% 01/06/2043	4,479	0.47	GBP	4,910,000	DS Smith 2.875% 26/07/2029	4,744
GBP	9,646,000	AT&T 4.375% 14/09/2029	10,531	1.09	GBP	2,300,000	G4S 7.75% 13/05/2019	2,393
GBP	2,631,000	BAE Systems 4.125% 08/06/2022	2,845	0.30	EUR	3,275,000	G4S International Finance 1.5% 02/06/2024	2,925
GBP	4,141,000	Barclays 3.25% 17/01/2033	3,760	0.39	EUR	2,495,000	G4S International Finance 1.875% 24/05/2025	2,234
USD	10,520,000	Bayer US Finance II 4.25% 15/12/2025	8,121	0.84	GBP	2,825,000	Gaz Capital 5.338% 25/09/2020	2,939
					GBP	5,832,000	GKN Holdings 3.375% 12/05/2032	5,935
					GBP	10,171,000	GKN Holdings 5.375% 19/09/2022	11,107

## 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 81.67% (83.20%) (continued)</b>					<b>FLOATING RATE NOTES 14.35% (14.23%)</b>				
USD	8,950,000	Kinder Morgan Energy Partners 4.25% 01/09/2024	6,936	0.72	GBP	1,800,000	*Trafford Centre Finance FRN 28/07/2035 A3	1,665	0.17
GBP	1,745,000	Marks & Spencer 4.75% 12/06/2025	1,899	0.20	<b>A 0.50% (0.40%)</b>				
GBP	670,000	Mitchells & Butlers Finance 5.965% 15/12/2023	220	0.02	GBP	5,064,000	*HSBC Holdings 2.256% 13/11/2026	4,854	0.50
USD	6,846,000	Plains All American Pipeline 4.65% 15/10/2025	5,318	0.55	<b>A- 0.00% (0.34%)</b>				
GBP	2,190,000	Stagecoach Group 4% 29/09/2025	2,280	0.24	<b>BBB+ 3.28% (4.60%)</b>				
USD	6,605,000	Syngenta Finance 5.182% 24/04/2028	4,880	0.51	GBP	1,534,000	*AXA FRN 16/01/2054	1,657	0.17
GBP	3,270,000	Thames Water Utilities 2.375% 03/05/2023	3,193	0.33	GBP	5,453,000	*BHP Billiton Finance 6.5% 22/10/2077	6,179	0.64
GBP	4,559,000	Thames Water Utilities 2.875% 03/05/2027	4,389	0.46	GBP	3,840,000	*Credit Suisse 2.125% 12/09/2025	3,682	0.38
GBP	1,647,000	Time Warner Cable 5.25% 15/07/2042	1,804	0.19	GBP	1,455,000	*Danske Bank 5.375% 29/09/2021	1,458	0.15
GBP	1,800,000	Time Warner Cable 5.75% 02/06/2031	2,054	0.21	GBP	2,150,000	*Legal & General Group 5.5% 27/06/2064	2,267	0.24
<b>Baa3 0.00% (0.42%)</b>					GBP	3,125,000	*Legal & General Group 5.875% 29/03/2049	3,175	0.33
<b>BB+ 3.54% (3.34%)</b>					GBP	3,374,000	*Legal & General Group 10% 23/07/2041	4,065	0.42
EUR	4,100,000	ADLER Real Estate 3% 27/04/2026	3,597	0.37	GBP	5,956,000	*Legal & General Variable 27/10/2045	6,422	0.67
EUR	3,500,000	AIB Group 2.25% 03/07/2025	3,134	0.33	GBP	2,330,000	*Prudential 5.7% 19/12/2063	2,679	0.28
EUR	4,100,000	Equinix 2.875% 01/10/2025	3,571	0.37	<b>BBB 4.03% (3.17%)</b>				
EUR	1,320,000	Equinix 2.875% 01/02/2026	1,149	0.12	GBP	3,036,000	*America Movil 6.375% 06/09/2073	3,235	0.34
EUR	1,716,000	IHO Verwaltungs 3.25% 15/09/2023	1,574	0.16	GBP	4,443,000	*Aviva 4.375% 12/09/2049	4,289	0.45
EUR	841,000	IHO Verwaltungs PIK 2.75% 15/09/2021	760	0.08	GBP	3,370,000	*Aviva 6.125% 29/09/2049	3,682	0.38
GBP	3,990,000	National Westminster Bank 6.5% 07/09/2021	4,469	0.46	GBP	4,461,000	*Aviva 6.625% 03/06/2041	4,890	0.51
GBP	4,520,000	Tesco Property Finance 5.5% 13/10/2041	5,041	0.52	GBP	8,990,000	*NGG Finance 5.625% 18/06/2073	9,844	1.02
GBP	4,130,000	Tesco Property Finance 1 7.6227% 13/07/2039	4,844	0.50	GBP	3,137,000	*Southern Water Services Finance 4.5% 31/03/2038	3,342	0.35
GBP	4,511,000	Tesco Property Finance 3 5.744% 13/04/2040	5,022	0.52	GBP	3,500,000	*Standard Life Aberdeen 5.5% 04/12/2042	3,867	0.40
GBP	1,025,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,106	0.11	GBP	421,000	*Standard Life Aberdeen 6.75% 29/07/2049	562	0.06
<b>BB 0.73% (0.24%)</b>					GBP	4,850,000	*Telereal Securitisation 4.0902% 10/12/2033	5,051	0.52
EUR	5,470,000	Quintiles IMS 3.25% 15/03/2025	4,902	0.51	<b>BBB- 1.19% (0.63%)</b>				
GBP	2,612,000	Unique Pub Finance 5.659% 30/06/2027	2,157	0.22	EUR	2,200,000	*Grand City Properties Variable 24/10/2166	1,884	0.20
<b>BB- 0.49% (0.76%)</b>					GBP	6,970,000	*Royal Bank of Scotland 2.875% 19/09/2026	6,816	0.71
GBP	3,823,000	EI Group 6.375% 15/02/2022	3,951	0.41	EUR	2,800,000	*Vonovia Finance 4% 17/12/2166	2,644	0.28
GBP	728,000	Ei Group 6.5% 06/12/2018	734	0.08	<b>Baa3 0.34% (0.00%)</b>				
<b>B+ 0.20% (0.21%)</b>					GBP	3,144,000	*TSB Banking Group 5.75% 06/05/2026	3,282	0.34
EUR	2,087,000	LHMC Finco 6.25% 20/12/2023	1,901	0.20	<b>BB+ 1.97% (1.46%)</b>				
<b>B 0.26% (0.29%)</b>					EUR	5,450,000	*Akelius Residential FRN 05/10/2078	4,792	0.50
USD	3,543,000	Noble Holding International 6.95% 01/04/2045	2,490	0.26	GBP	2,845,000	*Nationwide Building Society 6.875% 11/03/2049	2,918	0.30
<b>Not Rated 2.28% (1.99%)</b>					EUR	4,300,000	*Telefonica Europe Perpetual 3% 04/12/2066	3,598	0.37
GBP	7,120,000	First Hydro Finance 9% 31/07/2021	8,524	0.89	EUR	3,500,000	*Tennet Holding 2.995% 01/06/2024	3,154	0.33
GBP	1,985,000	Hastings Group Finance 3% 24/05/2025	1,969	0.20	USD	5,591,000	*UBS Group 7% 29/12/2049	4,551	0.47
GBP	1,199,000	Intu Debenture 5.562% 31/12/2027	1,167	0.12	<b>BB 0.63% (0.68%)</b>				
GBP	100,000	Lehman Brothers 7.875% 08/05/2018 GBP (Defaulted)	4	-	GBP	2,877,000	*Barclays Bank 14% 29/11/2049	3,122	0.32
GBP	5,900,000	Newriver REIT 3.5% 07/03/2028	5,767	0.60	GBP	2,910,000	*CYBG 5% 09/02/2026	2,988	0.31
GBP	2,780,000	PGH Capital 4.125% 20/07/2022	2,831	0.29					
GBP	1,585,000	PGH Capital 6.625% 28/12/2025	1,730	0.18					
<b>Total Fixed Interest</b>			<b>786,605</b>	<b>81.67</b>					

## 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 14.35% (14.23%) (continued)</b>					<b>Total value of investments</b>				
<b>BB- 0.74% (0.96%)</b>					<b>Net other assets (2.64%)</b>				
USD	1,990,000	*Credit Suisse Group VAR 17/01/2167	1,568	0.16	<b>Net assets</b>				
EUR	3,340,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	3,220	0.33	<b>924,655 96.00</b>				
GBP	2,100,000	*Lloyds Banking Group Perpetual 7.875% 29/12/2049	2,420	0.25	<b>38,544 4.00</b>				
					<b>963,199 100.00</b>				
					<i>March 2018 comparatives in brackets.</i>				
					<i>*Variable rate bonds.</i>				
<b>B+ 0.53% (0.55%)</b>					<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
GBP	1,942,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,918	0.20	<b>Value</b>				
GBP	2,966,000	*Barclays Bank 7.75% 08/03/2075	3,153	0.33	<b>£000 Investment</b>				
					Fixed interest				
					Floating rate notes				
					Derivatives				
					<b>Total value of investments</b>				
					<b>924,655 100.00</b>				
<b>B 0.00% (0.23%)</b>					<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
<b>Not Rated 0.97% (1.03%)</b>					<b>Value</b>				
GBP	4,453,000	*Cattles 6.875% 17/01/2014 (Defaulted)	2	-	<b>£000</b>				
GBP	1,540,000	*Credit Agricole 7.5% 31/12/2049	1,713	0.18	UBS EURO-Bobl Future Expiring December 2018				
GBP	7,645,000	*Pennon Group Perpetual Variable 22/05/2066	7,628	0.79	(7,155)				
<b>Total Floating Rate Notes</b>					<b>138,236 14.35</b>				
					UBS EURO Bond Future Expiring December 2018				
					UBS Long Gilt Future Expiring December 2018				
					UBS US 10 Year Note Future Expiring December 2018				
					UBS US 10 Year Ultra Future Expiring December 2018				
					UBS US Long Bond Future Expiring December 2018				
					<b>Total net exposure</b>				
					<b>(58,280)</b>				
<b>DERIVATIVES -0.02% (-0.07%)</b>					<b>Total Purchases and Sales</b>				
					<i>for the accounting period 8 March 2018 to 7 September 2018</i>				
					<b>2018</b>				
					<b>£000</b>				
					<b>2017</b>				
					<b>£000</b>				
					Total purchases for the period				
					Total sales for the period				
					255,853 276,611				
					229,662 281,011				
<b>Credit Default Swaps 0.11% (0.00%)</b>									
EUR	(30,000,000)	Goldman Sachs Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2023 Spread 100	789	0.08					
EUR	(10,000,000)	J.P. Morgan Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2023 Spread 100	263	0.03					
<b>Futures and Options -0.01% (0.01%)</b>									
EUR	(61)	UBS EURO-Bobl Future Expiring December 2018	9	-					
EUR	(93)	UBS EURO Bond Future Expiring December 2018	30	-					
GBP	195	UBS Long Gilt Future Expiring December 2018	31	-					
USD	(48)	UBS US Long Bond Future Expiring December 2018	3	-					
USD	(427)	UBS US 10 Year Note Future Expiring December 2018	(82)	(0.01)					
USD	(173)	UBS US 10 Year Ultra Future Expiring December 2018	(24)	-					
<b>Forward Foreign Exchange Contracts -0.12% (-0.08%)</b>									
Sell EUR 331,960									
Buy GBP 296,680 HSBC									
Sell USD 549,047									
Buy GBP 424,296 Lloyds									
Sell EUR 59,731,570									
Buy GBP 53,232,560 HSBC									
Sell USD 97,963,044									
Buy GBP 74,085,171 HSBC									
Sell USD 994,948									
Buy GBP 751,840 Bank of Scotland									
Sell GBP 436,813									
Buy USD 558,654 Barclays									
<b>Total Derivatives</b>					<b>(186) (0.02)</b>				

## Threadneedle Sterling Bond Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales		
				for the accounting period 8 March 2018 to 7 September 2018		
				2018 £000	2017 £000	
<b>FIXED INTEREST 98.96% (99.72%)</b>				Total purchases for the period	606,790	360,932
<b>AAA 2.60% (2.85%)</b>				Total sales for the period	520,273	392,606
GBP	1,635,000	European Investment Bank 0.625% 17/01/2020	1,629	0.40		
GBP	3,085,000	Export Development Canada 0.875% 07/12/2021	3,056	0.76		
GBP	2,700,000	FMS Wertmanagement 1.25% 08/03/2019	2,705	0.67		
GBP	3,075,000	KFW 1.375% 01/02/2021	3,098	0.77		
<b>Aaa 1.18% (2.04%)</b>						
GBP	2,235,000	European Investment Bank 1% 21/09/2026	2,136	0.53		
GBP	2,650,000	Royal Bank of Canada 1.125% 22/12/2021	2,631	0.65		
<b>AA+ 1.47% (1.91%)</b>						
GBP	3,740,000	Municipality Finance 1.25% 07/03/2019	3,747	0.93		
GBP	2,190,000	Municipality Finance 1.25% 07/12/2022	2,187	0.54		
<b>AA 1.18% (2.11%)</b>						
GBP	1,250,000	LCR Finance 4.5% 07/12/2028	1,575	0.39		
GBP	3,000,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	3,202	0.79		
<b>AA- 0.44% (0.00%)</b>						
GBP	1,730,000	Transport for London 2.125% 24/04/2025	1,761	0.44		
<b>Aa2u 80.02% (72.70%)</b>						
GBP	10,710,000	United Kingdom Gilt 1.5% 22/01/2021	10,887	2.70		
GBP	52,868,000	United Kingdom Gilt 1.5% 22/07/2026	53,841	13.35		
GBP	30,460,000	United Kingdom Gilt 1.5% 22/07/2047	28,389	7.04		
GBP	37,029,000	United Kingdom Gilt 1.75% 22/07/2019	37,352	9.27		
GBP	28,307,000	United Kingdom Gilt 1.75% 07/09/2037	28,176	6.99		
GBP	25,146,000	United Kingdom Gilt 1.75% 22/07/2057	25,599	6.35		
GBP	24,251,000	United Kingdom Gilt 2.25% 07/09/2023	25,685	6.37		
GBP	15,056,000	United Kingdom Gilt 2.5% 22/07/2065	19,105	4.74		
GBP	8,897,000	United Kingdom Gilt 2.75% 07/09/2024	9,739	2.42		
GBP	18,779,000	United Kingdom Gilt 3.75% 07/09/2021	20,396	5.06		
GBP	13,818,000	United Kingdom Gilt 3.75% 22/07/2052	20,926	5.19		
GBP	12,031,000	United Kingdom Gilt 4.25% 07/03/2036	16,619	4.12		
GBP	13,490,000	United Kingdom Gilt 4.25% 07/12/2040	19,549	4.85		
GBP	4,525,000	United Kingdom Gilt 4.5% 07/09/2034	6,316	1.57		
<b>Not Rated 12.07% (18.11%)</b>						
GBP	19,578,000	United Kingdom Gilt 1% 22/04/2024	19,445	4.82		
GBP	23,759,000	United Kingdom Gilt 1.625% 22/10/2028	24,153	5.99		
GBP	5,128,000	United Kingdom Gilt 1.625% 22/10/2071	5,096	1.26		
<b>Total Fixed Interest</b>			<b>399,000</b>	<b>98.96</b>		
<b>Total value of investments</b>			<b>399,000</b>	<b>98.96</b>		
<b>Net other assets (0.28%)</b>			<b>4,179</b>	<b>1.04</b>		
<b>Net assets</b>			<b>403,179</b>	<b>100.00</b>		

March 2018 comparatives in brackets.

## Threadneedle Sterling Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Total Purchases and Sales	
				2018 £000	2017 £000
				for the accounting period 8 March 2018 to 7 September 2018	
<b>FIXED INTEREST 100.15% (89.34%)</b>				Total purchases for the period	913,397
				Total sales for the period	892,500
					836,075
					781,029
<b>Government Bonds 13.33% (7.78%)</b>					
GBP	13,000,000	United Kingdom Gilt 0% 10/09/2018	12,999	2.71	
GBP	5,000,000	United Kingdom Gilt 0% 17/09/2018	4,999	1.04	
GBP	27,000,000	United Kingdom Gilt 0% 08/10/2018	26,983	5.62	
GBP	13,000,000	United Kingdom Gilt 0% 12/11/2018	12,982	2.71	
GBP	6,000,000	United Kingdom Gilt 0% 10/12/2018	5,989	1.25	
<b>Certificate of Deposit 72.99% (63.67%)</b>					
GBP	20,000,000	Bank of America 0.8% 09/11/2018	20,000	4.17	
GBP	11,700,000	Banque Fédérative du Crédit Mutuel 0% 01/11/2018	11,700	2.44	
GBP	12,000,000	BNP Paribas 0.79% 23/11/2018	12,000	2.50	
GBP	24,000,000	DNB Bank 0.67% 05/10/2018	24,000	5.00	
GBP	8,000,000	DZ Bank 0.52% 20/09/2018	8,000	1.67	
GBP	17,000,000	DZ Bank 0.73% 06/12/2018	17,000	3.54	
GBP	12,000,000	First Abu Dhabi Bank 0.6% 10/09/2018	12,000	2.50	
GBP	12,000,000	First Abu Dhabi Bank 0.79% 21/11/2018	12,000	2.50	
GBP	11,000,000	ING Bank 0.8% 08/11/2018	11,000	2.29	
GBP	13,000,000	ING Bank 0.8% 30/11/2018	13,000	2.71	
GBP	22,000,000	Landesbank Hessen 0.61% 11/09/2018	22,000	4.59	
GBP	15,100,000	Landesbank Hessen 0.75% 21/11/2018	15,100	3.15	
GBP	20,000,000	Landesbank Hessen 0.77% 11/12/2018	20,000	4.17	
GBP	12,000,000	Lloyds Bank 0.58% 14/09/2018	12,000	2.50	
GBP	10,000,000	Lloyds Bank 0.74% 25/10/2018	10,000	2.08	
GBP	25,000,000	Nationwide Building Society 0.56% 20/09/2018	25,000	5.21	
GBP	10,000,000	Nordea Bank 0.68% 24/10/2018	10,000	2.08	
GBP	24,000,000	Oversea-Chinese Banking 0.55% 19/09/2018	24,000	5.00	
GBP	24,000,000	Santander UK 0.77% 05/12/2018	24,000	5.00	
GBP	13,400,000	Svenska Handelsbanken 0.75% 09/11/2018	13,400	2.79	
GBP	10,000,000	Svenska Handelsbanken 0.75% 30/11/2018	10,000	2.09	
GBP	9,000,000	Toronto-Dominion Bank 0.54% 20/09/2018	9,000	1.88	
GBP	15,000,000	Toronto-Dominion Bank 0.68% 06/12/2018	15,000	3.13	
<b>Euro Commercial Paper 7.56% (14.00%)</b>					
GBP	24,000,000	Agence Centrale des Organismes 0% 18/09/2018	23,995	5.00	
GBP	12,300,000	Banque Fédérative du Crédit Mutuel 0% 17/09/2018	12,298	2.56	
<b>Liquidity Funds 6.27% (3.89%)<sup>1</sup></b>					
	30,084,194	BlackRock Institutional Cash Series Sterling Liquidity Platinum	30,084	6.27	
<b>Total Fixed Interest</b>			<b>480,529</b>	<b>100.15</b>	
<b>Total value of investments<sup>2</sup></b>			<b>480,529</b>	<b>100.15</b>	
<b>Net other (liabilities)/assets (10.66%)</b>			<b>(734)</b>	<b>(0.15)</b>	
<b>Net assets</b>			<b>479,795</b>	<b>100.00</b>	

March 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.



## Threadneedle European Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 1.30% (5.58%)</b>				<b>Nonlife Insurance 0.00% (1.87%)</b>			
	<b>Beverages 0.00% (0.97%)</b>				<b>Financial Services 0.34% (1.86%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.98%)</b>			67,662	Eurazeo	3,858	0.34
	<b>Media 0.00% (1.57%)</b>				<b>Software &amp; Computer Services 2.99% (2.56%)</b>		
	<b>Banks 1.30% (2.06%)</b>			290,646	Dassault Systems	33,481	2.99
262,539	KBC Groep	14,606	1.30		<b>Total France</b>	<b>332,362</b>	<b>29.63</b>
	<b>Total Belgium</b>	<b>14,606</b>	<b>1.30</b>	<b>GERMANY 14.56% (13.05%)</b>			
<b>DENMARK 5.85% (4.19%)</b>					<b>Chemicals 4.26% (3.14%)</b>		
	<b>Industrial Transportation 1.49% (1.19%)</b>			357,962	BASF	24,479	2.18
232,863	DSV	16,742	1.49	496,663	Brenntag	23,275	2.08
	<b>Pharmaceuticals &amp; Biotechnology 2.41% (2.26%)</b>				<b>Automobiles &amp; Parts 0.80% (1.01%)</b>		
204,346	Chr. Hansen	15,254	1.36	66,551	Continental	8,926	0.80
318,087	Novo Nordisk	11,768	1.05		<b>Personal Goods 2.83% (2.13%)</b>		
	<b>Nonlife Insurance 1.95% (0.74%)</b>			171,894	Adidas	31,712	2.83
1,170,854	Tryg	21,900	1.95		<b>Health Care Equipment &amp; Services 2.09% (2.33%)</b>		
	<b>Total Denmark</b>	<b>65,664</b>	<b>5.85</b>	304,516	Fresenius Medical Care	23,456	2.09
<b>FINLAND 3.01% (3.12%)</b>					<b>Nonlife Insurance 1.96% (2.34%)</b>		
	<b>Industrial Engineering 0.59% (0.68%)</b>			136,381	Allianz	22,026	1.96
165,389	Kone	6,684	0.59		<b>Software &amp; Computer Services 2.62% (2.10%)</b>		
	<b>Nonlife Insurance 2.42% (2.44%)</b>			329,272	SAP	29,391	2.62
699,044	Sampo	27,098	2.42		<b>Total Germany</b>	<b>163,265</b>	<b>14.56</b>
	<b>Total Finland</b>	<b>33,782</b>	<b>3.01</b>	<b>ITALY 5.61% (5.71%)</b>			
<b>FRANCE 29.63% (27.40%)</b>					<b>Electronic &amp; Electrical Equipment 0.00% (1.15%)</b>		
	<b>Oil &amp; Gas Producers 4.28% (2.85%)</b>				<b>Beverages 2.00% (1.95%)</b>		
1,036,657	Total	48,026	4.28	3,378,039	Davide Campari-Milano	22,428	2.00
	<b>Chemicals 1.49% (0.00%)</b>				<b>Personal Goods 0.00% (1.14%)</b>		
178,250	Air Liquide	16,729	1.49		<b>Mobile Telecommunications 2.43% (0.00%)</b>		
	<b>Construction &amp; Materials 1.98% (1.79%)</b>			4,474,739	Infrastructure Wireless Italia	27,311	2.43
309,758	Vinci	22,228	1.98		<b>Banks 1.18% (1.47%)</b>		
	<b>General Industrials 0.00% (0.56%)</b>			1,155,180	Unicredit	13,218	1.18
	<b>Electronic &amp; Electrical Equipment 4.18% (3.23%)</b>				<b>Total Italy</b>	<b>62,957</b>	<b>5.61</b>
443,617	Legrand	24,545	2.19	<b>NETHERLANDS 9.39% (10.08%)</b>			
380,015	Schneider Electric	22,315	1.99		<b>Industrial Engineering 0.00% (0.48%)</b>		
	<b>Support Services 2.02% (2.04%)</b>				<b>Personal Goods 3.03% (2.82%)</b>		
1,287,512	Elis	22,695	2.02	800,134	Unilever (EUR)	34,028	3.03
	<b>Beverages 2.47% (2.24%)</b>				<b>Media 2.11% (1.94%)</b>		
233,219	Pernod Ricard	27,646	2.47	1,426,968	RELX (EUR)	23,599	2.11
	<b>Personal Goods 5.76% (3.95%)</b>				<b>Banks 1.75% (2.51%)</b>		
183,940	L'Oreal	32,547	2.90	2,015,322	ING Groep	19,616	1.75
128,362	LVMH Moet Hennessy Vuitton	32,083	2.86		<b>Technology Hardware &amp; Equipment 2.50% (2.33%)</b>		
	<b>Health Care Equipment &amp; Services 2.37% (1.99%)</b>			199,598	ASML	28,072	2.50
249,459	Essilor International	26,564	2.37		<b>Total Netherlands</b>	<b>105,315</b>	<b>9.39</b>
	<b>Banks 1.75% (2.46%)</b>			<b>NORWAY 1.74% (2.28%)</b>			
436,851	BNP Paribas	19,645	1.75		<b>Banks 1.74% (2.28%)</b>		
				1,256,387	DnB NOR Bank	19,463	1.74
					<b>Total Norway</b>	<b>19,463</b>	<b>1.74</b>

## Threadneedle European Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
<b>REPUBLIC OF IRELAND 4.92% (7.75%)</b>				<b>UNITED STATES OF AMERICA 2.04% (0.00%)</b>			
	<b>Construction &amp; Materials 3.64% (4.14%)</b>				<b>Software &amp; Computer Services 2.04% (0.00%)</b>		
915,598	CRH (Dublin Listing)	22,901	2.04	469,704	InterXion Holding	22,840	2.04
480,009	Kingspan Group (EUR)	17,977	1.60		<b>Total United States of America</b>	<b>22,840</b>	<b>2.04</b>
	<b>General Industrials 0.00% (0.66%)</b>						
	<b>Travel &amp; Leisure 1.28% (2.95%)</b>			<b>DERIVATIVES 0.00% (0.00%)</b>			
1,200,590	Ryanair Holdings (London Listing)	14,280	1.28		<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
	<b>Total Republic of Ireland</b>	<b>55,158</b>	<b>4.92</b>		Sell GBP 1,431,128		
					Buy EUR 1,591,000 Bank of Scotland	(10)	0.00
					<b>Total Derivatives</b>	<b>(10)</b>	<b>-</b>
<b>SPAIN 5.24% (3.01%)</b>				<b>Total value of investments</b>		<b>1,117,838</b>	<b>99.67</b>
	<b>Support Services 0.00% (0.33%)</b>			<b>Net other assets (0.90%)</b>		<b>3,723</b>	<b>0.33</b>
	<b>Pharmaceuticals &amp; Biotechnology 1.75% (1.35%)</b>			<b>Net assets</b>		<b>1,121,561</b>	<b>100.00</b>
908,178	Grifols	19,650	1.75				
	<b>General Retailers 0.00% (0.18%)</b>						
	<b>Mobile Telecommunications 2.05% (1.15%)</b>			<i>March 2018 comparatives in brackets.</i>			
1,169,150	Cellnex Telecom	23,000	2.05	<b>Total Purchases and Sales</b>			
	<b>Software &amp; Computer Services 1.44% (0.00%)</b>			<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
234,507	Amadeus IT Group	16,116	1.44		<b>2018</b>	<b>2017</b>	
	<b>Total Spain</b>	<b>58,766</b>	<b>5.24</b>		<b>£000</b>	<b>£000</b>	
				Total purchases for the period	339,429	728,254	
				Total sales for the period	312,760	481,425	
<b>SWEDEN 11.24% (10.28%)</b>							
	<b>Construction &amp; Materials 0.80% (1.00%)</b>						
575,363	Assa Abloy 'B' Shares	8,934	0.80				
	<b>Industrial Engineering 6.13% (3.37%)</b>						
937,691	Atlas Copco 'A' Shares	19,714	1.76				
2,979,593	Epiroc A	23,480	2.09				
1,964,358	Volvo	25,559	2.28				
	<b>Banks 2.16% (4.13%)</b>						
2,967,192	Nordea Bank	24,281	2.16				
	<b>Software &amp; Computer Services 2.15% (1.78%)</b>						
539,096	Hexagon	24,109	2.15				
	<b>Total Sweden</b>	<b>126,077</b>	<b>11.24</b>				
<b>SWITZERLAND 2.45% (5.10%)</b>							
	<b>Construction &amp; Materials 2.45% (1.79%)</b>						
252,722	Sika	27,461	2.45				
	<b>Industrial Engineering 0.00% (0.76%)</b>						
	<b>Personal Goods 0.00% (1.29%)</b>						
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (1.26%)</b>						
	<b>Total Switzerland</b>	<b>27,461</b>	<b>2.45</b>				
<b>UNITED KINGDOM 2.69% (1.55%)</b>							
	<b>Oil &amp; Gas Producers 2.69% (1.55%)</b>						
1,238,071	Royal Dutch Shell 'A' Shares (NL Listing)	30,132	2.69				
	<b>Total United Kingdom</b>	<b>30,132</b>	<b>2.69</b>				

## Threadneedle European Select Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 5.99% (7.92%)</b>				<b>ITALY 4.37% (4.91%)</b>			
	<b>Beverages 2.92% (3.79%)</b>				<b>Electronic &amp; Electrical Equipment 0.00% (1.34%)</b>		
1,297,674	Anheuser-Busch InBev	89,308	2.92		<b>Beverages 2.96% (2.46%)</b>		
	<b>Media 1.46% (2.05%)</b>			13,642,662	Davide Campari-Milano	90,577	2.96
1,058,320	Telenet Group	44,493	1.46		<b>Mobile Telecommunications 1.41% (1.11%)</b>		
	<b>Banks 1.61% (2.08%)</b>			7,043,974	Infrastructure Wireless Italia	42,993	1.41
882,699	KBC Groep	49,106	1.61		<b>Total Italy</b>	<b>133,570</b>	<b>4.37</b>
	<b>Total Belgium</b>	<b>182,907</b>	<b>5.99</b>				
<b>DENMARK 3.81% (3.52%)</b>				<b>NETHERLANDS 15.97% (15.17%)</b>			
	<b>Industrial Transportation 1.87% (1.50%)</b>				<b>Chemicals 3.75% (3.15%)</b>		
792,602	DSV	56,984	1.87	2,001,215	IMCD Group	114,459	3.75
	<b>Pharmaceuticals &amp; Biotechnology 1.94% (2.02%)</b>				<b>Personal Goods 5.14% (4.96%)</b>		
1,602,546	Novo Nordisk	59,287	1.94	3,688,551	Unilever (EUR)	156,866	5.14
	<b>Total Denmark</b>	<b>116,271</b>	<b>3.81</b>		<b>Media 4.96% (4.92%)</b>		
				9,151,852	RELX (EUR)	151,352	4.96
<b>FINLAND 5.55% (5.55%)</b>					<b>Technology Hardware &amp; Equipment 2.12% (2.14%)</b>		
	<b>Industrial Engineering 1.14% (1.40%)</b>			460,702	ASML	64,795	2.12
859,995	Kone	34,758	1.14		<b>Total Netherlands</b>	<b>487,472</b>	<b>15.97</b>
	<b>Nonlife Insurance 4.41% (4.15%)</b>			<b>REPUBLIC OF IRELAND 3.85% (5.65%)</b>			
3,476,713	Sampo	134,771	4.41		<b>Construction &amp; Materials 1.83% (1.63%)</b>		
	<b>Total Finland</b>	<b>169,529</b>	<b>5.55</b>	1,492,934	Kingspan Group	55,912	1.83
<b>FRANCE 21.94% (20.20%)</b>					<b>General Industrials 0.00% (1.32%)</b>		
	<b>Electronic &amp; Electrical Equipment 4.20% (2.78%)</b>				<b>Travel &amp; Leisure 2.02% (2.70%)</b>		
1,473,487	Legrand	81,526	2.67		Ryanair Holdings (London Listing)	61,764	2.02
794,360	Schneider Electric	46,646	1.53		<b>Total Republic of Ireland</b>	<b>117,676</b>	<b>3.85</b>
	<b>Support Services 3.22% (3.14%)</b>			<b>SPAIN 10.37% (8.14%)</b>			
5,576,935	Elis	98,306	3.22		<b>Support Services 0.00% (2.46%)</b>		
	<b>Beverages 4.34% (4.39%)</b>				<b>Pharmaceuticals &amp; Biotechnology 2.70% (1.89%)</b>		
1,117,633	Pernod Ricard	132,486	4.34	5,241,034	Grifols ADR	82,520	2.70
	<b>Personal Goods 3.37% (3.06%)</b>				<b>General Retailers 2.30% (2.19%)</b>		
581,296	L'Oreal	102,856	3.37	3,130,074	Inditex	70,072	2.30
	<b>Health Care Equipment &amp; Services 2.65% (2.31%)</b>				<b>Mobile Telecommunications 2.18% (1.60%)</b>		
759,873	Essilor International	80,917	2.65	3,389,458	Cellnex Telecom	66,678	2.18
	<b>Software &amp; Computer Services 4.16% (4.52%)</b>				<b>Software &amp; Computer Services 3.19% (0.00%)</b>		
1,102,591	Dassault Systems	127,011	4.16	1,416,965	Amadeus IT Group	97,378	3.19
	<b>Total France</b>	<b>669,748</b>	<b>21.94</b>		<b>Total Spain</b>	<b>316,648</b>	<b>10.37</b>
<b>GERMANY 14.83% (14.77%)</b>				<b>SWEDEN 6.92% (8.89%)</b>			
	<b>Chemicals 4.51% (4.16%)</b>				<b>Construction &amp; Materials 1.03% (1.98%)</b>		
543,518	BASF	37,168	1.22	2,019,858	Assa Abloj 'B' Shares	31,363	1.03
2,141,238	Brenntag	100,345	3.29		<b>Industrial Engineering 4.05% (2.91%)</b>		
	<b>Automobiles &amp; Parts 1.38% (1.89%)</b>			3,660,493	Atlas Copco 'A' Shares	76,960	2.52
313,568	Continental	42,057	1.38	5,932,440	Epiroc A	46,750	1.53
	<b>Personal Goods 4.59% (3.55%)</b>				<b>Banks 1.84% (4.00%)</b>		
760,099	Adidas	140,229	4.59	6,867,404	Nordea Bank	56,197	1.84
	<b>Health Care Equipment &amp; Services 4.02% (4.00%)</b>				<b>Total Sweden</b>	<b>211,270</b>	<b>6.92</b>
1,593,867	Fresenius Medical Care	122,772	4.02				
	<b>Software &amp; Computer Services 0.33% (1.17%)</b>						
4,334,389	Tele Columbus	10,199	0.33				
	<b>Total Germany</b>	<b>452,770</b>	<b>14.83</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 2018 to 7 September 2018	2018 £000	2017 £000
<b>SWITZERLAND 4.34% (4.02%)</b>				Total purchases for the period	231,637	361,204
<b>Construction &amp; Materials 2.39% (2.05%)</b>				Total sales for the period	420,864	461,402
671,580	Sika	72,973	2.39			
<b>Personal Goods 1.95% (1.97%)</b>						
916,829	Cie Financiere Richemont	59,467	1.95			
<b>Total Switzerland</b>		<b>132,440</b>	<b>4.34</b>			
<b>UNITED STATES OF AMERICA 1.10% (0.96%)</b>						
<b>Automobiles &amp; Parts 0.00% (0.96%)</b>						
<b>Software &amp; Computer Services 1.10% (0.00%)</b>						
687,892	InterXion Holding	33,449	1.10			
<b>Total United States of America</b>		<b>33,449</b>	<b>1.10</b>			
<b>DERIVATIVES -0.01% (-0.01%)</b>						
<b>Forward Foreign Exchange Contracts -0.01% (-0.01%)</b>						
	Sell USD 16,234					
	Buy EUR 13,854 J.P. Morgan	-	-			
	Sell USD 208,131					
	Buy EUR 178,782 J.P. Morgan	-	-			
	Sell USD 218,136					
	Buy EUR 186,778 J.P. Morgan	-	-			
	Sell SGD 360,703					
	Buy EUR 225,373 J.P. Morgan	-	-			
	Sell SGD 50,883					
	Buy EUR 32,039 J.P. Morgan	-	-			
	Sell SGD 559,249					
	Buy EUR 349,542 J.P. Morgan	-	-			
	Sell SGD 563,063					
	Buy EUR 352,080 J.P. Morgan	-	-			
	Sell SGD 10,383					
	Buy EUR 6,517 J.P. Morgan	-	-			
	Sell USD 80,201					
	Buy EUR 69,114 J.P. Morgan	-	-			
	Sell SGD 137,727					
	Buy EUR 86,269 J.P. Morgan	-	-			
	Sell EUR 1,252,000					
	Buy GBP 1,125,847 Citigroup	8	-			
	Sell EUR 681,000					
	Buy GBP 612,570 Bank of Scotland	5	-			
	Sell EUR 1,244					
	Buy SGD 1,985 J.P. Morgan	-	-			
	Sell EUR 3,111					
	Buy SGD 4,961 J.P. Morgan	-	-			
	Sell EUR 31,894,137					
	Buy SGD 50,687,662 J.P. Morgan	(208)	(0.01)			
	Sell EUR 15,336,628					
	Buy USD 17,824,199 J.P. Morgan	(27)	-			
	Sell EUR 7,964,281					
	Buy USD 9,256,072 J.P. Morgan	(14)	-			
<b>Total Derivatives</b>		<b>(236)</b>	<b>(0.01)</b>			
<b>Total value of investments</b>		<b>3,023,514</b>	<b>99.03</b>			
<b>Net other assets (0.31%)</b>		<b>29,621</b>	<b>0.97</b>			
<b>Net assets</b>		<b>3,053,135</b>	<b>100.00</b>			

March 2018 comparatives in brackets.

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.60% (1.05%)</b>				<b>Beverages 1.04% (1.06%)</b>			
196,320	Oil Equipment, Services & Distribution 0.60% (0.73%) Schoeller-Bleckmann Oilfield Equipment	14,814	0.60	247,316	Remy Cointreau	25,574	1.04
	<b>Chemicals 0.00% (0.32%)</b>			95,809	SEB Group	13,312	0.54
	<b>Total Austria</b>	<b>14,814</b>	<b>0.60</b>	1,037,446	Korian	26,755	1.09
<b>BELGIUM 5.96% (6.59%)</b>				526,084	Orpea	53,132	2.16
920,613	<b>Chemicals 1.53% (1.59%)</b> Umicore	37,618	1.53	1,003,820	Nexity	43,994	1.79
626,498	<b>Media 1.07% (1.88%)</b> Telenet Group	26,339	1.07	279,153	Ingenico Group	14,488	0.59
344,599	<b>Travel &amp; Leisure 0.68% (0.75%)</b> Kinopolis Group	16,648	0.68	<b>Total France</b>			
542,507	<b>Technology Hardware &amp; Equipment 2.68% (2.37%)</b> Melexis	33,184	1.35			<b>332,748</b>	<b>13.52</b>
4,684,936	X-Fab Silicon Foundries	32,841	1.33	<b>GERMANY 12.74% (13.94%)</b>			
	<b>Total Belgium</b>	<b>146,630</b>	<b>5.96</b>	1,037,768	<b>Chemicals 1.98% (2.03%)</b> Brenntag	48,633	1.98
<b>DENMARK 5.35% (5.14%)</b>				380,719	<b>Industrial Engineering 2.03% (2.46%)</b> Sartorius	49,874	2.03
368,849	<b>Industrial Transportation 0.00% (0.00%)</b> OW Bunker (Delisted)	–	–	<b>Support Services 0.00% (3.21%)</b>			
469,874	<b>Health Care Equipment &amp; Services 0.48% (0.89%)</b> Ambu	11,782	0.48	1,030,498	<b>Automobiles &amp; Parts 2.12% (2.25%)</b> Norma Group	52,130	2.12
498,978	<b>Pharmaceuticals &amp; Biotechnology 1.51% (1.27%)</b> Chr. Hansen	37,248	1.51	96,654	<b>Household Goods &amp; Home Construction 0.53% (0.60%)</b> Zooplus	12,964	0.53
2,141,016	<b>Nonlife Insurance 1.63% (1.50%)</b> Tryg	40,046	1.63	463,382	<b>Health Care Equipment &amp; Services 1.12% (1.18%)</b> Stratec Biomedical	27,682	1.12
626,652	<b>Software &amp; Computer Services 1.73% (1.48%)</b> SimCorp	42,660	1.73	1,268,689	<b>Media 1.70% (0.00%)</b> CTS Eventim	41,804	1.70
	<b>Total Denmark</b>	<b>131,736</b>	<b>5.35</b>	421,045	<b>Financial Services 1.55% (0.00%)</b> Grenkeleasing	38,200	1.55
<b>FINLAND 6.00% (6.08%)</b>				723,161	<b>Software &amp; Computer Services 1.71% (2.21%)</b> CompuGroup Medical	31,642	1.28
1,378,451	<b>Construction &amp; Materials 0.70% (0.85%)</b> Tikkurila	17,233	0.70	4,477,486	Tele Columbus	10,535	0.43
1,427,695	<b>General Industrials 1.47% (1.77%)</b> Huhtamaki	36,118	1.47	<b>Total Germany</b>			
654,316	<b>Electronic &amp; Electrical Equipment 0.44% (0.47%)</b> Vaisala	10,751	0.44			<b>313,464</b>	<b>12.74</b>
1,065,672	<b>Industrial Engineering 2.68% (1.98%)</b> Cargotec	36,390	1.48	<b>ITALY 14.79% (12.63%)</b>			
1,055,895	Konecranes	29,550	1.20	150,380	<b>Industrial Engineering 0.38% (0.42%)</b> Industria Macchine Automatic	9,447	0.38
607,831	<b>Software &amp; Computer Services 0.71% (1.01%)</b> BasWare	17,586	0.71	7,862,423	<b>Automobiles &amp; Parts 1.89% (1.09%)</b> Pirelli & C. SPA	46,422	1.89
	<b>Total Finland</b>	<b>147,628</b>	<b>6.00</b>	7,740,943	<b>Beverages 2.09% (2.02%)</b> Davide Campari-Milano	51,394	2.09
<b>FRANCE 13.52% (14.24%)</b>				638,962	<b>Health Care Equipment &amp; Services 2.03% (1.91%)</b> DiaSorin	49,811	2.03
1,881,806	<b>Support Services 6.31% (6.79%)</b> Bureau Veritas	36,750	1.49	2,016,000	<b>Food &amp; Drug Retailers 1.80% (1.48%)</b> MARR	44,358	1.80
1,704,082	Edenred	50,931	2.07	8,983,783	<b>Mobile Telecommunications 2.23% (1.81%)</b> Infrastructure Wireless Italia	54,832	2.23
3,017,727	Elis	53,194	2.16				
97,966	Teleperformance	14,618	0.59				

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment			Holding	Investment		
<b>ITALY 14.79% (12.63%) (continued)</b>				<b>SWEDEN 9.54% (9.95%)</b>			
	<b>Banks 2.41% (2.10%)</b>				<b>Chemicals 1.12% (0.98%)</b>		
6,148,320	FinecoBank	59,322	2.41	3,490,870	Hexpol	27,604	1.12
	<b>Technology Hardware &amp; Equipment 1.96% (1.80%)</b>				<b>Construction &amp; Materials 1.79% (1.54%)</b>		
951,967	El Towers	48,285	1.96	10,278,590	Ahlsell	44,159	1.79
	<b>Total Italy</b>	<b>363,871</b>	<b>14.79</b>		<b>Automobiles &amp; Parts 0.56% (0.00%)</b>		
				335,643	Veoneer SDR	13,710	0.56
<b>LUXEMBOURG 3.92% (1.49%)</b>					<b>Food Producers 0.40% (0.99%)</b>		
	<b>Industrial Engineering 1.67% (1.49%)</b>			4,355,941	Cloetta 'B' Shares	9,961	0.40
624,614	Stabilus	41,247	1.67		<b>Household Goods &amp; Home Construction 0.18% (0.39%)</b>		
	<b>Health Care Equipment &amp; Services 2.25% (0.00%)</b>			824,436	Nobia	4,445	0.18
133,623	Eurofins Scientific	55,294	2.25		<b>Leisure Goods 2.02% (1.97%)</b>		
	<b>Total Luxembourg</b>	<b>96,541</b>	<b>3.92</b>	5,045,661	Dometic Group	36,847	1.50
				708,139	Thule Group	12,744	0.52
<b>NETHERLANDS 5.58% (4.77%)</b>					<b>Health Care Equipment &amp; Services 1.58% (1.70%)</b>		
	<b>Chemicals 2.41% (1.97%)</b>			3,838,257	Elekta 'B' Shares	38,791	1.58
1,037,016	IMCD Group	59,312	2.41		<b>General Retailers 0.00% (0.18%)</b>		
	<b>Food &amp; Drug Retailers 1.18% (1.04%)</b>				<b>Financial Services 1.89% (2.20%)</b>		
899,095	Sligro Food Group	28,983	1.18	1,324,230	Avanza Bank Holdings	46,432	1.89
	<b>General Retailers 1.99% (1.76%)</b>				<b>Total Sweden</b>	<b>234,693</b>	<b>9.54</b>
843,789	Takeaway.com	48,976	1.99				
	<b>Total Netherlands</b>	<b>137,271</b>	<b>5.58</b>	<b>SWITZERLAND 6.74% (6.66%)</b>			
					<b>Construction &amp; Materials 4.04% (3.97%)</b>		
<b>NORWAY 0.80% (1.55%)</b>					<b>General Industrials 0.23% (0.29%)</b>		
	<b>General Retailers 0.80% (1.55%)</b>			12,475	Belimo	47,483	1.93
4,799,970	XXL	19,646	0.80	478,359	Sika	51,978	2.11
	<b>Total Norway</b>	<b>19,646</b>	<b>0.80</b>		<b>Electronic &amp; Electrical Equipment 0.86% (1.28%)</b>		
				3,233	Vetropack	5,632	0.23
<b>REPUBLIC OF IRELAND 6.23% (7.98%)</b>					<b>Industrial Engineering 1.61% (1.12%)</b>		
	<b>Construction &amp; Materials 2.00% (2.14%)</b>			106,155	Burckhardt Compression	28,153	1.14
1,315,850	Kingspan Group (EUR)	49,280	2.00	125,429	VAT Group	11,514	0.47
	<b>Travel &amp; Leisure 3.10% (4.38%)</b>				<b>Total Switzerland</b>	<b>165,879</b>	<b>6.74</b>
6,639,989	Dalata Hotel Group	38,600	1.57	<b>UNITED STATES OF AMERICA 2.43% (1.68%)</b>			
7,864,961	Irish Continental Group	37,644	1.53		<b>Automobiles &amp; Parts 0.90% (1.68%)</b>		
	<b>Real Estate Investment Trusts 0.26% (0.29%)</b>			335,643	Autoliv (SDR)	22,209	0.90
4,723,706	Green REIT (Ireland Listing)	6,445	0.26		<b>Software &amp; Computer Services 1.53% (0.00%)</b>		
	<b>Liquidity Funds 0.87% (1.17%)<sup>1</sup></b>			775,279	InterXion Holding	37,698	1.53
23,905,116	BlackRock Institutional Cash Series Euro Liquidity Platinum	21,347	0.87		<b>Total United States of America</b>	<b>59,907</b>	<b>2.43</b>
	<b>Total Republic of Ireland</b>	<b>153,316</b>	<b>6.23</b>				
<b>SPAIN 4.78% (5.15%)</b>							
	<b>Support Services 1.83% (1.88%)</b>						
4,340,009	Applus Services	45,072	1.83				
	<b>Mobile Telecommunications 2.02% (2.20%)</b>						
2,524,721	Cellnex Telecom	49,667	2.02				
	<b>Real Estate Investment Trusts 0.93% (1.07%)</b>						
2,978,642	Lar Espana Real Estate	22,901	0.93				
	<b>Total Spain</b>	<b>117,640</b>	<b>4.78</b>				

## 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 1,682,554		
	Buy CHF 1,919,385 J.P. Morgan	25	–
	Sell EUR 16		
	Buy CHF 18 J.P. Morgan	–	–
	Sell EUR 453,958		
	Buy CHF 517,856 J.P. Morgan	7	–
	Sell EUR 54,819		
	Buy CHF 62,206 J.P. Morgan	1	–
	Sell EUR 9		
	Buy CHF 10 J.P. Morgan	–	–
	Sell EUR 9		
	Buy CHF 10 J.P. Morgan	–	–
	Sell GBP 458,962		
	Buy EUR 512,000 Lloyds	(2)	–
	Sell EUR 338,000		
	Buy GBP 303,943 Citigroup	2	–
	<b>Total Derivatives</b>	<b>33</b>	<b>–</b>
<b>Total value of investments<sup>2</sup></b>		<b>2,435,817</b>	<b>98.98</b>
<b>Net other assets (1.10%)</b>		<b>25,159</b>	<b>1.02</b>
<b>Net assets</b>		<b>2,460,976</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	313,888	324,271
Total sales for the period	223,117	152,871

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRIA 0.69% (0.83%)</b>				<b>GERMANY 11.76% (12.60%)</b>			
	<b>Oil Equipment, Services &amp; Distribution 0.69% (0.83%)</b>				<b>Chemicals 1.37% (1.30%)</b>		
155,808	Schoeller-Bleckmann Oilfield Equipment	11,757	0.69	498,921	Brenntag	23,381	1.37
	<b>Total Austria</b>	<b>11,757</b>	<b>0.69</b>		<b>Industrial Engineering 1.86% (1.89%)</b>		
				241,280	Sartorius	31,608	1.86
<b>BELGIUM 4.29% (4.91%)</b>					<b>Support Services 0.00% (3.62%)</b>		
	<b>Chemicals 1.90% (1.97%)</b>				<b>Automobiles &amp; Parts 1.42% (1.47%)</b>		
791,709	Umicore	32,351	1.90	478,130	Norma Group	24,187	1.42
	<b>Media 0.85% (0.98%)</b>				<b>Health Care Equipment &amp; Services 0.60% (0.62%)</b>		
341,694	Telenet Group	14,365	0.85	170,078	Stratec Biomedical	10,161	0.60
	<b>Travel &amp; Leisure 0.66% (0.98%)</b>				<b>Media 1.79% (0.00%)</b>		
232,445	Kinopolis Group	11,229	0.66	923,282	CTS Eventim	30,423	1.79
	<b>Technology Hardware &amp; Equipment 0.88% (0.98%)</b>				<b>Financial Services 1.98% (0.00%)</b>		
2,128,882	X-Fab Silicon Foundries	14,923	0.88	370,190	Grenkeleasing	33,586	1.98
	<b>Total Belgium</b>	<b>72,868</b>	<b>4.29</b>		<b>Software &amp; Computer Services 2.74% (3.70%)</b>		
				607,114	CANCOM	19,365	1.14
<b>DENMARK 3.04% (2.58%)</b>					<b>Total Germany</b>	<b>199,871</b>	<b>11.76</b>
	<b>Pharmaceuticals &amp; Biotechnology 0.57% (0.62%)</b>			461,315	CompuGroup Medical	20,185	1.19
130,053	Chr. Hansen	9,708	0.57	2,964,439	Tele Columbus	6,975	0.41
	<b>Nonlife Insurance 0.86% (0.78%)</b>						
778,219	Tryg	14,556	0.86				
	<b>Software &amp; Computer Services 1.61% (1.18%)</b>			<b>ITALY 11.06% (11.04%)</b>			
402,026	SimCorp	27,368	1.61		<b>Industrial Engineering 0.57% (0.61%)</b>		
	<b>Total Denmark</b>	<b>51,632</b>	<b>3.04</b>	154,685	Industria Macchine Automatic	9,717	0.57
					<b>Beverages 1.85% (1.73%)</b>		
<b>FINLAND 2.94% (3.23%)</b>				4,742,600	Davide Campari-Milano	31,487	1.85
	<b>General Industrials 0.96% (1.30%)</b>				<b>Personal Goods 0.53% (0.82%)</b>		
647,882	Huhtamaki	16,390	0.96	493,796	Salvatore Ferragamo	8,960	0.53
	<b>Industrial Engineering 1.98% (1.93%)</b>				<b>Health Care Equipment &amp; Services 1.88% (1.71%)</b>		
442,058	Cargotec	15,095	0.89	409,758	DiaSorin	31,943	1.88
661,397	Konecranes	18,510	1.09		<b>Food &amp; Drug Retailers 1.02% (1.03%)</b>		
	<b>Total Finland</b>	<b>49,995</b>	<b>2.94</b>	788,823	MARR	17,356	1.02
					<b>Mobile Telecommunications 2.05% (1.87%)</b>		
<b>FRANCE 11.28% (12.13%)</b>				5,714,811	Infrastructure Wireless Italia	34,880	2.05
	<b>Support Services 6.22% (6.30%)</b>				<b>Banks 1.97% (2.21%)</b>		
1,127,584	Bureau Veritas	22,021	1.29	3,473,905	FincoBank	33,518	1.97
1,210,183	Edenred	36,170	2.13		<b>Technology Hardware &amp; Equipment 1.19% (1.06%)</b>		
1,973,691	Elis	34,791	2.05	396,303	El Towers	20,101	1.19
85,162	Teleperformance	12,708	0.75		<b>Total Italy</b>	<b>187,962</b>	<b>11.06</b>
	<b>Household Goods &amp; Home Construction 0.55% (0.00%)</b>			<b>LUXEMBOURG 2.45% (1.64%)</b>			
66,984	SEB Group	9,307	0.55		<b>Industrial Engineering 1.46% (1.64%)</b>		
	<b>Health Care Equipment &amp; Services 2.93% (4.04%)</b>			376,820	Stabilus	24,883	1.46
339,793	Korian	8,763	0.51		<b>Health Care Equipment &amp; Services 0.99% (0.00%)</b>		
406,617	Orpea	41,066	2.42	40,585	Eurofins Scientific	16,794	0.99
	<b>Real Estate Investment &amp; Services 0.92% (1.00%)</b>				<b>Total Luxembourg</b>	<b>41,677</b>	<b>2.45</b>
356,739	Nexity	15,635	0.92				
	<b>Technology Hardware &amp; Equipment 0.66% (0.79%)</b>						
217,791	Ingenico Group	11,303	0.66				
	<b>Total France</b>	<b>191,764</b>	<b>11.28</b>				



## 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>NETHERLANDS 4.31% (3.60%)</b>				<b>UNITED KINGDOM 27.52% (26.11%)</b>			
	<b>Chemicals 2.30% (2.06%)</b>				<b>Chemicals 3.52% (2.57%)</b>		
682,165	IMCD Group	39,016	2.30	6,784,141	Elementis	16,947	1.00
	<b>General Retailers 2.01% (1.54%)</b>			3,232,370	Synthomer	17,665	1.04
589,108	Takeaway.com	34,194	2.01	799,896	Victrex	25,181	1.48
	<b>Total Netherlands</b>	<b>73,210</b>	<b>4.31</b>		<b>Construction &amp; Materials 0.87% (1.22%)</b>		
				6,114,254	Ibstock	14,723	0.87
<b>REPUBLIC OF IRELAND 5.65% (6.60%)</b>					<b>General Industrials 2.71% (2.72%)</b>		
	<b>Construction &amp; Materials 2.28% (2.15%)</b>			22,311,939	Coats Group	17,783	1.05
1,032,629	Kingspan Group (EUR)	38,673	2.28	5,804,607	DS Smith	28,286	1.66
	<b>Travel &amp; Leisure 2.67% (3.42%)</b>				<b>Electronic &amp; Electrical Equipment 2.55% (2.52%)</b>		
4,531,588	Dalata Hotel Group	26,343	1.55	1,207,083	Halma	16,694	0.98
3,995,759	Irish Continental Group	19,125	1.12	527,037	Renishaw	26,694	1.57
	<b>Real Estate Investment Trusts 0.70% (1.00%)</b>				<b>Industrial Engineering 0.66% (0.61%)</b>		
8,716,796	Green REIT (Ireland Listing)	11,894	0.70	164,045	Spirax-Sarco Engineering	11,213	0.66
	<b>Liquidity Funds 0.00% (0.03%)<sup>1</sup></b>				<b>Support Services 3.32% (2.49%)</b>		
92,649	BlackRock Institutional Cash Series Euro Liquidity Platinum	83	–	434,121	Ashtead Group	9,850	0.58
	<b>Total Republic of Ireland</b>	<b>96,118</b>	<b>5.65</b>	5,888,302	Howden Joinery Group	27,781	1.63
				5,952,169	Rentokil Initial	18,886	1.11
<b>SPAIN 3.91% (4.66%)</b>					<b>Household Goods &amp; Home Construction 0.40% (0.66%)</b>		
	<b>Support Services 1.74% (2.10%)</b>			1,860,122	Crest Nicholson Holdings	6,838	0.40
2,840,963	Applus Services	29,504	1.74		<b>Health Care Equipment &amp; Services 1.44% (0.61%)</b>		
	<b>Mobile Telecommunications 1.45% (1.70%)</b>			11,107,239	Convatec Group	24,458	1.44
1,251,246	Cellnex Telecom	24,615	1.45		<b>Pharmaceuticals &amp; Biotechnology 2.11% (2.34%)</b>		
	<b>Real Estate Investment Trusts 0.72% (0.86%)</b>			1,457,139	Genus	35,933	2.11
1,596,616	Lar Espana Real Estate	12,276	0.72		<b>General Retailers 1.25% (1.63%)</b>		
	<b>Total Spain</b>	<b>66,395</b>	<b>3.91</b>	1,201,814	<sup>1</sup> CVS Group	10,961	0.65
				1,479,847	Just Eat	10,273	0.60
<b>SWEDEN 5.99% (7.06%)</b>					<b>Media 1.75% (1.93%)</b>		
	<b>Construction &amp; Materials 1.39% (1.68%)</b>			6,948,983	Ascential	29,658	1.75
5,514,824	Ahlsell	23,693	1.39		<b>Travel &amp; Leisure 0.86% (0.80%)</b>		
	<b>Food Producers 0.42% (0.76%)</b>			3,889,379	Merlin Entertainments	14,593	0.86
3,086,995	Cloetta 'B' Shares	7,059	0.42		<b>Life Insurance 1.88% (2.06%)</b>		
	<b>Leisure Goods 2.12% (2.13%)</b>			2,893,773	St James's Place	31,947	1.88
3,573,033	Dometic Group	26,093	1.54		<b>Real Estate Investment Trusts 3.12% (3.12%)</b>		
551,650	Thule Group	9,928	0.58	2,609,829	Big Yellow Group REIT	24,859	1.46
	<b>Financial Services 2.06% (2.49%)</b>			361,506	Derwent London	10,693	0.63
587,418	Avanza Bank Holdings	20,597	1.21	1,946,434	Shaftesbury REIT	17,537	1.03
774,120	Intrum	14,495	0.85		<b>Software &amp; Computer Services 1.08% (0.83%)</b>		
	<b>Total Sweden</b>	<b>101,865</b>	<b>5.99</b>	698,808	AVEVA Group	18,267	1.08
<b>SWITZERLAND 3.51% (3.21%)</b>					<b>Total United Kingdom</b>	<b>467,720</b>	<b>27.52</b>
	<b>Construction &amp; Materials 3.51% (3.21%)</b>						
5,394	Belimo	20,531	1.21				
360,780	Sika	39,202	2.30				
	<b>Total Switzerland</b>	<b>59,733</b>	<b>3.51</b>				

## Threadneedle Pan European Smaller Companies Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.00% (-0.03%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (-0.03%)</b>			
	Sell EUR 1,169,741		
	Buy CHF 1,334,391 J.P. Morgan	17	-
	Sell EUR 14,388		
	Buy CHF 16,243 J.P. Morgan	-	-
	Sell EUR 2,015,927		
	Buy CHF 2,299,683 J.P. Morgan	30	-
	Sell EUR 69,808		
	Buy CHF 79,215 J.P. Morgan	1	-
	Sell USD 254,487		
	Buy EUR 218,748 J.P. Morgan	-	-
	Sell USD 26,425		
	Buy EUR 22,551 J.P. Morgan	-	-
	Sell USD 280,274		
	Buy EUR 240,751 J.P. Morgan	-	-
	Sell CHF 30,089		
	Buy EUR 26,699 J.P. Morgan	-	-
	Sell CHF 3,666		
	Buy EUR 3,256 J.P. Morgan	-	-
	Sell USD 46,935		
	Buy EUR 40,058 J.P. Morgan	-	-
	Sell EUR 1,339,000		
	Buy GBP 1,204,451 Bank of Scotland	9	-
	Sell EUR 190,000		
	Buy GBP 170,855 Citigroup	1	-
	Sell EUR 1,042,842		
	Buy USD 1,210,116 J.P. Morgan	(3)	-
	Sell EUR 14,595,643		
	Buy USD 16,963,027 J.P. Morgan	(26)	-
	Sell EUR 233,716		
	Buy USD 273,869 J.P. Morgan	1	-
	Sell EUR 25,687		
	Buy USD 30,000 J.P. Morgan	-	-
	Sell EUR 5,142		
	Buy USD 6,006 J.P. Morgan	-	-
	Sell EUR 51,622		
	Buy USD 60,056 J.P. Morgan	-	-
	Sell EUR 60,864,286		
	Buy USD 70,736,352 J.P. Morgan	(106)	-
	<b>Total Derivatives</b>	<b>(76)</b>	<b>-</b>
	<b>Total value of investments<sup>2</sup></b>	<b>1,672,491</b>	<b>98.40</b>
	<b>Net other assets/(liabilities) (-0.17%)</b>	<b>27,174</b>	<b>1.60</b>
	<b>Net assets</b>	<b>1,699,665</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Alternative Investment Market.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	69,354	216,498
Total sales for the period	192,728	124,117

## Threadneedle Pan European Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>BELGIUM 0.00% (4.43%)</b>				<b>Nonlife Insurance 1.66% (2.51%)</b>			
	<b>Beverages 0.00% (1.38%)</b>			20,820	Allianz	3,363	1.66
	<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.63%)</b>			57,567	SAP	5,139	2.55
	<b>Banks 0.00% (2.42%)</b>			104,989	Infineon Technologies	1,877	0.93
	<b>Total Belgium</b>				<b>Total Germany</b>	<b>27,728</b>	<b>13.74</b>
<b>DENMARK 1.26% (3.12%)</b>				<b>ITALY 1.67% (6.52%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 1.26% (3.12%)</b>			<b>Electronic &amp; Electrical Equipment 0.00% (1.96%)</b>			
69,020	Novo Nordisk	2,553	1.26	400,067	Pirelli & C. SPA	2,362	1.17
	<b>Total Denmark</b>	<b>2,553</b>	<b>1.26</b>	<b>Automobiles &amp; Parts 1.17% (1.09%)</b>			
<b>FINLAND 1.90% (1.71%)</b>				30,305	Moncler	1,011	0.50
	<b>Nonlife Insurance 1.90% (1.71%)</b>			<b>Personal Goods 0.50% (1.36%)</b>			
99,142	Sampo	3,843	1.90	<b>Banks 0.00% (2.11%)</b>			
	<b>Total Finland</b>	<b>3,843</b>	<b>1.90</b>	<b>Total Italy</b>			
<b>FRANCE 16.74% (16.56%)</b>				<b>NETHERLANDS 10.27% (10.04%)</b>			
	<b>Construction &amp; Materials 1.50% (1.29%)</b>			<b>Aerospace &amp; Defence 1.84% (1.02%)</b>			
42,072	Vinci	3,019	1.50	39,699	Airbus	3,703	1.84
	<b>Electronic &amp; Electrical Equipment 1.55% (1.59%)</b>			<b>Support Services 0.47% (0.00%)</b>			
56,554	Legrand	3,129	1.55	1,679	Adyen	948	0.47
	<b>Beverages 0.98% (0.99%)</b>			<b>Automobiles &amp; Parts 0.88% (1.03%)</b>			
16,693	Pernod Ricard	1,979	0.98	18,095	Ferrari	1,772	0.88
	<b>Personal Goods 5.26% (4.00%)</b>			<b>Media 2.29% (2.30%)</b>			
26,260	L'Oreal	4,647	2.30	279,655	RELX (EUR)	4,625	2.29
23,899	LVMH Moet Hennessy Vuitton	5,973	2.96	<b>Banks 1.35% (2.40%)</b>			
	<b>Health Care Equipment &amp; Services 1.72% (1.49%)</b>			279,416	ING Groep	2,720	1.35
32,702	Essilor International	3,482	1.72	<b>Technology Hardware &amp; Equipment 3.44% (3.29%)</b>			
	<b>Banks 1.30% (1.93%)</b>			49,409	ASML	6,949	3.44
58,468	BNP Paribas	2,629	1.30	<b>Total Netherlands</b>			
	<b>Financial Services 1.40% (2.72%)</b>			<b>20,717 10.27</b>			
50,989	Amundi	2,825	1.40	<b>NORWAY 1.14% (2.51%)</b>			
	<b>Software &amp; Computer Services 3.03% (2.55%)</b>			<b>Banks 1.14% (2.51%)</b>			
53,022	Dassault Systems	6,108	3.03	148,692	DnB NOR Bank	2,303	1.14
	<b>Total France</b>	<b>33,791</b>	<b>16.74</b>	<b>Total Norway</b>			
<b>GERMANY 13.74% (11.25%)</b>				<b>REPUBLIC OF IRELAND 6.91% (9.82%)</b>			
	<b>Chemicals 0.00% (1.00%)</b>			<b>Construction &amp; Materials 4.44% (4.78%)</b>			
	<b>Automobiles &amp; Parts 2.22% (1.32%)</b>			133,312	CRH (London Listing)	3,334	1.65
17,433	Continental	2,338	1.16	150,155	Kingspan Group	5,624	2.79
17,748	Volkswagen	2,134	1.06	<b>General Industrials 0.00% (1.95%)</b>			
	<b>Personal Goods 3.56% (2.06%)</b>			<b>Travel &amp; Leisure 2.47% (3.09%)</b>			
38,918	Adidas	7,180	3.56	419,779	Ryanair Holdings (London Listing)	4,993	2.47
	<b>Health Care Equipment &amp; Services 2.82% (2.52%)</b>			<b>Total Republic of Ireland</b>			
73,962	Fresenius Medical Care	5,697	2.82	<b>13,951 6.91</b>			

## 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 6.69% (6.57%)</b>				<b>Food &amp; Drug Retailers 0.99% (0.00%)</b>			
	<b>Support Services 0.00% (1.92%)</b>			840,377	Tesco	1,992	0.99
	<b>Pharmaceuticals &amp; Biotechnology 2.07% (1.97%)</b>				<b>Media 0.99% (0.00%)</b>		
193,106	Grifols	4,178	2.07	1,270,325	ITV	2,004	0.99
	<b>General Retailers 0.89% (0.91%)</b>				<b>Banks 0.00% (1.11%)</b>		
80,306	Inditex	1,798	0.89		<b>Life Insurance 3.71% (3.27%)</b>		
	<b>Mobile Telecommunications 2.59% (1.77%)</b>			445,621	Prudential	7,486	3.71
266,072	Cellnex Telecom	5,234	2.59		<b>Financial Services 2.17% (2.25%)</b>		
	<b>Software &amp; Computer Services 1.14% (0.00%)</b>			481,252	3i Group	4,377	2.17
33,337	Amadeus IT Group	2,291	1.14		<b>Software &amp; Computer Services 0.00% (0.83%)</b>		
	<b>Total Spain</b>	<b>13,501</b>	<b>6.69</b>		<b>Total United Kingdom</b>	<b>53,919</b>	<b>26.73</b>
<b>SWEDEN 8.02% (6.40%)</b>				<b>Total value of investments</b>			
	<b>Industrial Engineering 6.41% (5.48%)</b>					<b>199,249</b>	<b>98.73</b>
251,494	Atlas Copco 'A' Shares	5,288	2.62		<b>Net other assets (1.06%)</b>	<b>2,559</b>	<b>1.27</b>
378,825	Epiroc A	2,985	1.48		<b>Net assets</b>	<b>201,808</b>	<b>100.00</b>
358,700	Volvo	4,667	2.31				
	<b>Banks 1.61% (0.00%)</b>			<i>March 2018 comparatives in brackets.</i>			
397,266	Nordea Bank	3,251	1.61	<b>Total Purchases and Sales</b>			
	<b>Financial Services 0.00% (0.92%)</b>			<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
	<b>Total Sweden</b>	<b>16,191</b>	<b>8.02</b>			<b>2018</b>	<b>2017</b>
<b>SWITZERLAND 3.66% (2.09%)</b>						<b>£000</b>	<b>£000</b>
	<b>Construction &amp; Materials 3.66% (2.09%)</b>			Total purchases for the period	72,457	89,414	
67,909	Sika	7,379	3.66	Total sales for the period	129,300	111,365	
	<b>Total Switzerland</b>	<b>7,379</b>	<b>3.66</b>				
<b>UNITED KINGDOM 26.73% (17.92%)</b>							
	<b>Oil &amp; Gas Producers 4.73% (1.89%)</b>						
385,953	Royal Dutch Shell 'B' Shares	9,541	4.73				
	<b>Oil Equipment, Services &amp; Distribution 2.59% (1.90%)</b>						
765,548	John Wood Group	5,220	2.59				
	<b>Chemicals 1.17% (0.00%)</b>						
68,231	Johnson Matthey	2,353	1.17				
	<b>Mining 1.96% (2.09%)</b>						
112,426	Rio Tinto	3,957	1.96				
	<b>Industrial Engineering 1.73% (0.00%)</b>						
224,844	Weir Group	3,501	1.73				
	<b>Personal Goods 2.73% (1.97%)</b>						
130,170	Unilever	5,500	2.73				
	<b>Tobacco 1.98% (1.89%)</b>						
109,100	British American Tobacco	4,000	1.98				
	<b>Health Care Equipment &amp; Services 1.98% (0.72%)</b>						
1,811,004	Convatec Group	3,988	1.98				

## Threadneedle European Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value €000	% of Net Asset Value		Holding	Investment	Value €000	% of Net Asset Value
<b>AUSTRALIA 1.71% (1.90%)</b>					<b>DENMARK 0.00% (0.17%)</b>				
		<b>A- 0.64% (0.71%)</b>					<b>BBB 0.00% (0.17%)</b>		
EUR	200,000	AusNet Services Holdings 2.375% 24/07/2020	186	0.19			<b>Total Denmark</b>	-	-
EUR	474,000	SGSP Australia Assets 2% 30/06/2022	447	0.45					
		<b>BBB+ 0.35% (0.55%)</b>			<b>FINLAND 0.34% (0.37%)</b>				
EUR	100,000	*BHP Billiton Finance 5.625% 22/10/2079	105	0.11	EUR	375,000	A- 0.34% (0.37%) Sampo 1.25% 30/05/2025	336	0.34
EUR	164,000	Goodman Australia Finance 1.375% 27/09/2025	141	0.14			<b>Total Finland</b>	<b>336</b>	<b>0.34</b>
EUR	115,000	Sydney Airport Finance 1.75% 26/04/2028	104	0.10	<b>FRANCE 8.88% (3.67%)</b>				
		<b>BBB 0.50% (0.39%)</b>			EUR	300,000	<b>AA 0.27% (2.18%)</b> Sanofi 0% 13/01/2020	268	0.27
EUR	195,000	APT Pipelines 2% 22/03/2027	176	0.18	EUR	4,060,000	<b>Aa2u 7.57% (0.00%)</b> France Government Bond 1.5% 25/05/2031	3,876	3.89
EUR	365,000	Ausgrid Finance 1.25% 30/07/2025	321	0.32	EUR	800,000	France Government Bond 1.75% 25/06/2039	767	0.77
		<b>BBB- 0.22% (0.25%)</b>			EUR	1,150,000	France Government Bond 2% 25/05/2048	1,120	1.12
GBP	200,000	Asciano Finance 5% 19/09/2023	222	0.22	EUR	1,445,000	France Government Bond 3.25% 25/05/2045	1,785	1.79
		<b>Total Australia</b>	<b>1,702</b>	<b>1.71</b>	EUR	100,000	<b>AA- 0.09% (0.00%)</b> HSBC France 1.375% 04/09/2028	89	0.09
<b>AUSTRIA 1.15% (0.14%)</b>							<b>A 0.00% (0.10%)</b>		
		<b>AA+ 1.15% (0.00%)</b>			EUR	150,000	<b>A- 0.42% (0.78%)</b> Autorout 4.125% 13/04/2020	143	0.14
EUR	1,245,000	Republic of Austria 1.5% 20/02/2047	1,142	1.15	EUR	200,000	Electricite de France 1.875% 13/10/2036	162	0.16
		<b>Baa2 0.00% (0.14%)</b>			EUR	125,000	*Total 3.369% 29/12/2049	116	0.12
		<b>Total Austria</b>	<b>1,142</b>	<b>1.15</b>			<b>BBB+ 0.35% (0.30%)</b>		
<b>BELGIUM 0.66% (1.53%)</b>					EUR	200,000	*AXA 3.25% 28/05/2049	175	0.17
		<b>A- 0.57% (0.45%)</b>			EUR	200,000	Credit Agricole 1.875% 20/12/2026	181	0.18
EUR	426,000	Anheuser-Busch InBev 2.75% 17/03/2036	392	0.39			<b>BBB 0.18% (0.00%)</b>		
EUR	200,000	Belfius Bank 0.625% 30/08/2023	178	0.18	EUR	200,000	Banque Fédérative du Crédit Mutuel 2.5% 25/05/2028	178	0.18
		<b>BBB- 0.09% (0.00%)</b>					<b>BB+ 0.00% (0.21%)</b>		
EUR	100,000	*Elia System Operator Variable 05/12/2166	89	0.09			<b>B+ 0.00% (0.10%)</b>		
		<b>Not Rated 0.00% (1.08%)</b>					<b>Total France</b>	<b>8,860</b>	<b>8.88</b>
		<b>Total Belgium</b>	<b>659</b>	<b>0.66</b>	<b>GERMANY 3.85% (20.62%)</b>				
<b>BERMUDA 0.32% (0.26%)</b>							<b>Aaa 0.00% (19.45%)</b>		
		<b>BBB+ 0.00% (0.26%)</b>			EUR	200,000	<b>AA- 0.18% (0.00%)</b> Hannover Rueck 1.125% 18/04/2028	176	0.18
EUR	340,000	Bacardi 2.75% 03/07/2023	323	0.32			<b>BBB+ 0.31% (0.00%)</b>		
		<b>BBB- 0.32% (0.00%)</b>			EUR	351,000	Deutsche Bank 1.125% 30/08/2023	313	0.31
		<b>Total Bermuda</b>	<b>323</b>	<b>0.32</b>			<b>Baa1 0.38% (0.42%)</b>		
<b>BRITISH VIRGIN ISLANDS 0.27% (0.00%)</b>					EUR	400,000	Eurogrid 1.875% 10/06/2025	376	0.38
		<b>A+ 0.27% (0.00%)</b>					<b>BBB 0.00% (0.14%)</b>		
EUR	300,000	State Grid Overseas 1.375% 02/05/2025	265	0.27	EUR	100,000	<b>BB+ 0.09% (0.00%)</b> IHO Verwaltungs 3.25% 15/09/2023	92	0.09
		<b>Total British Virgin Islands</b>	<b>265</b>	<b>0.27</b>					
<b>CHILE 2.35% (2.57%)</b>									
		<b>A+ 2.35% (2.57%)</b>							
EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,346	2.35					
		<b>Total Chile</b>	<b>2,346</b>	<b>2.35</b>					

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Value €000	% of Net Asset Value		Value €000	% of Net Asset Value
<b>GERMANY 3.85% (20.62%) (continued)</b>					
EUR 150,000	141	0.14			
EUR 2,827,500	2,655	2.66			
EUR 100,000	90	0.09			
<b>Total Germany</b>	<b>3,843</b>	<b>3.85</b>			
<b>HONG KONG 0.27% (0.00%)</b>					
EUR 305,000	272	0.27			
<b>Total Hong Kong</b>	<b>272</b>	<b>0.27</b>			
<b>HUNGARY 3.55% (4.03%)</b>					
EUR 3,750,000	3,540	3.55			
<b>Total Hungary</b>	<b>3,540</b>	<b>3.55</b>			
<b>ICELAND 0.00% (0.33%)</b>					
<b>Total Iceland</b>	<b>-</b>	<b>-</b>			
<b>INDONESIA 2.51% (2.83%)</b>					
EUR 2,650,000	2,503	2.51			
<b>Total Indonesia</b>	<b>2,503</b>	<b>2.51</b>			
<b>ITALY 15.40% (12.71%)</b>					
EUR 105,000	83	0.08			
EUR 100,000	80	0.08			
EUR 100,000	88	0.09			
EUR 125,000	109	0.11			
EUR 3,685,000	3,151	3.16			
EUR 1,084,000	981	0.99			
EUR 1,063,000	968	0.97			
EUR 4,004,000	4,069	4.08			
EUR 3,074,000	3,174	3.18			
EUR 2,298,965	2,476	2.48			
EUR 190,000	176	0.18			
<b>Total Italy</b>	<b>15,355</b>	<b>15.40</b>			
<b>JERSEY 0.78% (0.86%)</b>					
EUR 303,000	284	0.29			
GBP 400,000	492	0.49			
<b>Total Jersey</b>	<b>776</b>	<b>0.78</b>			
<b>LUXEMBOURG 1.55% (1.59%)</b>					
EUR 500,000	439	0.44			
EUR 230,000	206	0.21			
EUR 165,000	148	0.15			
EUR 200,000	173	0.17			
EUR 397,000	352	0.35			
EUR 165,000	138	0.14			
EUR 100,000	91	0.09			
<b>Total Luxembourg</b>	<b>1,547</b>	<b>1.55</b>			
<b>MEXICO 0.18% (0.34%)</b>					
EUR 100,000	88	0.09			
EUR 100,000	88	0.09			
<b>Total Mexico</b>	<b>176</b>	<b>0.18</b>			
<b>NETHERLANDS 6.84% (13.33%)</b>					
EUR 247,000	224	0.22			
EUR 190,000	171	0.17			
EUR 400,000	355	0.36			
EUR 272,000	254	0.25			
EUR 260,000	249	0.25			
EUR 100,000	89	0.09			
EUR 120,000	107	0.11			
EUR 350,000	317	0.32			
EUR 500,000	448	0.45			
EUR 400,000	361	0.36			
EUR 236,000	210	0.21			
EUR 200,000	177	0.18			



## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>UNITED KINGDOM 26.90% (15.55%) (continued)</b>					<b>A- 0.26% (0.13%)</b>				
		<b>BBB+ 0.78% (1.35%)</b>			EUR	125,000	*JPMorgan Chase 1.638% 18/05/2028	113	0.11
EUR	280,000	BAT International Finance 1% EMTN 23/05/2022	253	0.25	EUR	165,000	*JPMorgan Chase Variable 12/06/2029	149	0.15
EUR	478,000	Cadent Finance 0.625% 22/09/2024	416	0.42	<b>BBB+ 0.49% (1.08%)</b>				
EUR	120,000	Rolls-Royce 1.625% 09/05/2028	106	0.11	EUR	146,000	American International Group 1.875% 21/06/2027	130	0.13
		<b>BBB 1.13% (1.13%)</b>			EUR	100,000	BAT Capital 1.125% 16/11/2023	90	0.09
EUR	274,000	British Telecommunications 1.125% 10/03/2023	248	0.25	EUR	205,000	Goldman Sachs Group 2% 01/11/2028	182	0.18
EUR	235,000	Imperial Brands Finance 0.5% 27/07/2021	211	0.21	EUR	100,000	Verizon Communications 2.875% 15/01/2038	88	0.09
EUR	300,000	Imperial Brands Finance 2.25% 26/02/2021	280	0.28	<b>BBB 0.94% (0.42%)</b>				
EUR	247,000	*NGG Finance 4.25% 18/06/2076	233	0.23	EUR	580,000	AT&T 1.8% 05/09/2026	518	0.52
GBP	150,000	*Telereal Securitisation 4.0902% 10/12/2033	156	0.16	EUR	150,000	AT&T 3.15% 04/09/2036	132	0.13
		<b>BBB- 0.91% (1.15%)</b>			EUR	175,000	Becton Dickson 1.9% 15/12/2026	157	0.16
EUR	328,000	DS Smith 1.375% 26/07/2024	290	0.29	EUR	131,000	Liberty Mutual 2.75% 04/05/2026	125	0.13
EUR	235,000	G4S International Finance 1.5% 02/06/2024	210	0.21	<b>BBB- 0.36% (1.01%)</b>				
EUR	100,000	G4S International Finance 1.875% 24/05/2025	90	0.09	EUR	195,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	180	0.18
GBP	127,000	GKN Holdings 5.375% 19/09/2022	139	0.14	EUR	200,000	Molson Coors Brewing 1.25% 15/07/2024	176	0.18
EUR	200,000	*Royal Bank of Scotland 1.75% 02/03/2026	175	0.18	<b>BB+ 0.18% (0.43%)</b>				
		<b>Baa3 0.09% (0.10%)</b>			EUR	120,000	Equinix 2.875% 01/10/2025	105	0.09
EUR	102,000	*National Express Group FRN 15/05/2020	91	0.09	EUR	100,000	Equinix 2.875% 01/02/2026	87	0.09
		<b>BB+ 0.49% (0.55%)</b>			<b>BB 0.19% (0.00%)</b>				
EUR	256,000	*Barclays Bank 2% 07/02/2028	219	0.22	EUR	210,000	Quintiles IMS 3.25% 15/03/2025	188	0.19
GBP	270,000	Delamare Finance 5.5457% 29/02/2029	269	0.27	<b>Total United States of America</b>				
		<b>BB 0.00% (0.11%)</b>						<b>2,832</b>	<b>2.84</b>
GBP	125,000	Virgin Media Secured Finance 5.125% 15/01/2025	127	0.13	<b>DERIVATIVES -0.84% (-1.86%)</b>				
		<b>B+ 0.21% (0.25%)</b>			<b>Credit Default Swaps -0.81% (-1.93%)</b>				
GBP	200,000	*Barclays Bank 7.75% 08/03/2075	213	0.21	EUR	(10,000,000)	J.P. Morgan Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2023 Spread 500	(805)	(0.81)
		<b>Not Rated 8.30% (4.27%)</b>			<b>Futures and Options 0.00% (0.04%)</b>				
GBP	295,000	*Cattles 7.125% 05/07/2017 (Defaulted)	1	-	EUR	(24)	UBS EURO -Bobl Future Expiring December 2018	3	-
GBP	120,000	First Hydro Finance 9% 31/07/2021	144	0.14	<b>Forward Foreign Exchange Contracts -0.03% (0.03%)</b>				
GBP	180,000	*Pennon Group Perpetual Variable 22/05/2066	180	0.18	Sell GBP 8,931,295				
GBP	1,280,000	United Kingdom Gilt 0.75% 22/07/2023	1,262	1.27	Buy EUR 9,961,659 J.P. Morgan				
GBP	6,741,939	United Kingdom Gilt 1.25% 22/07/2027	6,687	6.71	<b>Total Derivatives</b>				
		<b>Total United Kingdom</b>	<b>26,830</b>	<b>26.90</b>				<b>(834)</b>	<b>(0.84)</b>
					<b>Total value of investments</b>				
								<b>93,523</b>	<b>93.78</b>
					<b>Net other assets (7.75%)</b>				
								<b>6,200</b>	<b>6.22</b>
					<b>Net assets</b>				
								<b>99,723</b>	<b>100.00</b>

March 2018 comparatives in brackets.

\*Variable rate bonds.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	90,716	97.00
Floating rate notes	3,642	3.89
Derivatives	(835)	(0.89)
<b>Total value of investments</b>	<b>93,523</b>	<b>100.00</b>



## Threadneedle European Bond Fund

### Portfolio Statement

*(continued)*

Value  
£000

#### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

UBS EURO-Bobl Future Expiring December 2018	(2,815)
<b>Total net exposure</b>	<b>(2,815)</b>

#### Total Purchases and Sales

*for the accounting period 8 March 2018 to 7 September 2018*

	2018 £000	2017 £000
Total purchases for the period	103,356	115,342
Total sales for the period	93,110	159,783

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 5.90% (5.01%)</b>					<b>DENMARK 0.00% (0.41%)</b>				
		<b>A– 2.34% (2.02%)</b>					<b>BBB 0.00% (0.41%)</b>		
EUR	1,866,000	AusNet Services Holdings 2.375% 24/07/2020	1,738	1.15			<b>Total Denmark</b>	–	–
EUR	1,904,000	SGSP Australia Assets 2% 30/06/2022	1,795	1.19					
		<b>BBB+ 1.28% (1.58%)</b>			<b>FINLAND 0.94% (0.81%)</b>				
EUR	490,000	*BHP Billiton Finance 5.625% 22/10/2079	512	0.34	EUR	1,590,000	Sampo 1.25% 30/05/2025	1,426	0.94
EUR	1,051,000	Goodman Australia Finance 1.375% 27/09/2025	904	0.60			<b>Total Finland</b>	<b>1,426</b>	<b>0.94</b>
EUR	580,000	Sydney Airport Finance 1.75% 26/04/2028	522	0.34	<b>FRANCE 7.01% (9.01%)</b>				
		<b>BBB 1.91% (1.10%)</b>			EUR	1,000,000	Sanofi 0% 13/01/2020	894	0.59
EUR	1,555,000	APT Pipelines 2% 22/03/2027	1,400	0.92			<b>AA– 0.41% (0.00%)</b>		
EUR	1,705,000	Ausgrid Finance 1.25% 30/07/2025	1,501	0.99	EUR	700,000	HSBC France 1.375% 04/09/2028	624	0.41
		<b>BBB– 0.37% (0.31%)</b>					<b>A+ 1.25% (1.07%)</b>		
GBP	500,000	Asciano Finance 5% 19/09/2023	555	0.37	EUR	2,100,000	*Total Capital International FRN 19/03/2020	1,883	1.25
		<b>Total Australia</b>	<b>8,927</b>	<b>5.90</b>			<b>A 0.87% (1.39%)</b>		
<b>AUSTRIA 0.00% (0.41%)</b>					EUR	1,500,000	Banque Fédérative du Crédit Mutuel 0.75% 17/07/2025	1,316	0.87
		<b>Baa2 0.00% (0.41%)</b>					<b>A– 1.66% (3.17%)</b>		
		<b>Total Austria</b>	–	–	EUR	650,000	Autorout 4.125% 13/04/2020	618	0.41
<b>BELGIUM 2.26% (1.33%)</b>					EUR	600,000	Autoroutes Paris 2.25% 16/01/2020	552	0.37
		<b>A– 1.77% (1.13%)</b>			EUR	700,000	Electricite de France 1.875% 13/10/2036	567	0.37
EUR	1,640,000	Anheuser-Busch InBev 2.75% 17/03/2036	1,510	1.00	EUR	500,000	Schneider Electric 3.5% 22/01/2019	453	0.30
EUR	1,300,000	Belfius Bank 0.625% 30/08/2023	1,158	0.77	EUR	336,000	*Total 3.369% 29/12/2049	313	0.21
		<b>BBB– 0.29% (0.00%)</b>					<b>BBB+ 1.27% (1.78%)</b>		
EUR	500,000	*Elia System Operator Variable 05/12/2166	446	0.29	EUR	855,000	*AXA 3.25% 28/05/2049	748	0.49
		<b>BB 0.20% (0.20%)</b>			EUR	600,000	Credit Agricole 1.875% 20/12/2026	542	0.36
EUR	400,000	*Belfius Bank Perpetual 3.625% 16/04/2066	296	0.20	EUR	700,000	Danone 1.375% 10/06/2019	632	0.42
		<b>Total Belgium</b>	<b>3,410</b>	<b>2.26</b>	EUR	700,000	Banque Fédérative du Crédit Mutuel 2.5% 25/05/2028	623	0.41
<b>BERMUDA 1.97% (1.01%)</b>					EUR	900,000	Pernod Ricard 2% 22/06/2020	832	0.55
		<b>BBB+ 0.00% (1.01%)</b>					<b>BB+ 0.00% (0.23%)</b>		
		<b>BBB– 1.97% (0.00%)</b>					<b>Ba2 0.00% (0.15%)</b>		
EUR	3,145,000	Bacardi 2.75% 03/07/2023	2,984	1.97			<b>B+ 0.00% (0.23%)</b>		
		<b>Total Bermuda</b>	<b>2,984</b>	<b>1.97</b>			<b>Total France</b>	<b>10,597</b>	<b>7.01</b>
<b>BRITISH VIRGIN ISLANDS 2.00% (0.95%)</b>					<b>GERMANY 11.56% (17.57%)</b>				
		<b>A+ 0.84% (0.00%)</b>			EUR	1,200,000	FMS Wertmanagement 0.125% 16/04/2020	1,081	0.72
EUR	1,440,000	State Grid Overseas 1.375% 02/05/2025	1,273	0.84	EUR	4,030,000	KFW 0.375% 22/07/2019	3,626	2.40
		<b>A– 0.76% (0.66%)</b>					<b>Aaau 2.16% (5.40%)</b>		
EUR	1,330,000	Cheung Kong Infra 1% 12/12/2024	1,152	0.76	EUR	2,385,000	Bundesrepublik Deutschland 2.5% 15/08/2046	2,905	1.92
		<b>BBB 0.40% (0.29%)</b>			EUR	257,000	Bundesrepublik Deutschland 4% 04/01/2037	357	0.24
EUR	671,000	Global Switch Holdings 1.5% 31/01/2024	598	0.40			<b>AA– 0.53% (0.00%)</b>		
		<b>Total British Virgin Islands</b>	<b>3,023</b>	<b>2.00</b>	EUR	900,000	Hannover Rueck 1.125% 18/04/2028	794	0.53

## 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 11.56% (17.57%) (continued)</b>					<b>LUXEMBOURG 6.14% (5.39%)</b>				
		<b>A 0.58% (0.50%)</b>					<b>AA- 0.42% (0.74%)</b>		
EUR	987,000	*BASF FRN 15/11/2019	884	0.58	EUR	710,000	Novartis Finance 0.5% 14/08/2023	638	0.42
		<b>BBB+ 1.10% (0.74%)</b>					<b>BBB+ 1.94% (1.46%)</b>		
EUR	1,869,000	Deutsche Bank 1.125% 30/08/2023	1,669	1.10	EUR	400,000	Glencore Finance Europe 3.75% 01/04/2026	388	0.26
		<b>Baa1 1.61% (1.39%)</b>			EUR	600,000	Grand City Properties 1.375% 03/08/2026	510	0.34
EUR	700,000	Eurogrid 1.625% 03/11/2023	654	0.43	EUR	2,300,000	Grand City Properties 1.5% 17/04/2025	2,019	1.34
EUR	1,900,000	Eurogrid 1.875% 10/06/2025	1,787	1.18			<b>BBB 1.43% (0.76%)</b>		
		<b>BBB 0.00% (0.34%)</b>			USD	1,200,000	Allergan Funding SCS 3.45% 15/03/2022	914	0.60
		<b>BBB- 0.00% (0.45%)</b>			EUR	1,395,000	Bevco 1.75% 09/02/2023	1,251	0.83
		<b>BB+ 1.37% (0.22%)</b>					<b>Baa2 1.69% (1.86%)</b>		
EUR	1,400,000	ADLER Real Estate 1.875% 27/04/2023	1,229	0.81	EUR	800,000	Ado Properties 1.5% 26/07/2024	694	0.46
EUR	500,000	ADLER Real Estate 3% 27/04/2026	439	0.29	EUR	2,100,000	SELP Finance 1.25% 25/10/2023	1,862	1.23
EUR	300,000	IHO Verwaltungs 3.25% 15/09/2023	275	0.18			<b>BBB- 0.00% (0.57%)</b>		
EUR	150,000	IHO Verwaltungs PIK 2.75% 15/09/2021	136	0.09			<b>BB+ 0.45% (0.00%)</b>		
		<b>BB- 0.61% (0.48%)</b>			EUR	820,000	*CPI Property Group 09/05/2167	686	0.45
EUR	985,000	Unitymedia Hessen 4% 15/01/2025	923	0.61			<b>B+ 0.21% (0.00%)</b>		
		<b>Not Rated 0.48% (0.71%)</b>			EUR	355,000	LHMC Finco 6.25% 20/12/2023	323	0.21
EUR	800,000	Telefonica Deutschland 1.75% 05/07/2025	721	0.48			<b>Total Luxembourg</b>	<b>9,285</b>	<b>6.14</b>
		<b>Total Germany</b>	<b>17,480</b>	<b>11.56</b>					
<b>HONG KONG 0.93% (0.00%)</b>					<b>MEXICO 0.81% (0.80%)</b>				
		<b>BBB 0.93% (0.00%)</b>					<b>BBB+ 0.81% (0.80%)</b>		
EUR	1,585,000	China National Chemical Corporation 1.75% 14/06/2022	1,413	0.93	EUR	485,000	Petroleos Mexicanos 1.875% 21/04/2022	425	0.28
		<b>Total Hong Kong</b>	<b>1,413</b>	<b>0.93</b>	EUR	898,000	Petroleos Mexicanos 3.75% 16/04/2026	792	0.53
							<b>Total Mexico</b>	<b>1,217</b>	<b>0.81</b>
<b>ICELAND 0.35% (0.79%)</b>					<b>NETHERLANDS 18.83% (12.89%)</b>				
		<b>BBB+ 0.35% (0.79%)</b>					<b>AA 0.47% (0.40%)</b>		
EUR	577,000	Arion Bank 1.625% 01/12/2021	527	0.35	EUR	792,000	Roche Finance Europe 0.5% 27/02/2023	718	0.47
		<b>Total Iceland</b>	<b>527</b>	<b>0.35</b>			<b>AA- 1.88% (1.81%)</b>		
					EUR	2,327,000	*Nederland Gasunie 0.075% 16/10/2018	2,079	1.37
<b>ITALY 1.97% (1.29%)</b>							<b>A+ 1.95% (3.00%)</b>		
		<b>BBB+ 0.27% (0.00%)</b>			EUR	850,000	Nederland Gasunie 1% 11/05/2026	765	0.51
EUR	520,000	Autostrade per l'Italia 1.75% EMTN 01/02/2027	413	0.27			<b>A+ 1.95% (3.00%)</b>		
		<b>Baa1 0.26% (0.00%)</b>			EUR	1,300,000	Enexis Holding 0.875% 28/04/2026	1,154	0.76
EUR	490,000	Italgas 1.625% 18/01/2029	394	0.26	EUR	1,034,000	Enexis Holding 1.5% 20/10/2023	965	0.64
		<b>BBB 1.07% (0.93%)</b>			EUR	868,000	Schiphol Nederland 2% 05/10/2026	830	0.55
EUR	555,000	*FCA Bank FRN 17/06/2021	490	0.33			<b>A 0.63% (0.22%)</b>		
USD	1,150,000	Intesa Sanpaolo 3.875% 14/07/2027	770	0.51	EUR	430,000	*Alliander Perpetual 1.625% 30/06/2066	381	0.25
USD	475,000	UniCredit 4.625% 12/04/2027	340	0.23	EUR	645,000	Compass Group Finance 1.5% 05/09/2028	575	0.38
		<b>Baa3 0.37% (0.36%)</b>					<b>A- 0.00% (0.57%)</b>		
EUR	608,000	*Assicurazioni 5% 08/06/2048	565	0.37			<b>BBB+ 6.26% (3.92%)</b>		
		<b>Total Italy</b>	<b>2,972</b>	<b>1.97</b>	USD	2,000,000	Deutsche Telekom 4.375% 21/06/2028	1,548	1.02
<b>JERSEY 0.86% (0.74%)</b>					EUR	3,500,000	*Deutsche Telekom FRN 03/04/2020	3,135	2.07
		<b>A- 0.86% (0.74%)</b>			EUR	1,410,000	Vesteda Finance 1.75% 22/07/2019	1,271	0.84
EUR	1,388,000	Heathrow Funding 1.875% 23/05/2022	1,301	0.86	EUR	1,284,000	Vesteda Finance 2% 10/07/2026	1,141	0.76
		<b>Total Jersey</b>	<b>1,301</b>	<b>0.86</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>NETHERLANDS 18.83% (12.89%) (continued)</b>					<b>BBB+ 0.00% (0.74%)</b>				
EUR	600,000	Vesteda Finance 2.5% 27/10/2022	568	0.38					
EUR	1,000,000	Vonovia Finance 0.875% 03/07/2023	887	0.59					
USD	1,150,000	Vonovia Finance 5% 02/10/2023	901	0.60	EUR	955,000	Bank of Ireland 1.375% 29/08/2023	848	0.56
		<b>Baa1 0.31% (0.00%)</b>			EUR	720,000	AIB Group 2.25% 03/07/2025	645	0.43
EUR	500,000	Elsevier Finance 2.5% 24/09/2020	468	0.31					
		<b>BBB 4.55% (1.61%)</b>							
EUR	1,300,000	Bayer Capital 1.5% 26/06/2026	1,150	0.76					
EUR	600,000	Bayer Capital 2.125% 15/12/2029	534	0.35					
EUR	1,190,000	*Eneco Holding 3.25% 29/12/2049	1,122	0.74					
EUR	1,903,000	Innogy Finance 1.625% 30/05/2026	1,731	1.15					
GBP	530,000	Innogy Finance 6.25% 03/06/2030	699	0.46	EUR	655,000	Temasek Financial 1.5% 01/03/2028	613	0.41
EUR	596,000	Madrilena Red De Gas 2.25% 11/04/2029	529	0.35					
EUR	1,254,000	Madrilena Red de Gas Finance 3.779% 11/09/2018	1,120	0.74					
		<b>BBB- 0.49% (0.27%)</b>							
EUR	500,000	Koninklijke KPN 3.25% 01/02/2021	479	0.32	EUR	800,000	Banco Bilbao Vlizcaya 1.375% 14/05/2025	699	0.46
EUR	286,000	Schaeffler Holding Finance 2.5% 15/05/2020	257	0.17					
		<b>BB+ 1.16% (0.86%)</b>			EUR	1,867,000	Nortegas Energia 2.065% 28/09/2027	1,631	1.08
EUR	800,000	*Telefonica Europe Perpetual 3% 04/12/2066	669	0.44					
EUR	1,200,000	*Tennet Holding 2.995% 01/06/2024	1,082	0.72					
		<b>BB 0.28% (0.23%)</b>							
EUR	476,000	Teva Pharmaceutical Finance 0.375% 25/07/2020	418	0.28					
		<b>Not Rated 0.85% (0.00%)</b>			EUR	2,465,000	Akelius Residential 1.75% 07/02/2025	2,156	1.43
EUR	1,460,000	Stedin Holding 1.375% 19/09/2028	1,290	0.85	EUR	540,000	*Akelius Residential FRN 05/10/2078	475	0.31
		<b>Total Netherlands</b>	<b>28,466</b>	<b>18.83</b>					
<b>NEW ZEALAND 0.00% (0.87%)</b>					<b>SWEDEN 2.41% (3.08%)</b>				
		<b>A- 0.00% (0.87%)</b>			EUR	1,125,000	Nordea Bank 0.3% 30/06/2022	1,007	0.67
		<b>Total New Zealand</b>	<b>-</b>	<b>-</b>					
<b>NORWAY 0.64% (1.87%)</b>					<b>SWITZERLAND 0.75% (1.24%)</b>				
		<b>AAA 0.64% (0.55%)</b>			USD	800,000	Credit Suisse 4.282% 09/01/2028	602	0.40
EUR	1,074,000	DNB Boligkreditt 0.375% 20/10/2020	971	0.64					
		<b>AA- 0.00% (0.82%)</b>							
		<b>A+ 0.00% (0.50%)</b>			USD	668,000	*Credit Suisse Group VAR 17/01/2167	526	0.35
		<b>Total Norway</b>	<b>971</b>	<b>0.64</b>					
<b>PORTUGAL 0.10% (0.09%)</b>					<b>UNITED KINGDOM 20.07% (18.63%)</b>				
		<b>Not Rated 0.10% (0.09%)</b>			EUR	1,652,000	Wellcome Trust 1.125% 21/01/2027	1,496	0.99
EUR	600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	158	0.10					
		<b>Total Portugal</b>	<b>158</b>	<b>0.10</b>					
<b>REPUBLIC OF IRELAND 1.57% (1.20%)</b>					<b>A 0.00% (0.45%)</b>				
		<b>A 0.58% (0.32%)</b>			EUR	1,274,000	Aviva 0.625% 27/10/2023	1,133	0.75
EUR	985,000	Swisscom via Lunar Funding V 1.125% 12/10/2026	874	0.58	EUR	1,124,000	BP Capital Markets 0.9% 03/07/2024	1,009	0.67
					EUR	1,255,000	Experian Finance 1.375% 25/06/2026	1,123	0.74
					EUR	360,000	Experian Finance 4.75% 04/02/2020	343	0.23

## 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 20.07% (18.63%) (continued)</b>					<b>UNITED STATES OF AMERICA 9.67% (11.59%)</b>				
<b>BBB+ 5.18% (5.18%)</b>					<b>AA 0.87% (0.74%)</b>				
EUR	1,820,000	BAT International Finance 1% EMTN 23/05/2022	1,647	1.09	EUR	1,480,000	Berkshire Hathaway 1.125% 16/03/2027	1,312	0.87
EUR	3,324,000	Cadent Finance 0.625% 22/09/2024	2,894	1.91	<b>AA- 0.00% (0.58%)</b>				
EUR	1,200,000	*Lloyds Banking 0.625% 15/01/2024	1,039	0.69	<b>A 0.46% (0.41%)</b>				
EUR	545,000	Rolls-Royce 1.625% 09/05/2028	483	0.32	EUR	865,000	General Electric 0.875% 17/05/2025	702	0.46
USD	920,000	Standard Chartered 4.05% 12/04/2026	688	0.45	<b>A- 1.44% (1.12%)</b>				
USD	1,420,000	*Vodafone Group FRN 16/01/2024	1,093	0.72	EUR	450,000	*JPMorgan Chase 1.638% 18/05/2028	405	0.27
<b>BBB 3.92% (3.57%)</b>					EUR	1,025,000	*JPMorgan Chase Variable 12/06/2029	923	0.61
EUR	455,000	*Aviva 3.875% 03/07/2044	430	0.28	EUR	1,000,000	Wells Fargo 1% 02/02/2027	853	0.56
EUR	570,000	Brit 1% 21/11/2024	501	0.33	<b>BBB+ 2.63% (4.24%)</b>				
EUR	1,103,000	British Telecommunications 1.125% 10/03/2023	1,000	0.66	EUR	870,000	American International Group 1.5% 08/06/2023	796	0.53
EUR	735,000	Imperial Brands Finance 0.5% 27/07/2021	659	0.44	EUR	843,000	American International Group 1.875% 21/06/2027	752	0.50
EUR	1,000,000	Imperial Brands Finance 2.25% 26/02/2021	932	0.62	EUR	1,020,000	BAT Capital 1.125% 16/11/2023	917	0.61
EUR	845,000	*NGG Finance 4.25% 18/06/2076	797	0.53	EUR	1,137,000	Goldman Sachs Group 2% 01/11/2028	1,010	0.67
EUR	710,000	Sky 1.875% 24/11/2023	666	0.44	EUR	546,000	Verizon Communications 2.875% 15/01/2038	480	0.32
GBP	900,000	*Telereal Securitisation 4.0902% 10/12/2033	937	0.62	<b>BBB 1.83% (1.15%)</b>				
<b>BBB- 3.67% (3.07%)</b>					EUR	755,000	AT&T 1.8% 05/09/2026	675	0.44
EUR	1,783,000	DS Smith 1.375% 26/07/2024	1,574	1.04	EUR	551,000	AT&T 3.15% 04/09/2036	486	0.32
EUR	1,025,000	G4S International Finance 1.5% 02/06/2024	915	0.61	EUR	1,045,000	Becton Dickson 1.9% 15/12/2026	935	0.62
EUR	450,000	G4S International Finance 1.875% 24/05/2025	403	0.27	EUR	717,000	Liberty Mutual 2.75% 04/05/2026	683	0.45
GBP	822,000	GKN Holdings 5.375% 19/09/2022	898	0.59	<b>BBB- 1.39% (2.45%)</b>				
EUR	2,000,000	*Royal Bank of Scotland 1.75% 02/03/2026	1,747	1.16	EUR	522,000	Kinder Morgan Energy Partners 2.25% 16/03/2027	481	0.32
<b>Baa3 0.38% (0.33%)</b>					EUR	1,845,000	Molson Coors Brewing 1.25% 15/07/2024	1,626	1.07
EUR	649,000	*National Express Group FRN 15/05/2020	578	0.38	<b>BB+ 0.67% (0.90%)</b>				
<b>BB+ 1.66% (1.35%)</b>					EUR	760,000	Equinix 2.875% 01/10/2025	662	0.44
EUR	1,005,000	*Barclays Bank 2% 07/02/2028	858	0.57	EUR	395,000	Equinix 2.875% 01/02/2026	344	0.23
GBP	1,650,000	Delamare Finance 5.5457% 29/02/2029	1,646	1.09	<b>BB 0.38% (0.00%)</b>				
<b>BB 0.00% (0.35%)</b>					EUR	640,000	Quintiles IMS 3.25% 15/03/2025	574	0.38
<b>BB- 0.18% (0.44%)</b>					<b>Total United States of America</b>				
GBP	275,000	Virgin Media Secured Finance 5.125% 15/01/2025	280	0.18	<b>14,616 9.67</b>				
<b>B+ 0.21% (0.19%)</b>					<b>DERIVATIVES -0.48% (-0.27%)</b>				
GBP	300,000	*Barclays Bank 7.75% 08/03/2075	319	0.21	EUR	(2,500,000)	BNP Paribas Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2021 Spread 500	(189)	(0.13)
<b>Not Rated 1.49% (1.30%)</b>					EUR	(4,000,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2023 Spread 500	(322)	(0.21)
GBP	300,000	*Cattles 7.125% 05/07/2017 (Defaulted)	1	-	EUR	(7,500,000)	Citigroup Itraxx-European Credit Default Swap Index Buy Protection 20/06/2023 Spread 100	(110)	(0.07)
GBP	1,010,000	First Hydro Finance 9% 31/07/2021	1,209	0.80					
EUR	350,000	Lehman Brothers UK Capital Funding III 3.875% 29/12/2049 (Defaulted)	-	-					
GBP	1,050,000	*Pennon Group Perpetual Variable 22/05/2066	1,048	0.69					
<b>Total United Kingdom</b>			<b>30,346</b>	<b>20.07</b>					

## Threadneedle European Corporate Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Value £000		
<b>DERIVATIVES –0.48% (–0.27%) (continued)</b>				<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>		
<b>Futures and Options 0.01% (0.00%)</b>						
EUR	(72) UBS EURO-Bobl Future Expiring December 2018	11	0.01	UBS EURO-Bobl Future Expiring December 2018	(8,445)	
EUR	(29) UBS EURO-Oat Future Expiring December 2018	5	–	UBS EURO-Oat Future Expiring December 2018	(3,944)	
EUR	3 UBS EURO Buxl 30 Year Future Expiring December 2018	(2)	–	UBS EURO Buxl 30 Year Future Expiring December 2018	471	
GBP	(23) UBS Long Gilt Future Expiring December 2018	(5)	–	UBS Long Gilt Future Expiring December 2018	(2,811)	
USD	(16) UBS US 5 Year Note Future Expiring December 2018	(2)	–	UBS US 5 Year Note Future Expiring December 2018	(1,393)	
USD	(6) UBS US 10 Year Note Future Expiring December 2018	(1)	–	UBS US 10 Year Note Future Expiring December 2018	(554)	
USD	(21) UBS US 10 Year Ultra Future Expiring December 2018	(3)	–	UBS US 10 Year Ultra Future Expiring December 2018	(2,060)	
				<b>Total net exposure</b>	<b>(18,736)</b>	
				<b>Total Purchases and Sales</b>		
				<i>for the accounting period 8 March 2018 to 7 September 2018</i>		
					<b>2018</b>	<b>2017</b>
					<b>£000</b>	<b>£000</b>
				Total purchases for the period	71,509	134,212
				Total sales for the period	96,127	159,370
<b>Forward Foreign Exchange Contracts –0.08% (0.09%)</b>						
Sell EUR 1,157						
Buy CHF 1,320 J.P. Morgan				–	–	
Sell GBP 9,453,689						
Buy EUR 10,539,465 Bank of Scotland				(38)	(0.03)	
Sell GBP 9,500,000						
Buy EUR 10,539,665 J.P. Morgan				(87)	(0.06)	
Sell USD 18,000,000						
Buy EUR 15,507,084 J.P. Morgan				25	0.02	
Sell GBP 58,115						
Buy EUR 65,066 Lloyds				–	–	
Sell USD 11,600,000						
Buy EUR 9,970,586 Citigroup				3	–	
Sell EUR 116,580						
Buy GBP 104,425 Lloyds				–	–	
Sell EUR 157,000						
Buy GBP 141,180 Citigroup				1	–	
Sell EUR 1,155						
Buy USD 1,342 J.P. Morgan				–	–	
Sell EUR 1,210,516						
Buy USD 1,400,000 Lloyds				(6)	–	
Sell EUR 4,306,769						
Buy USD 5,000,000 Lloyds				(6)	(0.01)	
<b>Total Derivatives</b>				<b>(726)</b>	<b>(0.48)</b>	
<b>Total value of investments</b>		<b>148,469</b>	<b>98.21</b>			
<b>Net other assets (1.66%)</b>		<b>2,709</b>	<b>1.79</b>			
<b>Net assets</b>		<b>151,178</b>	<b>100.00</b>			

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	122,728	82.66
Floating rate notes	26,467	17.83
Derivatives	(726)	(0.49)
<b>Total value of investments</b>	<b>148,469</b>	<b>100.00</b>

March 2018 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

as at 7 September 2018

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 0.89% (0.94%)</b>					EUR	510,000	Crown European Holdings 2.25% 01/02/2023	462	0.07
<b>BB 0.89% (0.94%)</b>					EUR	2,955,000	Crown European Holdings 2.625% 30/09/2024	2,651	0.40
EUR	6,526,000	*Origin Energy Finance 4% 16/09/2074	5,979	0.89	EUR	1,450,000	Crown European Holdings 2.875% 01/02/2026	1,257	0.19
<b>Total Australia</b>			<b>5,979</b>	<b>0.89</b>	EUR	1,600,000	SPIE 3.125% 22/03/2024	1,433	0.21
<b>AUSTRIA 0.00% (0.23%)</b>					<b>Ba2 0.54% (0.58%)</b>				
<b>Caa1 0.00% (0.23%)</b>					EUR	2,200,000	Elis 1.875% 15/02/2023	1,967	0.29
<b>Total Austria</b>			<b>-</b>	<b>-</b>	EUR	1,900,000	Elis 2.875% 15/02/2026	1,696	0.25
<b>BELGIUM 0.72% (0.76%)</b>					<b>BB- 0.53% (0.56%)</b>				
<b>BB+ 0.24% (0.00%)</b>					EUR	1,930,000	Rexel 2.125% 15/06/2025	1,669	0.25
EUR	1,792,000	*KBC Groep 5.625% 19/12/2049	1,621	0.24	EUR	2,060,000	Rexel 3.5% 15/06/2023	1,906	0.28
<b>BB 0.00% (0.26%)</b>					<b>B+ 0.69% (1.59%)</b>				
<b>Not Rated 0.48% (0.50%)</b>					EUR	1,210,000	La Financiere Atalian 4% 15/05/2024	1,028	0.15
EUR	3,400,000	*Belfius Bank 4.609% 29/12/2165	3,171	0.48	EUR	3,330,000	Paprec Holding 4% 31/03/2025	2,974	0.44
<b>Total Belgium</b>			<b>4,792</b>	<b>0.72</b>	EUR	710,000	*Paprec Holding FRN 31/03/2025	639	0.10
<b>CANADA 1.75% (1.72%)</b>					<b>B 1.38% (0.59%)</b>				
<b>BB- 0.46% (0.43%)</b>					EUR	7,314,000	Altice France 5.875% 01/02/2027	6,718	1.00
USD	967,000	Bausch Health 6.5% 15/03/2022	768	0.11	EUR	2,444,000	Numericable-SFR 5.625% 15/05/2024	2,269	0.34
USD	1,497,000	Valeant 5.5% 01/11/2025	1,146	0.17	EUR	300,000	Vallourec 6.625% 15/10/2022	280	0.04
USD	1,472,000	Valeant 7% 15/03/2024	1,193	0.18	<b>B- 0.34% (0.85%)</b>				
<b>B 0.63% (0.66%)</b>					EUR	580,000	CMA CGM 5.25% 15/01/2025	445	0.07
EUR	4,456,000	Cott Finance 5.5% 01/07/2024	4,213	0.63	EUR	1,965,000	Europcar Groupe 5.75% 15/06/2022	1,804	0.27
<b>B- 0.66% (0.63%)</b>					<b>CCC+ 0.21% (0.38%)</b>				
USD	1,659,000	Bombardier 5.75% 15/03/2022	1,273	0.19	EUR	1,640,000	Newco Sab Midco 5.375% 15/04/2025	1,436	0.21
EUR	3,673,000	Valeant Pharmaceuticals 4.5% 15/05/2023	3,168	0.47	<b>Total France</b>			<b>51,026</b>	<b>7.61</b>
<b>Total Canada</b>			<b>11,761</b>	<b>1.75</b>	<b>GERMANY 6.57% (6.99%)</b>				
<b>CAYMAN ISLANDS 0.23% (0.23%)</b>					<b>BB+ 2.74% (0.63%)</b>				
<b>BB 0.23% (0.23%)</b>					EUR	2,095,000	ADLER Real Estate 1.5% 06/12/2021	1,883	0.28
EUR	1,735,000	UPCB Finance VII 3.625% 15/06/2029	1,534	0.23	EUR	1,800,000	ADLER Real Estate 1.875% 27/04/2023	1,581	0.24
<b>Total Cayman Islands</b>			<b>1,534</b>	<b>0.23</b>	EUR	3,290,000	ADLER Real Estate 2.125% 06/02/2024	2,882	0.43
<b>FRANCE 7.61% (7.91%)</b>					EUR	700,000	ADLER Real Estate 3% 27/04/2026	614	0.09
<b>BBB- 0.44% (0.45%)</b>					EUR	3,742,000	IHO Verwaltungs PIK 3.25% 15/09/2023	3,433	0.51
EUR	1,240,000	*Orange 4% 26/10/2049	1,192	0.18	EUR	2,565,202	IHO Verwaltungs PIK 2.75% 15/09/2021	2,319	0.35
EUR	1,360,000	*Orange 5% 29/10/2049	1,330	0.20	EUR	4,040,000	IHO Verwaltungs PIK 3.75% 15/09/2026	3,705	0.55
GBP	400,000	*Orange 5.875% 29/12/49	433	0.06	EUR	1,995,000	*Lanxess Finance 4.5% 06/12/2076	1,925	0.29
<b>BB+ 2.06% (1.38%)</b>					EUR	3,014,000	Thyssenkrupp 2.75% 08/03/2021	2,813	0.42
EUR	2,050,000	*Credit Agricole Perpetual 6.5% 23/12/2049	2,014	0.30	<b>Ba2 0.65% (0.64%)</b>				
EUR	2,694,000	Elis 3% 30/04/2022	2,440	0.36	GBP	4,300,000	*RWVE 7% 29/03/2049	4,385	0.65
EUR	1,200,000	Orano 3.125% 20/03/2023	1,078	0.16	<b>BB- 1.05% (2.84%)</b>				
EUR	1,400,000	Orano 3.5% 22/03/2021	1,314	0.20	EUR	970,000	Progroup 3% 31/03/2026	865	0.13
EUR	150,000	Orano 4.875% 23/09/2024	142	0.02	EUR	2,274,000	Unitymedia Hessen 6.25% 15/01/2029	2,057	0.31
EUR	3,492,000	*Solvay Finance 5.869% 29/06/2049	3,504	0.52	EUR	1,860,000	Unitymedia NRW 3.5% 15/01/2027	1,746	0.26
EUR	1,310,000	*Solvay Finance 5.118% 29/06/2049	1,271	0.19	USD	2,662,000	Unitymedia NRW 5% 15/01/2025	2,075	0.31
EUR	2,270,000	SPCM 2.875% 15/06/2023	2,048	0.31	EUR	325,000	WEPA Hygieneprodukte 3.75% 15/05/2024	284	0.04
<b>BB 1.42% (1.53%)</b>					<b>B 1.29% (1.13%)</b>				
EUR	2,600,000	Casino Guichard-Perrachon 1.865% 13/06/2022	2,051	0.31	EUR	1,584,000	Kirk Beauty Zero 6.25% 15/07/2022	1,243	0.18
EUR	1,800,000	Casino Guichard-Perrachon 4.726% 26/05/2021	1,575	0.24	EUR	1,159,000	Platin 5.375% 15/06/2023	1,014	0.15
					EUR	2,270,000	Safari Holdings 5.375% 30/11/2022	2,058	0.31
					EUR	4,675,000	Unitymedia 3.75% 15/01/2027	4,392	0.65

## 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 6.57% (6.99%) (continued)</b>									
		<b>B- 0.42% (0.00%)</b>			EUR	650,000	BMBG Bond Finance 3% 15/06/2021	587	0.09
EUR	3,156,000	Blitz 6% 30/07/2026	2,790	0.42	EUR	1,946,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	1,943	0.29
		<b>CCC+ 0.00% (0.58%)</b>			EUR	5,967,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	5,698	0.85
		<b>Total Germany</b>	<b>44,064</b>	<b>6.57</b>	EUR	1,583,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	1,454	0.22
<b>ITALY 5.70% (5.32%)</b>									
		<b>BBB- 0.28% (0.34%)</b>			EUR	2,502,000	Telecom Italia Finance 7.75% 24/01/2033	3,008	0.45
GBP	1,730,000	*Enel 6.625% 15/09/2076	1,873	0.28					
		<b>BB+ 3.33% (3.58%)</b>							
EUR	878,000	Leonardo 1.5% 07/06/2024	749	0.11					
EUR	5,420,000	Leonardo 4.5% 19/01/2021	5,245	0.78	EUR	1,305,000	Aramark International Finance 3.125% 01/04/2025	1,205	0.18
EUR	1,910,000	Telecom Italia 3% 30/09/2025	1,711	0.25	EUR	1,603,000	Arena Luxembourg Finance 2.875% 01/11/2024	1,429	0.21
EUR	1,010,000	Telecom Italia 3.625% 19/01/2024	956	0.14	EUR	4,776,000	Dufry Finance 4.55% 01/08/2023	4,413	0.66
EUR	5,045,000	Telecom Italia 3.625% 25/05/2026	4,671	0.70	EUR	4,269,000	Hanesbrands 3.5% 15/06/2024	3,969	0.59
EUR	5,190,000	Telecom Italia 4.5% 25/01/2021	5,013	0.75					
EUR	2,400,000	Telecom Italia 5.25% 10/02/2022	2,402	0.36					
EUR	1,800,000	Telecom Italia 5.25% 17/03/2055	1,619	0.24					
		<b>BB 0.39% (0.41%)</b>			EUR	3,855,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	3,321	0.49
EUR	2,765,000	LKQ Italia Bondco 3.875% 01/04/2024	2,606	0.39					
		<b>BB- 1.08% (0.74%)</b>			EUR	625,000	Altice Financing 5.25% 15/02/2023	579	0.09
EUR	3,930,000	Wind Tre 2.625% 20/01/2023	3,321	0.50	USD	2,307,000	Altice Financing 6.625% 15/02/2025	1,769	0.26
EUR	4,693,000	Wind Tre 3.125% 20/01/2025	3,868	0.58	EUR	5,359,000	Garfunkelux 7.5% 01/08/2022	4,612	0.69
		<b>B+ 0.62% (0.00%)</b>			GBP	1,780,000	Garfunkelux 8.5% 01/11/2022	1,682	0.25
EUR	4,677,000	Nexi Capital 4.125% 01/11/2023	4,169	0.62	EUR	850,000	Ineos Group Holdings 5.375% 01/08/2024	795	0.12
		<b>B 0.00% (0.25%)</b>			EUR	3,723,000	LHMC Finco 6.25% 20/12/2023	3,391	0.51
		<b>Total Italy</b>	<b>38,203</b>	<b>5.70</b>	EUR	1,535,000	Matterhorn Telecom 3.875% 01/05/2022	1,395	0.21
<b>JAPAN 1.56% (2.46%)</b>									
		<b>BB+ 1.56% (2.46%)</b>							
EUR	2,213,000	SoftBank Group 4% 20/04/2023	2,067	0.31	EUR	2,982,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	2,441	0.36
EUR	9,168,000	SoftBank Group 5% 15/04/2028	8,113	1.21	EUR	3,635,000	Crystal Almond 10% 01/11/2021	3,498	0.52
EUR	338,000	SoftBank Group 4% 19/09/2029	273	0.04	EUR	1,501,000	Intralot Capital 5.25% 15/09/2024	1,012	0.15
		<b>Total Japan</b>	<b>10,453</b>	<b>1.56</b>	EUR	1,760,000	Intralot Capital 6.75% 15/09/2021	1,327	0.20
<b>JERSEY 1.60% (2.72%)</b>									
		<b>BB+ 0.54% (0.57%)</b>			EUR	948,000	Lecta 6.5% 01/08/2023	861	0.13
EUR	3,949,000	Lincoln Finance 6.875% 15/04/2021	3,647	0.54	EUR	1,173,000	LSF 10 Wolverine Investments 5% 15/03/2024	1,047	0.16
		<b>BB 0.03% (0.00%)</b>			EUR	770,000	*LSF 10 Wolverine Investments FRN 15/03/2024	692	0.10
EUR	200,000	Avis Budget Finance 4.5% 15/05/2025	182	0.03	EUR	736,000	Takko Luxembourg 2 5.375% 15/11/2023	594	0.09
		<b>(P)Ba2 0.64% (0.58%)</b>							
EUR	4,837,637	LHC Three PIK 4.125% 15/08/2024	4,285	0.64					
		<b>B 0.00% (1.16%)</b>			EUR	2,966,000	Aguila 3 6.75% 15/12/2021	2,757	0.41
		<b>B- 0.39% (0.41%)</b>			EUR	1,902,000	Altice 6.25% 15/02/2025	1,601	0.24
GBP	3,110,000	TVL Finance 8.5% 15/05/2023	2,616	0.39	EUR	6,717,000	Altice 7.25% 15/05/2022	5,969	0.89
		<b>Total Jersey</b>	<b>10,730</b>	<b>1.60</b>	EUR	790,000	ARD Finance PIK 6.625% 15/09/2023	722	0.11
<b>LUXEMBOURG 12.23% (13.88%)</b>									
		<b>BBB- 1.09% (2.92%)</b>			USD	2,351,000	Altice Finco 8.125% 15/01/2024	1,807	0.27
GBP	2,586,000	Gaz Capital 4.25% 06/04/2024	2,579	0.38	EUR	1,365,000	Altice Finco 9% 15/06/2023	1,274	0.19
EUR	5,200,000	*Grand City Properties 3.75% 29/12/2049	4,758	0.71	EUR	4,420,000	Horizon Parent Holdings 8.25% 15/02/2022	4,122	0.61



## 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 12.23% (13.88%) (continued)</b>									
		<b>CCC 0.08% (0.08%)</b>			GBP	1,856,000	Petrobras Global Finance 5.375% 01/10/2029	1,697	0.25
EUR	550,000	Aguila 3 9.75% 15/12/2022	530	0.08	GBP	2,491,000	Petrobras Global Finance 6.625% 16/01/2034	2,430	0.36
		<b>Total Luxembourg</b>	<b>81,981</b>	<b>12.23</b>	GBP	2,703,000	Petrobras International Finance 6.25% 14/12/2026	2,727	0.41
<b>MEXICO 0.65% (0.53%)</b>									
		<b>BB 0.65% (0.53%)</b>			EUR	347,000	Ziggo Secured Finance 3.75% 15/01/2025	307	0.05
EUR	871,000	Cemex 4.375% 05/03/2023	804	0.12	EUR	2,900,000	Ziggo Secured Finance 4.25% 15/01/2027	2,572	0.38
USD	2,384,000	Cemex 7.75% 16/04/2026	2,003	0.30					
EUR	1,778,000	Cemex S.A.B. De C.V. 2.75% 05/12/2024	1,567	0.23					
		<b>Total Mexico</b>	<b>4,374</b>	<b>0.65</b>	GBP	3,552,000	InterGen 7.5% 30/06/2021	3,530	0.53
<b>NETHERLANDS 13.63% (12.30%)</b>									
		<b>BBB- 0.93% (0.39%)</b>			EUR	5,618,000	LGE HoldCo VI 7.125% 15/05/2024	5,359	0.80
EUR	1,583,000	Schaeffler Holding Finance 3.25% 15/05/2025	1,491	0.22	EUR	1,880,000	UPC Holding 3.875% 15/06/2029	1,624	0.24
EUR	2,560,000	Schaeffler Holding Finance 3.5% 15/05/2022	2,313	0.34	EUR	1,770,000	Ziggo Bond Finance 4.625% 15/01/2025	1,564	0.23
EUR	2,700,000	*Vonovia Finance 4.625% 08/04/2074	2,458	0.37					
		<b>BB+ 4.31% (4.43%)</b>			EUR	1,240,000	Constellium 4.25% 15/02/2026	1,115	0.17
EUR	4,235,000	Darling Global Finance 3.625% 15/05/2026	3,850	0.57	EUR	1,270,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	1,069	0.16
EUR	100,000	*Repsol International Finance 3.875% 29/12/2049	93	0.01	USD	3,417,535	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	656	0.10
EUR	556,000	*Repsol International Finance 4.5% 25/03/2075	527	0.08					
EUR	6,200,000	*Telefonica Europe 3.75% 31/12/2049	5,578	0.83					
EUR	4,000,000	*Telefonica Europe 4.2% 29/12/2049	3,673	0.55					
GBP	6,000,000	*Telefonica Europe 6.75% Perpetual	6,411	0.96					
EUR	2,500,000	*Telefonica Europe Perpetual 3% 04/12/2066	2,092	0.31					
EUR	3,400,000	*Telefonica Europe Perpetual 3.875% 22/09/2066	2,782	0.41					
EUR	4,357,000	*Tennet Holding 2.995% 01/06/2024	3,927	0.59					
		<b>BB 3.46% (1.85%)</b>							
EUR	2,850,000	Dufry One 2.5% 15/10/2024	2,557	0.38					
GBP	2,634,000	*Koninklijke KPN 6.875% 14/03/2073	2,792	0.42					
EUR	3,084,000	LKQ European Holdings 3.625% 01/04/2026	2,781	0.41					
EUR	1,169,000	OI European Group 4.875% 31/03/2021	1,153	0.17					
EUR	1,596,000	OI European Group 6.75% 15/09/2020	1,610	0.24					
EUR	4,688,000	Teva Pharmaceutical Finance 1.125% 15/10/2024	3,667	0.55					
EUR	3,144,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	2,617	0.39					
EUR	2,252,000	Teva Pharmaceutical Finance 1.875% 31/03/2027	1,705	0.25					
EUR	1,895,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	1,745	0.26					
EUR	2,770,000	Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025	2,604	0.39					
		<b>BB- 2.70% (3.00%)</b>							
EUR	1,750,000	Axalta Coating Systems 3.75% 15/01/2025	1,606	0.24					
EUR	1,092,000	Hertz Holdings 5.5% 30/03/2023	982	0.15					
EUR	3,750,000	InterXion Holding 4.75% 15/06/2025	3,476	0.52					
EUR	2,475,000	Petrobras Global Finance 4.75% 14/01/2025	2,257	0.34					
		<b>B 1.27% (1.87%)</b>							
		<b>B+ 0.53% (0.00%)</b>							
		<b>B- 0.17% (0.50%)</b>							
		<b>Not Rated 0.26% (0.26%)</b>							
		<b>Total Netherlands</b>	<b>91,397</b>	<b>13.63</b>					
<b>PORTUGAL 0.36% (0.38%)</b>									
		<b>Not Rated 0.36% (0.38%)</b>			EUR	1,000,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	268	0.04
EUR	1,000,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)			EUR	6,900,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	1,818	0.27
EUR	6,900,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)			EUR	1,400,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	359	0.05
EUR	1,400,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)							
		<b>Total Portugal</b>	<b>2,445</b>	<b>0.36</b>					
<b>REPUBLIC OF IRELAND 5.27% (5.18%)</b>									
		<b>BB+ 0.55% (0.25%)</b>			EUR	1,285,000	Bank of Ireland 10% 19/12/2022	1,537	0.23
EUR	1,285,000	Bank of Ireland 10% 19/12/2022			EUR	2,340,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026	2,124	0.32
EUR	2,340,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026							
		<b>BB 0.63% (0.66%)</b>			EUR	4,710,000	Ardagh Packaging Finance 2.75% 15/03/2024	4,235	0.63
EUR	4,710,000	Ardagh Packaging Finance 2.75% 15/03/2024							
		<b>BB- 0.31% (0.33%)</b>			EUR	2,120,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,044	0.31
EUR	2,120,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049							
		<b>Ba3u 0.29% (0.00%)</b>			EUR	1,979,000	*Allied Irish Banks 7.375% 29/12/2049	1,944	0.29
EUR	1,979,000	*Allied Irish Banks 7.375% 29/12/2049							
		<b>B+ 0.61% (0.63%)</b>			GBP	1,381,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049	1,364	0.20
EUR	1,381,000	*Argon Capital for Royal Bank of Scotland 8.162% 29/10/2049			EUR	3,025,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	2,758	0.41
EUR	3,025,000	Eircom Finance 4.5% 31/05/2022 SNR SEC							



## 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 18.44% (20.02%) (continued)</b>									
		<b>B+ 0.58% (0.94%)</b>			EUR	1,445,000	Iron Mountain 3% 15/01/2025	1,271	0.19
GBP	1,189,000	Keystone Financing 9.5% 15/10/2019	454	0.07	EUR	3,160,000	Silgan Holdings 3.25% 15/03/2025	2,885	0.43
EUR	3,726,000	Synlab 6.25% 01/07/2022	3,431	0.51			<b>B+ 1.67% (1.06%)</b>		
		<b>B1 0.19% (0.34%)</b>			EUR	3,244,000	Catalent Pharma Solution 4.75% 15/12/2024	3,036	0.45
GBP	1,251,000	Thames Water Kemble Finance 7.75% 01/04/2019	1,289	0.19	EUR	1,260,000	Kronos International 3.75% 15/09/2025	1,090	0.16
		<b>B 1.98% (2.57%)</b>			EUR	3,140,000	Netflix 3.625% 15/05/2027	2,743	0.41
GBP	2,318,000	Pinnacle Bidco 6.375% 15/02/2025	2,374	0.35	EUR	4,839,000	Spectrum Brands 4% 01/10/2026	4,369	0.65
USD	4,050,000	*Royal Bank of Scotland Group 8.625% 29/12/2049	3,321	0.50			<b>B 0.98% (0.97%)</b>		
EUR	4,056,000	Virgin Media Finance 4.5% 15/01/2025	3,681	0.55	EUR	5,122,000	Avantor 4.75% 01/10/2024	4,690	0.70
GBP	3,556,000	Virgin Media Finance 6.375% 15/10/2024	3,678	0.55	USD	2,500,000	Cott Holdings 5.5% 01/04/2025	1,872	0.28
GBP	235,000	Vougeot Bidco 7.875% 15/07/2020	235	0.03			<b>B- 0.29% (0.53%)</b>		
		<b>B2 0.42% (0.47%)</b>			USD	2,144,000	CSC Holdings 10.875% 15/10/2025	1,922	0.29
GBP	3,310,000	Shop Direct Funding 7.75% 15/11/2022	2,802	0.42			<b>Total United States of America</b>	<b>63,004</b>	<b>9.40</b>
		<b>B- 1.93% (2.42%)</b>			<b>DERIVATIVES 0.26% (0.43%)</b>				
EUR	1,459,000	Algeco Scotsman 6.5% 15/02/2023	1,357	0.20			<b>Credit Default Swaps 0.22% (0.02%)</b>		
GBP	4,124,000	Cognita Finance 7.75% 15/08/2021	4,196	0.63	EUR	3,300,000	Barclays Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/09/2018 Spread 500	5	-
USD	6,947,952	EnQuest PIK 7% 15/04/2022	4,969	0.74	EUR	2,400,000	Goldman Sachs Fiat Chrysler Finance North America Credit Default Swap Sell Protection 20/12/2018 Spread 500	30	-
EUR	2,535,000	Synlab 8.25% 01/07/2023	2,404	0.36	EUR	8,500,000	Goldman Sachs Itraxx Crossover Credit Default Swap Index Sell Protection 20/06/2023 Spread 500	685	0.10
		<b>B3 0.73% (0.79%)</b>			EUR	10,000,000	J.P. Morgan Itraxx Crossover Credit Default Swap Index Sell Protection 20/06/2023 Spread 500	806	0.12
GBP	5,000,000	KIRS Midco 3 8.375% 15/07/2023	4,897	0.73			<b>Futures and Options 0.00% (0.02%)</b>		
		<b>CCC+ 0.20% (0.00%)</b>			GBP	(68)	UBS Long Gilt Future Expiring December 2018	(12)	-
EUR	828,000	Boparan Finance 4.375% 15/07/2021	678	0.10			<b>Forward Foreign Exchange Contracts 0.04% (0.39%)</b>		
GBP	710,000	Boparan Finance 5.5% 15/07/2021	648	0.10			Sell EUR 877,353		
		<b>CCC 0.16% (0.11%)</b>					Buy CHF 1,000,847 J.P. Morgan	13	-
GBP	1,796,000	New Look Secured Bond 6.5% 01/07/2022	1,062	0.16			Sell EUR 223,721		
		<b>Not Rated 0.00% (0.19%)</b>					Buy CHF 255,211 J.P. Morgan	3	-
USD	434	NV Profit Share Preference Share	-	-			Sell EUR 249,484		
		<b>Total United Kingdom</b>	<b>123,653</b>	<b>18.44</b>			Buy CHF 284,601 J.P. Morgan	3	-
<b>UNITED STATES OF AMERICA 9.40% (8.95%)</b>							Sell EUR 249,484		
		<b>BB+ 2.76% (4.28%)</b>					Buy CHF 284,601 J.P. Morgan	3	-
EUR	964,000	Ball Corporation 3.5% 15/12/2020	923	0.14			Sell USD 141,353		
EUR	1,810,000	Ball Corporation 4.375% 15/12/2023	1,827	0.27			Buy EUR 120,588 J.P. Morgan	(1)	-
EUR	2,640,000	Colfax 3.25% 15/05/2025	2,386	0.36			Sell USD 53,855		
EUR	6,176,000	Equinix 2.875% 01/10/2025	5,379	0.80			Buy EUR 45,964 J.P. Morgan	-	-
EUR	4,965,000	Equinix 2.875% 01/02/2026	4,322	0.64			Sell USD 55,441,039		
USD	1,185,000	Equinix 5.375% 15/05/2027	925	0.14			Buy EUR 48,497,590 J.P. Morgan	770	0.12
EUR	2,715,000	Sealed Air 4.5% 15/09/2023	2,736	0.41			Sell GBP 68,700,000		
		<b>BB 2.72% (0.92%)</b>					Buy EUR 76,577,881 Barclays	(287)	(0.04)
EUR	2,700,000	Cemex Finance 4.625% 15/06/2024	2,550	0.38			Sell GBP 68,725,684		
EUR	7,243,000	Quintiles IMS 3.25% 15/03/2025	6,490	0.97			Buy EUR 76,605,562 Bank of Scotland	(287)	(0.04)
EUR	5,038,000	Quintiles IMS 3.5% 15/10/2024	4,596	0.69			Sell EUR 582,000		
GBP	4,714,000	Vantiv 3.875% 15/11/2025	4,579	0.68			Buy GBP 523,518 Bank of Scotland	4	-
		<b>BB- 0.98% (1.19%)</b>					Sell EUR 11,013		
EUR	698,000	Axalta Coating Systems 4.25% 15/08/2024	651	0.10			Buy USD 12,799 J.P. Morgan	-	-
USD	2,320,000	Hertz 7.625% 01/06/2022	1,762	0.26			Sell EUR 14,606		
							Buy USD 16,975 J.P. Morgan	-	-

## Threadneedle European High Yield Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.26% (0.43%) (continued)</b>			
	Sell EUR 5,267,035		
	Buy USD 6,121,338 J.P. Morgan	(9)	–
	<b>Total Derivatives</b>	<b>1,723</b>	<b>0.26</b>
<b>Total value of investments<sup>2</sup></b>		<b>621,691</b>	<b>92.73</b>
<b>Net other assets (3.35%)</b>		<b>48,741</b>	<b>7.27</b>
<b>Net assets</b>		<b>670,432</b>	<b>100.00</b>

March 2018 comparatives in brackets.

\*Variable rate bonds.

(P) refers to provisional rating.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	507,260	81.59
Floating rate notes	112,708	18.13
Derivatives	1,723	0.28
<b>Total value of investments<sup>2</sup></b>	<b>621,691</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS Long Gilt Future Expiring December 2018	(8,311)
<b>Total net exposure</b>	<b>(8,311)</b>

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	117,358	111,912
Total sales for the period	111,823	158,657

## Threadneedle Strategic Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.36% (0.45%)</b>					<b>CAYMAN ISLANDS 3.63% (2.51%)</b>				
		<b>B+ 0.36% (0.45%)</b>					<b>AA+ 0.15% (0.16%)</b>		
USD	419,000	Provincia de Cordoba 7.45% 01/09/2024	251	0.10	GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	370	0.15
USD	988,000	Republic of Argentina 7.5% 22/04/2026	639	0.26			<b>A+ 0.96% (0.47%)</b>		
		<b>Total Argentina</b>	<b>890</b>	<b>0.36</b>	USD	1,487,000	Alibaba Group 4% 06/12/2037	1,061	0.43
<b>AUSTRALIA 2.85% (3.80%)</b>					USD	200,000	Tencent Holding 3.925% 19/01/2038	141	0.06
		<b>A- 0.20% (0.55%)</b>			USD	1,620,000	Tencent Holdings 3.595% 19/01/2028	1,178	0.47
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	497	0.20			<b>A 0.33% (0.34%)</b>		
		<b>BBB+ 0.43% (1.54%)</b>			GBP	622,000	Dwr Cymru Financing 6.015% 31/03/2028	818	0.33
GBP	942,000	*BHP Billiton Finance 6.5% 22/10/2077	1,067	0.43			<b>BBB+ 0.40% (0.41%)</b>		
		<b>BBB 1.45% (0.92%)</b>			GBP	1,021,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	995	0.40
GBP	3,285,000	APT Pipelines 4.25% 26/11/2024	3,596	1.45			<b>BBB 0.34% (0.00%)</b>		
		<b>BBB- 0.59% (0.60%)</b>			GBP	783,000	*Southern Water Services Finance 4.5% 31/03/2038	834	0.34
GBP	1,311,000	Asciano Finance 5% 19/09/2023	1,456	0.59			<b>Baa2 0.12% (0.12%)</b>		
		<b>BB 0.18% (0.19%)</b>			USD	400,000	Sunny Optical 3.75% 23/01/2023	298	0.12
EUR	489,000	*Origin Energy Finance 4% 16/09/2074	448	0.18			<b>BBB- 1.09% (0.80%)</b>		
		<b>Total Australia</b>	<b>7,064</b>	<b>2.85</b>	USD	990,000	Sands China 5.4% 08/08/2028	763	0.31
<b>AUSTRIA 0.00% (0.60%)</b>					GBP	853,000	Thames Water Utilities 2.375% 03/05/2023	833	0.33
		<b>Baa2 0.00% (0.60%)</b>			GBP	1,175,000	Thames Water Utilities 2.875% 03/05/2027	1,131	0.45
		<b>Total Austria</b>	<b>-</b>	<b>-</b>			<b>B 0.24% (0.21%)</b>		
<b>BELGIUM 0.85% (0.79%)</b>					USD	835,000	Noble Holding International 6.95% 01/04/2045	587	0.24
		<b>A- 0.85% (0.79%)</b>					<b>Total Cayman Islands</b>	<b>9,009</b>	<b>3.63</b>
GBP	2,205,000	Anheuser-Busch 2.25% 24/05/2029	2,101	0.85	<b>DOMINICAN REPUBLIC 0.80% (0.80%)</b>				
		<b>Total Belgium</b>	<b>2,101</b>	<b>0.85</b>			<b>BB- 0.80% (0.80%)</b>		
<b>BERMUDA 2.66% (0.00%)</b>					USD	2,565,000	Dominican Republic International Bond 5.95% 25/01/2027	1,992	0.80
		<b>BBB- 2.66% (0.00%)</b>					<b>Total Dominican Republic</b>	<b>1,992</b>	<b>0.80</b>
USD	6,900,000	Bacardi 4.45% 15/05/2025	5,318	2.15	<b>EGYPT 0.43% (0.48%)</b>				
USD	1,660,000	Bacardi 4.7% 15/05/2028	1,269	0.51			<b>B 0.43% (0.00%)</b>		
		<b>Total Bermuda</b>	<b>6,587</b>	<b>2.66</b>	EUR	1,305,000	Arab Republic of Egypt 4.75% 16/04/2026	1,075	0.43
<b>BRITISH VIRGIN ISLANDS 0.75% (1.21%)</b>							<b>B3 0.00% (0.48%)</b>		
		<b>A+ 0.75% (0.45%)</b>					<b>Total Egypt</b>	<b>1,075</b>	<b>0.43</b>
EUR	2,115,000	State Grid Overseas 1.375% 02/05/2025	1,869	0.75	<b>FRANCE 1.68% (1.56%)</b>				
		<b>BBB 0.00% (0.76%)</b>					<b>A- 0.00% (0.44%)</b>		
		<b>Total British Virgin Islands</b>	<b>1,869</b>	<b>0.75</b>			<b>BB+ 0.14% (0.15%)</b>		
<b>CANADA 1.32% (1.47%)</b>					EUR	180,000	*Solvay Finance 5.869% 29/06/2049	181	0.07
		<b>BBB 0.49% (0.65%)</b>			EUR	180,000	*Solvay Finance 5.118% 29/06/2049	175	0.07
USD	1,642,000	Cenovus Energy 4.25% 15/04/2027	1,215	0.49			<b>BB 0.18% (0.19%)</b>		
		<b>BB- 0.47% (0.44%)</b>			EUR	500,000	SPIE 3.125% 22/03/2024	448	0.18
USD	305,000	Bausch Health 6.5% 15/03/2022	242	0.10			<b>B+ 0.51% (0.44%)</b>		
USD	674,000	Valeant 5.5% 01/11/2025	516	0.21	EUR	1,190,000	Paprec Holding 4% 31/03/2025	1,063	0.43
USD	475,000	Valeant 7% 15/03/2024	385	0.16	EUR	215,000	*Paprec Holding FRN 31/03/2025	193	0.08
		<b>B 0.36% (0.38%)</b>							
EUR	955,000	Cott Finance 5.5% 01/07/2024	903	0.36					
		<b>Total Canada</b>	<b>3,261</b>	<b>1.32</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>FRANCE 1.68% (1.56%) (continued)</b>					<b>IVORY COAST 0.30% (0.68%)</b>				
		<b>B 0.53% (0.00%)</b>					<b>Ba3 0.30% (0.68%)</b>		
EUR	1,433,000	Altice France 5.875% 01/02/2027	1,316	0.53	EUR	900,000	Ivory Coast 5.25% 22/03/2030	734	0.30
		<b>CCC+ 0.00% (0.08%)</b>					<b>Total Ivory Coast</b>	<b>734</b>	<b>0.30</b>
		<b>Not Rated 0.32% (0.26%)</b>							
GBP	720,000	*Credit Agricole 7.5% 31/12/2049	801	0.32					
		<b>Total France</b>	<b>4,177</b>	<b>1.68</b>					
<b>GERMANY 3.75% (3.02%)</b>					<b>JAPAN 0.59% (0.99%)</b>				
		<b>BB+ 1.26% (0.00%)</b>					<b>BB+ 0.59% (0.99%)</b>		
EUR	700,000	ADLER Real Estate 1.875% 27/04/2023	615	0.25	EUR	1,668,000	SoftBank Group 5% 15/04/2028	1,476	0.59
EUR	300,000	ADLER Real Estate 3% 27/04/2026	263	0.10			<b>Total Japan</b>	<b>1,476</b>	<b>0.59</b>
EUR	708,000	IHO Verwaltungs 3.25% 15/09/2023	650	0.26					
EUR	815,000	IHO Verwaltungs PIK 2.75% 15/09/2021	737	0.30					
EUR	505,000	IHO Verwaltungs PIK 3.75% 15/09/2026	463	0.19					
EUR	404,000	*Lanxess Finance 4.5% 06/12/2076	390	0.16					
		<b>BB 0.00% (0.16%)</b>							
		<b>Ba2 0.45% (0.47%)</b>							
GBP	1,100,000	*RWE 7% 29/03/2049	1,122	0.45					
		<b>BB- 1.17% (1.86%)</b>							
EUR	650,000	Unitymedia Hessen 4.625% 15/02/2026	566	0.23					
EUR	1,720,000	Unitymedia NRW 3.5% 15/01/2027	1,615	0.65					
USD	922,000	Unitymedia NRW 5% 15/01/2025	719	0.29					
		<b>B 0.46% (0.28%)</b>							
EUR	583,000	Kirk Beauty Zero 6.25% 15/07/2022	457	0.18					
EUR	765,000	Safari Holdings 5.375% 30/11/2022	694	0.28					
		<b>B- 0.41% (0.00%)</b>							
EUR	1,145,000	Blitz 6% 30/07/2026	1,012	0.41					
		<b>CCC+ 0.00% (0.25%)</b>							
		<b>Total Germany</b>	<b>9,303</b>	<b>3.75</b>					
<b>GUERNSEY 0.42% (0.27%)</b>					<b>JERSEY 1.32% (2.51%)</b>				
		<b>BBB+ 0.42% (0.27%)</b>					<b>A- 0.00% (0.43%)</b>		
GBP	1,050,000	Credit Suisse Group Funding 2.75% 08/08/2025	1,041	0.42			<b>BBB 0.00% (0.39%)</b>		
		<b>Total Guernsey</b>	<b>1,041</b>	<b>0.42</b>			<b>Baa2 0.37% (0.00%)</b>		
		<b>BB+ 0.48% (0.32%)</b>					Porterbrook Rail Finance 4.625% 04/04/2029	915	0.37
USD	1,789,000	GMR Hyderabad 4.25% 27/10/2027	1,189	0.48			<b>(P)Ba2 0.39% (0.40%)</b>		
		<b>Total India</b>	<b>1,189</b>	<b>0.48</b>			LHC Three PIK 4.125% 15/08/2024	961	0.39
		<b>BBB- 0.35% (0.64%)</b>					<b>B 0.24% (1.11%)</b>		
GBP	810,000	*Enel 6.625% 15/09/2076	877	0.35			CPUK Finance 4.25% 28/08/2022	378	0.15
		<b>Baa3 0.25% (0.40%)</b>					CPUK Finance 4.875% 28/08/2025	219	0.09
EUR	665,000	*Assicurazioni 5% 08/06/2048	617	0.25			<b>B- 0.17% (0.18%)</b>		
		<b>BB+ 0.56% (0.87%)</b>					TVL Finance 8.5% 15/05/2023	425	0.17
EUR	304,000	Leonardo 1.5% 07/06/2024	259	0.11			<b>Not Rated 0.15% (0.00%)</b>		
EUR	1,148,000	Leonardo 4.5% 19/01/2021	1,111	0.45			Hastings Group Finance 3% 24/05/2025	372	0.15
		<b>B+ 0.47% (0.00%)</b>					<b>Total Jersey</b>	<b>3,270</b>	<b>1.32</b>
EUR	1,309,000	Nexi Capital 4.125% 01/11/2023	1,167	0.47					
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>					
<b>ITALY 1.63% (1.91%)</b>					<b>LUXEMBOURG 7.43% (9.21%)</b>				
		<b>BBB- 0.35% (0.64%)</b>					<b>BBB+ 0.24% (0.68%)</b>		
EUR	810,000	*Enel 6.625% 15/09/2076	877	0.35			Grand City Properties 1.375% 03/08/2026	594	0.24
		<b>Baa3 0.25% (0.40%)</b>					<b>BBB 0.69% (0.44%)</b>		
EUR	665,000	*Assicurazioni 5% 08/06/2048	617	0.25			Bevco 1.75% 09/02/2023	1,722	0.69
		<b>BB+ 0.56% (0.87%)</b>					<b>Baa2 0.75% (1.11%)</b>		
EUR	304,000	Leonardo 1.5% 07/06/2024	259	0.11			SELP Finance 1.25% 25/10/2023	1,856	0.75
EUR	1,148,000	Leonardo 4.5% 19/01/2021	1,111	0.45			<b>BBB- 0.54% (1.69%)</b>		
		<b>B+ 0.47% (0.00%)</b>					*Grand City Properties 3.75% 29/12/2049	915	0.37
EUR	1,309,000	Nexi Capital 4.125% 01/11/2023	1,167	0.47			*Grand City Properties Variable 24/10/2166	428	0.17
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			<b>BB+ 0.59% (0.51%)</b>		
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			*CPI Property Group 09/05/2167	974	0.39
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			Fiat Chrysler Finance Europe 4.75% 15/07/2022	499	0.20
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			<b>BB 0.59% (0.88%)</b>		
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			BB 0.59% (0.88%)		
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			Arena Luxembourg Finance 2.875% 01/11/2024	282	0.11
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			*Arena Luxembourg Finance FRN 01/11/2023	89	0.04
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			Hanesbrands 3.5% 15/06/2024	1,086	0.44
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			<b>BB- 0.15% (0.17%)</b>		
		<b>Total Italy</b>	<b>4,031</b>	<b>1.63</b>			Telenet Finance VI Luxembourg 4.875% 15/07/2027	364	0.15

## 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 7.43% (9.21%) (continued)</b>											
		<b>B+ 1.23% (0.60%)</b>			EUR	900,000	*Telefonica Europe Perpetual 3% 04/12/2066	753	0.30		
USD	780,000	Altice Financing 6.625% 15/02/2025	598	0.24	EUR	1,922,000	*Tennet Holding 2.995% 01/06/2024	1,732	0.70		
EUR	470,000	Garfunkelux 7.5% 01/08/2022	404	0.16			<b>BB 1.25% (0.39%)</b>				
GBP	1,000,000	Garfunkelux 8.5% 01/11/2022	945	0.38	GBP	881,000	*Koninklijke KPN 6.875% 14/03/2073	934	0.38		
EUR	980,000	LHMC Finco 6.25% 20/12/2023	893	0.36	EUR	1,134,000	LKQ European Holdings 3.625% 01/04/2026	1,023	0.41		
EUR	1,665,000	*Matterhorn FRN 01/02/2023	212	0.09	EUR	1,235,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	1,137	0.46		
		<b>B 0.89% (2.24%)</b>					<b>BB- 0.59% (1.15%)</b>				
EUR	937,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	767	0.31	GBP	968,000	Petrobras Global Finance 6.625% 16/01/2034	944	0.38		
EUR	1,230,000	Crystal Almond 10% 01/11/2021	1,184	0.48	EUR	583,000	Ziggo Secured Finance 3.75% 15/01/2025	516	0.21		
EUR	335,000	Intralot Capital 6.75% 15/09/2021	253	0.10			<b>B+ 0.38% (0.00%)</b>				
		<b>B- 0.96% (0.32%)</b>			GBP	950,000	InterGen 7.5% 30/06/2021	944	0.38		
EUR	830,000	Aguila 3 6.75% 15/12/2021	771	0.31			<b>B 0.33% (0.34%)</b>				
EUR	285,000	Altice 6.25% 15/02/2025	240	0.10	EUR	210,000	LGE HoldCo VI 7.125% 15/05/2024	200	0.08		
EUR	1,337,000	Altice 7.25% 15/05/2022	1,188	0.48	EUR	700,000	Ziggo Bond Finance 4.625% 15/01/2025	618	0.25		
EUR	200,000	ARD Finance PIK 6.625% 15/09/2023	183	0.07			<b>Not Rated 0.10% (0.11%)</b>				
		<b>CCC+ 0.80% (0.57%)</b>			USD	1,239,044	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	238	0.10		
USD	200,000	Altice Finco 8.125% 15/01/2024	154	0.06			<b>Total Netherlands</b>	<b>21,291</b>	<b>8.59</b>		
EUR	503,000	Altice Finco 9% 15/06/2023	469	0.19							
EUR	1,450,000	Horizon Parent Holdings 8.25% 15/02/2022	1,352	0.55							
		<b>Total Luxembourg</b>	<b>18,422</b>	<b>7.43</b>							
<b>MEXICO 0.90% (1.72%)</b>					<b>OMAN 0.60% (0.60%)</b>						
		<b>BBB+ 0.80% (1.06%)</b>					<b>Baa2 0.00% (0.60%)</b>				
GBP	1,652,000	Petroleos Mexicanos 3.75% 16/11/2025	1,562	0.63			<b>Baa3 0.60% (0.00%)</b>				
GBP	417,000	United Mexican States 5.625% 19/03/2114	429	0.17	USD	2,031,000	Oman Government International 5.625% 17/01/2028	1,491	0.60		
		<b>BBB 0.00% (0.35%)</b>					<b>Total Oman</b>	<b>1,491</b>	<b>0.60</b>		
		<b>BB 0.10% (0.31%)</b>									
USD	283,000	Cemex 7.75% 16/04/2026	238	0.10	<b>PORTUGAL 0.31% (0.32%)</b>						
		<b>Total Mexico</b>	<b>2,229</b>	<b>0.90</b>			<b>Not Rated 0.31% (0.32%)</b>				
<b>NETHERLANDS 8.59% (6.75%)</b>							EUR	300,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	80	0.03
		<b>A 0.20% (0.21%)</b>					EUR	1,800,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	474	0.19
EUR	575,000	*Alliander Perpetual 1.625% 30/06/2066	509	0.20			EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	205	0.09
		<b>BBB+ 0.52% (0.94%)</b>					<b>Total Portugal</b>	<b>759</b>	<b>0.31</b>		
USD	1,654,000	Vonovia Finance 5% 02/10/2023	1,296	0.52	<b>REPUBLIC OF IRELAND 2.81% (1.83%)</b>						
		<b>BBB 1.16% (1.19%)</b>					<b>A 0.27% (0.00%)</b>				
GBP	2,179,000	Innogy Finance 6.25% 03/06/2030	2,875	1.16	USD	905,000	GE Capital International Funding Company 4.418% 15/11/2035	668	0.27		
		<b>BBB- 1.47% (0.24%)</b>					<b>BB+ 0.58% (0.20%)</b>				
EUR	580,000	Schaeffler Holding Finance 3.5% 15/05/2022	524	0.21	EUR	1,100,000	AIB Group 2.25% 03/07/2025	985	0.40		
USD	3,367,000	Syngenta Finance 4.892% 24/04/2025	2,563	1.03	EUR	380,000	Bank of Ireland 10% 19/12/2022	455	0.18		
EUR	600,000	*Vonovia Finance 4% 17/12/2166	567	0.23			<b>BB 0.32% (0.33%)</b>				
		<b>BB+ 2.59% (2.18%)</b>			EUR	888,000	Ardagh Packaging Finance 2.75% 15/03/2024	799	0.32		
EUR	1,270,000	Darling Global Finance 3.625% 15/05/2026	1,155	0.47			<b>BB- 0.38% (0.40%)</b>				
EUR	1,200,000	*Telefonica Europe 3.75% 31/12/2049	1,080	0.44	EUR	980,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	945	0.38		
EUR	200,000	*Telefonica Europe 5% 31/03/2049	187	0.08							
GBP	1,400,000	*Telefonica Europe 6.75% Perpetual	1,496	0.60							





## 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 33.18% (37.95%) (continued)</b>					<b>B 0.79% (1.93%)</b>				
EUR	1,280,000	G4S International Finance 1.875% 24/05/2025	1,146	0.46	GBP	881,000	Pinnacle Bidco 6.375% 15/02/2025	902	0.36
GBP	1,454,000	GKN Holdings 3.375% 12/05/2032	1,480	0.60	GBP	1,030,000	Virgin Media Finance 6.375% 15/10/2024	1,065	0.43
GBP	2,875,000	GKN Holdings 5.375% 19/09/2022	3,140	1.27	<b>B2 0.37% (0.43%)</b>				
GBP	320,000	Mitchells & Butlers Finance 5.965% 15/12/2023	105	0.04	GBP	1,071,000	Shop Direct Funding 7.75% 15/11/2022	907	0.37
GBP	1,825,000	*Royal Bank of Scotland 2.875% 19/09/2026	1,785	0.72	<b>B- 0.92% (1.04%)</b>				
<b>Baa3 0.72% (0.75%)</b>					GBP	442,000	Cognita Finance 7.75% 15/08/2021	450	0.18
USD	900,000	*HSBC Holdings 6% 22/05/2162	664	0.27	USD	2,066,348	EnQuest PIK 7% 15/04/2022	1,478	0.60
GBP	1,060,000	*TSB Banking Group 5.75% 06/05/2026	1,106	0.45	EUR	380,000	Synlab 8.25% 01/07/2023	360	0.14
<b>BB+ 2.15% (2.55%)</b>					<b>B3 0.53% (0.52%)</b>				
GBP	780,000	National Westminster Bank 6.5% 07/09/2021	874	0.35	GBP	1,330,000	KIRS Midco 3 8.375% 15/07/2023	1,303	0.53
EUR	410,000	OTE 3.5% 09/07/2020	383	0.15	<b>CCC+ 0.08% (0.00%)</b>				
GBP	1,075,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,261	0.51	GBP	225,000	Boparan Finance 5.5% 15/07/2021	205	0.08
GBP	1,074,000	Tesco Property Finance 3 5.744% 13/04/2040	1,196	0.48	<b>Not Rated 2.38% (3.60%)</b>				
GBP	890,000	Tesco Property Finance 5.5% 13/10/2041	993	0.40	GBP	2,293,000	*Cattles 6.875% 17/01/2014 (Defaulted)	1	-
GBP	590,000	Tesco Property Finance 6 5.4111% 13/07/2044	637	0.26	GBP	1,950,000	First Hydro Finance 9% 31/07/2021	2,335	0.94
<b>BB 1.98% (1.77%)</b>					GBP	1,580,000	Newriver REIT 3.5% 07/03/2028	1,544	0.62
GBP	785,000	Arrow Global Finance 5.125% 15/09/2024 Callable	717	0.29	GBP	2,040,000	*Pennon Group Perpetual Variable 22/05/2066	2,035	0.82
GBP	434,000	*Barclays Bank 14% 29/11/2049	471	0.19	<b>Total United Kingdom</b>				
GBP	1,450,000	*Co-operative Group FRN 08/07/2020	1,548	0.62	<b>82,242 33.18</b>				
GBP	577,000	*CYBG 5% 09/02/2026	592	0.24	<b>UNITED STATES OF AMERICA 11.10% (11.02%)</b>				
GBP	385,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	378	0.15	<b>BBB+ 0.82% (2.76%)</b>				
GBP	664,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	642	0.26	GBP	839,000	Goldman Sachs Group 3.125% 25/07/2029	827	0.33
GBP	691,000	Unique Pub Finance 5.659% 30/06/2027	571	0.23	GBP	1,067,000	Welltower 4.8% 20/11/2028	1,207	0.49
<b>BB- 2.51% (2.72%)</b>					<b>BBB 3.48% (1.78%)</b>				
EUR	300,000	EC Finance 2.375% 15/11/2022 (Lux)	269	0.11	GBP	1,348,000	AT&T 4.375% 14/09/2029	1,472	0.59
GBP	500,000	EI Group 6.375% 15/02/2022	517	0.21	USD	2,565,000	Bayer US Finance II 4.25% 15/12/2025	1,980	0.80
GBP	1,277,000	Iron Mountain UK 3.875% 15/11/2025	1,206	0.49	GBP	2,184,000	Becton Dickinson 3.02% 24/05/2025	2,220	0.90
GBP	700,000	*Lloyds Banking Group Perpetual 7.875% 29/12/2049	807	0.33	GBP	1,294,000	Digital Stout 3.3% 19/07/2029	1,298	0.52
USD	825,000	Neptune Energy Bondco 6.625% 15/05/2025	619	0.25	GBP	878,000	Digital Stout Holding 4.75% 13/10/2023	969	0.39
GBP	1,020,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,059	0.43	EUR	718,000	Liberty Mutual 2.75% 04/05/2026	684	0.28
GBP	430,000	Virgin Media 4.875% 15/01/2027	417	0.17	<b>BBB- 2.03% (2.00%)</b>				
GBP	635,000	Virgin Media Secured Finance 5.125% 15/01/2025	646	0.26	USD	1,661,000	Broadcom 3.625% 15/01/2024	1,233	0.50
GBP	688,000	Virgin Media Secured Finance 5.5% 15/01/2025	633	0.26	GBP	1,380,000	Discovery 2.5% 20/09/2024	1,353	0.55
<b>B+ 0.96% (1.02%)</b>					USD	1,000,000	Kinder Morgan Energy Partners 5% 01/03/2043	736	0.30
GBP	480,000	*Barclays Bank 7.75% 08/03/2075	510	0.21	USD	1,079,000	Molson Coors Brewing 5% 01/05/2042	830	0.33
GBP	465,000	*Barclays Perpetual 5.875% 15/12/2065	445	0.18	USD	1,101,000	Plains All American Pipeline 4.65% 15/10/2025	855	0.35
GBP	486,000	Keystone Financing 9.5% 15/10/2019	186	0.07	<b>BB+ 0.74% (1.76%)</b>				
EUR	580,000	Synlab 6.25% 01/07/2022	534	0.22	EUR	1,255,000	Equinix 2.875% 01/10/2025	1,093	0.44
EUR	745,000	Thomas Cook Group 6.25% 15/06/2022	694	0.28	EUR	600,000	Equinix 2.875% 01/02/2026	522	0.21
<b>B1 0.34% (0.35%)</b>					USD	290,000	Equinix 5.375% 15/05/2027	226	0.09
GBP	810,000	Thames Water Kemble Finance 7.75% 01/04/2019	835	0.34	<b>BB 1.64% (0.67%)</b>				
					EUR	467,000	Cemex Finance 4.625% 15/06/2024	441	0.18
					EUR	2,332,000	Quintiles IMS 3.25% 15/03/2025	2,090	0.84
					GBP	1,584,000	Vantiv 3.875% 15/11/2025	1,539	0.62
					<b>BB- 0.60% (0.42%)</b>				
					USD	730,000	Hertz 7.625% 01/06/2022	554	0.22
					EUR	550,000	Iron Mountain 3% 15/01/2025	484	0.20
					EUR	500,000	Silgan Holdings 3.25% 15/03/2025	457	0.18

## 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 11.10% (11.02%) (continued)</b>					EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(31)	(0.01)
EUR	605,000	Catalent Pharma Solution 4.75% 15/12/2024	566	0.23	EUR	500,000	Goldman Sachs Virgin Media Finance Credit Default Swap Sell Protection 20/09/2018 Spread 500	1	–
EUR	355,000	Kronos International 3.75% 15/09/2025	307	0.12	EUR	1,000,000	Goldman Sachs Vue International Bidco Credit Default Swap Sell Protection 20/12/2021 Spread 500	92	0.04
EUR	1,370,000	Spectrum Brands 4% 01/10/2026	1,237	0.50	USD	(4,900,000)	Goldman Sachs Westpac Banking Credit Default Swap Buy Protection 20/03/2020 Spread 100	(46)	(0.02)
		<b>B 0.94% (0.93%)</b>			EUR	(2,720,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(128)	(0.05)
EUR	1,322,000	Avantor 4.75% 01/10/2024	1,211	0.49	USD	(2,700,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500	(340)	(0.14)
USD	1,500,000	Cott Holdings 5.5% 01/04/2025	1,123	0.45	EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(23)	(0.01)
		<b>B– 0.00% (0.32%)</b>			EUR	(2,600,000)	J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/06/2023 Spread 100	(74)	(0.03)
		<b>Total United States of America</b>	<b>27,514</b>	<b>11.11</b>	EUR	(3,100,000)	J.P. Morgan United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(33)	(0.01)
<b>DERIVATIVES –0.58% (–1.91%)</b>					GBP	8,400,000	<b>Interest Rate Swaps –0.24% (–0.25%)</b> Barclays Interest Rate Swap Receive GBP Libor Pay 2.705% 26/11/2023	(591)	(0.24)
EUR	(2,800,000)	<b>Credit Default Swaps –0.87% (–1.12%)</b> Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	30	0.01	EUR	(585)	<b>Futures and Options 0.03% (0.02%)</b> UBS 3 Month EURO Euribor Future Expiring December 2019	(183)	(0.07)
EUR	(1,500,000)	Barclays Deutsche Bank Credit Default Swap Buy Protection 20/06/2023 Spread 100	107	0.04	EUR	(510)	UBS EURO–Bobl Future Expiring December 2018	91	0.04
EUR	(2,730,000)	Barclays Électricité de France Credit Default Swap Buy Protection 20/06/2023 Spread 100	(44)	(0.02)	EUR	66	UBS EURO–Btp Bond Future Expiring December 2018	214	0.09
EUR	(8,550,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(127)	(0.05)	EUR	37	UBS EURO Bond Future Expiring December 2018	(17)	(0.01)
EUR	(8,000,000)	Barclays Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	26	0.01	EUR	37	UBS EURO Buxl 30 Year Future Expiring December 2018	(38)	(0.02)
EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(11)	–	JPY	(12)	UBS Japan 10 Year Bond Future Expiring September 2018	16	0.01
EUR	(1,100,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(16)	(0.01)	GBP	50	UBS Long Gilt Future Expiring December 2018	(11)	–
EUR	(4,360,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(53)	(0.02)	USD	(357)	UBS US 5 Year Note Future Expiring December 2018	11	–
EUR	(2,810,000)	Citigroup Auchan Holding Credit Default Swap Buy Protection 20/06/2023 Spread 100	3	–	USD	(8)	UBS US 10 Year Note Future Expiring December 2018	1	–
EUR	(1,000,000)	Citigroup Iceland Bond Credit Default Swap Buy Protection 20/06/2023 Spread 500	(43)	(0.02)	USD	(33)	UBS US 10 Year Ultra Future Expiring December 2018	7	–
EUR	(15,000,000)	Citigroup Itraxx Crossover Credit Default Swap Index Buy Protection 20/06/2023 Spread 500	(1,209)	(0.49)	USD	(16)	UBS US Long Bond Future Expiring December 2018	9	–
EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(33)	(0.01)	USD	31	UBS US Ultra Bond Future Expiring December 2018	(37)	(0.01)
EUR	(3,400,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(53)	(0.02)			<b>Forward Foreign Exchange Contracts 0.50% (–0.56%)</b> Sell USD 2,000,000		
EUR	(1,680,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(25)	(0.01)			Buy GBP 1,549,220 Barclays	14	0.01
EUR	(4,000,000)	Goldman Sachs Pernod Ricard Credit Default Swap Buy Protection 20/12/2019 Spread 100	(42)	(0.02)			Sell USD 150,371		
EUR	(1,160,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(17)	(0.01)			Buy GBP 117,955 Barclays	3	–
EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	(51)	(0.02)					

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES –0.58% (–1.91%) (continued)</b>			
	Sell AUD 425,177		
	Buy GBP 242,855 J.P. Morgan	9	–
	Sell USD 52,147,210		
	Buy GBP 40,920,859 HSBC	892	0.36
	Sell EUR 80,948,462		
	Buy GBP 72,628,028 J.P. Morgan	310	0.13
	Sell GBP 118,350		
	Buy USD 151,554 Lloyds	(2)	–
	<b>Total Derivatives</b>	<b>(1,442)</b>	<b>(0.59)</b>
<b>Total value of investments</b>		<b>230,556</b>	<b>93.01</b>
<b>Net other assets (4.57%)</b>		<b>17,335</b>	<b>6.99</b>
<b>Net assets</b>		<b>247,891</b>	<b>100.00</b>

March 2018 comparatives in brackets.

\*Variable rate bonds.

(P) refers to provisional rating.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	187,830	81.47
Floating rate notes	44,167	19.16
Derivatives	(1,441)	(0.63)
<b>Total value of investments</b>	<b>230,556</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS 3 Month EURO Euribor Future Expiring December 2019	(130,757)
UBS EURO-Bobl Future Expiring December 2018	(59,817)
UBS EURO-Btp Bond Future Expiring December 2018	7,362
UBS EURO Bond Future Expiring December 2018	5,292
UBS EURO Buxl 30 Year Future Expiring December 2018	5,814
UBS Japan 10 Year Bond Future Expiring September 2018	(12,511)
UBS Long Gilt Future Expiring December 2018	6,111
UBS US 5 Year Note Future Expiring December 2018	(31,073)
UBS US 10 Year Note Future Expiring December 2018	(738)
UBS US 10 Year Ultra Future Expiring December 2018	(3,237)
UBS US Long Bond Future Expiring December 2018	(1,763)
UBS US Ultra Bond Future Expiring December 2018	3,760
<b>Total net exposure</b>	<b>(211,557)</b>

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	88,187	72,247
Total sales for the period	90,739	90,205

## Threadneedle American Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 5.57% (5.46%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.87% (8.27%)</b>			
	<b>Oil &amp; Gas Producers 5.57% (4.24%)</b>			393,516	Alexion Pharmaceuticals	35,486	1.31
598,749	Chevron	53,004	1.96	123,699	Biogen	32,430	1.20
863,676	Devon Energy	26,952	1.00	292,679	Biomarin Pharmaceutical	21,614	0.80
462,751	EOG Resources	41,047	1.52	50,811	Bluebird Bio	5,944	0.22
332,292	Valero Energy	29,620	1.09	873,371	Bristol-Myers Squibb	40,885	1.51
	<b>Oil Equipment, Services &amp; Distribution 0.00% (1.22%)</b>			60,689	Sage Therapeutics	7,621	0.28
	<b>Total Oil &amp; Gas</b>	<b>150,623</b>	<b>5.57</b>	303,360	Vertex Pharmaceuticals	41,948	1.55
<b>BASIC MATERIALS 2.70% (3.32%)</b>				<b>CONSUMER SERVICES 12.85% (13.76%)</b>			
	<b>Chemicals 1.87% (1.98%)</b>			<b>Food &amp; Drug Retailers 0.00% (0.99%)</b>			
936,364	Dowdupont	50,392	1.87	<b>General Retailers 8.98% (7.89%)</b>			
	<b>Industrial Metals &amp; Mining 0.83% (1.34%)</b>			90,039	Amazon.com	135,425	5.01
619,229	Steel Dynamics	22,529	0.83	411,637	Home Depot	65,094	2.41
	<b>Total Basic Materials</b>	<b>72,921</b>	<b>2.70</b>	571,324	Walmart	42,318	1.56
<b>INDUSTRIALS 12.41% (11.35%)</b>				<b>Media 2.09% (3.03%)</b>			
	<b>Construction &amp; Materials 0.00% (0.64%)</b>			2,052,846	Comcast	56,635	2.09
	<b>Aerospace &amp; Defence 4.48% (4.82%)</b>			<b>Travel &amp; Leisure 1.78% (1.85%)</b>			
249,510	Boeing	67,320	2.49	1,100,106	Extended Stay America	16,662	0.62
331,280	L3 Technologies	53,837	1.99	328,873	Royal Caribbean Cruises	31,331	1.16
	<b>Electronic &amp; Electrical Equipment 0.82% (0.78%)</b>			<b>Total Consumer Services</b>			
324,107	TE Connectivity	22,299	0.82			<b>347,465</b>	<b>12.85</b>
	<b>Industrial Engineering 3.14% (1.45%)</b>			<b>UTILITIES 2.30% (2.11%)</b>			
494,915	Gardner Denver Holdings	9,473	0.35	<b>Electricity 2.30% (2.11%)</b>			
556,584	Ingersoll-Rand	43,274	1.60	1,642,099	Xcel Energy	62,165	2.30
533,432	Xylem	32,125	1.19	<b>Total Utilities</b>			
	<b>Industrial Transportation 2.35% (2.10%)</b>					<b>62,165</b>	<b>2.30</b>
534,632	Union Pacific	63,507	2.35	<b>FINANCIALS 20.12% (22.21%)</b>			
	<b>Support Services 1.62% (1.56%)</b>			<b>Banks 9.69% (10.61%)</b>			
793,671	Booz Allen Hamilton Holdings	31,857	1.18	3,454,715	Bank of America	81,804	3.03
604,388	PagSeguro Digital	11,990	0.44	996,145	Citigroup	53,625	1.98
	<b>Total Industrials</b>	<b>335,682</b>	<b>12.41</b>	1,024,644	Citizens Finance Group	32,416	1.20
				1,072,844	JPMorgan Chase	94,002	3.48
<b>CONSUMER GOODS 2.88% (4.52%)</b>				<b>Nonlife Insurance 1.21% (4.34%)</b>			
	<b>Food Producers 1.43% (0.00%)</b>			500,614	Marsh & McLennan	32,805	1.21
1,161,184	Mondelez International	38,777	1.43	<b>Life Insurance 1.48% (1.48%)</b>			
	<b>Leisure Goods 1.45% (1.68%)</b>			1,114,117	Aflac	40,115	1.48
450,168	Electronic Arts	39,146	1.45	<b>Financial Services 7.74% (5.78%)</b>			
	<b>Personal Goods 0.00% (1.87%)</b>			338,027	CME Group	45,039	1.67
	<b>Tobacco 0.00% (0.97%)</b>			227,012	Goldman Sachs Group	40,927	1.51
	<b>Total Consumer Goods</b>	<b>77,923</b>	<b>2.88</b>	354,897	MasterCard Class A	57,996	2.14
				589,747	Visa 'A' Shares	65,447	2.42
<b>HEALTH CARE 16.63% (14.08%)</b>				<b>Total Financials</b>			
	<b>Health Care Equipment &amp; Services 9.76% (5.81%)</b>					<b>544,176</b>	<b>20.12</b>
861,174	Baxter International	49,263	1.82	<b>TECHNOLOGY 22.69% (20.67%)</b>			
456,579	Centene	50,950	1.89	<b>Software &amp; Computer Services 12.49% (11.15%)</b>			
725,735	Medtronic	53,783	1.99	319,324	Adobe Systems	63,705	2.36
202,021	Thermo Fisher Scientific	36,586	1.35	133,686	Alphabet Class A	121,569	4.49
354,272	UnitedHealth Group	73,369	2.71	1,825,393	Microsoft	152,453	5.64
				<b>Technology Hardware &amp; Equipment 10.20% (9.52%)</b>			
				855,959	Apple	146,677	5.42
				279,088	Broadcom	46,298	1.71
				354,336	Lam Research	43,554	1.61
				188,427	Nvidia	39,467	1.46
				<b>Total Technology</b>			
						<b>613,723</b>	<b>22.69</b>

## Threadneedle American Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>COLLECTIVE INVESTMENT SCHEMES 0.09% (0.18%)</b>			
<b>Liquidity Funds 0.09% (0.18%)<sup>1</sup></b>			
3,082,311	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	2,367	0.09
	<b>Total Collective Investment Schemes</b>	<b>2,367</b>	<b>0.09</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 12		
	Buy EUR 10 J.P. Morgan	–	–
	Sell USD 13		
	Buy EUR 11 J.P. Morgan	–	–
	Sell USD 2,651		
	Buy EUR 2,262 J.P. Morgan	–	–
	Sell USD 3,585		
	Buy EUR 3,097 J.P. Morgan	–	–
	Sell USD 35,471		
	Buy EUR 30,469 J.P. Morgan	–	–
	Sell USD 56		
	Buy EUR 48 J.P. Morgan	–	–
	Sell USD 8,448,908		
	Buy EUR 7,269,766 J.P. Morgan	13	–
	Sell USD 839,046		
	Buy EUR 721,948 J.P. Morgan	1	–
	Sell USD 10		
	Buy EUR 8 J.P. Morgan	–	–
	Sell USD 407,000		
	Buy GBP 313,730 Citigroup	1	–
	Sell USD 822,000		
	Buy GBP 634,870 Barclays	4	–
	Sell EUR 9,429		
	Buy USD 11,047 J.P. Morgan	–	–
	Sell EUR 2,025		
	Buy USD 2,367 J.P. Morgan	–	–
	Sell GBP 5,969,940		
	Buy USD 7,666,000 Bank of Scotland	(83)	–
	<b>Total Derivatives</b>	<b>(64)</b>	<b>–</b>
	<b>Total value of investments<sup>2</sup></b>	<b>2,656,860</b>	<b>98.24</b>
	<b>Net other assets (2.34%)</b>	<b>47,472</b>	<b>1.76</b>
	<b>Net assets</b>	<b>2,704,332</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	617,167	818,162
Total sales for the period	594,152	639,781

## Threadneedle American Select Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 4.92% (6.14%)</b>				<b>Media 2.74% (2.68%)</b>			
	<b>Oil &amp; Gas Producers 3.67% (4.48%)</b>			61,286	Charter Communications	14,365	1.09
272,683	Phillips 66	24,441	1.86	786,441	Comcast	21,697	1.65
1,787,775	WPX Energy	23,906	1.81		<b>Travel &amp; Leisure 1.37% (0.00%)</b>		
	<b>Oil Equipment, Services &amp; Distribution 1.25% (1.66%)</b>			12,320	Booking Holdings	18,069	1.37
581,045	Halliburton	16,445	1.25		<b>Total Consumer Services</b>	<b>140,564</b>	<b>10.67</b>
	<b>Total Oil &amp; Gas</b>	<b>64,792</b>	<b>4.92</b>	<b>FINANCIALS 25.66% (24.30%)</b>			
				<b>Banks 9.07% (10.52%)</b>			
<b>BASIC MATERIALS 1.89% (2.04%)</b>				2,089,474	Bank of America	49,476	3.76
	<b>Chemicals 1.89% (2.04%)</b>			488,756	JPMorgan Chase	42,824	3.25
463,823	Dowdupont	24,962	1.89	246,726	PNC Financials	27,127	2.06
	<b>Total Basic Materials</b>	<b>24,962</b>	<b>1.89</b>		<b>Nonlife Insurance 6.92% (6.03%)</b>		
				557,778	Berkshire Hathaway	91,206	6.92
<b>INDUSTRIALS 9.07% (10.55%)</b>					<b>Financial Services 9.67% (7.75%)</b>		
	<b>Aerospace &amp; Defence 4.67% (5.33%)</b>			144,204	Goldman Sachs Group	25,998	1.97
115,845	Boeing	31,256	2.37	165,181	MasterCard Class A	26,993	2.05
80,946	L3 Technologies	13,155	1.00	671,370	Visa 'A' Shares	74,505	5.65
68,021	Lockheed Martin	17,179	1.30		<b>Total Financials</b>	<b>338,129</b>	<b>25.66</b>
	<b>Electronic &amp; Electrical Equipment 0.52% (0.56%)</b>			<b>TECHNOLOGY 29.23% (29.27%)</b>			
405,871	Macom Technology Solutions	6,802	0.52		<b>Software &amp; Computer Services 20.79% (18.26%)</b>		
	<b>Industrial Engineering 2.38% (2.18%)</b>			216,386	Adobe Systems	43,169	3.28
404,127	Ingersoll-Rand	31,421	2.38	107,651	Alphabet Class A	97,894	7.43
	<b>Industrial Transportation 1.50% (1.88%)</b>			329,187	Facebook	41,093	3.12
147,098	Norfolk Southern	19,726	1.50	1,098,245	Microsoft	91,723	6.96
	<b>Support Services 0.00% (0.60%)</b>				<b>Technology Hardware &amp; Equipment 8.44% (11.01%)</b>		
	<b>Total Industrials</b>	<b>119,539</b>	<b>9.07</b>	87,148	Analog Devices	6,497	0.49
				162,879	Broadcom	27,020	2.05
<b>CONSUMER GOODS 2.22% (2.77%)</b>				437,541	Lam Research	53,782	4.08
	<b>Beverages 1.17% (1.20%)</b>			333,171	NXP Semiconductors	24,041	1.82
176,353	PepsiCo	15,372	1.17		<b>Total Technology</b>	<b>385,219</b>	<b>29.23</b>
	<b>Food Producers 1.05% (0.00%)</b>			<b>DERIVATIVES 0.01% (0.00%)</b>			
413,919	Mondelez International	13,823	1.05	<b>Forward Foreign Exchange Contracts 0.01% (0.00%)</b>			
	<b>Leisure Goods 0.00% (1.57%)</b>			Sell USD 21,336			
	<b>Total Consumer Goods</b>	<b>29,195</b>	<b>2.22</b>	Buy CHF 20,943 J.P. Morgan			
				Sell USD 1,825,032			
<b>HEALTH CARE 13.50% (16.90%)</b>				Buy EUR 1,570,328 J.P. Morgan	3		
	<b>Health Care Equipment &amp; Services 2.11% (7.17%)</b>			Sell USD 125,404			
119,520	Edwards Lifesciences	12,902	0.98	Buy EUR 108,028 J.P. Morgan			
71,721	UnitedHealth Group	14,853	1.13	Sell USD 14,100			
	<b>Pharmaceuticals &amp; Biotechnology 11.39% (9.73%)</b>			Buy EUR 12,065 J.P. Morgan			
436,478	Alexion Pharmaceuticals	39,360	2.99	Sell USD 15			
85,530	Biogen	22,423	1.70	Buy EUR 13 J.P. Morgan			
152,827	Biomarin Pharmaceutical	11,286	0.85	Sell USD 16,119			
716,759	Celgene	49,485	3.75	Buy EUR 13,802 J.P. Morgan			
199,920	Vertex Pharmaceuticals	27,645	2.10	Sell USD 20,095			
	<b>Total Health Care</b>	<b>177,954</b>	<b>13.50</b>	Buy EUR 17,317 J.P. Morgan			
				Sell USD 351			
<b>CONSUMER SERVICES 10.67% (6.30%)</b>				Buy EUR 302 J.P. Morgan			
	<b>General Retailers 6.56% (3.62%)</b>			Sell USD 40,123,080			
36,000	Amazon.com	54,146	4.11	Buy EUR 34,523,446 J.P. Morgan	60		0.01
1,249,251	Ebay	32,287	2.45	Sell USD 75,517			
				Buy EUR 64,868 J.P. Morgan			
				Sell USD 884,571			
				Buy EUR 756,909 J.P. Morgan	(2)		

## Threadneedle American Select Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>DERIVATIVES 0.01% (0.00%) (continued)</b>			
	Sell USD 11		
	Buy EUR 9 J.P. Morgan	–	–
	Sell USD 253,000		
	Buy GBP 195,404 Barclays	1	–
	Sell USD 365,398		
	Buy GBP 284,007 J.P. Morgan	4	–
	Sell GBP 9		
	Buy USD 12 J.P. Morgan	–	–
	Sell EUR 11,013		
	Buy USD 12,905 J.P. Morgan	–	–
	Sell GBP 124		
	Buy USD 159 J.P. Morgan	–	–
	Sell EUR 16,056		
	Buy USD 18,680 J.P. Morgan	–	–
	Sell EUR 159,421		
	Buy USD 184,539 J.P. Morgan	(1)	–
	Sell EUR 30,318		
	Buy USD 35,523 J.P. Morgan	–	–
	<b>Total Derivatives</b>	<b>65</b>	<b>0.01</b>
	<b>Total value of investments</b>	<b>1,280,419</b>	<b>97.17</b>
	<b>Net other assets (1.73%)</b>	<b>37,287</b>	<b>2.83</b>
	<b>Net assets</b>	<b>1,317,706</b>	<b>100.00</b>

March 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	332,964	297,294
Total sales for the period	319,777	380,163

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 3.06% (4.22%)</b>				<b>Personal Goods 4.35% (2.68%)</b>			
	<b>Oil &amp; Gas Producers 0.00% (0.56%)</b>			277,270	Canada Goose Holdings	11,764	1.60
	<b>Oil Equipment, Services &amp; Distribution 3.06% (3.66%)</b>			668,257	Gildan Activewear	14,864	2.02
62,982	Core Laboratories	5,223	0.71	96,596	Michael Kors Holdings	5,401	0.73
2,263,865	Newpark Resources	17,301	2.35		<b>Total Consumer Goods</b>	<b>91,389</b>	<b>12.43</b>
	<b>Total Oil &amp; Gas</b>	<b>22,524</b>	<b>3.06</b>	<b>HEALTH CARE 14.22% (9.81%)</b>			
<b>BASIC MATERIALS 6.39% (7.60%)</b>					<b>Health Care Equipment &amp; Services 2.50% (2.22%)</b>		
	<b>Chemicals 6.39% (7.60%)</b>			210,711	Acadia Healthcare	6,454	0.88
147,728	Albemarle	11,080	1.51	79,868	Glaukos	3,869	0.53
156,570	Ashland Global Holdings	10,151	1.38	33,381	Wellcare Health Plans	8,020	1.09
482,939	Axalta Coating Systems	10,961	1.49		<b>Pharmaceuticals &amp; Biotechnology 11.72% (7.59%)</b>		
129,414	FMC	8,247	1.12	125,410	Aerie Pharmaceuticals	5,534	0.75
305,600	Univar	6,560	0.89	467,630	Catalent	14,578	1.98
	<b>Total Basic Materials</b>	<b>46,999</b>	<b>6.39</b>	166,656	Charles River Laboratories	16,068	2.19
				109,120	Exact Sciences	6,286	0.85
<b>INDUSTRIALS 17.99% (24.10%)</b>				365,706	Medpace Holdings	16,235	2.21
	<b>Construction &amp; Materials 1.54% (3.71%)</b>			85,007	Mirati Therapeutics	3,431	0.47
256,068	Floor & Decor Holdings	6,848	0.93	167,689	NanoString Technologies	2,089	0.28
122,629	Installed Building Products	4,455	0.61	193,901	PetIQ	5,951	0.81
	<b>Aerospace &amp; Defence 3.41% (0.00%)</b>			197,347	PRA Health Sciences	16,054	2.18
207,091	Aerojet Rocketdyne Holdings	5,664	0.77		<b>Total Health Care</b>	<b>104,569</b>	<b>14.22</b>
336,793	Cubic Corporation	19,400	2.64	<b>CONSUMER SERVICES 10.79% (8.21%)</b>			
	<b>General Industrials 0.00% (1.25%)</b>				<b>General Retailers 8.37% (3.42%)</b>		
	<b>Electronic &amp; Electrical Equipment 3.93% (6.73%)</b>			356,240	BJ's Wholesale Club Holdings	8,605	1.17
179,637	Cognex	7,263	0.99	81,640	Ollie'S Bargain Outlet Holdings	5,512	0.75
120,909	PerkinElmer	8,768	1.19	443,908	Service Corporate International	14,272	1.94
100,628	Zebra Technologies	12,905	1.75	195,849	Signet Jewellers	9,630	1.31
	<b>Industrial Engineering 5.17% (5.83%)</b>			146,293	Siteone Landscape Supply	10,096	1.37
193,197	AGCO Corporation	8,985	1.22	388,716	Stitch Fix	13,480	1.83
336,416	Gardner Denver Holdings	6,439	0.88		<b>Media 0.50% (0.00%)</b>		
135,054	MSA Safety	10,595	1.44	33,472	Dun & Bradstreet	3,682	0.50
413,990	Ritchie Bros Auctioneers	11,994	1.63		<b>Travel &amp; Leisure 1.92% (4.79%)</b>		
	<b>Support Services 3.94% (6.58%)</b>			152,349	Alaska Air Group	7,844	1.07
378,992	Booz Allen Hamilton Holdings	15,212	2.07	413,401	Extended Stay America	6,261	0.85
193,627	HD Supply Holdings	6,484	0.88		<b>Total Consumer Services</b>	<b>79,382</b>	<b>10.79</b>
251,813	Mindbody	7,262	0.99	<b>UTILITIES 2.50% (0.92%)</b>			
	<b>Total Industrials</b>	<b>132,274</b>	<b>17.99</b>		<b>Electricity 0.00% (0.92%)</b>		
<b>CONSUMER GOODS 12.43% (9.93%)</b>					<b>Gas, Water &amp; Multiutilities 2.50% (0.00%)</b>		
	<b>Automobiles &amp; Parts 3.99% (3.14%)</b>			864,107	Nisource	18,371	2.50
364,272	Harley Davidson	12,330	1.68		<b>Total Utilities</b>	<b>18,371</b>	<b>2.50</b>
137,121	Visteon	11,140	1.52	<b>FINANCIALS 20.51% (22.64%)</b>			
61,069	WABCO Holdings	5,828	0.79		<b>Banks 7.11% (11.91%)</b>		
	<b>Food Producers 1.36% (1.19%)</b>			372,133	BankUnited	11,175	1.52
342,546	Freshpet	9,984	1.36	199,770	Chemical Financial Corporation	8,727	1.19
	<b>Household Goods &amp; Home Construction 1.55% (0.87%)</b>			397,167	First Hawaiian	8,749	1.19
33,675	WD-40	4,670	0.64	357,563	Houlihan Lokey	12,734	1.73
399,749	Welbilt	6,702	0.91	448,608	Seacoast Banking Corporation	10,864	1.48
	<b>Leisure Goods 1.18% (2.05%)</b>				<b>Nonlife Insurance 1.65% (1.62%)</b>		
67,031	Pool Corporation	8,706	1.18	128,963	Hanover Insurance Group	12,162	1.65



## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>FINANCIALS 20.51% (22.64%) (continued)</b>			
<b>Real Estate Investment Trusts 6.28% (5.13%)</b>			
342,252	American Homes 4 Rent	6,070	0.83
303,849	CyrusOne	15,531	2.11
921,220	STORE Capital	20,674	2.81
256,101	UNITI Group Reit	3,873	0.53
<b>Financial Services 5.47% (3.98%)</b>			
336,247	Moelis & Company	14,656	1.99
869,824	Virtu Financial	14,330	1.95
299,640	Voya Financial	11,286	1.53
<b>Total Financials</b>		<b>150,831</b>	<b>20.51</b>
<b>TECHNOLOGY 11.86% (11.16%)</b>			
<b>Software &amp; Computer Services 8.65% (8.91%)</b>			
147,914	2U	9,461	1.29
66,605	Aspen Technology	5,830	0.79
125,308	Fair Isaac Corporation	22,635	3.08
48,938	PTC	3,687	0.50
1,825,093	Switch	15,812	2.15
32,537	Tyler Technologies	6,204	0.84
<b>Technology Hardware &amp; Equipment 3.21% (2.25%)</b>			
329,928	Electronics For Imaging	8,380	1.14
402,491	ON Semiconductor	6,136	0.83
299,270	Teradyne	9,102	1.24
<b>Total Technology</b>		<b>87,247</b>	<b>11.86</b>
<b>COLLECTIVE INVESTMENT SCHEMES 0.00% (0.52%)</b>			
<b>Liquidity Funds 0.00% (0.52%)<sup>1</sup></b>			
46,947	BlackRock Institutional Cash Series		
	US Dollar Liquidity Platinum	36	–
<b>Total Collective Investment Schemes</b>		<b>36</b>	<b>–</b>
<b>DERIVATIVES 0.00% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
	Sell USD 1,400		
	Buy CHF 1,374 J.P. Morgan	–	–
	Sell USD 70,857		
	Buy EUR 60,968 J.P. Morgan	–	–
	Sell USD 242,000		
	Buy GBP 186,542 Citigroup	1	–
	Sell USD 458,000		
	Buy GBP 353,735 Barclays	2	–
<b>Total Derivatives</b>		<b>3</b>	<b>–</b>
<b>Total value of investments<sup>2</sup></b>		<b>733,625</b>	<b>99.75</b>
<b>Net other assets (0.89%)</b>		<b>1,835</b>	<b>0.25</b>
<b>Net assets</b>		<b>735,460</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	375,105	408,536
Total sales for the period	425,193	561,518

## Threadneedle Dollar Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>FIXED INTEREST 95.75% (91.07%)</b>					USD	290,000	Indiana Michigan Power 3.75% 01/07/2047	205	0.33
		<b>AAA 1.37% (0.99%)</b>			USD	600,000	Reckitt Benckiser 2.75% 26/06/2024	439	0.71
USD	510,000	Johnson & Johnson 3.4% 15/01/2038	367	0.59	USD	300,000	SGSP Australia Assets 3.3% 09/04/2023	226	0.36
USD	640,000	Microsoft 2.875% 06/02/2024	483	0.78	USD	675,000	SGSP Australia Assets 3.5% 07/07/2027	490	0.79
		<b>Aaa 47.46% (46.28%)</b>			USD	400,000	UBS Group Fund 4.253% 23/03/2028	306	0.49
USD	7,375,000	United States Treasury Note/Bond 1.875% 30/04/2022	5,497	8.89			<b>BBB+ 10.57% (13.28%)</b>		
USD	11,135,600	United States Treasury Note/Bond 2% 15/11/2021	8,366	13.53	USD	1,300,000	BAT Capital 2.297% 14/08/2020	981	1.59
USD	2,920,000	United States Treasury Note/Bond 2% 31/12/2021	2,192	3.54	USD	1,040,000	BAT Capital 3.222% 15/08/2024	764	1.24
USD	355,000	United States Treasury Note/Bond 2.250% 15/08/2027	259	0.42	USD	310,000	Celgene Corporation 4.55% 20/02/2048	222	0.36
USD	3,406,000	United States Treasury Note/Bond 2.5% 15/02/2046	2,344	3.79	USD	250,000	Deutsche Telekom International Finance 2.485% 19/09/2023	181	0.29
USD	7,076,000	United States Treasury Note/Bond 2.75% 15/08/2047	5,112	8.27	USD	400,000	Goodman US Finance 3.7% 15/03/2028	290	0.47
USD	2,686,000	United States Treasury Note/Bond 4.25% 15/05/2039	2,462	3.98	USD	260,000	Lockheed Martin 4.5% 15/05/2036	207	0.33
USD	3,346,000	United States Treasury Note/Bond 4.5% 15/02/2036	3,117	5.04	USD	200,000	LYB International Finance 4.875% 15/03/2044	153	0.25
		<b>AA+ 0.00% (0.59%)</b>			USD	509,000	NiSource Finance 4.8% 15/02/2044	405	0.65
		<b>AA- 2.47% (2.42%)</b>			USD	300,000	Petroleos Mexicanos 6.5% 13/03/2027	232	0.38
USD	310,000	Northwestern 3.85% 30/09/2047	221	0.36	USD	525,000	PPL Capital Funding 3.95% 15/03/2024	405	0.65
USD	770,000	Oracle 2.95% 15/11/2024	575	0.93	USD	370,000	PPL Capital Funding 4.2% 15/06/2022	289	0.47
USD	200,000	Oracle 3.8% 15/11/2037	147	0.24	USD	645,000	Sempra Energy 3.55% 15/06/2024	487	0.79
USD	310,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	250	0.40	USD	355,000	Southern Copper 4.4% 01/07/2046	261	0.42
USD	408,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	334	0.54	USD	477,000	Thomson Reuters 4.3% 23/11/2023	373	0.60
		<b>A+ 2.53% (1.58%)</b>			USD	720,000	Verizon Communications 4.4% 01/11/2034	533	0.86
USD	563,000	Alibaba Group 4% 06/12/2037	401	0.65	USD	960,000	Vonovia Finance 5% 02/10/2023	752	1.22
USD	247,000	Midamer Energy 3.65% 01/08/2048	175	0.28			<b>Baa1 0.43% (0.00%)</b>		
USD	500,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	375	0.61	USD	345,000	RELX Capital 3.5% 16/03/2023	263	0.43
USD	640,000	State Grid 3.5% 04/05/2027	469	0.76	USD	885,000	Halfmoon Parent 4.375% 15/10/2028	679	1.10
USD	200,000	Tencent Holding 3.925% 19/01/2038	141	0.23			<b>Baa1e 1.10% (0.00%)</b>		
		<b>A 2.91% (1.79%)</b>			USD	385,000	APT Pipelines 4.2% 23/03/2025	295	0.48
USD	755,000	Five Corners Funding Trust 4.419% 15/11/2023	598	0.97	USD	270,000	APT Pipelines 5% 23/03/2035	211	0.34
USD	440,000	GE Capital International Funding Company 4.418% 15/11/2035	325	0.53	USD	629,000	AT&T 4.9% 15/08/2037	459	0.74
USD	625,000	Loews 3.75% 01/04/2026	480	0.78	USD	685,000	Ausgrid Finance 4.35% 01/08/2028	526	0.85
USD	300,000	PPL Electric Utilities 4.15% 15/06/2048	231	0.37	USD	732,000	Barclays 4.337% 10/01/2028	536	0.87
USD	215,000	Southern California Edison 4.125% 01/03/2048	160	0.26	USD	325,000	Bayer US Finance II 4.25% 15/12/2025	251	0.41
		<b>A- 6.08% (9.47%)</b>			USD	300,000	Bayer US Finance II 4.625% 25/06/2038	223	0.36
USD	280,000	Abbvie 3.2% 06/11/2022	212	0.34	USD	416,000	Becton Dickinson 3.7% 06/06/2027	307	0.50
USD	670,000	Anheuser-Busch InBev Finance 4.7% 01/02/2036	519	0.84	USD	278,000	Cenovus Energy 3.8% 15/09/2023	210	0.34
USD	250,000	Anheuser-Busch InBev 3.65% 01/02/2026	188	0.30	USD	210,000	Cenovus Energy 5.4% 15/06/2047	159	0.26
USD	455,000	BP Capital Markets 3.279% 19/09/2027	338	0.55	USD	160,000	CVS Health 5.05% 25/03/2048	126	0.20
USD	476,000	Comcast 3% 01/02/2024	356	0.58	USD	380,000	CVS Health Corporation 3.875% 20/07/2025	288	0.47
USD	460,000	ERAC USA Finance 2.6% 01/12/2021	343	0.55	USD	715,000	DTE Energy 2.4% 01/12/2019	544	0.88
USD	207,000	ERAC USA Finance 4.5% 15/02/2045	151	0.24	USD	740,000	DTE Energy 3.5% 01/06/2024	559	0.90
					USD	140,000	E.ON International Finance 6.65% 30/04/2038	131	0.21
					USD	500,000	Imperial Tobacco Finance 3.5% 11/02/2023	377	0.61
					USD	150,000	Kroger 4.65% 15/01/2048	110	0.18
					USD	440,000	Northrop Grumman 4.03% 15/10/2047	315	0.51
					USD	200,000	Pacific Gas & Electric 4.65% 01/08/2028	155	0.25
					USD	310,000	Pacific Gas & Electric 4.75% 15/02/2044	235	0.38

## 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 95.75% (91.07%) (continued)</b>					<b>DERIVATIVES –0.01% (–0.02%)</b>				
USD	630,000	Voya Financial 3.125% 15/07/2024	461	0.74	<b>Futures and Options –0.03% (–0.02%)</b>				
USD	500,000	Williams Partners 4.3% 04/03/2024	389	0.63	USD	3	UBS US 5 Year Note Future Expiring December 2018	–	–
<b>Baa2 0.48% (0.25%)</b>					USD	(111)	UBS US 10 Year Note Future Expiring December 2018	(21)	(0.03)
USD	400,000	Sunny Optical 3.75% 23/01/2023	298	0.48	USD	(51)	UBS US Long Bond Future Expiring December 2018	2	–
<b>BBB– 8.19% (3.53%)</b>					<b>Forward Foreign Exchange Contracts 0.02% (0.00%)</b>				
USD	345,000	Asciano Finance 4.75% 22/03/2028	258	0.42	Sell USD 163,000				
USD	690,000	Bacardi 4.45% 15/05/2025	532	0.86	Buy GBP 125,646 Citigroup				
USD	350,000	Bacardi 5.3% 15/05/2048	261	0.42	Sell USD 4,400,000				
USD	610,000	Broadcom 3.625% 15/01/2024	453	0.73	Buy GBP 3,398,328 Barclays				
USD	450,000	Charter Communications Operating 4.5% 01/02/2024	349	0.56	Sell GBP 735,145				
USD	1,072,000	Kansas City Southern Railway 3.85% 15/11/2023	810	1.31	Buy USD 944,000 Bank of Scotland				
USD	480,000	Kinder Morgan Energy Partners 5% 01/03/2043	353	0.57	<b>Total Derivatives</b>				
USD	345,000	Molson Coors Brewing 5% 01/05/2042	265	0.43	<b>Total value of investments</b>				
USD	964,000	Plains All American Pipeline 4.65% 15/10/2025	749	1.21	<b>Net other (liabilities)/assets (4.59%)</b>				
USD	400,000	Royal Bank of Scotland 4.8% 05/04/2026	310	0.50	<b>Net assets</b>				
USD	300,000	Royal Bank of Scotland Group 3.875% 12/09/2023	225	0.36	<b>63,151 102.12</b>				
USD	664,000	Syngenta Finance 4.892% 24/04/2025	505	0.82	<b>(1,311) (2.12)</b>				
<b>BB+ 0.72% (0.50%)</b>					<b>61,840 100.00</b>				
USD	670,000	GMR Hyderabad 4.25% 27/10/2027	445	0.72	<i>March 2018 comparatives in brackets.</i>				
<b>B+ 0.19% (0.20%)</b>					<i>*Variable rate bonds.</i>				
USD	200,000	Republic of Argentina International Bond 5.875% 11/01/2028	115	0.19	<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>				
<b>B 0.14% (0.17%)</b>					<b>Value % of</b>				
USD	126,000	Noble Holding International 6.95% 01/04/2045	89	0.14	<b>£000 Investment</b>				
<b>Total Fixed Interest</b>					Fixed interest 59,215 93.77				
<b>59,215 95.75</b>					Floating rate notes 3,945 6.25				
<b>FLOATING RATE NOTES 6.38% (4.36%)</b>					Derivatives (9) (0.02)				
<b>A 0.86% (0.76%)</b>					<b>Total value of investments</b>				
USD	710,000	*HSBC Holdings 4.041% 13/03/2028	531	0.86	<b>63,151 100.00</b>				
<b>A– 1.92% (1.50%)</b>					<b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>				
USD	320,000	*Bank of America 3.705% 24/04/2028	238	0.38	<b>Value</b>				
USD	770,000	*Friends Life Holdings FRN 08/11/2049	595	0.96	<b>£000</b>				
USD	500,000	*JPMorgan Chase Variable 3.882% 24/07/2038	358	0.58	UBS US 5 Year Note Future Expiring December 2018 261				
<b>BBB+ 1.81% (0.84%)</b>					UBS US 10 Year Note Future Expiring December 2018 (10,242)				
USD	840,000	*ING Bank 4.125% 21/11/2023	646	1.04	UBS US Long Bond Future Expiring December 2018 (5,619)				
USD	615,000	*Vodafone Group FRN 16/01/2024	474	0.77	<b>Total net exposure</b>				
<b>BBB 1.43% (0.72%)</b>					<b>(15,600)</b>				
USD	1,150,000	*Swedish Export 2.88% 14/11/2023	883	1.43	<b>Total Purchases and Sales</b>				
<b>BB– 0.36% (0.00%)</b>					<i>for the accounting period 8 March 2018 to 7 September 2018</i>				
USD	279,000	*Credit Suisse Group VAR 17/01/2167	220	0.36	<b>2018 2017</b>				
<b>B 0.00% (0.54%)</b>					<b>£000 £000</b>				
<b>Total Floating Rate Notes</b>					Total purchases for the period 28,305 93,274				
<b>3,945 6.38</b>					Total sales for the period 79,366 44,974				

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2018

		Value	% of			Value	% of
		£000	Net Asset Value			£000	Net Asset Value
Holding	Investment			Holding	Investment		
<b>BASIC MATERIALS 4.05% (3.65%)</b>				<b>General Retailers 1.47% (2.64%)</b>			
	<b>Chemicals 4.05% (3.65%)</b>			449,000	Start Today	10,598	1.47
767,500	JCU	13,199	1.84		<b>Media 1.82% (1.56%)</b>		
581,100	KH Neochem	15,891	2.21	370,800	M3	13,057	1.82
	<b>Total Basic Materials</b>	<b>29,090</b>	<b>4.05</b>		<b>Travel &amp; Leisure 0.59% (1.48%)</b>		
<b>INDUSTRIALS 29.97% (35.88%)</b>				441,100	Round One	4,229	0.59
	<b>Construction &amp; Materials 5.55% (6.10%)</b>				<b>Total Consumer Services</b>	<b>40,730</b>	<b>5.67</b>
132,200	Daikin Industries	12,651	1.76	<b>TELECOMMUNICATIONS 5.79% (5.98%)</b>			
575,700	Maeda Kosen	8,360	1.16		<b>Fixed Line Telecommunications 3.06% (2.59%)</b>		
2,103,600	Takuma	18,854	2.63	672,200	Nippon Telegraph & Telephone	21,979	3.06
	<b>General Industrials 3.89% (0.00%)</b>				<b>Mobile Telecommunications 2.73% (3.39%)</b>		
2,072,100	Itochu	27,908	3.89	285,000	SoftBank Group	19,627	2.73
	<b>Electronic &amp; Electrical Equipment 14.34% (15.99%)</b>				<b>Total Telecommunications</b>	<b>41,606</b>	<b>5.79</b>
716,600	Amano Corporation	11,370	1.58	<b>FINANCIALS 14.04% (17.74%)</b>			
778,300	Hoya	34,232	4.77		<b>Banks 4.23% (5.37%)</b>		
70,600	Keyence	29,089	4.05	6,562,400	Mitsubishi UFJ Financial Group	30,387	4.23
260,900	Nidec	28,330	3.94		<b>Life Insurance 4.05% (3.43%)</b>		
	<b>Industrial Engineering 1.97% (6.41%)</b>			2,060,700	Dai-ichi Life Insurance	29,126	4.05
324,300	Komatsu	6,751	0.94		<b>Real Estate Investment &amp; Services 0.00% (2.17%)</b>		
569,500	Rheon Automatic Machinery	7,398	1.03		<b>Financial Services 5.76% (6.77%)</b>		
	<b>Support Services 4.22% (7.38%)</b>			1,086,700	Nihon M&A Center	21,175	2.95
322,200	Benefit One	7,047	0.98	1,687,700	Orix	20,181	2.81
702,300	Mitsubishi	15,165	2.11		<b>Total Financials</b>	<b>100,869</b>	<b>14.04</b>
426,051	Raksul	8,145	1.13	<b>TECHNOLOGY 6.48% (7.67%)</b>			
	<b>Total Industrials</b>	<b>215,300</b>	<b>29.97</b>		<b>Software &amp; Computer Services 3.54% (5.47%)</b>		
<b>CONSUMER GOODS 21.12% (16.68%)</b>				221,500	BayCurrent Consulting	4,737	0.66
	<b>Automobiles &amp; Parts 6.33% (4.79%)</b>			325,500	Comture	8,879	1.24
388,700	Koito Manufacturing	17,136	2.39	190,200	Digital Arts	6,605	0.92
576,200	Suzuki Motor	28,318	3.94	177,200	Itochu Techno-Solutions	2,958	0.41
	<b>Household Goods &amp; Home Construction 2.41% (3.31%)</b>			99,600	Mercari	2,230	0.31
360,000	Katitas	7,140	0.99		<b>Technology Hardware &amp; Equipment 2.94% (2.20%)</b>		
324,800	Shohei	10,199	1.42	671,800	Elecom	13,086	1.82
	<b>Leisure Goods 7.69% (6.00%)</b>			338,600	UT Group	8,015	1.12
70,700	Nintendo	18,873	2.63		<b>Total Technology</b>	<b>46,510</b>	<b>6.48</b>
841,100	Sony	36,306	5.06	<b>DERIVATIVES 0.00% (0.00%)</b>			
	<b>Personal Goods 4.69% (2.58%)</b>				<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>		
170,300	Milbon	5,702	0.79		Sell GBP 25,364		
729,800	Pigeon	28,026	3.90		Buy JPY 3,650,000 Citigroup		
	<b>Total Consumer Goods</b>	<b>151,700</b>	<b>21.12</b>		<b>Total Derivatives</b>		
<b>HEALTH CARE 8.84% (2.82%)</b>							
	<b>Health Care Equipment &amp; Services 3.80% (2.82%)</b>			<b>Total value of investments</b>		<b>689,295</b>	<b>95.96</b>
329,100	ASAHI INTECC	9,593	1.34	<b>Net other assets (3.90%)</b>		<b>29,037</b>	<b>4.04</b>
636,800	Nakanishi	9,424	1.31	<b>Net assets</b>		<b>718,332</b>	<b>100.00</b>
967,700	Solasto Corporation	8,298	1.15	<i>March 2018 comparatives in brackets.</i>			
	<b>Pharmaceuticals &amp; Biotechnology 5.04% (0.00%)</b>			<b>Total Purchases and Sales</b>		<b>2018</b>	<b>2017</b>
2,171,800	Astellas Pharma	27,339	3.81			<b>£000</b>	<b>£000</b>
291,500	Takeda Pharmaceutical	8,836	1.23	Total purchases for the period		258,583	271,463
	<b>Total Health Care</b>	<b>63,490</b>	<b>8.84</b>	Total sales for the period		243,158	136,077
<b>CONSUMER SERVICES 5.67% (5.68%)</b>							
	<b>Food &amp; Drug Retailers 1.79% (0.00%)</b>						
440,700	Matsumotokiyoshi Holdings	12,846	1.79				

## Threadneedle Asia Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 12.05% (11.62%)</b>				<b>Beverages 0.41% (0.46%)</b>			
	<b>Mining 4.18% (4.23%)</b>			756,000	Tsingtao Brewery	2,589	0.41
1,102,005	BHP Billiton (AUD)	18,946	3.04	<b>Pharmaceuticals &amp; Biotechnology 0.67% (0.00%)</b>			
180,599	Rio Tinto (AUD)	7,104	1.14	433,900	BeiGene (Hong Kong Listing)	4,165	0.67
<b>Industrial Transportation 1.11% (0.77%)</b>				<b>General Retailers 0.62% (0.36%)</b>			
944,228	Transurban	5,926	0.95	70,849	New Oriental Education & Technology Group ADR	3,848	0.62
165,654	Transurban Group	985	0.16	<b>Banks 4.03% (4.58%)</b>			
<b>Support Services 0.68% (0.77%)</b>				25,244,524	China Construction Bank	16,451	2.64
1,018,637	Link Administration Holdings	4,234	0.68	3,080,500	China Merchants Bank	8,711	1.39
<b>Pharmaceuticals &amp; Biotechnology 1.92% (1.50%)</b>				<b>Life Insurance 3.39% (3.21%)</b>			
103,339	CSL	11,974	1.92	2,896,272	Ping An Insurance Group	21,126	3.39
<b>Banks 2.06% (1.88%)</b>				<b>Total China</b>			
824,696	Australia & New Zealand Banking Group	12,875	2.06			<b>69,431</b>	<b>11.13</b>
<b>Life Insurance 0.00% (0.61%)</b>				<b>HONG KONG 13.56% (11.29%)</b>			
<b>Real Estate Investment &amp; Services 0.81% (0.76%)</b>				<b>Oil &amp; Gas Producers 1.91% (1.43%)</b>			
481,333	Lend Lease Group	5,082	0.81	8,803,760	CNOOC	11,922	1.91
<b>Financial Services 1.29% (1.10%)</b>				<b>Automobiles &amp; Parts 0.35% (0.55%)</b>			
119,360	Macquarie Group	8,044	1.29	1,944,000	Brilliance China Automotive	2,184	0.35
<b>Total Australia</b>				<b>Household Goods &amp; Home Construction 1.15% (1.02%)</b>			
		<b>75,170</b>	<b>12.05</b>	1,543,500	Techtronic Industries	7,166	1.15
<b>CAYMAN ISLANDS 13.51% (15.84%)</b>				<b>Personal Goods 0.44% (0.60%)</b>			
<b>Electronic &amp; Electrical Equipment 0.50% (0.00%)</b>				<b>Pharmaceuticals &amp; Biotechnology 1.13% (0.98%)</b>			
337,000	Sunny Optical Technology Group	3,083	0.50	3,882,000	Li-Ning	2,769	0.44
<b>Support Services 0.30% (0.00%)</b>				<b>Travel &amp; Leisure 1.02% (1.05%)</b>			
33,689	51job	1,865	0.30	3,752,000	CSPC Pharmaceutical Group	7,041	1.13
<b>Automobiles &amp; Parts 0.00% (0.74%)</b>				<b>Mobile Telecommunications 0.94% (0.00%)</b>			
<b>Food Producers 0.92% (0.00%)</b>				<b>Banks 0.84% (0.60%)</b>			
2,528,000	China Mengniu Dairy	5,739	0.92	1,256,000	Galaxy Entertainment Group	6,384	1.02
<b>Personal Goods 0.89% (0.92%)</b>				<b>Life Insurance 3.85% (3.30%)</b>			
1,466,000	Anta Sports Products	5,558	0.89	6,500,000	China Unicom	5,870	0.94
<b>Pharmaceuticals &amp; Biotechnology 0.58% (0.00%)</b>				<b>Real Estate Investment &amp; Services 0.82% (0.87%)</b>			
3,984,000	Sino Biopharmaceutical	3,602	0.58	1,479,000	BOC Hong Kong Holdings	5,253	0.84
<b>General Retailers 4.51% (5.50%)</b>				<b>Financial Services 1.11% (0.89%)</b>			
229,053	Alibaba Group ADR	28,139	4.51	3,836,316	AIA Group	24,023	3.85
<b>Travel &amp; Leisure 0.84% (0.79%)</b>				<b>Total Hong Kong</b>			
1,554,800	Sands China	5,248	0.84	467,000	Sun Hung Kai Properties	5,104	0.82
<b>Software &amp; Computer Services 4.97% (7.89%)</b>				<b>Oil &amp; Gas Producers 1.82% (1.32%)</b>			
1,000,880	Tencent Holdings	31,005	4.97	830,730	Reliance Industries	11,369	1.82
<b>Total Cayman Islands</b>				<b>Construction &amp; Materials 0.79% (1.00%)</b>			
		<b>84,239</b>	<b>13.51</b>	339,703	Larsen & Toubro	4,902	0.79
<b>CHINA 11.13% (9.18%)</b>				<b>Industrial Engineering 1.84% (1.41%)</b>			
<b>Oil &amp; Gas Producers 1.03% (0.00%)</b>				<b>Banks 0.84% (0.60%)</b>			
8,912,000	China Petroleum & Chemical	6,418	1.03	10,336	Eicher Motors	3,178	0.51
<b>Construction &amp; Materials 0.98% (0.57%)</b>				<b>Life Insurance 3.85% (3.30%)</b>			
1,341,500	Anhui Conch Cement	6,123	0.98	797,386	Mahindra & Mahindra	8,315	1.33



## Threadneedle Asia Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>TAIWAN 9.82% (8.20%) (continued)</b>			
<b>Financial Services 0.84% (0.38%)</b>			
2,045,100	Chailease Holding	5,232	0.84
<b>Technology Hardware &amp; Equipment 6.06% (5.76%)</b>			
644,000	MediaTek	3,986	0.64
5,143,408	Taiwan Semiconductor Manufacturing	33,828	5.42
	<b>Total Taiwan</b>	<b>61,256</b>	<b>9.82</b>
<b>THAILAND 1.02% (1.09%)</b>			
<b>Banks 1.02% (1.09%)</b>			
1,311,632	Kasikornbank	6,361	1.02
	<b>Total Thailand</b>	<b>6,361</b>	<b>1.02</b>
<b>UNITED KINGDOM 4.27% (4.82%)</b>			
<b>Collective Investment Schemes 4.27% (4.82%)</b>			
7,362,345	Threadneedle China Opportunities Fund	26,602	4.27
	<b>Total United Kingdom</b>	<b>26,602</b>	<b>4.27</b>
<b>DERIVATIVES -0.01% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts -0.01% (0.00%)</b>			
	Sell USD 1,282,926		
	Buy AUD 1,789,070 Goldman Sachs	(1)	-
	Sell USD 82,000		
	Buy GBP 63,209 Citigroup	1	-
	Sell GBP 5,719,181		
	Buy USD 7,344,000 Bank of Scotland	(79)	(0.01)
	<b>Total Derivatives</b>	<b>(79)</b>	<b>(0.01)</b>
<b>Total value of investments</b>		<b>605,925</b>	<b>97.15</b>
<b>Net other assets (1.55%)</b>		<b>17,788</b>	<b>2.85</b>
<b>Net assets</b>		<b>623,713</b>	<b>100.00</b>

March 2018 comparatives in brackets.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	111,986	197,401
Total sales for the period	94,718	188,280

## Threadneedle Latin America Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 0.17% (3.50%)</b>				<b>Real Estate Investment &amp; Services 0.96% (0.96%)</b>			
	<b>Construction &amp; Materials 0.00% (0.74%)</b>			703,250	Iguatemi Empresa de Shopping Centers	3,997	0.96
	<b>Electricity 0.17% (1.00%)</b>				<b>Financial Services 0.11% (4.34%)</b>		
30,278	Pampa Energia ADR	710	0.17	106,730	B3 SA Brasil Bolsa Balcao	441	0.11
	<b>Banks 0.00% (1.76%)</b>				<b>Total Brazil</b>	<b>209,269</b>	<b>50.26</b>
	<b>Total Argentina</b>	<b>710</b>	<b>0.17</b>				
<b>BERMUDA 3.27% (2.29%)</b>				<b>BRITISH VIRGIN ISLANDS 0.19% (0.54%)</b>			
	<b>Banks 3.27% (2.29%)</b>				<b>Travel &amp; Leisure 0.19% (0.54%)</b>		
84,496	Credicorp	13,616	3.27	63,688	Despegar.Com	792	0.19
	<b>Total Bermuda</b>	<b>13,616</b>	<b>3.27</b>		<b>Total British Virgin Islands</b>	<b>792</b>	<b>0.19</b>
<b>BRAZIL 50.26% (58.58%)</b>				<b>CANADA 0.64% (0.45%)</b>			
	<b>Oil &amp; Gas Producers 6.31% (7.32%)</b>				<b>Oil &amp; Gas Producers 0.64% (0.45%)</b>		
1,723,244	Petrol Brasileiros Preference share	6,180	1.48	247,625	Parex Resources	2,673	0.64
3,011,632	Petroleo Brasileiro	12,487	3.00		<b>Total Canada</b>	<b>2,673</b>	<b>0.64</b>
1,081,174	Petroleo Brasileiro ADR	7,623	1.83				
	<b>Forestry &amp; Paper 3.09% (0.46%)</b>				<b>CAYMAN ISLANDS 0.47% (1.70%)</b>		
1,248,873	Suzano Papel e Celulose	12,862	3.09		<b>Support Services 0.47% (1.70%)</b>		
	<b>Industrial Metals &amp; Mining 9.56% (6.68%)</b>			98,628	PagSeguro Digital	1,957	0.47
1,715,054	Gerdau Preference Share	5,148	1.24		<b>Total Cayman Islands</b>	<b>1,957</b>	<b>0.47</b>
1,328,026	Vale	13,438	3.23				
2,124,921	Vale ADR	21,200	5.09		<b>CHILE 4.51% (4.82%)</b>		
	<b>Beverages 4.88% (7.03%)</b>				<b>Beverages 2.56% (2.34%)</b>		
5,866,060	Ambev	20,315	4.88	270,325	Cia Cervecerias ADR	5,404	1.30
	<b>Food Producers 1.13% (1.19%)</b>			1,877,140	Embotelladora Andina	5,250	1.26
897,432	Hypermarcas	4,704	1.13		<b>General Retailers 1.95% (2.48%)</b>		
	<b>Personal Goods 0.00% (1.44%)</b>			1,394,056	S.A.C.I. Falabella	8,134	1.95
	<b>Health Care Equipment &amp; Services 0.95% (1.11%)</b>				<b>Total Chile</b>	<b>18,788</b>	<b>4.51</b>
818,970	Fleury SA	3,949	0.95				
	<b>General Retailers 4.07% (1.12%)</b>				<b>COLOMBIA 1.30% (0.79%)</b>		
1,185,185	Localiza Rent a Car	4,905	1.18		<b>Banks 1.30% (0.79%)</b>		
1,641,845	Lojas Americanas	4,695	1.13		Bancolombia ADR	5,429	1.30
1,343,484	Lojas Renner	7,327	1.76		<b>Total Colombia</b>	<b>5,429</b>	<b>1.30</b>
	<b>Travel &amp; Leisure 0.00% (1.29%)</b>						
	<b>Fixed Line Telecommunications 0.00% (2.96%)</b>				<b>LUXEMBOURG 0.56% (0.13%)</b>		
	<b>Mobile Telecommunications 0.36% (1.30%)</b>				<b>Food Producers 0.00% (0.13%)</b>		
483,830	Linx	1,511	0.36		<b>Software &amp; Computer Services 0.56% (0.00%)</b>		
	<b>Electricity 3.33% (3.87%)</b>			51,769	Globant	2,346	0.56
1,160,747	Energisa	6,634	1.59		<b>Total Luxembourg</b>	<b>2,346</b>	<b>0.56</b>
1,943,478	Transmissora Alianca de Energia Eletrica	7,264	1.74				
	<b>Banks 14.10% (16.11%)</b>				<b>MEXICO 28.85% (21.07%)</b>		
3,945,933	Banco Bradesco	21,208	5.09		<b>Chemicals 2.08% (0.00%)</b>		
4,659,350	Itau Unibanco Holding Preference Share	37,519	9.01	3,359,931	Mexichem	8,652	2.08
	<b>Nonlife Insurance 1.41% (1.40%)</b>				<b>Industrial Metals &amp; Mining 2.52% (1.93%)</b>		
1,253,621	BB Seguridade Participacoes	5,862	1.41	4,838,449	Grupo Mexico	10,480	2.52
				1,737,054	Cemex ADR	9,019	2.17
					<b>Construction &amp; Materials 2.17% (1.62%)</b>		
					<b>Industrial Transportation 0.00% (0.08%)</b>		
				206,813	Fomento Economico Mexicano ADR	15,065	3.62
					<b>Beverages 3.62% (3.83%)</b>		
				8,013,725	Wal-Mart de Mexico	16,908	4.06
					<b>General Retailers 4.06% (2.89%)</b>		



## Threadneedle Latin America Fund

### Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
<b>MEXICO 28.85% (21.07%) (continued)</b>			
<b>Travel &amp; Leisure 1.50% (0.85%)</b>			
2,368,893	Alsea Sab de CV	6,260	1.50
<b>Mobile Telecommunications 5.32% (4.83%)</b>			
1,794,639	America Movil ADR	22,150	5.32
<b>Banks 7.58% (5.04%)</b>			
3,241,923	Banco del Bajio	5,757	1.38
5,173,138	Genera	3,756	0.90
4,233,283	Grupo Financiero Banorte	22,065	5.30
	<b>Total Mexico</b>	<b>120,112</b>	<b>28.85</b>
<b>PANAMA 0.84% (0.00%)</b>			
<b>Travel &amp; Leisure 0.84% (0.00%)</b>			
59,988	Copa Holdings	3,497	0.84
	<b>Total Panama</b>	<b>3,497</b>	<b>0.84</b>
<b>REPUBLIC OF IRELAND 0.94% (0.75%)</b>			
<b>Liquidity Funds 0.94% (0.75%)<sup>1</sup></b>			
5,080,205	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	3,902	0.94
	<b>Total Republic of Ireland</b>	<b>3,902</b>	<b>0.94</b>
<b>UNITED STATES OF AMERICA 4.70% (2.91%)</b>			
<b>Banks 2.61% (1.72%)</b>			
464,356	BCO Santander Chile ADR	10,878	2.61
<b>Technology Hardware &amp; Equipment 2.09% (1.19%)</b>			
326,349	Ituran Location and Control	8,698	2.09
	<b>Total United States of America</b>	<b>19,576</b>	<b>4.70</b>
<b>DERIVATIVES 0.01% (0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.01% (0.00%)</b>			
	Sell USD 546,073		
	Buy BRL 2,241,901 Citigroup	5	–
	Sell USD 549,677		
	Buy BRL 2,256,699 Citigroup	5	–
	Sell USD 804,100		
	Buy BRL 3,306,057 Citigroup	8	0.01
	Sell USD 300,000		
	Buy GBP 231,704 Barclays	1	–
	<b>Total Derivatives</b>	<b>19</b>	<b>0.01</b>
	<b>Total value of investments<sup>2</sup></b>	<b>402,686</b>	<b>96.71</b>
	<b>Net other assets (2.47%)</b>	<b>13,684</b>	<b>3.29</b>
	<b>Net assets</b>	<b>416,370</b>	<b>100.00</b>

March 2018 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	217,611	92,607
Total sales for the period	210,903	96,990

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>ARGENTINA 6.73% (7.70%)</b>					<b>COLOMBIA 0.97% (1.78%)</b>				
		<b>B+ 6.73% (7.70%)</b>					<b>BBB- 0.97% (1.78%)</b>		
USD	1,843,903	Provincia de Buenos Aires 9.95% 09/06/2021	1,301	0.65	USD	2,540,000	Ecopetrol 5.875% 28/05/2045	1,927	0.97
USD	6,385,000	Provincia de Cordoba 7.125% 01/08/2027	3,521	1.77			<b>Total Colombia</b>	<b>1,927</b>	<b>0.97</b>
USD	419,000	Provincia de Cordoba 7.45% 01/09/2024	251	0.13	<b>COSTA RICA 0.00% (0.40%)</b>				
USD	2,795,000	Republic of Argentina 6.625% 06/07/2028	1,662	0.83			<b>BB- 0.00% (0.40%)</b>		
USD	640,000	Republic of Argentina 6.875% 26/01/2027	394	0.20			<b>Total Costa Rica</b>	<b>-</b>	<b>-</b>
USD	2,650,000	Republic of Argentina 7.125% 06/07/2036	1,532	0.77	<b>CROATIA 1.32% (1.52%)</b>				
USD	1,097,000	Republic of Argentina 7.5% 22/04/2026	709	0.36	USD	3,160,000	Croatia Government International Bond 6% 26/01/2024	2,630	1.32
USD	2,100,000	Republic of Argentina International Bond 5.875% 11/01/2028	1,211	0.61			<b>BB 0.00% (1.52%)</b>		
USD	5,090,000	Republic of Argentina International Bond 6.875% 11/01/2048	2,817	1.41			<b>Total Croatia</b>	<b>2,630</b>	<b>1.32</b>
		<b>Total Argentina</b>	<b>13,398</b>	<b>6.73</b>	<b>DOMINICAN REPUBLIC 7.26% (6.02%)</b>				
<b>BELARUS 1.91% (1.89%)</b>					USD	5,350,000	Dominican Republic International Bond 5.95% 25/01/2027	4,155	2.09
		<b>B 1.91% (1.89%)</b>			USD	1,628,000	Dominican Republic International Bond 6% 19/07/2028	1,259	0.63
USD	2,370,000	Republic of Belarus 6.2% 28/02/2030	1,713	0.86	USD	1,475,000	Dominican Republic International Bond 6.85% 27/01/2045	1,129	0.57
USD	620,000	Republic of Belarus 6.875% 28/02/2023	486	0.25	USD	2,382,000	Dominican Republic International Bond 7.45% 30/04/2044	1,945	0.98
USD	2,000,000	Republic of Belarus 7.625% 29/06/2027	1,600	0.80			<b>Not Rated 2.99% (1.54%)</b>		
		<b>Total Belarus</b>	<b>3,799</b>	<b>1.91</b>	DOP	155,000,000	Dominican Republic International Bond 11.25% 05/02/2027	2,516	1.26
<b>BRAZIL 2.52% (3.14%)</b>					DOP	85,400,000	Dominican Republic International Bond 11.5% 10/05/2024	1,385	0.69
		<b>BB- 1.19% (3.14%)</b>			DOP	112,000,000	Dominican Republic International Bond 16.95% 04/12/2022	2,081	1.04
USD	3,552,000	Brazil Government International Bond 5.625% 07/01/2041	2,382	1.19			<b>Total Dominican Republic</b>	<b>14,470</b>	<b>7.26</b>
		<b>Ba3 1.33% (0.00%)</b>			<b>ECUADOR 1.77% (1.80%)</b>				
USD	3,675,000	Light Servicios Energia 7.25% 03/05/2023	2,646	1.33	USD	3,370,000	Republic of Ecuador 9.65% 13/12/2026	2,464	1.24
		<b>Total Brazil</b>	<b>5,028</b>	<b>2.52</b>			<b>Not Rated 0.53% (0.46%)</b>		
<b>BRITISH VIRGIN ISLANDS 3.56% (2.95%)</b>					USD	1,500,000	Petroamazonas 4.625% 06/11/2020	1,054	0.53
		<b>A+ 1.73% (1.95%)</b>					<b>Total Ecuador</b>	<b>3,518</b>	<b>1.77</b>
USD	4,700,000	State Grid 3.5% 04/05/2027	3,448	1.73	<b>EGYPT 4.53% (5.91%)</b>				
		<b>A1 1.15% (0.00%)</b>			USD	2,149,000	Arab Republic of Egypt 6.588% 21/02/2028	1,529	0.77
USD	3,000,000	Sinopec Group Overseas Development (2018) 4.125% 12/09/2025	2,294	1.15	USD	2,651,000	Arab Republic of Egypt 7.903% 21/02/2048	1,855	0.93
		<b>A- 0.00% (1.00%)</b>					<b>B- 0.00% (1.55%)</b>		
		<b>Ba3 0.68% (0.00%)</b>			USD	2,780,000	Arab Republic of Egypt 8.5% 31/01/2047	2,059	1.03
USD	1,965,000	Star Energy Geothermal 6.75% 24/04/2033	1,351	0.68			<b>Not Rated 1.80% (2.62%)</b>		
		<b>Total British Virgin Islands</b>	<b>7,093</b>	<b>3.56</b>	EGP	45,900,000	Egypt Treasury Bill 0% 16/10/2018	1,933	0.97
<b>CAYMAN ISLANDS 1.65% (1.42%)</b>					EGP	41,325,000	Egypt Treasury Bill 0% 22/01/2019	1,653	0.83
		<b>Ba2 1.15% (1.00%)</b>					<b>Total Egypt</b>	<b>9,029</b>	<b>4.53</b>
USD	3,150,000	Energuate Trust 5.875% 03/05/2027	2,286	1.15					
		<b>B+ 0.50% (0.42%)</b>							
USD	1,354,000	Gran Tierra Energy International Holdings 6.25% 15/02/2025	1,000	0.50					
		<b>Total Cayman Islands</b>	<b>3,286</b>	<b>1.65</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>EL SALVADOR 1.72% (0.84%)</b>					<b>LUXEMBOURG 3.05% (1.89%)</b>				
		<b>CCC+ 1.72% (0.84%)</b>					<b>BBB- 1.98% (1.89%)</b>		
USD	883,000	El Salvador Government International Bond 5.88% 30/01/2025	632	0.32	USD	1,039,000	Gaz Capital 6.51% 07/03/2022	830	0.42
USD	2,184,000	El Salvador Government International Bond 6.375% 18/01/2027	1,571	0.79	USD	4,190,000	GPN Capital 4.375% 19/09/2022	3,107	1.56
USD	1,572,000	El Salvador Government International Bond 8.25% 10/04/2032	1,229	0.61	USD	3,000,000	<b>B 1.07% (0.00%)</b> MHP 6.95% 03/04/2026	2,131	1.07
		<b>Total El Salvador</b>	<b>3,432</b>	<b>1.72</b>			<b>Total Luxembourg</b>	<b>6,068</b>	<b>3.05</b>
<b>ETHIOPIA 0.00% (0.36%)</b>					<b>MEXICO 12.41% (11.23%)</b>				
		<b>B 0.00% (0.36%)</b>					<b>A- 2.25% (1.91%)</b>		
		<b>Total Ethiopia</b>	-	-	MXN	115,200,000	Mexican Bonos 7.75% 23/11/2034	4,481	2.25
<b>HONDURAS 2.46% (2.04%)</b>							<b>BBB+ 8.08% (7.59%)</b>		
		<b>BB- 2.46% (2.04%)</b>			USD	2,950,000	Mexico City Airport Trust 4.25% 31/10/2026	2,133	1.07
USD	2,830,000	Republic of Honduras 6.25% 19/01/2027	2,221	1.11	USD	1,320,000	Petroleos Mexicanos 4.625% 21/09/2023	993	0.50
USD	3,259,000	Republic of Honduras 7.5% 15/03/2024	2,690	1.35	USD	1,956,000	Petroleos Mexicanos 4.875% 18/01/2024	1,473	0.74
		<b>Total Honduras</b>	<b>4,911</b>	<b>2.46</b>	USD	1,512,000	Petroleos Mexicanos 5.5% 27/06/2044	950	0.48
<b>INDONESIA 3.11% (3.33%)</b>					USD	2,741,000	Petroleos Mexicanos 6.375% 23/01/2045	1,873	0.94
		<b>Baa2 1.14% (0.00%)</b>			USD	3,900,000	Petroleos Mexicanos 6.5% 13/03/2027	3,019	1.52
USD	552,000	Perusahaan Listrik Negara PT 5.45% 21/05/2028	430	0.21	USD	2,093,000	Petroleos Mexicanos 6.5% 02/06/2041	1,471	0.74
USD	2,340,000	Perusahaan Listrik Negara PT 6.15% 21/05/2048	1,847	0.93	USD	2,092,000	Petroleos Mexicanos 6.625% 15/06/2035	1,559	0.78
		<b>BBB- 1.97% (2.38%)</b>			USD	2,040,000	Petroleos Mexicanos 6.75% 21/09/2047	1,445	0.72
USD	1,935,000	Indonesia Government International Bond 6.63% 17/02/2037	1,717	0.86	USD	1,665,000	United Mexican States 4.6% 23/01/2046	1,184	0.59
USD	3,101,000	Perusahaan Listrik Negara PT 5.25% 24/10/2042	2,211	1.11	USD	2,400,000	<b>BB 0.89% (0.75%)</b> Unifin Financiera 7% 15/01/2025	1,770	0.89
		<b>BB 0.00% (0.95%)</b>			USD	3,000,000	<b>B+ 1.19% (0.98%)</b> Grupo Posadas 7.875% 30/06/2022	2,365	1.19
		<b>Total Indonesia</b>	<b>6,205</b>	<b>3.11</b>			<b>Total Mexico</b>	<b>24,716</b>	<b>12.41</b>
<b>IVORY COAST 4.01% (2.30%)</b>					<b>MOROCCO 0.51% (0.00%)</b>				
		<b>Ba3 2.99% (1.39%)</b>					<b>BBB- 0.51% (0.00%)</b>		
EUR	1,576,000	Ivory Coast 5.25% 22/03/2030	1,286	0.65	USD	1,300,000	OCP Group 5.625% 25/04/2024	1,025	0.51
USD	3,922,000	Ivory Coast 6.125% 15/06/2033	2,594	1.30			<b>Total Morocco</b>	<b>1,025</b>	<b>0.51</b>
USD	600,000	Ivory Coast 6.375% 03/03/2028	424	0.21	<b>NETHERLANDS 5.74% (5.20%)</b>				
EUR	2,077,000	Ivory Coast 6.625% 22/03/2048	1,658	0.83			<b>BBB- 2.29% (0.00%)</b>		
		<b>Not Rated 1.02% (0.91%)</b>			USD	6,180,000	Syngenta Finance 5.182% 24/04/2028	4,566	2.29
USD	3,168,000	*Ivory Coast 2.5% 31/12/2032	2,018	1.02			<b>BB- 2.61% (4.48%)</b>		
		<b>Total Ivory Coast</b>	<b>7,980</b>	<b>4.01</b>	USD	2,938,000	Kazakhstan Temir Zholy Finance 6.95% 10/07/2042	2,462	1.24
<b>JAMAICA 0.00% (0.72%)</b>					USD	3,850,000	Petrobras Global 5.3% 27/01/2025	2,720	1.37
		<b>B 0.00% (0.72%)</b>					<b>Ba3 0.84% (0.72%)</b>		
		<b>Total Jamaica</b>	-	-	USD	2,300,000	Indo Energy Finance 6.38% 24/01/2023	1,678	0.84
<b>KAZAKHSTAN 2.14% (1.04%)</b>							<b>Total Netherlands</b>	<b>11,426</b>	<b>5.74</b>
		<b>Baa3 2.14% (1.04%)</b>			<b>NIGERIA 3.73% (1.99%)</b>				
USD	2,411,000	KazMunayGas 4.75% 24/04/2025	1,864	0.94			<b>B 1.52% (1.09%)</b>		
USD	3,113,000	KazMunayGas 5.375% 24/04/2030	2,397	1.20	USD	795,000	Nigeria Government International Bond 6.5% 28/11/2027	566	0.28
		<b>Total Kazakhstan</b>	<b>4,261</b>	<b>2.14</b>	USD	3,316,000	Nigeria Government International Bond 7.875% 16/02/2032	2,470	1.24
<b>KENYA 0.00% (0.69%)</b>									
		<b>B+ 0.00% (0.69%)</b>							
		<b>Total Kenya</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>NIGERIA 3.73% (1.99%) (continued)</b>					<b>SINGAPORE 0.68% (0.00%)</b>				
		<b>Not Rated 2.21% (0.90%)</b>					<b>B 0.68% (0.00%)</b>		
NGN	970,000,000	Nigeria Government Treasury Bill (OMO) 0% 13/12/2018	2,006	1.01	USD	1,955,000	Geo Coal International 8% 04/10/2022	1,365	0.68
NGN	1,170,000,000	Nigeria Government Treasury Bill 0% 17/01/2019	2,386	1.20			<b>Total Singapore</b>	<b>1,365</b>	<b>0.68</b>
		<b>Total Nigeria</b>	<b>7,428</b>	<b>3.73</b>	<b>SOUTH AFRICA 5.39% (4.72%)</b>				
<b>OMAN 2.44% (1.74%)</b>							<b>BB+ 3.50% (3.91%)</b>		
		<b>Baa2 0.00% (1.74%)</b>			ZAR	155,500,000	South Africa Government Bond 8.5% 31/01/2037	6,971	3.50
		<b>Baa3 2.44% (0.00%)</b>			USD	3,700,000	Republic Of South Africa 5.875% 22/06/2030	2,747	1.38
USD	4,113,000	Oman Government International 5.625% 17/01/2028	3,019	1.51	USD	1,450,000	Transnet SOC 4% 26/07/2022	1,028	0.51
USD	2,579,000	Oman Government International 6.75% 17/01/2048	1,846	0.93			<b>Total South Africa</b>	<b>10,746</b>	<b>5.39</b>
		<b>Total Oman</b>	<b>4,865</b>	<b>2.44</b>	<b>SRI LANKA 1.69% (1.20%)</b>				
<b>PAKISTAN 1.41% (1.25%)</b>							<b>B+ 1.69% (1.20%)</b>		
		<b>B 1.41% (1.25%)</b>			USD	859,000	Republic of Sri Lanka 5.75% 18/04/2023	633	0.32
USD	3,700,000	Islamic Republic of Pakistan 8.25% 15/04/2024	2,807	1.41	USD	1,650,000	Republic of Sri Lanka 6.2% 11/05/2027	1,161	0.58
		<b>Total Pakistan</b>	<b>2,807</b>	<b>1.41</b>	USD	2,100,000	Republic of Sri Lanka 6.85% 03/11/2025	1,564	0.79
<b>PANAMA 0.36% (1.10%)</b>							<b>Total Sri Lanka</b>	<b>3,358</b>	<b>1.69</b>
		<b>A- 0.00% (0.80%)</b>			<b>SUPRANATIONAL 0.68% (0.56%)</b>				
		<b>BBB- 0.36% (0.30%)</b>			USD	1,755,000	Republic of Serbia 5.875% 03/12/2018	1,355	0.68
USD	1,012,000	Intercorp Financial Services 4.125% 19/10/2027	712	0.36			<b>Total Supranational</b>	<b>1,355</b>	<b>0.68</b>
		<b>Total Panama</b>	<b>712</b>	<b>0.36</b>	<b>TRINIDAD AND TOBAGO 1.04% (0.97%)</b>				
<b>PARAGUAY 1.10% (0.48%)</b>							<b>BB 1.04% (0.97%)</b>		
		<b>BB 1.10% (0.48%)</b>			USD	2,895,000	Petroleum of Trinidad & Tobago 9.75% 14/08/2019	2,079	1.04
USD	1,340,000	Republic of Paraguay 5.6% 13/03/2048	1,044	0.53			<b>Total Trinidad And Tobago</b>	<b>2,079</b>	<b>1.04</b>
USD	1,380,000	Republic of Paraguay 6.1% 11/08/2044	1,141	0.57	<b>TURKEY 2.78% (4.43%)</b>				
		<b>Total Paraguay</b>	<b>2,185</b>	<b>1.10</b>			<b>Ba2 0.00% (4.43%)</b>		
<b>PERU 0.00% (2.13%)</b>							<b>Ba3 2.42% (0.00%)</b>		
		<b>A- 0.00% (1.05%)</b>			USD	4,960,000	Turkey Government International Bond 6% 25/03/2027	3,247	1.63
		<b>A3 0.00% (0.55%)</b>			USD	2,201,000	Turkey Government International Bond 7.375% 05/02/2025	1,580	0.79
		<b>BBB+ 0.00% (0.24%)</b>					<b>B1 0.36% (0.00%)</b>		
		<b>BBB- 0.00% (0.29%)</b>			USD	1,184,000	Export Credit Bank of Turkey 6.125% 03/05/2024	708	0.36
		<b>Total Peru</b>	<b>-</b>	<b>-</b>			<b>Total Turkey</b>	<b>5,535</b>	<b>2.78</b>
<b>RUSSIA 0.47% (3.68%)</b>					<b>UKRAINE 3.01% (3.25%)</b>				
		<b>BBB 0.00% (2.93%)</b>					<b>B- 3.01% (3.25%)</b>		
		<b>BBB- 0.47% (0.75%)</b>			USD	1,713,000	Ukraine Government 7.375% 25/09/2032	1,124	0.57
USD	1,200,000	Russian Foreign Bond – Eurobond 5.625% 04/04/2042	946	0.47	USD	955,000	Ukraine Government 7.75% 01/09/2024	704	0.35
		<b>Total Russia</b>	<b>946</b>	<b>0.47</b>	USD	5,850,000	Ukraine Government 7.75% 01/09/2026	4,168	2.09
<b>SENEGAL 1.42% (1.31%)</b>							<b>Total Ukraine</b>	<b>5,996</b>	<b>3.01</b>
		<b>B+ 1.42% (1.31%)</b>							
USD	4,143,000	Senegal Government International Bond 6.25% 23/05/2033	2,828	1.42					
		<b>Total Senegal</b>	<b>2,828</b>	<b>1.42</b>					

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

	Value	% of		Value	% of
Holding Investment	£000	Net Asset Value		£000	Investment
<b>UNITED KINGDOM 2.12% (1.53%)</b>					
			<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
			Fixed interest	191,794	98.29
			Floating rate notes	2,018	1.03
			Derivatives	1,336	0.68
			<b>Total value of investments</b>	<b>195,148</b>	<b>100.00</b>
			<b>Total Purchases and Sales</b>		
			<i>for the accounting period 8 March 2018 to 7 September 2018</i>		
				<b>2018</b>	<b>2017</b>
				<b>£000</b>	<b>£000</b>
			Total purchases for the period	65,874	63,924
			Total sales for the period	86,690	60,999
USD 3,025,000	Liquid Telecom 8.5% 13/07/2022	2,370	1.19		
	<b>Ba3 1.19% (1.01%)</b>				
	<b>B+ 0.00% (0.52%)</b>				
	<b>B 0.93% (0.00%)</b>				
USD 2,510,000	Tullow Oil 7% 01/03/2025	1,849	0.93		
	<b>Total United Kingdom</b>	<b>4,219</b>	<b>2.12</b>		
<b>VENEZUELA 1.60% (2.24%)</b>					
	<b>D 1.60% (2.24%)</b>				
USD 8,692,931	Petroleos de Venezuela 6% 15/11/2026 (Defaulted)	1,195	0.60		
USD 2,799,922	Petroleos de Venezuela 6% 16/05/2024 (Defaulted)	390	0.20		
USD 8,677,700	Venezuela Government International Bond 8.25% 13/10/2024 (Defaulted)	1,601	0.80		
	<b>Total Venezuela</b>	<b>3,186</b>	<b>1.60</b>		
<b>DERIVATIVES 0.67% (0.02%)</b>					
	<b>Forward Foreign Exchange Contracts 0.67% (0.02%)</b>				
	Sell USD 4,280,956				
	Buy BRL 16,986,406 Goldman Sachs	(85)	(0.04)		
	Sell USD 1,711,662				
	Buy EUR 1,493,350 J.P. Morgan	22	0.01		
	Sell USD 263,966				
	Buy GBP 207,345 Lloyds	5	-		
	Sell USD 4,651				
	Buy GBP 3,629 Lloyds	-	-		
	Sell USD 674,300				
	Buy GBP 520,794 Barclays	3	-		
	Sell USD 114,000				
	Buy GBP 87,875 Citigroup	-	-		
	Sell USD 1,163				
	Buy GBP 906 Lloyds	-	-		
	Sell USD 2,680,006				
	Buy RUB 180,515,862 HSBC	(63)	(0.03)		
	Sell ZAR 151,003,569				
	Buy USD 11,169,084 HSBC	954	0.48		
	Sell RUB 180,515,862				
	Buy USD 2,770,942 HSBC	133	0.07		
	Sell BRL 16,986,406				
	Buy USD 4,496,018 Goldman Sachs	251	0.12		
	Sell EUR 5,100,897				
	Buy USD 5,939,535 Bank of Scotland	(5)	-		
	Sell GBP 388,000				
	Buy USD 501,329 UBS	(4)	-		
	Sell MXN 117,563,871				
	Buy USD 6,305,541 HSBC	156	0.08		
	Sell USD 672,380				
	Buy ZAR 9,603,042 HSBC	(31)	(0.02)		
	<b>Total Derivatives</b>	<b>1,336</b>	<b>0.67</b>		
	<b>Total value of investments</b>	<b>195,148</b>	<b>97.96</b>		
	<b>Net other assets (3.23%)</b>	<b>4,055</b>	<b>2.04</b>		
	<b>Net assets</b>	<b>199,203</b>	<b>100.00</b>		

March 2018 comparatives in brackets.

\*Variable rate bonds.

## Threadneedle High Yield Bond Fund

### Portfolio Statement

as at 7 September 2018

	Value £000	% of Net Asset Value		Value £000	% of Net Asset Value		
<b>AUSTRALIA 0.75% (0.64%)</b>			EUR	575,000	Crown European Holdings 2.25% 01/02/2023	521	0.07
<b>BB 0.75% (0.64%)</b>			EUR	5,025,000	Crown European Holdings 2.625% 30/09/2024	4,508	0.61
EUR 6,061,000 *Origin Energy Finance 4% 16/09/2074	5,553	0.75	EUR	1,435,000	Crown European Holdings 2.875% 01/02/2026	1,244	0.17
<b>Total Australia</b>	<b>5,553</b>	<b>0.75</b>	EUR	300,000	Crown European Holdings 3.375% 15/05/2025	275	0.04
<b>AUSTRIA 0.00% (0.23%)</b>			EUR	212,000	Crown European Holdings 4% 15/07/2022	207	0.03
<b>Caa1 0.00% (0.23%)</b>			EUR	1,900,000	SPIE 3.125% 22/03/2024	1,702	0.23
<b>Total Austria</b>	<b>–</b>	<b>–</b>					
<b>BELGIUM 0.82% (0.81%)</b>			EUR	2,900,000	<b>Ba2 0.62% (0.56%)</b> Elis 1.875% 15/02/2023	2,593	0.35
<b>BB+ 0.33% (0.00%)</b>			EUR	2,200,000	Elis 2.875% 15/02/2026	1,963	0.27
EUR 2,647,000 *KBC Groep 5.625% 19/12/2049	2,395	0.33	EUR	2,245,000	<b>BB– 0.43% (0.39%)</b> Rexel 2.125% 15/06/2025	1,941	0.26
<b>BB 0.00% (0.32%)</b>			EUR	1,321,000	Rexel 3.5% 15/06/2023	1,222	0.17
<b>Not Rated 0.49% (0.49%)</b>							
EUR 3,900,000 *Belfius Bank 4.609% 29/12/2165	3,638	0.49					
<b>Total Belgium</b>	<b>6,033</b>	<b>0.82</b>					
<b>CANADA 1.85% (1.70%)</b>			EUR	1,315,000	<b>B+ 0.69% (1.42%)</b> La Financiere Atalian 4% 15/05/2024	1,117	0.15
<b>BB– 0.48% (0.44%)</b>			EUR	3,675,000	Paprec Holding 4% 31/03/2025	3,282	0.44
USD 1,155,000 Bausch Health 6.5% 15/03/2022	918	0.12	EUR	820,000	*Paprec Holding FRN 31/03/2025	738	0.10
USD 1,726,000 Valeant 5.5% 01/11/2025	1,322	0.18					
USD 1,651,000 Valeant 7% 15/03/2024	1,338	0.18					
<b>B 0.71% (0.66%)</b>			EUR	8,046,000	<b>B 1.35% (0.52%)</b> Altice France 5.875% 01/02/2027	7,390	1.00
EUR 5,523,000 Cott Finance 5.5% 01/07/2024	5,222	0.71	EUR	2,811,000	Numericable-SFR 5.625% 15/05/2024	2,609	0.35
<b>B– 0.66% (0.60%)</b>							
EUR 920,000 Bombardier 6.125% 15/05/2021	899	0.12					
EUR 4,641,000 Valeant Pharmaceuticals 4.5% 15/05/2023	4,003	0.54	EUR	1,465,000	<b>CCC+ 0.17% (0.42%)</b> Newco Sab Midco 5.375% 15/04/2025	1,282	0.17
<b>Total Canada</b>	<b>13,702</b>	<b>1.85</b>					
<b>CAYMAN ISLANDS 0.27% (0.25%)</b>							
<b>BB 0.27% (0.25%)</b>							
EUR 2,220,000 UPCB Finance VII 3.625% 15/06/2029	1,963	0.27					
<b>Total Cayman Islands</b>	<b>1,963</b>	<b>0.27</b>					
<b>FRANCE 8.10% (8.02%)</b>							
<b>BBB 0.34% (0.32%)</b>							
USD 3,266,000 *Credit Agricole 8.125% 19/09/2033	2,510	0.34					
<b>BBB– 0.54% (0.53%)</b>							
EUR 4,124,000 *Orange 4% 26/10/2049	3,963	0.54					
<b>BB+ 2.17% (1.36%)</b>							
EUR 1,166,000 *Credit Agricole Perpetual 6.5% 23/12/2049	1,146	0.15					
EUR 3,152,000 Elis 3% 30/04/2022	2,854	0.39					
EUR 1,600,000 Orano 3.125% 20/03/2023	1,437	0.19					
EUR 1,800,000 Orano 3.5% 22/03/2021	1,689	0.23					
EUR 2,011,000 *Solvay Finance 5.118% 29/06/2049	1,951	0.26					
EUR 3,981,000 *Solvay Finance 5.869% 29/06/2049	3,994	0.54					
EUR 3,354,000 SPCM 2.875% 15/06/2023	3,026	0.41					
<b>BB 1.79% (2.08%)</b>							
EUR 1,500,000 *Accor 4.125% 30/06/2049	1,405	0.19					
EUR 1,800,000 Casino Guichard-Perrachon 1.865% 13/06/2022	1,420	0.19					
EUR 2,200,000 Casino Guichard-Perrachon 4.726% 26/05/2021	1,926	0.26					
<b>GERMANY 7.47% (6.79%)</b>							
<b>BB+ 3.12% (0.93%)</b>							
EUR 2,335,000 ADLER Real Estate 1.5% 06/12/2021	2,099	0.28					
EUR 2,200,000 ADLER Real Estate 1.875% 27/04/2023	1,932	0.26					
EUR 3,310,000 ADLER Real Estate 2.125% 06/02/2024	2,899	0.39					
EUR 900,000 ADLER Real Estate 3% 27/04/2026	790	0.11					
EUR 2,932,000 Demire Deutsche Mittelstand 2.875% 15/07/2022	2,669	0.36					
EUR 3,456,000 IHO Verwaltungs 3.25% 15/09/2023	3,171	0.43					
EUR 5,132,000 IHO Verwaltungs PIK 2.75% 15/09/2021	4,640	0.63					
EUR 3,225,514 IHO Verwaltungs PIK 3.75% 15/09/2026	2,958	0.40					
EUR 2,022,000 *Lanxess Finance 4.5% 06/12/2076	1,951	0.26					
<b>BB 0.31% (0.55%)</b>							
EUR 2,456,000 Thyssenkrupp 2.75% 08/03/2021	2,292	0.31					
<b>Ba2 0.66% (0.66%)</b>							
GBP 4,800,000 *RWWE 7% 29/03/2049	4,895	0.66					
<b>BB– 1.88% (3.44%)</b>							
EUR 1,135,000 Progroup 3% 31/03/2026	1,012	0.14					
EUR 2,000,000 Unitymedia Hessen 4% 15/01/2025	1,875	0.25					
EUR 2,250,000 Unitymedia Hessen 6.25% 15/01/2029	2,036	0.28					
EUR 3,332,000 Unitymedia NRW 3.5% 15/01/2027	3,128	0.42					
USD 4,980,000 Unitymedia NRW 5% 15/01/2025	3,882	0.53					
EUR 2,236,000 WEPA Hygieneprodukte 3.75% 15/05/2024	1,953	0.26					

## 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 7.47% (6.79%) (continued)</b>					<b>LUXEMBOURG 11.91% (12.74%)</b>				
<b>B 1.08% (0.84%)</b>					<b>BBB- 0.98% (2.21%)</b>				
EUR	1,794,000	Kirk Beauty Zero 6.25% 15/07/2022	1,407	0.19	GBP	3,092,000	Gaz Capital 4.25% 06/04/2024	3,083	0.42
EUR	1,300,000	Platin 5.375% 15/06/2023	1,138	0.15	EUR	4,500,000	*Grand City Properties 3.75% 29/12/2049	4,117	0.56
EUR	2,830,000	Safari Holdings 5.375% 30/11/2022	2,566	0.35	<b>BB+ 2.15% (1.73%)</b>				
EUR	3,025,000	Unitymedia 3.75% 15/01/2027	2,842	0.39	EUR	655,000	BMBG Bond Finance 3% 15/06/2021	591	0.08
<b>B- 0.42% (0.00%)</b>					EUR	3,213,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	3,208	0.43
EUR	3,524,000	Blitz 6% 30/07/2026	3,116	0.42	EUR	3,882,000	Fiat Chrysler Finance Europe 6.75% 14/10/2019	3,707	0.50
<b>CCC+ 0.00% (0.37%)</b>					EUR	2,758,000	Fiat Finance & Trade 4.75% 22/03/2021	2,690	0.36
<b>Total Germany</b>					EUR	2,504,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	2,299	0.31
			<b>55,251</b>	<b>7.47</b>	GBP	896,000	Leonardo 8% 16/12/2019	963	0.13
<b>ITALY 6.25% (6.12%)</b>					EUR	2,069,000	Telecom Italia Finance 7.75% 24/01/2033	2,488	0.34
<b>BBB- 0.32% (0.66%)</b>					<b>BB 1.42% (1.33%)</b>				
GBP	2,180,000	*Enel 6.625% 15/09/2076	2,360	0.32	EUR	1,635,000	Aramark International Finance 3.125% 01/04/2025	1,510	0.20
<b>BB+ 3.72% (3.97%)</b>					EUR	1,150,000	Arena Luxembourg Finance 2.875% 01/11/2024	1,025	0.14
EUR	1,006,000	Leonardo 1.5% 07/06/2024	858	0.12	EUR	400,000	*Arena Luxembourg Finance FRN 01/11/2023	356	0.05
EUR	7,161,000	Leonardo 4.5% 19/01/2021	6,929	0.94	EUR	3,268,000	Dufry Finance 4.55% 01/08/2023	3,020	0.41
EUR	2,095,000	Telecom Italia 3% 30/09/2025	1,876	0.25	EUR	4,975,000	Hanesbrands 3.5% 15/06/2024	4,626	0.62
EUR	1,185,000	Telecom Italia 3.625% 19/01/2024	1,121	0.15	<b>BB- 0.26% (0.77%)</b>				
EUR	3,370,000	Telecom Italia 3.625% 25/05/2026	3,120	0.42	EUR	100,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	86	0.01
EUR	5,758,000	Telecom Italia 4.5% 25/01/2021	5,561	0.75	EUR	2,188,000	Telenet Finance VI Luxembourg 4.875% 15/07/2027	1,885	0.25
EUR	5,450,000	Telecom Italia 5.25% 10/02/2022	5,455	0.74	<b>B+ 2.10% (1.00%)</b>				
EUR	2,900,000	Telecom Italia 5.25% 17/03/2055	2,609	0.35	EUR	1,402,000	Altice Financing 5.25% 15/02/2023	1,299	0.18
<b>BB 0.48% (0.46%)</b>					USD	982,000	Altice Financing 6.625% 15/02/2025	753	0.10
EUR	3,780,000	LKQ Italia Bondco 3.875% 01/04/2024	3,563	0.48	EUR	5,074,000	Garfunkelux 7.5% 01/08/2022	4,366	0.59
<b>BB- 1.09% (0.76%)</b>					GBP	2,870,000	Garfunkelux 8.5% 01/11/2022	2,712	0.37
EUR	4,572,000	Wind Tre 2.625% 20/01/2023	3,864	0.52	EUR	100,000	Ineos Group Holdings 5.375% 01/08/2024	94	0.01
EUR	5,112,000	Wind Tre 3.125% 20/01/2025	4,214	0.57	EUR	4,204,000	LHMC Finco 6.25% 20/12/2023	3,829	0.52
<b>B+ 0.64% (0.00%)</b>					EUR	2,688,000	Matterhorn Telecom 3.875% 01/05/2022	2,443	0.33
EUR	5,275,000	Nexi Capital 4.125% 01/11/2023	4,702	0.64	<b>B 1.92% (4.08%)</b>				
<b>B 0.00% (0.27%)</b>					EUR	3,142,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	2,572	0.35
<b>Total Italy</b>					USD	875,000	Codere Finance 2 (Luxembourg) 7.625% 01/11/2021	586	0.08
			<b>46,232</b>	<b>6.25</b>	EUR	4,100,000	Crystal Almond 10% 01/11/2021	3,945	0.53
<b>JAPAN 1.67% (2.41%)</b>					EUR	2,193,000	Intralot Capital 5.25% 15/09/2024	1,478	0.20
<b>BB+ 1.67% (2.41%)</b>					EUR	1,590,000	Intralot Capital 6.75% 15/09/2021	1,199	0.16
EUR	1,710,000	SoftBank Group 3.125% 19/09/2025	1,430	0.19	EUR	1,097,000	Lecta 6.5% 01/08/2023	996	0.13
EUR	2,643,000	SoftBank Group 4% 20/04/2023	2,468	0.33	EUR	1,379,000	LSF 10 Wolverine Investments 5% 15/03/2024	1,230	0.17
EUR	246,000	SoftBank Group 4% 19/09/2029	199	0.03	EUR	905,000	*LSF 10 Wolverine Investments FRN 15/03/2024	813	0.11
EUR	9,325,000	SoftBank Group 5% 15/04/2028	8,252	1.12	EUR	1,725,000	Takko Luxembourg 2 5.375% 15/11/2023	1,392	0.19
<b>Total Japan</b>									
			<b>12,349</b>	<b>1.67</b>	<b>JERSEY 1.87% (3.03%)</b>				
<b>BB+ 0.56% (0.55%)</b>					<b>BB+ 0.56% (0.55%)</b>				
EUR	4,466,000	Lincoln Finance 6.875% 15/04/2021	4,124	0.56	EUR	4,466,000	Lincoln Finance 6.875% 15/04/2021	4,124	0.56
<b>(P)Ba2 0.62% (0.62%)</b>					<b>(P)Ba2 0.62% (0.62%)</b>				
EUR	5,217,904	LHC Three PIK 4.125% 15/08/2024	4,622	0.62	EUR	5,217,904	LHC Three PIK 4.125% 15/08/2024	4,622	0.62
<b>B 0.30% (1.47%)</b>					<b>B 0.30% (1.47%)</b>				
GBP	1,470,000	CPUK Finance 4.25% 28/08/2022	1,463	0.20	GBP	1,470,000	CPUK Finance 4.25% 28/08/2022	1,463	0.20
GBP	790,000	CPUK Finance 4.875% 28/08/2025	787	0.10	GBP	790,000	CPUK Finance 4.875% 28/08/2025	787	0.10
<b>B- 0.39% (0.39%)</b>					<b>B- 0.39% (0.39%)</b>				
GBP	3,399,000	TVL Finance 8.5% 15/05/2023	2,859	0.39	GBP	3,399,000	TVL Finance 8.5% 15/05/2023	2,859	0.39
<b>Total Jersey</b>					<b>Total Jersey</b>				
			<b>13,855</b>	<b>1.87</b>				<b>13,855</b>	<b>1.87</b>

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Value	% of		Value	% of				
Holding	Investment	€000	Net Asset Value	Holding	Investment	€000	Net Asset Value		
<b>LUXEMBOURG 11.91% (12.74%) (continued)</b>				<b>BB- 2.69% (3.05%)</b>					
	<b>B- 2.18% (0.69%)</b>			EUR	2,075,000	Axalta Coating Systems 3.75% 15/01/2025	1,904	0.26	
EUR	3,500,000	Aguila 3 6.75% 15/12/2021	3,253	0.44	EUR	1,276,000	Hertz Holdings 5.5% 30/03/2023	1,148	0.16
EUR	2,200,000	Altice 6.25% 15/02/2025	1,852	0.25	EUR	4,175,000	InterXion Holding 4.75% 15/06/2025	3,870	0.52
EUR	7,726,000	Altice 7.25% 15/05/2022	6,866	0.93	EUR	3,040,000	Petrobras Global Finance 4.75% 14/01/2025	2,772	0.37
EUR	1,340,000	ARD Finance PIK 6.625% 15/09/2023	1,224	0.16	GBP	1,552,000	Petrobras Global Finance 5.375% 01/10/2029	1,419	0.19
EUR	3,274,000	Matterhorn Telecom 4.875% 01/05/2023	2,963	0.40	GBP	2,875,000	Petrobras Global Finance 6.625% 16/01/2034	2,805	0.38
	<b>CCC+ 0.90% (0.93%)</b>			GBP	3,271,000	Petrobras International Finance 6.25% 14/12/2026	3,300	0.45	
USD	750,000	Altice Finco 8.125% 15/01/2024	577	0.08	EUR	621,000	Ziggo Secured Finance 3.75% 15/01/2025	550	0.07
EUR	1,534,000	Altice Finco 9% 15/06/2023	1,432	0.19	EUR	2,435,000	Ziggo Secured Finance 4.25% 15/01/2027	2,160	0.29
EUR	4,964,000	Horizon Parent Holdings 8.25% 15/02/2022	4,629	0.63					
	<b>Total Luxembourg</b>		<b>88,157</b>	<b>11.91</b>					
<b>MEXICO 0.57% (0.55%)</b>				<b>B+ 0.54% (0.00%)</b>					
	<b>BB 0.57% (0.55%)</b>			GBP	3,989,000	InterGen 7.5% 30/06/2021	3,964	0.54	
EUR	1,019,000	Cemex 4.375% 05/03/2023	941	0.13					
USD	2,512,000	Cemex 7.75% 16/04/2026	2,111	0.28					
EUR	1,310,000	Cemex S.A.B. De C.V. 2.75% 05/12/2024	1,154	0.16					
	<b>Total Mexico</b>		<b>4,206</b>	<b>0.57</b>					
<b>NETHERLANDS 14.28% (12.67%)</b>				<b>B 1.40% (1.87%)</b>					
	<b>BBB- 1.22% (0.00%)</b>			EUR	4,811,000	LGE HoldCo VI 7.125% 15/05/2024	4,589	0.62	
EUR	4,143,000	Schaeffler Holding Finance 2.5% 15/05/2020	3,724	0.50	EUR	290,000	United Group 4.875% 01/07/2024	265	0.04
EUR	2,427,000	Schaeffler Holding Finance 3.25% 15/05/2025	2,286	0.31	EUR	2,095,000	UPC Holding 3.875% 15/06/2029	1,809	0.24
EUR	3,330,000	Schaeffler Holding Finance 3.5% 15/05/2022	3,009	0.41	EUR	4,161,000	Ziggo Bond Finance 4.625% 15/01/2025	3,676	0.50
	<b>BB+ 4.39% (5.29%)</b>			EUR	1,560,000	Constellium 4.25% 15/02/2026	1,403	0.19	
EUR	4,695,000	Darling Global Finance 3.625% 15/05/2026	4,268	0.58	EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	1,339	0.18
EUR	775,000	*Repsol International Finance 4.5% 25/03/2075	734	0.10	USD	4,726,969	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	908	0.12
EUR	7,900,000	*Telefonica Europe 3.75% 31/12/2049	7,107	0.96					
EUR	2,400,000	*Telefonica Europe 4.2% 29/12/2049	2,204	0.30					
EUR	2,000,000	*Telefonica Europe 5% 31/03/2049	1,871	0.25					
GBP	5,100,000	*Telefonica Europe 6.75% Perpetual	5,449	0.74					
EUR	3,100,000	*Telefonica Europe Perpetual 3% 04/12/2066	2,594	0.35					
EUR	4,200,000	*Telefonica Europe Perpetual 3.875% 22/09/2066	3,436	0.46					
EUR	5,325,000	*Tennet Holding 2.995% 01/06/2024	4,799	0.65					
	<b>BB 3.55% (1.77%)</b>								
EUR	3,410,000	Dufry One 2.5% 15/10/2024	3,060	0.41					
GBP	4,632,000	*Koninklijke KPN 6.875% 14/03/2073	4,909	0.66					
EUR	3,659,000	LKQ European Holdings 3.625% 01/04/2026	3,299	0.45					
EUR	100,000	OI European Group 3.125% 15/11/2024	91	0.01					
EUR	899,000	OI European Group 6.75% 15/09/2020	907	0.12					
EUR	5,261,000	Teva Pharmaceutical Finance 1.125% 15/10/2024	4,115	0.56					
EUR	3,606,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	3,001	0.41					
EUR	2,554,000	Teva Pharmaceutical Finance 1.875% 31/03/2027	1,933	0.26					
EUR	2,105,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	1,938	0.26					
EUR	3,260,000	Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025	3,064	0.41					
<b>PORTUGAL 0.40% (0.40%)</b>				<b>Not Rated 0.40% (0.40%)</b>					
	<b>Not Rated 0.40% (0.40%)</b>			EUR	1,100,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	295	0.04	
EUR	1,100,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	295	0.04	EUR	8,600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	2,265	0.31
EUR	8,600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	2,265	0.31	EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	411	0.05
EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	411	0.05					
	<b>Total Netherlands</b>		<b>105,679</b>	<b>14.28</b>					
<b>REPUBLIC OF IRELAND 3.33% (2.91%)</b>				<b>BB+ 0.35% (0.02%)</b>					
	<b>BB+ 0.35% (0.02%)</b>			EUR	209,000	Smurfit Kappa 3.25% 01/06/2021	200	0.03	
EUR	209,000	Smurfit Kappa 3.25% 01/06/2021	200	0.03	EUR	2,635,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026	2,392	0.32
EUR	2,635,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026	2,392	0.32					
	<b>BB 0.59% (0.55%)</b>			EUR	4,879,000	Ardagh Packaging Finance 2.75% 15/03/2024	4,387	0.59	
EUR	4,879,000	Ardagh Packaging Finance 2.75% 15/03/2024	4,387	0.59					
	<b>BB- 0.36% (0.36%)</b>			EUR	2,722,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,624	0.36	
EUR	2,722,000	*Governor & Co of the Bank of Ireland 7.375% 29/12/2049	2,624	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>REPUBLIC OF IRELAND 3.33% (2.91%) (continued)</b>					<b>UNITED KINGDOM 19.16% (19.88%)</b>				
<b>Ba3u 0.10% (0.00%)</b>					<b>Baa2 0.56% (0.55%)</b>				
EUR	749,000	*Allied Irish Banks 7.375% 29/12/2049	736	0.10	GBP	2,574,000	Santander UK 10.0625% 29/10/2049	4,131	0.56
<b>B+ 0.37% (0.34%)</b>					<b>BB+ 4.21% (5.33%)</b>				
EUR	3,015,000	Eircom Finance 4.5% 31/05/2022 SNR SEC	2,749	0.37	GBP	1,582,000	Drax Finco 4.25% 01/05/2022	1,619	0.22
<b>B1u 0.00% (0.10%)</b>					EUR	6,044,000	Ineos Finance 4% 01/05/2023	5,505	0.74
<b>B 1.13% (1.12%)</b>					EUR	2,155,000	International Game Technology 3.5% 15/07/2024	1,920	0.26
GBP	1,390,000	Ardagh Packaging Finance 4.75% 15/07/2027	1,347	0.18	EUR	1,380,000	International Game Technology 4.75% 15/02/2023	1,324	0.18
EUR	5,427,000	Ardagh Packaging Finance 6.75% 15/05/2024	5,222	0.71	GBP	2,000,000	*Lloyds Bank 13% 29/01/2049	3,400	0.46
GBP	1,782,000	Virgin Media 5.5% 15/09/2024	1,774	0.24	EUR	1,520,000	OTE 3.5% 09/07/2020	1,418	0.19
<b>B- 0.43% (0.42%)</b>					EUR	1,470,000	OTE 4.375% 02/12/2019	1,370	0.19
EUR	3,592,000	Europcar Drive DAC 4.125% 15/11/2024	3,194	0.43	GBP	1,422,000	Tesco 6.125% 24/02/2022	1,604	0.22
<b>Total Republic of Ireland</b>					GBP	3,795,000	Tesco Property Finance 1 7.6227% 13/07/2039	4,451	0.60
			<b>24,625</b>	<b>3.33</b>	GBP	2,603,000	Tesco Property Finance 3 5.744% 13/04/2040	2,898	0.39
<b>RUSSIA 0.00% (0.14%)</b>					GBP	916,000	Tesco Property Finance 5.5% 13/10/2041	1,022	0.14
<b>BBB- 0.00% (0.14%)</b>					GBP	1,620,000	Travis Perkins 4.5% 07/09/2023	1,644	0.22
<b>Total Russia</b>					GBP	2,813,000	William Hill 4.875% 07/09/2023	2,978	0.40
			-	-	<b>BB 4.13% (3.02%)</b>				
<b>SPAIN 0.98% (0.92%)</b>					GBP	4,918,000	Arrow Global Finance 5.125% 15/09/2024 Callable	4,489	0.61
<b>BB+ 0.67% (0.64%)</b>					GBP	3,347,000	*Barclays Bank 14% 29/11/2049	3,633	0.49
EUR	5,500,000	Cellnex Telecom 2.375% 16/01/2024	4,922	0.67	GBP	1,768,000	*Co-operative Group 6.25% 08/07/2026	2,089	0.28
<b>B+ 0.31% (0.28%)</b>					GBP	4,898,000	*Co-operative Group FRN 08/07/2020	5,231	0.71
EUR	2,610,000	Grifols 3.2% 01/05/2025	2,326	0.31	GBP	1,465,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	1,438	0.19
<b>Total Spain</b>					GBP	6,046,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	5,843	0.79
			<b>7,248</b>	<b>0.98</b>	EUR	5,291,000	Merlin Entertainments 2.75% 15/03/2022	4,881	0.66
<b>SWEDEN 1.77% (1.24%)</b>					GBP	2,934,000	Pinewood 3.75% 01/12/2023	2,937	0.40
<b>BBB- 0.11% (0.06%)</b>					<b>BB- 3.70% (3.12%)</b>				
EUR	403,000	*Volvo Treasury 4.2% 10/06/2075	379	0.05	EUR	2,489,000	EC Finance 2.375% 15/11/2022 (FWB)	2,228	0.30
EUR	429,000	*Volvo Treasury 4.85% 10/03/2078	425	0.06	EUR	1,310,000	EC Finance 2.375% 15/11/2022 (Lux)	1,173	0.16
<b>BB+ 1.66% (1.18%)</b>					GBP	1,486,000	EI Group 6.375% 15/02/2022	1,536	0.21
EUR	5,673,000	*Akelius Residential FRN 05/10/2078	4,988	0.67	GBP	1,460,000	EI Group 6.875% 15/02/2021	1,577	0.21
EUR	4,333,000	Intrum Justitia 2.75% 15/07/2022	3,701	0.50	GBP	6,430,000	Iron Mountain UK 3.875% 15/11/2025	6,071	0.82
EUR	2,686,000	Intrum Justitia 3.125% 15/07/2024	2,246	0.30	GBP	2,034,000	*Lloyds Banking Group 7% 29/12/2049	2,084	0.28
EUR	1,545,000	Volvo Car 2% 24/01/2025	1,363	0.19	GBP	885,000	*Miller Homes Group FRN 15/10/2023	888	0.12
<b>Total Sweden</b>					GBP	745,000	Miller Homes Group Holdings 5.5% 15/10/2024	748	0.10
			<b>13,102</b>	<b>1.77</b>	USD	2,530,000	Neptune Energy Bondco 6.625% 15/05/2025	1,900	0.26
<b>SWITZERLAND 2.78% (2.71%)</b>					GBP	1,205,000	Southern Water Greensands Financing 8.5% 15/04/2019	1,251	0.17
<b>BBB+ 0.62% (0.60%)</b>					GBP	5,565,000	Virgin Media 4.875% 15/01/2027	5,396	0.73
EUR	1,885,000	*UBS 4.75% 12/02/2026	1,828	0.24	GBP	2,420,000	Virgin Media Secured Finance 5.125% 15/01/2025	2,462	0.33
USD	3,620,000	UBS 5.125% 15/05/2024	2,814	0.38	GBP	100,000	Virgin Media Secured Finance 5.5% 15/01/2025	92	0.01
<b>BBB 1.41% (1.37%)</b>					<b>B+ 1.13% (1.50%)</b>				
EUR	6,701,000	*Credit Suisse 5.75% 18/09/2025	6,569	0.89	GBP	1,783,000	Keystone Financing 9.5% 15/10/2019	681	0.09
USD	4,700,000	Credit Suisse 6.5% 08/08/2023	3,860	0.52	EUR	3,947,000	Synlab 6.25% 01/07/2022	3,635	0.49
<b>BB+ 0.72% (0.71%)</b>					EUR	1,065,000	Thomas Cook Finance 3.875% 15/07/2023	912	0.12
EUR	5,360,000	*UBS Group 5.75% 29/12/2049	5,310	0.72	EUR	3,425,000	Thomas Cook Group 6.25% 15/06/2022	3,192	0.43
<b>BB 0.03% (0.03%)</b>									
USD	250,000	*Credit Suisse 7.5% 11/12/2049	203	0.03					
<b>Total Switzerland</b>									
			<b>20,584</b>	<b>2.78</b>					



## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

	Value £000	% of Investment
<b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>		
Fixed interest	580,679	82.87
Floating rate notes	116,636	16.65
Derivatives	3,381	0.48
<b>Total value of investments</b>	<b>700,696</b>	<b>100.00</b>

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS Long Gilt Future Expiring December 2018	(9,900)
<b>Total net exposure</b>	<b>(9,900)</b>

### Total Purchases and Sales

for the accounting period 8 March 2018 to 7 September 2018

	2018 £000	2017 £000
Total purchases for the period	127,537	109,386
Total sales for the period	132,751	240,499

## Threadneedle Global Select Fund

### Portfolio Statement

as at 7 September 2018

	Value	% of		Value	% of		
Holding	Investment	£000	Net Asset Value	Holding	Investment		
<b>BELGIUM 1.08% (1.35%)</b>				<b>INDIA 1.70% (1.69%)</b>			
	<b>Beverages 1.08% (1.35%)</b>			<b>Banks 1.70% (1.69%)</b>			
198,976	Anheuser-Busch InBev	13,694	1.08	979,537	HDFC Bank	21,580	1.70
	<b>Total Belgium</b>	<b>13,694</b>	<b>1.08</b>		<b>Total India</b>	<b>21,580</b>	<b>1.70</b>
<b>BERMUDA 1.48% (1.30%)</b>				<b>INDONESIA 1.75% (2.22%)</b>			
	<b>Financial Services 1.48% (1.30%)</b>			<b>Banks 1.75% (2.22%)</b>			
448,369	Ihs Markit	18,878	1.48	142,032,200	Bank Rakyat Indonesia	22,231	1.75
	<b>Total Bermuda</b>	<b>18,878</b>	<b>1.48</b>		<b>Total Indonesia</b>	<b>22,231</b>	<b>1.75</b>
<b>CANADA 1.64% (1.36%)</b>				<b>JAPAN 3.33% (5.91%)</b>			
	<b>Oil &amp; Gas Producers 1.64% (1.36%)</b>			<b>Electronic &amp; Electrical Equipment 0.90% (0.00%)</b>			
693,880	Suncor Energy (USD)	20,939	1.64	27,700	Keyence	11,413	0.90
	<b>Total Canada</b>	<b>20,939</b>	<b>1.64</b>		<b>Industrial Engineering 0.00% (1.88%)</b>		
<b>CAYMAN ISLANDS 4.90% (4.28%)</b>					<b>Automobiles &amp; Parts 0.00% (1.17%)</b>		
	<b>Support Services 0.74% (1.01%)</b>				<b>Household Goods &amp; Home Construction 1.28% (1.40%)</b>		
475,918	PagSeguro Digital	9,442	0.74	1,281,800	Sekisui Chemical	16,340	1.28
	<b>General Retailers 2.77% (3.27%)</b>				<b>Leisure Goods 1.15% (1.46%)</b>		
286,826	Alibaba Group ADR	35,236	2.77	54,900	Nintendo	14,655	1.15
	<b>Software &amp; Computer Services 1.39% (0.00%)</b>				<b>Total Japan</b>	<b>42,408</b>	<b>3.33</b>
570,100	Tencent Holdings	17,660	1.39				
	<b>Total Cayman Islands</b>	<b>62,338</b>	<b>4.90</b>				
<b>CHINA 2.17% (1.83%)</b>				<b>JERSEY 0.00% (1.45%)</b>			
	<b>Life Insurance 2.17% (1.83%)</b>			<b>Support Services 0.00% (1.45%)</b>			
3,788,000	Ping An Insurance Group	27,631	2.17		<b>Total Jersey</b>		
	<b>Total China</b>	<b>27,631</b>	<b>2.17</b>				
<b>DENMARK 0.88% (0.93%)</b>				<b>MEXICO 0.00% (0.71%)</b>			
	<b>Pharmaceuticals &amp; Biotechnology 0.88% (0.93%)</b>			<b>Beverages 0.00% (0.71%)</b>			
303,048	Novo Nordisk	11,211	0.88		<b>Total Mexico</b>		
	<b>Total Denmark</b>	<b>11,211</b>	<b>0.88</b>				
<b>FRANCE 1.27% (0.00%)</b>				<b>NETHERLANDS 1.59% (1.53%)</b>			
	<b>Health Care Equipment &amp; Services 1.27% (0.00%)</b>			<b>Media 1.59% (1.53%)</b>			
151,521	Essilor International	16,135	1.27	1,227,472	RELX (EUR)	20,300	1.59
	<b>Total France</b>	<b>16,135</b>	<b>1.27</b>		<b>Total Netherlands</b>	<b>20,300</b>	<b>1.59</b>
<b>GERMANY 2.18% (2.41%)</b>				<b>REPUBLIC OF IRELAND 4.26% (4.16%)</b>			
	<b>Electronic &amp; Electrical Equipment 0.50% (0.00%)</b>			<b>Construction &amp; Materials 2.26% (2.44%)</b>			
198,992	Osram	6,276	0.50	1,151,684	CRH (Dublin Listing)	28,806	2.26
	<b>Household Goods &amp; Home Construction 0.00% (0.96%)</b>				<b>Industrial Engineering 1.39% (1.20%)</b>		
	<b>Personal Goods 1.68% (0.00%)</b>			227,214	Ingersoll-Rand	17,666	1.39
116,109	Adidas	21,421	1.68		<b>Pharmaceuticals &amp; Biotechnology 0.00% (0.51%)</b>		
	<b>Mobile Telecommunications 0.00% (1.45%)</b>				<b>Liquidity Funds 0.61% (0.01%)<sup>1</sup></b>		
	<b>Total Germany</b>	<b>27,697</b>	<b>2.18</b>	10,151,292	BlackRock Institutional Cash Series		
					US Dollar Liquidity Platinum	7,797	0.61
<b>HONG KONG 1.56% (1.54%)</b>					<b>Total Republic of Ireland</b>	<b>54,269</b>	<b>4.26</b>
	<b>Life Insurance 1.56% (1.54%)</b>			<b>SPAIN 1.01% (0.45%)</b>			
3,165,200	AIA Group	19,821	1.56		<b>General Retailers 1.01% (0.45%)</b>		
	<b>Total Hong Kong</b>	<b>19,821</b>	<b>1.56</b>	574,874	Inditex	12,870	1.01
					<b>Total Spain</b>	<b>12,870</b>	<b>1.01</b>

## 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 2.33% (3.06%)</b>				<b>Pharmaceuticals &amp; Biotechnology 6.66% (7.06%)</b>			
	<b>Electronic &amp; Electrical Equipment 1.02% (1.68%)</b>			154,011	Celgene	10,633	0.84
188,976	TE Connectivity	13,002	1.02	314,544	Gilead Sciences	17,604	1.38
	<b>Support Services 1.31% (0.00%)</b>			135,435	Illumina	36,230	2.85
267,683	Ferguson	16,647	1.31	146,325	Vertex Pharmaceuticals	20,234	1.59
	<b>Banks 0.00% (1.38%)</b>				<b>General Retailers 3.78% (3.22%)</b>		
	<b>Total Switzerland</b>	<b>29,649</b>	<b>2.33</b>	31,979	Amazon.com	48,099	3.78
<b>THAILAND 0.00% (0.73%)</b>					<b>Media 0.99% (1.28%)</b>		
	Banks 0.00% (0.73%)			455,498	Comcast	12,566	0.99
	<b>Total Thailand</b>	<b>–</b>	<b>–</b>		<b>Banks 4.92% (6.94%)</b>		
<b>UNITED KINGDOM 6.41% (5.89%)</b>				1,081,047	Bank of America	25,598	2.01
	<b>Mining 1.74% (2.36%)</b>			422,435	JPMorgan Chase	37,013	2.91
629,993	Rio Tinto	22,176	1.74		<b>Real Estate Investment Trusts 1.64% (0.00%)</b>		
	<b>Personal Goods 2.06% (1.96%)</b>			62,925	Equinix	20,861	1.64
619,185	Unilever	26,164	2.06		<b>Financial Services 9.90% (9.52%)</b>		
	<b>Tobacco 1.39% (0.40%)</b>			699,572	Charles Schwab	26,607	2.09
483,692	British American Tobacco	17,732	1.39	99,051	CME Group	13,198	1.04
	<b>Nonlife Insurance 1.22% (1.17%)</b>			142,389	Goldman Sachs Group	25,670	2.02
134,845	Aon	15,579	1.22	185,421	MasterCard Class A	30,301	2.38
	<b>Total United Kingdom</b>	<b>81,651</b>	<b>6.41</b>	272,428	Visa 'A' Shares	30,233	2.37
<b>UNITED STATES OF AMERICA 60.43% (56.43%)</b>					<b>Software &amp; Computer Services 9.87% (6.77%)</b>		
	<b>Oil &amp; Gas Producers 3.96% (3.57%)</b>			55,687	Alphabet Class A	50,640	3.98
293,594	Diamondback Energy	25,817	2.03	7,838	Alphabet Class C	7,052	0.55
277,026	EOG Resources	24,573	1.93	177,715	Facebook	22,184	1.74
	<b>Oil Equipment, Services &amp; Distribution 2.78% (2.01%)</b>			444,380	Microsoft	37,114	2.92
704,008	Halliburton	19,925	1.56	45,301	Tyler Technologies	8,638	0.68
335,622	Schlumberger	15,521	1.22		<b>Technology Hardware &amp; Equipment 1.39% (0.00%)</b>		
	<b>Chemicals 1.62% (0.71%)</b>			144,022	Lam Research	17,703	1.39
175,639	ECOLAB	20,667	1.62		<b>Total United States of America</b>	<b>769,155</b>	<b>60.43</b>
	<b>Electronic &amp; Electrical Equipment 1.64% (1.79%)</b>			<b>DERIVATIVES 0.00% (0.00%)</b>			
182,418	Amphenol	13,382	1.05	<b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>			
445,261	Macom Technology Solutions	7,462	0.59	Sell USD 440,000			
	<b>Industrial Transportation 1.90% (1.63%)</b>			Buy GBP 339,833 Barclays			
203,356	Union Pacific	24,156	1.90	Sell USD 678,000			
	<b>Support Services 0.00% (0.81%)</b>			Buy GBP 522,627 Citigroup			
	<b>Beverages 0.00% (0.97%)</b>			<b>Total Derivatives</b>			
	<b>Leisure Goods 1.06% (1.16%)</b>			<b>4</b>			
243,161	Activision Blizzard	13,437	1.06	<b>Total value of investments<sup>2</sup></b>			
	<b>Personal Goods 1.34% (3.69%)</b>			<b>1,272,461</b>			
160,741	Estee Lauder Companies Class A	17,121	1.34	<b>Net other assets (0.77%)</b>			
	<b>Health Care Equipment &amp; Services 6.98% (5.30%)</b>			<b>432</b>			
105,188	Becton Dickinson	20,655	1.62	<b>Net assets</b>			
283,316	Centene	31,615	2.48	<b>1,272,893</b>			
93,220	Cooper Cos	18,603	1.46	<b>100.00</b>			
137,250	Stryker	18,043	1.42	<i>March 2018 comparatives in brackets.</i>			
				<i><sup>1</sup>Cash equivalents</i>			
				<i><sup>2</sup>Includes Cash equivalents</i>			
				<b>Total Purchases and Sales</b>			
				<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
						<b>2018</b>	<b>2017</b>
						<b>£000</b>	<b>£000</b>
				Total purchases for the period		308,595	162,523
				Total sales for the period		309,251	186,168

## Threadneedle Global Bond Fund

### Portfolio Statement

as at 7 September 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
<b>AUSTRALIA 2.24% (4.95%)</b>					<b>GERMANY 1.17% (3.27%)</b>				
		<b>Aaa 1.51% (4.95%)</b>					<b>Aaa 1.17% (3.27%)</b>		
AUD	13,000,000	Australia Government Bond 1.75% 21/11/2020	7,120	1.51	EUR	4,500,000	Bundesrepublik Deutschland 2.5% 15/08/2046	5,482	1.17
		<b>AA+ 0.73% (0.00%)</b>					<b>Total Germany</b>	<b>5,482</b>	<b>1.17</b>
AUD	4,500,000	Queensland Treasury 6.5% 14/03/2033	3,407	0.73					
		<b>Total Australia</b>	<b>10,527</b>	<b>2.24</b>	<b>HONG KONG 0.00% (0.34%)</b>				
							<b>A 0.00% (0.34%)</b>		
							<b>Total Hong Kong</b>	<b>-</b>	<b>-</b>
<b>BELGIUM 0.62% (0.78%)</b>					<b>ITALY 7.59% (4.72%)</b>				
		<b>Not Rated 0.62% (0.78%)</b>					<b>Baa2u 7.59% (4.72%)</b>		
EUR	3,350,000	Belgium Government Bond 1.6% 22/06/2047	2,940	0.62	EUR	14,450,000	Buoni Poliennali Del Tesoro 2.2% 01/06/2027	12,357	2.63
		<b>Total Belgium</b>	<b>2,940</b>	<b>0.62</b>	EUR	2,046,000	Buoni Poliennali Del Tesoro 2.95% 01/09/2038	1,713	0.36
<b>BRITISH VIRGIN ISLANDS 0.47% (0.50%)</b>									
		<b>A+ 0.47% (0.50%)</b>			EUR	2,250,000	Italy Government Bond 2.7% 01/03/2047	1,754	0.37
USD	3,000,000	Sinopec Group 2% 29/09/2021	2,198	0.47	EUR	19,250,000	Italy Government Bond 4.75% 01/09/2028	19,873	4.23
		<b>Total British Virgin Islands</b>	<b>2,198</b>	<b>0.47</b>			<b>Total Italy</b>	<b>35,697</b>	<b>7.59</b>
<b>CANADA 4.59% (5.97%)</b>					<b>JAPAN 7.90% (11.30%)</b>				
		<b>AAA 2.92% (4.19%)</b>					<b>AA- 0.24% (0.26%)</b>		
USD	4,500,000	CPPIB Capital 2.25% 25/01/2022	3,371	0.72	USD	1,550,000	Japan Tobacco 2% 13/04/2021	1,151	0.24
USD	11,450,000	Export Development Canada 2.3% 10/02/2020	8,737	1.86			<b>A+ 0.00% (0.38%)</b>		
CAD	2,700,000	Province of British Columbia 3.25% 18/12/2021	1,625	0.34			<b>A1 7.66% (10.66%)</b>		
		<b>A+ 1.48% (1.58%)</b>			JPY	2,248,250,000	Japan Government 0.2% 20/06/2036	14,749	3.14
USD	3,130,000	Province of Ontario Canada 2% 30/01/2019	2,401	0.51	JPY	911,450,000	Japan Government 1.4% 20/12/2045	7,281	1.55
USD	3,425,000	Province of Ontario Canada 2.5% 10/09/2021	2,588	0.55	JPY	1,715,000,000	Japan Government 2.1% 20/03/2027	13,956	2.97
USD	2,575,000	Province of Ontario Canada 3.2% 16/05/2024	1,978	0.42			<b>Total Japan</b>	<b>37,137</b>	<b>7.90</b>
		<b>A 0.19% (0.20%)</b>			<b>NETHERLANDS 2.65% (2.86%)</b>				
USD	1,150,000	Canadian National Railway 2.4% 03/02/2020	876	0.19			<b>A+ 1.34% (1.46%)</b>		
		<b>Total Canada</b>	<b>21,576</b>	<b>4.59</b>	AUD	3,400,000	BMW Finance 2.5% 24/08/2020	1,881	0.40
<b>CAYMAN ISLANDS 0.14% (0.15%)</b>					USD	6,000,000	Siemens Financieringsmaatschappij 1.7% 15/09/2021	4,411	0.94
		<b>BBB+ 0.14% (0.15%)</b>					<b>BBB+ 0.70% (0.75%)</b>		
USD	925,000	Hutchison Port Holding Finance 2.75% 11/09/2022	675	0.14	USD	4,500,000	Deutsche Telekom 1.95% 19/09/2021	3,306	0.70
		<b>Total Cayman Islands</b>	<b>675</b>	<b>0.14</b>			<b>Not Rated 0.61% (0.65%)</b>		
<b>FRANCE 3.85% (0.65%)</b>					EUR	2,255,000	Netherlands Government 2.75% 15/01/2047	2,860	0.61
		<b>Aa2u 3.85% (0.65%)</b>					<b>Total Netherlands</b>	<b>12,458</b>	<b>2.65</b>
EUR	9,400,000	France Government Bond 1.5% 25/05/2031	8,974	1.91	<b>SOUTH AFRICA 0.00% (2.98%)</b>				
EUR	8,437,000	France Government Bond 2% 25/05/2048	8,220	1.75			<b>BB+ 0.00% (2.98%)</b>		
EUR	750,000	France Government Bond 3.25% 25/05/2045	927	0.19			<b>Total South Africa</b>	<b>-</b>	<b>-</b>
		<b>Total France</b>	<b>18,121</b>	<b>3.85</b>	<b>SOUTH KOREA 2.28% (2.57%)</b>				
							<b>AA 2.16% (2.16%)</b>		
					USD	4,275,000	Doosan Infracore 2.375% 21/11/2019	3,243	0.69
					USD	6,000,000	Export-Import Bank of Korea 2.75% 25/01/2022	4,491	0.96

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
<b>SOUTH KOREA 2.28% (2.57%) (continued)</b>					<b>A 0.45% (0.48%)</b>					
USD	1,500,000	Export-Import Bank of Korea 2.88% 17/09/2018	1,152	0.24	USD	2,800,000	*HSBC Holdings 3.262% 13/03/2023	2,114	0.45	
USD	1,650,000	Korea Western Power 2.875% 10/10/2018	1,267	0.27	USD	1,000,000	BP Capital Markets 2.24% 26/09/2018	768	0.16	
<b>Aa2 0.12% (0.41%)</b>					<b>Not Rated 1.39% (0.78%)</b>					
USD	716,000	Korea Midland Power 2.75% 11/02/2019	549	0.12	GBP	3,900,000	United Kingdom Gilt 1.625% 22/10/2028	3,965	0.84	
				<b>10,702</b>	<b>2.28</b>	GBP	2,595,000	United Kingdom Gilt 1.625% 22/10/2071	2,579	0.55
						<b>Total United Kingdom</b>				
								<b>57,238</b>	<b>12.17</b>	
<b>SPAIN 4.74% (0.67%)</b>					<b>UNITED STATES OF AMERICA 44.41% (42.91%)</b>					
<b>Baa1 3.64% (0.00%)</b>					<b>AAA 0.43% (0.46%)</b>					
EUR	7,775,000	Spain Government Bond 1.6% 30/04/2025	7,299	1.55	USD	1,730,000	Microsoft 1.55% 08/08/2021	1,279	0.27	
EUR	4,300,000	Spain Government Bond 2.35% 30/07/2033	4,036	0.86	USD	1,025,000	Microsoft 2.875% 06/02/2024	774	0.16	
EUR	6,000,000	Spain Government Bond 2.9% 31/10/2046	5,776	1.23	<b>Aaa 36.92% (36.22%)</b>					
<b>Baa1e 1.10% (0.00%)</b>					USD	4,000,000	United States Treasury Note/Bond 0.875% 15/05/2019	3,041	0.65	
EUR	5,800,000	Spain Government Bond 1.4% 30/07/2028	5,157	1.10	USD	6,604,000	United States Treasury Note/Bond 1% 31/08/2019	4,999	1.06	
<b>Baa2 0.00% (0.67%)</b>					USD	10,000,000	United States Treasury Note/Bond 1% 15/10/2019	7,554	1.61	
				<b>22,268</b>	<b>4.74</b>	USD	16,125,000	United States Treasury Note/Bond 1% 15/11/2019	12,163	2.59
						USD	25,330,000	United States Treasury Note/Bond 1.5% 31/10/2019	19,228	4.09
<b>SUPRANATIONAL 2.29% (2.50%)</b>					USD	7,275,000	United States Treasury Note/Bond 1.625% 31/10/2023	5,282	1.12	
<b>AAA 0.45% (0.00%)</b>					USD	25,000,000	United States Treasury Note/Bond 1.875% 30/06/2020	18,946	4.03	
USD	2,825,000	European Investment Bank 2.375% 15/06/2022	2,129	0.45	USD	2,403,000	United States Treasury Note/Bond 2.5% 15/02/2045	1,659	0.35	
<b>Aaa 0.55% (1.10%)</b>					USD	6,275,000	United States Treasury Note/Bond 2.5% 15/02/2046	4,318	0.92	
GBP	2,710,000	European Investment Bank 1% 21/09/2026	2,589	0.55	USD	9,175,000	United States Treasury Note/Bond 2.5% 15/05/2046	6,310	1.34	
<b>AA+ 1.29% (1.40%)</b>					USD	6,975,000	United States Treasury Note/Bond 2.75% 15/08/2047	5,039	1.07	
USD	7,511,000	African Development Bank 8.8% 01/09/2019	6,043	1.29	USD	55,700,000	United States Treasury Note/Bond 2.875% 15/05/2028	42,713	9.08	
				<b>10,761</b>	<b>2.29</b>	USD	13,000,000	United States Treasury Note/Bond 2.875% 15/11/2046	9,640	2.05
<b>SWEDEN 0.62% (0.66%)</b>					USD	9,308,500	United States Treasury Note/Bond 3% 15/02/2047	7,075	1.50	
<b>AAA 0.62% (0.00%)</b>					USD	6,550,000	United States Treasury Note/Bond 3.375% 15/11/2019	5,079	1.08	
USD	3,800,000	Kommuninvest I 2% 12/11/2019	2,896	0.62	USD	1,100,000	United States Treasury Note/Bond 3.875% 15/08/2040	960	0.20	
<b>Aaa 0.00% (0.66%)</b>					USD	18,720,000	United States Treasury Note/Bond 4.5% 15/02/2036	17,437	3.71	
				<b>2,896</b>	<b>0.62</b>	USD	2,315,000	United States Treasury Note/Bond 4.63% 15/02/2040	2,230	0.47
<b>UNITED ARAB EMIRATES 0.40% (0.43%)</b>					<b>AA+ 1.41% (0.00%)</b>					
<b>A3 0.40% (0.43%)</b>					USD	6,650,000	Federal Home Loan Bank 5.5% 15/07/2036	6,609	1.41	
USD	2,485,000	Emirates NBD 3.25% 19/11/2019	1,903	0.40	<b>AA 0.46% (0.00%)</b>					
				<b>1,903</b>	<b>0.40</b>	USD	2,900,000	Federal National Mortgage Association 0% 09/10/2019	2,165	0.46
<b>UNITED KINGDOM 12.17% (8.62%)</b>					<b>AA+ 1.41% (0.00%)</b>					
<b>Aa2u 10.17% (7.19%)</b>					USD	6,650,000	Federal Home Loan Bank 5.5% 15/07/2036	6,609	1.41	
GBP	5,140,000	United Kingdom Gilt 1.5% 22/07/2047	4,791	1.02	<b>AA 0.46% (0.00%)</b>					
GBP	25,000,000	United Kingdom Gilt 1.75% 22/07/2019	25,218	5.36	USD	2,900,000	Federal National Mortgage Association 0% 09/10/2019	2,165	0.46	
GBP	6,520,000	United Kingdom Gilt 1.75% 07/09/2037	6,490	1.38						
GBP	3,600,000	United Kingdom Gilt 1.75% 22/07/2057	3,665	0.78						
GBP	5,647,000	United Kingdom Gilt 2.75% 07/09/2024	6,182	1.32						
GBP	1,050,000	United Kingdom Gilt 4.5% 07/09/2034	1,466	0.31						





## Threadneedle UK Institutional Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 8.54% (8.12%)</b>				<b>OIL &amp; GAS 8.54% (8.12%)</b>			
<b>Oil &amp; Gas Producers 6.75% (6.37%)</b>				<b>Oil &amp; Gas Producers 6.75% (6.37%)</b>			
1,537,855	Cairn Energy	3,525	0.31	162,189	Ferguson	10,087	0.89
2,497,862	EnQuest	838	0.07	3,369,387	Hays	6,840	0.60
1,381,509	Premier Oil	1,590	0.14	1,923,379	Howden Joinery Group	9,075	0.80
2,855,495	Royal Dutch Shell 'B' Shares	70,588	6.23	568,467	Mears Group	2,217	0.20
<b>Oil Equipment, Services &amp; Distribution 1.79% (1.75%)</b>				<b>Oil Equipment, Services &amp; Distribution 1.79% (1.75%)</b>			
2,964,820	John Wood Group	20,214	1.79	561,625	Northgate	2,306	0.20
<b>Total Oil &amp; Gas 96,755 8.54</b>				<b>Total Oil &amp; Gas 96,755 8.54</b>			
<b>BASIC MATERIALS 3.30% (3.24%)</b>				<b>BASIC MATERIALS 3.30% (3.24%)</b>			
<b>Chemicals 3.27% (3.21%)</b>				<b>Chemicals 3.27% (3.21%)</b>			
1,277,068	Elementis	3,190	0.28	507,570	PageGroup	2,931	0.26
641,996	Johnson Matthey	22,136	1.95	225,071	PayPoint	2,046	0.18
178,818	Scapa Group	737	0.06	4,696,472	Rentokil Initial	14,902	1.31
351,377	Victrex	11,061	0.98	240,044	Ricardo	1,906	0.17
<b>Mining 0.03% (0.03%)</b>				<b>Mining 0.03% (0.03%)</b>			
910,633	Petra Diamonds	309	0.03	1,029,590	RPS Group	2,322	0.20
<b>Total Basic Materials 37,433 3.30</b>				<b>Total Basic Materials 37,433 3.30</b>			
<b>INDUSTRIALS 17.83% (17.24%)</b>				<b>INDUSTRIALS 17.83% (17.24%)</b>			
<b>Construction &amp; Materials 3.78% (3.27%)</b>				<b>Construction &amp; Materials 3.78% (3.27%)</b>			
9,590,976	Breedon Aggregates	7,443	0.66	256,901	Sanne Group IPO	1,531	0.13
485,995	Costain Group	2,090	0.18	<b>Total Industrials 202,140 17.83</b>			
253,165	CRH (London Listing)	6,332	0.56	<b>CONSUMER GOODS 15.73% (15.04%)</b>			
401,141	Ibstock	966	0.09	<b>Automobiles &amp; Parts 0.00% (1.42%)</b>			
469,100	Marshalls	2,083	0.18	<b>Beverages 4.15% (3.20%)</b>			
8,957,085	Melrose Industries	20,118	1.77	1,232,139	Britvic	9,900	0.87
401,368	Polypipe Group	1,485	0.13	1,302,201	Diageo	34,782	3.07
686,082	Tyman	2,336	0.21	1,239,976	Stock Spirits Group	2,408	0.21
<b>Aerospace &amp; Defence 3.57% (3.38%)</b>				<b>Aerospace &amp; Defence 3.57% (3.38%)</b>			
167,713	Avon Rubber	2,373	0.21	<b>Food Producers 0.10% (0.11%)</b>			
567,890	Chemring Group	1,229	0.11	354,047	Hotel Chocolat Group	1,168	0.10
14,050,018	Cobham	16,930	1.49	<b>Household Goods &amp; Home Construction 0.25% (0.23%)</b>			
772,794	QinetiQ Group	2,137	0.19	328,945	Crest Nicholson Holdings	1,209	0.11
1,549,859	Rolls-Royce Holdings	14,978	1.32	157,003	Galliford Try	1,539	0.14
888,502	Senior	2,809	0.25	<b>Leisure Goods 0.11% (0.15%)</b>			
<b>General Industrials 1.79% (1.81%)</b>				<b>Leisure Goods 0.11% (0.15%)</b>			
4,385,283	Coats Group	3,495	0.31	1,035,248	Photo-Me International	1,275	0.11
1,067,240	Smiths Group	16,756	1.48	<b>Personal Goods 4.61% (4.40%)</b>			
<b>Electronic &amp; Electrical Equipment 0.58% (0.57%)</b>				<b>Personal Goods 4.61% (4.40%)</b>			
646,543	Morgan Advanced Materials	2,126	0.19	586,775	Burberry Group	12,181	1.07
331,346	Oxford Instruments	3,171	0.28	416,018	Ted Baker	8,953	0.79
43,306	XP Power	1,278	0.11	736,973	Unilever	31,141	2.75
<b>Industrial Engineering 1.33% (1.40%)</b>				<b>Personal Goods 4.61% (4.40%)</b>			
3,831,052	Rotork	12,669	1.12	<b>Tobacco 6.51% (5.53%)</b>			
1,614,850	Severfield	1,231	0.11	1,221,184	British American Tobacco	44,769	3.95
513,690	Trifast	1,130	0.10	1,080,289	Imperial Brands	28,995	2.56
<b>Industrial Transportation 1.43% (1.53%)</b>				<b>Total Consumer Goods 178,320 15.73</b>			
52,598	Clarkson	1,433	0.13	<b>HEALTH CARE 10.23% (9.42%)</b>			
144,704	James Fisher & Sons	2,532	0.22	<b>Health Care Equipment &amp; Services 1.52% (1.59%)</b>			
2,653,169	Royal Mail	12,220	1.08	149,216	Consort Medical	1,800	0.16
<b>Support Services 5.35% (5.28%)</b>				<b>Health Care Equipment &amp; Services 1.52% (1.59%)</b>			
155,705	Diploma	2,143	0.19	1,123,027	Smith & Nephew	15,408	1.36
573,623	Essentra	2,484	0.22	<b>Pharmaceuticals &amp; Biotechnology 8.71% (7.83%)</b>			
<b>CONSUMER SERVICES 17.90% (18.86%)</b>				<b>Pharmaceuticals &amp; Biotechnology 8.71% (7.83%)</b>			
<b>Food &amp; Drug Retailers 3.23% (2.82%)</b>				<b>Pharmaceuticals &amp; Biotechnology 8.71% (7.83%)</b>			
6,698,938	Tesco	15,876	1.40	704,720	AstraZeneca	39,563	3.49
7,932,125	WM Morrison Supermarkets	20,766	1.83	161,266	Clinigen Group	1,494	0.13
<b>General Retailers 1.71% (1.81%)</b>				<b>Pharmaceuticals &amp; Biotechnology 8.71% (7.83%)</b>			
106,075	Dignity	1,087	0.10	134,101	Genus	3,307	0.29
296,439	Joules Group	898	0.08	3,420,505	GlaxoSmithKline	51,855	4.57
<b>Total Consumer Services 178,320 15.73</b>				<b>Total Health Care 115,998 10.23</b>			



## Threadneedle UK Overseas Earnings Fund

### Portfolio Statement

as at 7 September 2018

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
<b>OIL &amp; GAS 6.05% (6.13%)</b>				<b>CONSUMER SERVICES 26.12% (25.08%)</b>			
	<b>Oil &amp; Gas Producers 3.66% (3.87%)</b>				<b>Food &amp; Drug Retailers 5.31% (4.69%)</b>		
153,205	Royal Dutch Shell 'B' Shares	3,787	3.66	768,340	Tesco	1,821	1.76
	<b>Oil Equipment, Services &amp; Distribution 2.39% (2.26%)</b>			1,404,053	WM Morrison Supermarkets	3,676	3.55
363,096	John Wood Group	2,476	2.39		<b>General Retailers 2.67% (2.69%)</b>		
	<b>Total Oil &amp; Gas</b>	<b>6,263</b>	<b>6.05</b>	939,754	Marks & Spencer Group	2,768	2.67
					<b>Media 7.30% (6.90%)</b>		
<b>BASIC MATERIALS 4.02% (3.95%)</b>				1,394,934	ITV	2,200	2.12
	<b>Chemicals 4.02% (3.95%)</b>			343,835	Pearson	3,059	2.95
76,845	Johnson Matthey	2,650	2.56	139,073	RELX	2,306	2.23
48,088	Victrex	1,514	1.46		<b>Travel &amp; Leisure 10.84% (10.80%)</b>		
	<b>Total Basic Materials</b>	<b>4,164</b>	<b>4.02</b>	97,501	Compass Group	1,584	1.53
				135,003	easyJet	1,945	1.88
<b>INDUSTRIALS 17.88% (17.61%)</b>				1,649,791	Firstgroup	1,540	1.49
	<b>Construction &amp; Materials 2.28% (1.62%)</b>			168,075	J D Wetherspoon	2,077	2.00
1,051,349	Melrose Industries	2,361	2.28	630,454	Rank Group	1,074	1.04
	<b>Aerospace &amp; Defence 3.46% (3.67%)</b>			647,979	Restaurant Group	1,742	1.68
1,649,238	Cobham	1,987	1.92	781,014	Stagecoach Group	1,269	1.22
165,421	Rolls-Royce Holdings	1,599	1.54		<b>Total Consumer Services</b>	<b>27,061</b>	<b>26.12</b>
	<b>General Industrials 1.96% (2.10%)</b>						
129,427	Smiths Group	2,032	1.96	<b>TELECOMMUNICATIONS 2.53% (2.59%)</b>			
	<b>Industrial Engineering 1.58% (1.35%)</b>				<b>Fixed Line Telecommunications 2.53% (2.59%)</b>		
495,624	Rotork	1,639	1.58	1,187,421	BT Group	2,620	2.53
	<b>Industrial Transportation 1.51% (1.64%)</b>				<b>Total Telecommunications</b>	<b>2,620</b>	<b>2.53</b>
338,846	Royal Mail	1,561	1.51	<b>UTILITIES 2.38% (2.37%)</b>			
	<b>Support Services 7.09% (7.23%)</b>				<b>Gas, Water &amp; Multiutilities 2.38% (2.37%)</b>		
495,004	Electrocomponents	3,581	3.46	1,671,700	Centrica	2,465	2.38
352,143	Howden Joinery Group	1,661	1.60		<b>Total Utilities</b>	<b>2,465</b>	<b>2.38</b>
662,612	Rentokil Initial	2,102	2.03	<b>FINANCIALS 16.72% (19.22%)</b>			
	<b>Total Industrials</b>	<b>18,523</b>	<b>17.88</b>		<b>Banks 3.98% (4.90%)</b>		
				923,813	Royal Bank of Scotland Group	2,242	2.16
<b>CONSUMER GOODS 14.84% (14.19%)</b>				308,010	Standard Chartered	1,890	1.82
	<b>Automobiles &amp; Parts 0.00% (1.81%)</b>				<b>Nonlife Insurance 2.76% (3.01%)</b>		
	<b>Beverages 4.40% (3.18%)</b>			465,465	RSA Insurance Group	2,858	2.76
154,936	Britvic	1,245	1.20		<b>Life Insurance 5.34% (5.85%)</b>		
123,956	Diageo	3,311	3.20	978,359	Legal & General Group	2,462	2.38
	<b>Food Producers 2.00% (1.52%)</b>			182,442	Prudential	3,065	2.96
316,424	Tate & Lyle	2,077	2.00		<b>Financial Services 4.64% (5.46%)</b>		
	<b>Personal Goods 5.19% (4.54%)</b>			293,579	3i Group	2,670	2.58
55,097	Burberry Group	1,144	1.10	2,236,190	Sherborne Investors Guernsey	1,767	1.71
50,897	Ted Baker	1,095	1.06	1,549,692	Sherborne Investors Guernsey B	363	0.35
74,325	Unilever	3,141	3.03		<b>Total Financials</b>	<b>17,317</b>	<b>16.72</b>
	<b>Tobacco 3.25% (3.14%)</b>						
125,259	Imperial Brands	3,362	3.25	<b>Total value of investments</b>			
	<b>Total Consumer Goods</b>	<b>15,375</b>	<b>14.84</b>			<b>103,884</b>	<b>100.28</b>
				<b>Net other (liabilities)/assets (0.05%)</b>			
						<b>(285)</b>	<b>(0.28)</b>
				<b>Net assets</b>			
						<b>103,599</b>	<b>100.00</b>
<b>HEALTH CARE 9.74% (8.81%)</b>				<i>March 2018 comparatives in brackets.</i>			
	<b>Pharmaceuticals &amp; Biotechnology 9.74% (8.81%)</b>			<b>Total Purchases and Sales</b>			
92,797	AstraZeneca	5,210	5.03	<i>for the accounting period 8 March 2018 to 7 September 2018</i>			
322,285	GlaxoSmithKline	4,886	4.71			<b>2018</b>	<b>2017</b>
	<b>Total Health Care</b>	<b>10,096</b>	<b>9.74</b>			<b>£000</b>	<b>£000</b>
						Total purchases for the period	8,567
						Total sales for the period	18,094

## Performance Summary for the six months ended 31 August 2018

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	+5.43%	+5.74%	+5.63%	+5.90%	+5.59%
UK Select Fund	(IA) UK All Companies	FTSE All-Share Total Return	+3.65%	+3.95%	+5.63%	+3.92%	+5.59%
UK Smaller Companies Fund	(IA) UK Smaller Companies	Numis Smaller Companies (ex Investment Trusts)	+3.11%	+3.44%	+7.05%	+4.37%	+4.98%
UK Growth & Income Fund	(IA) UK All Companies	FTSE All-Share Total Return	+10.73%	+11.04%	+5.63%	+11.39%	+5.59%
UK Equity Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+10.50%	+10.81%	+5.13%	+10.79%	+5.59%
UK Monthly Income Fund	(IA) UK Equity Income	FTSE All-Share Total Return	+6.61%	–	+5.13%	+6.90%	+5.59%
Monthly Extra Income Fund	(IA) UK Equity & Bond Income	–	+8.76%	–	+4.54%	+9.09%	–
UK Corporate Bond Fund	(IA) £ Corporate Bond	iBoxx £ Non-Gilts	+0.80%	+0.96%	+0.66%	+1.26%	+1.01%
Strategic Bond Fund	(IA) £ Strategic Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB(100% £ Hedged).	-0.37%	-0.06%	-0.01%	+0.46%	+0.91%
Sterling Bond Fund	(IA) UK Gilt	FTSE All Stocks Gilts	+1.94%	–	+1.94%	+2.25%	+2.01%
UK Institutional Fund	(IA) UK All Companies	FTSE All-Share Total Return	+7.38%	+7.83%	+5.63%	+7.99%	+5.59%
UK Overseas Earnings Fund	(IA) UK All Companies	FTSE All-Share Total Return	–	+8.62%	+5.63%	+9.08%	+5.59%
<b>EUROPE</b>							
European Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+5.87%	+6.17%	+3.39%	+6.02%	+3.59%
European Select Fund	(IA) Europe Excluding UK	FTSE World Europe ex UK	+7.42%	+7.71%	+3.39%	+7.57%	+3.59%
European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney European Small Cos. Ex UK	+7.59%	+7.92%	+4.71%	+8.02%	+3.56%
Pan European Smaller Companies Fund	(IA) European Smaller Companies	Euromoney Smaller Europe Inc UK	+8.80%	+9.14%	+4.71%	+9.02%	+4.41%
Pan European Fund	(IA) Europe Including UK	MSCI World Europe	+4.61%	+4.94%	+5.03%	+4.61%	+4.42%
European Bond Fund <sup>†</sup>	(IA) Global Bond	ML Pan Europe Large Cap	+1.20%	–	+0.91%	+1.33%	+1.38%
European Corporate Bond Fund <sup>†</sup>	(IA) Global Bond	iBoxx European All Corporate Bond	+1.40%	+1.69%	+0.91%	+1.60%	+1.05%
European High Yield Bond Fund <sup>†</sup>	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+1.73%	+2.00%	+0.91%	+1.98%	+1.63%
European High Yield Bond Fund (€) <sup>†</sup>	(IA) Global Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% € Hedged)	+1.21%	+1.48%	-0.21%	+0.84%	+0.49%
<b>US</b>							
American Fund	(IA) North America	S&P 500 Composite	+13.23%	+13.56%	+13.28%	+15.36%	+14.45%
American Select Fund	(IA) North America	S&P 500 Composite	+12.16%	+12.48%	+13.28%	+14.01%	+14.45%
American Smaller Companies Fund (US)	(IA) North American Smaller Companies	S&P 400 Mid Cap	+16.38%	+16.72%	+19.05%	+19.35%	+20.27%
Dollar Bond Fund <sup>†</sup>	(IA) Global Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+7.19%	–	+0.91%	+7.12%	+7.11%
<b>JAPAN</b>							
Japan Fund	(IA) Japan	MSCI Japan	+1.99%	+2.29%	+1.37%	+1.92%	+1.64%

**Performance Summary for the six months ended 31 August 2018 (continued)**

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
<b>PACIFIC BASIN &amp; EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN</b>							
<b>Asia Fund</b>	(IA) Asia Pacific Excluding Japan	MSCI AC Asia Pacific Ex Japan	-0.92%	-0.63%	-0.37%	+0.08%	+0.05%
<b>Latin America Fund<sup>†</sup></b>	UK Registered – Equity Latin America	MSCI 10/40 Latin America	-15.79%	-15.53%	-15.34%	-13.16%	-13.30%
<b>Emerging Market Bond Fund<sup>†</sup></b>	UK IA – Global Emerging Markets Bond	JPM Emerging Market Bonds Global	+0.50%	+0.76%	+0.91%	+0.98%	+2.77%
<b>GLOBAL</b>							
<b>High Yield Bond Fund</b>	(IA) £ High Yield	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+0.74%	+1.01%	+0.79%	+1.54%	+1.04%
<b>Global Select Fund</b>	(IA) Global Growth	MSCI AC World Free	+8.48%	+8.79%	+8.23%	+9.95%	+8.63%
<b>Global Bond Fund</b>	(IA) Global Bond	JPM GBI Global (Traded)	+3.45%	+3.75%	+0.91%	+3.90%	+3.76%
<b>CASH</b>							
<b>Sterling Fund</b>	–	–	+0.16%	–	–	–	–

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 2018

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>								
UK Fund	UK Large Cap Blend	FTSE All-Share Total Return	+5.43	+5.74	+5.23	+5.90	+5.59	GBP
UK Select Fund	UK Large Cap Blend	FTSE All-Share Total Return	+3.65	+3.95	+5.23	+3.92	+5.59	GBP
UK Smaller Companies Fund	UK Small Cap Equity	Numis Smaller Companies (ex Investment Trusts)	+3.11	+3.44	+6.64	+4.37	+4.98	GBP
UK Growth & Income Fund	UK Large Cap Blend	FTSE All-Share Total Return	+10.73	+11.04	+5.23	+11.39	+5.59	GBP
UK Equity Income Fund	UK Equity Income	FTSE All-Share Total Return	+10.50	+10.81	+5.42	+10.79	+5.59	GBP
UK Monthly Income Fund	UK Equity Income	FTSE All-Share Total Return	+6.61	–	+5.42	+6.90	+5.59	GBP
Monthly Extra Income Fund	GBP Aggressive Allocation	–	+8.76	–	–	+9.09	–	GBP
UK Corporate Bond Fund	GBP Corporate Bond	iBoxx £ Non-Gilts	+0.80	+0.96	+0.63	+1.26	+1.01	GBP
Sterling Bond Fund*	GBP Government Bond	FTSE All Stocks Gilts	+1.94	–	+1.80	+2.25	+2.01	GBP
UK Institutional Fund	UK Large Cap Blend	FTSE All-Share Total Return	+7.38	+7.83	+5.23	+7.99	+5.59	GBP
UK Overseas Earnings Fund	UK Large Cap Blend	FTSE All-Share Total Return	–	+8.62	+5.23	+9.08	+5.59	GBP
<b>EUROPE EQUITY</b>								
European Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	+4.15	+4.45	+2.59	+4.83	+2.44	EUR
European Select Fund	Europe ex UK Large Cap	FTSE World Europe ex UK	+5.68	+5.97	+2.59	+6.37	+2.44	EUR
European Smaller Companies Fund	Europe Small-Mid Cap Combined	HSBC European Smaller Companies. Ex UK	+5.84	+6.17	+2.95	+6.81	+2.38	EUR
Pan European Smaller Companies Fund	Europe Small-Mid Cap Combined	EMIX Smaller European Companies Index	+7.03	+7.37	+2.95	+7.80	+3.22	EUR
Pan European Fund	Europe Large Cap Blend	MSCI World Europe	+2.92	+3.24	+6.02	+3.44	+3.25	EUR
European Bond Fund*	Europe Bond	ML Pan Europe Large Cap	-0.44	-0.16	-0.91	+0.20	+0.25	EUR
European Corporate Bond Fund*	Fixed Income Europe/Corporate	iBoxx European All Corporate Bond	-0.24	+0.05	-0.41	+0.46	-0.08	EUR
European High Yield Bond Fund*	EUR High Yield Bond	ML European Currency High Yield 3% constrained ex sub-financials (100% £ Hedged)	+0.61	+0.86	-0.18	+0.84	+0.49	EUR
Strategic Bond Fund	GBP Flexible Bond	60% iBoxx Sterling Non Gilts & 40% ML European Currency High Yield 3% constrained B-BB(100% £ Hedged).	-0.37	-0.06	+0.04	+0.46	+0.91	GBP
<b>US</b>								
American Fund	US Large Cap Growth	S&P 500 Composite	+6.39	+6.70	+9.22	+8.82	+7.96	USD
American Select Fund	US Large Cap Growth	S&P 500 Composite	+5.38	+5.68	+9.22	+7.55	+7.96	USD
American Smaller Companies Fund (US)	US Mid Cap Equity	S&P 400 Mid Cap	+9.35	+9.66	+8.52	+12.59	+13.45	USD
Dollar Bond Fund*	USD Diversified Bond	50% ML Euro-Dollar & Globals/50% ML US Treasuries – Master	+1.11	–	+0.53	+1.04	+1.04	USD
<b>JAPAN</b>								
Japan Fund	Japan Large Cap	MSCI Japan	-0.90	-0.61	-0.88	-0.09	-0.37	JPY
<b>FAR EAST &amp; PACIFIC</b>								
Asia Fund	Asia-Pacific ex-Japan	MSCI AC Asia Pacific Ex Japan	-6.90	-6.63	-6.91	-5.59	-5.62	USD
Latin America Fund	Latin America Equity	MSCI 10/40 Latin America	-20.88	-20.64	-19.69	-18.08	-18.22	USD
Emerging Market Bond Fund*	Global Emerging Markets	JPM Emerging Market Bonds Global	-5.58	-5.33	-5.06	-4.74	-3.05	USD

## Threadneedle OEIC Returns against the Offshore Universe Performance Summary for the six months ended 31 August 2018 (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>								
High Yield Bond Fund	High Yield Bond	ML European High Yield 3% constrained ex sub-financials (100% £ Hedged)	+0.74	+1.01	+0.91	+1.54	+1.04	GBP
Global Select Fund	Global Large Cap Growth	MSCI AC World Free	+1.92	+2.21	+3.29	+3.72	+2.47	USD
Global Bond Fund*	Global Bond	JPM GBI Global (Traded)	+2.30	+2.59	+1.59	+2.74	+2.60	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 EUR – 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
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
**Class Z CHF Hedged – Gross 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*
<b>Sterling Bond Fund</b>	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
<b>Sterling Fund</b>	Class 1 – Income shares	1
	Class 2 – Accumulation shares	1
	Class X – Gross accumulation shares	1
<b>European Fund</b>	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
<b>European Select Fund</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 1 SGD Hedged – Accumulation shares	5
	Class 1 USD Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	**Class 2 EUR – Income shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	Class 2 USD Hedged – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z EUR – Accumulation shares	5
**Class Z USD – Accumulation shares	5	
<b>European Smaller Companies Fund</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	Class Z – Income shares	5
	**Class Z EUR – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z EUR – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
<b>Pan European Smaller Companies Fund</b>	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
	Class Z CHF Hedged – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>Pan European Fund</b>	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
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
<b>European Bond Fund</b>	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Income shares	4
<b>European Corporate Bond Fund</b>	Class 1 – Accumulation shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Gross accumulation shares	4
	Class Z – Accumulation shares	4
	**Class Z CHF Hedged – Gross accumulation shares	3
	**Class Z USD Hedged – Gross accumulation shares	3
<b>European High Yield Bond Fund</b>	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	
<b>Strategic Bond Fund</b>	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
	Class Z – Gross accumulation shares	3
<b>American Fund</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>American Select Fund</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 USD – 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 EUR – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z GBP Hedged – Accumulation shares	5
<b>American Smaller Companies Fund (US)</b>	Class 1 – Income shares	5
	**Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	6
	**Class 1 USD – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
	**Class Z EUR Hedged – Gross accumulation shares	5
**Class Z CHF Hedged – Gross accumulation shares	5	
<b>Dollar Bond Fund</b>	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
<b>Japan Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class X2 – Accumulation shares	6
	Class Z – Accumulation shares	6
<b>Asia Fund</b>	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	6
	**Class 1 USD – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	6
	**Class 2 USD – Accumulation shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	Class Z – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
<b>Latin America Fund</b>	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6

## Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
<b>Emerging Market Bond Fund</b>	Class 1 – Income 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 income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
<b>High Yield Bond Fund</b>	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
<b>Global Select Fund</b>	Class 1 – Accumulation shares	5
	**Class 1 EUR – Accumulation shares	5
	**Class 1 USD – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class 2 EUR – Accumulation shares	5
	**Class 2 USD – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	**Class Z USD – Accumulation shares	5
<b>Global Bond Fund</b>	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
	Class Z – Gross accumulation shares	4
<b>UK Institutional Fund</b>	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
<b>UK Overseas Earnings Fund</b>	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5

## Risk and Reward Profiles

(continued)

\*As at 7 September 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 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 Emerging Market Bond Fund changed from 5 to 4 for all share classes on 29 June 2018.

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

### 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

During the period from 8 March 2018 to 7 September 2018 the following changes were made to the Prospectus of the Company:

- Inclusion of information about the use of Hong Kong Stock Connect by certain funds;
- Updated privacy statement for GDPR;
- Inclusion of a note regarding the winding up of four sub-funds following successful votes in favour of cross-border mergers;
- Increase to the initial investment minimum for L Shares;
- Update to the list of funds managed by the ACD;
- Update to the list of countries where the funds are registered;
- Update to the list of available share classes, including deletion of a hedged share class for the European Fund;
- General updates (taxation, dilution, performance, etc).

### Changes to the Instrument of Incorporation

There were no changes to the instrument of incorporation of the Company during the period from 8 March 2018 to 7 September 2018.

### 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.

## Important Information

(continued)

The ACD has considered the impact of Brexit for investors in its funds and made a recommendation to investors in the European Corporate Bond Fund, European High Yield Bond Fund, Pan European Fund and Pan European Smaller Companies Fund that they should vote in favour of a resolution to transfer the funds, 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 transfers 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 mergers, which took place on the dates as set out in the table below, the European Corporate Bond Fund, European High Yield Bond Fund, Pan European Fund and Pan European Smaller Companies Fund have been closed and are now in the process of being wound up. Further information, including a Q&A document is available at [www.columbiathreadneedle.com/changes](http://www.columbiathreadneedle.com/changes):

Fund	Date of Merger
European Corporate Bond Fund	22 September 2018
European High Yield Bond Fund	6 October 2018
Pan European Fund	6 October 2018
Pan European Smaller Companies Fund	6 October 2018

### 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	GBP 2,000	Retail and non-retail investors
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500	
	Class 1 USD (including Class 1 Hedged Shares)	USD 3,000	
	Class 1 JPY	JPY 280,000	
	Class 1 CHF (including Class 1 Hedged Shares)	CHF 3,000	
	Class 1 SGD (Hedged Shares)	SGD 4,000	
Class L	Class L GBP	GBP 100 million	Non-retail investors
Class M	Class M AUD (Hedged Share Class)	AUD 750	Retail and non-retail investors
	Class M USD (Hedged Share Class)	USD 3,000	
Class N	Class N USD (Hedged Share Class)	USD 1.5 million	Retail and non-retail investors
Class 2	Class 2 GBP	GBP 0.5 million	Non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 0.75 million	
	Class 2 USD (including Class 2 Hedged Shares)	USD 0.8 million	
	Class 2 JPY	JPY 70 million	
	Class 2 CHF (Hedged Share Class)	CHF 1.2 million	

Share Class	Currency	Minimum Investment	Eligibility
Class 2i	Class 2i USD	USD 0.8 million	Available to non-retail investors in the Pan European Fund
	Class 2i GBP	GBP 0.5 million	
	Class 2i EUR	EUR 0.75 million	
	Class 2i JPY	JPY 70 million	
Class 3	Class 3 GBP	GBP 0.5 million	Non-retail investors
Class X	Class X GBP	GBP 3 million	Available only to Eligible Shareholders
	Class X EUR	EUR 5 million	
	Class X USD	USD 5 million	
	Class X JPY	JPY 420 million	
	Class X AUD (Hedged Share Class)	AUD 5 million	
Class Z	Class Z GBP*	GBP 1 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients
	Class Z EUR (including Class Z Hedged Shares)*	EUR 1.5 million	
	Class Z USD (including Class Z Hedged Shares)*	USD 1.5 million	
	Class Z JPY*	JPY 140 million	
	Class Z CHF (including Class Z Hedged Shares)*	CHF 1.5 million	

\*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

### 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.

## Important Information

(continued)

### 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.

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.

### Investor Reports

Annual long-form reports and financial statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period. 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.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

### Foreign Account Tax Compliance Act (FATCA)

Threadneedle and its funds (Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Threadneedle will not suffer withholding tax under FATCA.

### Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

### Holdings in shares of other funds of the Company

None of the funds of the Company held shares in other funds of the Company (listed on the contents page on page 1) at the end of the period.



## 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	China-Hong Kong Stock Connect
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				
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					
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			
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		X
Latin America Fund	X	X				X	X								X		X		
Emerging Market 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:** Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

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

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

**Derivatives for EPM/Hedging Risk:** The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

**Volatility Risk:** The fund may exhibit significant price volatility.

**High Volatility Risk:** The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

**Investment in Deposits Risk:** The Investment Policy of the fund allows it to invest principally in deposits.

**Shareholder Concentration Risk:** A Fund with high shareholder concentration may have compounded marketing and funding liquidity risks

### China-Hong Kong Stock Connect

The Fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk

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 Sutherland (International) LLP  
One Wood Street  
London EC2V 7WS

Baum Financial Services Law Team  
Grosser Burstah 42  
20457 Hamburg  
Germany

### Independent Auditor

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Authorised Corporate Director Client Services Details

#### UK Investors

**Address:** Threadneedle Investment Services Limited  
PO Box 10033  
Chelmsford  
Essex CM99 2AL  
**Telephone** (dealing & customer enquiries): 0800 953 0134\*  
**Fax** (dealing): 0845 113 0274  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk

#### Asian Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +852 3667 7111\*  
**Fax** (dealing): +352 2452 9807  
**Email** (enquiries): threadneedleenquiries@statestreet.com

### All Other Investors

**Address:** Threadneedle Investment Services Limited  
International Financial Data Services  
47, avenue JF Kennedy  
L-1855 Luxembourg  
**Telephone** (dealing & customer enquiries): +352 464 010 7020\*  
**Fax** (dealing): +352 2452 9807  
**Email** (enquiries): questions@service.columbiathreadneedle.co.uk  
**Website:** columbiathreadneedle.com

### Paying and Information Agent in Austria

Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna  
Austria

### Paying and Information Agent in Belgium

CACEIS Belgium S.A.  
avenue du Port 86 C b 320  
1000 Brussels  
Belgium

### Paying and Information Agent in France

BNP Paribas Securities Services  
66 rue de la Victoire  
75009 Paris  
France

### Paying and Information Agent in Germany

J.P. Morgan AG  
Jungthofstr. 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.

## 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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