

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS  
THREADNEEDLE INVESTMENT FUNDS ICVC  
SEPTEMBER 2020

# THREADNEEDLE INVESTMENT FUNDS ICVC

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Please note that the Sterling Short-Term Money Market 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 Short-Term Money Market 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)  
J Griffiths  
A Roughead (non-executive)  
P Stone (Resigned from the Board on 15 June 2020)  
R Vincent  
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 2020.

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

Thank you for your continued support.



**L Weatherup**  
Director

### DIRECTORS' STATEMENTS

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the 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



**R Vincent**  
Director

16 October 2020

## Threadneedle UK Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges. The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange; predominantly companies domiciled in the UK, or which have significant UK business operations. The Fund selects companies that are considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

The Fund typically invests in fewer than 80 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Fund has fallen from 124.08p to 113.75p. Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -9.82% as compared to a median return of -7.06% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets thereafter recouped some losses, amid optimism over the significant fiscal and

monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December. The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery. In the UK, retail sales returned to pre-lockdown levels in July, while the composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in more than six years in August. To soften the economic blow of the coronavirus crisis, governments and central banks around the world unleashed unprecedented levels of stimulus. The Bank of England cut rates to a record low and announced a fresh round of bond purchases. Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

New additions to the portfolio included miner BHP and defence manufacturer BAE Systems. The latter's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus. Similarly, we also topped up holdings in building-materials company CRH and Melrose Industries. We took advantage of the aforementioned refinancing measures to add to our

holdings in Whitbread, Compass, easyJet and Informa.

In addition to limiting the increase in debt, Whitbread's rights issue should help the company to boost its presence in the UK and German markets. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors.

Compass's fund-raising should help to offset the impact of the drop in demand for catering services from the education sector, as schools and universities were forced to close. Compass is increasing its share in a market which stands to benefit from the long-term drivers towards the outsourcing of catering – a trend likely to be accelerated by the pandemic.

Budget airline easyJet is using flexibility within existing contracts to mitigate the repercussions on profitability and has embarked on cost-cutting and funding initiatives, which we hope should reassure investors in the short to medium term. On a longer-term view, easyJet's balance sheet is in a better position than those of many of its peers, and management are likely to look for opportunities in the industry while also executing an internal improvement programme.

In response to the crisis, we sold Carnival and Land Securities, recycling the proceeds into topping up names impacted by COVID-19, but which have more encouraging medium-term prospects. The positions in Royal Mail and Stagecoach were also closed. We realised some gains in GlaxoSmithKline, Rio Tinto and M&G. Equity markets have rebounded strongly since the lows of March, though there are still risks, especially due to the possibility of a second wave of the pandemic occurring before a scalable vaccine is developed. Consensus forecasts are for a slow and gradual recovery.

The rally has been narrowly led, mainly by technology stocks, which has resulted in the market becoming polarised. We feel that a rotation from growth to value stocks is long overdue, and that there are several attractive opportunities in areas of the market that have underperformed this year.

In the UK, we have seen a wave of refinancing as firms have sought to remove financial risks. Some recent fund-raising have also been driven by companies keen to take advantage of potential growth opportunities. Meanwhile, prospects for selected domestic cyclical appear interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum. We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000     | 2019<br>£000   |
|---|------------------|----------------|
| Income  |                  |                |
| Net capital (losses)/gains  | (136,769)        | 72,081         |
| Revenue   | 28,877           | 49,307         |
| Expenses  | (6,706)          | (10,058)       |
| Interest payable and similar charges  | (1)              | –              |
| Net revenue before taxation   | 22,170           | 39,249         |
| Taxation  | –                | –              |
| Net revenue after taxation  | 22,170           | 39,249         |
| <b>Total return before distributions</b>  | <b>(114,599)</b> | <b>111,330</b> |
| Distributions   | (22,207)         | (39,249)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(136,806)</b> | <b>72,081</b>  |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | March<br>2020<br>£000 |
|--|------------------|-----------------------|
| <b>Assets:</b>                                 |                  |                       |
| <b>Fixed assets:</b>                           |                  |                       |
| Investments                                    | 1,571,056        | 1,832,831             |
| <b>Current assets:</b>                         |                  |                       |
| Debtors  | 11,349           | 28,627                |
| Cash and bank balances                         | 1                | 1                     |
| Cash equivalents**                             | 4,420            | 8,802                 |
| <b>Total assets</b>                            | <b>1,586,826</b> | <b>1,870,261</b>      |
| <b>Liabilities:</b>                            |                  |                       |
| <b>Creditors:</b>                              |                  |                       |
| Bank overdrafts                                | (405)            | (4,128)               |
| Distribution payable                           | (8,615)          | (8,157)               |
| Other creditors                                | (5,782)          | (15,848)              |
| <b>Total liabilities</b>                       | <b>(14,802)</b>  | <b>(28,133)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>1,572,024</b> | <b>1,842,128</b>      |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000     | 2019<br>£000     |
|--|------------------|------------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>1,842,128</b> | <b>2,128,983</b> |
| Amounts receivable on the issue of shares  | 347,422          | 423,619          |
| Amounts payable on the cancellation of shares  | (492,808)        | (665,253)        |
|  | (145,386)        | (241,634)        |
| Dilution adjustment  | 258              | 44               |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (136,806)        | 72,081           |
| Retained distribution on accumulation shares   | 11,829           | 18,528           |
| Unclaimed distributions  | 1                | 11               |
| <b>Closing net assets attributable to shareholders</b>   | <b>1,572,024</b> | <b>1,978,013</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Revenue       | Equalisation  | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|---------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |               |                                |                        |
| 08/03/20 to 07/09/20                     | 1.0014        | –             | 1.0014                         | 2.1531                 |
| <b>Group 2</b>                           |               |               |                                |                        |
| 08/03/20 to 07/09/20                     | 0.5776        | 0.4238        | 1.0014                         | 2.1531                 |
| <b>Total distributions in the period</b> | <b>1.0014</b> | <b>1.0014</b> | <b>1.0014</b>                  | <b>2.1531</b>          |

#### Class 1 – Accumulation shares

| Distribution Period                      | Revenue       | Equalisation  | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|---------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |               |               |                          |                          |
| 08/03/20 to 07/09/20                     | 0.9648        | –             | 0.9648                   | 2.0301                   |
| <b>Group 2</b>                           |               |               |                          |                          |
| 08/03/20 to 07/09/20                     | 0.4349        | 0.5299        | 0.9648                   | 2.0301                   |
| <b>Total distributions in the period</b> | <b>0.9648</b> | <b>0.9648</b> | <b>0.9648</b>            | <b>2.0301</b>            |

\*\*The total value of investments in the portfolio statement includes 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 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.3272  | –            | 1.3272                         | 2.5595                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.9797  | 0.3475       | 1.3272                         | 2.5595                 |
| <b>Total distributions in the period</b> |         |              | <b>1.3272</b>                  | <b>2.5595</b>          |

#### Class 2 – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.0676  | –            | 1.0676                   | 2.0028                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.7050  | 0.3626       | 1.0676                   | 2.0028                   |
| <b>Total distributions in the period</b> |         |              | <b>1.0676</b>            | <b>2.0028</b>            |

#### Class L – Gross income shares\*

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 |
|--|---------|--------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.5544  | –            | 0.5544                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.5544  | –            | 0.5544                         |
| <b>Total distributions in the period</b> |         |              | <b>0.5544</b>                  |

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

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 |
|--|---------|--------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.5544  | –            | 0.5544                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.5544  | –            | 0.5544                         |
| <b>Total distributions in the period</b> |         |              | <b>0.5544</b>                  |

#### Class X – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.0586  | –            | 2.0586                         | 2.6489                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 2.0586  | –            | 2.0586                         | 2.6489                 |
| <b>Total distributions in the period</b> |         |              | <b>2.0586</b>                  | <b>2.6489</b>          |

#### Class X – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.8375  | –            | 1.8375                   | 3.0446                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.4376  | 0.3999       | 1.8375                   | 3.0446                   |
| <b>Total distributions in the period</b> |         |              | <b>1.8375</b>            | <b>3.0446</b>            |

#### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.5977  | –            | 1.5977                         | 2.9859                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.3591  | 0.2386       | 1.5977                         | 2.9859                 |
| <b>Total distributions in the period</b> |         |              | <b>1.5977</b>                  | <b>2.9859</b>          |

#### Class Z – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue 2020  | Revenue 2019  |
|--|---------|--------------|---------------|---------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.9266  | –            | 1.9266        | 3.4939        |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.1157  | 0.8109       | 1.9266        | 3.4939        |
| <b>Total distributions in the period</b> |         |              | <b>1.9266</b> | <b>3.4939</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 |             |             |
|---|-------------------------|-------------|-------------|-------------------------------|-------------|-------------|
|   | 07/09/2020              | 07/03/2020  | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                         |             |             |                               |             |             |
| Opening net asset value per share (p)             | 123.09                  | 133.22      | 135.81      | 118.56                        | 125.60      | 125.20      |
| Return before operating charges (p)               | (8.49)                  | (4.97)      | 2.73        | (8.20)                        | (4.88)      | 2.48        |
| Operating charges (p)                             | (0.90)                  | (2.27)      | (2.24)      | (0.88)                        | (2.16)      | (2.08)      |
| Return after operating charges (p)*               | (9.39)                  | (7.24)      | 0.49        | (9.08)                        | (7.04)      | 0.40        |
| Distributions (p)                                 | (1.00)                  | (2.89)      | (3.08)      | (0.96)                        | (2.73)      | (2.86)      |
| Retained distributions on accumulation shares (p) | –                       | –           | –           | 0.96                          | 2.73        | 2.86        |
| Closing net asset value per share (p)             | 112.70                  | 123.09      | 133.22      | 109.48                        | 118.56      | 125.60      |
| *after direct transaction costs of (p)            | 0.06                    | 0.17        | 0.18        | 0.06                          | 0.16        | 0.17        |
| <b>Performance</b>                                |                         |             |             |                               |             |             |
| Return after charges (%)                          | (7.63)                  | (5.43)      | 0.36        | (7.66)                        | (5.61)      | 0.32        |
| <b>Other information</b>                          |                         |             |             |                               |             |             |
| Closing net asset value (£000)                    | 118,910                 | 199,706     | 487,399     | 2,382                         | 2,325       | 1,980       |
| Closing number of shares                          | 105,515,002             | 162,248,931 | 365,854,211 | 2,176,074                     | 1,961,080   | 1,576,857   |
| Operating charges (%)**                           | 1.63 <sup>†</sup>       | 1.64        | 1.63        | 1.63 <sup>†</sup>             | 1.63        | 1.63        |
| Direct transaction costs (%)***                   | 0.11                    | 0.13        | 0.13        | 0.11                          | 0.13        | 0.13        |
| <b>Prices</b>                                     |                         |             |             |                               |             |             |
| Highest share price (p)                           | 122.70                  | 148.94      | 149.10      | 118.14                        | 142.61      | 137.46      |
| Lowest share price (p)                            | 88.54                   | 124.08      | 121.03      | 85.42                         | 118.81      | 113.18      |
|   | Class 2 – Income shares |             |             | Class 2 – Accumulation shares |             |             |
|   | 07/09/2020              | 07/03/2020  | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                         |             |             |                               |             |             |
| Opening net asset value per share (p)             | 123.23                  | 133.43      | 136.02      | 99.16                         | 104.44      | 103.51      |
| Return before operating charges (p)               | (8.50)                  | (5.01)      | 2.76        | (6.85)                        | (4.11)      | 2.05        |
| Operating charges (p)                             | (0.59)                  | (1.49)      | (1.46)      | (0.48)                        | (1.17)      | (1.12)      |
| Return after operating charges (p)*               | (9.09)                  | (6.50)      | 1.30        | (7.33)                        | (5.28)      | 0.93        |
| Distributions (p)                                 | (1.33)                  | (3.70)      | (3.89)      | (1.07)                        | (2.91)      | (2.98)      |
| Retained distributions on accumulation shares (p) | –                       | –           | –           | 1.07                          | 2.91        | 2.98        |
| Closing net asset value per share (p)             | 112.81                  | 123.23      | 133.43      | 91.83                         | 99.16       | 104.44      |
| *after direct transaction costs of (p)            | 0.06                    | 0.17        | 0.18        | 0.05                          | 0.14        | 0.14        |
| <b>Performance</b>                                |                         |             |             |                               |             |             |
| Return after charges (%)                          | (7.38)                  | (4.87)      | 0.96        | (7.39)                        | (5.06)      | 0.90        |
| <b>Other information</b>                          |                         |             |             |                               |             |             |
| Closing net asset value (£000)                    | 176,846                 | 178,420     | 419,957     | 317,181                       | 418,203     | 281,406     |
| Closing number of shares                          | 156,767,770             | 144,784,248 | 314,739,661 | 345,397,033                   | 421,748,534 | 269,451,804 |
| Operating charges (%)**                           | 1.06 <sup>†</sup>       | 1.07        | 1.06        | 1.06 <sup>†</sup>             | 1.06        | 1.06        |
| Direct transaction costs (%)***                   | 0.11                    | 0.13        | 0.13        | 0.11                          | 0.13        | 0.13        |
| <b>Prices</b>                                     |                         |             |             |                               |             |             |
| Highest share price (p)                           | 122.99                  | 149.44      | 149.52      | 98.96                         | 119.14      | 113.78      |
| Lowest share price (p)                            | 88.66                   | 124.63      | 121.42      | 71.45                         | 99.36       | 94.00       |

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

|   | Class L – Gross income shares <sup>§</sup> |            |            | Class L – Gross accumulation shares <sup>§</sup> |             |            |
|---|--|------------|------------|--|-------------|------------|
|   | 07/09/2020 <sup>†</sup>                    |            |            | 07/09/2020 <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)               | (0.09)                                     |            |            | (0.08)   |             |            |
| Operating charges (p)                             | (0.02)                                     |            |            | (0.02)   |             |            |
| Return after operating charges (p)*               | (0.11)                                     |            |            | (0.10)   |             |            |
| Distributions (p)                                 | (0.55)                                     |            |            | (0.55)   |             |            |
| Retained distributions on accumulation shares (p) | –  |            |            | 0.55   |             |            |
| Closing net asset value per share (p)             | 99.34                                      |            |            | 99.90  |             |            |
| *after direct transaction costs of (p)            | 0.01                                       |            |            | 0.01   |             |            |
| <b>Performance</b>                                |  |            |            |  |             |            |
| Return after charges (%)                          | (0.11)                                     |            |            | (0.10)   |             |            |
| <b>Other information</b>                          |  |            |            |  |             |            |
| Closing net asset value (£000)                    | 1  |            |            | 1  |             |            |
| Closing number of shares                          | 1,001                                      |            |            | 1,001  |             |            |
| Operating charges (%)**                           | 0.68 <sup>†</sup>                          |            |            | 0.68 <sup>†</sup>                                |             |            |
| Direct transaction costs (%)***                   | 0.11                                       |            |            | 0.11   |             |            |
| <b>Prices</b>                                     |  |            |            |  |             |            |
| Highest share price (p)                           | 103.21                                     |            |            | 103.21   |             |            |
| Lowest share price (p)                            | 96.74                                      |            |            | 96.74  |             |            |
|   | Class X – Income shares                    |            |            | Class X – Accumulation shares                    |             |            |
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |             |            |
| Opening net asset value per share (p)             | 100.19                                     | 108.55     | 110.67     | 119.64   | 124.76      | 122.44     |
| Return before operating charges (p)               | (6.56)                                     | (4.13)     | 2.24       | (8.25)   | (5.04)      | 2.40       |
| Operating charges (p)                             | (0.03)                                     | (0.07)     | (0.07)     | (0.03)   | (0.08)      | (0.08)     |
| Return after operating charges (p)*               | (6.59)                                     | (4.20)     | 2.17       | (8.28)   | (5.12)      | 2.32       |
| Distributions (p)                                 | (2.06)                                     | (4.16)     | (4.29)     | (1.84)   | (4.81)      | (4.80)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 1.84   | 4.81        | 4.80       |
| Closing net asset value per share (p)             | 91.54                                      | 100.19     | 108.55     | 111.36   | 119.64      | 124.76     |
| *after direct transaction costs of (p)            | 0.05                                       | 0.14       | 0.15       | 0.06   | 0.17        | 0.16       |
| <b>Performance</b>                                |  |            |            |  |             |            |
| Return after charges (%)                          | (6.58)                                     | (3.87)     | 1.96       | (6.92)   | (4.10)      | 1.89       |
| <b>Other information</b>                          |  |            |            |  |             |            |
| Closing net asset value (£000)                    | 3  | 62,315     | 60,197     | 358,592  | 353,973     | 46,842     |
| Closing number of shares                          | 3,000                                      | 62,196,718 | 55,453,153 | 322,000,125                                      | 295,852,892 | 37,546,067 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                          | 0.06       | 0.06       | 0.06 <sup>†</sup>                                | 0.06        | 0.06       |
| Direct transaction costs (%)***                   | 0.11                                       | 0.13       | 0.13       | 0.11   | 0.13        | 0.13       |
| <b>Prices</b>                                     |  |            |            |  |             |            |
| Highest share price (p)                           | 100.26                                     | 121.95     | 121.90     | 119.71   | 143.48      | 134.87     |
| Lowest share price (p)                            | 72.10                                      | 101.91     | 99.08      | 86.24  | 119.90      | 112.09     |

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares       |             |             | Class Z EUR – Income shares              |            |
|---|-------------------------------|-------------|-------------|--|------------|
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 09/11/2018 <sup>2</sup>                  |            |
| <b>Change in net assets per share</b>             |                               |             |             |  |            |
| Opening net asset value per share (p)             | 135.42                        | 146.65      | 149.45      | 162.69                                   |            |
| Return before operating charges (p)               | (9.34)                        | (5.54)      | 3.06        | (12.86)                                  |            |
| Operating charges (p)                             | (0.51)                        | (1.27)      | (1.26)      | (0.40)                                   |            |
| Return after operating charges (p)*               | (9.85)                        | (6.81)      | 1.80        | (13.26)                                  |            |
| Distributions (p)                                 | (1.60)                        | (4.42)      | (4.60)      | (3.11)                                   |            |
| Retained distributions on accumulation shares (p) | –                             | –           | –           | –  |            |
| Closing net asset value per share (p)             | 123.97                        | 135.42      | 146.65      | 146.32                                   |            |
| *after direct transaction costs of (p)            | 0.07                          | 0.19        | 0.20        | 0.09                                     |            |
| <b>Performance</b>                                |                               |             |             |  |            |
| Return after charges (%)                          | (7.27)                        | (4.64)      | 1.20        | (8.15)                                   |            |
| <b>Other information</b>                          |                               |             |             |  |            |
| Closing net asset value (£000)                    | 424,979                       | 414,949     | 487,696     | –  |            |
| Closing number of shares                          | 342,808,314                   | 306,418,216 | 332,560,403 | –  |            |
| Operating charges (%)**                           | 0.83 <sup>†</sup>             | 0.83        | 0.83        | –  |            |
| Direct transaction costs (%)***                   | 0.11                          | 0.13        | 0.13        | –  |            |
| <b>Prices</b>                                     |                               |             |             |  |            |
| Highest share price (p)                           | 135.24                        | 164.36      | 164.35      | 163.33                                   |            |
| Lowest share price (p)                            | 97.43                         | 137.13      | 133.54      | 142.11                                   |            |
|   | Class Z – Accumulation shares |             |             | Class Z CHF Hedged – Accumulation shares |            |
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 09/11/2018 <sup>3</sup>                  | 07/03/2018 |
| <b>Change in net assets per share</b>             |                               |             |             |  |            |
| Opening net asset value per share (p)             | 163.28                        | 171.60      | 169.71      | 137.04                                   | 145.43     |
| Return before operating charges (p)               | (11.29)                       | (6.82)      | 3.33        | (2.18)                                   | (7.20)     |
| Operating charges (p)                             | (0.61)                        | (1.50)      | (1.44)      | (0.66)                                   | (1.19)     |
| Return after operating charges (p)*               | (11.90)                       | (8.32)      | 1.89        | (2.84)                                   | (8.39)     |
| Distributions (p)                                 | (1.93)                        | (5.20)      | (5.27)      | (2.81)                                   | (3.63)     |
| Retained distributions on accumulation shares (p) | 1.93                          | 5.20        | 5.27        | 2.81                                     | 3.63       |
| Closing net asset value per share (p)             | 151.38                        | 163.28      | 171.60      | 134.20                                   | 137.04     |
| *after direct transaction costs of (p)            | 0.08                          | 0.22        | 0.23        | 0.14                                     | 0.14       |
| <b>Performance</b>                                |                               |             |             |  |            |
| Return after charges (%)                          | (7.29)                        | (4.85)      | 1.11        | (2.07)                                   | (5.77)     |
| <b>Other information</b>                          |                               |             |             |  |            |
| Closing net asset value (£000)                    | 173,129                       | 212,237     | 343,506     | –  | 5,507      |
| Closing number of shares                          | 114,364,852                   | 129,986,862 | 200,173,868 | –  | 4,018,724  |
| Operating charges (%)**                           | 0.83 <sup>†</sup>             | 0.83        | 0.83        | –  | 0.83       |
| Direct transaction costs (%)***                   | 0.11                          | 0.13        | 0.13        | –  | 0.10       |
| <b>Prices</b>                                     |                               |             |             |  |            |
| Highest share price (p)                           | 163.04                        | 196.11      | 186.63      | 152.68                                   | 152.79     |
| Lowest share price (p)                            | 117.66                        | 163.63      | 154.39      | 129.61                                   | 135.99     |

## Threadneedle UK Fund

### Comparative Table Disclosure

(continued)

|   | Class Z EUR Hedged – Accumulation shares |            | Class Z USD Hedged – Accumulation shares |            |
|---|--|------------|--|------------|
|   | 09/11/2018 <sup>3</sup>                  | 07/03/2018 | 09/11/2018 <sup>3</sup>                  | 07/03/2018 |
| <b>Change in net assets per share</b>             |  |            |  |            |
| Opening net asset value per share (p)             | 150.79                                   | 146.46     | 139.26                                   | 155.33     |
| Return before operating charges (p)               | (5.09)                                   | 5.60       | 10.38                                    | (14.83)    |
| Operating charges (p)                             | (0.72)                                   | (1.27)     | (0.71)                                   | (1.24)     |
| Return after operating charges (p)*               | (5.81)                                   | 4.33       | 9.67                                     | (16.07)    |
| Distributions (p)                                 | (3.09)                                   | (3.82)     | (3.00)                                   | (3.78)     |
| Retained distributions on accumulation shares (p) | 3.09                                     | 3.82       | 3.00                                     | 3.78       |
| Closing net asset value per share (p)             | 144.98                                   | 150.79     | 148.93                                   | 139.26     |
| *after direct transaction costs of (p)            | 0.16                                     | 0.15       | 0.15                                     | 0.15       |
| <b>Performance</b>                                |  |            |  |            |
| Return after charges (%)                          | (3.85)                                   | 2.96       | 6.94                                     | (10.35)    |
| <b>Other information</b>                          |  |            |  |            |
| Closing net asset value (£000)                    | –  | 17,534     | –  | 18,226     |
| Closing number of shares                          | –  | 11,627,814 | –  | 13,087,364 |
| Operating charges (%)**                           | –  | 0.83       | –  | 0.83       |
| Direct transaction costs (%)***                   | –  | 0.10       | –  | 0.10       |
| <b>Prices</b>                                     |  |            |  |            |
| Highest share price (p)                           | 165.01                                   | 160.54     | 165.61                                   | 157.93     |
| Lowest share price (p)                            | 143.25                                   | 139.93     | 133.25                                   | 137.41     |

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

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

<sup>3</sup>Only available to eligible investors.

<sup>1</sup>Commenced 27 July 2020.

<sup>2</sup>Commenced 15 June 2018 and closed 9 November 2018.

<sup>3</sup>Closed 9 November 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 Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |
|---|--------------------|
| <b>Class 1 – Income shares</b>              |                    |
| Opening shares                              | 162,248,931        |
| Shares issued                               | 799,222            |
| Shares redeemed                             | (52,168,611)       |
| Net conversions                             | (5,364,540)        |
| Closing shares                              | <u>105,515,002</u> |
| <b>Class 1 – Accumulation shares</b>        |                    |
| Opening shares                              | 1,961,080          |
| Shares issued                               | 702,609            |
| Shares redeemed                             | (474,507)          |
| Net conversions                             | (13,108)           |
| Closing shares                              | <u>2,176,074</u>   |
| <b>Class 2 – Income shares</b>              |                    |
| Opening shares                              | 144,784,248        |
| Shares issued                               | 24,957,964         |
| Shares redeemed                             | (12,986,245)       |
| Net conversions                             | 11,803             |
| Closing shares                              | <u>156,767,770</u> |
| <b>Class 2 – Accumulation shares</b>        |                    |
| Opening shares                              | 421,748,534        |
| Shares issued                               | 111,859,317        |
| Shares redeemed                             | (147,740,898)      |
| Net conversions                             | (40,469,920)       |
| Closing shares                              | <u>345,397,033</u> |
| <b>Class L – Gross income shares*</b>       |                    |
| Opening shares                              | –                  |
| Shares issued                               | 1,001              |
| Shares redeemed                             | –                  |
| Net conversions                             | –                  |
| Closing shares                              | <u>1,001</u>       |
| <b>Class L – Gross accumulation shares*</b> |                    |
| Opening shares                              | –                  |
| Shares issued                               | 1,001              |
| Shares redeemed                             | –                  |
| Net conversions                             | –                  |
| Closing shares                              | <u>1,001</u>       |
| <b>Class X – Income shares</b>              |                    |
| Opening shares                              | 62,196,718         |
| Shares issued                               | –                  |
| Shares redeemed                             | (62,193,718)       |
| Net conversions                             | –                  |
| Closing shares                              | <u>3,000</u>       |

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class X – Accumulation shares</b> |                    |
| Opening shares                       | 295,852,892        |
| Shares issued                        | 106,029,689        |
| Shares redeemed                      | (79,882,456)       |
| Net conversions                      | –                  |
| Closing shares                       | <u>322,000,125</u> |
| <b>Class Z – Income shares</b>       |                    |
| Opening shares                       | 306,418,216        |
| Shares issued                        | 81,025,194         |
| Shares redeemed                      | (49,511,875)       |
| Net conversions                      | 4,876,779          |
| Closing shares                       | <u>342,808,314</u> |
| <b>Class Z – Accumulation shares</b> |                    |
| Opening shares                       | 129,986,862        |
| Shares issued                        | 13,129,279         |
| Shares redeemed                      | (53,302,051)       |
| Net conversions                      | 24,550,762         |
| Closing shares                       | <u>114,364,852</u> |

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

## Threadneedle UK Select Fund

### Investment Report

#### Investment Objective and Policy

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

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

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be of any size, from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion.

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

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Select Fund has fallen from 114.28p to 104.95p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -6.95% as compared to a median return of -7.06% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets

thereafter recouped some losses, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December. The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery. In the UK, retail sales returned to pre-lockdown levels in July, while the composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in more than six years in August. To soften the economic blow of the coronavirus crisis, governments and central banks around the world unleashed unprecedented levels of stimulus. The Bank of England cut rates to a record low and announced a fresh round of bond purchases. Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

Several new holdings were added to the portfolio over the period, such as miner BHP, defence manufacturer BAE Systems and waste-management company Biffa. We bought BHP following the sell-off in March, as part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus. BAE's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down. Biffa has attractive long-term growth prospects in recycling and generating energy

from waste. The shares trade at a material discount to those of Biffa's closest UK peer – Viridor – which was sold by Pennon to a private equity group earlier this year. We took advantage of the aforementioned refinancing measures to top up our holding in Whitbread and initiate positions in easyJet and Restaurant Group.

In addition to limiting the increase in debt, Whitbread's rights issue should help the company to boost its presence in the UK and German markets. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors.

Budget airline easyJet is using flexibility within existing contracts to mitigate the repercussions on profitability and has embarked on cost-cutting and funding initiatives, which we hope should reassure investors in the short to medium term. On a longer-term view, easyJet's balance sheet is in a better position than those of many of its peers, and management are likely to look for opportunities in the industry while also executing an internal improvement programme.

Restaurant Group had only modestly negative cashflows, but prudently raised extra equity to aid liquidity through the shutdown. We believe the business will emerge stronger from the crisis, as many of its rivals are excessively leveraged. Restaurant Group has also accelerated plans to reduce its less profitable leisure business. Overall, we are supportive of management's disciplined plan to add considerable shareholder value over the long term.

We profitably closed our position in M&G. We also sold BP, ITV and Compass.

Equity markets have rebounded strongly since the lows of March, though there are still risks, especially due to the possibility of a second wave of the pandemic occurring before a scalable vaccine is developed. Consensus forecasts are for a slow and gradual recovery.

The rally has been narrowly led, mainly by technology stocks, which has resulted in the market becoming polarised. We feel that a rotation from growth to value stocks is long overdue, and that there are several attractive opportunities in areas of the market that have underperformed this year.

In the UK, we have seen a wave of refinancing as firms have sought to remove financial risks. Some recent fund-raising have also been driven by companies keen to take advantage of potential growth opportunities. Meanwhile, prospects for selected domestic cyclical appear interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum. We will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks in order to deliver solid, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000    | 2019<br>£000  |
|---|-----------------|---------------|
| Income  |                 |               |
| Net capital (losses)/gains  | (24,811)        | 12,381        |
| Revenue   | 6,413           | 10,294        |
| Expenses  | (790)           | (1,343)       |
| Interest payable and similar charges  | –               | (2)           |
| Net revenue before taxation   | 5,623           | 8,949         |
| Taxation  | –               | –             |
| Net revenue after taxation  | 5,623           | 8,949         |
| <b>Total return before distributions</b>  | <b>(19,188)</b> | <b>21,330</b> |
| Distributions   | (5,624)         | (8,949)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(24,812)</b> | <b>12,381</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 271,513        | 277,794               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 2,554          | 8,791                 |
| Cash and bank balances                         | 420            | –                     |
| Cash equivalents**                             | 5,104          | 9,594                 |
| <b>Total assets</b>                            | <b>279,591</b> | <b>296,179</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | –              | (95)                  |
| Distribution payable                           | (1,690)        | (974)                 |
| Other creditors                                | (483)          | (4,993)               |
| <b>Total liabilities</b>                       | <b>(2,173)</b> | <b>(6,062)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>277,418</b> | <b>290,117</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>290,117</b> | <b>482,651</b> |
| Amounts receivable on the issue of shares  | 49,047         | 76,961         |
| Amounts payable on the cancellation of shares  | (40,918)       | (182,456)      |
|  | 8,129          | (105,495)      |
| Dilution adjustment  | 63             | 42             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (24,812)       | 12,381         |
| Retained distribution on accumulation shares   | 3,920          | 5,651          |
| Unclaimed distributions  | 1              | 2              |
| <b>Closing net assets attributable to shareholders</b>   | <b>277,418</b> | <b>395,232</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

| Dividend distribution in pence per share |         |              |                                |                        |  |
|--|---------|--------------|--------------------------------|------------------------|--|
| Class 1 – Income shares                  |         |              |                                |                        |  |
| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |  |
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.5404  | –            | 1.5404                         | 1.8728                 |  |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.8422  | 0.6982       | 1.5404                         | 1.8728                 |  |
| <b>Total distributions in the period</b> |         |              | <b>1.5404</b>                  | <b>1.8728</b>          |  |
| Class 2 – Income shares                  |         |              |                                |                        |  |
| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |  |
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.8525  | –            | 1.8525                         | 2.2527                 |  |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.0137  | 0.8388       | 1.8525                         | 2.2527                 |  |
| <b>Total distributions in the period</b> |         |              | <b>1.8525</b>                  | <b>2.2527</b>          |  |

\*\*The total value of investments in the portfolio statement includes 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 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 3.4323  | –            | 3.4323                   | 4.0603                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 2.2837  | 1.1486       | 3.4323                   | 4.0603                   |
| <b>Total distributions in the period</b> |         |              | <b>3.4323</b>            | <b>4.0603</b>            |

#### Class L – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 4.8264  | –            | 4.8264                   | 5.6700                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 3.2431  | 1.5833       | 4.8264                   | 5.6700                   |
| <b>Total distributions in the period</b> |         |              | <b>4.8264</b>            | <b>5.6700</b>            |

#### Class X – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.3664  | –            | 2.3664                   | 2.7594                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.5095  | 0.8569       | 2.3664                   | 2.7594                   |
| <b>Total distributions in the period</b> |         |              | <b>2.3664</b>            | <b>2.7594</b>            |

#### Class X2 – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 7.9867  | –            | 7.9867                   | 9.3208                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 6.5321  | 1.4546       | 7.9867                   | 9.3208                   |
| <b>Total distributions in the period</b> |         |              | <b>7.9867</b>            | <b>9.3208</b>            |

#### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.3366  | –            | 2.3366                         | 2.8352                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.0446  | 1.2920       | 2.3366                         | 2.8352                 |
| <b>Total distributions in the period</b> |         |              | <b>2.3366</b>                  | <b>2.8352</b>          |

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

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 |
|--|---------|--------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.5166  | –            | 1.5166                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.8757  | 0.6409       | 1.5166                         |
| <b>Total distributions in the period</b> |         |              | <b>1.5166</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       |            |            |
|---|-------------------------------|------------|------------|-------------------------------|------------|------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |            |            |                               |            |            |
| Opening net asset value per share (p)             | 113.36                        | 121.34     | 127.47     | 113.74                        | 121.79     | 127.95     |
| Return before operating charges (p)               | (7.62)                        | (3.16)     | (1.22)     | (7.64)                        | (3.23)     | (1.23)     |
| Operating charges (p)                             | (0.85)                        | (2.06)     | (2.08)     | (0.56)                        | (1.34)     | (1.35)     |
| Return after operating charges (p)*               | (8.47)                        | (5.22)     | (3.30)     | (8.20)                        | (4.57)     | (2.58)     |
| Distributions (p)                                 | (1.54)                        | (2.76)     | (2.83)     | (1.85)                        | (3.48)     | (3.58)     |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                             | –          | –          |
| Closing net asset value per share (p)             | 103.35                        | 113.36     | 121.34     | 103.69                        | 113.74     | 121.79     |
| *after direct transaction costs of (p)            | 0.22                          | 0.54       | 0.56       | 0.22                          | 0.54       | 0.56       |
| <b>Performance</b>                                |                               |            |            |                               |            |            |
| Return after charges (%)                          | (7.47)                        | (4.30)     | (2.59)     | (7.21)                        | (3.75)     | (2.02)     |
| <b>Other information</b>                          |                               |            |            |                               |            |            |
| Closing net asset value (£000)                    | 14,637                        | 30,039     | 103,644    | 57,249                        | 56,633     | 97,754     |
| Closing number of shares                          | 14,162,812                    | 26,499,588 | 85,416,963 | 55,210,484                    | 49,792,638 | 80,267,218 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.64       | 1.63       | 1.06 <sup>†</sup>             | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | 0.42                          | 0.43       | 0.44       | 0.42                          | 0.43       | 0.44       |
| <b>Prices</b>                                     |                               |            |            |                               |            |            |
| Highest share price (p)                           | 114.98                        | 132.43     | 139.69     | 115.53                        | 133.18     | 140.39     |
| Lowest share price (p)                            | 87.64                         | 113.97     | 111.87     | 87.94                         | 114.70     | 112.48     |
|   | Class D – Accumulation shares |            |            | Class L – Accumulation shares |            |            |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |            |            |                               |            |            |
| Opening net asset value per share (p)             | 211.98                        | 220.61     | 225.35     | 262.37                        | 271.79     | 276.34     |
| Return before operating charges (p)               | (14.23)                       | (6.16)     | (2.31)     | (17.60)                       | (7.68)     | (2.84)     |
| Operating charges (p)                             | (1.06)                        | (2.47)     | (2.43)     | (0.75)                        | (1.74)     | (1.71)     |
| Return after operating charges (p)*               | (15.29)                       | (8.63)     | (4.74)     | (18.35)                       | (9.42)     | (4.55)     |
| Distributions (p)                                 | (3.43)                        | (6.30)     | (6.32)     | (4.83)                        | (9.11)     | (9.06)     |
| Retained distributions on accumulation shares (p) | 3.43                          | 6.30       | 6.32       | 4.83                          | 9.11       | 9.06       |
| Closing net asset value per share (p)             | 196.69                        | 211.98     | 220.61     | 244.02                        | 262.37     | 271.79     |
| *after direct transaction costs of (p)            | 0.41                          | 1.00       | 0.99       | 0.51                          | 1.22       | 1.22       |
| <b>Performance</b>                                |                               |            |            |                               |            |            |
| Return after charges (%)                          | (7.21)                        | (3.91)     | (2.10)     | (6.99)                        | (3.47)     | (1.65)     |
| <b>Other information</b>                          |                               |            |            |                               |            |            |
| Closing net asset value (£000)                    | 27,367                        | 39,542     | 8,541      | 1,702                         | 1,953      | 2,978      |
| Closing number of shares                          | 13,913,672                    | 18,653,427 | 3,871,487  | 697,414                       | 744,580    | 1,095,750  |
| Operating charges (%)**                           | 1.07 <sup>†</sup>             | 1.06       | 1.07       | 0.61 <sup>†</sup>             | 0.61       | 0.61       |
| Direct transaction costs (%)***                   | 0.42                          | 0.43       | 0.44       | 0.42                          | 0.43       | 0.44       |
| <b>Prices</b>                                     |                               |            |            |                               |            |            |
| Highest share price (p)                           | 215.30                        | 245.58     | 247.24     | 266.80                        | 303.77     | 303.48     |
| Lowest share price (p)                            | 163.90                        | 211.51     | 201.42     | 202.89                        | 261.77     | 247.92     |

## Threadneedle UK Select Fund

### Comparative Table Disclosure

(continued)

|   | Class X – Accumulation shares |            |            | Class X2 – Accumulation shares                   |                         |            |
|---|-------------------------------|------------|------------|--|-------------------------|------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |            |            |  |                         |            |
| Opening net asset value per share (p)             | 112.81                        | 116.23     | 117.53     | 380.77   | 392.30                  | 396.67     |
| Return before operating charges (p)               | (7.57)                        | (3.35)     | (1.23)     | (25.55)  | (11.28)                 | (4.13)     |
| Operating charges (p)                             | (0.03)                        | (0.07)     | (0.07)     | (0.11)   | (0.25)                  | (0.24)     |
| Return after operating charges (p)*               | (7.60)                        | (3.42)     | (1.30)     | (25.66)  | (11.53)                 | (4.37)     |
| Distributions (p)                                 | (2.37)                        | (4.57)     | (4.52)     | (7.99)   | (15.43)                 | (15.25)    |
| Retained distributions on accumulation shares (p) | 2.37                          | 4.57       | 4.52       | 7.99   | 15.43                   | 15.25      |
| Closing net asset value per share (p)             | 105.21                        | 112.81     | 116.23     | 355.11   | 380.77                  | 392.30     |
| *after direct transaction costs of (p)            | 0.22                          | 0.53       | 0.51       | 0.75   | 1.76                    | 1.75       |
| <b>Performance</b>                                |                               |            |            |  |                         |            |
| Return after charges (%)                          | (6.74)                        | (2.94)     | (1.11)     | (6.74)   | (2.94)                  | (1.10)     |
| <b>Other information</b>                          |                               |            |            |  |                         |            |
| Closing net asset value (£000)                    | 66,532                        | 64,831     | 848        | 80,192   | 86,328                  | 254,263    |
| Closing number of shares                          | 63,238,877                    | 57,468,858 | 730,044    | 22,582,661                                       | 22,671,760              | 64,814,029 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>             | 0.06       | 0.06       | 0.06 <sup>†</sup>                                | 0.06                    | 0.06       |
| Direct transaction costs (%)***                   | 0.42                          | 0.43       | 0.44       | 0.42   | 0.43                    | 0.44       |
| <b>Prices</b>                                     |                               |            |            |  |                         |            |
| Highest share price (p)                           | 114.87                        | 130.52     | 129.22     | 387.71   | 440.53                  | 436.13     |
| Lowest share price (p)                            | 87.25                         | 112.55     | 105.91     | 294.51   | 379.88                  | 357.47     |
|   | Class Z – Income shares       |            |            | Class Z – Gross accumulation shares <sup>5</sup> |                         |            |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 <sup>1</sup> |            |
| <b>Change in net assets per share</b>             |                               |            |            |  |                         |            |
| Opening net asset value per share (p)             | 136.37                        | 146.03     | 153.42     | 87.51  | 100.00                  |            |
| Return before operating charges (p)               | (9.14)                        | (3.88)     | (1.47)     | (5.85)   | (12.36)                 |            |
| Operating charges (p)                             | (0.57)                        | (1.34)     | (1.36)     | (0.37)   | (0.13)                  |            |
| Return after operating charges (p)*               | (9.71)                        | (5.22)     | (2.83)     | (6.22)   | (12.49)                 |            |
| Distributions (p)                                 | (2.34)                        | (4.44)     | (4.56)     | (1.52)   | (0.49)                  |            |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | 1.52   | 0.49                    |            |
| Closing net asset value per share (p)             | 124.32                        | 136.37     | 146.03     | 81.29  | 87.51                   |            |
| *after direct transaction costs of (p)            | 0.27                          | 0.65       | 0.67       | 0.18   | 0.42                    |            |
| <b>Performance</b>                                |                               |            |            |  |                         |            |
| Return after charges (%)                          | (7.12)                        | (3.57)     | (1.84)     | (7.11)   | (12.49)                 |            |
| <b>Other information</b>                          |                               |            |            |  |                         |            |
| Closing net asset value (£000)                    | 23,903                        | 10,790     | 14,623     | 5,836  | 1                       |            |
| Closing number of shares                          | 19,226,584                    | 7,912,435  | 10,013,751 | 7,179,215  | 1,000                   |            |
| Operating charges (%)**                           | 0.88 <sup>†</sup>             | 0.88       | 0.88       | 0.88 <sup>†</sup>                                | 0.81 <sup>†</sup>       |            |
| Direct transaction costs (%)***                   | 0.42                          | 0.43       | 0.44       | 0.42   | 0.43                    |            |
| <b>Prices</b>                                     |                               |            |            |  |                         |            |
| Highest share price (p)                           | 138.58                        | 159.79     | 168.39     | 88.94  | 101.34                  |            |
| Lowest share price (p)                            | 105.45                        | 137.65     | 134.94     | 67.67  | 87.31                   |            |

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

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

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

<sup>1</sup>Commenced 7 January 2020.

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

## Threadneedle UK Select Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                       | 2020              |
|---------------------------------------|-------------------|
| <b>Class 1 – Income shares</b>        |                   |
| Opening shares                        | 26,499,588        |
| Shares issued                         | 155,223           |
| Shares redeemed                       | (10,114,294)      |
| Net conversions                       | (2,377,705)       |
| Closing shares                        | <u>14,162,812</u> |
| <b>Class 2 – Income shares</b>        |                   |
| Opening shares                        | 49,792,638        |
| Shares issued                         | 10,769,069        |
| Shares redeemed                       | (5,351,223)       |
| Net conversions                       | –                 |
| Closing shares                        | <u>55,210,484</u> |
| <b>Class D – Accumulation shares</b>  |                   |
| Opening shares                        | 18,653,427        |
| Shares issued                         | 814,803           |
| Shares redeemed                       | (5,525,474)       |
| Net conversions                       | (29,084)          |
| Closing shares                        | <u>13,913,672</u> |
| <b>Class L – Accumulation shares</b>  |                   |
| Opening shares                        | 744,580           |
| Shares issued                         | 2,227             |
| Shares redeemed                       | (49,393)          |
| Net conversions                       | –                 |
| Closing shares                        | <u>697,414</u>    |
| <b>Class X – Accumulation shares</b>  |                   |
| Opening shares                        | 57,468,858        |
| Shares issued                         | 10,460,229        |
| Shares redeemed                       | (4,690,210)       |
| Net conversions                       | –                 |
| Closing shares                        | <u>63,238,877</u> |
| <b>Class X2 – Accumulation shares</b> |                   |
| Opening shares                        | 22,671,760        |
| Shares issued                         | 2,019,273         |
| Shares redeemed                       | (2,108,372)       |
| Net conversions                       | –                 |
| Closing shares                        | <u>22,582,661</u> |
| <b>Class Z – Income shares</b>        |                   |
| Opening shares                        | 7,912,435         |
| Shares issued                         | 9,952,400         |
| Shares redeemed                       | (613,823)         |
| Net conversions                       | 1,975,572         |
| Closing shares                        | <u>19,226,584</u> |

2020

##### Class Z – Gross accumulation shares

|                 |                  |
|-----------------|------------------|
| Opening shares  | 1,000            |
| Shares issued   | 7,243,203        |
| Shares redeemed | (135,433)        |
| Net conversions | 70,445           |
| Closing shares  | <u>7,179,215</u> |

## Threadneedle UK Smaller Companies Fund

### Investment Report

#### Investment Objective and Policy

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

The Fund is actively managed, and invests at least 90% of its assets in the shares of companies listed on the London Stock Exchange, predominantly smaller companies traded on the Alternative Investment Market (AIM) or included within the Numis Smaller Companies Index ex Investment Companies, that are UK domiciled, or have significant UK business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, with smaller companies providing potential exposure to niche growth areas that often cannot be accessed by large companies.

The Fund typically invests in shares of fewer than 70 companies. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

The Numis Smaller Companies Index ex Investment Companies is a widely used benchmark for monitoring the performance of UK smaller companies. It consists of companies that make up the smallest 10% of the UK main listed market by value (excluding investment companies). It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 343.64p to 355.87p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +2.24% as compared to a median return of -3.11% over the same period. (For information the Numis Smaller Companies Index ex Investment Companies returned -8.25% over the same period.)

#### Market Overview and Portfolio Activity

Global markets sold off sharply at the start of the review period as the coronavirus spread rapidly in Europe and the US, prompting governments to impose lockdowns that brought cities, regions and even countries to a near-halt. Small caps underperformed amid the risk aversion. UK small caps were also hurt by a sharp fall in the pound, given these stocks' perceived vulnerability to higher inflation.

Markets subsequently recovered, amid optimism that the vast stimulus measures unleashed in response to the crisis would help tide the global economy over. Falling coronavirus cases in Europe also buoyed sentiment, and many countries, including the UK, eased lockdown restrictions. However, from the end of June, there were periodic jitters about fears of a resurgence of the virus. UK small caps were also buffeted by concerns about the prospects of reaching a post-Brexit trade deal, especially after the government rejected an extension to the transition period beyond the end of this year.

Despite these Brexit jitters, small caps fared better than the FTSE All-Share, benefiting from the resurgence in risk appetite. The pound's rebound from March's historic lows was a further tailwind; a weak currency is perceived to be cost-unfriendly for small caps.

The pandemic took a toll on corporate profitability. Many companies announced cost-cutting plans as well as cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

In the UK, GDP growth turned negative in the first and second quarters. More recent indicators pointed to a recovery, with retail sales returning to pre-lockdown levels in July. The composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in seven years in August.

To mitigate the impact of the coronavirus, the Bank of England reduced interest rates to record lows; delivered a large new round of quantitative easing; and offered banks lower capital requirements as well as special terms for loans to small businesses. Meanwhile, the government announced extra loans for companies and a yearlong exemption for retail, leisure and hospitality firms from paying business rates. The government also funded the majority of earnings of employees furloughed due to the pandemic. In his summer statement, the chancellor ramped up support for sectors that have been hardest hit by the pandemic, such as hospitality, tourism and housing. An apprentice scheme was also announced to encourage hiring.

New additions over the period included food-packaging business Hilton Food Group, pharmaceutical company Oxford Biomedica and price-comparison website operator GoCo.

In our view, Hilton Food Group is a defensive name. We feel that the company's quality and its significant opportunities are not adequately recognised by the market. The business operates a unique model in its industry on an open-book basis and earns a fixed return on capital.

We initiated a position in Oxford Biomedica via the company's placing, which should help it raise its new lab investment. The firm specialises in gene-based medicines, and has expanded its manufacturing facilities and possesses the capacity to grow rapidly in the next few years. The manufacturing process is scalable, and costs are rapidly declining. The firm should also benefit from the increasing adoption of

gene therapies – one of its competitive edges. In the short term, Oxford Biomedica will manufacture AstraZeneca's Covid vaccine, if successfully approved. This will not only increase Oxford Biomedica's global reputation and standing, due to the resulting massive contribution to humanity, but also prove the company's capability in the manufacture of very high-volume treatments critical for the growth in gene therapy.

GoCo is on the cusp of growing its new Autosave product and solving the inherent problem that such websites face in terms of increasing the lifetime value of a customer. We feel that the market valuation does not adequately reflect the potential gains from this product, as it mainly reflects the core car insurance product and adverts.

We focused on increasing investments in structural-growth names while supporting our more cyclical investments in their efforts to raise liquidity. For example, we added to Blue Prism via its placing, and to Hyve via its rights issue. Robotics software process-automation firm Blue Prism did not need to raise money; instead, management decided to seize this opportunity to accelerate the business over the next few years. We feel that the company is likely to experience an uptick in growth, as the pandemic has increased demand for process automation services. The funds raised by Hyve should help the business shore up its finances as revenues have been impacted by the pandemic.

Sales included Coats, on concerns that its market position and debt were not yet priced into the market.

We also sold Just Group, and switched our exposure to house prices to AFF Financial, which we felt has better long-term prospects. We took some profits in stocks which had outperformed this year, such as Avon Rubber and Games Workshop.

Equity markets have rebounded strongly since the lows of March, while economic data in the UK appears to have bottomed out, given the change in public health guidance and easing of lockdown restrictions. However, this bottoming out has been at exceptionally low levels of economic activity, and the consumption sector, a significant contributor to the UK's GDP, is not yet back to pre-pandemic levels. The recent fiscal incentives aimed at the hospitality industry seem too small to prompt a behavioural shift, especially when juxtaposed against the uncertainty surrounding employment prospects following an end to furlough. We feel that these measures need to be combined with much broader support for businesses.

We feel that there are strong opportunities for high-quality UK small caps which should weather the crisis well. We also see attractive prospects for businesses perceived to have too much debt at a headline level, but which have strong liquidity and the ability to mitigate costs. Finally, we feel that stocks of certain leveraged companies with no liquidity issues have been excessively penalised, given that many of these names have high returns and robust market positions.

We are monitoring companies closely, and rigorously adhering to our philosophy and process to seek out favoured stocks.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000  | 2019<br>£000 |
|---|---------------|--------------|
| Income  |               |              |
| Net capital gains   | 13,840        | 7,985        |
| Revenue   | 550           | 1,305        |
| Expenses  | (857)         | (962)        |
| Net (expense)/revenue before taxation   | (307)         | 343          |
| Taxation  | –             | –            |
| Net (expense)/revenue after taxation  | (307)         | 343          |
| <b>Total return before distributions</b>  | <b>13,533</b> | <b>8,328</b> |
| Distributions   | (69)          | (367)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>13,464</b> | <b>7,961</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 204,446        | 163,309               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 316            | 604                   |
| Cash and bank balances                         | 1,221          | 4,336                 |
| Cash equivalents**                             | 8,609          | 4,000                 |
| <b>Total assets</b>                            | <b>214,592</b> | <b>172,249</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | –              | (170)                 |
| Other creditors                                | (715)          | (536)                 |
| <b>Total liabilities</b>                       | <b>(715)</b>   | <b>(706)</b>          |
| <b>Net assets attributable to shareholders</b> | <b>213,877</b> | <b>171,543</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>171,543</b> | <b>164,023</b> |
| Amounts receivable on the issue of shares  | 52,499         | 34,265         |
| Amounts payable on the cancellation of shares  | (24,150)       | (42,770)       |
|  | 28,349         | (8,505)        |
| Dilution adjustment  | 433            | 131            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 13,464         | 7,961          |
| Retained distribution on accumulation shares   | 88             | 159            |
| <b>Closing net assets attributable to shareholders</b>   | <b>213,877</b> | <b>163,769</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 September 2020, as expenses exceed revenue (2019: Nil).

#### Class 2 – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 September 2020, as expenses exceed revenue (2019: 0.8174).

#### Class X – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.4140  | –            | 0.4140                         | 1.0763                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.4140  | –            | 0.4140                         | 1.0763                 |
| <b>Total distributions in the period</b> |         |              | <b>0.4140</b>                  | <b>1.0763</b>          |

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

## Threadneedle UK Smaller Companies Fund

### DISTRIBUTION TABLE

(continued)

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

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |         |              |                                |                                |
| 08/03/20 to 07/09/20                     | 0.2708  | –            | 0.2708                         | 0.4462                         |
| <b>Group 2</b>                           |         |              |                                |                                |
| 08/03/20 to 07/09/20                     | 0.2708  | –            | 0.2708                         | 0.4462                         |
| <b>Total distributions in the period</b> |         |              | <b>0.2708</b>                  | <b>0.4462</b>                  |

#### Class Z – Income shares

There is no distribution for the accounting period 8 March 2020 to 7 September 2020, as expenses exceed revenue (2019: 0.7491).

#### Class Z – Accumulation shares

There is no distribution for the accounting period 8 March 2020 to 7 September 2020, as expenses exceed revenue (2019: 0.6410).

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

There is no distribution for the accounting period 8 March 2020 to 7 September 2020, as expenses exceed revenue (2019: 0.3360).

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                          |                         |            |
|---|-------------------------|------------|------------|--|-------------------------|------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |  |                         |            |
| Opening net asset value per share (p)             | 340.42                  | 306.06     | 343.90     | 347.03   | 311.38                  | 349.17     |
| Return before operating charges (p)               | 14.49                   | 40.06      | (31.75)    | 14.92  | 40.79                   | (32.22)    |
| Operating charges (p)                             | (2.64)                  | (5.70)     | (5.56)     | (1.73)   | (3.69)                  | (3.60)     |
| Return after operating charges (p)*               | 11.85                   | 34.36      | (37.31)    | 13.19  | 37.10                   | (35.82)    |
| Distributions (p)                                 | –                       | –          | (0.53)     | –  | (1.45)                  | (1.97)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | –  | –                       | –          |
| Closing net asset value per share (p)             | 352.27                  | 340.42     | 306.06     | 360.22   | 347.03                  | 311.38     |
| *after direct transaction costs of (p)            | 0.27                    | 0.60       | 0.39       | 0.27   | 0.62                    | 0.40       |
| <b>Performance</b>                                |                         |            |            |  |                         |            |
| Return after charges (%)                          | 3.48                    | 11.23      | (10.85)    | 3.80   | 11.91                   | (10.26)    |
| <b>Other information</b>                          |                         |            |            |  |                         |            |
| Closing net asset value (£000)                    | 28,702                  | 40,599     | 57,849     | 63,427   | 59,979                  | 73,500     |
| Closing number of shares                          | 8,147,920               | 11,925,950 | 18,900,821 | 17,607,980                                       | 17,283,611              | 23,604,216 |
| Operating charges (%)**                           | 1.69 <sup>†</sup>       | 1.68       | 1.68       | 1.07 <sup>†</sup>                                | 1.07                    | 1.07       |
| Direct transaction costs (%)***                   | 0.17                    | 0.18       | 0.12       | 0.17   | 0.18                    | 0.12       |
| <b>Prices</b>                                     |                         |            |            |  |                         |            |
| Highest share price (p)                           | 359.32                  | 397.35     | 369.07     | 367.40   | 405.63                  | 375.36     |
| Lowest share price (p)                            | 231.73                  | 302.93     | 281.19     | 236.25   | 308.22                  | 286.03     |
|   | Class X – Income shares |            |            | Class X – Gross accumulation shares <sup>5</sup> |                         |            |
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 <sup>1</sup> |            |
| <b>Change in net assets per share</b>             |                         |            |            |  |                         |            |
| Opening net asset value per share (p)             | 147.26                  | 132.16     | 148.20     | 103.86   | 100.00                  |            |
| Return before operating charges (p)               | 6.42                    | 17.27      | (13.67)    | 4.52   | 3.92                    |            |
| Operating charges (p)                             | (0.01)                  | (0.03)     | (0.09)     | (0.03)   | (0.06)                  |            |
| Return after operating charges (p)*               | 6.41                    | 17.24      | (13.76)    | 4.49   | 3.86                    |            |
| Distributions (p)                                 | (0.41)                  | (2.14)     | (2.28)     | (0.27)   | (1.17)                  |            |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | 0.27   | 1.17                    |            |
| Closing net asset value per share (p)             | 153.26                  | 147.26     | 132.16     | 108.35   | 103.86                  |            |
| *after direct transaction costs of (p)            | 0.12                    | 0.26       | 0.17       | 0.08   | 0.19                    |            |
| <b>Performance</b>                                |                         |            |            |  |                         |            |
| Return after charges (%)                          | 4.35                    | 13.04      | (9.28)     | 4.32   | 3.86                    |            |
| <b>Other information</b>                          |                         |            |            |  |                         |            |
| Closing net asset value (£000)                    | 5                       | 4          | 4          | 35,394   | 33,927                  |            |
| Closing number of shares                          | 3,000                   | 3,000      | 3,000      | 32,667,508                                       | 32,667,508              |            |
| Operating charges (%)**                           | 0.02 <sup>†</sup>       | 0.02       | 0.06       | 0.07 <sup>†</sup>                                | 0.07 <sup>†</sup>       |            |
| Direct transaction costs (%)***                   | 0.17                    | 0.18       | 0.12       | 0.17   | 0.18                    |            |
| <b>Prices</b>                                     |                         |            |            |  |                         |            |
| Highest share price (p)                           | 156.71                  | 172.98     | 159.75     | 110.49   | 121.13                  |            |
| Lowest share price (p)                            | 100.29                  | 130.83     | 121.77     | 70.73  | 94.64                   |            |

## Threadneedle UK Smaller Companies Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares |            |            | Class Z – Accumulation shares |            |            |
|---|-------------------------|------------|------------|-------------------------------|------------|------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |                               |            |            |
| Opening net asset value per share (p)             | 234.80                  | 210.69     | 236.26     | 202.26                        | 180.40     | 200.80     |
| Return before operating charges (p)               | 10.12                   | 27.58      | (21.81)    | 8.71                          | 23.70      | (18.63)    |
| Operating charges (p)                             | (0.99)                  | (2.08)     | (2.03)     | (0.85)                        | (1.84)     | (1.77)     |
| Return after operating charges (p)*               | 9.13                    | 25.50      | (23.84)    | 7.86                          | 21.86      | (20.40)    |
| Distributions (p)                                 | –                       | (1.39)     | (1.73)     | –                             | (1.19)     | (1.47)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | –                             | 1.19       | 1.47       |
| Closing net asset value per share (p)             | 243.93                  | 234.80     | 210.69     | 210.12                        | 202.26     | 180.40     |
| *after direct transaction costs of (p)            | 0.19                    | 0.42       | 0.27       | 0.16                          | 0.37       | 0.24       |
| <b>Performance</b>                                |                         |            |            |                               |            |            |
| Return after charges (%)                          | 3.89                    | 12.10      | (10.09)    | 3.89                          | 12.12      | (10.16)    |
| <b>Other information</b>                          |                         |            |            |                               |            |            |
| Closing net asset value (£000)                    | 44,709                  | 21,991     | 27,120     | 41,639                        | 15,042     | 5,549      |
| Closing number of shares                          | 18,328,474              | 9,365,943  | 12,871,930 | 19,816,369                    | 7,436,943  | 3,076,037  |
| Operating charges (%)**                           | 0.89 <sup>†</sup>       | 0.89       | 0.89       | 0.89 <sup>†</sup>             | 0.89       | 0.89       |
| Direct transaction costs (%)***                   | 0.17                    | 0.18       | 0.12       | 0.17                          | 0.18       | 0.12       |
| <b>Prices</b>                                     |                         |            |            |                               |            |            |
| Highest share price (p)                           | 248.80                  | 274.69     | 254.11     | 214.31                        | 235.98     | 215.97     |
| Lowest share price (p)                            | 159.86                  | 208.56     | 193.64     | 137.72                        | 178.57     | 165.48     |

|   | Class Z CHF Hedged –<br>Gross accumulation shares <sup>§</sup> |            |                         |
|---|--|------------|-------------------------|
|   | 07/09/2020   | 07/03/2020 | 07/03/2019 <sup>‡</sup> |
| <b>Change in net assets per share</b>             |  |            |                         |
| Opening net asset value per share (p)             | 102.68   | 85.64      | 100.00                  |
| Return before operating charges (p)               | 6.25   | 17.83      | (13.77)                 |
| Operating charges (p)                             | (0.39)   | (0.79)     | (0.59)                  |
| Return after operating charges (p)*               | 5.86   | 17.04      | (14.36)                 |
| Distributions (p)                                 | –  | (0.65)     | (0.48)                  |
| Retained distributions on accumulation shares (p) | –  | 0.65       | 0.48                    |
| Closing net asset value per share (p)             | 108.54   | 102.68     | 85.64                   |
| *after direct transaction costs of (p)            | 0.08   | 0.18       | 0.11                    |
| <b>Performance</b>                                |  |            |                         |
| Return after charges (%)                          | 5.71   | 19.90      | (14.36)                 |
| <b>Other information</b>                          |  |            |                         |
| Closing net asset value (£000)                    | 1  | 1          | 1                       |
| Closing number of shares                          | 1,000  | 1,000      | 1,000                   |
| Operating charges (%)**                           | 0.81 <sup>†</sup>  | 0.80       | 0.81 <sup>†</sup>       |
| Direct transaction costs (%)***                   | 0.17   | 0.18       | 0.12                    |
| <b>Prices</b>                                     |  |            |                         |
| Highest share price (p)                           | 110.22   | 115.10     | 106.58                  |
| Lowest share price (p)                            | 75.57  | 85.14      | 81.94                   |

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

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

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

<sup>†</sup>Commenced 9 May 2019.

<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 UK Smaller Companies Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020              |
|---|-------------------|
| <b>Class 1 – Income shares</b>                        |                   |
| Opening shares  | 11,925,950        |
| Shares issued   | 1,116,379         |
| Shares redeemed                                       | (4,132,368)       |
| Net conversions                                       | (762,041)         |
| Closing shares  | <u>8,147,920</u>  |
| <b>Class 2 – Income shares</b>                        |                   |
| Opening shares  | 17,283,611        |
| Shares issued   | 2,147,449         |
| Shares redeemed                                       | (1,823,080)       |
| Net conversions                                       | –                 |
| Closing shares  | <u>17,607,980</u> |
| <b>Class X – Income shares</b>                        |                   |
| Opening shares  | 3,000             |
| Shares issued   | –                 |
| Shares redeemed                                       | –                 |
| Net conversions                                       | –                 |
| Closing shares  | <u>3,000</u>      |
| <b>Class X – Gross accumulation shares</b>            |                   |
| Opening shares  | 32,667,508        |
| Shares issued   | –                 |
| Shares redeemed                                       | –                 |
| Net conversions                                       | –                 |
| Closing shares  | <u>32,667,508</u> |
| <b>Class Z – Income shares</b>                        |                   |
| Opening shares  | 9,365,943         |
| Shares issued   | 9,132,146         |
| Shares redeemed                                       | (1,274,011)       |
| Net conversions                                       | 1,104,396         |
| Closing shares  | <u>18,328,474</u> |
| <b>Class Z – Accumulation shares</b>                  |                   |
| Opening shares  | 7,436,943         |
| Shares issued   | 14,133,628        |
| Shares redeemed                                       | (1,754,202)       |
| Net conversions                                       | –                 |
| Closing shares  | <u>19,816,369</u> |
| <b>Class Z CHF Hedged – Gross accumulation shares</b> |                   |
| Opening shares  | 1,000             |
| Shares issued   | –                 |
| Shares redeemed                                       | –                 |
| Net conversions                                       | –                 |
| Closing shares  | <u>1,000</u>      |

## Threadneedle UK Growth & Income Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide a return over the long term, through the combination of capital growth and income. It looks to outperform the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges.

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

The Fund selects companies considered to offer good total return opportunities (the combination of share price growth and dividend income), from any industry or economic sector. Whilst there is no restriction on size, investment focuses on the largest 150 companies included in the FTSE All-Share Index.

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

The Fund is relatively concentrated, and typically invests in fewer than 55 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Growth & Income Fund has fallen from 86.04p to 76.27p. Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -9.83% as compared to a median return of -7.06% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets thereafter recouped some losses, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December. The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery. In the UK, retail sales returned to pre-lockdown levels in July, while the composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in more than six years in August. To soften the economic blow of the coronavirus crisis, governments and central banks around the world unleashed unprecedented levels of stimulus. The Bank of England cut rates to a record low and announced a fresh round of bond purchases. Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

In terms of activity, we took advantage of the aforementioned refinancing to top up some favoured holdings, such as insurer Hiscox, Restaurant Group, pub chain JD Wetherspoon, and recruitment firm Hays.

In our view, Hiscox is a high-quality underwriter and, despite recent challenges, we are confident that medium-term profit ambitions will be achieved.

Both JD Wetherspoon and Restaurant Group had only modestly negative cashflows, but prudently raised extra equity to aid liquidity through the shutdown. We believe the two companies will emerge stronger from the crisis as many of their rivals are excessively leveraged.

Hays raised funds to improve its position amid the fallout from the crisis. Shares have been pressured by Brexit-related uncertainty and weak economic conditions in the eurozone; the latter is likely to be augmented by the coronavirus outbreak. Nevertheless, Hays is more diversified by business line and geography than ever before, while progress on its five-year strategic plan remains on track.

We also topped up our holdings in Tate & Lyle and Imperial Brands. Tate & Lyle's sales volumes have been impacted by weaker demand from the leisure sector as a result of the lockdowns. However, we are positive about the firm's progress in shoring up its core bulk division and expanding its presence in the higher-margin speciality ingredients channel. Imperial Brands is focusing on reducing debt and strengthening the balance sheet. Under the leadership of the new CEO, we feel that the company should make progress in unlocking underappreciated shareholder value. The combustible segment remains robust, and the sale of the premium cigar division should lead to significant optionality for deleveraging and/or investment. Equities have rebounded sharply since the lows of March, aided by the phenomenal stimulus response. While we are also reassured by the level of policy support, we think it would be premature to declare victory for markets, as we do not believe that the potentially bruising economic path into next year is fully discounted.

The underperformance of UK equities relative to global averages this year, along with the fact that the recovery has been narrowly led, has resulted in a sharply polarised market with technology and certain growth stocks trading at excessive valuations, while sentiment towards cyclical remains depressed. Consequently, we feel there are several attractive opportunities that we can take advantage of, especially with a wave of refinancing underway as companies seek to shore up liquidity. Meanwhile, the prospects for selected domestic cyclicals appear particularly interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum. Our focus remains on company fundamentals to target strong, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000    | 2019<br>£000  |
|---|-----------------|---------------|
| Income  |                 |               |
| Net capital (losses)/gains  | (22,579)        | 15,670        |
| Revenue   | 3,375           | 6,611         |
| Expenses  | (1,217)         | (1,709)       |
| Net revenue before taxation   | 2,158           | 4,902         |
| Taxation  | –               | –             |
| Net revenue after taxation  | 2,158           | 4,902         |
| <b>Total return before distributions</b>  | <b>(20,421)</b> | <b>20,572</b> |
| Distributions   | (3,231)         | (6,432)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(23,652)</b> | <b>14,140</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 254,261        | 253,186               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 1,708          | 1,435                 |
| Cash and bank balances                         | 21             | 733                   |
| Cash equivalents**                             | 3,015          | 1,006                 |
| <b>Total assets</b>                            | <b>259,005</b> | <b>256,360</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | (48)           | –                     |
| Distribution payable                           | (2,503)        | (3,626)               |
| Other creditors                                | (751)          | (738)                 |
| <b>Total liabilities</b>                       | <b>(3,302)</b> | <b>(4,364)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>255,703</b> | <b>251,996</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>251,996</b> | <b>301,132</b> |
| Amounts receivable on the issue of shares  | 58,162         | 48,380         |
| Amounts payable on the cancellation of shares  | (31,650)       | (56,922)       |
|  | 26,512         | (8,542)        |
| Dilution adjustment  | 120            | –              |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (23,652)       | 14,140         |
| Retained distribution on accumulation shares   | 722            | 509            |
| Unclaimed distributions  | 5              | 14             |
| <b>Closing net assets attributable to shareholders</b>   | <b>255,703</b> | <b>307,253</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.9453  | –            | 0.9453                         | 1.9024                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.7516  | 0.1937       | 0.9453                         | 1.9024                 |
| <b>Total distributions in the period</b> |         |              | <b>0.9453</b>                  | <b>1.9024</b>          |

#### Class 2 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.0921  | –            | 1.0921                         | 2.1612                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.7621  | 0.3300       | 1.0921                         | 2.1612                 |
| <b>Total distributions in the period</b> |         |              | <b>1.0921</b>                  | <b>2.1612</b>          |

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

## Threadneedle UK Growth & Income Fund

### DISTRIBUTION TABLE

(continued)

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

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.1489  | –            | 1.1489                         | 1.3940                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.1489  | –            | 1.1489                         | 1.3940                         |
| <b>Total distributions in the period</b> |         |              | <b>1.1489</b>                  | <b>1.3940</b>                  |

#### Class Z - Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.5575  | –            | 1.5575                         | 3.1106                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.0985  | 0.4590       | 1.5575                         | 3.1106                 |
| <b>Total distributions in the period</b> |         |              | <b>1.5575</b>                  | <b>3.1106</b>          |

#### Class Z - Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.1008  | –            | 1.1008                   | 2.1196                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.9361  | 0.1647       | 1.1008                   | 2.1196                   |
| <b>Total distributions in the period</b> |         |              | <b>1.1008</b>            | <b>2.1196</b>            |

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Growth & Income Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares                          |                         |                         | Class 2 – Income shares |            |            |
|---|--|-------------------------|-------------------------|-------------------------|------------|------------|
|   | 07/09/2020                                       | 07/03/2020              | 07/03/2019              | 07/09/2020              | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |                         |                         |                         |            |            |
| Opening net asset value per share (p)             | 84.48  | 88.12                   | 88.67                   | 94.62                   | 98.20      | 98.32      |
| Return before operating charges (p)               | (7.68)   | 1.16                    | 4.38                    | (8.60)                  | 1.27       | 4.85       |
| Operating charges (p)                             | (0.61)   | (1.51)                  | (1.51)                  | (0.45)                  | (1.10)     | (1.09)     |
| Return after operating charges (p)*               | (8.29)   | (0.35)                  | 2.87                    | (9.05)                  | 0.17       | 3.76       |
| Distributions (p)                                 | (0.95)   | (3.29)                  | (3.42)                  | (1.09)                  | (3.75)     | (3.88)     |
| Retained distributions on accumulation shares (p) | –  | –                       | –                       | –                       | –          | –          |
| Closing net asset value per share (p)             | 75.24  | 84.48                   | 88.12                   | 84.48                   | 94.62      | 98.20      |
| *after direct transaction costs of (p)            | 0.03   | 0.02                    | 0.01                    | 0.03                    | 0.02       | 0.02       |
| <b>Performance</b>                                |  |                         |                         |                         |            |            |
| Return after charges (%)                          | (9.81)   | (0.40)                  | 3.24                    | (9.56)                  | 0.17       | 3.82       |
| <b>Other information</b>                          |  |                         |                         |                         |            |            |
| Closing net asset value (£000)                    | 38,459   | 67,296                  | 120,366                 | 42,005                  | 47,252     | 49,995     |
| Closing number of shares                          | 51,113,453                                       | 79,659,876              | 136,595,549             | 49,722,561              | 49,940,994 | 50,910,602 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>                                | 1.64                    | 1.63                    | 1.06 <sup>†</sup>       | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | 0.08   | 0.02                    | 0.01                    | 0.08                    | 0.02       | 0.01       |
| <b>Prices</b>                                     |  |                         |                         |                         |            |            |
| Highest share price (p)                           | 81.06  | 100.01                  | 100.48                  | 90.79                   | 111.94     | 111.69     |
| Lowest share price (p)                            | 61.50  | 86.04                   | 82.88                   | 68.90                   | 96.40      | 92.29      |
|   | Class X – Gross accumulation shares <sup>5</sup> |                         | Class Z – Income shares |                         |            |            |
|   | 07/09/2020                                       | 07/03/2020 <sup>†</sup> | 07/09/2020              | 07/03/2020              | 07/03/2019 |            |
| <b>Change in net assets per share</b>             |  |                         |                         |                         |            |            |
| Opening net asset value per share (p)             | 99.27  | 100.00                  | 138.92                  | 143.81                  | 143.61     |            |
| Return before operating charges (p)               | (9.02)   | (0.68)                  | (12.63)                 | 1.82                    | 7.08       |            |
| Operating charges (p)                             | (0.03)   | (0.05)                  | (0.55)                  | (1.33)                  | (1.32)     |            |
| Return after operating charges (p)*               | (9.05)   | (0.73)                  | (13.18)                 | 0.49                    | 5.76       |            |
| Distributions (p)                                 | (1.15)   | (3.03)                  | (1.56)                  | (5.38)                  | (5.56)     |            |
| Retained distributions on accumulation shares (p) | 1.15   | 3.03                    | –                       | –                       | –          |            |
| Closing net asset value per share (p)             | 90.22  | 99.27                   | 124.18                  | 138.92                  | 143.81     |            |
| *after direct transaction costs of (p)            | 0.03   | 0.02                    | 0.05                    | 0.03                    | 0.02       |            |
| <b>Performance</b>                                |  |                         |                         |                         |            |            |
| Return after charges (%)                          | (9.12)   | (0.73)                  | (9.49)                  | 0.34                    | 4.01       |            |
| <b>Other information</b>                          |  |                         |                         |                         |            |            |
| Closing net asset value (£000)                    | 26,450   | 31,359                  | 117,711                 | 105,918                 | 130,734    |            |
| Closing number of shares                          | 29,316,443                                       | 31,588,518              | 94,789,963              | 76,246,045              | 90,907,105 |            |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                                | 0.06 <sup>†</sup>       | 0.88 <sup>†</sup>       | 0.88                    | 0.88       |            |
| Direct transaction costs (%)***                   | 0.08   | 0.02                    | 0.08                    | 0.02                    | 0.01       |            |
| <b>Prices</b>                                     |  |                         |                         |                         |            |            |
| Highest share price (p)                           | 95.35  | 115.28                  | 133.30                  | 164.22                  | 163.27     |            |
| Lowest share price (p)                            | 72.39  | 96.88                   | 101.16                  | 141.48                  | 135.06     |            |

## Threadneedle UK Growth & Income Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Accumulation shares |            |            |
|---|-------------------------------|------------|------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |            |            |
| Opening net asset value per share (p)             | 98.19                         | 98.00      | 94.33      |
| Return before operating charges (p)               | (8.93)                        | 1.13       | 4.57       |
| Operating charges (p)                             | (0.39)                        | (0.94)     | (0.90)     |
| Return after operating charges (p)*               | (9.32)                        | 0.19       | 3.67       |
| Distributions (p)                                 | (1.10)                        | (3.70)     | (3.68)     |
| Retained distributions on accumulation shares (p) | 1.10                          | 3.70       | 3.68       |
| Closing net asset value per share (p)             | 88.87                         | 98.19      | 98.00      |
| *after direct transaction costs of (p)            | 0.03                          | 0.02       | 0.02       |
| <b>Performance</b>                                |                               |            |            |
| Return after charges (%)                          | (9.49)                        | 0.19       | 3.89       |
| <b>Other information</b>                          |                               |            |            |
| Closing net asset value (£000)                    | 31,078                        | 171        | 37         |
| Closing number of shares                          | 34,971,273                    | 173,896    | 37,131     |
| Operating charges (%)**                           | 0.89 <sup>1</sup>             | 0.88       | 0.88       |
| Direct transaction costs (%)***                   | 0.08                          | 0.02       | 0.01       |
| <b>Prices</b>                                     |                               |            |            |
| Highest share price (p)                           | 94.31                         | 114.21     | 107.24     |
| Lowest share price (p)                            | 71.57                         | 96.42      | 90.59      |

\*\*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>2</sup>Only available to eligible investors.

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

<sup>3</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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 79,659,876        |
| Shares issued                              | 326,173           |
| Shares redeemed                            | (24,231,139)      |
| Net conversions                            | (4,641,457)       |
| Closing shares                             | <u>51,113,453</u> |
| <b>Class 2 – Income shares</b>             |                   |
| Opening shares                             | 49,940,994        |
| Shares issued                              | 4,597,517         |
| Shares redeemed                            | (4,815,950)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>49,722,561</u> |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 31,588,518        |
| Shares issued                              | –                 |
| Shares redeemed                            | (2,272,075)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>29,316,443</u> |
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 76,246,045        |
| Shares issued                              | 21,064,035        |
| Shares redeemed                            | (5,341,076)       |
| Net conversions                            | 2,820,959         |
| Closing shares                             | <u>94,789,963</u> |
| <b>Class Z – Accumulation shares</b>       |                   |
| Opening shares                             | 173,896           |
| Shares issued                              | 35,089,289        |
| Shares redeemed                            | (291,912)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>34,971,273</u> |

## Threadneedle UK Equity Income Fund

### Investment Report

#### Investment Objective and Policy

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

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

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be selected from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

The Fund typically invests in fewer than 60 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Equity Income Fund has fallen from 87.41p to 79.75p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, -6.88% as compared to a median return of -10.61% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets thereafter recouped some losses, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December.

The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery. In the UK, retail sales returned to pre-lockdown levels in July, while the composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in more than six years in August.

To soften the economic blow of the coronavirus crisis, governments and central banks around the world unleashed unprecedented levels of stimulus. The Bank of England cut rates to a record low and announced a fresh round of bond purchases. Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

In terms of activity, we took advantage of the aforementioned refinancing to top up some favoured holdings, such as JD Wetherspoon, Hays and Compass.

Pub chain JD Wetherspoon has only modestly negative cashflows, but prudently

raised extra equity to aid liquidity. We believe the company will emerge stronger from the crisis, as many of its rivals are excessively leveraged.

Recruitment business Hays raised funds to improve its position amid the fallout from the crisis. Shares have been pressured by Brexit-related uncertainty and weak economic conditions in the eurozone; the latter is likely to be augmented by the coronavirus outbreak. Nevertheless, Hays is more diversified by business line and geography than ever before, while progress on its five-year strategic plan remains on track.

Catering and concession provider Compass launched a fund-raising to offset the risks arising from the drop in demand for catering services from the education sector, as schools and universities were forced to close. Compass is increasing its share in a market which stands to benefit from the long-term drivers towards the outsourcing of catering – a trend likely to be accelerated by the pandemic.

We realised some gains in AstraZeneca, one of the portfolio's strong performers in recent years.

Equities have rebounded sharply since the lows of March, aided by the phenomenal stimulus response. While we are also reassured by the level of policy support, we think it would be premature to declare victory for markets, as we do not believe that the potentially bruising economic path into next year is fully discounted.

The underperformance of UK equities relative to global averages this year, along with the fact that the recovery has been narrowly led, has resulted in a sharply polarised market with technology and certain growth stocks trading at excessive valuations, while sentiment towards cyclical remains depressed. Consequently, we feel there are several attractive opportunities that we can take advantage of, especially with a wave of refinancing underway as companies seek to shore up liquidity. Meanwhile, the prospects for selected domestic cyclical appear particularly interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

The scale of dividend cuts this year is a concern, though we favour balance-sheet prudence, construct yield at portfolio level and are differentiated from the market in sourcing dividends. We are in constant dialogue with management teams to ensure rationales are scrutinised and full accountability is maintained.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (305,534)    | 114,930      |
| Revenue  | 60,051       | 102,171      |
| Expenses   | (14,883)     | (18,636)     |
| Net revenue before taxation  | 45,168       | 83,535       |
| Taxation   | –            | –            |
| Net revenue after taxation   | 45,168       | 83,535       |
| Total return before distributions  | (260,366)    | 198,465      |
| Distributions  | (58,826)     | (100,656)    |
| Change in net assets attributable to shareholders from investment activities | (319,192)    | 97,809       |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | 2020<br>£000 | March<br>2020<br>£000 |
|--|------------------|--------------|-----------------------|
| <b>Assets:</b>                                 |                  |              |                       |
| <b>Fixed assets:</b>                           |                  |              |                       |
| Investments                                    | 3,439,382        |              | 3,830,208             |
| <b>Current assets:</b>                         |                  |              |                       |
| Debtors  | 18,613           |              | 31,173                |
| Cash and bank balances                         | 6,502            |              | 197                   |
| Cash equivalents**                             | 12,012           |              | 10,027                |
| Total assets                                   | 3,476,509        |              | 3,871,605             |
| <b>Liabilities:</b>                            |                  |              |                       |
| <b>Creditors:</b>                              |                  |              |                       |
| Distribution payable                           | (17,535)         |              | (19,310)              |
| Other creditors                                | (11,993)         |              | (5,951)               |
| Total liabilities                              | (29,528)         |              | (25,261)              |
| <b>Net assets attributable to shareholders</b> | <b>3,446,981</b> |              | <b>3,846,344</b>      |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 3,846,344    | 4,060,916    |
| Amounts receivable on the issue of shares  | 166,913      | 209,799      |
| Amounts payable on the cancellation of shares  | (271,183)    | (240,652)    |
|  | (104,270)    | (30,853)     |
| Dilution adjustment  | 1            | –            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (319,192)    | 97,809       |
| Retained distribution on accumulation shares   | 24,097       | 39,912       |
| Unclaimed distributions  | 1            | 13           |
| Closing net assets attributable to shareholders  | 3,446,981    | 4,167,797    |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.6292  | –            | 0.6292                         | 1.2668                 |
| 08/06/20 to 07/09/20                     | 0.6860  | –            | 0.6860                         | 0.9921                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.3951  | 0.2341       | 0.6292                         | 1.2668                 |
| 08/06/20 to 07/09/20                     | 0.4078  | 0.2782       | 0.6860                         | 0.9921                 |
| <b>Total distributions in the period</b> |         |              | <b>1.3152</b>                  | <b>2.2589</b>          |

#### Class 1 – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.9590  | –            | 0.9590                   | 1.8500                   |
| 08/06/20 to 07/09/20                     | 1.0527  | –            | 1.0527                   | 1.4691                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.6605  | 0.2985       | 0.9590                   | 1.8500                   |
| 08/06/20 to 07/09/20                     | 0.6209  | 0.4318       | 1.0527                   | 1.4691                   |
| <b>Total distributions in the period</b> |         |              | <b>2.0117</b>            | <b>3.3191</b>            |

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

## Threadneedle UK Equity Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.7175  | –            | 0.7175                         | 1.4301                 |
| 08/06/20 to 07/09/20                     | 0.7833  | –            | 0.7833                         | 1.1239                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.4565  | 0.2610       | 0.7175                         | 1.4301                 |
| 08/06/20 to 07/09/20                     | 0.4216  | 0.3617       | 0.7833                         | 1.1239                 |
| <b>Total distributions in the period</b> |         |              | <b>1.5008</b>                  | <b>2.5540</b>          |

#### Class 2 – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.8897  | –            | 0.8897                   | 1.6984                   |
| 08/06/20 to 07/09/20                     | 0.9782  | –            | 0.9782                   | 1.3536                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.8896  | 0.0001       | 0.8897                   | 1.6984                   |
| 08/06/20 to 07/09/20                     | 0.8917  | 0.0865       | 0.9782                   | 1.3536                   |
| <b>Total distributions in the period</b> |         |              | <b>1.8679</b>            | <b>3.0520</b>            |

#### Class D – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 1.2482  | –            | 1.2482                         | 2.5073                 |
| 08/06/20 to 07/09/20                     | 1.3622  | –            | 1.3622                         | 1.9634                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 1.0491  | 0.1991       | 1.2482                         | 2.5073                 |
| 08/06/20 to 07/09/20                     | 0.8910  | 0.4712       | 1.3622                         | 1.9634                 |
| <b>Total distributions in the period</b> |         |              | <b>2.6104</b>                  | <b>4.4707</b>          |

#### Class L – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 1.2240  | –            | 1.2240                         | 2.4285                 |
| 08/06/20 to 07/09/20                     | 1.3376  | –            | 1.3376                         | 1.9108                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.7683  | 0.4557       | 1.2240                         | 2.4285                 |
| 08/06/20 to 07/09/20                     | 0.8363  | 0.5013       | 1.3376                         | 1.9108                 |
| <b>Total distributions in the period</b> |         |              | <b>2.5616</b>                  | <b>4.3393</b>          |

#### Class L – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 2.1343  | –            | 2.1343                   | 4.0559                   |
| 08/06/20 to 07/09/20                     | 2.3493  | –            | 2.3493                   | 3.2363                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 1.4046  | 0.7297       | 2.1343                   | 4.0559                   |
| 08/06/20 to 07/09/20                     | 1.4800  | 0.8693       | 2.3493                   | 3.2363                   |
| <b>Total distributions in the period</b> |         |              | <b>4.4836</b>            | <b>7.2922</b>            |

#### Class X – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.8083  | –            | 0.8083                         | 1.5959                 |
| 08/06/20 to 07/09/20                     | 0.8843  | –            | 0.8843                         | 1.2575                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.8083  | –            | 0.8083                         | 1.5959                 |
| 08/06/20 to 07/09/20                     | 0.8843  | –            | 0.8843                         | 1.2575                 |
| <b>Total distributions in the period</b> |         |              | <b>1.6926</b>                  | <b>2.8534</b>          |

#### Class X – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 2.2643  | –            | 2.2643                   | 4.2795                   |
| 08/06/20 to 07/09/20                     | 2.4956  | –            | 2.4956                   | 3.4191                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 2.1925  | 0.0718       | 2.2643                   | 4.2795                   |
| 08/06/20 to 07/09/20                     | 1.2422  | 1.2534       | 2.4956                   | 3.4191                   |
| <b>Total distributions in the period</b> |         |              | <b>4.7599</b>            | <b>7.6986</b>            |

#### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.9583  | –            | 0.9583                         | 1.9106                 |
| 08/06/20 to 07/09/20                     | 1.0467  | –            | 1.0467                         | 1.5007                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.6432  | 0.3151       | 0.9583                         | 1.9106                 |
| 08/06/20 to 07/09/20                     | 0.6536  | 0.3931       | 1.0467                         | 1.5007                 |
| <b>Total distributions in the period</b> |         |              | <b>2.0050</b>                  | <b>3.4113</b>          |

#### Class Z – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 1.2939  | –            | 1.2939                   | 2.4712                   |
| 08/06/20 to 07/09/20                     | 1.4231  | –            | 1.4231                   | 1.9682                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.7594  | 0.5345       | 1.2939                   | 2.4712                   |
| 08/06/20 to 07/09/20                     | 0.9260  | 0.4971       | 1.4231                   | 1.9682                   |
| <b>Total distributions in the period</b> |         |              | <b>2.7170</b>            | <b>4.4394</b>            |

Group 2: shares purchased during a distribution period.

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

|   | Class 1 - Income shares                  |             |             | Class 1 - Accumulation shares            |             |             |
|---|--|-------------|-------------|--|-------------|-------------|
|   | 07/09/2020                               | 07/03/2020  | 07/03/2019  | 07/09/2020                               | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |             |             |  |             |             |
| Opening net asset value per share (p)             | 86.50                                    | 92.03       | 92.01       | 131.80                                   | 134.39      | 129.06      |
| Return before operating charges (p)               | (5.56)                                   | (0.12)      | 5.38        | (8.54)                                   | (0.37)      | 7.49        |
| Operating charges (p)                             | (0.62)                                   | (1.50)      | (1.52)      | (0.96)                                   | (2.22)      | (2.16)      |
| Return after operating charges (p)*               | (6.18)                                   | (1.62)      | 3.86        | (9.50)                                   | (2.59)      | 5.33        |
| Distributions (p)                                 | (1.32)                                   | (3.91)      | (3.84)      | (2.01)                                   | (5.80)      | (5.47)      |
| Retained distributions on accumulation shares (p) | –  | –           | –           | 2.01                                     | 5.80        | 5.47        |
| Closing net asset value per share (p)             | 79.00                                    | 86.50       | 92.03       | 122.30                                   | 131.80      | 134.39      |
| * after direct transaction costs of (p)           | 0.00                                     | 0.03        | 0.03        | 0.01                                     | 0.05        | 0.05        |
| <b>Performance</b>                                |  |             |             |  |             |             |
| Return after charges (%)                          | (7.14)                                   | (1.76)      | 4.20        | (7.21)                                   | (1.93)      | 4.13        |
| <b>Other information</b>                          |  |             |             |  |             |             |
| Closing net asset value (£000)                    | 184,183                                  | 255,538     | 330,425     | 148,057                                  | 161,973     | 222,901     |
| Closing number of shares                          | 233,138,504                              | 295,425,783 | 359,047,835 | 121,062,018                              | 122,897,028 | 165,857,368 |
| Operating charges (%)**                           | 1.59 <sup>†</sup>                        | 1.59        | 1.59        | 1.59 <sup>†</sup>                        | 1.59        | 1.59        |
| Direct transaction costs (%)***                   | 0.01                                     | 0.03        | 0.03        | 0.01                                     | 0.03        | 0.03        |
| <b>Prices</b>                                     |  |             |             |  |             |             |
| Highest share price (p)                           | 83.72                                    | 100.40      | 102.82      | 128.03                                   | 151.70      | 146.01      |
| Lowest share price (p)                            | 64.86                                    | 87.33       | 85.24       | 98.97                                    | 130.24      | 123.49      |
|   | Class 1 CHF Hedged - Accumulation shares |             |             | Class 1 EUR Hedged - Accumulation shares |             |             |
|   | 09/11/2018 <sup>†</sup>                  |             |             | 09/11/2018 <sup>†</sup>                  |             |             |
| <b>Change in net assets per share</b>             |  |             |             |  |             |             |
| Opening net asset value per share (p)             | 134.04                                   |             |             | 128.53                                   |             |             |
| Return before operating charges (p)               | 5.50                                     |             |             | 2.06                                     |             |             |
| Operating charges (p)                             | (1.04)                                   |             |             | (0.99)                                   |             |             |
| Return after operating charges (p)*               | 4.46                                     |             |             | 1.07                                     |             |             |
| Distributions (p)                                 | (3.96)                                   |             |             | (3.79)                                   |             |             |
| Retained distributions on accumulation shares (p) | 3.96                                     |             |             | 3.79                                     |             |             |
| Closing net asset value per share (p)             | 138.50                                   |             |             | 129.60                                   |             |             |
| * after direct transaction costs of (p)           | 0.02                                     |             |             | 0.02                                     |             |             |
| <b>Performance</b>                                |  |             |             |  |             |             |
| Return after charges (%)                          | 3.33                                     |             |             | 0.83                                     |             |             |
| <b>Other information</b>                          |  |             |             |  |             |             |
| Closing net asset value (£000)                    | –  |             |             | –  |             |             |
| Closing number of shares                          | –  |             |             | –  |             |             |
| Operating charges (%)**                           | –  |             |             | –  |             |             |
| Direct transaction costs (%)***                   | –  |             |             | –  |             |             |
| <b>Prices</b>                                     |  |             |             |  |             |             |
| Highest share price (p)                           | 154.75                                   |             |             | 145.72                                   |             |             |
| Lowest share price (p)                            | 125.62                                   |             |             | 121.27                                   |             |             |

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

|   | Class 1 USD Hedged - Accumulation shares |            |            | Class 2 - Income shares |             |             |
|---|--|------------|------------|-------------------------|-------------|-------------|
|   | 09/11/2018 <sup>1</sup>                  |            |            | 07/09/2020              | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |                         |             |             |
| Opening net asset value per share (p)             | 150.78                                   |            |            | 97.25                   | 102.96      | 102.42      |
| Return before operating charges (p)               | 19.34                                    |            |            | (6.25)                  | (0.17)      | 6.00        |
| Operating charges (p)                             | (1.24)                                   |            |            | (0.46)                  | (1.11)      | (1.12)      |
| Return after operating charges (p)*               | 18.10                                    |            |            | (6.71)                  | (1.28)      | 4.88        |
| Distributions (p)                                 | (4.72)                                   |            |            | (1.50)                  | (4.43)      | (4.34)      |
| Retained distributions on accumulation shares (p) | 4.72                                     |            |            | –                       | –           | –           |
| Closing net asset value per share (p)             | 168.88                                   |            |            | 89.04                   | 97.25       | 102.96      |
| * after direct transaction costs of (p)           | 0.02                                     |            |            | 0.00                    | 0.04        | 0.04        |
| <b>Performance</b>                                |  |            |            |                         |             |             |
| Return after charges (%)                          | 12.00                                    |            |            | (6.90)                  | (1.24)      | 4.76        |
| <b>Other information</b>                          |  |            |            |                         |             |             |
| Closing net asset value (£000)                    | –  |            |            | 132,083                 | 153,282     | 181,990     |
| Closing number of shares                          | –  |            |            | 148,340,378             | 157,608,914 | 176,765,510 |
| Operating charges (%)**                           | –  |            |            | 1.05 <sup>†</sup>       | 1.05        | 1.05        |
| Direct transaction costs (%)***                   | –  |            |            | 0.01                    | 0.03        | 0.03        |
| <b>Prices</b>                                     |  |            |            |                         |             |             |
| Highest share price (p)                           | 185.98                                   |            |            | 94.24                   | 112.78      | 114.70      |
| Lowest share price (p)                            | 142.57                                   |            |            | 72.94                   | 98.20       | 95.27       |
|   | Class 2 - Accumulation shares            |            |            | Class D - Income shares |             |             |
|   | 07/09/2020                               | 07/03/2020 | 07/03/2019 | 07/09/2020              | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |                         |             |             |
| Opening net asset value per share (p)             | 120.56                                   | 122.27     | 116.79     | 173.03                  | 183.00      | 181.90      |
| Return before operating charges (p)               | (7.80)                                   | (0.37)     | 6.76       | (11.18)                 | (0.31)      | 10.59       |
| Operating charges (p)                             | (0.58)                                   | (1.34)     | (1.28)     | (0.80)                  | (1.92)      | (1.93)      |
| Return after operating charges (p)*               | (8.38)                                   | (1.71)     | 5.48       | (11.98)                 | (2.23)      | 8.66        |
| Distributions (p)                                 | (1.87)                                   | (5.35)     | (5.02)     | (2.61)                  | (7.74)      | (7.56)      |
| Retained distributions on accumulation shares (p) | 1.87                                     | 5.35       | 5.02       | –                       | –           | –           |
| Closing net asset value per share (p)             | 112.18                                   | 120.56     | 122.27     | 158.44                  | 173.03      | 183.00      |
| * after direct transaction costs of (p)           | 0.01                                     | 0.05       | 0.04       | 0.01                    | 0.07        | 0.06        |
| <b>Performance</b>                                |  |            |            |                         |             |             |
| Return after charges (%)                          | (6.95)                                   | (1.40)     | 4.69       | (6.92)                  | (1.22)      | 4.76        |
| <b>Other information</b>                          |  |            |            |                         |             |             |
| Closing net asset value (£000)                    | 13,799                                   | 15,791     | 17,355     | 1,271                   | 1,131       | 1,150       |
| Closing number of shares                          | 12,300,685                               | 13,097,881 | 14,193,793 | 802,187                 | 653,324     | 628,455     |
| Operating charges (%)**                           | 1.05 <sup>†</sup>                        | 1.05       | 1.06       | 1.02 <sup>†</sup>       | 1.02        | 1.02        |
| Direct transaction costs (%)***                   | 0.01                                     | 0.03       | 0.03       | 0.01                    | 0.03        | 0.03        |
| <b>Prices</b>                                     |  |            |            |                         |             |             |
| Highest share price (p)                           | 117.28                                   | 138.63     | 132.44     | 167.63                  | 200.60      | 203.77      |
| Lowest share price (p)                            | 90.56                                    | 118.65     | 112.24     | 129.77                  | 174.67      | 169.32      |

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

|   | Class L - Income shares |             |             | Class L - Accumulation shares |             |            |
|---|-------------------------|-------------|-------------|-------------------------------|-------------|------------|
|   | 07/09/2020              | 07/03/2020  | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |             |             |                               |             |            |
| Opening net asset value per share (p)             | 165.79                  | 174.72      | 173.04      | 289.03                        | 291.80      | 277.45     |
| Return before operating charges (p)               | (10.64)                 | (0.31)      | 10.10       | (18.68)                       | (0.93)      | 16.11      |
| Operating charges (p)                             | (0.45)                  | (1.08)      | (1.08)      | (0.80)                        | (1.84)      | (1.76)     |
| Return after operating charges (p)*               | (11.09)                 | (1.39)      | 9.02        | (19.48)                       | (2.77)      | 14.35      |
| Distributions (p)                                 | (2.56)                  | (7.54)      | (7.34)      | (4.48)                        | (12.78)     | (11.94)    |
| Retained distributions on accumulation shares (p) | —                       | —           | —           | 4.48                          | 12.78       | 11.94      |
| Closing net asset value per share (p)             | 152.14                  | 165.79      | 174.72      | 269.55                        | 289.03      | 291.80     |
| * after direct transaction costs of (p)           | 0.01                    | 0.06        | 0.06        | 0.01                          | 0.11        | 0.10       |
| <b>Performance</b>                                |                         |             |             |                               |             |            |
| Return after charges (%)                          | (6.69)                  | (0.80)      | 5.21        | (6.74)                        | (0.95)      | 5.17       |
| <b>Other information</b>                          |                         |             |             |                               |             |            |
| Closing net asset value (£000)                    | 457,821                 | 501,268     | 219,604     | 410,700                       | 394,113     | 263,452    |
| Closing number of shares                          | 300,929,614             | 302,346,792 | 125,690,839 | 152,367,425                   | 136,359,046 | 90,284,756 |
| Operating charges (%)**                           | 0.60 <sup>†</sup>       | 0.60        | 0.60        | 0.60 <sup>†</sup>             | 0.60        | 0.60       |
| Direct transaction costs (%)***                   | 0.01                    | 0.03        | 0.03        | 0.01                          | 0.03        | 0.03       |
| <b>Prices</b>                                     |                         |             |             |                               |             |            |
| Highest share price (p)                           | 160.84                  | 192.08      | 194.16      | 281.48                        | 332.04      | 315.23     |
| Lowest share price (p)                            | 124.37                  | 167.39      | 161.54      | 217.13                        | 283.46      | 267.63     |
|   | Class X - Income shares |             |             | Class X - Accumulation shares |             |            |
|   | 07/09/2020              | 07/03/2020  | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |             |             |                               |             |            |
| Opening net asset value per share (p)             | 109.47                  | 114.73      | 113.00      | 306.37                        | 307.62      | 290.89     |
| Return before operating charges (p)               | (7.13)                  | (0.24)      | 6.60        | (19.78)                       | (1.09)      | 16.88      |
| Operating charges (p)                             | (0.02)                  | (0.06)      | (0.06)      | (0.07)                        | (0.16)      | (0.15)     |
| Return after operating charges (p)*               | (7.15)                  | (0.30)      | 6.54        | (19.85)                       | (1.25)      | 16.73      |
| Distributions (p)                                 | (1.69)                  | (4.96)      | (4.81)      | (4.76)                        | (13.51)     | (12.56)    |
| Retained distributions on accumulation shares (p) | —                       | —           | —           | 4.76                          | 13.51       | 12.56      |
| Closing net asset value per share (p)             | 100.63                  | 109.47      | 114.73      | 286.52                        | 306.37      | 307.62     |
| * after direct transaction costs of (p)           | 0.00                    | 0.04        | 0.04        | 0.01                          | 0.11        | 0.10       |
| <b>Performance</b>                                |                         |             |             |                               |             |            |
| Return after charges (%)                          | (6.53)                  | (0.26)      | 5.79        | (6.48)                        | (0.41)      | 5.75       |
| <b>Other information</b>                          |                         |             |             |                               |             |            |
| Closing net asset value (£000)                    | 12,936                  | 6,902       | 3,858       | 25,664                        | 29,029      | 42,122     |
| Closing number of shares                          | 12,854,669              | 6,304,941   | 3,363,326   | 8,957,184                     | 9,474,838   | 13,692,572 |
| Operating charges (%)**                           | 0.05 <sup>†</sup>       | 0.05        | 0.05        | 0.05 <sup>†</sup>             | 0.05        | 0.05       |
| Direct transaction costs (%)***                   | 0.01                    | 0.03        | 0.03        | 0.01                          | 0.03        | 0.03       |
| <b>Prices</b>                                     |                         |             |             |                               |             |            |
| Highest share price (p)                           | 106.24                  | 126.69      | 127.09      | 298.80                        | 351.60      | 331.28     |
| Lowest share price (p)                            | 82.14                   | 110.51      | 105.96      | 230.22                        | 299.23      | 281.55     |

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

|   | Class Z - Income shares |               |               | Class Z - Accumulation shares |             |             |
|---|-------------------------|---------------|---------------|-------------------------------|-------------|-------------|
|   | 07/09/2020              | 07/03/2020    | 07/03/2019    | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                         |               |               |                               |             |             |
| Opening net asset value per share (p)             | 130.82                  | 138.14        | 137.08        | 176.57                        | 178.67      | 170.26      |
| Return before operating charges (p)               | (8.40)                  | (0.24)        | 8.00          | (11.43)                       | (0.56)      | 9.88        |
| Operating charges (p)                             | (0.49)                  | (1.16)        | (1.17)        | (0.66)                        | (1.54)      | (1.47)      |
| Return after operating charges (p)*               | (8.89)                  | (1.40)        | 6.83          | (12.09)                       | (2.10)      | 8.41        |
| Distributions (p)                                 | (2.01)                  | (5.92)        | (5.77)        | (2.72)                        | (7.77)      | (7.28)      |
| Retained distributions on accumulation shares (p) | –                       | –             | –             | 2.72                          | 7.77        | 7.28        |
| Closing net asset value per share (p)             | 119.92                  | 130.82        | 138.14        | 164.48                        | 176.57      | 178.67      |
| * after direct transaction costs of (p)           | 0.01                    | 0.05          | 0.05          | 0.01                          | 0.07        | 0.06        |
| <b>Performance</b>                                |                         |               |               |                               |             |             |
| Return after charges (%)                          | (6.80)                  | (1.01)        | 4.98          | (6.85)                        | (1.18)      | 4.94        |
| <b>Other information</b>                          |                         |               |               |                               |             |             |
| Closing net asset value (£000)                    | 1,217,203               | 1,372,924     | 1,745,600     | 843,264                       | 954,393     | 1,032,459   |
| Closing number of shares                          | 1,015,030,344           | 1,049,501,400 | 1,263,689,987 | 512,687,089                   | 540,524,493 | 577,868,081 |
| Operating charges (%)**                           | 0.82 <sup>†</sup>       | 0.82          | 0.82          | 0.82 <sup>†</sup>             | 0.82        | 0.82        |
| Direct transaction costs (%)***                   | 0.01                    | 0.03          | 0.03          | 0.01                          | 0.03        | 0.03        |
| <b>Prices</b>                                     |                         |               |               |                               |             |             |
| Highest share price (p)                           | 126.84                  | 151.62        | 153.67        | 171.86                        | 202.94      | 193.26      |
| Lowest share price (p)                            | 98.12                   | 132.07        | 127.76        | 132.63                        | 173.47      | 163.94      |
| <b>Class Z CHF Hedged - Accumulation shares</b>   |                         |               |               |                               |             |             |
|   | 09/11/2018 <sup>†</sup> |               |               | 09/11/2018 <sup>†</sup>       |             |             |
| <b>Change in net assets per share</b>             |                         |               |               |                               |             |             |
| Opening net asset value per share (p)             | 137.57                  |               |               | 135.32                        |             |             |
| Return before operating charges (p)               | 4.85                    |               |               | 2.36                          |             |             |
| Operating charges (p)                             | (0.55)                  |               |               | (0.54)                        |             |             |
| Return after operating charges (p)*               | 4.30                    |               |               | 1.82                          |             |             |
| Distributions (p)                                 | (4.10)                  |               |               | (4.02)                        |             |             |
| Retained distributions on accumulation shares (p) | 4.10                    |               |               | 4.02                          |             |             |
| Closing net asset value per share (p)             | 141.87                  |               |               | 137.14                        |             |             |
| * after direct transaction costs of (p)           | 0.02                    |               |               | 0.02                          |             |             |
| <b>Performance</b>                                |                         |               |               |                               |             |             |
| Return after charges (%)                          | 3.13                    |               |               | 1.34                          |             |             |
| <b>Other information</b>                          |                         |               |               |                               |             |             |
| Closing net asset value (£000)                    | –                       |               |               | –                             |             |             |
| Closing number of shares                          | –                       |               |               | –                             |             |             |
| Operating charges (%)**                           | –                       |               |               | –                             |             |             |
| Direct transaction costs (%)***                   | –                       |               |               | –                             |             |             |
| <b>Prices</b>                                     |                         |               |               |                               |             |             |
| Highest share price (p)                           | 159.39                  |               |               | 153.98                        |             |             |
| Lowest share price (p)                            | 128.98                  |               |               | 127.71                        |             |             |

## Threadneedle UK Equity Income Fund

### Comparative Table Disclosure

(continued)

|   | Class Z USD Hedged - Accumulation shares<br>09/11/2018 <sup>1</sup> |
|---|---|
| <b>Change in net assets per share</b>             |   |
| Opening net asset value per share (p)             | 155.55  |
| Return before operating charges (p)               | 20.26   |
| Operating charges (p)                             | (0.66)  |
| Return after operating charges (p)*               | 19.60   |
| Distributions (p)                                 | (4.91)  |
| Retained distributions on accumulation shares (p) | 4.91  |
| Closing net asset value per share (p)             | 175.15  |
| * after direct transaction costs of (p)           | 0.02  |
| <b>Performance</b>                                |   |
| Return after charges (%)                          | 12.60   |
| <b>Other information</b>                          |   |
| Closing net asset value (£000)                    | –   |
| Closing number of shares                          | –   |
| Operating charges (%)**                           | –   |
| Direct transaction costs (%)***                   | –   |
| <b>Prices</b>                                     |   |
| Highest share price (p)                           | 192.51  |
| Lowest share price (p)                            | 147.15  |

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

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

<sup>1</sup>Closed 9 November 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 Equity Income Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class 1 – Income shares</b>       |                    |
| Opening shares                       | 295,425,783        |
| Shares issued                        | 5,959,673          |
| Shares redeemed                      | (64,414,252)       |
| Net conversions                      | (3,832,700)        |
| Closing shares                       | <u>233,138,504</u> |
| <b>Class 1 – Accumulation shares</b> |                    |
| Opening shares                       | 122,897,028        |
| Shares issued                        | 7,438,560          |
| Shares redeemed                      | (8,417,526)        |
| Net conversions                      | (856,044)          |
| Closing shares                       | <u>121,062,018</u> |
| <b>Class 2 – Income shares</b>       |                    |
| Opening shares                       | 157,608,914        |
| Shares issued                        | 4,333,923          |
| Shares redeemed                      | (13,581,368)       |
| Net conversions                      | (21,091)           |
| Closing shares                       | <u>148,340,378</u> |
| <b>Class 2 – Accumulation shares</b> |                    |
| Opening shares                       | 13,097,881         |
| Shares issued                        | 2,010,427          |
| Shares redeemed                      | (2,807,378)        |
| Net conversions                      | (245)              |
| Closing shares                       | <u>12,300,685</u>  |
| <b>Class D – Income shares</b>       |                    |
| Opening shares                       | 653,324            |
| Shares issued                        | 274,908            |
| Shares redeemed                      | (97,372)           |
| Net conversions                      | (28,673)           |
| Closing shares                       | <u>802,187</u>     |
| <b>Class L – Income shares</b>       |                    |
| Opening shares                       | 302,346,792        |
| Shares issued                        | 10,897,274         |
| Shares redeemed                      | (14,198,278)       |
| Net conversions                      | 1,883,826          |
| Closing shares                       | <u>300,929,614</u> |
| <b>Class L – Accumulation shares</b> |                    |
| Opening shares                       | 136,359,046        |
| Shares issued                        | 14,357,444         |
| Shares redeemed                      | (3,869,719)        |
| Net conversions                      | 5,520,654          |
| Closing shares                       | <u>152,367,425</u> |
| <b>Class X – Income shares</b>       |                    |
| Opening shares                       | 6,304,941          |
| Shares issued                        | 11,233,771         |
| Shares redeemed                      | (4,684,043)        |
| Net conversions                      | –                  |
| Closing shares                       | <u>12,854,669</u>  |

2020

##### Class X – Accumulation shares

|                 |                  |
|-----------------|------------------|
| Opening shares  | 9,474,838        |
| Shares issued   | 796,476          |
| Shares redeemed | (1,314,130)      |
| Net conversions | –                |
| Closing shares  | <u>8,957,184</u> |

##### Class Z – Income shares

|                 |                      |
|-----------------|----------------------|
| Opening shares  | 1,049,501,400        |
| Shares issued   | 48,755,975           |
| Shares redeemed | (83,555,969)         |
| Net conversions | 328,938              |
| Closing shares  | <u>1,015,030,344</u> |

##### Class Z – Accumulation shares

|                 |                    |
|-----------------|--------------------|
| Opening shares  | 540,524,493        |
| Shares issued   | 15,843,492         |
| Shares redeemed | (35,182,443)       |
| Net conversions | (8,498,453)        |
| Closing shares  | <u>512,687,089</u> |

## Threadneedle UK Monthly Income Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide a monthly income combined with prospects for capital growth over the long term. It looks to provide an income yield higher than the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges. The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange, predominantly companies domiciled in the UK, or which have significant UK business operations. The Fund focuses on selecting companies that exhibit strong potential for paying attractive and sustainable dividend income. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time. The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Monthly Income Fund has fallen from 65.06p to 57.05p. Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -11.19% as compared to a median return of -10.61% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

The six-month period under review was dominated by the coronavirus, which reached Europe in late February, just a few weeks before the review period began.

As infection rates increased, the caseload threatened to overwhelm the National Health Service. Consequently, the government decided that the UK had to adopt a similar response to that of many other European countries and, at the end of the third week of March, the inconceivable was announced and the country was effectively 'locked down'. Working from home became the norm for those who could, and only essential businesses were allowed to stay open. UK deaths from the virus, the first of which had occurred the day before the period began, peaked in April at over 1,000 per day (and cumulatively totalled over 40,000) before steadily declining to around 10 per day by early September. The period of lockdown continued for approximately two months before being progressively eased with non-food retailers and primary schools reopening in early June, and pubs and restaurants in early July.

The economic impact of effectively shuttering a large part of the global economy was to induce a recession more acute than that experienced during the global financial crisis. Indeed, it was the most severe contraction since the Great Depression some 90 years earlier, with UK GDP growth in April down 25% from pre-pandemic levels. In response, the Bank of England cut interest rates twice in mid-March, first from 0.75% to 0.25%, and then to a new record low of 0.1%. The government responded by introducing its 'furlough' scheme, whereby it agreed to pay 80% of worker's wages up to £2,500 per month until October. At its peak, the government was supporting almost 10 million workers – equivalent to nearly a third of the entire UK workforce – which led to unemployment rising only modestly to 4.1% over the period. However, the direct consequence of the collapse of the economy and the cost of the unprecedented support for employers was an explosion in the government's budget deficit to around 20% of GDP, with the country's ratio of debt to GDP passing 100% for the first time since the Second World War.

Brexit, the cause célèbre of both economists and politicians for the previous three and a half years, was relegated to the sidelines. In the background, the clock continued to tick down towards the end of the transition period on 31 December 2020, with little indication that anything other than a 'bare bones' trade deal could be agreed.

As a result of the economic turmoil, the UK market, which had fallen over 12% in the two weeks immediately prior to the start of the review period, ended the period down almost another 8%.

The fund benefited from its relatively defensive shape during the initial market turmoil. Prior to the sell-off, this had been enhanced by increasing positions in HSBC and Imperial Brands, as the fund attempted to maximise its dividend

collection prior to its year end. Both stocks held up well in the initial market volatility. As the period progressed, the fund began to gently rotate towards those stocks which had been hardest hit in the sell-off, through existing holdings and new exposures. This was funded by taking some profits in stocks that had fared better. For instance, we disposed of the HSBC position and reduced the large AstraZeneca holding. The small positions in Marston's and Direct Line were exited too. Six new stocks were added to the fund: Sainsbury's, Aviva, Capital and Counties, WPP, Forterra and HCL Infrastructure, leaving the fund with 65 holdings. Life assurance, pharmaceuticals, utilities and property remained the four most overweight sectors in the fund. Market weakness was used to increase the positioning in industrials from underweight to neutral.

However, the biggest challenge facing the fund was the collapse in dividend payments, which occurred early in the period as companies hoarded cash. The magnitude, scale and speed of these reductions and/or postponements was unprecedented. Over 250 companies adjusted their distribution policies within a month, and total dividends for 2020 now look likely to fall by almost 40%. Even the totemic Royal Dutch Shell was forced to cut its dividend for the first time since the Second World War.

As foreshadowed in the previous year's final report, the fund managers had to make some painful decisions in response. The consequence of the swift change in companies' dividends occurring right at the beginning of the financial year resulted in the fund having to reduce its own distributions. For the first three months of the year, dividends payments plunged by approximately 55%: 0.12 ppu (pence per unit) versus 0.27 ppu for the 1 class, and 0.21 ppu versus 0.47 ppu for the Z class. This reduction moderated over the following three months to around 40%: 0.16 ppu versus 0.27 ppu for the 1 class and 0.28 ppu versus 0.47 ppu for the Z class.

This 40% rate of reduction is broadly anticipated to continue for the next five monthly payments and, together with a smaller percentage reduction in the final payment, is likely to result in the fund's distribution for the overall year being down by circa 40%. This reduction, only the second to occur in the fund's 22-year history, is deeply regrettable, especially in the context of the fund's historical record of always paying 11 equal monthly distributions and progressively increasing the yearly rate. However, from this lower base, the intention is that the fund will steadily start to rebuild its distributions in future years.

As at the end of the period, the fund's historic yield was 4.3%. Our best estimate of its prospective yield (fully annualising the anticipated circa 40% reduced distributions) for the current year is 3.7%.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (44,626)     | 2,129        |
| Revenue  | 7,703        | 13,813       |
| Expenses   | (2,255)      | (3,331)      |
| Net revenue before taxation  | 5,448        | 10,482       |
| Taxation   | –            | –            |
| Net revenue after taxation   | 5,448        | 10,482       |
| Total return before distributions  | (39,178)     | 12,611       |
| Distributions  | (5,006)      | (10,146)     |
| Change in net assets attributable to shareholders from investment activities | (44,184)     | 2,465        |

### BALANCE SHEET

as at 7 September 2020

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| Assets:                                 |              |              |
| Fixed assets:                           |              |              |
| Investments                             | 327,141      | 382,596      |
| Current assets:                         |              |              |
| Debtors                                 | 2,940        | 4,819        |
| Cash and bank balances                  | 2,069        | 3,475        |
| Cash equivalents**                      | 3,012        | 8            |
| Total assets                            | 335,162      | 390,898      |
| Liabilities:                            |              |              |
| Creditors:                              |              |              |
| Distribution payable                    | (931)        | (3,276)      |
| Other creditors                         | (861)        | (2,039)      |
| Total liabilities                       | (1,792)      | (5,315)      |
| Net assets attributable to shareholders | 333,370      | 385,583      |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 385,583      | 442,788      |
| Amounts receivable on the issue of shares  | 106,550      | 6,258        |
| Amounts payable on the cancellation of shares  | (114,604)    | (22,536)     |
|  | (8,054)      | (16,278)     |
| Dilution adjustment  | (11)         | –            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (44,184)     | 2,465        |
| Unclaimed distributions  | 36           | 108          |
| Closing net assets attributable to shareholders  | 333,370      | 429,083      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1200  | –            | 0.1200                         | 0.2700                 |
| 08/04/20 to 07/05/20                     | 0.1200  | –            | 0.1200                         | 0.2700                 |
| 08/05/20 to 07/06/20                     | 0.1200  | –            | 0.1200                         | 0.2700                 |
| 08/06/20 to 07/07/20                     | 0.1600  | –            | 0.1600                         | 0.2700                 |
| 08/07/20 to 07/08/20                     | 0.1600  | –            | 0.1600                         | 0.2700                 |
| 08/08/20 to 07/09/20                     | 0.1600  | –            | 0.1600                         | 0.2700                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0674  | 0.0526       | 0.1200                         | 0.2700                 |
| 08/04/20 to 07/05/20                     | –       | 0.1200       | 0.1200                         | 0.2700                 |
| 08/05/20 to 07/06/20                     | –       | 0.1200       | 0.1200                         | 0.2700                 |
| 08/06/20 to 07/07/20                     | –       | 0.1600       | 0.1600                         | 0.2700                 |
| 08/07/20 to 07/08/20                     | –       | 0.1600       | 0.1600                         | 0.2700                 |
| 08/08/20 to 07/09/20                     | –       | 0.1600       | 0.1600                         | 0.2700                 |
| <b>Total distributions in the period</b> |         |              | <b>0.8400</b>                  | <b>1.6200</b>          |

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

## Threadneedle UK Monthly Income Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/04/20 to 07/05/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/05/20 to 07/06/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/06/20 to 07/07/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| 08/07/20 to 07/08/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| 08/08/20 to 07/09/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/04/20 to 07/05/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/05/20 to 07/06/20                     | 0.1800  | –            | 0.1800                         | 0.4100                 |
| 08/06/20 to 07/07/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| 08/07/20 to 07/08/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| 08/08/20 to 07/09/20                     | 0.2400  | –            | 0.2400                         | 0.4100                 |
| <b>Total distributions in the period</b> |         |              | <b>1.2600</b>                  | <b>2.4600</b>          |

#### Class X – Gross income shares\*

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/04/20 to 07/05/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/05/20 to 07/06/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/06/20 to 07/07/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| 08/07/20 to 07/08/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| 08/08/20 to 07/09/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/04/20 to 07/05/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/05/20 to 07/06/20                     | 0.1750  | –            | 0.1750                         | –                      |
| 08/06/20 to 07/07/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| 08/07/20 to 07/08/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| 08/08/20 to 07/09/20                     | 0.2350  | –            | 0.2350                         | 0.3900                 |
| <b>Total distributions in the period</b> |         |              | <b>1.2300</b>                  | <b>1.1700</b>          |

#### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2100  | –            | 0.2100                         | 0.4700                 |
| 08/04/20 to 07/05/20                     | 0.2100  | –            | 0.2100                         | 0.4700                 |
| 08/05/20 to 07/06/20                     | 0.2100  | –            | 0.2100                         | 0.4700                 |
| 08/06/20 to 07/07/20                     | 0.2800  | –            | 0.2800                         | 0.4700                 |
| 08/07/20 to 07/08/20                     | 0.2800  | –            | 0.2800                         | 0.4700                 |
| 08/08/20 to 07/09/20                     | 0.2800  | –            | 0.2800                         | 0.4700                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1240  | 0.0860       | 0.2100                         | 0.4700                 |
| 08/04/20 to 07/05/20                     | –       | 0.2100       | 0.2100                         | 0.4700                 |
| 08/05/20 to 07/06/20                     | –       | 0.2100       | 0.2100                         | 0.4700                 |
| 08/06/20 to 07/07/20                     | –       | 0.2800       | 0.2800                         | 0.4700                 |
| 08/07/20 to 07/08/20                     | –       | 0.2800       | 0.2800                         | 0.4700                 |
| 08/08/20 to 07/09/20                     | –       | 0.2800       | 0.2800                         | 0.4700                 |
| <b>Total distributions in the period</b> |         |              | <b>1.4700</b>                  | <b>2.8200</b>          |

Group 2: shares purchased during a distribution period.

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

## Threadneedle UK Monthly Income Fund

### Comparative Table Disclosure

|  | Class 1 – Income shares                    |                         |                         | Class 2 – Income shares |            |            |
|--|--|-------------------------|-------------------------|-------------------------|------------|------------|
|  | 07/09/2020                                 | 07/03/2020              | 07/03/2019              | 07/09/2020              | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>  |  |                         |                         |                         |            |            |
| Opening net asset value per share (p)  | 64.34                                      | 69.50                   | 71.88                   | 95.23                   | 102.34     | 105.32     |
| Return before operating charges (p)    | (6.22)                                     | (0.49)                  | 2.26                    | (9.20)                  | (0.74)     | 3.30       |
| Operating charges (p)                  | (0.47)                                     | (1.16)                  | (1.18)                  | (0.46)                  | (1.11)     | (1.12)     |
| Return after operating charges (p)*    | (6.69)                                     | (1.65)                  | 1.08                    | (9.66)                  | (1.85)     | 2.18       |
| Distributions (p)                      | (0.84)                                     | (3.51)                  | (3.46)                  | (1.26)                  | (5.26)     | (5.16)     |
| Closing net asset value per share (p)  | 56.81                                      | 64.34                   | 69.50                   | 84.31                   | 95.23      | 102.34     |
| *after direct transaction costs of (p) | 0.04                                       | 0.12                    | 0.07                    | 0.07                    | 0.18       | 0.10       |
| <b>Performance</b>                     |  |                         |                         |                         |            |            |
| Return after charges (%)               | (10.40)                                    | (2.37)                  | 1.50                    | (10.14)                 | (1.81)     | 2.07       |
| <b>Other information</b>               |  |                         |                         |                         |            |            |
| Closing net asset value (£000)         | 162,516                                    | 322,344                 | 367,747                 | 71                      | 81         | 86         |
| Closing number of shares               | 286,048,071                                | 500,965,659             | 529,162,282             | 84,409                  | 84,409     | 84,409     |
| Operating charges (%)**                | 1.63 <sup>†</sup>                          | 1.63                    | 1.63                    | 1.06 <sup>†</sup>       | 1.06       | 1.06       |
| Direct transaction costs (%)***        | 0.16                                       | 0.17                    | 0.09                    | 0.16                    | 0.17       | 0.09       |
| <b>Prices</b>                          |  |                         |                         |                         |            |            |
| Highest share price (p)                | 62.89                                      | 75.60                   | 77.94                   | 93.20                   | 111.74     | 114.31     |
| Lowest share price (p)                 | 48.93                                      | 65.06                   | 64.46                   | 72.43                   | 96.28      | 94.83      |
|  | Class X – Gross income shares <sup>‡</sup> |                         | Class Z – Income shares |                         |            |            |
|  | 07/09/2020                                 | 07/03/2020 <sup>†</sup> | 07/09/2020              | 07/03/2020              | 07/03/2019 |            |
| <b>Change in net assets per share</b>  |  |                         |                         |                         |            |            |
| Opening net asset value per share (p)  | 93.39                                      | 100.00                  | 114.02                  | 122.23                  | 125.48     |            |
| Return before operating charges (p)    | (9.08)                                     | (2.60)                  | (11.04)                 | (0.90)                  | 3.93       |            |
| Operating charges (p)                  | (0.03)                                     | –                       | (0.46)                  | (1.11)                  | (1.12)     |            |
| Return after operating charges (p)*    | (9.11)                                     | (2.60)                  | (11.50)                 | (2.01)                  | 2.81       |            |
| Distributions (p)                      | (1.23)                                     | (4.01)                  | (1.47)                  | (6.20)                  | (6.06)     |            |
| Closing net asset value per share (p)  | 83.05                                      | 93.39                   | 101.05                  | 114.02                  | 122.23     |            |
| *after direct transaction costs of (p) | 0.07                                       | 0.17                    | 0.08                    | 0.21                    | 0.12       |            |
| <b>Performance</b>                     |  |                         |                         |                         |            |            |
| Return after charges (%)               | (9.75)                                     | (2.60)                  | (10.09)                 | (1.64)                  | 2.24       |            |
| <b>Other information</b>               |  |                         |                         |                         |            |            |
| Closing net asset value (£000)         | 7,369                                      | 1                       | 163,414                 | 63,157                  | 74,955     |            |
| Closing number of shares               | 8,873,002                                  | 1,000                   | 161,715,907             | 55,392,407              | 61,324,814 |            |
| Operating charges (%)**                | 0.06 <sup>†</sup>                          | – <sup>†</sup>          | 0.88 <sup>†</sup>       | 0.88                    | 0.88       |            |
| Direct transaction costs (%)***        | 0.16                                       | 0.17                    | 0.16                    | 0.17                    | 0.09       |            |
| <b>Prices</b>                          |  |                         |                         |                         |            |            |
| Highest share price (p)                | 91.58                                      | 109.53                  | 111.63                  | 133.84                  | 136.27     |            |
| Lowest share price (p)                 | 71.05                                      | 94.53                   | 86.73                   | 115.34                  | 113.25     |            |

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

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

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

<sup>†</sup>Commenced 9 May 2019.

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

## Threadneedle UK Monthly Income Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class 1 – Income shares</b>       |                    |
| Opening shares                       | 500,965,659        |
| Shares issued                        | 5,488,730          |
| Shares redeemed                      | (187,941,040)      |
| Net conversions                      | (32,465,278)       |
| Closing shares                       | <u>286,048,071</u> |
| <b>Class 2 – Income shares</b>       |                    |
| Opening shares                       | 84,409             |
| Shares issued                        | –                  |
| Shares redeemed                      | –                  |
| Net conversions                      | –                  |
| Closing shares                       | <u>84,409</u>      |
| <b>Class X – Gross income shares</b> |                    |
| Opening shares                       | 1,000              |
| Shares issued                        | 9,396,776          |
| Shares redeemed                      | (524,774)          |
| Net conversions                      | –                  |
| Closing shares                       | <u>8,873,002</u>   |
| <b>Class Z – Income shares</b>       |                    |
| Opening shares                       | 55,392,407         |
| Shares issued                        | 93,161,948         |
| Shares redeemed                      | (5,150,787)        |
| Net conversions                      | 18,312,339         |
| Closing shares                       | <u>161,715,907</u> |

## Threadneedle Monthly Extra Income Fund

### Investment Report

#### Investment Objective and Policy

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

The Fund is actively managed, and invests in a combination of company shares and bonds; typically, between 70-80% in UK company shares and 20%-30% in bonds. The Fund considers UK companies to mean companies listed on the London Stock Exchange; predominantly those domiciled in the UK, or which have significant UK business operations.

The Fund selects companies that exhibit above average income generation potential, as well as those considered to offer opportunities more by way of share price or dividend growth. These companies may be chosen from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index. The bonds selected are usually investment grade corporate bonds, but may also include government bonds. These bonds are denominated in sterling (or hedged back to sterling, if a different currency).

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included.

The income yield of this index provides a suitable target benchmark against which the level of income generated by the Fund will be measured and evaluated over time. The Fund may also invest in money market instruments, deposits, cash and near cash and other collective investment schemes (including funds managed by Columbia Threadneedle companies) when deemed appropriate.

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Monthly Extra Income Fund has fallen from 77.80p to 72.25p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -4.29% as compared to a median return of -8.28% over the same period. (For information the 80% FTSE All Share, 20% ICE BofA Sterling Corp & Collateralized gave a total return of -5.72% for the same period).

#### Market Overview and Portfolio Activity

Risk assets had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets thereafter recouped some losses, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led

some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December.

Sterling investment-grade (IG) corporate bonds posted positive returns over the review period, aided by falling gilt yields. Credit spreads (the yield premium over 'risk-free' government bonds) widened sharply in the sell-off in late March, but tightened thereafter as markets recovered and as central banks unleashed stimulus measures. Credit markets were particularly boosted by the US Federal Reserve's move to start buying corporate bonds, a step not taken even in the financial crisis. Overall, sterling IG spreads narrowed over the review period.

The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings, and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up finances.

GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery, as lockdown measures were eased. Within equities, we focused on topping up existing holdings, chiefly Pearson and Tate & Lyle.

Pearson is expanding its digital business and is likely to benefit from the increased trend towards online learning, which is being accelerated by the pandemic. We believe that the market is underestimating the revenues that Pearson generates outside the US higher-education division, which is where we feel that the value in the company lies. Pearson's turnaround should be accelerated by the recent stake acquired by activist investor Cevian Capital.

Tate & Lyle's sales volumes have been impacted by weaker demand from the leisure sector as a result of the lockdowns. However, we are positive about the firm's progress in shoring up its core bulk division and expanding its presence in the higher-margin speciality ingredients channel.

We also took advantage of the refinancing unleashed in response to the crisis to add to some holdings. Examples included Hiscox and JD Wetherspoon.

In our view, Hiscox is a high-quality underwriter, and, despite recent challenges, we are confident that medium-term profit ambitions will be achieved.

JD Wetherspoon had only modestly negative cashflows, but prudently raised extra equity to aid liquidity through the shutdown. We believe the business will emerge stronger from the crisis, as many of its rivals are excessively leveraged.

Within fixed income, following the steep sell-off in March, we became more constructive on the outlook for the sterling IG market, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we increased the credit risk within the portfolio. However, we then reduced credit risk back again in the summer, as spreads came back in towards their long-term averages. The fixed-income segment retains a modest overweight in credit risk, which remains tilted to defensive sectors, such as regulated utilities and infrastructure, that we think will weather the crisis well.

During the period, we were active in the primary market, participating in a range of new issues from the likes of GlaxoSmithKline, British American Tobacco and Southern Water. In the secondary market, we started a position in Rabobank and increased holdings in Bank of America, among others. Sales included Western Power, Total and Northern Gas Networks.

Equities have rebounded sharply since the lows of March, aided by the phenomenal stimulus response. While we are also reassured by the level of policy support, we think it would be premature to declare victory for markets, as we do not believe that the potentially bruising economic path into next year is fully discounted.

The underperformance of UK equities relative to global averages this year, along with the fact that the recovery has been narrowly led, has resulted in a sharply polarised market with technology and certain growth stocks trading at excessive valuations, while sentiment towards cyclical remains depressed. Consequently, we feel there are several attractive opportunities that we can take advantage of, especially with a wave of refinancing underway as companies seek to shore up liquidity. Meanwhile, the prospects for selected domestic cyclical appear particularly interesting, as before the virus emerged, these stocks had already suffered from a 'Brexite malaise' since the EU referendum.

The scale of dividend cuts this year is a concern, though we favour balance-sheet prudence, construct yield at portfolio level and are differentiated from the market in sourcing dividends. We are in constant dialogue with management teams to ensure rationales are scrutinised and full accountability is maintained.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

The valuation case for IG credit has become less compelling, given the market's powerful recovery since late March. Meanwhile, the support measures introduced by governments and central banks will help to mitigate the significant – though temporary – interruption to economic output and employment. More specifically, much of the policy response is targeted at keeping the credit channel open. In terms of corporate fundamentals, leverage will likely continue to rise as companies issue more debt and accept government liquidity support to weather the storm. It is notable, however, that many companies have cut dividend payments and abandoned share buybacks, which is credit supportive.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (18,578)     | 12,858       |
| Revenue  | 4,081        | 7,377        |
| Expenses   | (879)        | (1,379)      |
| Interest payable and similar charges   | (1)          | (1)          |
| Net revenue before taxation  | 3,201        | 5,997        |
| Taxation   | –            | –            |
| Net revenue after taxation   | 3,201        | 5,997        |
| Total return before distributions  | (15,377)     | 18,855       |
| Distributions  | (3,406)      | (5,718)      |
| Change in net assets attributable to shareholders from investment activities | (18,783)     | 13,137       |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 224,511        | 270,535               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 1,887          | 2,306                 |
| Cash and bank balances                         | 1,104          | 4,827                 |
| Total assets                                   | 227,502        | 277,668               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (11)           | (145)                 |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | (535)          | (1,367)               |
| Other creditors                                | (1,038)        | (1,494)               |
| Total liabilities                              | (1,584)        | (3,006)               |
| <b>Net assets attributable to shareholders</b> | <b>225,918</b> | <b>274,662</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 274,662      | 314,852      |
| Amounts receivable on the issue of shares  | 46,641       | 36,553       |
| Amounts payable on the cancellation of shares  | (77,043)     | (54,483)     |
|  | (30,402)     | (17,930)     |
| Dilution adjustment  | 223          | –            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (18,783)     | 13,137       |
| Retained distribution on accumulation shares   | 218          | 566          |
| Unclaimed distributions  | –            | 3            |
| Closing net assets attributable to shareholders  | 225,918      | 310,628      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1800  | –            | 0.1800                         | 0.2400                 |
| 08/04/20 to 07/05/20                     | 0.1800  | –            | 0.1800                         | 0.2500                 |
| 08/05/20 to 07/06/20                     | 0.1800  | –            | 0.1800                         | 0.2450                 |
| 08/06/20 to 07/07/20                     | 0.1800  | –            | 0.1800                         | 0.2450                 |
| 08/07/20 to 07/08/20                     | 0.1700  | –            | 0.1700                         | 0.2450                 |
| 08/08/20 to 07/09/20                     | 0.1800  | –            | 0.1800                         | 0.2450                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0632  | 0.1168       | 0.1800                         | 0.2400                 |
| 08/04/20 to 07/05/20                     | 0.1089  | 0.0711       | 0.1800                         | 0.2500                 |
| 08/05/20 to 07/06/20                     | 0.0362  | 0.1438       | 0.1800                         | 0.2450                 |
| 08/06/20 to 07/07/20                     | 0.0382  | 0.1418       | 0.1800                         | 0.2450                 |
| 08/07/20 to 07/08/20                     | 0.1105  | 0.0595       | 0.1700                         | 0.2450                 |
| 08/08/20 to 07/09/20                     | 0.0625  | 0.1175       | 0.1800                         | 0.2450                 |
| <b>Total distributions in the period</b> |         |              | <b>1.0700</b>                  | <b>1.4700</b>          |

# Threadneedle Monthly Extra Income Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 EUR Hedged – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.4255  | –            | 0.4255                         | 0.3615                 |
| 08/04/20 to 07/05/20                     | 0.1594  | –            | 0.1594                         | 0.4986                 |
| 08/05/20 to 07/06/20                     | 0.3235  | –            | 0.3235                         | 0.6440                 |
| 08/06/20 to 07/07/20                     | 0.2263  | –            | 0.2263                         | 0.2956                 |
| 08/07/20 to 07/08/20                     | 0.2358  | –            | 0.2358                         | 0.1268                 |
| 08/08/20 to 07/09/20                     | 0.5148  | –            | 0.5148                         | 0.8773                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2193  | 0.2062       | 0.4255                         | 0.3615                 |
| 08/04/20 to 07/05/20                     | 0.1081  | 0.0513       | 0.1594                         | 0.4986                 |
| 08/05/20 to 07/06/20                     | 0.1024  | 0.2211       | 0.3235                         | 0.6440                 |
| 08/06/20 to 07/07/20                     | 0.0529  | 0.1734       | 0.2263                         | 0.2956                 |
| 08/07/20 to 07/08/20                     | 0.1438  | 0.0920       | 0.2358                         | 0.1268                 |
| 08/08/20 to 07/09/20                     | –       | 0.5148       | 0.5148                         | 0.8773                 |
| <b>Total distributions in the period</b> |         |              | <b>1.8853</b>                  | <b>2.8038</b>          |

### Class 1 EUR Hedged – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.3586  | –            | 0.3586                   | 0.2931                   |
| 08/04/20 to 07/05/20                     | 0.1354  | –            | 0.1354                   | 0.4052                   |
| 08/05/20 to 07/06/20                     | 0.2741  | –            | 0.2741                   | 0.5256                   |
| 08/06/20 to 07/07/20                     | 0.1917  | –            | 0.1917                   | 0.2425                   |
| 08/07/20 to 07/08/20                     | 0.2001  | –            | 0.2001                   | 0.1048                   |
| 08/08/20 to 07/09/20                     | 0.4381  | –            | 0.4381                   | 0.7232                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.3586  | –            | 0.3586                   | 0.2931                   |
| 08/04/20 to 07/05/20                     | 0.1354  | –            | 0.1354                   | 0.4052                   |
| 08/05/20 to 07/06/20                     | 0.2741  | –            | 0.2741                   | 0.5256                   |
| 08/06/20 to 07/07/20                     | 0.1917  | –            | 0.1917                   | 0.2425                   |
| 08/07/20 to 07/08/20                     | 0.2001  | –            | 0.2001                   | 0.1048                   |
| 08/08/20 to 07/09/20                     | 0.4381  | –            | 0.4381                   | 0.7232                   |
| <b>Total distributions in the period</b> |         |              | <b>1.5980</b>            | <b>2.2944</b>            |

### Class X – Gross income shares\*

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/04/20 to 07/05/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/05/20 to 07/06/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/06/20 to 07/07/20                     | 0.2300  | –            | 0.2300                         | 0.3100                 |
| 08/07/20 to 07/08/20                     | 0.2150  | –            | 0.2150                         | 0.3100                 |
| 08/08/20 to 07/09/20                     | 0.2300  | –            | 0.2300                         | 0.3100                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/04/20 to 07/05/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/05/20 to 07/06/20                     | 0.2300  | –            | 0.2300                         | –                      |
| 08/06/20 to 07/07/20                     | 0.2300  | –            | 0.2300                         | 0.3100                 |
| 08/07/20 to 07/08/20                     | 0.2150  | –            | 0.2150                         | 0.3100                 |
| 08/08/20 to 07/09/20                     | 0.2300  | –            | 0.2300                         | 0.3100                 |
| <b>Total distributions in the period</b> |         |              | <b>1.3650</b>                  | <b>0.9300</b>          |

### Class X – Gross accumulation shares\*

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |         |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/04/20 to 07/05/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/05/20 to 07/06/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/06/20 to 07/07/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| 08/07/20 to 07/08/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| 08/08/20 to 07/09/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| <b>Group 2</b>                           |         |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/04/20 to 07/05/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/05/20 to 07/06/20                     | 0.2300  | –            | 0.2300                         | –                              |
| 08/06/20 to 07/07/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| 08/07/20 to 07/08/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| 08/08/20 to 07/09/20                     | 0.2300  | –            | 0.2300                         | 0.3100                         |
| <b>Total distributions in the period</b> |         |              | <b>1.3800</b>                  | <b>0.9300</b>                  |

### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3100  | –            | 0.3100                         | 0.4100                 |
| 08/04/20 to 07/05/20                     | 0.3100  | –            | 0.3100                         | 0.4300                 |
| 08/05/20 to 07/06/20                     | 0.3100  | –            | 0.3100                         | 0.4200                 |
| 08/06/20 to 07/07/20                     | 0.3100  | –            | 0.3100                         | 0.4200                 |
| 08/07/20 to 07/08/20                     | 0.3100  | –            | 0.3100                         | 0.4200                 |
| 08/08/20 to 07/09/20                     | 0.3100  | –            | 0.3100                         | 0.4200                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1577  | 0.1523       | 0.3100                         | 0.4100                 |
| 08/04/20 to 07/05/20                     | 0.1045  | 0.2055       | 0.3100                         | 0.4300                 |
| 08/05/20 to 07/06/20                     | –       | 0.3100       | 0.3100                         | 0.4200                 |
| 08/06/20 to 07/07/20                     | 0.0468  | 0.2632       | 0.3100                         | 0.4200                 |
| 08/07/20 to 07/08/20                     | 0.2045  | 0.1055       | 0.3100                         | 0.4200                 |
| 08/08/20 to 07/09/20                     | –       | 0.3100       | 0.3100                         | 0.4200                 |
| <b>Total distributions in the period</b> |         |              | <b>1.8600</b>                  | <b>2.5200</b>          |

### Class Z – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| 08/04/20 to 07/05/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| 08/05/20 to 07/06/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| 08/06/20 to 07/07/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| 08/07/20 to 07/08/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| 08/08/20 to 07/09/20                     | 0.2750  | –            | 0.2750                   | 0.3700                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.1652  | 0.1098       | 0.2750                   | 0.3700                   |
| 08/04/20 to 07/05/20                     | 0.1414  | 0.1336       | 0.2750                   | 0.3700                   |
| 08/05/20 to 07/06/20                     | –       | 0.2750       | 0.2750                   | 0.3700                   |
| 08/06/20 to 07/07/20                     | –       | 0.2750       | 0.2750                   | 0.3700                   |
| 08/07/20 to 07/08/20                     | –       | 0.2750       | 0.2750                   | 0.3700                   |
| 08/08/20 to 07/09/20                     | –       | 0.2750       | 0.2750                   | 0.3700                   |
| <b>Total distributions in the period</b> |         |              | <b>1.6500</b>            | <b>2.2200</b>            |

### Class Z EUR Hedged – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.3603  | –            | 0.3603                   | 0.2928                   |
| 08/04/20 to 07/05/20                     | 0.1387  | –            | 0.1387                   | 0.4094                   |
| 08/05/20 to 07/06/20                     | 0.2801  | –            | 0.2801                   | 0.5302                   |
| 08/06/20 to 07/07/20                     | 0.1965  | –            | 0.1965                   | 0.2460                   |
| 08/07/20 to 07/08/20                     | 0.2060  | –            | 0.2060                   | 0.1060                   |
| 08/08/20 to 07/09/20                     | 0.4462  | –            | 0.4462                   | 0.7310                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.3603  | –            | 0.3603                   | 0.2928                   |
| 08/04/20 to 07/05/20                     | 0.1387  | –            | 0.1387                   | 0.4094                   |
| 08/05/20 to 07/06/20                     | 0.2801  | –            | 0.2801                   | 0.5302                   |
| 08/06/20 to 07/07/20                     | 0.1965  | –            | 0.1965                   | 0.2460                   |
| 08/07/20 to 07/08/20                     | 0.2060  | –            | 0.2060                   | 0.1060                   |
| 08/08/20 to 07/09/20                     | 0.4462  | –            | 0.4462                   | 0.7310                   |
| <b>Total distributions in the period</b> |         |              | <b>1.6278</b>            | <b>2.3154</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         |                         |            |
|---|--|------------|-------------|--|-------------------------|------------|
|   | 07/09/2020                               | 07/03/2020 | 07/03/2019  | 07/09/2020                                 | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |             |  |                         |            |
| Opening net asset value per share (p)             | 77.19                                    | 78.22      | 77.69       | 115.42                                     | 117.01                  | 122.47     |
| Return before operating charges (p)               | (3.69)                                   | 3.21       | 4.70        | (1.83)                                     | 4.80                    | 0.96       |
| Operating charges (p)                             | (0.49)                                   | (1.12)     | (1.11)      | (0.76)                                     | (1.69)                  | (1.71)     |
| Return after operating charges (p)*               | (4.18)                                   | 2.09       | 3.59        | (2.59)                                     | 3.11                    | (0.75)     |
| Distributions (p)                                 | (1.07)                                   | (3.12)     | (3.06)      | (1.89)                                     | (4.70)                  | (4.71)     |
| Retained distributions on accumulation shares (p) | –  | –          | –           | –  | –                       | –          |
| Closing net asset value per share (p)             | 71.94                                    | 77.19      | 78.22       | 110.94                                     | 115.42                  | 117.01     |
| *after direct transaction costs of (p)            | 0.04                                     | 0.02       | 0.01        | 0.06                                       | 0.03                    | 0.02       |
| <b>Performance</b>                                |  |            |             |  |                         |            |
| Return after charges (%)                          | (5.42)                                   | 2.67       | 4.62        | (2.24)                                     | 2.66                    | (0.61)     |
| <b>Other information</b>                          |  |            |             |  |                         |            |
| Closing net asset value (£000)                    | 26,820                                   | 51,692     | 97,572      | 2,946                                      | 3,538                   | 3,966      |
| Closing number of shares                          | 37,278,878                               | 66,965,303 | 124,744,919 | 2,656,007                                  | 3,065,112               | 3,389,579  |
| Operating charges (%)**                           | 1.39 <sup>†</sup>                        | 1.39       | 1.39        | 1.39 <sup>†</sup>                          | 1.39                    | 1.39       |
| Direct transaction costs (%)***                   | 0.11                                     | 0.03       | 0.01        | 0.11                                       | 0.03                    | 0.01       |
| <b>Prices</b>                                     |  |            |             |  |                         |            |
| Highest share price (p)                           | 74.56                                    | 86.20      | 84.82       | 115.85                                     | 130.58                  | 134.01     |
| Lowest share price (p)                            | 59.91                                    | 76.90      | 73.62       | 96.04                                      | 113.86                  | 114.25     |
|   | Class 1 EUR Hedged – Accumulation shares |            |             | Class X – Gross income shares <sup>§</sup> |                         |            |
|   | 07/09/2020                               | 07/03/2020 | 07/03/2019  | 07/09/2020                                 | 07/03/2020 <sup>†</sup> |            |
| <b>Change in net assets per share</b>             |  |            |             |  |                         |            |
| Opening net asset value per share (p)             | 97.10                                    | 94.74      | 95.40       | 99.51                                      | 100.00                  |            |
| Return before operating charges (p)               | (1.49)                                   | 3.74       | 0.68        | (4.85)                                     | 2.62                    |            |
| Operating charges (p)                             | (0.65)                                   | (1.38)     | (1.34)      | (0.03)                                     | –                       |            |
| Return after operating charges (p)*               | (2.14)                                   | 2.36       | (0.66)      | (4.88)                                     | 2.62                    |            |
| Distributions (p)                                 | (1.60)                                   | (3.88)     | (3.75)      | (1.37)                                     | (3.11)                  |            |
| Retained distributions on accumulation shares (p) | 1.60                                     | 3.88       | 3.75        | –  | –                       |            |
| Closing net asset value per share (p)             | 94.96                                    | 97.10      | 94.74       | 93.26                                      | 99.51                   |            |
| *after direct transaction costs of (p)            | 0.05                                     | 0.03       | 0.02        | 0.05                                       | 0.03                    |            |
| <b>Performance</b>                                |  |            |             |  |                         |            |
| Return after charges (%)                          | (2.20)                                   | 2.49       | (0.69)      | (4.90)                                     | 2.62                    |            |
| <b>Other information</b>                          |  |            |             |  |                         |            |
| Closing net asset value (£000)                    | 9  | 10         | 10          | 14,944                                     | 1                       |            |
| Closing number of shares                          | 10,001                                   | 10,001     | 10,001      | 16,024,645                                 | 1,000                   |            |
| Operating charges (%)**                           | 1.39 <sup>†</sup>                        | 1.37       | 1.37        | 0.07 <sup>†</sup>                          | – <sup>†</sup>          |            |
| Direct transaction costs (%)***                   | 0.11                                     | 0.03       | 0.01        | 0.11                                       | 0.03                    |            |
| <b>Prices</b>                                     |  |            |             |  |                         |            |
| Highest share price (p)                           | 98.70                                    | 107.30     | 106.06      | 96.57                                      | 110.94                  |            |
| Lowest share price (p)                            | 80.80                                    | 93.33      | 90.98       | 77.24                                      | 98.00                   |            |

## Threadneedle Monthly Extra Income Fund

### Comparative Table Disclosure

(continued)

|   | Class X – Gross accumulation shares <sup>§</sup> |                         |            | Class Z – Income shares                  |             |             |
|---|--|-------------------------|------------|--|-------------|-------------|
|   | 07/09/2020                                       | 07/03/2020 <sup>1</sup> |            | 07/09/2020                               | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |                         |            |  |             |             |
| Opening net asset value per share (p)             | 102.51   | 100.00                  |            | 134.41                                   | 135.36      | 133.60      |
| Return before operating charges (p)               | (4.93)   | 2.57                    |            | (6.48)                                   | 5.50        | 8.04        |
| Operating charges (p)                             | (0.03)   | (0.06)                  |            | (0.46)                                   | (1.04)      | (1.02)      |
| Return after operating charges (p)*               | (4.96)   | 2.51                    |            | (6.94)                                   | 4.46        | 7.02        |
| Distributions (p)                                 | (1.38)   | (3.12)                  |            | (1.86)                                   | (5.41)      | (5.26)      |
| Retained distributions on accumulation shares (p) | 1.38   | 3.12                    |            | –  | –           | –           |
| Closing net asset value per share (p)             | 97.55  | 102.51                  |            | 125.61                                   | 134.41      | 135.36      |
| *after direct transaction costs of (p)            | 0.05   | 0.03                    |            | 0.07                                     | 0.04        | 0.02        |
| <b>Performance</b>                                |  |                         |            |  |             |             |
| Return after charges (%)                          | (4.84)   | 2.51                    |            | (5.16)                                   | 3.29        | 5.25        |
| <b>Other information</b>                          |  |                         |            |  |             |             |
| Closing net asset value (£000)                    | 1  | 25,022                  |            | 168,967                                  | 180,456     | 196,431     |
| Closing number of shares                          | 1,001  | 24,410,392              |            | 134,516,481                              | 134,262,752 | 145,120,698 |
| Operating charges (%)**                           | 0.07 <sup>†</sup>                                | 0.07 <sup>†</sup>       |            | 0.74 <sup>†</sup>                        | 0.74        | 0.74        |
| Direct transaction costs (%)***                   | 0.11   | 0.03                    |            | 0.11                                     | 0.03        | 0.01        |
| <b>Prices</b>                                     |  |                         |            |  |             |             |
| Highest share price (p)                           | 100.75   | 112.93                  |            | 130.13                                   | 149.95      | 146.26      |
| Lowest share price (p)                            | 79.57  | 98.00                   |            | 104.32                                   | 133.28      | 127.25      |
|   | Class Z – Accumulation shares                    |                         |            | Class Z EUR Hedged – Accumulation shares |             |             |
|   | 07/09/2020                                       | 07/03/2020              | 07/03/2019 | 07/09/2020                               | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |                         |            |  |             |             |
| Opening net asset value per share (p)             | 134.68   | 130.50                  | 123.96     | 98.78                                    | 95.77       | 95.83       |
| Return before operating charges (p)               | (6.47)   | 5.20                    | 7.50       | (1.56)                                   | 3.75        | 0.65        |
| Operating charges (p)                             | (0.46)   | (1.02)                  | (0.96)     | (0.35)                                   | (0.74)      | (0.71)      |
| Return after operating charges (p)*               | (6.93)   | 4.18                    | 6.54       | (1.91)                                   | 3.01        | (0.06)      |
| Distributions (p)                                 | (1.65)   | (5.30)                  | (4.97)     | (1.63)                                   | (3.93)      | (3.76)      |
| Retained distributions on accumulation shares (p) | 1.65   | 5.30                    | 4.97       | 1.63                                     | 3.93        | 3.76        |
| Closing net asset value per share (p)             | 127.75   | 134.68                  | 130.50     | 96.87                                    | 98.78       | 95.77       |
| *after direct transaction costs of (p)            | 0.07   | 0.04                    | 0.02       | 0.05                                     | 0.03        | 0.02        |
| <b>Performance</b>                                |  |                         |            |  |             |             |
| Return after charges (%)                          | (5.15)   | 3.20                    | 5.28       | (1.93)                                   | 3.14        | (0.06)      |
| <b>Other information</b>                          |  |                         |            |  |             |             |
| Closing net asset value (£000)                    | 12,221   | 13,930                  | 16,860     | 10                                       | 13          | 13          |
| Closing number of shares                          | 9,566,737  | 10,343,044              | 12,919,667 | 10,001                                   | 13,520      | 13,411      |
| Operating charges (%)**                           | 0.74 <sup>†</sup>                                | 0.74                    | 0.74       | 0.73 <sup>†</sup>                        | 0.73        | 0.72        |
| Direct transaction costs (%)***                   | 0.11   | 0.03                    | 0.01       | 0.11                                     | 0.03        | 0.01        |
| <b>Prices</b>                                     |  |                         |            |  |             |             |
| Highest share price (p)                           | 132.02   | 148.52                  | 137.74     | 100.67                                   | 108.74      | 106.87      |
| Lowest share price (p)                            | 104.53   | 129.28                  | 121.33     | 82.19                                    | 94.38       | 91.41       |

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

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

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

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

<sup>†</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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |
|---|--------------------|
| <b>Class 1 – Income shares</b>                  |                    |
| Opening shares                                  | 66,965,303         |
| Shares issued                                   | 668,005            |
| Shares redeemed                                 | (29,977,535)       |
| Net conversions                                 | (376,895)          |
| Closing shares                                  | <u>37,278,878</u>  |
| <b>Class 1 EUR Hedged – Income shares</b>       |                    |
| Opening shares                                  | 3,065,112          |
| Shares issued                                   | 80,326             |
| Shares redeemed                                 | (489,431)          |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>2,656,007</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 X – Gross income shares</b>            |                    |
| Opening shares                                  | 1,000              |
| Shares issued                                   | 17,017,795         |
| Shares redeemed                                 | (994,150)          |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>16,024,645</u>  |
| <b>Class X – Gross accumulation shares</b>      |                    |
| Opening shares                                  | 24,410,392         |
| Shares issued                                   | –                  |
| Shares redeemed                                 | (24,409,391)       |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>1,001</u>       |
| <b>Class Z – Income shares</b>                  |                    |
| Opening shares                                  | 134,262,752        |
| Shares issued                                   | 23,928,590         |
| Shares redeemed                                 | (23,868,649)       |
| Net conversions                                 | 193,788            |
| Closing shares                                  | <u>134,516,481</u> |

|   | 2020             |
|---|------------------|
| <b>Class Z – Accumulation shares</b>            |                  |
| Opening shares                                  | 10,343,044       |
| Shares issued                                   | 381,380          |
| Shares redeemed                                 | (1,180,048)      |
| Net conversions                                 | 22,361           |
| Closing shares                                  | <u>9,566,737</u> |
| <b>Class Z EUR Hedged – Accumulation shares</b> |                  |
| Opening shares                                  | 13,520           |
| Shares issued                                   | –                |
| Shares redeemed                                 | (3,519)          |
| Net conversions                                 | –                |
| Closing shares                                  | <u>10,001</u>    |

## Threadneedle Sterling Corporate Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in investment grade corporate bonds that are denominated in sterling (or hedged back to sterling, if a different currency), issued by UK companies and companies worldwide. In addition, the Fund may invest in other bonds (including below investment grade corporate bonds, and government bonds) when considered appropriate to achieve its investment objective.

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Corporate Bond Fund has risen from 65.44p to 66.00p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +1.50% as compared to a median return of +1.28% over the same period. (For information the iBoxx GBP Non-Gilts gave a total return of +1.46% for the same period).

#### Market Overview and Portfolio Activity

Sterling investment-grade (IG) credit delivered modest positive returns over the six months to 7 September 2020. In terms of market movements, the period was characterised by a very sharp sell-off in March followed by a strong and steady recovery over the remaining months. Gilt yields were little changed overall, as were credit spreads (the yield premiums offered by corporate bonds over "risk-free"

government bonds of the same maturity), though this masks significant swings in the interim, especially in spreads.

Pressure on credit and other risk assets intensified in March as the COVID-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows, and credit spreads widened dramatically.

In response to the crisis, central banks and governments around the world unleashed an unprecedented flood of policy measures. In the UK, for example, the Bank of England cut rates to a record low, offered banks special terms for loans to small businesses, and announced the resumption of bond purchases, including corporate debt. A complementary fiscal package from the government included grants and business-rates holidays, and income-replacement schemes for people unable to work.

From late March on, risk assets rallied amid hopes that these stimulus measures and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. After some shocking data in April, economic news tended to reinforce this sentiment, being weak in absolute terms but generally better than expected. Against this, however, optimism was tempered by worries that a second wave of the pandemic could derail the recovery. In the late summer, caseloads spiked in many countries that had reopened following lockdowns, and by the end of the review period, large parts of the UK were under localised restrictions.

Over the six months as a whole, sterling IG underperformed dollar and euro equivalents in spread terms, but gilts outperformed US Treasuries and German bunds: resurgent Brexit fears helped to anchor gilt yields and dampened appetite for UK risk assets.

Early in the period, we became more constructive on the outlook for the market, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase the credit risk within the portfolio. As liquidity was constrained, this was mainly achieved

through attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a modest long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well. As regards specific trades, we took part in a wide range of new issues, the largest of which (in terms of position sizes) included deals from Southern Water Services, National Grid, BP, Credit Suisse and Thames Water. In the secondary market, we started new positions in KfW, Rabobank, ABN Amro Bank, Tencent and Microsoft, among others, and increased exposure to a number of issuers including AT&T, APT Pipelines, AIB, Aroundtown and HSBC Bank. On the disposals side, we reduced exposure to some issuers, such as Lloyds Bank, Severn Trent Water Utilities, Northumbrian Water, Crédit Agricole, and BPCE, and exited others completely, including Pennon group, Deutsche Telekom, Motability, Amgen and DNB Bank.

As we move into the autumn of 2020, the valuation case for IG credit is certainly less compelling than it was a few months ago, given the market's powerful recovery. Sterling IG spreads finished the review period close to their 20-year average. For context, at the start of this year spreads were around 0.4 standard deviations more expensive than the average.

More positively, however, the support measures introduced by governments and central banks will help to mitigate the significant interruption to economic output and employment caused by the pandemic. Furthermore, much of the policy response has been targeted at keeping the credit channel open. Policymakers want to avoid an economic shock turning into a financial crisis. We have been impressed by the speed, scale and scope of their actions.

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

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000  | 2019<br>£000  |
|---|---------------|---------------|
| Income  |               |               |
| Net capital gains   | 8,225         | 50,061        |
| Revenue   | 14,330        | 16,727        |
| Expenses  | (1,622)       | (1,963)       |
| Interest payable and similar charges  | (185)         | (153)         |
| Net revenue before taxation   | 12,523        | 14,611        |
| Taxation  | –             | –             |
| Net revenue after taxation  | 12,523        | 14,611        |
| <b>Total return before distributions</b>  | <b>20,748</b> | <b>64,672</b> |
| Distributions   | (12,523)      | (14,618)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>8,225</b>  | <b>50,054</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | March<br>2020<br>£000 |
|--|------------------|-----------------------|
| <b>Assets:</b>                                 |                  |                       |
| <b>Fixed assets:</b>                           |                  |                       |
| Investments                                    | 1,036,206        | 944,700               |
| <b>Current assets:</b>                         |                  |                       |
| Debtors  | 17,318           | 14,584                |
| Cash and bank balances                         | 19,529           | 28,590                |
| Cash equivalents**                             | 25,640           | 2,402                 |
| <b>Total assets</b>                            | <b>1,098,693</b> | <b>990,276</b>        |
| <b>Liabilities:</b>                            |                  |                       |
| <b>Investment liabilities</b>                  | <b>(3,739)</b>   | <b>(10,068)</b>       |
| <b>Creditors:</b>                              |                  |                       |
| Bank overdrafts                                | (7,171)          | (4,474)               |
| Distribution payable                           | (2,551)          | (2,057)               |
| Other creditors                                | (5,455)          | (12,669)              |
| <b>Total liabilities</b>                       | <b>(18,916)</b>  | <b>(29,268)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>1,079,777</b> | <b>961,008</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000     | 2019<br>£000     |
|--|------------------|------------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>961,008</b>   | <b>970,016</b>   |
| Amounts receivable on the issue of shares  | 227,956          | 309,339          |
| Amounts payable on the cancellation of shares  | (125,921)        | (298,175)        |
|  | 102,035          | 11,164           |
| Dilution adjustment  | 1,085            | 230              |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 8,225            | 50,054           |
| Retained distribution on accumulation shares   | 7,423            | 10,000           |
| Unclaimed distributions  | 1                | 11               |
| <b>Closing net assets attributable to shareholders</b>   | <b>1,079,777</b> | <b>1,041,475</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.3066        | –            | 0.3066                         | 0.3705                 |
| 08/06/20 to 07/09/20                     | 0.2694        | –            | 0.2694                         | 0.3594                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.1335        | 0.1731       | 0.3066                         | 0.3705                 |
| 08/06/20 to 07/09/20                     | 0.0718        | 0.1976       | 0.2694                         | 0.3594                 |
| <b>Total distributions in the period</b> |               |              | <b>0.5760</b>                  | <b>0.7299</b>          |

#### Class 1 – Accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |               |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.5683        | –            | 0.5683                   | 0.6419                   |
| 08/06/20 to 07/09/20                     | 0.4787        | –            | 0.4787                   | 0.6262                   |
| <b>Group 2</b>                           |               |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.3483        | 0.2200       | 0.5683                   | 0.6419                   |
| 08/06/20 to 07/09/20                     | 0.4787        | –            | 0.4787                   | 0.6262                   |
| <b>Total distributions in the period</b> |               |              | <b>1.0470</b>            | <b>1.2681</b>            |

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## Threadneedle Sterling Corporate Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.3207        | –            | 0.3207                         | 0.3707                 |
| 08/06/20 to 07/09/20                     | 0.2694        | –            | 0.2694                         | 0.3596                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.1010        | 0.2197       | 0.3207                         | 0.3707                 |
| 08/06/20 to 07/09/20                     | 0.0605        | 0.2089       | 0.2694                         | 0.3596                 |
| <b>Total distributions in the period</b> |               |              | <b>0.5901</b>                  | <b>0.7303</b>          |

#### Class 2 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.3717        | –            | 0.3717                         | 0.4218                 |
| 08/06/20 to 07/09/20                     | 0.3247        | –            | 0.3247                         | 0.4121                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.1843        | 0.1874       | 0.3717                         | 0.4218                 |
| 08/06/20 to 07/09/20                     | 0.1911        | 0.1336       | 0.3247                         | 0.4121                 |
| <b>Total distributions in the period</b> |               |              | <b>0.6964</b>                  | <b>0.8339</b>          |

#### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/06/20                     | 0.7596        | –            | 0.7596                         | 0.8407                         |
| 08/06/20 to 07/09/20                     | 0.6668        | –            | 0.6668                         | 0.8268                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/06/20                     | 0.3357        | 0.4239       | 0.7596                         | 0.8407                         |
| 08/06/20 to 07/09/20                     | 0.3791        | 0.2877       | 0.6668                         | 0.8268                         |
| <b>Total distributions in the period</b> |               |              | <b>1.4264</b>                  | <b>1.6675</b>                  |

#### Class L – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.6312        | –            | 0.6312                         | 0.7124                 |
| 08/06/20 to 07/09/20                     | 0.5564        | –            | 0.5564                         | 0.6975                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.3492        | 0.2820       | 0.6312                         | 0.7124                 |
| 08/06/20 to 07/09/20                     | 0.3189        | 0.2375       | 0.5564                         | 0.6975                 |
| <b>Total distributions in the period</b> |               |              | <b>1.1876</b>                  | <b>1.4099</b>          |

#### Class L – Accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |               |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.6947        | –            | 0.6947                   | 0.7646                   |
| 08/06/20 to 07/09/20                     | 0.6161        | –            | 0.6161                   | 0.7538                   |
| <b>Group 2</b>                           |               |              |                          |                          |
| 08/03/20 to 07/06/20                     | 0.4888        | 0.2059       | 0.6947                   | 0.7646                   |
| 08/06/20 to 07/09/20                     | 0.3827        | 0.2334       | 0.6161                   | 0.7538                   |
| <b>Total distributions in the period</b> |               |              | <b>1.3108</b>            | <b>1.5184</b>            |

#### Class L – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.6310        | –            | 0.6310                         | 0.7124                 |
| 08/06/20 to 07/09/20                     | 0.5563        | –            | 0.5563                         | 0.6975                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.5582        | 0.0728       | 0.6310                         | 0.7124                 |
| 08/06/20 to 07/09/20                     | 0.3834        | 0.1729       | 0.5563                         | 0.6975                 |
| <b>Total distributions in the period</b> |               |              | <b>1.1873</b>                  | <b>1.4099</b>          |

#### Class X – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.8356        | –            | 0.8356                         | 0.8763                 |
| 08/06/20 to 07/09/20                     | 0.7173        | –            | 0.7173                         | 0.8635                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/06/20                     | 0.5212        | 0.3144       | 0.8356                         | 0.8763                 |
| 08/06/20 to 07/09/20                     | 0.5657        | 0.1516       | 0.7173                         | 0.8635                 |
| <b>Total distributions in the period</b> |               |              | <b>1.5529</b>                  | <b>1.7398</b>          |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/06/20                     | 0.8912        | –            | 0.8912                         | 0.9624                         |
| 08/06/20 to 07/09/20                     | 0.8173        | –            | 0.8173                         | 0.9560                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/06/20                     | 0.3768        | 0.5144       | 0.8912                         | 0.9624                         |
| 08/06/20 to 07/09/20                     | 0.3871        | 0.4302       | 0.8173                         | 0.9560                         |
| <b>Total distributions in the period</b> |               |              | <b>1.7085</b>                  | <b>1.9184</b>                  |

Group 2: shares purchased during a distribution period.

## Threadneedle Sterling Corporate Bond Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares                    |            |            | Class 1 – Accumulation shares |             |             |
|---|--|------------|------------|-------------------------------|-------------|-------------|
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |                               |             |             |
| Opening net asset value per share (p)             | 65.22                                      | 60.70      | 60.96      | 115.36                        | 105.14      | 103.01      |
| Return before operating charges (p)               | 1.11                                       | 6.42       | 1.77       | 1.98                          | 11.21       | 3.04        |
| Operating charges (p)                             | (0.28)                                     | (0.56)     | (0.53)     | (0.50)                        | (0.99)      | (0.91)      |
| Return after operating charges (p)*               | 0.83                                       | 5.86       | 1.24       | 1.48                          | 10.22       | 2.13        |
| Distributions (p)                                 | (0.58)                                     | (1.34)     | (1.50)     | (1.05)                        | (2.35)      | (2.56)      |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 1.05                          | 2.35        | 2.56        |
| Closing net asset value per share (p)             | 65.47                                      | 65.22      | 60.70      | 116.84                        | 115.36      | 105.14      |
| *after direct transaction costs of (p)            | –  | –          | –          | –                             | –           | –           |
| <b>Performance</b>                                |  |            |            |                               |             |             |
| Return after charges (%)                          | 1.27                                       | 9.65       | 2.03       | 1.28                          | 9.72        | 2.07        |
| <b>Other information</b>                          |  |            |            |                               |             |             |
| Closing net asset value (£000)                    | 19,555                                     | 36,714     | 37,608     | 380                           | 983         | 338         |
| Closing number of shares                          | 29,867,227                                 | 56,294,088 | 61,959,400 | 325,713                       | 851,994     | 321,385     |
| Operating charges (%)**                           | 0.88†                                      | 0.88       | 0.88       | 0.88†                         | 0.88        | 0.88        |
| Direct transaction costs (%)***                   | –  | –          | –          | –                             | –           | –           |
| <b>Prices</b>                                     |  |            |            |                               |             |             |
| Highest share price (p)                           | 66.18                                      | 65.67      | 61.56      | 117.63                        | 115.60      | 105.47      |
| Lowest share price (p)                            | 56.37                                      | 60.91      | 59.64      | 99.71                         | 105.50      | 102.22      |
|   | Class 1 – Gross income shares <sup>5</sup> |            |            | Class 2 – Income shares       |             |             |
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |                               |             |             |
| Opening net asset value per share (p)             | 65.25                                      | 60.73      | 60.99      | 65.32                         | 60.79       | 61.05       |
| Return before operating charges (p)               | 1.11                                       | 6.43       | 1.78       | 1.12                          | 6.43        | 1.78        |
| Operating charges (p)                             | (0.28)                                     | (0.56)     | (0.54)     | (0.18)                        | (0.35)      | (0.34)      |
| Return after operating charges (p)*               | 0.83                                       | 5.87       | 1.24       | 0.94                          | 6.08        | 1.44        |
| Distributions (p)                                 | (0.59)                                     | (1.35)     | (1.50)     | (0.70)                        | (1.55)      | (1.70)      |
| Retained distributions on accumulation shares (p) | –  | –          | –          | –                             | –           | –           |
| Closing net asset value per share (p)             | 65.49                                      | 65.25      | 60.73      | 65.56                         | 65.32       | 60.79       |
| *after direct transaction costs of (p)            | –  | –          | –          | –                             | –           | –           |
| <b>Performance</b>                                |  |            |            |                               |             |             |
| Return after charges (%)                          | 1.27                                       | 9.67       | 2.03       | 1.44                          | 10.00       | 2.36        |
| <b>Other information</b>                          |  |            |            |                               |             |             |
| Closing net asset value (£000)                    | 9,455                                      | 11,204     | 16,187     | 88,323                        | 87,594      | 182,457     |
| Closing number of shares                          | 14,436,929                                 | 17,170,705 | 26,652,455 | 134,723,139                   | 134,102,799 | 300,126,582 |
| Operating charges (%)**                           | 0.88†                                      | 0.88       | 0.88       | 0.56†                         | 0.56        | 0.56        |
| Direct transaction costs (%)***                   | –  | –          | –          | –                             | –           | –           |
| <b>Prices</b>                                     |  |            |            |                               |             |             |
| Highest share price (p)                           | 66.20                                      | 65.70      | 61.59      | 66.31                         | 65.81       | 61.69       |
| Lowest share price (p)                            | 56.40                                      | 60.94      | 59.67      | 56.47                         | 61.00       | 59.74       |

## Threadneedle Sterling Corporate Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 – Gross accumulation shares <sup>5</sup> |             |             | Class L – Income shares                    |             |            |
|---|--|-------------|-------------|--|-------------|------------|
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019  | 07/09/2020                                 | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |             |            |
| Opening net asset value per share (p)             | 133.38   | 121.16      | 118.32      | 106.39                                     | 99.01       | 99.44      |
| Return before operating charges (p)               | 2.30   | 12.93       | 3.51        | 1.82                                       | 10.50       | 2.90       |
| Operating charges (p)                             | (0.37)   | (0.71)      | (0.67)      | (0.24)                                     | (0.48)      | (0.45)     |
| Return after operating charges (p)*               | 1.93   | 12.22       | 2.84        | 1.58                                       | 10.02       | 2.45       |
| Distributions (p)                                 | (1.43)   | (3.12)      | (3.34)      | (1.19)                                     | (2.64)      | (2.88)     |
| Retained distributions on accumulation shares (p) | 1.43   | 3.12        | 3.34        | –  | –           | –          |
| Closing net asset value per share (p)             | 135.31   | 133.38      | 121.16      | 106.78                                     | 106.39      | 99.01      |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –           | –          |
| <b>Performance</b>                                |  |             |             |  |             |            |
| Return after charges (%)                          | 1.45   | 10.09       | 2.40        | 1.49                                       | 10.12       | 2.46       |
| <b>Other information</b>                          |  |             |             |  |             |            |
| Closing net asset value (£000)                    | 198,072  | 230,284     | 347,689     | 210,367                                    | 223,040     | 72,668     |
| Closing number of shares                          | 146,382,550                                      | 172,650,413 | 286,961,969 | 197,004,113                                | 209,642,635 | 73,391,811 |
| Operating charges (%)**                           | 0.56 <sup>†</sup>                                | 0.56        | 0.56        | 0.46 <sup>†</sup>                          | 0.46        | 0.46       |
| Direct transaction costs (%)***                   | –  | –           | –           | –  | –           | –          |
| <b>Prices</b>                                     |  |             |             |  |             |            |
| Highest share price (p)                           | 136.19   | 133.65      | 121.54      | 108.03                                     | 107.22      | 100.50     |
| Lowest share price (p)                            | 115.30   | 121.58      | 117.70      | 91.97                                      | 99.36       | 97.30      |
|   | Class L – Accumulation shares                    |             |             | Class L – Gross income shares <sup>5</sup> |             |            |
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019  | 07/09/2020                                 | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |             |            |
| Opening net asset value per share (p)             | 117.10   | 106.26      | 103.67      | 106.39                                     | 99.01       | 99.44      |
| Return before operating charges (p)               | 2.03   | 11.36       | 3.07        | 1.82                                       | 10.50       | 2.90       |
| Operating charges (p)                             | (0.27)   | (0.52)      | (0.48)      | (0.24)                                     | (0.48)      | (0.46)     |
| Return after operating charges (p)*               | 1.76   | 10.84       | 2.59        | 1.58                                       | 10.02       | 2.44       |
| Distributions (p)                                 | (1.31)   | (2.85)      | (3.03)      | (1.19)                                     | (2.64)      | (2.87)     |
| Retained distributions on accumulation shares (p) | 1.31   | 2.85        | 3.03        | –  | –           | –          |
| Closing net asset value per share (p)             | 118.86   | 117.10      | 106.26      | 106.78                                     | 106.39      | 99.01      |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –           | –          |
| <b>Performance</b>                                |  |             |             |  |             |            |
| Return after charges (%)                          | 1.50   | 10.20       | 2.50        | 1.49                                       | 10.12       | 2.45       |
| <b>Other information</b>                          |  |             |             |  |             |            |
| Closing net asset value (£000)                    | 10,784   | 11,165      | 10,788      | 5,065                                      | 6,511       | 6,954      |
| Closing number of shares                          | 9,073,423  | 9,534,762   | 10,151,572  | 4,743,530                                  | 6,120,554   | 7,023,159  |
| Operating charges (%)**                           | 0.46 <sup>†</sup>                                | 0.46        | 0.46        | 0.46 <sup>†</sup>                          | 0.46        | 0.46       |
| Direct transaction costs (%)***                   | –  | –           | –           | –  | –           | –          |
| <b>Prices</b>                                     |  |             |             |  |             |            |
| Highest share price (p)                           | 119.62   | 117.33      | 106.60      | 108.02                                     | 107.22      | 100.49     |
| Lowest share price (p)                            | 101.23   | 106.63      | 103.20      | 91.97                                      | 99.35       | 97.29      |

## Threadneedle Sterling Corporate Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class X – Gross income shares <sup>§</sup> |            |            | Class X – Gross accumulation shares <sup>§</sup> |             |             |
|---|--|------------|------------|--|-------------|-------------|
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |  |             |             |
| Opening net asset value per share (p)             | 114.51                                     | 106.57     | 107.03     | 129.50   | 117.05      | 113.73      |
| Return before operating charges (p)               | 1.97                                       | 11.29      | 3.12       | 2.24   | 12.52       | 3.39        |
| Operating charges (p)                             | (0.03)                                     | (0.07)     | (0.06)     | (0.04)   | (0.07)      | (0.07)      |
| Return after operating charges (p)*               | 1.94                                       | 11.22      | 3.06       | 2.20   | 12.45       | 3.32        |
| Distributions (p)                                 | (1.55)                                     | (3.28)     | (3.52)     | (1.71)   | (3.65)      | (3.79)      |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 1.71   | 3.65        | 3.79        |
| Closing net asset value per share (p)             | 114.90                                     | 114.51     | 106.57     | 131.70   | 129.50      | 117.05      |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –           | –           |
| <b>Performance</b>                                |  |            |            |  |             |             |
| Return after charges (%)                          | 1.69                                       | 10.53      | 2.86       | 1.70   | 10.64       | 2.92        |
| <b>Other information</b>                          |  |            |            |  |             |             |
| Closing net asset value (£000)                    | 139,555                                    | 264        | 245        | 398,221  | 353,249     | 295,082     |
| Closing number of shares                          | 121,462,671                                | 230,128    | 230,128    | 302,362,012                                      | 272,782,869 | 252,109,463 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                          | 0.06       | 0.06       | 0.06 <sup>†</sup>                                | 0.06        | 0.06        |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –           | –           |
| <b>Prices</b>                                     |  |            |            |  |             |             |
| Highest share price (p)                           | 116.32                                     | 115.51     | 108.25     | 132.51   | 129.74      | 117.41      |
| Lowest share price (p)                            | 99.01                                      | 106.94     | 104.74     | 111.97   | 117.45      | 113.49      |

\*\*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>Only available to eligible investors.

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

# Threadneedle Sterling Corporate Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020               |
|--|--------------------|
| <b>Class 1 – Income shares</b>             |                    |
| Opening shares                             | 56,294,088         |
| Shares issued                              | 261,256            |
| Shares redeemed                            | (26,238,712)       |
| Net conversions                            | (449,405)          |
| Closing shares                             | <u>29,867,227</u>  |
| <b>Class 1 – Accumulation shares</b>       |                    |
| Opening shares                             | 851,994            |
| Shares issued                              | 92                 |
| Shares redeemed                            | (526,373)          |
| Net conversions                            | –                  |
| Closing shares                             | <u>325,713</u>     |
| <b>Class 1 – Gross income shares</b>       |                    |
| Opening shares                             | 17,170,705         |
| Shares issued                              | 164,159            |
| Shares redeemed                            | (2,897,935)        |
| Net conversions                            | –                  |
| Closing shares                             | <u>14,436,929</u>  |
| <b>Class 2 – Income shares</b>             |                    |
| Opening shares                             | 134,102,799        |
| Shares issued                              | 8,419,722          |
| Shares redeemed                            | (8,313,751)        |
| Net conversions                            | 514,369            |
| Closing shares                             | <u>134,723,139</u> |
| <b>Class 2 – Gross accumulation shares</b> |                    |
| Opening shares                             | 172,650,413        |
| Shares issued                              | 23,931,221         |
| Shares redeemed                            | (50,199,084)       |
| Net conversions                            | –                  |
| Closing shares                             | <u>146,382,550</u> |
| <b>Class L – Income shares</b>             |                    |
| Opening shares                             | 209,642,635        |
| Shares issued                              | 7,240,905          |
| Shares redeemed                            | (20,021,137)       |
| Net conversions                            | 141,710            |
| Closing shares                             | <u>197,004,113</u> |
| <b>Class L – Accumulation shares</b>       |                    |
| Opening shares                             | 9,534,762          |
| Shares issued                              | 244,837            |
| Shares redeemed                            | (706,176)          |
| Net conversions                            | –                  |
| Closing shares                             | <u>9,073,423</u>   |

|  | 2020               |
|--|--------------------|
| <b>Class L – Gross income shares</b>       |                    |
| Opening shares                             | 6,120,554          |
| Shares issued                              | 25,589             |
| Shares redeemed                            | (1,220,559)        |
| Net conversions                            | (182,054)          |
| Closing shares                             | <u>4,743,530</u>   |
| <b>Class X – Gross income shares</b>       |                    |
| Opening shares                             | 230,128            |
| Shares issued                              | 123,002,563        |
| Shares redeemed                            | (1,770,020)        |
| Net conversions                            | –                  |
| Closing shares                             | <u>121,462,671</u> |
| <b>Class X – Gross accumulation shares</b> |                    |
| Opening shares                             | 272,782,869        |
| Shares issued                              | 38,589,237         |
| Shares redeemed                            | (9,010,094)        |
| Net conversions                            | –                  |
| Closing shares                             | <u>302,362,012</u> |

## Threadneedle Sterling Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the FTSE Actuaries UK Conventional Gilts All Stock Index over rolling 3-year periods, after the deduction of charges. The Fund is actively managed, and will invest at least 80% of its assets in UK government bonds (gilts).

The Fund may also invest in other bonds, including index linked UK government bonds (index-linked gilts), as well as bonds issued by governments (or government agencies) of other developed countries, international organisations, or companies. The bonds selected are usually investment grade and denominated in sterling (or hedged back to sterling, if a different currency).

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

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

The FTSE Actuaries UK Conventional Gilts All Stocks Index is regarded as an appropriate performance measure of sterling-denominated government bonds, issued by the UK government. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Sterling Bond Fund has fallen from 64.66p to 63.78p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +0.15% as compared to a median return of +0.48% over the same period. (For information the FTSE Actuaries UK Conventional Gilts All Stocks Index gave a total return of +1.14% for the same period).

### Market Overview and Portfolio Activity

The UK government bond market weakened slightly over the six months to 7 September 2020. The benchmark 10-year gilt was little changed, but yields (which move inversely to prices) rose at the long end of the curve. The 10-year yield fell precipitously as the period began, reaching record lows in early March. The yield then spiked violently before trending downwards until August, when it bounced back from a fresh low to finish the period roughly where it began.

The intense volatility in March came as the Covid-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors deserted riskier assets in search of safer havens such as gilts. In response to the crisis, central banks and governments around the world unleashed an unprecedented flood of policy measures. In the UK, for example, the Bank of England (BoE) cut rates to a record low, offered banks special terms for loans to small businesses, and announced the resumption of bond purchases, including corporate debt. A complementary fiscal package from the government included grants and business-rates holidays, and income-replacement schemes for people unable to work.

From late March onwards, risk assets rallied amid hopes that these stimulus measures and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. After some shocking data in April, economic news tended to reinforce this sentiment, being weak in absolute terms but generally better than expected. Despite this, gilt yields remained on a downward trend given the BoE's ultra-accommodative policy stance and ongoing Brexit uncertainty. Optimism was further tempered by worries that a second wave of the pandemic could derail the recovery. In the late summer, caseloads surged in many countries that had reopened following lockdowns, including the UK. Gilt yields nevertheless rose in August and the curve steepened in line with its US equivalent, as a shift in the Federal Reserve's policy prompted concern about long-term inflation.

In terms of relative duration, the portfolio started the period 0.2 years long of the index. In March, we added duration in 15-25-year gilts and repositioned

some of the overweight in long-dated bonds into the highest-yielding point of the curve, now the gilt maturing in 2044. Portfolio activity was fairly quiet in April and May. The only transaction of note was a small addition to duration in 20-year gilts during the third week of April. This brought overall relative duration to 0.55 years long, which remained in place through May. June was much busier. Most notably, we reduced duration after the BoE unexpectedly slowed the pace of monthly gilt purchases. The portfolio finished June 0.35 years long of the index. In July, we made some relative-value trades as well as some duration adjustments. Towards the start of the month, we added to 30-year and 15-year gilts, and later, added to the 40-year area through buying gilts maturing in 2061. All of this resulted in relative duration rising to 0.6 years. As the curve steepened in August, we looked to add duration and yield, and by the end of the period, relative duration had risen to 0.8 years long – underweight at the short end of the curve and overweight in the 15-25 year and ultra-long segments.

Looking ahead, the speed and severity of the collapse in economic activity across advanced economies is likely to deliver high volatility in the sequential data over coming months. We expect the return to pre-crisis rates of growth to be extremely slow, due to persistent softness in demand and the risk that temporary job losses become more permanent. Support from governments and central banks has been substantial, though we remain concerned over the longevity of the fiscal effort and the ability of monetary policy to fully offset the demand shock given that interest rates are so close to the effective lower bound. Evidence suggests that the structural impediments to growth (which have been exacerbated by the recent crisis), along with the colossal overhang of debt, make it ever harder to generate sustained pricing pressures and lift inflation expectations. Therefore, we continue to be overweight duration.

The UK economy faces headwinds on two fronts – fears of a no-deal Brexit and the impact of the lockdowns on the consumption sector, which accounts for a bigger proportion of GDP relative to many other developed countries. Yields are also likely to be contained by expectations of further monetary easing by the BoE. Although it is not yet our base case that the bank will adopt negative interest rates, it is notable that Governor Andrew Bailey has left the door open for such a move.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000   | 2019<br>£000  |
|---|----------------|---------------|
| Income  |                |               |
| Net capital (losses)/gains  | (6,419)        | 35,039        |
| Revenue   | 1,821          | 2,916         |
| Expenses  | (671)          | (902)         |
| Net revenue before taxation   | 1,150          | 2,014         |
| Taxation  | –              | –             |
| Net revenue after taxation  | 1,150          | 2,014         |
| <b>Total return before distributions</b>  | <b>(5,269)</b> | <b>37,053</b> |
| Distributions   | (1,637)        | (2,719)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(6,906)</b> | <b>34,334</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 497,235        | 528,134               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 9,066          | 13,453                |
| Cash and bank balances                         | –              | 5,719                 |
| Cash equivalents**                             | 8,922          | 1,913                 |
| <b>Total assets</b>                            | <b>515,223</b> | <b>549,219</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | (1,688)        | –                     |
| Distribution payable                           | (233)          | (321)                 |
| Other creditors                                | (3,769)        | (11,584)              |
| <b>Total liabilities</b>                       | <b>(5,690)</b> | <b>(11,905)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>509,533</b> | <b>537,314</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>537,314</b> | <b>451,225</b> |
| Amounts receivable on the issue of shares  | 99,788         | 325,478        |
| Amounts payable on the cancellation of shares  | (122,141)      | (293,968)      |
|  | (22,353)       | 31,510         |
| Dilution adjustment  | 49             | 34             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (6,906)        | 34,334         |
| Retained distribution on accumulation shares   | 1,429          | 2,370          |
| <b>Closing net assets attributable to shareholders</b>   | <b>509,533</b> | <b>519,473</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.2039        | –            | 0.2039                         | 0.3357                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.1047        | 0.0992       | 0.2039                         | 0.3357                 |
| <b>Total distributions in the period</b> |               |              | <b>0.2039</b>                  | <b>0.3357</b>          |

#### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.5063        | –            | 0.5063                         | 0.7302                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.3560        | 0.1503       | 0.5063                         | 0.7302                         |
| <b>Total distributions in the period</b> |               |              | <b>0.5063</b>                  | <b>0.7302</b>                  |

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

## Threadneedle Sterling Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4407        | –            | 0.4407                         | 0.7225                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.4407        | –            | 0.4407                         | 0.7225                 |
| <b>Total distributions in the period</b> |               |              | <b>0.4407</b>                  | <b>0.7225</b>          |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4139        | –            | 0.4139                         | 0.6602                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.1632        | 0.2507       | 0.4139                         | 0.6602                         |
| <b>Total distributions in the period</b> |               |              | <b>0.4139</b>                  | <b>0.6602</b>                  |

#### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.3767        | –            | 0.3767                         | 0.6233                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.2248        | 0.1519       | 0.3767                         | 0.6233                 |
| <b>Total distributions in the period</b> |               |              | <b>0.3767</b>                  | <b>0.6233</b>          |

#### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4142        | –            | 0.4142                         | 0.6872                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.1088        | 0.3054       | 0.4142                         | 0.6872                         |
| <b>Total distributions in the period</b> |               |              | <b>0.4142</b>                  | <b>0.6872</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>5</sup> |             |            |
|---|--|-------------|-------------|--|-------------|------------|
|   | 07/09/2020                                 | 07/03/2020  | 07/03/2019  | 07/09/2020                                       | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |             |            |
| Opening net asset value per share (p)             | 64.33                                      | 57.42       | 56.13       | 141.27   | 124.89      | 120.55     |
| Return before operating charges (p)               | (0.42)                                     | 7.83        | 2.32        | (0.91)   | 17.08       | 4.99       |
| Operating charges (p)                             | (0.17)                                     | (0.31)      | (0.30)      | (0.38)   | (0.70)      | (0.65)     |
| Return after operating charges (p)*               | (0.59)                                     | 7.52        | 2.02        | (1.29)   | 16.38       | 4.34       |
| Distributions (p)                                 | (0.20)                                     | (0.61)      | (0.73)      | (0.51)   | (1.32)      | (1.57)     |
| Retained distributions on accumulation shares (p) | –  | –           | –           | 0.51   | 1.32        | 1.57       |
| Closing net asset value per share (p)             | 63.54                                      | 64.33       | 57.42       | 139.98   | 141.27      | 124.89     |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –           | –          |
| <b>Performance</b>                                |  |             |             |  |             |            |
| Return after charges (%)                          | (0.92)                                     | 13.10       | 3.60        | (0.91)   | 13.12       | 3.60       |
| <b>Other information</b>                          |  |             |             |  |             |            |
| Closing net asset value (£000)                    | 62,868                                     | 67,039      | 283,655     | 48,612   | 79,842      | 30,437     |
| Closing number of shares                          | 98,945,081                                 | 104,215,490 | 494,003,665 | 34,726,538                                       | 56,515,332  | 24,370,959 |
| 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)                           | 67.00                                      | 64.66       | 57.96       | 147.14   | 141.41      | 125.28     |
| Lowest share price (p)                            | 59.10                                      | 57.16       | 54.89       | 129.79   | 124.32      | 118.65     |
|   | Class X – Gross income shares <sup>5</sup> |             |             | Class X – Gross accumulation shares <sup>5</sup> |             |            |
|   | 07/09/2020                                 | 07/03/2020  | 07/03/2019  | 07/09/2020                                       | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |             |            |
| Opening net asset value per share (p)             | 132.85                                     | 118.04      | 114.87      | 125.41   | 110.35      | 105.99     |
| Return before operating charges (p)               | (0.87)                                     | 16.16       | 4.75        | (0.80)   | 15.13       | 4.43       |
| Operating charges (p)                             | (0.03)                                     | (0.06)      | (0.02)      | (0.04)   | (0.07)      | (0.07)     |
| Return after operating charges (p)*               | (0.90)                                     | 16.10       | 4.73        | (0.84)   | 15.06       | 4.36       |
| Distributions (p)                                 | (0.44)                                     | (1.29)      | (1.56)      | (0.41)   | (1.20)      | (1.41)     |
| Retained distributions on accumulation shares (p) | –  | –           | –           | 0.41   | 1.20        | 1.41       |
| Closing net asset value per share (p)             | 131.51                                     | 132.85      | 118.04      | 124.57   | 125.41      | 110.35     |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –           | –          |
| <b>Performance</b>                                |  |             |             |  |             |            |
| Return after charges (%)                          | (0.68)                                     | 13.64       | 4.12        | (0.67)   | 13.65       | 4.11       |
| <b>Other information</b>                          |  |             |             |  |             |            |
| Closing net asset value (£000)                    | 22   | 22          | 3           | 275,838  | 287,782     | 64,523     |
| Closing number of shares                          | 16,495                                     | 16,495      | 3,000       | 221,432,668                                      | 229,463,782 | 58,471,904 |
| Operating charges (%)**                           | 0.05 <sup>†</sup>                          | 0.05        | 0.02        | 0.06 <sup>†</sup>                                | 0.06        | 0.06       |
| Direct transaction costs (%)***                   | –  | –           | –           | –  | –           | –          |
| <b>Prices</b>                                     |  |             |             |  |             |            |
| Highest share price (p)                           | 138.36                                     | 133.54      | 119.15      | 130.62   | 125.54      | 110.67     |
| Lowest share price (p)                            | 122.07                                     | 117.51      | 112.64      | 115.24   | 109.85      | 104.63     |

## Threadneedle Sterling Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares |            |            | Class Z – Gross accumulation shares <sup>§</sup> |            |            |
|---|-------------------------|------------|------------|--|------------|------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |  |            |            |
| Opening net asset value per share (p)             | 125.05                  | 111.56     | 109.00     | 139.14   | 123.00     | 118.71     |
| Return before operating charges (p)               | (0.81)                  | 15.23      | 4.50       | (0.90)   | 16.83      | 4.93       |
| Operating charges (p)                             | (0.32)                  | (0.62)     | (0.58)     | (0.36)   | (0.69)     | (0.64)     |
| Return after operating charges (p)*               | (1.13)                  | 14.61      | 3.92       | (1.26)   | 16.14      | 4.29       |
| Distributions (p)                                 | (0.38)                  | (1.12)     | (1.36)     | (0.41)   | (1.24)     | (1.49)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | 0.41   | 1.24       | 1.49       |
| Closing net asset value per share (p)             | 123.54                  | 125.05     | 111.56     | 137.88   | 139.14     | 123.00     |
| *after direct transaction costs of (p)            | –                       | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |                         |            |            |  |            |            |
| Return after charges (%)                          | (0.90)                  | 13.10      | 3.60       | (0.91)   | 13.12      | 3.61       |
| <b>Other information</b>                          |                         |            |            |  |            |            |
| Closing net asset value (£000)                    | 10,203                  | 10,002     | 10,042     | 111,990  | 92,627     | 62,565     |
| Closing number of shares                          | 8,258,888               | 7,998,506  | 9,001,019  | 81,222,382                                       | 66,572,658 | 50,864,249 |
| Operating charges (%)**                           | 0.51 <sup>†</sup>       | 0.53       | 0.53       | 0.51 <sup>†</sup>                                | 0.53       | 0.53       |
| Direct transaction costs (%)***                   | –                       | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |                         |            |            |  |            |            |
| Highest share price (p)                           | 130.24                  | 125.66     | 112.59     | 144.91   | 139.27     | 123.39     |
| Lowest share price (p)                            | 114.88                  | 111.05     | 106.62     | 127.83   | 122.44     | 116.86     |

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

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

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

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

# Threadneedle Sterling Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020               |
|--|--------------------|
| <b>Class 1 – Income shares</b>             |                    |
| Opening shares                             | 104,215,490        |
| Shares issued                              | 16,717,332         |
| Shares redeemed                            | (21,952,065)       |
| Net conversions                            | (35,676)           |
| Closing shares                             | <u>98,945,081</u>  |
| <b>Class 1 – Gross accumulation shares</b> |                    |
| Opening shares                             | 56,515,332         |
| Shares issued                              | 32,193,982         |
| Shares redeemed                            | (53,982,776)       |
| Net conversions                            | –                  |
| Closing shares                             | <u>34,726,538</u>  |
| <b>Class X – Gross income shares</b>       |                    |
| Opening shares                             | 16,495             |
| Shares issued                              | –                  |
| Shares redeemed                            | –                  |
| Net conversions                            | –                  |
| Closing shares                             | <u>16,495</u>      |
| <b>Class X – Gross accumulation shares</b> |                    |
| Opening shares                             | 229,463,782        |
| Shares issued                              | 6,148,336          |
| Shares redeemed                            | (14,179,450)       |
| Net conversions                            | –                  |
| Closing shares                             | <u>221,432,668</u> |
| <b>Class Z – Income shares</b>             |                    |
| Opening shares                             | 7,998,506          |
| Shares issued                              | 982,450            |
| Shares redeemed                            | (740,421)          |
| Net conversions                            | 18,353             |
| Closing shares                             | <u>8,258,888</u>   |
| <b>Class Z – Gross accumulation shares</b> |                    |
| Opening shares                             | 66,572,658         |
| Shares issued                              | 24,261,283         |
| Shares redeemed                            | (9,611,559)        |
| Net conversions                            | –                  |
| Closing shares                             | <u>81,222,382</u>  |

## Threadneedle Sterling Short-Term Money Market Fund\*

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income and preserve the original value of your investment, however, this is not guaranteed.

The Fund is actively managed, and looks to provide income returns broadly in line with the 1 Month GBP London Interbank Bid Rate (LIBID), before charges are deducted.

The Fund invests in short-term assets of high credit quality from issuers that have received a favourable assessment in accordance with credit quality assessment procedures adopted by the Fund. These investments may include UK Government securities (including Treasury bills) with a maturity of 184 days or less, sterling denominated cash deposits and certificates of deposit. In addition, up to 50% of the Fund may be invested in sterling denominated commercial paper, also with a maturity of 184 days, or less. Investment in other short-term money market funds is permitted, but limited in total to 10% of the Fund's value.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Sterling Fund has fallen from 100.07p to 99.88p.

The total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +0.09%. (Source: Threadneedle, bid-bid, net income reinvested.) For information the 1 Month GBP London Interbank Bid Rate (LIBID) Index gave a total return of +0.02% for the same period.

### Market Overview and Portfolio Activity

Throughout the six months under review, the fund remained well diversified and liquid, being invested in a mix of well-rated banks and sovereign-backed institutions. When selecting suitable investments for the portfolio, we continued to take into account the financial strength of these banks and financial institutions.

During the review period, we kept the fund relatively short and broadly unchanged. At the time of writing, the weighted average maturity of the fund is approximately 49 days and the weighted average yield is 0.08%. The fund is invested approximately 68% in bank-issued certificates of deposit, 24% in short-dated bank deposits (including 9.5% in AAA-rated external liquidity funds), 7% in Euro Commercial Paper (ECP) and 1% in UK Treasury bills.

The spread of COVID-19 across the globe and the adverse effects on world economies dominated sentiment throughout the reporting period. To help soften the economic blow from the pandemic, governments and central banks have unleashed unprecedented levels of support.

In the UK, the Bank of England (BoE) began by lowering official interest rates from 0.75% to 0.25% following an emergency meeting on 11 March, with a view to supporting businesses and consumers through lowering the cost of borrowing. A range of additional stimulus measures were also introduced. Additionally in March, Andrew Bailey took over as Governor of the BoE, as Mark Carney's term of office came to a close. On 19 March, UK interest rates were cut to a record low of 0.1% to further lessen the economic shock from COVID-19. In May, markets speculated as to whether interest rates could be lowered further, and turn negative. In the event, rates have continued to be held at 0.1% and the BoE has announced a range of other support measures.

The BoE's policies have included the expansion of the bank's bond-buying (quantitative easing) programme. A further £200bn of purchases was

announced in March, followed by another £100bn in June, raising the total to £745bn. These purchases include both UK government securities (gilts) and non-financial sterling investment-grade corporate bonds. The bank acted after data from the Office for National Statistics (ONS) showed that the UK economy contracted by a record 20% in April.

Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing. On the political front, Brexit fears continued to simmer, and concerns persisted that the UK and EU might fail to agree on a trade deal before the transition period expires at the end of December this year.

Since the sharp decline in April, the UK economy has expanded for three consecutive months, with the latest data from the ONS showing monthly growth of 6.6% in July. Despite the rebound, the economy has still contracted by 11.7% since February. Looking ahead, we expect the UK's return to pre-crisis rates of growth to be extremely slow, due to persistent softness in demand and the risk that temporary job losses become more permanent as the current furlough scheme draws to a close. Support from the government and central bank has been substantial, though concerns remain over the longevity of the fiscal measures and the ability of monetary policy to fully offset the demand shock, given that interest rates are already at historic lows. We remain sceptical that the bank will adopt negative interest rates, although it is notable that Governor Andrew Bailey has left the door open for such a move.

Meanwhile, the latest Brexit negotiations passed without progress on the terms of the UK's departure from the EU. The government appears to be taking an idealistic stance towards the issue, increasing the odds that there will be no deal.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| Income  |              |              |
| Net capital losses  | (4)          | (48)         |
| Revenue   | 675          | 2,037        |
| Expenses  | (234)        | (399)        |
| Interest payable and similar charges  | –            | (1)          |
| Net revenue before taxation   | 441          | 1,637        |
| Taxation  | –            | –            |
| Net revenue after taxation  | 441          | 1,637        |
| <b>Total return before distributions</b>  | <b>437</b>   | <b>1,589</b> |
| Distributions   | (441)        | (1,637)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(4)</b>   | <b>(48)</b>  |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000    | March<br>2020<br>£000 |
|--|-----------------|-----------------------|
| <b>Assets:</b>                                 |                 |                       |
| <b>Fixed assets:</b>                           |                 |                       |
| Investments                                    | 217,190         | 337,301               |
| <b>Current assets:</b>                         |                 |                       |
| Debtors  | 61              | 568                   |
| Cash and bank balances                         | 54,461          | 74,284                |
| Cash equivalents***                            | 27,126          | 34,386                |
| <b>Total assets</b>                            | <b>298,838</b>  | <b>446,539</b>        |
| <b>Liabilities:</b>                            |                 |                       |
| <b>Creditors:</b>                              |                 |                       |
| Distribution payable                           | (64)            | (344)                 |
| Other creditors                                | (13,648)        | (16,057)              |
| <b>Total liabilities</b>                       | <b>(13,712)</b> | <b>(16,401)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>285,126</b>  | <b>430,138</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>430,138</b> | <b>486,897</b> |
| Amounts receivable on the issue of shares  | 204,926        | 476,208        |
| Amounts payable on the cancellation of shares  | (350,202)      | (433,250)      |
|  | (145,276)      | 42,958         |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (4)            | (48)           |
| Retained distribution on accumulation shares   | 268            | 1,335          |
| <b>Closing net assets attributable to shareholders</b>   | <b>285,126</b> | <b>531,142</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*Please note that the Sterling Short – Term Money Market 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 Short-Term Money Market Fund must not be marketed to the public in any other jurisdiction.

\*\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.0711        | –            | 0.0711                         | 0.2710                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.0074        | 0.0637       | 0.0711                         | 0.2710                 |
| <b>Total distributions in the period</b> |               |              | <b>0.0711</b>                  | <b>0.2710</b>          |

#### Class 2 – Accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |               |              |                          |                          |
| 08/03/20 to 07/09/20                     | 0.0848        | –            | 0.0848                   | 0.2857                   |
| <b>Group 2</b>                           |               |              |                          |                          |
| 08/03/20 to 07/09/20                     | 0.0255        | 0.0593       | 0.0848                   | 0.2857                   |
| <b>Total distributions in the period</b> |               |              | <b>0.0848</b>            | <b>0.2857</b>            |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/09/20                     | 0.1628        | –            | 0.1628                         | 0.3644                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/09/20                     | 0.0433        | 0.1195       | 0.1628                         | 0.3644                         |
| <b>Total distributions in the period</b> |               |              | <b>0.1628</b>                  | <b>0.3644</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 Short-Term Money Market Fund

### Comparative Table Disclosure

|  | Class 1 – Income shares |             |             | Class 2 – Accumulation shares |            |            |
|--|-------------------------|-------------|-------------|-------------------------------|------------|------------|
|  | 07/09/2020              | 07/03/2020  | 07/03/2019  | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>                  |                         |             |             |                               |            |            |
| Opening net asset value per share (p)                  | 99.81                   | 99.84       | 99.81       | 101.07                        | 100.54     | 100.06     |
| Return before operating charges (p)                    | 0.19                    | 0.74        | 0.68        | 0.20                          | 0.74       | 0.69       |
| Operating charges (p)                                  | (0.12)                  | (0.23)      | (0.23)      | (0.11)                        | (0.21)     | (0.21)     |
| Return after operating charges (p)*                    | 0.07                    | 0.51        | 0.45        | 0.09                          | 0.53       | 0.48       |
| Distributions (p)                                      | (0.07)                  | (0.54)      | (0.42)      | (0.08)                        | (0.57)     | (0.44)     |
| Retained distributions on accumulation shares (p)      | –                       | –           | –           | 0.08                          | 0.57       | 0.44       |
| Closing net asset value per share (p)                  | 99.81                   | 99.81       | 99.84       | 101.16                        | 101.07     | 100.54     |
| *after direct transaction costs of (p)                 | –                       | –           | –           | –                             | –          | –          |
| <b>Performance</b>                                     |                         |             |             |                               |            |            |
| Return after charges (%)                               | 0.07                    | 0.51        | 0.45        | 0.09                          | 0.53       | 0.48       |
| <b>Other information</b>                               |                         |             |             |                               |            |            |
| Closing net asset value (£000)                         | 89,847                  | 128,807     | 314,520     | 57,395                        | 62,775     | 49,689     |
| Closing number of shares                               | 90,021,898              | 129,056,186 | 315,022,373 | 56,738,995                    | 62,108,332 | 49,424,514 |
| Operating charges (%)**                                | 0.23 <sup>†</sup>       | 0.23        | 0.23        | 0.21 <sup>†</sup>             | 0.21       | 0.21       |
| Direct transaction costs (%)***                        | –                       | –           | –           | –                             | –          | –          |
| <b>Prices</b>  |                         |             |             |                               |            |            |
| Highest share price (p)                                | 99.89                   | 100.10      | 100.10      | 101.17                        | 101.09     | 100.54     |
| Lowest share price (p)                                 | 99.81                   | 99.84       | 99.82       | 101.08                        | 100.54     | 100.06     |
| <b>Class X – Gross accumulation shares<sup>5</sup></b> |                         |             |             |                               |            |            |
|  | 07/09/2020              | 07/03/2020  | 07/03/2019  |                               |            |            |
| <b>Change in net assets per share</b>                  |                         |             |             |                               |            |            |
| Opening net asset value per share (p)                  | 101.95                  | 101.25      | 100.62      |                               |            |            |
| Return before operating charges (p)                    | 0.19                    | 0.76        | 0.69        |                               |            |            |
| Operating charges (p)                                  | (0.03)                  | (0.06)      | (0.06)      |                               |            |            |
| Return after operating charges (p)*                    | 0.16                    | 0.70        | 0.63        |                               |            |            |
| Distributions (p)                                      | (0.16)                  | (0.72)      | (0.60)      |                               |            |            |
| Retained distributions on accumulation shares (p)      | 0.16                    | 0.72        | 0.60        |                               |            |            |
| Closing net asset value per share (p)                  | 102.11                  | 101.95      | 101.25      |                               |            |            |
| *after direct transaction costs of (p)                 | –                       | –           | –           |                               |            |            |
| <b>Performance</b>                                     |                         |             |             |                               |            |            |
| Return after charges (%)                               | 0.16                    | 0.69        | 0.63        |                               |            |            |
| <b>Other information</b>                               |                         |             |             |                               |            |            |
| Closing net asset value (£000)                         | 137,884                 | 238,556     | 122,688     |                               |            |            |
| Closing number of shares                               | 135,038,224             | 234,002,057 | 121,172,112 |                               |            |            |
| Operating charges (%)**                                | 0.06 <sup>†</sup>       | 0.06        | 0.06        |                               |            |            |
| Direct transaction costs (%)***                        | –                       | –           | –           |                               |            |            |
| <b>Prices</b>  |                         |             |             |                               |            |            |
| Highest share price (p)                                | 102.11                  | 101.96      | 101.25      |                               |            |            |
| Lowest share price (p)                                 | 101.95                  | 101.25      | 100.63      |                               |            |            |

\*\*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 or since commencement date.

## Threadneedle Sterling Short-Term Money Market Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020               |
|--|--------------------|
| <b>Class 1 – Income shares</b>             |                    |
| Opening shares                             | 129,056,186        |
| Shares issued                              | 12,404,910         |
| Shares redeemed                            | (51,439,198)       |
| Net conversions                            | –                  |
| Closing shares                             | <u>90,021,898</u>  |
| <b>Class 2 – Accumulation shares</b>       |                    |
| Opening shares                             | 62,108,332         |
| Shares issued                              | 29,932,625         |
| Shares redeemed                            | (35,301,962)       |
| Net conversions                            | –                  |
| Closing shares                             | <u>56,738,995</u>  |
| <b>Class X – Gross accumulation shares</b> |                    |
| Opening shares                             | 234,002,057        |
| Shares issued                              | 159,186,665        |
| Shares redeemed                            | (258,150,498)      |
| Net conversions                            | –                  |
| Closing shares                             | <u>135,038,224</u> |

## Threadneedle European Fund

### Investment Report

#### Investment Objective and Policy

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

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

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the FTSE World Europe ex UK Index.

The FTSE World Europe ex UK Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies across Europe (excluding the UK), currently with approximately 500 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle European Fund has risen from 242.25p to 267.62p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested

income, is +10.81% as compared to a median return of +7.81% over the same period. (For information the FTSE World Europe ex UK Index returned +6.12% over the same period).

#### Market Overview and Portfolio Activity

World stocks plunged into a bear market in March as the economic impact of the COVID-19 pandemic worsened. The International Monetary Fund announced that the global economy had entered a recession, although it forecast that a sizeable rebound could occur in 2021 if the coronavirus and liquidity problems are brought under control. Oil prices collapsed following disagreements between Russia and Saudi Arabia over pricing and production levels, and this added to the turbulence.

A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments. Unemployment and government borrowing surged higher.

Equities then rebounded, driven by optimism that the COVID-19 pandemic was past its peak, that stimulus measures would prove effective and that vaccinations and treatments would be found for the virus. Sentiment was also boosted as US equity markets scaled fresh highs, driven in part by strong profits in the technology sector.

The pandemic's effect on growth has been stark. Data showed that GDP in leading economies fell sharply in the first quarter. Many companies withdrew earnings guidance and cut dividends. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly.

Many nations have now relaxed lockdown measures triggered by COVID-19, helping to revive economic activity. However, spikes of infections in Spain and elsewhere prompted the re-imposition of local lockdowns, and some countries reinstated travel restrictions.

EU countries reached agreement on a €750bn pandemic recovery fund, to be financed by joint borrowing for the first time ever, while a preliminary composite gauge of services and manufacturing activity in the eurozone hit a 25-month high in July, and indicated a return to growth in both sectors.

In Germany, the widely watched ZEW index of investor sentiment climbed by more than expected in August. However, the flash composite purchasing managers indices for the eurozone as a whole sounded a note of caution: the services sector showed signs of fatigue, although manufacturing proved more resilient.

New positions included Cellnex Telecom, Just Eat Takeaway.com and TeamViewer. Cellnex Telecom is a key consolidator in the telecoms infrastructure sector, especially in telecom masts. Just Eat Takeaway.com is a newly merged online food-delivery business, with a high-growth technology platform and significant scale advantages. COVID-19 restrictions are impacting restaurants but the take-home trade should be relatively unscathed. TeamViewer provides remote access and working-from-home solutions; quarantine measures accelerated demand. Sales included energy giant Total; the oil price is weak and the outlook uncertain.

COVID-19 dominates sentiment. Infections and fatalities are ticking up in some European countries, so talk of a second wave limits the relaxation of lockdowns and travel restrictions. But while progress is nervous and slow in Europe, the news in the US (and in Hong Kong and India) is much worse and has political implications in an election year.

The search for tests and vaccinations continues to progress. Fiscal and monetary policy aim to stimulate growth and, if effective, should stabilise economies and corporate profitability once lockdowns end. However, previously fragile business models will prove unsustainable, impacting some small businesses and employment in the hospitality and travel sectors.

The Brexit transition period is underway; negotiations have been bad-tempered and there is a real risk of no exit deal being agreed. The Spanish and Italian coalitions are surviving although Germany's Chancellor Merkel and her succession plan are under some pressure. The US is riven by turmoil following George Floyd's death in Minneapolis which, combined with criticism over the handling of the virus, has compromised President Trump's chances of re-election.

Our main focus in managing this portfolio is on stock selection, informed by macroeconomic 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 2020 to 7 September 2020

|   | 2020<br>£000  | 2019<br>£000   |
|---|---------------|----------------|
| Income  |               |                |
| Net capital gains   | 75,512        | 133,900        |
| Revenue   | 13,592        | 21,307         |
| Expenses  | (2,836)       | (3,926)        |
| Interest payable and similar charges  | (2)           | (6)            |
| Net revenue before taxation   | 10,754        | 17,375         |
| Taxation  | (1,731)       | (2,958)        |
| Net revenue after taxation  | 9,023         | 14,417         |
| <b>Total return before equalisation</b>   | <b>84,535</b> | <b>148,317</b> |
| Equalisation  | (456)         | (795)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>84,079</b> | <b>147,522</b> |

#### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 963,925        | 960,392               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 7,753          | 13,971                |
| Cash and bank balances                         | 8,987          | 10,374                |
| Cash equivalents**                             | 1,766          | 11,207                |
| <b>Total assets</b>                            | <b>982,431</b> | <b>995,944</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (54)           | (7,625)               |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | –              | (19)                  |
| Other creditors                                | (1,075)        | (1,361)               |
| <b>Total liabilities</b>                       | <b>(1,129)</b> | <b>(9,005)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>981,302</b> | <b>986,939</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000     |
|--|----------------|------------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>986,939</b> | <b>1,070,849</b> |
| Amounts receivable on the issue of shares  | 131,140        | 275,779          |
| Amounts payable on the cancellation of shares  | (220,947)      | (481,370)        |
|  | (89,807)       | (205,591)        |
| Dilution adjustment  | 91             | 114              |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 84,079         | 147,522          |
| <b>Closing net assets attributable to shareholders</b>   | <b>981,302</b> | <b>1,012,894</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## Threadneedle European Fund

### Comparative Table Disclosure

|   | Class 1 - Accumulation shares |            |             | Class 2 - Accumulation shares |             |             |
|---|-------------------------------|------------|-------------|-------------------------------|-------------|-------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |             |                               |             |             |
| Opening net asset value per share (p)             | 242.17                        | 223.73     | 227.50      | 276.50                        | 253.95      | 256.75      |
| Return before operating charges (p)               | 27.38                         | 22.46      | (0.06)      | 31.33                         | 25.58       | (0.07)      |
| Operating charges (p)                             | (2.01)                        | (4.02)     | (3.71)      | (1.50)                        | (3.03)      | (2.73)      |
| Return after operating charges (p)*               | 25.37                         | 18.44      | (3.77)      | 29.83                         | 22.55       | (2.80)      |
| Distributions (p)                                 | –                             | (1.05)     | (1.87)      | –                             | (2.83)      | (3.59)      |
| Retained distributions on accumulation shares (p) | –                             | 1.05       | 1.87        | –                             | 2.83        | 3.59        |
| Closing net asset value per share (p)             | 267.54                        | 242.17     | 223.73      | 306.33                        | 276.50      | 253.95      |
| * after direct transaction costs of (p)           | 0.28                          | 0.56       | 0.28        | 0.32                          | 0.65        | 0.31        |
| <b>Performance</b>                                |                               |            |             |                               |             |             |
| Return after charges (%)                          | 10.48                         | 8.24       | (1.66)      | 10.79                         | 8.88        | (1.09)      |
| <b>Other information</b>                          |                               |            |             |                               |             |             |
| Closing net asset value (£000)                    | 82,019                        | 87,885     | 313,643     | 399,502                       | 350,728     | 344,321     |
| Closing number of shares                          | 30,656,437                    | 36,290,245 | 140,189,774 | 130,416,396                   | 126,847,064 | 135,583,758 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.64       | 1.63        | 1.06 <sup>†</sup>             | 1.06        | 1.06        |
| Direct transaction costs (%)***                   | 0.22                          | 0.23       | 0.12        | 0.22                          | 0.23        | 0.12        |
| <b>Prices</b>                                     |                               |            |             |                               |             |             |
| Highest share price (p)                           | 277.11                        | 272.38     | 246.95      | 317.04                        | 310.90      | 279.48      |
| Lowest share price (p)                            | 189.23                        | 222.04     | 204.62      | 216.08                        | 252.04      | 232.00      |
|   | Class D - Accumulation shares |            |             | Class L - Income shares       |             |             |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |             |                               |             |             |
| Opening net asset value per share (p)             | 463.82                        | 426.06     | 430.82      | 197.72                        | 183.51      | 188.20      |
| Return before operating charges (p)               | 52.46                         | 42.90      | (0.13)      | 22.45                         | 18.44       | (0.06)      |
| Operating charges (p)                             | (2.47)                        | (5.14)     | (4.63)      | (0.62)                        | (1.25)      | (1.15)      |
| Return after operating charges (p)*               | 49.99                         | 37.76      | (4.76)      | 21.83                         | 17.19       | (1.21)      |
| Distributions (p)                                 | –                             | (4.68)     | (5.95)      | –                             | (2.98)      | (3.48)      |
| Retained distributions on accumulation shares (p) | –                             | 4.68       | 5.95        | –                             | –           | –           |
| Closing net asset value per share (p)             | 513.81                        | 463.82     | 426.06      | 219.55                        | 197.72      | 183.51      |
| * after direct transaction costs of (p)           | 0.51                          | 1.09       | 0.53        | 0.23                          | 0.46        | 0.23        |
| <b>Performance</b>                                |                               |            |             |                               |             |             |
| Return after charges (%)                          | 10.78                         | 8.86       | (1.10)      | 11.04                         | 9.37        | (0.64)      |
| <b>Other information</b>                          |                               |            |             |                               |             |             |
| Closing net asset value (£000)                    | 491                           | 997        | 951         | 81                            | 104         | 205         |
| Closing number of shares                          | 95,549                        | 214,870    | 223,169     | 36,792                        | 52,639      | 111,918     |
| Operating charges (%)**                           | 1.07 <sup>†</sup>             | 1.07       | 1.07        | 0.61 <sup>†</sup>             | 0.61        | 0.61        |
| Direct transaction costs (%)***                   | 0.22                          | 0.23       | 0.12        | 0.22                          | 0.23        | 0.12        |
| <b>Prices</b>                                     |                               |            |             |                               |             |             |
| Highest share price (p)                           | 531.79                        | 521.52     | 468.92      | 227.09                        | 225.63      | 205.30      |
| Lowest share price (p)                            | 362.47                        | 422.85     | 389.24      | 154.53                        | 182.10      | 170.67      |

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

|   | Class L - Accumulation shares |             |             | Class L GBP - Income shares    |            |            |
|---|-------------------------------|-------------|-------------|--------------------------------|------------|------------|
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 07/09/2020                     | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |             |             |                                |            |            |
| Opening net asset value per share (p)             | 285.04                        | 260.68      | 262.36      | 176.22                         | 163.56     | 166.53     |
| Return before operating charges (p)               | 32.36                         | 26.15       | (0.07)      | 20.03                          | 16.45      | 1.22       |
| Operating charges (p)                             | (0.89)                        | (1.79)      | (1.61)      | (0.55)                         | (1.13)     | (1.04)     |
| Return after operating charges (p)*               | 31.47                         | 24.36       | (1.68)      | 19.48                          | 15.32      | 0.18       |
| Distributions (p)                                 | –                             | (4.23)      | (4.85)      | –                              | (2.66)     | (3.15)     |
| Retained distributions on accumulation shares (p) | –                             | 4.23        | 4.85        | –                              | –          | –          |
| Closing net asset value per share (p)             | 316.51                        | 285.04      | 260.68      | 195.70                         | 176.22     | 163.56     |
| * after direct transaction costs of (p)           | 0.33                          | 0.67        | 0.32        | 0.20                           | 0.42       | 0.21       |
| <b>Performance</b>                                |                               |             |             |                                |            |            |
| Return after charges (%)                          | 11.04                         | 9.34        | (0.64)      | 11.05                          | 9.37       | 0.11       |
| <b>Other information</b>                          |                               |             |             |                                |            |            |
| Closing net asset value (£000)                    | 1,570                         | 1,482       | 1,573       | 400                            | 360        | 383        |
| Closing number of shares                          | 496,180                       | 519,784     | 603,578     | 204,457                        | 204,457    | 234,420    |
| Operating charges (%)**                           | 0.61 <sup>†</sup>             | 0.61        | 0.61        | 0.61 <sup>†</sup>              | 0.61       | 0.61       |
| Direct transaction costs (%)***                   | 0.22                          | 0.23        | 0.12        | 0.22                           | 0.23       | 0.12       |
| <b>Prices</b>                                     |                               |             |             |                                |            |            |
| Highest share price (p)                           | 327.39                        | 320.50      | 286.20      | 202.44                         | 201.10     | 181.26     |
| Lowest share price (p)                            | 222.78                        | 258.72      | 237.93      | 137.73                         | 162.31     | 152.16     |
|   | Class X - Accumulation shares |             |             | Class X2 - Accumulation shares |            |            |
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 07/09/2020                     | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |             |             |                                |            |            |
| Opening net asset value per share (p)             | 142.40                        | 129.50      | 129.62      | 564.28                         | 513.14     | 513.63     |
| Return before operating charges (p)               | 16.20                         | 12.99       | (0.04)      | 64.19                          | 51.48      | (0.18)     |
| Operating charges (p)                             | (0.04)                        | (0.09)      | (0.08)      | (0.17)                         | (0.34)     | (0.31)     |
| Return after operating charges (p)*               | 16.16                         | 12.90       | (0.12)      | 64.02                          | 51.14      | (0.49)     |
| Distributions (p)                                 | –                             | (2.91)      | (3.12)      | –                              | (11.54)    | (12.36)    |
| Retained distributions on accumulation shares (p) | –                             | 2.91        | 3.12        | –                              | 11.54      | 12.36      |
| Closing net asset value per share (p)             | 158.56                        | 142.40      | 129.50      | 628.30                         | 564.28     | 513.14     |
| * after direct transaction costs of (p)           | 0.16                          | 0.33        | 0.16        | 0.64                           | 1.29       | 0.63       |
| <b>Performance</b>                                |                               |             |             |                                |            |            |
| Return after charges (%)                          | 11.35                         | 9.96        | (0.09)      | 11.35                          | 9.97       | (0.10)     |
| <b>Other information</b>                          |                               |             |             |                                |            |            |
| Closing net asset value (£000)                    | 196,139                       | 303,748     | 210,531     | 36,693                         | 43,655     | 179,035    |
| Closing number of shares                          | 123,697,029                   | 213,300,518 | 162,578,165 | 5,839,959                      | 7,736,439  | 34,889,972 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>             | 0.06        | 0.06        | 0.06 <sup>†</sup>              | 0.06       | 0.06       |
| Direct transaction costs (%)***                   | 0.22                          | 0.23        | 0.12        | 0.22                           | 0.23       | 0.12       |
| <b>Prices</b>                                     |                               |             |             |                                |            |            |
| Highest share price (p)                           | 163.90                        | 160.05      | 141.77      | 649.45                         | 634.22     | 561.76     |
| Lowest share price (p)                            | 111.32                        | 128.52      | 118.06      | 441.10                         | 509.29     | 467.84     |

## Threadneedle European Fund

### Comparative Table Disclosure

(continued)

|   | Class X GBP Hedged -<br>Gross accumulation shares <sup>§</sup> |                         | Class Z - Income shares |            |            |
|---|--|-------------------------|-------------------------|------------|------------|
|   | 07/09/2020   | 07/03/2020 <sup>†</sup> | 07/09/2020              | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |                         |                         |            |            |
| Opening net asset value per share (p)             | 100.18   | 100.00                  | 146.36                  | 135.84     | 139.31     |
| Return before operating charges (p)               | 7.12   | 0.21                    | 16.59                   | 13.66      | (0.05)     |
| Operating charges (p)                             | (0.03)   | (0.03)                  | (0.66)                  | (1.36)     | (1.23)     |
| Return after operating charges (p)*               | 7.09   | 0.18                    | 15.93                   | 12.30      | (1.28)     |
| Distributions (p)                                 | –  | (0.32)                  | –                       | (1.78)     | (2.19)     |
| Retained distributions on accumulation shares (p) | –  | 0.32                    | –                       | –          | –          |
| Closing net asset value per share (p)             | 107.27   | 100.18                  | 162.29                  | 146.36     | 135.84     |
| * after direct transaction costs of (p)           | 0.11   | 0.25                    | 0.17                    | 0.35       | 0.17       |
| <b>Performance</b>                                |  |                         |                         |            |            |
| Return after charges (%)                          | 7.08   | 0.18                    | 10.88                   | 9.05       | (0.92)     |
| <b>Other information</b>                          |  |                         |                         |            |            |
| Closing net asset value (£000)                    | 226,907  | 175,444                 | 1,191                   | 1,004      | 567        |
| Closing number of shares                          | 211,531,130  | 175,127,274             | 733,877                 | 686,124    | 417,059    |
| Operating charges (%)**                           | 0.06 <sup>†</sup>  | 0.06 <sup>†</sup>       | 0.88 <sup>†</sup>       | 0.88       | 0.88       |
| Direct transaction costs (%)***                   | 0.22   | 0.23                    | 0.22                    | 0.23       | 0.12       |
| <b>Prices</b>                                     |  |                         |                         |            |            |
| Highest share price (p)                           | 110.28   | 117.11                  | 167.93                  | 166.58     | 151.76     |
| Lowest share price (p)                            | 74.71  | 99.88                   | 114.38                  | 134.80     | 126.05     |
| <b>Class Z - Accumulation shares</b>              |  |                         |                         |            |            |
|   | 07/09/2020   | 07/03/2020              | 07/03/2019              |            |            |
| <b>Change in net assets per share</b>             |  |                         |                         |            |            |
| Opening net asset value per share (p)             | 197.77   | 181.32                  | 183.00                  |            |            |
| Return before operating charges (p)               | 22.44  | 18.25                   | (0.06)                  |            |            |
| Operating charges (p)                             | (0.91)   | (1.80)                  | (1.62)                  |            |            |
| Return after operating charges (p)*               | 21.53  | 16.45                   | (1.68)                  |            |            |
| Distributions (p)                                 | –  | (2.38)                  | (2.88)                  |            |            |
| Retained distributions on accumulation shares (p) | –  | 2.38                    | 2.88                    |            |            |
| Closing net asset value per share (p)             | 219.30   | 197.77                  | 181.32                  |            |            |
| * after direct transaction costs of (p)           | 0.23   | 0.46                    | 0.22                    |            |            |
| <b>Performance</b>                                |  |                         |                         |            |            |
| Return after charges (%)                          | 10.89  | 9.07                    | (0.92)                  |            |            |
| <b>Other information</b>                          |  |                         |                         |            |            |
| Closing net asset value (£000)                    | 36,309   | 21,532                  | 19,640                  |            |            |
| Closing number of shares                          | 16,556,816   | 10,887,328              | 10,831,823              |            |            |
| Operating charges (%)**                           | 0.88 <sup>†</sup>  | 0.88                    | 0.88                    |            |            |
| Direct transaction costs (%)***                   | 0.22   | 0.23                    | 0.12                    |            |            |
| <b>Prices</b>                                     |  |                         |                         |            |            |
| Highest share price (p)                           | 226.92   | 222.35                  | 199.36                  |            |            |
| Lowest share price (p)                            | 154.56   | 179.95                  | 165.58                  |            |            |

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

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

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

<sup>†</sup>Commenced 8 October 2019.

<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 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class 1 – Accumulation shares</b> |                    |
| Opening shares                       | 36,290,245         |
| Shares issued                        | 2,109,394          |
| Shares redeemed                      | (7,376,205)        |
| Net conversions                      | (366,997)          |
| Closing shares                       | <u>30,656,437</u>  |
| <b>Class 2 – Accumulation shares</b> |                    |
| Opening shares                       | 126,847,064        |
| Shares issued                        | 17,279,729         |
| Shares redeemed                      | (13,710,397)       |
| Net conversions                      | –                  |
| Closing shares                       | <u>130,416,396</u> |
| <b>Class D – Accumulation shares</b> |                    |
| Opening shares                       | 214,870            |
| Shares issued                        | 701                |
| Shares redeemed                      | (97,471)           |
| Net conversions                      | (22,551)           |
| Closing shares                       | <u>95,549</u>      |
| <b>Class L – Income shares</b>       |                    |
| Opening shares                       | 52,639             |
| Shares issued                        | 6                  |
| Shares redeemed                      | (15,853)           |
| Net conversions                      | –                  |
| Closing shares                       | <u>36,792</u>      |
| <b>Class L – Accumulation shares</b> |                    |
| Opening shares                       | 519,784            |
| Shares issued                        | 3,005              |
| Shares redeemed                      | (26,609)           |
| Net conversions                      | –                  |
| Closing shares                       | <u>496,180</u>     |
| <b>Class L GBP – Income shares</b>   |                    |
| Opening shares                       | 204,457            |
| Shares issued                        | –                  |
| Shares redeemed                      | –                  |
| Net conversions                      | –                  |
| Closing shares                       | <u>204,457</u>     |
| <b>Class X – Accumulation shares</b> |                    |
| Opening shares                       | 213,300,518        |
| Shares issued                        | 3,210,397          |
| Shares redeemed                      | (92,813,886)       |
| Net conversions                      | –                  |
| Closing shares                       | <u>123,697,029</u> |

2020

#### Class X2 – Accumulation shares

|                 |                  |
|-----------------|------------------|
| Opening shares  | 7,736,439        |
| Shares issued   | 2,424,446        |
| Shares redeemed | (4,320,926)      |
| Net conversions | –                |
| Closing shares  | <u>5,839,959</u> |

#### Class X GBP Hedged – Gross accumulation shares

|                 |                    |
|-----------------|--------------------|
| Opening shares  | 175,127,274        |
| Shares issued   | 47,226,223         |
| Shares redeemed | (10,822,367)       |
| Net conversions | –                  |
| Closing shares  | <u>211,531,130</u> |

#### Class Z – Income shares

|                 |                |
|-----------------|----------------|
| Opening shares  | 686,124        |
| Shares issued   | 108,185        |
| Shares redeemed | (60,432)       |
| Net conversions | –              |
| Closing shares  | <u>733,877</u> |

#### Class Z – Accumulation shares

|                 |                   |
|-----------------|-------------------|
| Opening shares  | 10,887,328        |
| Shares issued   | 6,045,620         |
| Shares redeemed | (878,210)         |
| Net conversions | 502,078           |
| Closing shares  | <u>16,556,816</u> |

## Threadneedle European Select Fund

### Investment Report

#### Investment Objective and Policy

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

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in Continental Europe, or which have significant Continental European business operations. The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the FTSE World Europe ex UK Index.

The FTSE World Europe ex UK Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies across Europe (excluding the UK), currently with approximately 500 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 50 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle European Select Fund has risen from 320.52p to 364.59p.

Looking at the sterling performance within its peer group, the total return on

the fund for the six months ending 31 August 2020, including net reinvested income, is +14.17% as compared to a median return of +7.81% over the same period. (For information the FTSE World Europe ex UK Index returned +6.12% over the same period).

#### Market Overview and Portfolio Activity

World stocks plunged into a bear market in March as the economic impact of the COVID-19 pandemic worsened. The International Monetary Fund announced that the global economy had entered a recession, although it forecast that a sizeable rebound could occur in 2021 if the coronavirus and liquidity problems are brought under control. Oil prices collapsed following disagreements between Russia and Saudi Arabia over pricing and production levels, and this added to the turbulence.

A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments. Unemployment and government borrowing surged higher. Equities then rebounded, driven by optimism that the COVID-19 pandemic was past its peak, that stimulus measures would prove effective and that vaccinations and treatments would be found for the virus. Sentiment was also boosted as US equity markets scaled fresh highs, driven in part by strong profits in the technology sector.

The pandemic's effect on growth has been stark. Data showed that GDP in leading economies fell sharply in the first quarter. Many companies withdrew earnings guidance and cut dividends. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly.

Many nations have now relaxed lockdown measures triggered by COVID-19, helping to revive economic activity. However, spikes of infections in Spain and elsewhere prompted the re-imposition of local lockdowns, and some countries reinstated travel restrictions.

EU countries reached agreement on a €750bn pandemic recovery fund, to be financed by joint borrowing for the first time ever, while a preliminary composite gauge of services and manufacturing activity in the eurozone hit a 25-month high in July, and indicated a return to growth in both sectors. In Germany, the widely watched ZEW index of investor sentiment climbed by

more than expected in August. However, the flash composite purchasing managers indices for the eurozone as a whole sounded a note of caution: the services sector showed signs of fatigue, although manufacturing proved more resilient.

New positions included Siemens Healthineers and Just Eat Takeaway.com. Siemens Healthineers is a world-leading hospital technology business; barriers to entry are high, which is likely to sustain market share and pricing, and there are encouraging opportunities in diagnostics. Just Eat Takeaway.com is a newly merged online food-delivery business, with a high-growth technology platform and significant scale advantages. COVID-19 restrictions are impacting restaurants but the take-home trade should be relatively unscathed. Sales included Sampo; there is limited upside for interest rates owing to the COVID-19 lockdowns, and this will affect Nordea, the Scandinavian bank in which Sampo has a holding and upon which Sampo is reliant for dividends.

COVID-19 dominates sentiment. Infections and fatalities are ticking up in some European countries, so talk of a second wave limits the relaxation of lockdowns and travel restrictions. But while progress is nervous and slow in Europe, the news in the US (and in Hong Kong and India) is much worse and has political implications in an election year.

The search for tests and vaccinations continues to progress. Fiscal and monetary policy aim to stimulate growth and, if effective, should stabilise economies and corporate profitability once lockdowns end. However, previously fragile business models will prove unsustainable, impacting some small businesses and employment in the hospitality and travel sectors.

The Brexit transition period is underway; negotiations have been bad-tempered and there is a real risk of no exit deal being agreed. The Spanish and Italian coalitions are surviving although Germany's Chancellor Merkel and her succession plan are under some pressure. The US is riven by turmoil following George Floyd's death in Minneapolis which, combined with criticism over the handling of the virus, has compromised President Trump's chances of re-election.

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 2020 to 7 September 2020

|   | 2020           | 2019           |
|---|----------------|----------------|
|   | £000           | £000           |
| Income  |                |                |
| Net capital gains   | 205,575        | 233,999        |
| Revenue   | 19,824         | 28,291         |
| Expenses  | (7,627)        | (7,620)        |
| Interest payable and similar charges  | (11)           | (10)           |
| Net revenue before taxation   | 12,186         | 20,661         |
| Taxation  | (2,604)        | (4,582)        |
| Net revenue after taxation  | 9,582          | 16,079         |
| <b>Total return before equalisation</b>   | <b>215,157</b> | <b>250,078</b> |
| Equalisation  | (121)          | (989)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>215,036</b> | <b>249,089</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020             | March 2020       |
|--|------------------|------------------|
|  | £000             | £000             |
| <b>Assets:</b>                                 |                  |                  |
| <b>Fixed assets:</b>                           |                  |                  |
| Investments                                    | 1,714,453        | 1,548,295        |
| <b>Current assets:</b>                         |                  |                  |
| Debtors  | 8,186            | 5,767            |
| Cash and bank balances                         | 9,733            | 320              |
| Cash equivalents**                             | 27,921           | 34,198           |
| Total assets                                   | 1,760,293        | 1,588,580        |
| <b>Liabilities:</b>                            |                  |                  |
| <b>Investment liabilities</b>                  | (3)              | (336)            |
| <b>Creditors:</b>                              |                  |                  |
| Distribution payable                           | –                | (1,760)          |
| Other creditors                                | (13,785)         | (3,424)          |
| Total liabilities                              | (13,788)         | (5,520)          |
| <b>Net assets attributable to shareholders</b> | <b>1,746,505</b> | <b>1,583,060</b> |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020             | 2019             |
|--|------------------|------------------|
|  | £000             | £000             |
| <b>Opening net assets attributable to shareholders</b>   | <b>1,583,060</b> | <b>1,527,014</b> |
| Amounts receivable on the issue of shares  | 100,556          | 57,370           |
| Amounts payable on the cancellation of shares  | (152,147)        | (196,580)        |
|  | (51,591)         | (139,210)        |
| Dilution adjustment  | –                | 47               |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 215,036          | 249,089          |
| <b>Closing net assets attributable to shareholders</b>   | <b>1,746,505</b> | <b>1,636,940</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## Threadneedle European Select Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares       |            |            | Class 1 EUR – Income shares       |
|---|-------------------------------|------------|------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 136.76                        | 123.25     | 126.83     | 132.95                            |
| Return before operating charges (p)               | 19.95                         | 15.92      | (0.88)     | (9.75)                            |
| Operating charges (p)                             | (1.14)                        | (2.24)     | (2.07)     | (0.70)                            |
| Return after operating charges (p)*               | 18.81                         | 13.68      | (2.95)     | (10.45)                           |
| Distributions (p)                                 | –                             | (0.17)     | (0.63)     | (0.97)                            |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 |
| Closing net asset value per share (p)             | 155.57                        | 136.76     | 123.25     | 121.53                            |
| *after direct transaction costs of (p)            | 0.07                          | 0.14       | 0.07       | 0.04                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 13.75                         | 11.10      | (2.33)     | (7.86)                            |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 356                           | 433        | 347        | –                                 |
| Closing number of shares                          | 228,540                       | 316,472    | 281,501    | –                                 |
| Operating charges (%)**                           | 1.60 <sup>†</sup>             | 1.60       | 1.62       | –                                 |
| Direct transaction costs (%)***                   | 0.10                          | 0.10       | 0.06       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 160.92                        | 151.51     | 138.89     | 138.89                            |
| Lowest share price (p)                            | 110.56                        | 122.28     | 114.20     | 119.08                            |
|   | Class 1 – Accumulation shares |            |            | Class 1 EUR – Accumulation shares |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 320.42                        | 288.40     | 295.27     | 309.51                            |
| Return before operating charges (p)               | 46.75                         | 37.24      | (2.10)     | (24.96)                           |
| Operating charges (p)                             | (2.68)                        | (5.22)     | (4.77)     | (1.64)                            |
| Return after operating charges (p)*               | 44.07                         | 32.02      | (6.87)     | (26.60)                           |
| Distributions (p)                                 | –                             | (0.39)     | (1.47)     | (2.26)                            |
| Retained distributions on accumulation shares (p) | –                             | 0.39       | 1.47       | 2.26                              |
| Closing net asset value per share (p)             | 364.49                        | 320.42     | 288.40     | 282.91                            |
| *after direct transaction costs of (p)            | 0.16                          | 0.33       | 0.17       | 0.08                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 13.75                         | 11.10      | (2.33)     | (8.59)                            |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 230,216                       | 247,767    | 266,743    | –                                 |
| Closing number of shares                          | 63,161,432                    | 77,326,044 | 92,488,996 | –                                 |
| Operating charges (%)**                           | 1.60 <sup>†</sup>             | 1.60       | 1.61       | –                                 |
| Direct transaction costs (%)***                   | 0.10                          | 0.10       | 0.06       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 377.01                        | 354.52     | 323.33     | 323.33                            |
| Lowest share price (p)                            | 259.04                        | 286.13     | 265.85     | 277.23                            |

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

|   | Class 1 USD – Accumulation shares<br>09/11/2018 <sup>1</sup>        | Class 1 SGD Hedged – Accumulation shares<br>09/11/2018 <sup>2</sup> |            |            |
|---|---|---|------------|------------|
| <b>Change in net assets per share</b>             |   |   |            |            |
| Opening net asset value per share (p)             | 309.51  | 165.60  |            |            |
| Return before operating charges (p)               | (24.96)   | 4.00  |            |            |
| Operating charges (p)                             | (1.64)  | (1.89)  |            |            |
| Return after operating charges (p)*               | (26.60)   | 2.11  |            |            |
| Distributions (p)                                 | (2.26)  | (1.28)  |            |            |
| Retained distributions on accumulation shares (p) | 2.26  | 1.28  |            |            |
| Closing net asset value per share (p)             | 282.91  | 167.71  |            |            |
| *after direct transaction costs of (p)            | 0.08  | 0.09  |            |            |
| <b>Performance</b>                                |   |   |            |            |
| Return after charges (%)                          | (8.59)  | 1.27  |            |            |
| <b>Other information</b>                          |   |   |            |            |
| Closing net asset value (£000)                    | –   | –   |            |            |
| Closing number of shares                          | –   | –   |            |            |
| Operating charges (%)**                           | –   | –   |            |            |
| Direct transaction costs (%)***                   | –   | –   |            |            |
| <b>Prices</b>                                     |   |   |            |            |
| Highest share price (p)                           | 323.33  | 187.16  |            |            |
| Lowest share price (p)                            | 277.23  | 161.68  |            |            |
|   | Class 1 USD Hedged – Accumulation shares<br>09/11/2018 <sup>2</sup> | Class 2 – Income shares   |            |            |
|   |   | 07/09/2020  | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |   |   |            |            |
| Opening net asset value per share (p)             | 136.89  | 203.65  | 183.54     | 188.89     |
| Return before operating charges (p)               | 10.67   | 29.78   | 23.70      | (1.37)     |
| Operating charges (p)                             | (1.61)  | (1.13)  | (2.21)     | (2.01)     |
| Return after operating charges (p)*               | 9.06  | 28.65   | 21.49      | (3.38)     |
| Distributions (p)                                 | (1.05)  | –   | (1.38)     | (1.97)     |
| Retained distributions on accumulation shares (p) | 1.05  | –   | –          | –          |
| Closing net asset value per share (p)             | 145.95  | 232.30  | 203.65     | 183.54     |
| *after direct transaction costs of (p)            | 0.08  | 0.10  | 0.21       | 0.11       |
| <b>Performance</b>                                |   |   |            |            |
| Return after charges (%)                          | 6.62  | 14.07   | 11.71      | (1.79)     |
| <b>Other information</b>                          |   |   |            |            |
| Closing net asset value (£000)                    | –   | 835   | 962        | 1,233      |
| Closing number of shares                          | –   | 359,335   | 472,420    | 671,722    |
| Operating charges (%)**                           | –   | 1.06 <sup>†</sup>   | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | –   | 0.10  | 0.10       | 0.06       |
| <b>Prices</b>                                     |   |   |            |            |
| Highest share price (p)                           | 160.91  | 240.11  | 226.68     | 207.38     |
| Lowest share price (p)                            | 133.26  | 164.66  | 182.10     | 170.82     |

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 EUR – Income shares       | Class 2 – Accumulation shares            |            |            |
|---|-----------------------------------|--|------------|------------|
|   | 09/11/2018 <sup>1</sup>           | 07/09/2020                               | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |  |            |            |
| Opening net asset value per share (p)             | 198.30                            | 365.35                                   | 327.03     | 333.00     |
| Return before operating charges (p)               | (13.78)                           | 53.43                                    | 42.26      | (2.42)     |
| Operating charges (p)                             | (0.70)                            | (2.04)                                   | (3.94)     | (3.55)     |
| Return after operating charges (p)*               | (14.48)                           | 51.39                                    | 38.32      | (5.97)     |
| Distributions (p)                                 | (2.16)                            | –  | (2.47)     | (3.47)     |
| Retained distributions on accumulation shares (p) | –                                 | –  | 2.47       | 3.47       |
| Closing net asset value per share (p)             | 181.66                            | 416.74                                   | 365.35     | 327.03     |
| *after direct transaction costs of (p)            | 0.05                              | 0.18                                     | 0.37       | 0.20       |
| <b>Performance</b>                                |                                   |  |            |            |
| Return after charges (%)                          | (7.30)                            | 14.07                                    | 11.72      | (1.79)     |
| <b>Other information</b>                          |                                   |  |            |            |
| Closing net asset value (£000)                    | –                                 | 201,843                                  | 193,003    | 195,428    |
| Closing number of shares                          | –                                 | 48,433,476                               | 52,827,073 | 59,757,401 |
| Operating charges (%)**                           | –                                 | 1.06 <sup>†</sup>                        | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | –                                 | 0.10                                     | 0.10       | 0.06       |
| <b>Prices</b>                                     |                                   |  |            |            |
| Highest share price (p)                           | 207.38                            | 430.76                                   | 403.90     | 365.60     |
| Lowest share price (p)                            | 177.97                            | 295.41                                   | 324.46     | 301.13     |
|   | Class 2 EUR – Accumulation shares | Class 2 USD Hedged – Accumulation shares |            |            |
|   | 09/11/2018 <sup>1</sup>           | 07/09/2020                               | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |  |            |            |
| Opening net asset value per share (p)             | 349.58                            | 176.92                                   | 154.61     | 139.61     |
| Return before operating charges (p)               | (28.10)                           | 18.50                                    | 24.22      | 16.60      |
| Operating charges (p)                             | (1.23)                            | (0.99)                                   | (1.91)     | (1.60)     |
| Return after operating charges (p)*               | (29.33)                           | 17.51                                    | 22.31      | 15.00      |
| Distributions (p)                                 | (3.81)                            | –  | (1.11)     | (1.45)     |
| Retained distributions on accumulation shares (p) | 3.81                              | –  | 1.11       | 1.45       |
| Closing net asset value per share (p)             | 320.25                            | 194.43                                   | 176.92     | 154.61     |
| *after direct transaction costs of (p)            | 0.09                              | 0.09                                     | 0.18       | 0.09       |
| <b>Performance</b>                                |                                   |  |            |            |
| Return after charges (%)                          | (8.39)                            | 9.90                                     | 14.43      | 10.74      |
| <b>Other information</b>                          |                                   |  |            |            |
| Closing net asset value (£000)                    | –                                 | 4,623                                    | 6,287      | 15,308     |
| Closing number of shares                          | –                                 | 2,377,878                                | 3,554,014  | 9,901,087  |
| Operating charges (%)**                           | –                                 | 1.06 <sup>†</sup>                        | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | –                                 | 0.10                                     | 0.10       | 0.06       |
| <b>Prices</b>                                     |                                   |  |            |            |
| Highest share price (p)                           | 365.60                            | 205.63                                   | 204.57     | 164.57     |
| Lowest share price (p)                            | 313.74                            | 144.79                                   | 154.67     | 135.99     |

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

|   | Class X – Accumulation shares |             |             | Class Z – Income shares           |             |            |
|---|-------------------------------|-------------|-------------|-----------------------------------|-------------|------------|
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 07/09/2020                        | 07/03/2020  | 07/03/2019 |
| <b>Change in net assets per share</b>             |                               |             |             |                                   |             |            |
| Opening net asset value per share (p)             | 152.98                        | 135.59      | 136.69      | 163.88                            | 147.71      | 152.02     |
| Return before operating charges (p)               | 22.46                         | 17.48       | (1.02)      | 23.98                             | 19.06       | (1.11)     |
| Operating charges (p)                             | (0.05)                        | (0.09)      | (0.08)      | (0.72)                            | (1.40)      | (1.27)     |
| Return after operating charges (p)*               | 22.41                         | 17.39       | (1.10)      | 23.26                             | 17.66       | (2.38)     |
| Distributions (p)                                 | –                             | (2.57)      | (2.80)      | –                                 | (1.49)      | (1.93)     |
| Retained distributions on accumulation shares (p) | –                             | 2.57        | 2.80        | –                                 | –           | –          |
| Closing net asset value per share (p)             | 175.39                        | 152.98      | 135.59      | 187.14                            | 163.88      | 147.71     |
| *after direct transaction costs of (p)            | 0.08                          | 0.15        | 0.08        | 0.08                              | 0.17        | 0.09       |
| <b>Performance</b>                                |                               |             |             |                                   |             |            |
| Return after charges (%)                          | 14.65                         | 12.83       | (0.80)      | 14.19                             | 11.96       | (1.57)     |
| <b>Other information</b>                          |                               |             |             |                                   |             |            |
| Closing net asset value (£000)                    | 57,437                        | 67,644      | 106,330     | 207,794                           | 192,153     | 142,693    |
| Closing number of shares                          | 32,748,908                    | 44,216,778  | 78,419,864  | 111,033,905                       | 117,252,943 | 96,604,604 |
| Operating charges (%)**                           | 0.06 <sup>f</sup>             | 0.06        | 0.06        | 0.83 <sup>f</sup>                 | 0.83        | 0.83       |
| Direct transaction costs (%)***                   | 0.10                          | 0.10        | 0.06        | 0.10                              | 0.10        | 0.06       |
| <b>Prices</b>                                     |                               |             |             |                                   |             |            |
| Highest share price (p)                           | 181.06                        | 168.91      | 150.79      | 193.38                            | 182.78      | 167.08     |
| Lowest share price (p)                            | 123.73                        | 134.53      | 124.60      | 132.51                            | 146.55      | 137.72     |
|   | Class Z – Accumulation shares |             |             | Class Z EUR – Accumulation shares |             |            |
|   | 07/09/2020                    | 07/03/2020  | 07/03/2019  | 09/11/2018 <sup>f</sup>           |             |            |
| <b>Change in net assets per share</b>             |                               |             |             |                                   |             |            |
| Opening net asset value per share (p)             | 213.70                        | 190.87      | 193.92      | 203.70                            |             |            |
| Return before operating charges (p)               | 31.28                         | 24.63       | (1.43)      | (16.37)                           |             |            |
| Operating charges (p)                             | (0.94)                        | (1.80)      | (1.62)      | (0.56)                            |             |            |
| Return after operating charges (p)*               | 30.34                         | 22.83       | (3.05)      | (16.93)                           |             |            |
| Distributions (p)                                 | –                             | (1.93)      | (2.46)      | (2.53)                            |             |            |
| Retained distributions on accumulation shares (p) | –                             | 1.93        | 2.46        | 2.53                              |             |            |
| Closing net asset value per share (p)             | 244.04                        | 213.70      | 190.87      | 186.77                            |             |            |
| *after direct transaction costs of (p)            | 0.11                          | 0.22        | 0.11        | 0.05                              |             |            |
| <b>Performance</b>                                |                               |             |             |                                   |             |            |
| Return after charges (%)                          | 14.20                         | 11.96       | (1.57)      | (8.31)                            |             |            |
| <b>Other information</b>                          |                               |             |             |                                   |             |            |
| Closing net asset value (£000)                    | 1,043,401                     | 874,811     | 798,932     | –                                 |             |            |
| Closing number of shares                          | 427,559,553                   | 409,368,215 | 418,570,008 | –                                 |             |            |
| Operating charges (%)**                           | 0.83 <sup>f</sup>             | 0.83        | 0.83        | –                                 |             |            |
| Direct transaction costs (%)***                   | 0.10                          | 0.10        | 0.06        | –                                 |             |            |
| <b>Prices</b>                                     |                               |             |             |                                   |             |            |
| Highest share price (p)                           | 252.17                        | 236.19      | 213.13      | 213.13                            |             |            |
| Lowest share price (p)                            | 172.80                        | 189.37      | 175.68      | 182.96                            |             |            |

## Threadneedle European Select Fund

### Comparative Table Disclosure

(continued)

|   | Class Z USD – Accumulation shares |
|---|-----------------------------------|
|   | 09/11/2018 <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)               | (16.37)                           |
| Operating charges (p)                             | (0.56)                            |
| Return after operating charges (p)*               | (16.93)                           |
| Distributions (p)                                 | (2.53)                            |
| Retained distributions on accumulation shares (p) | 2.53                              |
| Closing net asset value per share (p)             | 186.77                            |
| *after direct transaction costs of (p)            | 0.05                              |
| <b>Performance</b>                                |                                   |
| Return after charges (%)                          | (8.31)                            |
| <b>Other information</b>                          |                                   |
| Closing net asset value (£000)                    | –                                 |
| Closing number of shares                          | –                                 |
| Operating charges (%)**                           | –                                 |
| Direct transaction costs (%)***                   | –                                 |
| <b>Prices</b>                                     |                                   |
| Highest share price (p)                           | 213.13                            |
| Lowest share price (p)                            | 182.96                            |

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

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

<sup>1</sup>Commenced 15 June 2018 and closed 9 November 2018.

<sup>2</sup>Closed 9 November 2018.

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

# Threadneedle European Select Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |
|---|--------------------|
| <b>Class 1 – Income shares</b>                  |                    |
| Opening shares                                  | 316,472            |
| Shares issued                                   | 2,669              |
| Shares redeemed                                 | (80,689)           |
| Net conversions                                 | (9,912)            |
| Closing shares                                  | <u>228,540</u>     |
| <b>Class 1 – Accumulation shares</b>            |                    |
| Opening shares                                  | 77,326,044         |
| Shares issued                                   | 780,147            |
| Shares redeemed                                 | (13,044,955)       |
| Net conversions                                 | (1,899,804)        |
| Closing shares                                  | <u>63,161,432</u>  |
| <b>Class 2 – Income shares</b>                  |                    |
| Opening shares                                  | 472,420            |
| Shares issued                                   | 1,590              |
| Shares redeemed                                 | (114,675)          |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>359,335</u>     |
| <b>Class 2 – Accumulation shares</b>            |                    |
| Opening shares                                  | 52,827,073         |
| Shares issued                                   | 3,016,621          |
| Shares redeemed                                 | (5,566,867)        |
| Net conversions                                 | (1,843,351)        |
| Closing shares                                  | <u>48,433,476</u>  |
| <b>Class 2 USD Hedged – Accumulation shares</b> |                    |
| Opening shares                                  | 3,554,014          |
| Shares issued                                   | 216,886            |
| Shares redeemed                                 | (1,393,022)        |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>2,377,878</u>   |
| <b>Class X – Accumulation shares</b>            |                    |
| Opening shares                                  | 44,216,778         |
| Shares issued                                   | 2,423              |
| Shares redeemed                                 | (11,470,293)       |
| Net conversions                                 | –                  |
| Closing shares                                  | <u>32,748,908</u>  |
| <b>Class Z – Income shares</b>                  |                    |
| Opening shares                                  | 117,252,943        |
| Shares issued                                   | 6,028,421          |
| Shares redeemed                                 | (12,317,677)       |
| Net conversions                                 | 70,218             |
| Closing shares                                  | <u>111,033,905</u> |

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class Z – Accumulation shares</b> |                    |
| Opening shares                       | 409,368,215        |
| Shares issued                        | 34,852,413         |
| Shares redeemed                      | (22,608,729)       |
| Net conversions                      | 5,947,654          |
| Closing shares                       | <u>427,559,553</u> |

## Threadneedle European Smaller Companies Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the EMIX Smaller European Companies Ex UK Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in shares of European smaller companies.

The Fund considers European smaller companies to be those domiciled in Continental Europe, or with significant Continental European business operations, that, at the time of purchase, are not represented in the top 225 companies in the FTSE World Europe ex UK Index (an index of large and medium-sized European (ex UK) companies).

The Fund selects smaller companies considered to have good prospects for share price growth, from any industry or economic sector, and in some instances, this may provide exposure to niche growth areas that often cannot be accessed through large companies.

The EMIX Smaller European Companies Ex UK Index is regarded as providing an appropriate representation of the share performance of smaller sized companies across Europe (excluding the UK), currently with over 1,000 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 100 companies, which may include shares of some companies not within the EMIX Smaller Europe Ex UK Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle European Smaller Companies Fund has risen from 852.89p to 1006.82p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +16.88% as compared to a median return of +13.32% over the same period. (For information the EMIX Smaller European Companies Ex UK Index returned +9.48% over the same period).

#### Market Overview and Portfolio Activity

World stocks plunged into a bear market in March as the economic impact of the COVID-19 pandemic worsened. The International Monetary Fund announced that the global economy had entered a recession, although it forecast that a sizeable rebound could occur in 2021 if the coronavirus and liquidity problems are brought under control. Oil prices collapsed following disagreements between Russia and Saudi Arabia over pricing and production levels, and this added to the turbulence.

A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt; a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments. Unemployment and government borrowing surged higher.

Equities then rebounded, driven by optimism that the COVID-19 pandemic was past its peak, that stimulus measures would prove effective and that vaccinations and treatments would be found for the virus. Sentiment was also boosted as US equity markets scaled fresh highs, driven in part by strong profits in the technology sector.

The pandemic's effect on growth has been stark. Data showed that GDP in leading economies fell sharply in the first quarter. Many companies withdrew earnings guidance and cut dividends. Eurozone GDP slumped in the second quarter versus the first; Spain was impacted particularly badly.

Many nations have now relaxed lockdown measures triggered by COVID-19, helping to revive economic activity. However, spikes of infections in Spain and elsewhere prompted the re-imposition of local lockdowns, and some countries reinstated travel restrictions.

EU countries reached agreement on a €750bn pandemic recovery fund, to be financed by joint borrowing for the first time ever, while a preliminary composite gauge of services and manufacturing activity in the eurozone hit a 25-month high in July, and indicated a return to growth in both sectors. In Germany, the widely watched ZEW index of investor sentiment climbed by more than expected

in August. However, the flash composite purchasing managers indices for the eurozone as a whole sounded a note of caution: the services sector showed signs of fatigue, although manufacturing proved more resilient.

New positions included ASM International, Shop Apotheke Europe and Zur Rose. ASM International is a leader in single wafer ALD (atomic layer deposition) technology for manufacturing semiconductors. It is growing into newer areas such as memory and epitaxy. Shop Apotheke Europe and Zur Rose are online pharmacy businesses. They are winning market share and operate in a number of European markets. Scale, regulation and product range create competitive advantage and barriers to entry. Sales included Dometic; the compact appliances business is exposed to big-ticket discretionary consumer expenditure, and has high borrowings.

COVID-19 dominates sentiment. Infections and fatalities are ticking up in some European countries, so talk of a second wave limits the relaxation of lockdowns and travel restrictions. But while progress is nervous and slow in Europe, the news in the US (and in Hong Kong and India) is much worse and has political implications in an election year.

The search for tests and vaccinations continues to progress. Fiscal and monetary policy aim to stimulate growth and, if effective, should stabilise economies and corporate profitability once lockdowns end. However, previously fragile business models will prove unsustainable, impacting some small businesses and employment in the hospitality and travel sectors.

The Brexit transition period is underway; negotiations have been bad-tempered and there is a real risk of no exit deal being agreed. The Spanish and Italian coalitions are surviving although Germany's Chancellor Merkel and her succession plan are under some pressure. The US is riven by turmoil following George Floyd's death in Minneapolis which, combined with criticism over the handling of the virus, has compromised President Trump's chances of re-election.

Our main focus in managing this portfolio is on stock selection, informed by macroeconomic 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 2020 to 7 September 2020

|   | 2020<br>£000  | 2019<br>£000  |
|---|---------------|---------------|
| Income  |               |               |
| Net capital gains   | 64,762        | 36,413        |
| Revenue   | 3,951         | 7,634         |
| Expenses  | (1,997)       | (2,424)       |
| Interest payable and similar charges  | (10)          | (4)           |
| Net revenue before taxation   | 1,944         | 5,206         |
| Taxation  | (451)         | (1,084)       |
| Net revenue after taxation  | 1,493         | 4,122         |
| <b>Total return before equalisation</b>   | <b>66,255</b> | <b>40,535</b> |
| Equalisation  | (25)          | (409)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>66,230</b> | <b>40,126</b> |

#### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 418,639        | 376,600               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 1,217          | 1,260                 |
| Cash and bank balances                         | 3,071          | 469                   |
| Cash equivalents**                             | 7,821          | 2,627                 |
| <b>Total assets</b>                            | <b>430,748</b> | <b>380,956</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (2)            | –                     |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | –              | (108)                 |
| Other creditors                                | (937)          | (2,068)               |
| <b>Total liabilities</b>                       | <b>(939)</b>   | <b>(2,176)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>429,809</b> | <b>378,780</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>378,780</b> | <b>451,479</b> |
| Amounts receivable on the issue of shares  | 23,963         | 37,159         |
| Amounts payable on the cancellation of shares  | (39,183)       | (107,197)      |
|  | (15,220)       | (70,038)       |
| Dilution adjustment  | 19             | 15             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 66,230         | 40,126         |
| <b>Closing net assets attributable to shareholders</b>   | <b>429,809</b> | <b>421,582</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

\*\*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       |            |                         |
|---|-------------------------------|------------|------------|-----------------------------------|------------|-------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                        | 07/03/2020 | 07/03/2019 <sup>1</sup> |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |            |                         |
| Opening net asset value per share (p)             | 828.00                        | 803.52     | 846.11     | 828.00                            | 803.52     | 892.73                  |
| Return before operating charges (p)               | 157.04                        | 39.13      | (27.05)    | 157.04                            | 39.11      | (77.99)                 |
| Operating charges (p)                             | (7.38)                        | (14.65)    | (14.41)    | (7.38)                            | (14.63)    | (10.10)                 |
| Return after operating charges (p)*               | 149.66                        | 24.48      | (41.46)    | 149.66                            | 24.48      | (88.09)                 |
| Distributions (p)                                 | –                             | –          | (1.13)     | –                                 | –          | (1.12)                  |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 | –          | –                       |
| Closing net asset value per share (p)             | 977.66                        | 828.00     | 803.52     | 977.66                            | 828.00     | 803.52                  |
| *after direct transaction costs of (p)            | 0.15                          | 0.26       | 0.71       | 0.15                              | 0.26       | 0.70                    |
| <b>Performance</b>                                |                               |            |            |                                   |            |                         |
| Return after charges (%)                          | 18.07                         | 3.05       | (4.90)     | 18.07                             | 3.05       | (9.87)                  |
| <b>Other information</b>                          |                               |            |            |                                   |            |                         |
| Closing net asset value (£000)                    | 503                           | 437        | 436        | 31,612                            | 27,557     | 34,005                  |
| Closing number of shares                          | 51,397                        | 52,838     | 54,266     | 3,233,469                         | 3,328,151  | 4,231,965               |
| Operating charges (%)**                           | 1.67 <sup>1</sup>             | 1.67       | 1.69       | 1.67 <sup>1</sup>                 | 1.67       | 1.67 <sup>1</sup>       |
| Direct transaction costs (%)***                   | 0.03                          | 0.03       | 0.08       | 0.03                              | 0.03       | 0.08                    |
| <b>Prices</b>                                     |                               |            |            |                                   |            |                         |
| Highest share price (p)                           | 999.69                        | 939.93     | 921.17     | 999.68                            | 939.93     | 921.17                  |
| Lowest share price (p)                            | 650.30                        | 795.58     | 726.80     | 650.30                            | 795.57     | 726.80                  |
|   | Class 1 – Accumulation shares |            |            | Class 1 EUR – Accumulation shares |            |                         |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 23/11/2018 <sup>2</sup>           |            |                         |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |            |                         |
| Opening net asset value per share (p)             | 852.01                        | 826.82     | 869.42     | 917.33                            |            |                         |
| Return before operating charges (p)               | 161.56                        | 40.25      | (27.84)    | (97.91)                           |            |                         |
| Operating charges (p)                             | (7.56)                        | (15.06)    | (14.76)    | (5.66)                            |            |                         |
| Return after operating charges (p)*               | 154.00                        | 25.19      | (42.60)    | (103.57)                          |            |                         |
| Distributions (p)                                 | –                             | –          | (1.15)     | (4.07)                            |            |                         |
| Retained distributions on accumulation shares (p) | –                             | –          | 1.15       | 4.07                              |            |                         |
| Closing net asset value per share (p)             | 1,006.01                      | 852.01     | 826.82     | 789.16                            |            |                         |
| *after direct transaction costs of (p)            | 0.15                          | 0.27       | 0.73       | 0.27                              |            |                         |
| <b>Performance</b>                                |                               |            |            |                                   |            |                         |
| Return after charges (%)                          | 18.07                         | 3.05       | (4.90)     | (11.60)                           |            |                         |
| <b>Other information</b>                          |                               |            |            |                                   |            |                         |
| Closing net asset value (£000)                    | 44,515                        | 43,766     | 83,057     | –                                 |            |                         |
| Closing number of shares                          | 4,424,961                     | 5,136,755  | 10,045,388 | –                                 |            |                         |
| Operating charges (%)**                           | 1.67 <sup>1</sup>             | 1.68       | 1.69       | –                                 |            |                         |
| Direct transaction costs (%)***                   | 0.03                          | 0.03       | 0.08       | –                                 |            |                         |
| <b>Prices</b>                                     |                               |            |            |                                   |            |                         |
| Highest share price (p)                           | 1,028.67                      | 967.19     | 946.55     | 946.55                            |            |                         |
| Lowest share price (p)                            | 669.15                        | 818.74     | 746.83     | 789.16                            |            |                         |

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

|   | Class 1 CHF Hedged – Accumulation shares |            | Class 2 – Accumulation shares                    |                         |            |
|---|--|------------|--|-------------------------|------------|
|   | 23/11/2018 <sup>2</sup>                  | 07/03/2018 | 07/09/2020                                       | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |  |                         |            |
| Opening net asset value per share (p)             | 143.32                                   | 131.53     | 971.66   | 937.14                  | 979.38     |
| Return before operating charges (p)               | (8.50)                                   | 14.16      | 184.69   | 45.39                   | (31.76)    |
| Operating charges (p)                             | (1.26)                                   | (2.37)     | (5.51)   | (10.87)                 | (10.48)    |
| Return after operating charges (p)*               | (9.76)                                   | 11.79      | 179.18   | 34.52                   | (42.24)    |
| Distributions (p)                                 | (0.64)                                   | (0.18)     | –  | (6.13)                  | (7.25)     |
| Retained distributions on accumulation shares (p) | 0.64                                     | 0.18       | –  | 6.13                    | 7.25       |
| Closing net asset value per share (p)             | 133.56                                   | 143.32     | 1,150.84   | 971.66                  | 937.14     |
| *after direct transaction costs of (p)            | 0.06                                     | 0.08       | 0.18   | 0.31                    | 0.82       |
| <b>Performance</b>                                |  |            |  |                         |            |
| Return after charges (%)                          | (6.81)                                   | 8.96       | 18.44  | 3.68                    | (4.31)     |
| <b>Other information</b>                          |  |            |  |                         |            |
| Closing net asset value (€000)                    | –  | 374        | 110,541  | 93,939                  | 108,819    |
| Closing number of shares                          | –  | 260,891    | 9,605,285  | 9,667,973               | 11,611,884 |
| Operating charges (%)**                           | –  | 1.67       | 1.06 <sup>†</sup>                                | 1.06                    | 1.07       |
| Direct transaction costs (%)***                   | –  | 0.06       | 0.03   | 0.03                    | 0.08       |
| <b>Prices</b>                                     |  |            |  |                         |            |
| Highest share price (p)                           | 159.99                                   | 149.00     | 1,176.50   | 1,102.12                | 1,069.41   |
| Lowest share price (p)                            | 133.56                                   | 131.89     | 763.24   | 927.99                  | 845.43     |
|   | Class 2 EUR – Accumulation shares        |            | Class X – Gross accumulation shares <sup>5</sup> |                         |            |
|   | 23/11/2018 <sup>2</sup>                  |            | 07/09/2020                                       | 07/03/2020 <sup>4</sup> |            |
| <b>Change in net assets per share</b>             |  |            |  |                         |            |
| Opening net asset value per share (p)             | 1,035.08                                 |            | 99.83  | 100.00                  |            |
| Return before operating charges (p)               | (138.13)                                 |            | 19.03  | (0.12)                  |            |
| Operating charges (p)                             | (4.07)                                   |            | (0.03)   | (0.05)                  |            |
| Return after operating charges (p)*               | (142.20)                                 |            | 19.00  | (0.17)                  |            |
| Distributions (p)                                 | (8.93)                                   |            | –  | (1.16)                  |            |
| Retained distributions on accumulation shares (p) | 8.93                                     |            | –  | 1.16                    |            |
| Closing net asset value per share (p)             | 892.88                                   |            | 118.83   | 99.83                   |            |
| *after direct transaction costs of (p)            | 0.31                                     |            | 0.02   | 0.03                    |            |
| <b>Performance</b>                                |  |            |  |                         |            |
| Return after charges (%)                          | (13.74)                                  |            | 19.03  | (0.17)                  |            |
| <b>Other information</b>                          |  |            |  |                         |            |
| Closing net asset value (€000)                    | –  |            | 26,355   | 31,433                  |            |
| Closing number of shares                          | –  |            | 22,178,624                                       | 31,487,779              |            |
| Operating charges (%)**                           | –  |            | 0.06 <sup>†</sup>                                | 0.06 <sup>†</sup>       |            |
| Direct transaction costs (%)***                   | –  |            | 0.03   | 0.03                    |            |
| <b>Prices</b>                                     |  |            |  |                         |            |
| Highest share price (p)                           | 1,069.41                                 |            | 121.44   | 113.08                  |            |
| Lowest share price (p)                            | 892.88                                   |            | 78.43  | 98.75                   |            |

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares       |            |             | Class Z EUR – Income shares       |
|---|-------------------------------|------------|-------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 23/11/2018 <sup>2</sup>           |
| <b>Change in net assets per share</b>             |                               |            |             |                                   |
| Opening net asset value per share (p)             | 183.96                        | 178.56     | 188.06      | 198.85                            |
| Return before operating charges (p)               | 34.98                         | 8.62       | (6.14)      | (24.59)                           |
| Operating charges (p)                             | (0.86)                        | (1.71)     | (1.64)      | (0.62)                            |
| Return after operating charges (p)*               | 34.12                         | 6.91       | (7.78)      | (25.21)                           |
| Distributions (p)                                 | –                             | (1.51)     | (1.72)      | (1.97)                            |
| Retained distributions on accumulation shares (p) | –                             | –          | –           | –                                 |
| Closing net asset value per share (p)             | 218.08                        | 183.96     | 178.56      | 171.67                            |
| *after direct transaction costs of (p)            | 0.03                          | 0.06       | 0.16        | 0.06                              |
| <b>Performance</b>                                |                               |            |             |                                   |
| Return after charges (%)                          | 18.55                         | 3.87       | (4.14)      | (12.68)                           |
| <b>Other information</b>                          |                               |            |             |                                   |
| Closing net asset value (£000)                    | 14,121                        | 13,174     | 21,697      | –                                 |
| Closing number of shares                          | 6,474,936                     | 7,161,109  | 12,151,117  | –                                 |
| Operating charges (%)**                           | 0.88 <sup>†</sup>             | 0.88       | 0.88        | –                                 |
| Direct transaction costs (%)***                   | 0.03                          | 0.03       | 0.08        | –                                 |
| <b>Prices</b>                                     |                               |            |             |                                   |
| Highest share price (p)                           | 222.93                        | 210.32     | 205.52      | 205.52                            |
| Lowest share price (p)                            | 144.51                        | 176.80     | 162.57      | 171.67                            |
|   | Class Z – Accumulation shares |            |             | Class Z EUR – Accumulation shares |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 23/11/2018 <sup>2</sup>           |
| <b>Change in net assets per share</b>             |                               |            |             |                                   |
| Opening net asset value per share (p)             | 206.00                        | 198.32     | 206.89      | 218.76                            |
| Return before operating charges (p)               | 39.17                         | 9.59       | (6.75)      | (29.19)                           |
| Operating charges (p)                             | (0.97)                        | (1.91)     | (1.82)      | (0.71)                            |
| Return after operating charges (p)*               | 38.20                         | 7.68       | (8.57)      | (29.90)                           |
| Distributions (p)                                 | –                             | (1.68)     | (1.89)      | (2.16)                            |
| Retained distributions on accumulation shares (p) | –                             | 1.68       | 1.89        | 2.16                              |
| Closing net asset value per share (p)             | 244.20                        | 206.00     | 198.32      | 188.86                            |
| *after direct transaction costs of (p)            | 0.04                          | 0.06       | 0.17        | 0.06                              |
| <b>Performance</b>                                |                               |            |             |                                   |
| Return after charges (%)                          | 18.54                         | 3.87       | (4.14)      | (13.67)                           |
| <b>Other information</b>                          |                               |            |             |                                   |
| Closing net asset value (£000)                    | 202,162                       | 168,474    | 203,465     | –                                 |
| Closing number of shares                          | 82,783,802                    | 81,782,838 | 102,592,660 | –                                 |
| Operating charges (%)**                           | 0.88 <sup>†</sup>             | 0.88       | 0.88        | –                                 |
| Direct transaction costs (%)***                   | 0.03                          | 0.03       | 0.08        | –                                 |
| <b>Prices</b>                                     |                               |            |             |                                   |
| Highest share price (p)                           | 249.64                        | 233.59     | 226.10      | 226.10                            |
| Lowest share price (p)                            | 161.82                        | 196.39     | 178.85      | 188.86                            |

## Threadneedle European Smaller Companies Fund

### Comparative Table Disclosure

(continued)

|   | Class Z CHF Hedged – Accumulation shares |            |
|---|--|------------|
|   | 23/11/2018 <sup>2</sup>                  | 07/03/2018 |
| <b>Change in net assets per share</b>             |  |            |
| Opening net asset value per share (p)             | 146.30                                   | 133.18     |
| Return before operating charges (p)               | (8.47)                                   | 14.39      |
| Operating charges (p)                             | (0.68)                                   | (1.27)     |
| Return after operating charges (p)*               | (9.15)                                   | 13.12      |
| Distributions (p)                                 | (1.51)                                   | (1.31)     |
| Retained distributions on accumulation shares (p) | 1.51                                     | 1.31       |
| Closing net asset value per share (p)             | 137.15                                   | 146.30     |
| *after direct transaction costs of (p)            | 0.06                                     | 0.09       |
| <b>Performance</b>                                |  |            |
| Return after charges (%)                          | (6.25)                                   | 9.85       |
| <b>Other information</b>                          |  |            |
| Closing net asset value (£000)                    | –  | 1,081      |
| Closing number of shares                          | –  | 739,107    |
| Operating charges (%)**                           | –  | 0.88       |
| Direct transaction costs (%)***                   | –  | 0.06       |
| <b>Prices</b>                                     |  |            |
| Highest share price (p)                           | 163.94                                   | 151.20     |
| Lowest share price (p)                            | 137.15                                   | 133.54     |

\*\*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>Only available to eligible investors.

<sup>2</sup>Commenced 15 June 2018.

<sup>3</sup>Commenced 15 June 2018 and closed 23 November 2018.

<sup>4</sup>Closed 23 November 2018.

<sup>5</sup>Commenced 9 May 2019.

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

## Threadneedle European Smaller Companies Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 52,838            |
| Shares issued                              | 477               |
| Shares redeemed                            | (1,918)           |
| Net conversions                            | –                 |
| Closing shares                             | <u>51,397</u>     |
| <b>Class 1 EUR – Income shares</b>         |                   |
| Opening shares                             | 3,328,151         |
| Shares issued                              | 117,292           |
| Shares redeemed                            | (211,974)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>3,233,469</u>  |
| <b>Class 1 – Accumulation shares</b>       |                   |
| Opening shares                             | 5,136,755         |
| Shares issued                              | 142,532           |
| Shares redeemed                            | (751,569)         |
| Net conversions                            | (102,757)         |
| Closing shares                             | <u>4,424,961</u>  |
| <b>Class 2 – Accumulation shares</b>       |                   |
| Opening shares                             | 9,667,973         |
| Shares issued                              | 630,167           |
| Shares redeemed                            | (692,855)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>9,605,285</u>  |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 31,487,779        |
| Shares issued                              | –                 |
| Shares redeemed                            | (9,309,155)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>22,178,624</u> |
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 7,161,109         |
| Shares issued                              | 930,242           |
| Shares redeemed                            | (1,727,395)       |
| Net conversions                            | 110,980           |
| Closing shares                             | <u>6,474,936</u>  |
| <b>Class Z – Accumulation shares</b>       |                   |
| Opening shares                             | 81,782,838        |
| Shares issued                              | 6,079,606         |
| Shares redeemed                            | (5,404,068)       |
| Net conversions                            | 325,426           |
| Closing shares                             | <u>82,783,802</u> |

## Threadneedle European Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the ICE BofA Pan-Europe Broad Market Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued by governments, quasi-government entities and companies (corporate bonds) that are denominated in a European currency.

The Fund usually selects bonds that are investment grade, but may also include bonds with a lower credit rating in the portfolio if this is considered appropriate, as well as bonds denominated in non-European currencies.

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

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

The ICE BofA Pan-Europe Broad Market Index is regarded as an appropriate performance measure of investment grade corporate and government bonds that are denominated in European currencies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle European Bond Fund has risen from 84.55p to 87.14p. The sterling total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +5.15%. For information the ICE BofA Pan-Europe Broad Market Index returned +2.84% over the same period.

#### Market Overview and Portfolio Activity

The review period was characterised by a very sharp sell-off in risk assets (such as stocks and corporate bonds) in March, followed by a strong and steady recovery over the remaining months.

In March, the COVID-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors fled to assets perceived as safe havens. Core government bond yields (which move inversely to prices) plunged to record lows, while yields of riskier bonds rose, in some cases, dramatically.

Central banks and governments responded to the crisis with a flood of stimulus measures, which fuelled a rally in risk assets from late March onwards, as did the

gradual easing of lockdown restrictions in numerous countries. After some shocking data in April, economic news tended to reinforce the positive sentiment, being weak in absolute terms but generally better than expected. Corporate results, too, easily beat greatly reduced forecasts. Against this, however, optimism was tempered by worries that a second wave of the pandemic could derail the recovery, as from the late summer onwards, case loads spiked in many countries that had reopened following lockdowns. Meanwhile, in the UK, Brexit-related jitters resurfaced amid concern that the UK and EU might fail to agree on a trade deal before the transition period expires at the end of December this year.

On the stimulus front, the Federal Reserve (Fed) slashed interest rates close to zero in March and pledged unlimited bond purchases, which include corporate credit, a step not even taken in the subprime crisis. Of the other major central banks, the Bank of England cut rates and restarted its own asset-purchase programme, while the European Central Bank (ECB) increased its bond-buying, which already included corporate credit. In August, the Fed unveiled a major policy shift, announcing it will now target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and will no longer view the approach of full employment as a cue to hike interest rates.

Meanwhile, governments around the world unleashed unprecedented economic support measures. In Germany, the 'debt brake' that limits state borrowing was suspended, and the government increased spending too. After some fraught negotiations, EU countries agreed a joint €750bn package. The UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

Over the period as a whole, yields of UK government bonds (gilts) were little changed, while rates on German government bonds (bunds) fell significantly. In the eurozone, yields on sovereign bonds of the so-called periphery rose sharply in March as some of the region's largest economies – Italy, Spain and France – experienced particularly severe virus outbreaks, which heightened concerns about the bloc's already fragile growth. Spreads of these bonds over bunds (which reflect risk premiums) widened, especially as global investors shunned risk assets. But yields and spreads subsequently retraced a large portion of their earlier spikes, as the ECB expanded its asset purchases and scrapped issuer limits when it came to purchasing sovereign debt. Yields continued to trend lower amid the recovery in global risk appetite and as economic indicators in the eurozone started to pick up. Periphery bonds were particular beneficiaries of the ECB's decision to further increase its asset-purchase programme, and, importantly, the approval of the jointly financed EU relief fund. Overall, spreads of peripheral sovereign bonds over German

bunds narrowed over the review period, except in Spain, where yields rose given the uptick in coronavirus cases in August.

Within sovereigns, we increased exposure to Spain, the Netherlands, Ireland and Slovenia. We initiated a small position in Austria via the newly issued century bond. We reduced the holdings in the UK, Germany and France, and sold out of Belgium. Within agency/quasi-sovereign debt, new additions included FADE, a securitisation platform sponsored by the Spanish government. We also initiated positions in Italian development bank CDP (Cassa di Risparmio di Firenze) and Hungarian state-owned credit institution MFB. We topped up our holdings in state-owned railway companies ADIF (Spain) and SNCF (France). The allocation to the European Investment Bank was reduced.

In corporate bonds, we took advantage of the dramatic widening in spreads in March to start to cover our underweight here, and increased exposure over the period. In the primary market, we took part in a wide range of new issues across various sectors, such as from supermarket chain Carrefour, grid operator RTE, beverage firm Anheuser-Busch InBev, and financials Nationwide, ING and Wells Fargo.

In the secondary market, we opened positions in Unedic, which manages France's unemployment insurance scheme, and in BNG Bank. Sales included Deutsche Telekom and French banking group BpCE.

The speed and severity of the collapse in economic activity across advanced economies is likely to deliver high volatility in sequential data over coming months. We expect the return to pre-crisis rates of growth to be extremely slow due to persistent softness in demand as well as the risk that temporary job losses become more permanent. Support from governments and central banks has been substantial, though we retain concern over the longevity of the fiscal effort and the ability of monetary policy to fully offset the demand shock given that interest rates are so close to the effective lower bound.

Evidence suggests that the structural impediments to growth (which have been exacerbated by the recent crisis), along with the colossal overhang of debt, make it even harder for central banks to generate sustained pricing pressures and lift inflation expectations. Therefore, we continue to be overweight duration.

The ECB is in the process of shifting from "emergency measures", designed to keep markets liquid and credit channels open, towards an assessment of the appropriateness of its monetary stance. The credibility of the ECB's inflation target is perhaps the weakest of any major central bank, and policy settings are still too tight to achieve it – especially in the context of a stronger euro. We expect a renewed monetary effort, either through increased asset purchases or further moves into negative rate territory. That said, growing fiscal stimulus could potentially limit the decline in core yields in the region.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000 | 2019<br>£000  |
|---|--------------|---------------|
| Income  |              |               |
| Net capital gains   | 4,686        | 10,192        |
| Revenue   | 705          | 682           |
| Expenses  | (701)        | (532)         |
| Interest payable and similar charges  | (210)        | (273)         |
| Net expense before taxation   | (206)        | (123)         |
| Taxation  | –            | –             |
| Net expense after taxation  | (206)        | (123)         |
| <b>Total return before distributions</b>  | <b>4,480</b> | <b>10,069</b> |
| Distributions   | (400)        | (334)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>4,080</b> | <b>9,735</b>  |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March 2020<br>£000 |
|--|----------------|--------------------|
| <b>Assets:</b>                                 |                |                    |
| <b>Fixed assets:</b>                           |                |                    |
| Investments                                    | 134,818        | 119,532            |
| <b>Current assets:</b>                         |                |                    |
| Debtors  | 2,332          | 13,406             |
| Cash and bank balances                         | 3,246          | 6,037              |
| Cash equivalents**                             | 1,461          | 5,341              |
| <b>Total assets</b>                            | <b>141,857</b> | <b>144,316</b>     |
| <b>Liabilities:</b>                            |                |                    |
| <b>Investment liabilities</b>                  | (973)          | (1,380)            |
| <b>Creditors:</b>                              |                |                    |
| Distribution payable                           | (54)           | (24)               |
| Other creditors                                | (2,156)        | (8,977)            |
| <b>Total liabilities</b>                       | <b>(3,183)</b> | <b>(10,381)</b>    |
| <b>Net assets attributable to shareholders</b> | <b>138,674</b> | <b>133,935</b>     |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>133,935</b> | <b>95,502</b>  |
| Amounts receivable on the issue of shares  | 94,520         | 17,888         |
| Amounts payable on the cancellation of shares  | (94,456)       | (18,375)       |
|  | 64             | (487)          |
| Dilution adjustment  | 264            | 10             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 4,080          | 9,735          |
| Retained distribution on accumulation shares   | 331            | 288            |
| <b>Closing net assets attributable to shareholders</b>   | <b>138,674</b> | <b>105,048</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.2369        | –            | 0.2369                         | 0.2793                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.0809        | 0.1560       | 0.2369                         | 0.2793                 |
| <b>Total distributions in the period</b> |               |              | <b>0.2369</b>                  | <b>0.2793</b>          |

#### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4738        | –            | 0.4738                         | 0.5560                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.2673        | 0.2065       | 0.4738                         | 0.5560                         |
| <b>Total distributions in the period</b> |               |              | <b>0.4738</b>                  | <b>0.5560</b>                  |

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

## Threadneedle European Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4994        | –            | 0.4994                         | 0.5720                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.0795        | 0.4199       | 0.4994                         | 0.5720                         |
| <b>Total distributions in the period</b> |               |              | <b>0.4994</b>                  | <b>0.5720</b>                  |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.3506        | –            | 0.3506                         | 0.2512                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.2002        | 0.1504       | 0.3506                         | 0.2512                         |
| <b>Total distributions in the period</b> |               |              | <b>0.3506</b>                  | <b>0.2512</b>                  |

#### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.3479        | –            | 0.3479                         | 0.4082                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.0856        | 0.2623       | 0.3479                         | 0.4082                 |
| <b>Total distributions in the period</b> |               |              | <b>0.3479</b>                  | <b>0.4082</b>          |

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

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 |
|--|---------------|--------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.3264        | –            | 0.3264                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.2150        | 0.1114       | 0.3264                         |
| <b>Total distributions in the period</b> |               |              | <b>0.3264</b>                  |

Group 2: shares purchased during a distribution period.

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

## Threadneedle European Bond Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares                          |            |            | Class 1 – Gross accumulation shares <sup>5</sup> |                         |            |
|---|--|------------|------------|--|-------------------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |                         |            |
| Opening net asset value per share (p)             | 84.31  | 76.83      | 78.88      | 168.62   | 152.91                  | 155.38     |
| Return before operating charges (p)               | 3.20   | 8.82       | (0.35)     | 6.40   | 17.58                   | (0.70)     |
| Operating charges (p)                             | (0.49)   | (0.93)     | (0.90)     | (0.99)   | (1.87)                  | (1.77)     |
| Return after operating charges (p)*               | 2.71   | 7.89       | (1.25)     | 5.41   | 15.71                   | (2.47)     |
| Distributions (p)                                 | (0.24)   | (0.41)     | (0.80)     | (0.47)   | (0.81)                  | (1.58)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 0.47   | 0.81                    | 1.58       |
| Closing net asset value per share (p)             | 86.78  | 84.31      | 76.83      | 174.03   | 168.62                  | 152.91     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –                       | –          |
| <b>Performance</b>                                |  |            |            |  |                         |            |
| Return after charges (%)                          | 3.21   | 10.27      | (1.58)     | 3.21   | 10.27                   | (1.59)     |
| <b>Other information</b>                          |  |            |            |  |                         |            |
| Closing net asset value (£000)                    | 10,946   | 11,379     | 15,474     | 99,113   | 109,637                 | 71,593     |
| Closing number of shares                          | 12,614,170                                       | 13,497,535 | 20,141,055 | 56,950,583                                       | 65,020,428              | 46,821,469 |
| Operating charges (%)**                           | 1.15 <sup>†</sup>                                | 1.15       | 1.15       | 1.15 <sup>†</sup>                                | 1.15                    | 1.15       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –                       | –          |
| <b>Prices</b>                                     |  |            |            |  |                         |            |
| Highest share price (p)                           | 88.65  | 88.25      | 79.74      | 177.32   | 175.64                  | 157.90     |
| Lowest share price (p)                            | 82.06  | 76.58      | 75.76      | 164.12   | 152.41                  | 150.04     |
|   | Class 2 – Gross accumulation shares <sup>5</sup> |            |            | Class X – Gross accumulation shares <sup>5</sup> |                         |            |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 <sup>†</sup> |            |
| <b>Change in net assets per share</b>             |  |            |            |  |                         |            |
| Opening net asset value per share (p)             | 157.00   | 141.57     | 143.04     | 109.55   | 100.00                  |            |
| Return before operating charges (p)               | 5.98   | 16.29      | (0.62)     | 4.19   | 9.62                    |            |
| Operating charges (p)                             | (0.47)   | (0.86)     | (0.85)     | (0.05)   | (0.07)                  |            |
| Return after operating charges (p)*               | 5.51   | 15.43      | (1.47)     | 4.14   | 9.55                    |            |
| Distributions (p)                                 | (0.50)   | (0.87)     | (1.56)     | (0.35)   | (0.46)                  |            |
| Retained distributions on accumulation shares (p) | 0.50   | 0.87       | 1.56       | 0.35   | 0.46                    |            |
| Closing net asset value per share (p)             | 162.51   | 157.00     | 141.57     | 113.69   | 109.55                  |            |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –                       |            |
| <b>Performance</b>                                |  |            |            |  |                         |            |
| Return after charges (%)                          | 3.51   | 10.90      | (1.03)     | 3.78   | 9.55                    |            |
| <b>Other information</b>                          |  |            |            |  |                         |            |
| Closing net asset value (£000)                    | 2,628  | 596        | 4,011      | 17,216   | 7,900                   |            |
| Closing number of shares                          | 1,617,332  | 379,409    | 2,833,571  | 15,143,338                                       | 7,210,639               |            |
| Operating charges (%)**                           | 0.58 <sup>†</sup>                                | 0.56       | 0.60       | 0.08 <sup>†</sup>                                | 0.08 <sup>†</sup>       |            |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –                       |            |
| <b>Prices</b>                                     |  |            |            |  |                         |            |
| Highest share price (p)                           | 165.47   | 163.03     | 146.04     | 115.69   | 113.44                  |            |
| Lowest share price (p)                            | 152.91   | 141.13     | 138.58     | 106.75   | 100.00                  |            |

## Threadneedle European Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares |            |            | Class Z – Gross accumulation shares <sup>5</sup> |                         |
|---|-------------------------|------------|------------|--|-------------------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 <sup>2</sup> |
| <b>Change in net assets per share</b>             |                         |            |            |  |                         |
| Opening net asset value per share (p)             | 123.67                  | 112.12     | 114.54     | 106.09   | 100.00                  |
| Return before operating charges (p)               | 4.70                    | 12.93      | (0.52)     | 4.04   | 6.11                    |
| Operating charges (p)                             | (0.41)                  | (0.78)     | (0.74)     | (0.33)   | (0.02)                  |
| Return after operating charges (p)*               | 4.29                    | 12.15      | (1.26)     | 3.71   | 6.09                    |
| Distributions (p)                                 | (0.35)                  | (0.60)     | (1.16)     | (0.33)   | (0.01)                  |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | 0.33   | 0.01                    |
| Closing net asset value per share (p)             | 127.61                  | 123.67     | 112.12     | 109.80   | 106.09                  |
| *after direct transaction costs of (p)            | –                       | –          | –          | –  | –                       |
| <b>Performance</b>                                |                         |            |            |  |                         |
| Return after charges (%)                          | 3.47                    | 10.84      | (1.10)     | 3.50   | 6.09                    |
| <b>Other information</b>                          |                         |            |            |  |                         |
| Closing net asset value (£000)                    | 8,768                   | 4,422      | 4,424      | 3  | 1                       |
| Closing number of shares                          | 6,870,551               | 3,575,833  | 3,945,786  | 3,348  | 1,000                   |
| Operating charges (%)**                           | 0.65 <sup>1</sup>       | 0.65       | 0.65       | 0.60 <sup>1</sup>                                | 0.45 <sup>1</sup>       |
| Direct transaction costs (%)***                   | –                       | –          | –          | –  | –                       |
| <b>Prices</b>                                     |                         |            |            |  |                         |
| Highest share price (p)                           | 130.30                  | 129.08     | 116.27     | 111.80   | 106.22                  |
| Lowest share price (p)                            | 120.43                  | 111.77     | 110.35     | 103.31   | 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 9 May 2019.

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

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

## Threadneedle European Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 13,497,535        |
| Shares issued                              | 1,217,953         |
| Shares redeemed                            | (2,007,988)       |
| Net conversions                            | (93,330)          |
| Closing shares                             | <u>12,614,170</u> |
| <b>Class 1 – Gross accumulation shares</b> |                   |
| Opening shares                             | 65,020,428        |
| Shares issued                              | 46,238,310        |
| Shares redeemed                            | (54,308,155)      |
| Net conversions                            | –                 |
| Closing shares                             | <u>56,950,583</u> |
| <b>Class 2 – Gross accumulation shares</b> |                   |
| Opening shares                             | 379,409           |
| Shares issued                              | 1,276,992         |
| Shares redeemed                            | (39,069)          |
| Net conversions                            | –                 |
| Closing shares                             | <u>1,617,332</u>  |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 7,210,639         |
| Shares issued                              | 8,145,666         |
| Shares redeemed                            | (212,967)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>15,143,338</u> |
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 3,575,833         |
| Shares issued                              | 3,425,596         |
| Shares redeemed                            | (194,480)         |
| Net conversions                            | 63,602            |
| Closing shares                             | <u>6,870,551</u>  |
| <b>Class Z – Gross accumulation shares</b> |                   |
| Opening shares                             | 1,000             |
| Shares issued                              | 2,348             |
| Shares redeemed                            | –                 |
| Net conversions                            | –                 |
| Closing shares                             | <u>3,348</u>      |

## Threadneedle Strategic Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in bonds denominated in sterling (GBP) or euro (EUR). In addition to GBP or EUR denominated bonds, the Fund may invest in bonds priced in other currencies, however all non-sterling bonds are usually hedged back to sterling.

The Fund follows a strategic investment approach, allowing for changes to allocation between investment grade and below investment grade corporate bonds, as well as investment in government bonds and bonds issued by international organisations. This approach aims to position the Fund to take advantage of those areas of the bond market that are considered to offer the best return potential.

Derivatives (including forward transactions) may be used for investment purposes. This includes allowing the Fund to profit from the fall in the price of an asset (shorting), as well as extending market exposure beyond the value of its assets (leverage). In addition, derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Strategic Bond Fund has risen from 46.96p to 47.40p.

The total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +1.99% as compared to a median return of +0.76% over the same period. This compares against a return of +0.78% for a composite index of 60% iBoxx GBP Non-Gilts 1-10 Years + 40% ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling)

#### Market Overview and Portfolio Activity

The sterling investment grade (IG) and European high-yield (HY) credit markets both delivered positive returns over the six months to 7 September 2020. In the UK, gilt yields (which move inversely to price) were little changed overall, as were IG credit spreads (the yield premiums offered by corporate bonds over "risk-free"

government bonds of the same maturity), though this masks significant swings in the interim, especially in spreads. In Europe, German bund yields fell significantly while HY spreads finished a little lower than they began. Broadly speaking, the period was characterised by a very sharp sell-off of risk assets (such as shares and corporate bonds) in March, followed by a strong and steady recovery over the remaining months.

Pressure on credit and other risk assets intensified in March as the COVID-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows, and credit spreads widened dramatically.

Central banks responded to the crisis by unleashing a flood of stimulus. The Federal Reserve (Fed) slashed interest rates close to zero and pledged unlimited bond purchases – now including corporate credit. Most of its major counterparts either reintroduced or scaled up their own asset-buying programmes, and those with still-positive interest rates generally cut them. Monetary stimulus was complemented by unprecedented economic support from governments around the world, including a joint €750bn package agreed by EU member states.

From late March on, risk assets rallied amid hopes that these stimulus measures and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. After some very weak data in April, economic news tended to reinforce this sentiment, being weak in absolute terms but generally better than expected. Corporate results, too, tended to beat greatly reduced forecasts. Against this, however, optimism was tempered by worries that a second wave of the pandemic could derail the recovery. From the late summer onwards, case loads spiked in many countries that had reopened following lockdowns, including France, Spain and the UK.

Early in the period, we became more constructive on the outlook for the market, especially IG, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase IG credit risk within the portfolio, mainly via attractively priced new issues. We continued to increase the portfolio's 'beta' (sensitivity to changes in credit spreads) early in the second quarter, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we took part in a wide range of new issues, the largest of which (in terms of position sizes) included deals from IG issuers Tennet, Southern Water Services, SSE and BP, and HY issuers Altice and SIG Combibloc. In the secondary market, we started new positions in Adani Ports & Special Economic Zone, Microsoft, Tencent, Aegon, Braskem, and Energuate. We also increased exposure to Glencore, AIB, Alibaba, GE Capital, and Gold Fields among others. On the disposals side, we reduced exposure to issuers such as Bacardi, Fiserv, Swire Pacific and Thermo Fisher Scientific, and exited others completely, including Severn Trent, Pannon Group, Verizon Communications, BFCM and Cadent. Among sovereign issuers, we exited positions in the governments of France and Oman.

The valuation case has certainly become less compelling since the end of March, given the market's powerful recovery over the last few months. At the end of the period, spreads in the sterling IG and European HY markets were respectively around 0.1 standard deviations and 0.4 standard deviations more expensive than the 20-year average.

More positively, however, the support measures introduced by governments and central banks will help to mitigate the pandemic's significant interruption to economic output and employment. Furthermore, much of the policy response to the crisis has been specifically targeted at keeping the credit channel open. Policymakers want to avoid an economic shock turning into a financial crisis. We have been impressed by the speed, scale and scope of their actions.

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

One notable change to the European HY landscape is the increased number of issuers downgraded from IG, many of which are long-established, large corporate names. This has resulted in the market's capitalisation rising to a record high. Their arrival has also helped to tighten spreads as the amount of lower-yielding BBs increases. Given the outlook from rating agencies, more such 'fallen angels' are to be expected.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020    | 2019    |
|--|---------|---------|
|  | £000    | £000    |
| Income   |         |         |
| Net capital gains  | 1,998   | 7,882   |
| Revenue  | 4,137   | 4,728   |
| Expenses   | (911)   | (1,034) |
| Interest payable and similar charges   | (553)   | (1,444) |
| Net revenue before taxation  | 2,673   | 2,250   |
| Taxation   | –       | –       |
| Net revenue after taxation   | 2,673   | 2,250   |
| Total return before distributions  | 4,671   | 10,132  |
| Distributions  | (3,456) | (3,142) |
| Change in net assets attributable to shareholders from investment activities | 1,215   | 6,990   |

### BALANCE SHEET

as at 7 September 2020

|  | 2020           | March 2020     |
|--|----------------|----------------|
|  | £000           | £000           |
| <b>Assets:</b>                                 |                |                |
| <b>Fixed assets:</b>                           |                |                |
| Investments                                    | 210,221        | 228,853        |
| <b>Current assets:</b>                         |                |                |
| Debtors  | 2,665          | 3,156          |
| Cash and bank balances                         | 9,862          | 16,638         |
| Cash equivalents**                             | 9,017          | 14             |
| Total assets                                   | 231,765        | 248,661        |
| <b>Liabilities:</b>                            |                |                |
| <b>Investment liabilities</b>                  | (2,578)        | (9,875)        |
| <b>Creditors:</b>                              |                |                |
| Bank overdrafts                                | (3,169)        | (3,614)        |
| Distribution payable                           | (197)          | (383)          |
| Other creditors                                | (450)          | (1,949)        |
| Total liabilities                              | (6,394)        | (15,821)       |
| <b>Net assets attributable to shareholders</b> | <b>225,371</b> | <b>232,840</b> |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020     | 2019     |
|--|----------|----------|
|  | £000     | £000     |
| Opening net assets attributable to shareholders  | 232,840  | 239,417  |
| Amounts receivable on the issue of shares  | 5,965    | 11,594   |
| Amounts payable on the cancellation of shares  | (15,721) | (20,992) |
|  | (9,756)  | (9,398)  |
| Dilution adjustment  | 19       | –        |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 1,215    | 6,990    |
| Retained distribution on accumulation shares   | 1,053    | 948      |
| Unclaimed distributions  | –        | 6        |
| Closing net assets attributable to shareholders  | 225,371  | 237,963  |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 March 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1503        | –            | 0.1503                         | 0.1051                 |
| 08/04/20 to 07/05/20                     | 0.1338        | –            | 0.1338                         | 0.1005                 |
| 08/05/20 to 07/06/20                     | 0.1047        | –            | 0.1047                         | 0.0995                 |
| 08/06/20 to 07/07/20                     | 0.1363        | –            | 0.1363                         | 0.0974                 |
| 08/07/20 to 07/08/20                     | 0.1109        | –            | 0.1109                         | 0.0932                 |
| 08/08/20 to 07/09/20                     | 0.0565        | –            | 0.0565                         | 0.0901                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1174        | 0.0329       | 0.1503                         | 0.1051                 |
| 08/04/20 to 07/05/20                     | 0.0399        | 0.0939       | 0.1338                         | 0.1005                 |
| 08/05/20 to 07/06/20                     | –             | 0.1047       | 0.1047                         | 0.0995                 |
| 08/06/20 to 07/07/20                     | 0.0292        | 0.1071       | 0.1363                         | 0.0974                 |
| 08/07/20 to 07/08/20                     | 0.0175        | 0.0934       | 0.1109                         | 0.0932                 |
| 08/08/20 to 07/09/20                     | 0.0159        | 0.0406       | 0.0565                         | 0.0901                 |
| <b>Total distributions in the period</b> |               |              | <b>0.6925</b>                  | <b>0.5858</b>          |

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

# Threadneedle Strategic Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1505        | –            | 0.1505                         | 0.1053                 |
| 08/04/20 to 07/05/20                     | 0.1341        | –            | 0.1341                         | 0.1006                 |
| 08/05/20 to 07/06/20                     | 0.1200        | –            | 0.1200                         | 0.0997                 |
| 08/06/20 to 07/07/20                     | 0.1215        | –            | 0.1215                         | 0.0978                 |
| 08/07/20 to 07/08/20                     | 0.1111        | –            | 0.1111                         | 0.0934                 |
| 08/08/20 to 07/09/20                     | 0.0566        | –            | 0.0566                         | 0.0902                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0797        | 0.0708       | 0.1505                         | 0.1053                 |
| 08/04/20 to 07/05/20                     | 0.0141        | 0.1200       | 0.1341                         | 0.1006                 |
| 08/05/20 to 07/06/20                     | 0.0100        | 0.1100       | 0.1200                         | 0.0997                 |
| 08/06/20 to 07/07/20                     | 0.0309        | 0.0906       | 0.1215                         | 0.0978                 |
| 08/07/20 to 07/08/20                     | 0.0112        | 0.0999       | 0.1111                         | 0.0934                 |
| 08/08/20 to 07/09/20                     | 0.0167        | 0.0399       | 0.0566                         | 0.0902                 |
| <b>Total distributions in the period</b> |               |              | <b>0.6938</b>                  | <b>0.5870</b>          |

### Class 2 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1694        | –            | 0.1694                         | 0.1195                 |
| 08/04/20 to 07/05/20                     | 0.1514        | –            | 0.1514                         | 0.1143                 |
| 08/05/20 to 07/06/20                     | 0.1359        | –            | 0.1359                         | 0.1134                 |
| 08/06/20 to 07/07/20                     | 0.1382        | –            | 0.1382                         | 0.1112                 |
| 08/07/20 to 07/08/20                     | 0.1268        | –            | 0.1268                         | 0.1068                 |
| 08/08/20 to 07/09/20                     | 0.0671        | –            | 0.0671                         | 0.1034                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0904        | 0.0790       | 0.1694                         | 0.1195                 |
| 08/04/20 to 07/05/20                     | 0.0258        | 0.1256       | 0.1514                         | 0.1143                 |
| 08/05/20 to 07/06/20                     | 0.0110        | 0.1249       | 0.1359                         | 0.1134                 |
| 08/06/20 to 07/07/20                     | 0.0211        | 0.1171       | 0.1382                         | 0.1112                 |
| 08/07/20 to 07/08/20                     | 0.0195        | 0.1073       | 0.1268                         | 0.1068                 |
| 08/08/20 to 07/09/20                     | 0.0363        | 0.0308       | 0.0671                         | 0.1034                 |
| <b>Total distributions in the period</b> |               |              | <b>0.7888</b>                  | <b>0.6686</b>          |

### Class 2 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1789        | –            | 0.1789                         | 0.1262                 |
| 08/04/20 to 07/05/20                     | 0.1599        | –            | 0.1599                         | 0.1207                 |
| 08/05/20 to 07/06/20                     | 0.1436        | –            | 0.1436                         | 0.1199                 |
| 08/06/20 to 07/07/20                     | 0.1459        | –            | 0.1459                         | 0.1173                 |
| 08/07/20 to 07/08/20                     | 0.1340        | –            | 0.1340                         | 0.1128                 |
| 08/08/20 to 07/09/20                     | 0.0708        | –            | 0.0708                         | 0.1093                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1789        | –            | 0.1789                         | 0.1262                 |
| 08/04/20 to 07/05/20                     | 0.1599        | –            | 0.1599                         | 0.1207                 |
| 08/05/20 to 07/06/20                     | 0.1436        | –            | 0.1436                         | 0.1199                 |
| 08/06/20 to 07/07/20                     | 0.1459        | –            | 0.1459                         | 0.1173                 |
| 08/07/20 to 07/08/20                     | 0.1340        | –            | 0.1340                         | 0.1128                 |
| 08/08/20 to 07/09/20                     | 0.0708        | –            | 0.0708                         | 0.1093                 |
| <b>Total distributions in the period</b> |               |              | <b>0.8331</b>                  | <b>0.7062</b>          |

### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.4198        | –            | 0.4198                         | 0.2891                         |
| 08/04/20 to 07/05/20                     | 0.3767        | –            | 0.3767                         | 0.2769                         |
| 08/05/20 to 07/06/20                     | 0.3392        | –            | 0.3392                         | 0.2756                         |
| 08/06/20 to 07/07/20                     | 0.3458        | –            | 0.3458                         | 0.2706                         |
| 08/07/20 to 07/08/20                     | 0.3182        | –            | 0.3182                         | 0.2607                         |
| 08/08/20 to 07/09/20                     | 0.1690        | –            | 0.1690                         | 0.2528                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.2198        | 0.2000       | 0.4198                         | 0.2891                         |
| 08/04/20 to 07/05/20                     | 0.1061        | 0.2706       | 0.3767                         | 0.2769                         |
| 08/05/20 to 07/06/20                     | 0.0977        | 0.2415       | 0.3392                         | 0.2756                         |
| 08/06/20 to 07/07/20                     | 0.2183        | 0.1275       | 0.3458                         | 0.2706                         |
| 08/07/20 to 07/08/20                     | 0.1200        | 0.1982       | 0.3182                         | 0.2607                         |
| 08/08/20 to 07/09/20                     | 0.0436        | 0.1254       | 0.1690                         | 0.2528                         |
| <b>Total distributions in the period</b> |               |              | <b>1.9687</b>                  | <b>1.6257</b>                  |

### Class X – Gross accumulation shares\*

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.3479        | –            | 0.3479                         |                                |
| 08/04/20 to 07/05/20                     | 0.3122        | –            | 0.3122                         |                                |
| 08/05/20 to 07/06/20                     | 0.2812        | –            | 0.2812                         | 0.2080                         |
| 08/06/20 to 07/07/20                     | 0.2870        | –            | 0.2870                         | 0.2218                         |
| 08/07/20 to 07/08/20                     | 0.2642        | –            | 0.2642                         | 0.2148                         |
| 08/08/20 to 07/09/20                     | 0.1403        | –            | 0.1403                         | 0.2085                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.3479        | –            | 0.3479                         |                                |
| 08/04/20 to 07/05/20                     | 0.3122        | –            | 0.3122                         |                                |
| 08/05/20 to 07/06/20                     | 0.2812        | –            | 0.2812                         | 0.2080                         |
| 08/06/20 to 07/07/20                     | 0.2870        | –            | 0.2870                         | 0.2218                         |
| 08/07/20 to 07/08/20                     | 0.2642        | –            | 0.2642                         | 0.2148                         |
| 08/08/20 to 07/09/20                     | 0.1403        | –            | 0.1403                         | 0.2085                         |
| <b>Total distributions in the period</b> |               |              | <b>1.6328</b>                  | <b>0.8531</b>                  |

### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3331        | –            | 0.3331                         | 0.2328                 |
| 08/04/20 to 07/05/20                     | 0.2973        | –            | 0.2973                         | 0.2224                 |
| 08/05/20 to 07/06/20                     | 0.2835        | –            | 0.2835                         | 0.2206                 |
| 08/06/20 to 07/07/20                     | 0.2529        | –            | 0.2529                         | 0.2161                 |
| 08/07/20 to 07/08/20                     | 0.2475        | –            | 0.2475                         | 0.2073                 |
| 08/08/20 to 07/09/20                     | 0.1279        | –            | 0.1279                         | 0.2005                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2044        | 0.1287       | 0.3331                         | 0.2328                 |
| 08/04/20 to 07/05/20                     | 0.1071        | 0.1902       | 0.2973                         | 0.2224                 |
| 08/05/20 to 07/06/20                     | 0.1626        | 0.1209       | 0.2835                         | 0.2206                 |
| 08/06/20 to 07/07/20                     | 0.1047        | 0.1482       | 0.2529                         | 0.2161                 |
| 08/07/20 to 07/08/20                     | 0.1231        | 0.1244       | 0.2475                         | 0.2073                 |
| 08/08/20 to 07/09/20                     | 0.0278        | 0.1001       | 0.1279                         | 0.2005                 |
| <b>Total distributions in the period</b> |               |              | <b>1.5422</b>                  | <b>1.2997</b>          |

### Class Z – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3332        | –            | 0.3332                         | 0.2328                 |
| 08/04/20 to 07/05/20                     | 0.2973        | –            | 0.2973                         | 0.2224                 |
| 08/05/20 to 07/06/20                     | 0.2663        | –            | 0.2663                         | 0.2206                 |
| 08/06/20 to 07/07/20                     | 0.2702        | –            | 0.2702                         | 0.2161                 |
| 08/07/20 to 07/08/20                     | 0.2476        | –            | 0.2476                         | 0.2073                 |
| 08/08/20 to 07/09/20                     | 0.1279        | –            | 0.1279                         | 0.2005                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1598        | 0.1734       | 0.3332                         | 0.2328                 |
| 08/04/20 to 07/05/20                     | 0.0394        | 0.2579       | 0.2973                         | 0.2224                 |
| 08/05/20 to 07/06/20                     | 0.1323        | 0.1340       | 0.2663                         | 0.2206                 |
| 08/06/20 to 07/07/20                     | 0.0639        | 0.2063       | 0.2702                         | 0.2161                 |
| 08/07/20 to 07/08/20                     | 0.1187        | 0.1289       | 0.2476                         | 0.2073                 |
| 08/08/20 to 07/09/20                     | –             | 0.1279       | 0.1279                         | 0.2005                 |
| <b>Total distributions in the period</b> |               |              | <b>1.5425</b>                  | <b>1.2997</b>          |

### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.4522        | –            | 0.4522                         | 0.3085                         |
| 08/04/20 to 07/05/20                     | 0.4051        | –            | 0.4051                         | 0.2954                         |
| 08/05/20 to 07/06/20                     | 0.3640        | –            | 0.3640                         | 0.2937                         |
| 08/06/20 to 07/07/20                     | 0.3702        | –            | 0.3702                         | 0.2883                         |
| 08/07/20 to 07/08/20                     | 0.3402        | –            | 0.3402                         | 0.2772                         |
| 08/08/20 to 07/09/20                     | 0.1760        | –            | 0.1760                         | 0.2685                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.2085        | 0.2437       | 0.4522                         | 0.3085                         |
| 08/04/20 to 07/05/20                     | 0.0366        | 0.3685       | 0.4051                         | 0.2954                         |
| 08/05/20 to 07/06/20                     | 0.1813        | 0.1827       | 0.3640                         | 0.2937                         |
| 08/06/20 to 07/07/20                     | 0.2437        | 0.1265       | 0.3702                         | 0.2883                         |
| 08/07/20 to 07/08/20                     | 0.3187        | 0.0215       | 0.3402                         | 0.2772                         |
| 08/08/20 to 07/09/20                     | 0.0662        | 0.1098       | 0.1760                         | 0.2685                         |
| <b>Total distributions in the period</b> |               |              | <b>2.1077</b>                  | <b>1.7316</b>                  |

Group 2: shares purchased during a distribution period.

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

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares |            |            | Class 1 – Gross income shares <sup>5</sup> |            |            |
|---|-------------------------|------------|------------|--|------------|------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |  |            |            |
| Opening net asset value per share (p)             | 46.96                   | 45.20      | 46.43      | 47.05                                      | 45.29      | 46.51      |
| Return before operating charges (p)               | 1.19                    | 3.53       | 0.82       | 1.19                                       | 3.54       | 0.84       |
| Operating charges (p)                             | (0.33)                  | (0.66)     | (0.65)     | (0.33)                                     | (0.67)     | (0.65)     |
| Return after operating charges (p)*               | 0.86                    | 2.87       | 0.17       | 0.86                                       | 2.87       | 0.19       |
| Distributions (p)                                 | (0.69)                  | (1.11)     | (1.40)     | (0.69)                                     | (1.11)     | (1.41)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | –  | –          | –          |
| Closing net asset value per share (p)             | 47.13                   | 46.96      | 45.20      | 47.22                                      | 47.05      | 45.29      |
| *after direct transaction costs of (p)            | –                       | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |                         |            |            |  |            |            |
| Return after charges (%)                          | 1.83                    | 6.35       | 0.37       | 1.83                                       | 6.34       | 0.41       |
| <b>Other information</b>                          |                         |            |            |  |            |            |
| Closing net asset value (£000)                    | 20,996                  | 25,314     | 28,976     | 283  | 309        | 7,836      |
| Closing number of shares                          | 44,546,647              | 53,902,519 | 64,100,246 | 599,808                                    | 656,906    | 17,303,800 |
| Operating charges (%)**                           | 1.43 <sup>†</sup>       | 1.43       | 1.43       | 1.43 <sup>†</sup>                          | 1.45       | 1.43       |
| Direct transaction costs (%)***                   | –                       | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |                         |            |            |  |            |            |
| Highest share price (p)                           | 47.43                   | 47.39      | 46.60      | 47.52                                      | 47.48      | 46.69      |
| Lowest share price (p)                            | 41.25                   | 45.36      | 44.44      | 41.32                                      | 45.44      | 44.52      |
|   | Class 2 – Income shares |            |            | Class 2 – Gross income shares <sup>5</sup> |            |            |
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |  |            |            |
| Opening net asset value per share (p)             | 51.46                   | 49.28      | 50.36      | 54.35                                      | 52.05      | 53.20      |
| Return before operating charges (p)               | 1.31                    | 3.87       | 0.91       | 1.38                                       | 4.09       | 0.95       |
| Operating charges (p)                             | (0.21)                  | (0.42)     | (0.41)     | (0.22)                                     | (0.44)     | (0.43)     |
| Return after operating charges (p)*               | 1.10                    | 3.45       | 0.50       | 1.16                                       | 3.65       | 0.52       |
| Distributions (p)                                 | (0.79)                  | (1.27)     | (1.58)     | (0.83)                                     | (1.35)     | (1.67)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | –  | –          | –          |
| Closing net asset value per share (p)             | 51.77                   | 51.46      | 49.28      | 54.68                                      | 54.35      | 52.05      |
| *after direct transaction costs of (p)            | –                       | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |                         |            |            |  |            |            |
| Return after charges (%)                          | 2.14                    | 7.00       | 0.99       | 2.13                                       | 7.01       | 0.98       |
| <b>Other information</b>                          |                         |            |            |  |            |            |
| Closing net asset value (£000)                    | 6,427                   | 6,413      | 6,892      | 15,778                                     | 15,682     | 14,939     |
| Closing number of shares                          | 12,412,578              | 12,462,447 | 13,984,353 | 28,853,385                                 | 28,853,385 | 28,700,737 |
| Operating charges (%)**                           | 0.82 <sup>†</sup>       | 0.82       | 0.82       | 0.82 <sup>†</sup>                          | 0.82       | 0.82       |
| Direct transaction costs (%)***                   | –                       | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |                         |            |            |  |            |            |
| Highest share price (p)                           | 52.10                   | 51.92      | 50.56      | 55.03                                      | 54.84      | 53.40      |
| Lowest share price (p)                            | 45.21                   | 49.45      | 48.41      | 47.75                                      | 52.23      | 51.13      |

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 – Gross accumulation shares <sup>5</sup> |            |            | Class X – Gross accumulation shares <sup>5</sup> |                         |            |
|---|--|------------|------------|--|-------------------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 <sup>1</sup> |            |
| <b>Change in net assets per share</b>             |  |            |            |  |                         |            |
| Opening net asset value per share (p)             | 127.58   | 119.17     | 117.95     | 105.64   | 100.00                  |            |
| Return before operating charges (p)               | 3.33   | 9.43       | 2.19       | 2.78   | 5.70                    |            |
| Operating charges (p)                             | (0.51)   | (1.02)     | (0.97)     | (0.04)   | (0.06)                  |            |
| Return after operating charges (p)*               | 2.82   | 8.41       | 1.22       | 2.74   | 5.64                    |            |
| Distributions (p)                                 | (1.97)   | (3.12)     | (3.77)     | (1.63)   | (2.09)                  |            |
| Retained distributions on accumulation shares (p) | 1.97   | 3.12       | 3.77       | 1.63   | 2.09                    |            |
| Closing net asset value per share (p)             | 130.40   | 127.58     | 119.17     | 108.38   | 105.64                  |            |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –                       |            |
| <b>Performance</b>                                |  |            |            |  |                         |            |
| Return after charges (%)                          | 2.21   | 7.06       | 1.03       | 2.59   | 5.64                    |            |
| <b>Other information</b>                          |  |            |            |  |                         |            |
| Closing net asset value (£000)                    | 55,580   | 60,090     | 65,104     | 7,811  | 7,614                   |            |
| Closing number of shares                          | 42,622,513                                       | 47,098,550 | 54,632,514 | 7,207,402  | 7,207,402               |            |
| Operating charges (%)**                           | 0.82 <sup>†</sup>                                | 0.82       | 0.82       | 0.07 <sup>†</sup>                                | 0.07 <sup>†</sup>       |            |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –                       |            |
| <b>Prices</b>                                     |  |            |            |  |                         |            |
| Highest share price (p)                           | 131.06   | 128.42     | 119.54     | 108.92   | 106.31                  |            |
| Lowest share price (p)                            | 112.09   | 119.58     | 116.16     | 92.84  | 100.00                  |            |
|   | Class Z – Income shares                          |            |            | Class Z – Gross income shares <sup>5</sup>       |                         |            |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020              | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |                         |            |
| Opening net asset value per share (p)             | 103.07   | 98.57      | 100.58     | 103.07   | 98.57                   | 100.58     |
| Return before operating charges (p)               | 2.62   | 7.72       | 1.81       | 2.62   | 7.72                    | 1.81       |
| Operating charges (p)                             | (0.37)   | (0.75)     | (0.73)     | (0.37)   | (0.75)                  | (0.73)     |
| Return after operating charges (p)*               | 2.25   | 6.97       | 1.08       | 2.25   | 6.97                    | 1.08       |
| Distributions (p)                                 | (1.54)   | (2.47)     | (3.09)     | (1.54)   | (2.47)                  | (3.09)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | –  | –                       | –          |
| Closing net asset value per share (p)             | 103.78   | 103.07     | 98.57      | 103.78   | 103.07                  | 98.57      |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –                       | –          |
| <b>Performance</b>                                |  |            |            |  |                         |            |
| Return after charges (%)                          | 2.18   | 7.07       | 1.07       | 2.18   | 7.07                    | 1.07       |
| <b>Other information</b>                          |  |            |            |  |                         |            |
| Closing net asset value (£000)                    | 44,018   | 43,021     | 46,651     | 71,404   | 71,050                  | 65,639     |
| Closing number of shares                          | 42,413,441                                       | 41,739,489 | 47,330,205 | 68,800,651                                       | 68,932,271              | 66,592,997 |
| Operating charges (%)**                           | 0.74 <sup>†</sup>                                | 0.74       | 0.74       | 0.74 <sup>†</sup>                                | 0.74                    | 0.74       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –                       | –          |
| <b>Prices</b>                                     |  |            |            |  |                         |            |
| Highest share price (p)                           | 104.43   | 103.99     | 100.97     | 104.43   | 103.99                  | 100.97     |
| Lowest share price (p)                            | 90.56  | 98.91      | 96.80      | 90.56  | 98.91                   | 96.80      |

## Threadneedle Strategic Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Gross accumulation shares <sup>5</sup> |            |            |
|---|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |
| Opening net asset value per share (p)             | 139.95   | 130.62     | 129.19     |
| Return before operating charges (p)               | 3.65   | 10.34      | 2.39       |
| Operating charges (p)                             | (0.51)   | (1.01)     | (0.96)     |
| Return after operating charges (p)*               | 3.14   | 9.33       | 1.43       |
| Distributions (p)                                 | (2.11)   | (3.31)     | (4.03)     |
| Retained distributions on accumulation shares (p) | 2.11   | 3.31       | 4.03       |
| Closing net asset value per share (p)             | 143.09   | 139.95     | 130.62     |
| *after direct transaction costs of (p)            | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |
| Return after charges (%)                          | 2.24   | 7.14       | 1.11       |
| <b>Other information</b>                          |  |            |            |
| Closing net asset value (£000)                    | 3,074  | 3,347      | 3,380      |
| Closing number of shares                          | 2,148,102  | 2,391,960  | 2,587,617  |
| Operating charges (%)**                           | 0.74 <sup>1</sup>                                | 0.74       | 0.74       |
| Direct transaction costs (%)***                   | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |
| Highest share price (p)                           | 143.81   | 140.86     | 131.03     |
| Lowest share price (p)                            | 122.95   | 131.07     | 127.30     |

\*\*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 9 May 2019.

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

## Threadneedle Strategic Bond Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 53,902,519        |
| Shares issued                              | 237,922           |
| Shares redeemed                            | (9,159,788)       |
| Net conversions                            | (434,006)         |
| Closing shares                             | <u>44,546,647</u> |
| <b>Class 1 – Gross income shares</b>       |                   |
| Opening shares                             | 656,906           |
| Shares issued                              | 297               |
| Shares redeemed                            | (57,395)          |
| Net conversions                            | –                 |
| Closing shares                             | <u>599,808</u>    |
| <b>Class 2 – Income shares</b>             |                   |
| Opening shares                             | 12,462,447        |
| Shares issued                              | 46,863            |
| Shares redeemed                            | (96,732)          |
| Net conversions                            | –                 |
| Closing shares                             | <u>12,412,578</u> |
| <b>Class 2 – Gross income shares</b>       |                   |
| Opening shares                             | 28,853,385        |
| Shares issued                              | –                 |
| Shares redeemed                            | –                 |
| Net conversions                            | –                 |
| Closing shares                             | <u>28,853,385</u> |
| <b>Class 2 – Gross accumulation shares</b> |                   |
| Opening shares                             | 47,098,550        |
| Shares issued                              | 1,735,964         |
| Shares redeemed                            | (6,212,001)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>42,622,513</u> |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 7,207,402         |
| Shares issued                              | –                 |
| Shares redeemed                            | –                 |
| Net conversions                            | –                 |
| Closing shares                             | <u>7,207,402</u>  |
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 41,739,489        |
| Shares issued                              | 3,219,147         |
| Shares redeemed                            | (2,742,848)       |
| Net conversions                            | 197,653           |
| Closing shares                             | <u>42,413,441</u> |

|  | 2020              |
|--|-------------------|
| <b>Class Z – Gross income shares</b>       |                   |
| Opening shares                             | 68,932,271        |
| Shares issued                              | 418,997           |
| Shares redeemed                            | (550,617)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>68,800,651</u> |
| <b>Class Z – Gross accumulation shares</b> |                   |
| Opening shares                             | 2,391,960         |
| Shares issued                              | 20,567            |
| Shares redeemed                            | (264,425)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>2,148,102</u>  |

## Threadneedle American Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in the United States of America (US), or which have significant US business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the S&P 500 Index.

The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 80 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle American Fund has risen from 331.29p to 392.78p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +18.28% as compared to a median return of +14.14% over the same period. (For information the S&P 500 Index returned +14.13% over the same period).

### Market Overview and Portfolio Activity

US stocks made a strong advance during the term under review, rebounding from initial weakness. The economic backdrop was dominated by the impact of the COVID-19 virus pandemic and of the subsequent policy response. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

The period began with turmoil in March as the pandemic escalated and equities plunged, rounding out the market's worst quarter since the 2008 financial crisis. A stunning collapse in oil prices added to the turbulence. States including California and Texas, the two most populous in the US, issued stay-at-home orders to help control the virus, severely curbing economic activity. The Federal Reserve (Fed) lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus to support the economy, while Congress approved a \$2tn fiscal stimulus package.

Shares recorded monthly rises over the rest of the review term, helped by optimism that the worst effects of the pandemic had passed and by strong corporate profits, particularly in the technology sector. States gradually relaxed lockdowns, reviving economies, and by the end of the period, a measure of US services and manufacturing activity that fell to a record low in April was back in expansionary territory. Meanwhile, the S&P 500 index had erased its year-to-date decline and was on the verge of a double-digit gain for 2020, notching a record high along the way.

Washington continued to clash with Beijing, escalating sanctions against technology firm Huawei. The White House also ordered China to close a consulate in the US, provoking a tit-for-tat response, and effectively required the Chinese owners of the popular TikTok and WeChat apps to divest their US operations in order to avoid a ban. However, both countries left intact the interim trade accord that was signed in January. In terms of domestic politics, Joe Biden became the presumed Democratic presidential candidate when Bernie Sanders suspended his campaign in April, and this was confirmed at the nomination convention in August. Biden had established a solid lead over President Trump in polls by the end of the period, helped by discontent with the government's handling of the pandemic and of politically polarised street demonstrations.

JPMorgan Chase, Medtronic and Starbucks were among new holdings in the portfolio.

We re-initiated a position in JPMorgan Chase, which in our view is among the strongest and best-capitalised banks. This leaves it well placed to withstand the current downturn and absorb expected loan losses. It is a quality company, more than earning its cost of capital. The bank came through the Fed's latest stress test in good shape and has no need to cut its dividend, unlike some peers. The stock sold off considerably during the broad market downturn, presenting an attractive entry point.

On a normalised basis, Medtronic offers compelling top-line growth in the region of 5% a year, with 8-9% growth in earnings per share (EPS) over the longer term. In addition, the medical-devices company has very good free cashflow and cash conversion. Looking out to the rest of 2020 and into 2021, the number of non-COVID-19 patients undergoing treatment is likely to recover as hospitals begin to normalise processes. Medtronic has strong market shares in its key product categories with a range of new products in the pipeline, leaving it well positioned to accelerate growth as market volumes ramp up again.

Management at Starbucks is targeting sales and EPS growth in high single digits and double digits, respectively. We feel that the cafe chain is well positioned to gain market share despite challenges from COVID-19 lockdowns. Remodelling of the US store base should be a key driver of this growth, as the company seeks to cater for "on the go" demand. This will involve focusing on drive-through outlets and replacing large urban stores with pick-up kiosks. In turn, this should strip out wages and rent, helping to dramatically reduce costs and leading to attractive operating leverage.

We scaled up the exposures to Apple, DuPont de Nemours and Caterpillar, while taking some profits on Alphabet, Lam Research and Home Depot. The fund exited positions including Visa, Procter & Gamble, Vertex Pharmaceuticals and Baxter International.

While US equities reached new highs during the review period, thousands of jobs – possibly millions – may be gone for good in the sectors hardest hit by social distancing. For now, loss of income has been more than offset by generous subsidies that have attempted to support all. Once these programmes are reduced or ended, defaults and personal bankruptcies are likely to climb. The Fed has indicated that it will leave rates low for as long as needed to help the recovery, and Congress will probably approve another relief package. Though it is too soon to declare an election winner, a Biden administration would likely result in many positive stimulus policies and a more open approach to world trade.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000   | 2019<br>£000   |
|---|----------------|----------------|
| Income  |                |                |
| Net capital gains   | 416,607        | 320,778        |
| Revenue   | 20,546         | 17,754         |
| Expenses  | (8,689)        | (9,305)        |
| Interest payable and similar charges  | (1)            | –              |
| Net revenue before taxation   | 11,856         | 8,449          |
| Taxation  | (2,885)        | (2,536)        |
| Net revenue after taxation  | 8,971          | 5,913          |
| <b>Total return before equalisation</b>   | <b>425,578</b> | <b>326,691</b> |
| Equalisation  | 291            | 655            |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>425,869</b> | <b>327,346</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | March<br>2020<br>£000 |
|--|------------------|-----------------------|
| <b>Assets:</b>                                 |                  |                       |
| <b>Fixed assets:</b>                           |                  |                       |
| Investments                                    | 2,670,423        | 2,087,899             |
| <b>Current assets:</b>                         |                  |                       |
| Debtors  | 5,968            | 37,043                |
| Cash and bank balances                         | 1,301            | 17,436                |
| Cash equivalents**                             | 20,595           | 20,283                |
| <b>Total assets</b>                            | <b>2,698,287</b> | <b>2,162,661</b>      |
| <b>Liabilities:</b>                            |                  |                       |
| <b>Investment liabilities</b>                  | (139)            | (299)                 |
| <b>Creditors:</b>                              |                  |                       |
| Bank overdrafts                                | (107)            | –                     |
| Distribution payable                           | –                | (177)                 |
| Other creditors                                | (13,279)         | (45,062)              |
| <b>Total liabilities</b>                       | <b>(13,525)</b>  | <b>(45,538)</b>       |
| <b>Net assets attributable to shareholders</b> | <b>2,684,762</b> | <b>2,117,123</b>      |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000     | 2019<br>£000     |
|--|------------------|------------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>2,117,123</b> | <b>1,988,356</b> |
| Amounts receivable on the issue of shares  | 575,228          | 317,527          |
| Amounts payable on the cancellation of shares  | (433,606)        | (404,244)        |
|  | 141,622          | (86,717)         |
| Dilution adjustment  | 148              | –                |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 425,869          | 327,346          |
| <b>Closing net assets attributable to shareholders</b>   | <b>2,684,762</b> | <b>2,228,985</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

\*\*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       |
|---|-------------------------------|------------|-------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |             |                                   |
| Opening net asset value per share (p)             | 332.87                        | 304.98     | 285.17      | 304.69                            |
| Return before operating charges (p)               | 62.60                         | 33.49      | 24.63       | 9.98                              |
| Operating charges (p)                             | (2.92)                        | (5.60)     | (4.82)      | (5.65)                            |
| Return after operating charges (p)*               | 59.68                         | 27.89      | 19.81       | 4.33                              |
| Distributions (p)                                 | –                             | –          | –           | –                                 |
| Retained distributions on accumulation shares (p) | –                             | –          | –           | –                                 |
| Closing net asset value per share (p)             | 392.55                        | 332.87     | 304.98      | 309.02                            |
| *after direct transaction costs of (p)            | 0.05                          | 0.04       | 0.14        | 0.17                              |
| <b>Performance</b>                                |                               |            |             |                                   |
| Return after charges (%)                          | 17.93                         | 9.14       | 6.95        | 1.42                              |
| <b>Other information</b>                          |                               |            |             |                                   |
| Closing net asset value (£000)                    | 1,094                         | 991        | 1,161       | –                                 |
| Closing number of shares                          | 278,572                       | 297,579    | 380,807     | –                                 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.63       | 1.64        | –                                 |
| Direct transaction costs (%)***                   | 0.03                          | 0.01       | 0.05        | –                                 |
| <b>Prices</b>                                     |                               |            |             |                                   |
| Highest share price (p)                           | 408.09                        | 387.64     | 331.24      | 331.24                            |
| Lowest share price (p)                            | 285.93                        | 303.73     | 264.90      | 297.04                            |
|   | Class 1 – Accumulation shares |            |             | Class 1 EUR – Accumulation shares |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |             |                                   |
| Opening net asset value per share (p)             | 332.96                        | 305.07     | 285.25      | 304.78                            |
| Return before operating charges (p)               | 62.62                         | 33.43      | 24.71       | 9.98                              |
| Operating charges (p)                             | (2.91)                        | (5.54)     | (4.89)      | (5.65)                            |
| Return after operating charges (p)*               | 59.71                         | 27.89      | 19.82       | 4.33                              |
| Distributions (p)                                 | –                             | –          | –           | –                                 |
| Retained distributions on accumulation shares (p) | –                             | –          | –           | –                                 |
| Closing net asset value per share (p)             | 392.67                        | 332.96     | 305.07      | 309.11                            |
| *after direct transaction costs of (p)            | 0.05                          | 0.04       | 0.14        | 0.17                              |
| <b>Performance</b>                                |                               |            |             |                                   |
| Return after charges (%)                          | 17.93                         | 9.14       | 6.95        | 1.42                              |
| <b>Other information</b>                          |                               |            |             |                                   |
| Closing net asset value (£000)                    | 137,001                       | 142,687    | 342,266     | –                                 |
| Closing number of shares                          | 34,889,768                    | 42,853,644 | 112,193,586 | –                                 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.64       | 1.63        | –                                 |
| Direct transaction costs (%)***                   | 0.03                          | 0.01       | 0.05        | –                                 |
| <b>Prices</b>                                     |                               |            |             |                                   |
| Highest share price (p)                           | 408.21                        | 387.75     | 331.33      | 331.33                            |
| Lowest share price (p)                            | 286.01                        | 303.82     | 264.98      | 297.13                            |

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

|   | Class 1 USD – Accumulation shares |             |             | Class 1 EUR Hedged – Accumulation shares |                   |
|---|-----------------------------------|-------------|-------------|--|-------------------|
|   | 09/11/2018 <sup>1</sup>           |             |             | 09/11/2018 <sup>2</sup>                  | 07/03/2018        |
| <b>Change in net assets per share</b>             |                                   |             |             |  |                   |
| Opening net asset value per share (p)             | 304.78                            |             |             | 312.10                                   | 258.59            |
| Return before operating charges (p)               | 9.98                              |             |             | (5.69)                                   | 58.21             |
| Operating charges (p)                             | (5.65)                            |             |             | (3.20)                                   | (4.70)            |
| Return after operating charges (p)*               | 4.33                              |             |             | (8.89)                                   | 53.51             |
| Distributions (p)                                 | –                                 |             |             | –  | –                 |
| Retained distributions on accumulation shares (p) | –                                 |             |             | –  | –                 |
| Closing net asset value per share (p)             | 309.11                            |             |             | 303.21                                   | 312.10            |
| *after direct transaction costs of (p)            | 0.17                              |             |             | 0.26                                     | 0.23              |
| <b>Performance</b>                                |                                   |             |             |  |                   |
| Return after charges (%)                          | 1.42                              |             |             | (2.85)                                   | 20.69             |
| <b>Other information</b>                          |                                   |             |             |  |                   |
| Closing net asset value (£000)                    | –                                 |             |             | –  | 4,750             |
| Closing number of shares                          | –                                 |             |             | –  | 1,522,027         |
| Operating charges (%)**                           | –                                 |             |             | –  | 1.63 <sup>1</sup> |
| Direct transaction costs (%)***                   | –                                 |             |             | –  | 0.08              |
| <b>Prices</b>                                     |                                   |             |             |  |                   |
| Highest share price (p)                           | 331.33                            |             |             | 333.94                                   | 323.85            |
| Lowest share price (p)                            | 297.13                            |             |             | 286.30                                   | 245.95            |
|   | Class 2 – Accumulation shares     |             |             | Class 2 EUR – Accumulation shares        |                   |
|   | 07/09/2020                        | 07/03/2020  | 07/03/2019  | 09/11/2018 <sup>1</sup>                  |                   |
| <b>Change in net assets per share</b>             |                                   |             |             |  |                   |
| Opening net asset value per share (p)             | 380.11                            | 346.32      | 321.97      | 344.55                                   |                   |
| Return before operating charges (p)               | 71.61                             | 37.95       | 27.95       | 9.87                                     |                   |
| Operating charges (p)                             | (2.17)                            | (4.16)      | (3.60)      | (4.16)                                   |                   |
| Return after operating charges (p)*               | 69.44                             | 33.79       | 24.35       | 5.71                                     |                   |
| Distributions (p)                                 | –                                 | (1.15)      | (1.00)      | (0.46)                                   |                   |
| Retained distributions on accumulation shares (p) | –                                 | 1.15        | 1.00        | 0.46                                     |                   |
| Closing net asset value per share (p)             | 449.55                            | 380.11      | 346.32      | 350.26                                   |                   |
| *after direct transaction costs of (p)            | 0.06                              | 0.05        | 0.16        | 0.20                                     |                   |
| <b>Performance</b>                                |                                   |             |             |  |                   |
| Return after charges (%)                          | 18.27                             | 9.76        | 7.56        | 1.66                                     |                   |
| <b>Other information</b>                          |                                   |             |             |  |                   |
| Closing net asset value (£000)                    | 1,161,791                         | 1,011,788   | 943,486     | –  |                   |
| Closing number of shares                          | 258,432,634                       | 266,186,093 | 272,430,969 | –  |                   |
| Operating charges (%)**                           | 1.06 <sup>1</sup>                 | 1.06        | 1.06        | –  |                   |
| Direct transaction costs (%)***                   | 0.03                              | 0.01        | 0.05        | –  |                   |
| <b>Prices</b>                                     |                                   |             |             |  |                   |
| Highest share price (p)                           | 467.32                            | 442.61      | 375.20      | 375.20                                   |                   |
| Lowest share price (p)                            | 326.59                            | 344.91      | 299.22      | 336.63                                   |                   |

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 USD – Accumulation shares |                         | Class X – Accumulation shares |            |            |
|---|-----------------------------------|-------------------------|-------------------------------|------------|------------|
|   | 09/11/2018 <sup>1</sup>           |                         | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>                             |                                   |                         |                               |            |            |
| Opening net asset value per share (p)                             | 344.55                            |                         | 416.32                        | 375.48     | 345.57     |
| Return before operating charges (p)                               | 9.88                              |                         | 78.69                         | 41.10      | 30.13      |
| Operating charges (p)   | (4.17)                            |                         | (0.14)                        | (0.26)     | (0.22)     |
| Return after operating charges (p)*                               | 5.71                              |                         | 78.55                         | 40.84      | 29.91      |
| Distributions (p)   | (0.46)                            |                         | –                             | (5.52)     | (4.76)     |
| Retained distributions on accumulation shares (p)                 | 0.46                              |                         | –                             | 5.52       | 4.76       |
| Closing net asset value per share (p)                             | 350.26                            |                         | 494.87                        | 416.32     | 375.48     |
| *after direct transaction costs of (p)                            | 0.20                              |                         | 0.07                          | 0.05       | 0.18       |
| <b>Performance</b>  |                                   |                         |                               |            |            |
| Return after charges (%)  | 1.66                              |                         | 18.87                         | 10.88      | 8.66       |
| <b>Other information</b>  |                                   |                         |                               |            |            |
| Closing net asset value (£000)                                    | –                                 |                         | 676,300                       | 398,072    | 319,657    |
| Closing number of shares  | –                                 |                         | 136,662,836                   | 95,617,966 | 85,132,032 |
| Operating charges (%)**   | –                                 |                         | 0.06 <sup>†</sup>             | 0.06       | 0.06       |
| Direct transaction costs (%)***                                   | –                                 |                         | 0.03                          | 0.01       | 0.05       |
| <b>Prices</b>   |                                   |                         |                               |            |            |
| Highest share price (p)   | 375.20                            |                         | 514.37                        | 484.49     | 405.06     |
| Lowest share price (p)  | 336.63                            |                         | 357.86                        | 373.96     | 321.44     |
| <b>Class X GBP Hedged – Gross accumulation shares<sup>5</sup></b> |                                   |                         |                               |            |            |
|   | 07/09/2020                        | 07/03/2020 <sup>3</sup> | Class Z – Income shares       |            |            |
|   |                                   |                         | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>                             |                                   |                         |                               |            |            |
| Opening net asset value per share (p)                             | 102.07                            | 100.00                  | 281.75                        | 257.47     | 240.05     |
| Return before operating charges (p)                               | 18.78                             | 2.10                    | 53.12                         | 28.22      | 20.86      |
| Operating charges (p)   | (0.03)                            | (0.03)                  | (1.27)                        | (2.43)     | (2.12)     |
| Return after operating charges (p)*                               | 18.75                             | 2.07                    | 51.85                         | 25.79      | 18.74      |
| Distributions (p)   | –                                 | (0.50)                  | –                             | (1.51)     | (1.32)     |
| Retained distributions on accumulation shares (p)                 | –                                 | 0.50                    | –                             | –          | –          |
| Closing net asset value per share (p)                             | 120.82                            | 102.07                  | 333.60                        | 281.75     | 257.47     |
| *after direct transaction costs of (p)                            | 0.02                              | 0.01                    | 0.04                          | 0.04       | 0.12       |
| <b>Performance</b>  |                                   |                         |                               |            |            |
| Return after charges (%)  | 18.37                             | 2.07                    | 18.40                         | 10.02      | 7.81       |
| <b>Other information</b>  |                                   |                         |                               |            |            |
| Closing net asset value (£000)                                    | 258,133                           | 169,636                 | 42,788                        | 33,025     | 25,907     |
| Closing number of shares  | 213,656,870                       | 166,203,073             | 12,826,136                    | 11,721,411 | 10,061,816 |
| Operating charges (%)**   | 0.06 <sup>†</sup>                 | 0.06 <sup>†</sup>       | 0.83 <sup>†</sup>             | 0.83       | 0.83       |
| Direct transaction costs (%)***                                   | 0.03                              | 0.01                    | 0.03                          | 0.01       | 0.05       |
| <b>Prices</b>   |                                   |                         |                               |            |            |
| Highest share price (p)   | 126.57                            | 117.63                  | 346.78                        | 329.77     | 280.10     |
| Lowest share price (p)  | 76.69                             | 99.75                   | 242.11                        | 256.42     | 223.13     |

## Threadneedle American Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Accumulation shares |                   |             | Class Z USD – Accumulation shares |
|---|-------------------------------|-------------------|-------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020        | 07/03/2019  | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |                   |             |                                   |
| Opening net asset value per share (p)             | 294.76                        | 267.92            | 248.51      | 266.11                            |
| Return before operating charges (p)               | 55.57                         | 29.36             | 21.59       | 7.17                              |
| Operating charges (p)                             | (1.32)                        | (2.52)            | (2.18)      | (2.52)                            |
| Return after operating charges (p)*               | 54.25                         | 26.84             | 19.41       | 4.65                              |
| Distributions (p)                                 | –                             | (1.57)            | (1.37)      | (0.76)                            |
| Retained distributions on accumulation shares (p) | –                             | 1.57              | 1.37        | 0.76                              |
| Closing net asset value per share (p)             | 349.01                        | 294.76            | 267.92      | 270.76                            |
| *after direct transaction costs of (p)            | 0.05                          | 0.04              | 0.13        | 0.15                              |
| <b>Performance</b>                                |                               |                   |             |                                   |
| Return after charges (%)                          | 18.40                         | 10.02             | 7.81        | 1.75                              |
| <b>Other information</b>                          |                               |                   |             |                                   |
| Closing net asset value (£000)                    | 407,655                       | 360,924           | 355,879     | –                                 |
| Closing number of shares                          | 116,801,837                   | 122,445,251       | 132,832,174 | –                                 |
| Operating charges (%)**                           | 0.83 <sup>†</sup>             | 0.83              | 0.83        | –                                 |
| Direct transaction costs (%)***                   | 0.03                          | 0.01              | 0.05        | –                                 |
| <b>Prices</b>                                     |                               |                   |             |                                   |
| Highest share price (p)                           | 362.80                        | 343.14            | 289.98      | 289.98                            |
| Lowest share price (p)                            | 253.29                        | 266.82            | 231.00      | 260.21                            |
| <b>Class Z EUR Hedged – Accumulation shares</b>   |                               |                   |             |                                   |
|   | 09/11/2018 <sup>2</sup>       | 07/03/2018        |             |                                   |
| <b>Change in net assets per share</b>             |                               |                   |             |                                   |
| Opening net asset value per share (p)             | 176.13                        | 144.71            |             |                                   |
| Return before operating charges (p)               | (3.14)                        | 32.75             |             |                                   |
| Operating charges (p)                             | (0.92)                        | (1.33)            |             |                                   |
| Return after operating charges (p)*               | (4.06)                        | 31.42             |             |                                   |
| Distributions (p)                                 | (0.50)                        | (0.80)            |             |                                   |
| Retained distributions on accumulation shares (p) | 0.50                          | 0.80              |             |                                   |
| Closing net asset value per share (p)             | 172.07                        | 176.13            |             |                                   |
| *after direct transaction costs of (p)            | 0.14                          | 0.13              |             |                                   |
| <b>Performance</b>                                |                               |                   |             |                                   |
| Return after charges (%)                          | (2.31)                        | 21.71             |             |                                   |
| <b>Other information</b>                          |                               |                   |             |                                   |
| Closing net asset value (£000)                    | –                             | 568               |             |                                   |
| Closing number of shares                          | –                             | 322,276           |             |                                   |
| Operating charges (%)**                           | –                             | 0.83 <sup>†</sup> |             |                                   |
| Direct transaction costs (%)***                   | –                             | 0.08              |             |                                   |
| <b>Prices</b>                                     |                               |                   |             |                                   |
| Highest share price (p)                           | 189.22                        | 182.48            |             |                                   |
| Lowest share price (p)                            | 161.67                        | 137.77            |             |                                   |

\*\*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>Only available to eligible investors.

<sup>2</sup>Commenced 15 June 2018 and closed 9 November 2018.

<sup>3</sup>Closed 9 November 2018.

<sup>4</sup>Commenced 8 October 2019.

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

## Threadneedle American Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |
|---|--------------------|
| <b>Class 1 – Income shares</b>                        |                    |
| Opening shares  | 297,579            |
| Shares issued   | 15,841             |
| Shares redeemed                                       | (33,846)           |
| Net conversions                                       | (1,002)            |
| Closing shares  | <u>278,572</u>     |
| <b>Class 1 – Accumulation shares</b>                  |                    |
| Opening shares  | 42,853,644         |
| Shares issued   | 1,665,259          |
| Shares redeemed                                       | (8,965,840)        |
| Net conversions                                       | (663,295)          |
| Closing shares  | <u>34,889,768</u>  |
| <b>Class 2 – Accumulation shares</b>                  |                    |
| Opening shares  | 266,186,093        |
| Shares issued   | 30,363,787         |
| Shares redeemed                                       | (38,118,705)       |
| Net conversions                                       | 1,459              |
| Closing shares  | <u>258,432,634</u> |
| <b>Class X – Accumulation shares</b>                  |                    |
| Opening shares  | 95,617,966         |
| Shares issued   | 77,647,207         |
| Shares redeemed                                       | (36,602,337)       |
| Net conversions                                       | –                  |
| Closing shares  | <u>136,662,836</u> |
| <b>Class X GBP Hedged – Gross accumulation shares</b> |                    |
| Opening shares  | 166,203,073        |
| Shares issued   | 82,763,592         |
| Shares redeemed                                       | (35,309,795)       |
| Net conversions                                       | –                  |
| Closing shares  | <u>213,656,870</u> |
| <b>Class Z – Income shares</b>                        |                    |
| Opening shares  | 11,721,411         |
| Shares issued   | 1,706,741          |
| Shares redeemed                                       | (628,494)          |
| Net conversions                                       | 26,478             |
| Closing shares  | <u>12,826,136</u>  |
| <b>Class Z – Accumulation shares</b>                  |                    |
| Opening shares  | 122,445,251        |
| Shares issued   | 7,397,327          |
| Shares redeemed                                       | (13,763,474)       |
| Net conversions                                       | 722,733            |
| Closing shares  | <u>116,801,837</u> |

## Threadneedle American Select Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve above average capital growth over the long term. It looks to outperform the S&P 500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in the United States of America (US), or which have significant US business operations. The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from within any industry or economic sector, with significant sector and share weightings taken at the discretion of the fund manager. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the S&P 500 Index.

The S&P 500 Index is a US stock market index, the constituents of which represent around 500 of the largest companies listed on the New York Stock Exchange or NASDAQ. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 60 companies, which may include the shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle American Select Fund has risen from 345.19p to 415.82p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +19.01% as compared to a median return of +14.14% over the same period. (For information the S&P 500 Index returned +14.13% over the same period)

#### Market Overview and Portfolio Activity

US stocks made a strong advance during the term under review, rebounding from initial weakness. The economic backdrop was dominated by the impact of the COVID-19 virus pandemic and of the subsequent policy response. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

The period began with turmoil in March as the pandemic escalated and equities plunged, rounding out the market's worst quarter since the 2008 financial crisis. A stunning collapse in oil prices added to the turbulence. States including California and Texas, the two most populous in the US, issued stay-at-home orders to help control the virus, severely curbing economic activity. The Federal Reserve (Fed) lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus in order to support the economy, while Congress approved a \$2tn fiscal stimulus package.

Shares recorded monthly rises over the rest of the review term, helped by optimism that the worst effects of the pandemic had passed and by strong corporate profits, particularly in the technology sector. States gradually relaxed lockdowns, reviving economies, and by the end of the period, a measure of US services and manufacturing activity that fell to a record low in April was back in expansionary territory. Meanwhile, the S&P 500 index had erased its year-to-date decline and was on the

verge of a double-digit gain for 2020, after hitting a record high.

Washington continued to clash with Beijing, escalating sanctions against technology firm Huawei. The White House also ordered China to close a consulate in the US, provoking a tit-for-tat response, and effectively required the Chinese owners of the popular TikTok and WeChat apps to divest their US operations in order to avoid a ban. However, both countries left intact the interim trade accord that was signed in January. In terms of domestic politics, Joe Biden became the presumed Democratic presidential candidate when Bernie Sanders suspended his campaign in April, and this was confirmed at the nomination convention in August. Biden had established a solid lead over President Trump in polls by the end of the period, helped by discontent with the government's handling of the pandemic and of politically polarised street demonstrations.

The fund took part in the initial public offerings of Nikola (electric vehicles) and Acolade (health benefits platform). Square (financial services/payments) and HEICO (aerospace/electronics) were also new exposures.

We increased the positions in BioMarin Pharmaceutical, Microchip Technology and Illumina; the allocations to Microsoft, Facebook and Visa were trimmed. The fund sold its holdings of L3Harris Technologies, Moderna, WPX Energy and Colgate-Palmolive.

While US equities reached new highs during the review period, thousands of jobs – possibly millions – may be gone for good in the sectors hardest hit by social distancing. For now, loss of income has been more than offset by generous subsidies that have attempted to support all. Once these programmes are reduced or ended, defaults and personal bankruptcies are likely to climb. The Fed has indicated that it will leave rates low for as long as needed to help the recovery, and Congress will probably approve another relief package. Though it is too soon to declare an election winner, a Biden administration would likely result in many positive stimulus policies and a more open approach to world trade.

#### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000   | 2019<br>£000   |
|---|----------------|----------------|
| Income  |                |                |
| Net capital gains   | 180,372        | 112,985        |
| Revenue   | 3,928          | 4,952          |
| Expenses  | (4,529)        | (4,829)        |
| Net (expense)/revenue before taxation   | (601)          | 123            |
| Taxation  | (591)          | (602)          |
| Net expense after taxation  | (1,192)        | (479)          |
| <b>Total return before equalisation</b>   | <b>179,180</b> | <b>112,506</b> |
| Equalisation  | 108            | 91             |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>179,288</b> | <b>112,597</b> |

#### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | March<br>2020<br>£000 |
|--|------------------|-----------------------|
| <b>Assets:</b>                                 |                  |                       |
| <b>Fixed assets:</b>                           |                  |                       |
| Investments                                    | 1,049,828        | 805,778               |
| <b>Current assets:</b>                         |                  |                       |
| Debtors  | 584              | 6,271                 |
| Cash and bank balances                         | 4,077            | 1,846                 |
| <b>Total assets</b>                            | <b>1,054,489</b> | <b>813,895</b>        |
| <b>Liabilities:</b>                            |                  |                       |
| <b>Investment liabilities</b>                  | (20)             | (13)                  |
| <b>Creditors:</b>                              |                  |                       |
| Distribution payable                           | –                | (4)                   |
| Other creditors                                | (5,639)          | (4,814)               |
| <b>Total liabilities</b>                       | <b>(5,659)</b>   | <b>(4,831)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>1,048,830</b> | <b>809,064</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000     | 2019<br>£000   |
|--|------------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>809,064</b>   | <b>829,964</b> |
| Amounts receivable on the issue of shares  | 155,694          | 52,269         |
| Amounts payable on the cancellation of shares  | (95,275)         | (98,040)       |
|  | 60,419           | (45,771)       |
| Dilution adjustment  | 59               | –              |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 179,288          | 112,597        |
| <b>Closing net assets attributable to shareholders</b>   | <b>1,048,830</b> | <b>896,790</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

## Threadneedle American Select Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares       |            |            | Class 1 EUR – Income shares       |
|---|-------------------------------|------------|------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 345.28                        | 317.42     | 296.95     | 314.33                            |
| Return before operating charges (p)               | 73.23                         | 33.66      | 25.47      | 6.78                              |
| Operating charges (p)                             | (3.07)                        | (5.80)     | (5.00)     | (5.80)                            |
| Return after operating charges (p)*               | 70.16                         | 27.86      | 20.47      | 0.98                              |
| Distributions (p)                                 | –                             | –          | –          | –                                 |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 |
| Closing net asset value per share (p)             | 415.44                        | 345.28     | 317.42     | 315.31                            |
| * after direct transaction costs of (p)           | 0.03                          | 0.05       | 0.21       | 0.25                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 20.32                         | 8.78       | 6.89       | 0.31                              |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 797                           | 781        | 755        | –                                 |
| Closing number of shares                          | 191,915                       | 226,328    | 237,827    | –                                 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.63       | 1.64       | –                                 |
| Direct transaction costs (%)***                   | 0.01                          | 0.01       | 0.07       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 434.99                        | 412.17     | 340.40     | 340.40                            |
| Lowest share price (p)                            | 300.73                        | 316.21     | 274.23     | 299.77                            |
|   | Class 1 – Accumulation shares |            |            | Class 1 EUR – Accumulation shares |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 09/11/2018 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 345.47                        | 317.60     | 297.12     | 314.51                            |
| Return before operating charges (p)               | 73.30                         | 33.65      | 25.50      | 6.79                              |
| Operating charges (p)                             | (3.09)                        | (5.78)     | (5.02)     | (5.81)                            |
| Return after operating charges (p)*               | 70.21                         | 27.87      | 20.48      | 0.98                              |
| Distributions (p)                                 | –                             | –          | –          | –                                 |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 |
| Closing net asset value per share (p)             | 415.68                        | 345.47     | 317.60     | 315.49                            |
| * after direct transaction costs of (p)           | 0.03                          | 0.05       | 0.22       | 0.25                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 20.32                         | 8.78       | 6.89       | 0.31                              |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 269,541                       | 243,286    | 288,681    | –                                 |
| Closing number of shares                          | 64,843,956                    | 70,421,025 | 90,893,642 | –                                 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.63       | 1.63       | –                                 |
| Direct transaction costs (%)***                   | 0.01                          | 0.01       | 0.07       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 435.23                        | 412.40     | 340.59     | 340.59                            |
| Lowest share price (p)                            | 300.89                        | 316.38     | 274.38     | 299.93                            |

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

|   | Class 1 USD – Accumulation shares |            |            | Class 1 EUR Hedged – Accumulation shares |                   |
|---|-----------------------------------|------------|------------|--|-------------------|
|   | 09/11/2018 <sup>1</sup>           |            |            | 09/11/2018 <sup>2</sup>                  | 07/03/2018        |
| <b>Change in net assets per share</b>             |                                   |            |            |  |                   |
| Opening net asset value per share (p)             | 314.51                            |            |            | 268.91                                   | 224.99            |
| Return before operating charges (p)               | 6.78                              |            |            | (10.09)                                  | 47.92             |
| Operating charges (p)                             | (5.80)                            |            |            | (2.93)                                   | (4.00)            |
| Return after operating charges (p)*               | 0.98                              |            |            | (13.02)                                  | 43.92             |
| Distributions (p)                                 | –                                 |            |            | –  | –                 |
| Retained distributions on accumulation shares (p) | –                                 |            |            | –  | –                 |
| Closing net asset value per share (p)             | 315.49                            |            |            | 255.89                                   | 268.91            |
| * after direct transaction costs of (p)           | 0.25                              |            |            | 0.13                                     | 0.25              |
| <b>Performance</b>                                |                                   |            |            |  |                   |
| Return after charges (%)                          | 0.31                              |            |            | (4.84)                                   | 19.52             |
| <b>Other information</b>                          |                                   |            |            |  |                   |
| Closing net asset value (£000)                    | –                                 |            |            | –  | 1,341             |
| Closing number of shares                          | –                                 |            |            | –  | 498,703           |
| Operating charges (%)**                           | –                                 |            |            | –  | 1.63 <sup>1</sup> |
| Direct transaction costs (%)***                   | –                                 |            |            | –  | 0.10              |
| <b>Prices</b>                                     |                                   |            |            |  |                   |
| Highest share price (p)                           | 340.59                            |            |            | 284.22                                   | 276.72            |
| Lowest share price (p)                            | 299.93                            |            |            | 243.49                                   | 212.66            |
|   | Class 2 – Accumulation shares     |            |            | Class 2 USD – Accumulation shares        |                   |
|   | 07/09/2020                        | 07/03/2020 | 07/03/2019 | 09/11/2018 <sup>1</sup>                  |                   |
| <b>Change in net assets per share</b>             |                                   |            |            |  |                   |
| Opening net asset value per share (p)             | 394.73                            | 360.83     | 335.62     | 355.83                                   |                   |
| Return before operating charges (p)               | 83.89                             | 38.20      | 28.93      | 6.27                                     |                   |
| Operating charges (p)                             | (2.30)                            | (4.30)     | (3.72)     | (4.34)                                   |                   |
| Return after operating charges (p)*               | 81.59                             | 33.90      | 25.21      | 1.93                                     |                   |
| Distributions (p)                                 | –                                 | –          | –          | –  |                   |
| Retained distributions on accumulation shares (p) | –                                 | –          | –          | –  |                   |
| Closing net asset value per share (p)             | 476.32                            | 394.73     | 360.83     | 357.76                                   |                   |
| * after direct transaction costs of (p)           | 0.03                              | 0.06       | 0.25       | 0.28                                     |                   |
| <b>Performance</b>                                |                                   |            |            |  |                   |
| Return after charges (%)                          | 20.67                             | 9.40       | 7.51       | 0.54                                     |                   |
| <b>Other information</b>                          |                                   |            |            |  |                   |
| Closing net asset value (£000)                    | 218,102                           | 200,844    | 215,952    | –  |                   |
| Closing number of shares                          | 45,789,372                        | 50,881,757 | 59,848,373 | –  |                   |
| Operating charges (%)**                           | 1.06 <sup>1</sup>                 | 1.06       | 1.06       | –  |                   |
| Direct transaction costs (%)***                   | 0.01                              | 0.01       | 0.07       | –  |                   |
| <b>Prices</b>                                     |                                   |            |            |  |                   |
| Highest share price (p)                           | 498.69                            | 471.11     | 385.83     | 385.83                                   |                   |
| Lowest share price (p)                            | 343.85                            | 359.45     | 310.08     | 340.07                                   |                   |

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 EUR Hedged – Accumulation shares |                   | Class X – Accumulation shares |                               |             |             |
|---|--|-------------------|-------------------------------|-------------------------------|-------------|-------------|
|   | 09/11/2018 <sup>2</sup>                  | 07/03/2018        | 07/09/2020                    | 07/03/2020                    | 07/03/2019  |             |
| <b>Change in net assets per share</b>             |  |                   |                               |                               |             |             |
| Opening net asset value per share (p)             | 231.04                                   | 192.12            | 182.92                        | 165.55                        | 152.44      |             |
| Return before operating charges (p)               | (8.17)                                   | 41.14             | 38.98                         | 17.48                         | 13.21       |             |
| Operating charges (p)                             | (1.68)                                   | (2.22)            | (0.06)                        | (0.11)                        | (0.10)      |             |
| Return after operating charges (p)*               | (9.85)                                   | 38.92             | 38.92                         | 17.37                         | 13.11       |             |
| Distributions (p)                                 | –  | (0.21)            | –                             | (1.48)                        | (1.48)      |             |
| Retained distributions on accumulation shares (p) | –  | 0.21              | –                             | 1.48                          | 1.48        |             |
| Closing net asset value per share (p)             | 221.19                                   | 231.04            | 221.84                        | 182.92                        | 165.55      |             |
| * after direct transaction costs of (p)           | 0.11                                     | 0.21              | 0.02                          | 0.03                          | 0.11        |             |
| <b>Performance</b>                                |  |                   |                               |                               |             |             |
| Return after charges (%)                          | (4.26)                                   | 20.26             | 21.28                         | 10.49                         | 8.60        |             |
| <b>Other information</b>                          |  |                   |                               |                               |             |             |
| Closing net asset value (£000)                    | –  | 255               | 216,751                       | 66,992                        | 24,771      |             |
| Closing number of shares                          | –  | 110,361           | 97,705,089                    | 36,623,863                    | 14,962,715  |             |
| Operating charges (%)**                           | –  | 1.06 <sup>†</sup> | 0.06 <sup>†</sup>             | 0.06                          | 0.06        |             |
| Direct transaction costs (%)***                   | –  | 0.10              | 0.01                          | 0.01                          | 0.07        |             |
| <b>Prices</b>                                     |  |                   |                               |                               |             |             |
| Highest share price (p)                           | 245.24                                   | 237.56            | 232.24                        | 218.20                        | 176.13      |             |
| Lowest share price (p)                            | 210.39                                   | 181.71            | 159.38                        | 164.93                        | 140.96      |             |
|   | Class Z – Income shares                  |                   |                               | Class Z – Accumulation shares |             |             |
|   | 07/09/2020                               | 07/03/2020        | 07/03/2019                    | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |                   |                               |                               |             |             |
| Opening net asset value per share (p)             | 271.37                                   | 247.57            | 230.08                        | 278.88                        | 254.34      | 236.03      |
| Return before operating charges (p)               | 57.70                                    | 26.20             | 19.85                         | 59.30                         | 26.92       | 20.36       |
| Operating charges (p)                             | (1.24)                                   | (2.31)            | (2.01)                        | (1.27)                        | (2.38)      | (2.05)      |
| Return after operating charges (p)*               | 56.46                                    | 23.89             | 17.84                         | 58.03                         | 24.54       | 18.31       |
| Distributions (p)                                 | –  | (0.09)            | (0.35)                        | –                             | (0.09)      | (0.36)      |
| Retained distributions on accumulation shares (p) | –  | –                 | –                             | –                             | 0.09        | 0.36        |
| Closing net asset value per share (p)             | 327.83                                   | 271.37            | 247.57                        | 336.91                        | 278.88      | 254.34      |
| * after direct transaction costs of (p)           | 0.02                                     | 0.04              | 0.17                          | 0.02                          | 0.04        | 0.17        |
| <b>Performance</b>                                |  |                   |                               |                               |             |             |
| Return after charges (%)                          | 20.81                                    | 9.65              | 7.75                          | 20.81                         | 9.65        | 7.76        |
| <b>Other information</b>                          |  |                   |                               |                               |             |             |
| Closing net asset value (£000)                    | 14,487                                   | 12,556            | 12,192                        | 328,735                       | 284,231     | 287,330     |
| Closing number of shares                          | 4,418,920                                | 4,626,694         | 4,924,811                     | 97,573,220                    | 101,917,018 | 112,971,009 |
| Operating charges (%)**                           | 0.83 <sup>†</sup>                        | 0.83              | 0.83                          | 0.83 <sup>†</sup>             | 0.83        | 0.83        |
| Direct transaction costs (%)***                   | 0.01                                     | 0.01              | 0.07                          | 0.01                          | 0.01        | 0.07        |
| <b>Prices</b>                                     |  |                   |                               |                               |             |             |
| Highest share price (p)                           | 343.23                                   | 323.93            | 264.79                        | 352.73                        | 332.78      | 271.65      |
| Lowest share price (p)                            | 236.41                                   | 246.62            | 212.61                        | 242.95                        | 253.37      | 218.11      |

## Threadneedle American Select Fund

### Comparative Table Disclosure

(continued)

|   | Class Z EUR – Accumulation shares        |            |            | Class Z USD – Accumulation shares        |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 09/11/2018 <sup>1</sup>                  |            |            | 09/11/2018 <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)               | 4.80                                     |            |            | 4.80                                     |            |            |
| Operating charges (p)                             | (3.21)                                   |            |            | (3.21)                                   |            |            |
| Return after operating charges (p)*               | 1.59                                     |            |            | 1.59                                     |            |            |
| Distributions (p)                                 | (0.08)                                   |            |            | (0.08)                                   |            |            |
| Retained distributions on accumulation shares (p) | 0.08                                     |            |            | 0.08                                     |            |            |
| Closing net asset value per share (p)             | 251.99                                   |            |            | 251.99                                   |            |            |
| * after direct transaction costs of (p)           | 0.27                                     |            |            | 0.27                                     |            |            |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | 0.63                                     |            |            | 0.63                                     |            |            |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | –  |            |            | –  |            |            |
| Closing number of shares                          | –  |            |            | –  |            |            |
| Operating charges (%)**                           | –  |            |            | –  |            |            |
| Direct transaction costs (%)***                   | –  |            |            | –  |            |            |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 271.65                                   |            |            | 271.65                                   |            |            |
| Lowest share price (p)                            | 239.52                                   |            |            | 239.52                                   |            |            |
|   | Class Z CHF Hedged – Accumulation shares |            |            | Class Z GBP Hedged - Accumulation shares |            |            |
|   | 07/09/2020                               | 07/03/2020 | 07/03/2019 | 07/09/2020                               | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 174.58                                   | 152.66     | 156.88     | 154.97                                   | 145.23     | 144.82     |
| Return before operating charges (p)               | 40.19                                    | 23.35      | (2.96)     | 32.20                                    | 11.06      | 1.60       |
| Operating charges (p)                             | (0.79)                                   | (1.43)     | (1.26)     | (0.68)                                   | (1.32)     | (1.19)     |
| Return after operating charges (p)*               | 39.40                                    | 21.92      | (4.22)     | 31.52                                    | 9.74       | 0.41       |
| Distributions (p)                                 | –  | (0.04)     | (0.22)     | –  | (0.05)     | (0.20)     |
| Retained distributions on accumulation shares (p) | –  | 0.04       | 0.22       | –  | 0.05       | 0.20       |
| Closing net asset value per share (p)             | 213.98                                   | 174.58     | 152.66     | 186.49                                   | 154.97     | 145.23     |
| * after direct transaction costs of (p)           | 0.01                                     | 0.03       | 0.11       | 0.01                                     | 0.02       | 0.10       |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | 22.57                                    | 14.36      | (2.69)     | 20.34                                    | 6.71       | 0.28       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 21                                       | 17         | 15         | 396                                      | 357        | 268        |
| Closing number of shares                          | 10,000                                   | 10,000     | 10,000     | 212,314                                  | 230,250    | 184,308    |
| Operating charges (%)**                           | 0.83 <sup>1</sup>                        | 0.83       | 0.82       | 0.83 <sup>1</sup>                        | 0.83       | 0.83       |
| Direct transaction costs (%)***                   | 0.01                                     | 0.01       | 0.07       | 0.01                                     | 0.01       | 0.07       |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 224.71                                   | 198.13     | 171.37     | 196.80                                   | 183.09     | 153.72     |
| Lowest share price (p)                            | 144.80                                   | 151.25     | 135.60     | 118.31                                   | 141.73     | 122.40     |

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

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

<sup>1</sup>Commenced 15 June 2018 and closed 9 November 2018.

<sup>2</sup>Closed 9 November 2018.

<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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020              |
|---|-------------------|
| <b>Class 1 – Income shares</b>                  |                   |
| Opening shares                                  | 226,328           |
| Shares issued                                   | 1,756             |
| Shares redeemed                                 | (36,169)          |
| Net conversions                                 | –                 |
| Closing shares                                  | <u>191,915</u>    |
| <b>Class 1 – Accumulation shares</b>            |                   |
| Opening shares                                  | 70,421,025        |
| Shares issued                                   | 1,702,884         |
| Shares redeemed                                 | (6,682,824)       |
| Net conversions                                 | (597,129)         |
| Closing shares                                  | <u>64,843,956</u> |
| <b>Class 2 – Accumulation shares</b>            |                   |
| Opening shares                                  | 50,881,757        |
| Shares issued                                   | 3,460,816         |
| Shares redeemed                                 | (8,553,201)       |
| Net conversions                                 | –                 |
| Closing shares                                  | <u>45,789,372</u> |
| <b>Class X – Accumulation shares</b>            |                   |
| Opening shares                                  | 36,623,863        |
| Shares issued                                   | 62,881,245        |
| Shares redeemed                                 | (1,800,019)       |
| Net conversions                                 | –                 |
| Closing shares                                  | <u>97,705,089</u> |
| <b>Class Z – Income shares</b>                  |                   |
| Opening shares                                  | 4,626,694         |
| Shares issued                                   | 118,710           |
| Shares redeemed                                 | (360,947)         |
| Net conversions                                 | 34,463            |
| Closing shares                                  | <u>4,418,920</u>  |
| <b>Class Z – Accumulation shares</b>            |                   |
| Opening shares                                  | 101,917,018       |
| Shares issued                                   | 4,808,821         |
| Shares redeemed                                 | (9,858,289)       |
| Net conversions                                 | 705,670           |
| Closing shares                                  | <u>97,573,220</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>     |

2020

##### Class Z GBP Hedged – Accumulation shares

|                 |                |
|-----------------|----------------|
| Opening shares  | 230,250        |
| Shares issued   | 32,426         |
| Shares redeemed | (50,362)       |
| Net conversions | –              |
| Closing shares  | <u>212,314</u> |

## Threadneedle American Smaller Companies Fund (US)

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the Russell 2500 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in shares of American smaller companies.

The Fund considers American smaller companies to be those domiciled in the United States of America (US), or with significant US business operations, and which have a market size ranging from typically \$500 million to \$10 billion at the time of investment.

The Fund selects smaller companies considered to have good prospects for share price growth, from any industry or economic sector, and in some instances, this may provide exposure to niche growth areas that often cannot be accessed by large companies.

The Fund typically invests in fewer than 80 companies, which may include shares of some companies not within the Russell 2500 Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

The Russell 2500 Index is regarded as an appropriate performance measure of shares of small to medium sized companies listed on US stock markets, with around 2500 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 323.11p to 366.94p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested

income, is +9.18% as compared to a median return of +4.62% over the same period. (For information the Russell 2500 returned +2.76% over the same period).

#### Market Overview and Portfolio Activity

US small- and mid-cap stocks had a positive return during the term under review, rebounding from initial weakness. The economic backdrop was dominated by the impact of the COVID-19 virus pandemic and of the subsequent policy response. Intermittent tensions with China remained a feature, and domestic political rhetoric was heated as November's presidential election drew closer, although the latter had little impact on the market.

The period began with turmoil in March as the pandemic escalated and equities plunged, rounding out the US stock market's worst quarter since the 2008 financial crisis. A stunning collapse in oil prices added to the turbulence. States including California and Texas, the two most populous in the US, issued stay-at-home orders to help control the virus, severely curbing economic activity. The Federal Reserve (Fed) lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus in order to support the economy, while Congress approved a \$2tn fiscal stimulus package.

Small- and mid-cap shares recorded monthly rises over the rest of the review term, helped by optimism that the worst effects of the pandemic had passed and by strong corporate profits. States gradually relaxed lockdowns, reviving economies, and by the end of the period, a measure of US services and manufacturing activity that fell to a record low in April was back in expansionary territory. However, the asset class trailed well behind large-cap stocks, reflecting strong investor affinity for the mega-cap technology firms, and the Russell 2500 index was still down for the year at the end of the review term. Washington continued to clash with Beijing, escalating sanctions against technology firm Huawei. The White House also ordered China to close a consulate in the US, provoking a tit-for-tat response, and effectively required the Chinese owners of the popular TikTok and WeChat apps to divest their US operations in order to avoid a ban. However, both countries left intact the interim trade accord that was signed in January. In terms of domestic politics, Joe Biden became the presumed Democratic presidential candidate when Bernie Sanders suspended his campaign in April, and this was confirmed at the nomination convention in August. Biden had established a solid lead over

President Trump in polls by the end of the period, helped by discontent with the government's handling of the pandemic and of politically polarised street demonstrations.

Avista, ConMed and Lithia Motors were among new exposures in the fund. We also received shares of WillisTow Mobile Mini following the completion of portfolio holding Mobile Mini's merger.

Electric and gas utility Avista serves residential, commercial and industrial customers in four north-western states and is poised to expand its rate base at a sustainable 3-5% pace, reflecting an increased focus on renewable power and leading to low-single-digit dividend growth.

Medical devices firm Conmed competes in the orthopaedics (mainly arthroscopy and powered instruments) and general-surgery markets against larger rivals. New management has been in place since 2014 (the board is also all new) and has succeeded in accelerating sales growth through investment, new products and acquisitions. Launches of new products should continue to drive revenue gains and margin leverage, and management has committed to grow sales at a mid-single-digit pace and earnings per share in the low to mid-double digits in coming years as activity normalises.

Lithia Motors, a leading automobile retailer, is transforming its business model by pivoting to a more digital footprint. In combination with rebounding demand, this should lead to rapidly improving profitability, free cashflow and returns.

We bought more shares of Newport Resources, Gildan Activewear and Luminex, and reduced the exposures to Qurate Retail, CoHu and Altair Engineering. The fund liquidated holdings including Cubic, Portland General Electric, Immunomedics and Catalent.

While the US stock market reached new highs during the review period, thousands of jobs – possibly millions – may be gone for good in the sectors hardest hit by social distancing. For now, loss of income has been more than offset by generous subsidies that have attempted to support all. Once these programmes are reduced or ended, defaults and personal bankruptcies are likely to climb. The Fed has indicated that it will leave rates low for as long as needed to help the recovery, and Congress will probably approve another relief package. Though it is too soon to declare an election winner, a Biden administration would likely result in many positive stimulus policies and a more open approach to world trade.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000  | 2019<br>£000  |
|---|---------------|---------------|
| Income  |               |               |
| Net capital gains   | 32,677        | 48,860        |
| Revenue   | 2,637         | 1,806         |
| Expenses  | (1,605)       | (1,949)       |
| Net revenue/(expense) before taxation   | 1,032         | (143)         |
| Taxation  | (280)         | 5             |
| Net revenue/(expense) after taxation  | 752           | (138)         |
| <b>Total return before equalisation</b>   | <b>33,429</b> | <b>48,722</b> |
| Equalisation  | (32)          | (6)           |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>33,397</b> | <b>48,716</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 333,657        | 318,426               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 5,290          | 669                   |
| Cash and bank balances                         | 614            | 534                   |
| Cash equivalents**                             | 4,596          | 2,637                 |
| <b>Total assets</b>                            | <b>344,157</b> | <b>322,266</b>        |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (12)           | –                     |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | –              | (24)                  |
| Other creditors                                | (8,847)        | (1,064)               |
| <b>Total liabilities</b>                       | <b>(8,859)</b> | <b>(1,088)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>335,298</b> | <b>321,178</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>321,178</b> | <b>372,465</b> |
| Amounts receivable on the issue of shares  | 5,031          | 5,161          |
| Amounts payable on the cancellation of shares  | (24,308)       | (50,642)       |
|  | (19,277)       | (45,481)       |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 33,397         | 48,716         |
| <b>Closing net assets attributable to shareholders</b>   | <b>335,298</b> | <b>375,700</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

\*\*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       |            |                         |
|---|-------------------------------|------------|------------|-----------------------------------|------------|-------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 23/11/2018 <sup>1</sup>           |            |                         |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |            |                         |
| Opening net asset value per share (p)             | 330.67                        | 321.91     | 307.15     | 340.43                            |            |                         |
| Return before operating charges (p)               | 38.59                         | 14.52      | 19.95      | (29.54)                           |            |                         |
| Operating charges (p)                             | (2.71)                        | (5.76)     | (5.19)     | (2.09)                            |            |                         |
| Return after operating charges (p)*               | 35.88                         | 8.76       | 14.76      | (31.63)                           |            |                         |
| Distributions (p)                                 | –                             | –          | –          | –                                 |            |                         |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 |            |                         |
| Closing net asset value per share (p)             | 366.55                        | 330.67     | 321.91     | 308.80                            |            |                         |
| *after direct transaction costs of (p)            | 0.26                          | 0.38       | 0.43       | 0.17                              |            |                         |
| <b>Performance</b>                                |                               |            |            |                                   |            |                         |
| Return after charges (%)                          | 10.85                         | 2.72       | 4.81       | (9.29)                            |            |                         |
| <b>Other information</b>                          |                               |            |            |                                   |            |                         |
| Closing net asset value (£000)                    | 1,454                         | 1,420      | 1,628      | –                                 |            |                         |
| Closing number of shares                          | 396,760                       | 429,524    | 505,796    | –                                 |            |                         |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.63       | 1.65       | –                                 |            |                         |
| Direct transaction costs (%)***                   | 0.16                          | 0.11       | 0.13       | –                                 |            |                         |
| <b>Prices</b>                                     |                               |            |            |                                   |            |                         |
| Highest share price (p)                           | 376.12                        | 384.74     | 361.13     | 361.13                            |            |                         |
| Lowest share price (p)                            | 252.07                        | 321.59     | 273.33     | 305.73                            |            |                         |
|   | Class 1 – Accumulation shares |            |            | Class 1 EUR – Accumulation shares |            |                         |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                        | 07/03/2020 | 07/03/2019 <sup>2</sup> |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |            |                         |
| Opening net asset value per share (p)             | 330.84                        | 322.07     | 307.28     | 330.81                            | 322.05     | 340.58                  |
| Return before operating charges (p)               | 38.60                         | 14.53      | 19.97      | 38.60                             | 14.52      | (14.66)                 |
| Operating charges (p)                             | (2.71)                        | (5.76)     | (5.18)     | (2.72)                            | (5.76)     | (3.87)                  |
| Return after operating charges (p)*               | 35.89                         | 8.77       | 14.79      | 35.88                             | 8.76       | (18.53)                 |
| Distributions (p)                                 | –                             | –          | –          | –                                 | –          | –                       |
| Retained distributions on accumulation shares (p) | –                             | –          | –          | –                                 | –          | –                       |
| Closing net asset value per share (p)             | 366.73                        | 330.84     | 322.07     | 366.69                            | 330.81     | 322.05                  |
| *after direct transaction costs of (p)            | 0.26                          | 0.39       | 0.43       | 0.26                              | 0.39       | 0.45                    |
| <b>Performance</b>                                |                               |            |            |                                   |            |                         |
| Return after charges (%)                          | 10.85                         | 2.72       | 4.81       | 10.85                             | 2.72       | (5.44)                  |
| <b>Other information</b>                          |                               |            |            |                                   |            |                         |
| Closing net asset value (£000)                    | 21,754                        | 22,862     | 26,766     | 14,799                            | 14,457     | 18,743                  |
| Closing number of shares                          | 5,932,022                     | 6,910,365  | 8,310,513  | 4,035,740                         | 4,370,056  | 5,819,946               |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.63       | 1.64       | 1.63 <sup>†</sup>                 | 1.63       | 1.63 <sup>†</sup>       |
| Direct transaction costs (%)***                   | 0.16                          | 0.11       | 0.13       | 0.16                              | 0.11       | 0.13                    |
| <b>Prices</b>                                     |                               |            |            |                                   |            |                         |
| Highest share price (p)                           | 376.32                        | 384.94     | 361.28     | 376.28                            | 384.91     | 361.28                  |
| Lowest share price (p)                            | 252.20                        | 321.76     | 273.44     | 252.18                            | 321.74     | 273.44                  |

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

|   | Class 1 USD – Accumulation shares | Class 2 – Accumulation shares |            |            |
|---|-----------------------------------|-------------------------------|------------|------------|
|   | 23/11/2018 <sup>1</sup>           | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |                               |            |            |
| Opening net asset value per share (p)             | 340.58                            | 379.01                        | 366.85     | 348.03     |
| Return before operating charges (p)               | (29.55)                           | 44.35                         | 16.44      | 22.69      |
| Operating charges (p)                             | (2.10)                            | (2.03)                        | (4.28)     | (3.87)     |
| Return after operating charges (p)*               | (31.65)                           | 42.32                         | 12.16      | 18.82      |
| Distributions (p)                                 | –                                 | –                             | (0.42)     | –          |
| Retained distributions on accumulation shares (p) | –                                 | –                             | 0.42       | –          |
| Closing net asset value per share (p)             | 308.93                            | 421.33                        | 379.01     | 366.85     |
| *after direct transaction costs of (p)            | 0.17                              | 0.30                          | 0.44       | 0.50       |
| <b>Performance</b>                                |                                   |                               |            |            |
| Return after charges (%)                          | (9.29)                            | 11.17                         | 3.31       | 5.41       |
| <b>Other information</b>                          |                                   |                               |            |            |
| Closing net asset value (£000)                    | –                                 | 168,088                       | 154,344    | 160,580    |
| Closing number of shares                          | –                                 | 39,894,573                    | 40,722,996 | 43,772,116 |
| Operating charges (%)**                           | –                                 | 1.06 <sup>†</sup>             | 1.06       | 1.06       |
| Direct transaction costs (%)***                   | –                                 | 0.16                          | 0.11       | 0.13       |
| <b>Prices</b>                                     |                                   |                               |            |            |
| Highest share price (p)                           | 361.28                            | 432.32                        | 439.46     | 410.35     |
| Lowest share price (p)                            | 305.86                            | 288.99                        | 366.52     | 311.13     |
| <hr/>   |                                   |                               |            |            |
|   | Class 2 USD – Accumulation shares | Class X – Accumulation shares |            |            |
|   | 23/11/2018 <sup>1</sup>           | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |                               |            |            |
| Opening net asset value per share (p)             | 386.35                            | 319.69                        | 306.42     | 287.83     |
| Return before operating charges (p)               | (33.47)                           | 37.48                         | 13.47      | 18.77      |
| Operating charges (p)                             | (1.55)                            | (0.10)                        | (0.20)     | (0.18)     |
| Return after operating charges (p)*               | (35.02)                           | 37.38                         | 13.27      | 18.59      |
| Distributions (p)                                 | –                                 | –                             | (3.70)     | (2.92)     |
| Retained distributions on accumulation shares (p) | –                                 | –                             | 3.70       | 2.92       |
| Closing net asset value per share (p)             | 351.33                            | 357.07                        | 319.69     | 306.42     |
| *after direct transaction costs of (p)            | 0.19                              | 0.25                          | 0.37       | 0.42       |
| <b>Performance</b>                                |                                   |                               |            |            |
| Return after charges (%)                          | (9.06)                            | 11.69                         | 4.33       | 6.46       |
| <b>Other information</b>                          |                                   |                               |            |            |
| Closing net asset value (£000)                    | –                                 | 14,395                        | 12,303     | 11,033     |
| Closing number of shares                          | –                                 | 4,031,365                     | 3,848,281  | 3,600,793  |
| Operating charges (%)**                           | –                                 | 0.06 <sup>†</sup>             | 0.06       | 0.06       |
| Direct transaction costs (%)***                   | –                                 | 0.16                          | 0.11       | 0.13       |
| <b>Prices</b>                                     |                                   |                               |            |            |
| Highest share price (p)                           | 410.35                            | 366.35                        | 368.49     | 341.05     |
| Lowest share price (p)                            | 347.69                            | 243.83                        | 306.15     | 259.36     |

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

|   | Class Z – Income shares           |            |            | Class Z – Accumulation shares                               |            |            |
|---|-----------------------------------|------------|------------|---|------------|------------|
|   | 07/09/2020                        | 07/03/2020 | 07/03/2019 | 07/09/2020  | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |            |            |   |            |            |
| Opening net asset value per share (p)             | 201.60                            | 195.39     | 185.31     | 266.43  | 257.42     | 243.78     |
| Return before operating charges (p)               | 23.60                             | 8.71       | 12.10      | 31.19   | 11.50      | 15.89      |
| Operating charges (p)                             | (0.89)                            | (1.89)     | (1.72)     | (1.18)  | (2.49)     | (2.25)     |
| Return after operating charges (p)*               | 22.71                             | 6.82       | 10.38      | 30.01   | 9.01       | 13.64      |
| Distributions (p)                                 | –                                 | (0.61)     | (0.30)     | –   | (0.80)     | (0.39)     |
| Retained distributions on accumulation shares (p) | –                                 | –          | –          | –   | 0.80       | 0.39       |
| Closing net asset value per share (p)             | 224.31                            | 201.60     | 195.39     | 296.44  | 266.43     | 257.42     |
| *after direct transaction costs of (p)            | 0.16                              | 0.23       | 0.27       | 0.21  | 0.31       | 0.35       |
| <b>Performance</b>                                |                                   |            |            |   |            |            |
| Return after charges (%)                          | 11.26                             | 3.49       | 5.60       | 11.26   | 3.50       | 5.60       |
| <b>Other information</b>                          |                                   |            |            |   |            |            |
| Closing net asset value (£000)                    | 7,583                             | 7,947      | 15,805     | 107,225   | 107,845    | 137,910    |
| Closing number of shares                          | 3,380,411                         | 3,941,811  | 8,088,859  | 36,171,049  | 40,478,383 | 53,573,430 |
| Operating charges (%)**                           | 0.88 <sup>f</sup>                 | 0.88       | 0.88       | 0.88 <sup>f</sup>   | 0.88       | 0.88       |
| Direct transaction costs (%)***                   | 0.16                              | 0.11       | 0.13       | 0.16  | 0.11       | 0.13       |
| <b>Prices</b>                                     |                                   |            |            |   |            |            |
| Highest share price (p)                           | 230.16                            | 234.23     | 218.69     | 304.16  | 308.59     | 287.69     |
| Lowest share price (p)                            | 153.67                            | 195.21     | 165.90     | 203.16  | 257.19     | 218.24     |
|   | Class Z USD – Accumulation shares |            |            | Class Z EUR Hedged – Gross Accumulation shares <sup>§</sup> |            |            |
|   | 23/11/2018 <sup>†</sup>           |            |            | 23/11/2018 <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)               | (23.44)                           |            |            | (8.39)  |            |            |
| Operating charges (p)                             | (0.90)                            |            |            | (0.39)  |            |            |
| Return after operating charges (p)*               | (24.34)                           |            |            | (8.78)  |            |            |
| Distributions (p)                                 | (0.18)                            |            |            | (0.12)  |            |            |
| Retained distributions on accumulation shares (p) | 0.18                              |            |            | 0.12  |            |            |
| Closing net asset value per share (p)             | 246.41                            |            |            | 91.22   |            |            |
| *after direct transaction costs of (p)            | 0.13                              |            |            | 0.06  |            |            |
| <b>Performance</b>                                |                                   |            |            |   |            |            |
| Return after charges (%)                          | (8.99)                            |            |            | (8.78)  |            |            |
| <b>Other information</b>                          |                                   |            |            |   |            |            |
| Closing net asset value (£000)                    | –                                 |            |            | –   |            |            |
| Closing number of shares                          | –                                 |            |            | –   |            |            |
| Operating charges (%)**                           | –                                 |            |            | –   |            |            |
| Direct transaction costs (%)***                   | –                                 |            |            | –   |            |            |
| <b>Prices</b>                                     |                                   |            |            |   |            |            |
| Highest share price (p)                           | 287.69                            |            |            | 109.64  |            |            |
| Lowest share price (p)                            | 243.82                            |            |            | 90.79   |            |            |

## Threadneedle American Smaller Companies Fund (US)

### Comparative Table Disclosure

(continued)

|   | Class Z CHF Hedged –<br>Gross Accumulation shares <sup>5</sup><br>05/11/2018 <sup>4</sup> |
|---|---|
| <b>Change in net assets per share</b>             |   |
| Opening net asset value per share (p)             | 100.00  |
| Return before operating charges (p)               | (5.25)  |
| Operating charges (p)                             | (0.32)  |
| Return after operating charges (p)*               | (5.57)  |
| Distributions (p)                                 | –   |
| Retained distributions on accumulation shares (p) | –   |
| Closing net asset value per share (p)             | 94.43   |
| *after direct transaction costs of (p)            | 0.05  |
| <b>Performance</b>                                |   |
| Return after charges (%)                          | (5.57)  |
| <b>Other information</b>                          |   |
| Closing net asset value (£000)                    | –   |
| Closing number of shares                          | –   |
| Operating charges (%)**                           | –   |
| Direct transaction costs (%)***                   | –   |
| <b>Prices</b>                                     |   |
| Highest share price (p)                           | 111.66  |
| Lowest share price (p)                            | 91.60   |

\*\*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>1</sup>Commenced 15 June 2018 and closed 23 November 2018.

<sup>2</sup>Commenced 15 June 2018.

<sup>3</sup>Commenced 30 May 2018 and closed 23 November 2018.

<sup>4</sup>Commenced 30 May 2018 and closed 5 November 2018.

<sup>1</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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>           |                   |
| Opening shares                           | 429,524           |
| Shares issued                            | 2,909             |
| Shares redeemed                          | (33,276)          |
| Net conversions                          | (2,397)           |
| Closing shares                           | <u>396,760</u>    |
| <b>Class 1 – Accumulation shares</b>     |                   |
| Opening shares                           | 6,910,365         |
| Shares issued                            | 197,396           |
| Shares redeemed                          | (1,071,392)       |
| Net conversions                          | (104,347)         |
| Closing shares                           | <u>5,932,022</u>  |
| <b>Class 1 EUR – Accumulation shares</b> |                   |
| Opening shares                           | 4,370,056         |
| Shares issued                            | 91,776            |
| Shares redeemed                          | (426,092)         |
| Net conversions                          | –                 |
| Closing shares                           | <u>4,035,740</u>  |
| <b>Class 2 – Accumulation shares</b>     |                   |
| Opening shares                           | 40,722,996        |
| Shares issued                            | 487,871           |
| Shares redeemed                          | (1,316,294)       |
| Net conversions                          | –                 |
| Closing shares                           | <u>39,894,573</u> |
| <b>Class X – Accumulation shares</b>     |                   |
| Opening shares                           | 3,848,281         |
| Shares issued                            | 317,898           |
| Shares redeemed                          | (134,814)         |
| Net conversions                          | –                 |
| Closing shares                           | <u>4,031,365</u>  |
| <b>Class Z – Income shares</b>           |                   |
| Opening shares                           | 3,941,811         |
| Shares issued                            | 56,752            |
| Shares redeemed                          | (645,743)         |
| Net conversions                          | 27,591            |
| Closing shares                           | <u>3,380,411</u>  |
| <b>Class Z – Accumulation shares</b>     |                   |
| Opening shares                           | 40,478,383        |
| Shares issued                            | 417,873           |
| Shares redeemed                          | (4,836,566)       |
| Net conversions                          | 111,359           |
| Closing shares                           | <u>36,171,049</u> |

## Threadneedle Dollar Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term (5 years or more).

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued by the US government and companies worldwide, denominated in US dollars (or hedged back to USD, if a different currency). The Fund may also invest in other bonds, including US denominated bonds issued by governments outside the US (or government agencies), as well as international organisations.

The Fund usually selects bonds that are investment grade, but may include some bonds with a lower credit rating in the portfolio if this is considered appropriate to achieve its investment objective.

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Dollar Bond Fund has risen from 66.43p to 66.70p.

The sterling total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +1.01% as compared to a median return of -1.68% over the same period. (For information the 50% ICE BofA US Treasury Master + 50% ICE BofA Eurodollar Global Index gave a total return of -1.35% in sterling terms for the same period).

#### Market Overview and Portfolio Activity

US Treasury yields (which move inversely to price) were little changed over the six months in review. Rather, the positive returns delivered by investment-grade (IG) and high-yield (HY) corporate bonds over the period were primarily driven by tightening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). Broadly speaking, the period was characterised by a very sharp sell-off of risk assets (such as shares and corporate bonds) in March, followed by a strong and steady recovery over the remaining months. Having fallen precipitously around the start of the review period, Treasury yields drifted higher thereafter but traded in a relatively narrow range.

Pressure on credit and other risk assets intensified in March as the Covid-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows, and credit spreads widened dramatically.

Central banks responded to the crisis by unleashing a flood of stimulus. The Federal Reserve (Fed) slashed interest rates close to zero and pledged unlimited bond purchases – now including corporate credit. Most of its major counterparts either reintroduced or scaled up their own asset-buying programmes, and those with still positive interest rates generally cut them. Monetary stimulus was complemented by unprecedented economic support from governments around the world. The US Congress, for example, approved almost \$3tn in fiscal packages, including loans to businesses and direct handouts to individuals.

From late March on, risk assets rallied amid hopes that these stimulus measures and the eventual easing of lockdown restrictions would fuel a swift recovery in the global economy. After some shocking data in April, economic news tended to reinforce this sentiment, being weak in absolute terms but generally better than expected. Corporate results, too, easily beat greatly reduced forecasts. Against this, however, optimism was tempered by worries that a second wave of the pandemic could derail the recovery. In the summer, caseloads spiked in the US and many countries that had reopened following lockdowns; by the end of the period, new daily cases were falling in the US as a whole but there was an alarming surge across the Midwest.

Early in the period, we became more constructive on the outlook for credit, given the scale and credit-friendly nature of the policy response and the compelling valuations on offer. Consequently, we took the opportunity to increase the credit risk within the portfolio. We continued to increase the portfolio's "beta" (sensitivity to changes in credit spreads) early in the second quarter, before reducing it again as spreads came back in towards their long-term averages. At the end of the period, the portfolio still had a modest long position in credit risk, which remains tilted to defensive sectors that we think will weather the crisis well.

As regards specific trades, we took part in a wide range of new issues, the largest of which (in terms of position sizes) included deals from Becton Dickinson, Rabobank, New York Life, Fiserv, and Honeywell. In the secondary market, we started new positions in the sovereign debt of Qatar and Abu Dhabi as well in many corporate issuers including Aroundtown, Altice, Braskem, Equinix and AusNet Services. On the disposals side, we reduced exposure to issuers such as Oncor Electric

Delivery, Sydney Airport, Cardinal Health, and Plains All American Pipeline, and exited others completely, including Swire Pacific, CPI Property, Ford, and Western Midstream Operating.

We managed duration largely in line with the US broad market (Treasury, agencies and corporates). Broad market duration in turn fluctuated between 5.8 and 6.1 years. Despite yields being close to all-time lows, we are comfortable with a market level of duration risk in the portfolio, given the ongoing impact of the pandemic on the economic outlook. The Fed has recently signalled a move towards average inflation targeting, whereby it will prefer to see inflation 'moderately above 2%' for some time before it considers raising interest rates. Some market participants are concerned that this may increase inflationary pressure, although we note that inflationary pressures are currently limited, given the pandemic's drag on the economy as well as longer-term disinflationary trends, such as ageing populations and the impact of technology. In addition, the US Treasury yield curve is already relatively steep from a historical perspective.

As we move into the autumn of 2020, the valuation case for corporate credit has certainly become less compelling than it was a few months ago, given the market's powerful recovery since late March. US IG and HY spreads each finished the period around 0.3 standard deviations (SDs) more expensive than their 20-year averages. More positively, however, the support measures introduced by governments and central banks will help to mitigate the pandemic's significant interruption to economic output and employment. Furthermore, much of the policy response to the crisis has been specifically targeted at keeping the credit channel open.

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

One notable change to the HY landscape is the increased number of issuers downgraded from IG, many of which are long-established, large corporate names. Their arrival has not only swollen the size of the market but also helped to tighten spreads, as the amount of lower-yielding BB-rated bonds increases. Given the outlook from rating agencies, more such 'fallen angels' are to be expected.

On balance, we remain more constructive on the outlook for IG than HY, given the IG market's greater ability to withstand lower economic growth than its more leveraged counterpart.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital gains  | 63           | 5,903        |
| Revenue  | 899          | 761          |
| Expenses   | (109)        | (202)        |
| Interest payable and similar charges   | (47)         | (30)         |
| Net revenue before taxation  | 743          | 529          |
| Taxation   | –            | –            |
| Net revenue after taxation   | 743          | 529          |
| Total return before distributions  | 806          | 6,432        |
| Distributions  | (814)        | (690)        |
| Change in net assets attributable to shareholders from investment activities | (8)          | 5,742        |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000  | March<br>2020<br>£000 |
|--|---------------|-----------------------|
| <b>Assets:</b>                                 |               |                       |
| <b>Fixed assets:</b>                           |               |                       |
| Investments                                    | 70,199        | 55,284                |
| <b>Current assets:</b>                         |               |                       |
| Debtors  | 823           | 863                   |
| Cash and bank balances                         | 2,236         | 651                   |
| Cash equivalents**                             | 2,704         | 2,727                 |
| Total assets                                   | 75,962        | 59,525                |
| <b>Liabilities:</b>                            |               |                       |
| <b>Investment liabilities</b>                  | (362)         | (732)                 |
| <b>Creditors:</b>                              |               |                       |
| Bank overdrafts                                | –             | (138)                 |
| Distribution payable                           | (139)         | (119)                 |
| Other creditors                                | (1,401)       | (354)                 |
| Total liabilities                              | (1,902)       | (1,343)               |
| <b>Net assets attributable to shareholders</b> | <b>74,060</b> | <b>58,182</b>         |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 58,182       | 42,436       |
| Amounts receivable on the issue of shares  | 23,000       | 32,488       |
| Amounts payable on the cancellation of shares  | (7,898)      | (26,986)     |
|  | 15,102       | 5,502        |
| Dilution adjustment  | 42           | 2            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (8)          | 5,742        |
| Retained distribution on accumulation shares   | 742          | 548          |
| Closing net assets attributable to shareholders  | 74,060       | 54,230       |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.7729        | –            | 0.7729                         | 0.9283                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.4529        | 0.3200       | 0.7729                         | 0.9283                 |
| <b>Total distributions in the period</b> |               |              | <b>0.7729</b>                  | <b>0.9283</b>          |

#### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.8025        | –            | 1.8025                         | 2.1082                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.0343        | 0.7682       | 1.8025                         | 2.1082                         |
| <b>Total distributions in the period</b> |               |              | <b>1.8025</b>                  | <b>2.1082</b>                  |

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

## Threadneedle Dollar Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.4369        | –            | 1.4369                         | 1.6633                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.8136        | 0.6233       | 1.4369                         | 1.6633                         |
| <b>Total distributions in the period</b> |               |              | <b>1.4369</b>                  | <b>1.6633</b>                  |

#### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.4892        | –            | 1.4892                         | 1.7794                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.7271        | 0.7621       | 1.4892                         | 1.7794                 |
| <b>Total distributions in the period</b> |               |              | <b>1.4892</b>                  | <b>1.7794</b>          |

#### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.8927        | –            | 1.8927                         | 2.2028                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.6946        | 1.1981       | 1.8927                         | 2.2028                         |
| <b>Total distributions in the period</b> |               |              | <b>1.8927</b>                  | <b>2.2028</b>                  |

Group 2: shares purchased during a distribution period.

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares                          |            |            | Class 1 – Gross accumulation shares <sup>5</sup> |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 65.58  | 59.04      | 56.45      | 152.81   | 134.10     | 124.62     |
| Return before operating charges (p)               | 1.41   | 8.99       | 4.97       | 3.27   | 20.42      | 11.02      |
| Operating charges (p)                             | (0.40)   | (0.73)     | (0.69)     | (0.92)   | (1.71)     | (1.54)     |
| Return after operating charges (p)*               | 1.01   | 8.26       | 4.28       | 2.35   | 18.71      | 9.48       |
| Distributions (p)                                 | (0.77)   | (1.72)     | (1.69)     | (1.80)   | (3.94)     | (3.75)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 1.80   | 3.94       | 3.75       |
| Closing net asset value per share (p)             | 65.82  | 65.58      | 59.04      | 155.16   | 152.81     | 134.10     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | 1.54   | 13.99      | 7.58       | 1.54   | 13.95      | 7.61       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 944  | 1,456      | 27,539     | 6,791  | 6,711      | 8,452      |
| Closing number of shares                          | 1,434,341  | 2,219,859  | 46,643,711 | 4,376,920  | 4,391,911  | 6,302,985  |
| Operating charges (%)**                           | 1.16 <sup>†</sup>                                | 1.17       | 1.17       | 1.16 <sup>†</sup>                                | 1.17       | 1.17       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 70.74  | 69.68      | 61.99      | 164.84   | 158.26     | 138.40     |
| Lowest share price (p)                            | 64.67  | 58.72      | 54.79      | 150.69   | 133.37     | 120.94     |
|   | Class X – Gross accumulation shares <sup>5</sup> |            |            | Class Z – Income shares                          |            |            |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 117.62   | 102.10     | 93.83      | 126.17   | 113.05     | 107.53     |
| Return before operating charges (p)               | 2.52   | 15.62      | 8.32       | 2.70   | 17.24      | 9.50       |
| Operating charges (p)                             | (0.06)   | (0.10)     | (0.05)     | (0.43)   | (0.82)     | (0.76)     |
| Return after operating charges (p)*               | 2.46   | 15.52      | 8.27       | 2.27   | 16.42      | 8.74       |
| Distributions (p)                                 | (1.44)   | (3.11)     | (2.95)     | (1.49)   | (3.30)     | (3.22)     |
| Retained distributions on accumulation shares (p) | 1.44   | 3.11       | 2.95       | –  | –          | –          |
| Closing net asset value per share (p)             | 120.08   | 117.62     | 102.10     | 126.95   | 126.17     | 113.05     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | 2.09   | 15.20      | 8.81       | 1.80   | 14.52      | 8.13       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 53,996   | 40,312     | 3          | 10,903   | 8,397      | 6,044      |
| Closing number of shares                          | 44,966,738                                       | 34,273,155 | 3,001      | 8,588,417  | 6,655,174  | 5,346,131  |
| Operating charges (%)**                           | 0.09 <sup>†</sup>                                | 0.09       | 0.05       | 0.66 <sup>†</sup>                                | 0.67       | 0.67       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 127.31   | 121.16     | 105.17     | 136.32   | 133.75     | 118.34     |
| Lowest share price (p)                            | 116.00   | 101.57     | 91.18      | 124.43   | 112.45     | 104.42     |

## Threadneedle Dollar Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Gross accumulation shares <sup>5</sup> |            |            |
|---|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |
| Opening net asset value per share (p)             | 160.27   | 139.94     | 129.40     |
| Return before operating charges (p)               | 3.43   | 21.36      | 11.45      |
| Operating charges (p)                             | (0.55)   | (1.03)     | (0.91)     |
| Return after operating charges (p)*               | 2.88   | 20.33      | 10.54      |
| Distributions (p)                                 | (1.89)   | (4.12)     | (3.90)     |
| Retained distributions on accumulation shares (p) | 1.89   | 4.12       | 3.90       |
| Closing net asset value per share (p)             | 163.15   | 160.27     | 139.94     |
| *after direct transaction costs of (p)            | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |
| Return after charges (%)                          | 1.80   | 14.53      | 8.15       |
| <b>Other information</b>                          |  |            |            |
| Closing net asset value (£000)                    | 1,426  | 1,306      | 398        |
| Closing number of shares                          | 874,011  | 814,926    | 284,362    |
| Operating charges (%)**                           | 0.66 <sup>1</sup>                                | 0.67       | 0.67       |
| Direct transaction costs (%)***                   | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |
| Highest share price (p)                           | 173.16   | 165.57     | 144.31     |
| Lowest share price (p)                            | 158.06   | 139.20     | 125.65     |

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

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

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

<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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 2,219,859         |
| Shares issued                              | 399,474           |
| Shares redeemed                            | (1,131,790)       |
| Net conversions                            | (53,202)          |
| Closing shares                             | <u>1,434,341</u>  |
| <b>Class 1 – Gross accumulation shares</b> |                   |
| Opening shares                             | 4,391,911         |
| Shares issued                              | 713,383           |
| Shares redeemed                            | (728,374)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>4,376,920</u>  |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 34,273,155        |
| Shares issued                              | 12,964,468        |
| Shares redeemed                            | (2,270,885)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>44,966,738</u> |
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 6,655,174         |
| Shares issued                              | 4,096,051         |
| Shares redeemed                            | (2,190,451)       |
| Net conversions                            | 27,643            |
| Closing shares                             | <u>8,588,417</u>  |
| <b>Class Z – Gross accumulation shares</b> |                   |
| Opening shares                             | 814,926           |
| Shares issued                              | 298,951           |
| Shares redeemed                            | (239,866)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>874,011</u>    |

# Threadneedle Japan Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI Japan Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in a concentrated portfolio of shares of companies domiciled in Japan, or which have significant Japanese business operations.

The Fund selects companies in which the fund manager has a high conviction that the current share price does not reflect the prospects for that business. These companies may be chosen from any industry or economic sector, with significant sector and share weightings taken at the fund manager's discretion. There is no restriction on company size, however, investment tends to focus on larger companies, such as those included in the MSCI Japan Index. The MSCI Japan Index is designed to measure the performance of shares across large and medium-sized companies in the Japanese market, currently with approximately 300 companies included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 60 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Japan Fund has risen from 60.27p to 71.87p.

Looking at the sterling performance within its peer group, the total return on the

fund for the six months ending 31 August 2020, including net reinvested income, is +18.69% as compared to a median return of +7.87% over the same period. (For information the MSCI Japan Index returned +4.92% over the same period).

### Market Overview and Portfolio Activity

Japanese equities delivered a positive return during the six months to 7 September, rebounding from initial weakness caused by the COVID-19 pandemic with the help of significant fiscal and monetary stimulus.

The market was very weak in March owing to concerns surrounding the economic impact of COVID-19 and resulting social distancing measures. Japanese stocks initially fared better than global markets, given the containment of the virus in the country. In April and beyond, markets recouped some losses amid optimism over the significant fiscal and monetary response and signs that the pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus as cases spiked in Japan and elsewhere. The yen's strength against the dollar was also a hindrance for the export-heavy bourse. Still, stocks continued to rise over much of August, and the MSCI Japan index outperformed other major global equity indices for the month, largely thanks to improving economic data. Japan's market experienced volatility towards the end of the period as Prime Minister Shinzo Abe announced his resignation for health reasons. The market subsequently staged a moderate recovery, while the yen appreciated owing to the resulting political uncertainty.

To support the economy, the Bank of Japan pledged to provide monetary stimulus by increasing purchases of government bonds and corporate debt. In June, the central bank boosted this further, expanding a coronavirus lending package to over \$1tn. Meanwhile, the government introduced fiscal stimulus measures including an additional \$1.1tn package approved by the cabinet in May, complementing a programme of similar size announced in April. The latter package included a raft of loan guarantees and private-sector contributions.

Given the implications of recent containment measures and social distancing, economic data released in the second quarter came in weak, as expected. Both industrial production and retail sales declined, while unemployment was higher. The picture improved, however; Japan's economy proved relatively resilient, with second-quarter GDP contracting less sharply than in the US, the eurozone

or the UK, while retail sales recorded a record month-on-month jump in June. During the period, we increased the fund's overweight in technology by starting a position in semiconductor equipment firm Tokyo Electron. Building on this theme, we also initiated a holding in gaming software company Square Enix; we remain optimistic on its outlook, given the rising returns available due to digitisation, coupled with its broad range of strong franchises. The fund established an allocation to Grace Technology, a B2B producer of manuals for major manufacturers, which has been able to demonstrate ongoing growth in its client base, with management putting focus on higher-margin projects.

Selling activity generally focused on reducing exposure to companies where the outlook seemed impaired against the challenging backdrop of the pandemic. The fund exited positions including trading house Mitsubishi Corp., hair-care product firm Milbon and Nidec, a manufacturer of small precision motors.

The economic impact of COVID-19 has been severe following production shutdowns and social distancing measures earlier in the year. However, we have witnessed early signs of recovery in both Japan and other countries that are ahead of the global pandemic curve, with the continuation of measures toward relaxing controls on movement contributing to an uptick in interest in more cyclical stocks. Despite the unprecedented monetary and fiscal stimulus proving supportive, we still need to keep in mind that the key risk will be a secondary wave of infections as re-opening continues. We will continue to monitor the political situation following Abe's resignation and Yoshihide Suga's election as leader of the ruling LDP – viewed as a positive for the Japanese market, given the strong intra-party base and solid prospects for stable policy management.

While we believe the worst is behind us, we can still expect a hit to both GDP and corporate earnings globally, with Japan no exception. More importantly, stepping back from the near-term headwinds, structural reforms in areas ranging from labour to corporate governance will be transformational for corporate Japan in the next decade, while a combination of attractively valued companies and a large stimulus package will provide further support. The valuation case in Japan remains compelling, with valuation metrics below their respective historical means, and attractively valued compared to other major economies.

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital gains  | 115,490      | 86,762       |
| Revenue  | 9,069        | 7,994        |
| Expenses   | (1,449)      | (1,968)      |
| Interest payable and similar charges   | (22)         | (35)         |
| Net revenue before taxation  | 7,598        | 5,991        |
| Taxation   | (901)        | (757)        |
| Net revenue after taxation   | 6,697        | 5,234        |
| Total return before equalisation   | 122,187      | 91,996       |
| Equalisation   | (1,293)      | 206          |
| Change in net assets attributable to shareholders from investment activities | 120,894      | 92,202       |

## BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 740,248        | 742,397               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 15,614         | 2,382                 |
| Cash and bank balances                         | 23,821         | 51,476                |
| Total assets                                   | 779,683        | 796,255               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (1)            | (8,954)               |
| <b>Creditors:</b>                              |                |                       |
| Distribution payable                           | –              | (27)                  |
| Other creditors                                | (10,321)       | (4,335)               |
| Total liabilities                              | (10,322)       | (13,316)              |
| <b>Net assets attributable to shareholders</b> | <b>769,361</b> | <b>782,939</b>        |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 782,939      | 701,498      |
| Amounts receivable on the issue of shares  | 92,240       | 169,593      |
| Amounts payable on the cancellation of shares  | (226,856)    | (208,487)    |
|  | (134,616)    | (38,894)     |
| Dilution adjustment  | 144          | 73           |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 120,894      | 92,202       |
| Closing net assets attributable to shareholders  | 769,361      | 754,879      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

## Threadneedle Japan Fund

### Comparative Table Disclosure

|   | Class 1 – Accumulation shares |            |             | Class 2 – Accumulation shares |             |             |
|---|-------------------------------|------------|-------------|-------------------------------|-------------|-------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |             |                               |             |             |
| Opening net asset value per share (p)             | 61.23                         | 56.35      | 60.29       | 70.08                         | 64.15       | 68.23       |
| Return before operating charges (p)               | 11.09                         | 5.86       | (2.97)      | 12.74                         | 6.69        | (3.36)      |
| Operating charges (p)                             | (0.54)                        | (0.98)     | (0.97)      | (0.41)                        | (0.76)      | (0.72)      |
| Return after operating charges (p)*               | 10.55                         | 4.88       | (3.94)      | 12.33                         | 5.93        | (4.08)      |
| Distributions (p)                                 | –                             | (0.02)     | –           | –                             | (0.43)      | (0.30)      |
| Retained distributions on accumulation shares (p) | –                             | 0.02       | –           | –                             | 0.43        | 0.30        |
| Closing net asset value per share (p)             | 71.78                         | 61.23      | 56.35       | 82.41                         | 70.08       | 64.15       |
| *after direct transaction costs of (p)            | 0.03                          | 0.04       | 0.06        | 0.03                          | 0.05        | 0.07        |
| <b>Performance</b>                                |                               |            |             |                               |             |             |
| Return after charges (%)                          | 17.23                         | 8.66       | (6.54)      | 17.59                         | 9.24        | (5.98)      |
| <b>Other information</b>                          |                               |            |             |                               |             |             |
| Closing net asset value (£000)                    | 2,550                         | 3,881      | 120,505     | 236,538                       | 234,125     | 229,529     |
| Closing number of shares                          | 3,551,935                     | 6,339,266  | 213,843,169 | 287,040,161                   | 334,062,691 | 357,825,938 |
| Operating charges (%)**                           | 1.63 <sup>†</sup>             | 1.66       | 1.63        | 1.06 <sup>†</sup>             | 1.06        | 1.06        |
| Direct transaction costs (%)***                   | 0.08                          | 0.07       | 0.10        | 0.08                          | 0.07        | 0.10        |
| <b>Prices</b>                                     |                               |            |             |                               |             |             |
| Highest share price (p)                           | 73.26                         | 67.63      | 65.69       | 84.08                         | 77.38       | 74.59       |
| Lowest share price (p)                            | 52.75                         | 55.72      | 53.12       | 60.39                         | 63.43       | 60.40       |
|   | Class X – Income shares       |            |             | Class X – Accumulation shares |             |             |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019  | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |             |                               |             |             |
| Opening net asset value per share (p)             | 161.72                        | 148.99     | 159.31      | 151.04                        | 136.85      | 144.13      |
| Return before operating charges (p)               | 29.45                         | 15.50      | (7.95)      | 27.50                         | 14.28       | (7.19)      |
| Operating charges (p)                             | (0.05)                        | (0.10)     | (0.09)      | (0.05)                        | (0.09)      | (0.09)      |
| Return after operating charges (p)*               | 29.40                         | 15.40      | (8.04)      | 27.45                         | 14.19       | (7.28)      |
| Distributions (p)                                 | –                             | (2.67)     | (2.28)      | –                             | (2.45)      | (2.07)      |
| Retained distributions on accumulation shares (p) | –                             | –          | –           | –                             | 2.45        | 2.07        |
| Closing net asset value per share (p)             | 191.12                        | 161.72     | 148.99      | 178.49                        | 151.04      | 136.85      |
| *after direct transaction costs of (p)            | 0.07                          | 0.12       | 0.16        | 0.06                          | 0.11        | 0.15        |
| <b>Performance</b>                                |                               |            |             |                               |             |             |
| Return after charges (%)                          | 18.18                         | 10.34      | (5.05)      | 18.17                         | 10.37       | (5.05)      |
| <b>Other information</b>                          |                               |            |             |                               |             |             |
| Closing net asset value (£000)                    | 1,430                         | 1,643      | 2,054       | 298,313                       | 343,057     | 238,570     |
| Closing number of shares                          | 748,336                       | 1,015,841  | 1,378,268   | 167,133,684                   | 227,134,722 | 174,323,739 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>             | 0.06       | 0.06        | 0.06 <sup>†</sup>             | 0.06        | 0.06        |
| Direct transaction costs (%)***                   | 0.08                          | 0.07       | 0.10        | 0.08                          | 0.07        | 0.10        |
| <b>Prices</b>                                     |                               |            |             |                               |             |             |
| Highest share price (p)                           | 194.93                        | 181.39     | 175.16      | 182.05                        | 166.62      | 158.46      |
| Lowest share price (p)                            | 139.40                        | 147.36     | 142.15      | 130.18                        | 135.36      | 128.60      |

## Threadneedle Japan Fund

### Comparative Table Disclosure

(continued)

|   | Class X2 – Accumulation shares |            |            | Class X GBP Hedged – Gross accumulation shares <sup>5</sup> |                         |
|---|--------------------------------|------------|------------|---|-------------------------|
|   | 07/09/2020                     | 07/03/2020 | 07/03/2019 | 07/09/2020  | 07/03/2020 <sup>1</sup> |
| <b>Change in net assets per share</b>             |                                |            |            |   |                         |
| Opening net asset value per share (p)             | 265.96                         | 240.97     | 253.78     | 99.07   | 100.00                  |
| Return before operating charges (p)               | 48.43                          | 25.15      | (12.66)    | 19.09   | (0.90)                  |
| Operating charges (p)                             | (0.09)                         | (0.16)     | (0.15)     | (0.03)  | (0.03)                  |
| Return after operating charges (p)*               | 48.34                          | 24.99      | (12.81)    | 19.06   | (0.93)                  |
| Distributions (p)                                 | –                              | (4.31)     | (3.64)     | –   | (0.07)                  |
| Retained distributions on accumulation shares (p) | –                              | 4.31       | 3.64       | –   | 0.07                    |
| Closing net asset value per share (p)             | 314.30                         | 265.96     | 240.97     | 118.13  | 99.07                   |
| *after direct transaction costs of (p)            | 0.11                           | 0.19       | 0.26       | 0.04  | 0.08                    |
| <b>Performance</b>                                |                                |            |            |   |                         |
| Return after charges (%)                          | 18.18                          | 10.37      | (5.05)     | 19.24   | (0.93)                  |
| <b>Other information</b>                          |                                |            |            |   |                         |
| Closing net asset value (£000)                    | 22,037                         | 28,679     | 108,924    | 195,033   | 166,235                 |
| Closing number of shares                          | 7,011,565                      | 10,783,532 | 45,201,527 | 165,093,208   | 167,795,591             |
| Operating charges (%)**                           | 0.06 <sup>†</sup>              | 0.06       | 0.06       | 0.06 <sup>†</sup>   | 0.06 <sup>†</sup>       |
| Direct transaction costs (%)***                   | 0.08                           | 0.07       | 0.10       | 0.08  | 0.07                    |
| <b>Prices</b>                                     |                                |            |            |   |                         |
| Highest share price (p)                           | 320.57                         | 293.39     | 279.02     | 121.70  | 114.89                  |
| Lowest share price (p)                            | 229.24                         | 238.34     | 226.44     | 80.47   | 97.52                   |
| <b>Class Z – Accumulation shares</b>              |                                |            |            |   |                         |
|   | 07/09/2020                     | 07/03/2020 | 07/03/2019 |   |                         |
| <b>Change in net assets per share</b>             |                                |            |            |   |                         |
| Opening net asset value per share (p)             | 214.40                         | 195.91     | 208.03     |   |                         |
| Return before operating charges (p)               | 38.98                          | 20.41      | (10.30)    |   |                         |
| Operating charges (p)                             | (1.06)                         | (1.92)     | (1.82)     |   |                         |
| Return after operating charges (p)*               | 37.92                          | 18.49      | (12.12)    |   |                         |
| Distributions (p)                                 | –                              | (1.69)     | (1.27)     |   |                         |
| Retained distributions on accumulation shares (p) | –                              | 1.69       | 1.27       |   |                         |
| Closing net asset value per share (p)             | 252.32                         | 214.40     | 195.91     |   |                         |
| *after direct transaction costs of (p)            | 0.09                           | 0.16       | 0.22       |   |                         |
| <b>Performance</b>                                |                                |            |            |   |                         |
| Return after charges (%)                          | 17.69                          | 9.44       | (5.83)     |   |                         |
| <b>Other information</b>                          |                                |            |            |   |                         |
| Closing net asset value (£000)                    | 13,460                         | 5,319      | 1,916      |   |                         |
| Closing number of shares                          | 5,334,669                      | 2,480,686  | 978,092    |   |                         |
| Operating charges (%)**                           | 0.88 <sup>†</sup>              | 0.88       | 0.88       |   |                         |
| Direct transaction costs (%)***                   | 0.08                           | 0.07       | 0.10       |   |                         |
| <b>Prices</b>                                     |                                |            |            |   |                         |
| Highest share price (p)                           | 257.43                         | 236.72     | 227.65     |   |                         |
| Lowest share price (p)                            | 184.76                         | 193.74     | 184.40     |   |                         |

\*\*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 8 October 2019.

<sup>†</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 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |
|---|--------------------|
| <b>Class 1 – Accumulation shares</b>                  |                    |
| Opening shares  | 6,339,266          |
| Shares issued   | 1,040,095          |
| Shares redeemed                                       | (3,365,618)        |
| Net conversions                                       | (461,808)          |
| Closing shares  | <u>3,551,935</u>   |
| <b>Class 2 – Accumulation shares</b>                  |                    |
| Opening shares  | 334,062,691        |
| Shares issued   | 37,551,906         |
| Shares redeemed                                       | (84,574,436)       |
| Net conversions                                       | –                  |
| Closing shares  | <u>287,040,161</u> |
| <b>Class X – Income shares</b>                        |                    |
| Opening shares  | 1,015,841          |
| Shares issued   | 382,066            |
| Shares redeemed                                       | (649,571)          |
| Net conversions                                       | –                  |
| Closing shares  | <u>748,336</u>     |
| <b>Class X – Accumulation shares</b>                  |                    |
| Opening shares  | 227,134,722        |
| Shares issued   | 700,402            |
| Shares redeemed                                       | (60,701,440)       |
| Net conversions                                       | –                  |
| Closing shares  | <u>167,133,684</u> |
| <b>Class X2 – Accumulation shares</b>                 |                    |
| Opening shares  | 10,783,532         |
| Shares issued   | 4,699,571          |
| Shares redeemed                                       | (8,471,538)        |
| Net conversions                                       | –                  |
| Closing shares  | <u>7,011,565</u>   |
| <b>Class X GBP Hedged – Gross accumulation shares</b> |                    |
| Opening shares  | 167,795,591        |
| Shares issued   | 33,305,079         |
| Shares redeemed                                       | (36,007,462)       |
| Net conversions                                       | –                  |
| Closing shares  | <u>165,093,208</u> |
| <b>Class Z – Accumulation shares</b>                  |                    |
| Opening shares  | 2,480,686          |
| Shares issued   | 4,471,650          |
| Shares redeemed                                       | (1,749,483)        |
| Net conversions                                       | 131,816            |
| Closing shares  | <u>5,334,669</u>   |

## Threadneedle Asia Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI AC Asia Pacific ex Japan Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in shares of companies domiciled in Asia (with the exclusion of Japan), or which have significant Asian (excluding Japan) business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI AC Asia Pacific ex Japan index.

The MSCI AC Asia Pacific ex Japan Index is designed to capture the share performance of large and medium-sized companies across the Asia Pacific region (excluding Japan), and is currently comprised of over 1,000 companies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 70 companies, which may include shares of some companies not within the Index. The Fund is permitted to invest up to 40% of its value in China A-Shares through the China-Hong Kong Stock Connect Programme. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Asia Fund has risen from 233.09p to 266.50p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +15.77% as compared to a median return of +10.72% over the same period. (For information the MSCI AC Asia Pacific ex Japan – Gross Return Index returned +8.98% over the same period.)

### Market Overview and Portfolio Activity

Having fallen sharply in March, Asian equities rallied over the remainder of the reporting period. The sell-off in March was driven by concerns around COVID-19, as investors feared the economic implications of containment measures and social distancing. Markets subsequently rebounded, driven by central banks expanding their stimulus plans, economies gradually reopening, and tentative signs of progress in the search for a vaccine against COVID-19, while the rebound in oil prices proved a further tailwind. Heightened tensions between the US and China caused periodic bouts of volatility.

Chinese equities outperformed the benchmark over the period. The market held up relatively well given the containment of the virus and the deceleration in new cases as the period progressed, while there were also supportive measures from the authorities. There was volatility amid a deterioration in US relations and the government's approval of a new security law in Hong Kong. In terms of economic data, activity in the service sector returned to year-on-year growth in June, while manufacturing activity reverted to more normalised levels.

In India, the announcement of a nationwide lockdown initially caused a sharp market decline. However, alongside other equity markets, the market subsequently rallied, helped by the government's announcement of a large fiscal package and food-security measures. Further stimulus was forthcoming in May, with an additional economic package amounting to 10% of the country's GDP. Meanwhile, the central bank cut repo rates in March and May. The spread of COVID-19 accelerated towards the end of the period in India, and corporate earnings were downgraded.

Stocks in Taiwan came under pressure at the start of the period; its export-reliant economy was threatened by fears of a slowdown in China, the island's largest trading partner. However, as the period progressed, Taiwan's sizeable technology sector led the market higher, as leading domestic companies reported strong sales and upbeat forecasts amid a rise in demand for tech-related consumer products during lockdowns. In a similar pattern to other Asian markets, Korean equities fell in March before rallying from April. To help businesses weather the crisis and support domestic consumption, the country's legislators approved an 11.7m won (\$9.43bn) supplementary budget, while the central bank cut rates. In July, President Moon unveiled a further stimulus package of 160tn won (\$133bn) to support the economy. On the economic front, data releases in May and June indicated a pick-up in retail sales and consumer sentiment. Korean equities rallied to their highest level

in more than two years in August, amid optimism about the recovery and hopes for a COVID-19 vaccine.

During the reporting period, we initiated positions in KIA Motors, JD.com and SK Hynix. KIA Motors enjoys a sizeable and growing market share in both Europe and the US. We are also constructive on the company's strong position in India, where it has recently opened a new manufacturing plant. We purchased retailer JD.com given recent initiatives directed towards increasing its penetration into lower-tier cities in China through diversified channel strategies, and strengthening its supply-chain relationships with broader product categories. SK Hynix is a Korean semiconductor business and stands to benefit from the improving outlook for the memory-chip segment.

Early in the period, we sold ICICI Bank as we had concerns about the deterioration in asset quality given the downward pressure on economic growth in India as a result of the coronavirus crisis. We exited Capitaland as we are less optimistic on the outlook for Singapore's property market, and prefer to focus on higher-conviction ideas elsewhere. We also sold out of camera-lens manufacturer Largan Precision amid uncertainty about the demand outlook for the company's products.

Asian equities have continued to be supported by stimulus measures from policymakers, while global virus concerns and the uncertainty surrounding US-China relations remain the key risks to markets.

The economic impact of COVID-19 has been severe, following production shutdowns and social distancing measures earlier in the year. However, we have witnessed the early signs of recovery, with the continuation of measures towards relaxing controls on movement contributing to an uptick in interest in more cyclical stocks. Despite the unprecedented monetary and fiscal stimulus proving supportive – particularly in China, where we are witnessing strong liquidity in the market – we still need to keep in mind that the key risk will be a secondary wave of infections as markets continue to reopen.

In terms of US-China relations, investors reacted positively to the phase-one trade deal at the start of the year. However, we can anticipate both positive and negative surprises, given the intermingling of complex issues such as deficit reduction, market access, intellectual property and industrial policy. We must also be aware of the shortening and diversification of supply chains.

Structural progress is ongoing, with reforms seen as key for unlocking growth potential and accelerating secular themes. Reform agendas across the region are emphasising domestic demand as a growth driver over the longer term, with key proposals progressing in Indonesia, India and China.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital gains  | 88,008       | 41,087       |
| Revenue  | 8,848        | 9,592        |
| Expenses   | (1,102)      | (1,325)      |
| Interest payable and similar charges   | –            | (6)          |
| Net revenue before taxation  | 7,746        | 8,261        |
| Taxation   | (1,645)      | (600)        |
| Net revenue after taxation   | 6,101        | 7,661        |
| Total return before equalisation   | 94,109       | 48,748       |
| Equalisation   | (82)         | 650          |
| Change in net assets attributable to shareholders from investment activities | 94,027       | 49,398       |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 732,264        | 634,896               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 5,053          | 8,678                 |
| Cash and bank balances                         | 3,219          | 2,508                 |
| Cash equivalents**                             | 1,609          | 11,556                |
| Total assets                                   | 742,145        | 657,638               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (1)            | (48)                  |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | –              | (1,006)               |
| Other creditors                                | (4,658)        | (3,705)               |
| Total liabilities                              | (4,659)        | (4,759)               |
| <b>Net assets attributable to shareholders</b> | <b>737,486</b> | <b>652,879</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 652,879      | 448,736      |
| Amounts receivable on the issue of shares  | 68,512       | 174,392      |
| Amounts payable on the cancellation of shares  | (77,932)     | (135,986)    |
|  | (9,420)      | 38,406       |
| Dilution adjustment  | –            | 76           |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 94,027       | 49,398       |
| Closing net assets attributable to shareholders  | 737,486      | 536,616      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## Threadneedle Asia Fund

### Comparative Table Disclosure

|   | Class 1 – Accumulation shares     |                               |            | Class 1 EUR – Accumulation shares |
|---|-----------------------------------|-------------------------------|------------|-----------------------------------|
|   | 07/09/2020                        | 07/03/2020                    | 07/03/2019 | 25/01/2019 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                                   |                               |            |                                   |
| Opening net asset value per share (p)             | 234.57                            | 216.54                        | 223.94     | 233.55                            |
| Return before operating charges (p)               | 33.60                             | 21.84                         | (3.76)     | (24.27)                           |
| Operating charges (p)                             | (1.94)                            | (3.81)                        | (3.64)     | (1.92)                            |
| Return after operating charges (p)*               | 31.66                             | 18.03                         | (7.40)     | (26.19)                           |
| Distributions (p)                                 | –                                 | (1.97)                        | (1.74)     | (1.60)                            |
| Retained distributions on accumulation shares (p) | –                                 | 1.97                          | 1.74       | 1.60                              |
| Closing net asset value per share (p)             | 266.23                            | 234.57                        | 216.54     | 207.36                            |
| *after direct transaction costs of (p)            | 0.14                              | 0.26                          | 0.53       | 0.15                              |
| <b>Performance</b>                                |                                   |                               |            |                                   |
| Return after charges (%)                          | 13.50                             | 8.33                          | (3.30)     | (11.21)                           |
| <b>Other information</b>                          |                                   |                               |            |                                   |
| Closing net asset value (£000)                    | 7,608                             | 13,094                        | 65,180     | –                                 |
| Closing number of shares                          | 2,857,507                         | 5,582,102                     | 30,101,025 | –                                 |
| Operating charges (%)**                           | 1.64 <sup>†</sup>                 | 1.67                          | 1.66       | –                                 |
| Direct transaction costs (%)***                   | 0.12                              | 0.11                          | 0.24       | –                                 |
| <b>Prices</b>                                     |                                   |                               |            |                                   |
| Highest share price (p)                           | 271.27                            | 259.86                        | 237.99     | 232.75                            |
| Lowest share price (p)                            | 198.82                            | 213.81                        | 194.10     | 194.10                            |
|   | Class 1 USD – Accumulation shares | Class 2 – Accumulation shares |            |                                   |
|   | 25/01/2019 <sup>1</sup>           | 07/09/2020                    | 07/03/2020 | 07/03/2019                        |
| <b>Change in net assets per share</b>             |                                   |                               |            |                                   |
| Opening net asset value per share (p)             | 233.55                            | 265.42                        | 243.60     | 250.48                            |
| Return before operating charges (p)               | 185.73                            | 38.19                         | 24.68      | (4.23)                            |
| Operating charges (p)                             | (1.92)                            | (1.47)                        | (2.86)     | (2.65)                            |
| Return after operating charges (p)*               | 183.81                            | 36.72                         | 21.82      | (6.88)                            |
| Distributions (p)                                 | (1.60)                            | –                             | (3.73)     | (3.35)                            |
| Retained distributions on accumulation shares (p) | 1.60                              | –                             | 3.73       | 3.35                              |
| Closing net asset value per share (p)             | 207.36                            | 302.14                        | 265.42     | 243.60                            |
| *after direct transaction costs of (p)            | 0.15                              | 0.17                          | 0.30       | 0.59                              |
| <b>Performance</b>                                |                                   |                               |            |                                   |
| Return after charges (%)                          | (11.21)                           | 13.83                         | 8.96       | (2.75)                            |
| <b>Other information</b>                          |                                   |                               |            |                                   |
| Closing net asset value (£000)                    | –                                 | 150,738                       | 140,910    | 133,075                           |
| Closing number of shares                          | –                                 | 49,889,709                    | 53,088,843 | 54,629,187                        |
| Operating charges (%)**                           | –                                 | 1.08 <sup>†</sup>             | 1.08       | 1.08                              |
| Direct transaction costs (%)***                   | –                                 | 0.12                          | 0.11       | 0.24                              |
| <b>Prices</b>                                     |                                   |                               |            |                                   |
| Highest share price (p)                           | 232.75                            | 307.80                        | 293.78     | 266.58                            |
| Lowest share price (p)                            | 194.10                            | 224.96                        | 240.53     | 217.85                            |

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 EUR – Accumulation shares |             |            | Class 2 USD – Accumulation shares |            |            |
|---|-----------------------------------|-------------|------------|-----------------------------------|------------|------------|
|   | 25/01/2019 <sup>1</sup>           |             |            | 25/01/2019 <sup>1</sup>           |            |            |
| <b>Change in net assets per share</b>             |                                   |             |            |                                   |            |            |
| Opening net asset value per share (p)             | 261.64                            |             |            | 261.64                            |            |            |
| Return before operating charges (p)               | (27.12)                           |             |            | (27.10)                           |            |            |
| Operating charges (p)                             | (1.40)                            |             |            | (1.42)                            |            |            |
| Return after operating charges (p)*               | (28.52)                           |             |            | (28.52)                           |            |            |
| Distributions (p)                                 | (3.04)                            |             |            | (3.04)                            |            |            |
| Retained distributions on accumulation shares (p) | 3.04                              |             |            | 3.04                              |            |            |
| Closing net asset value per share (p)             | 233.12                            |             |            | 233.12                            |            |            |
| *after direct transaction costs of (p)            | 0.17                              |             |            | 0.17                              |            |            |
| <b>Performance</b>                                |                                   |             |            |                                   |            |            |
| Return after charges (%)                          | (10.90)                           |             |            | (10.90)                           |            |            |
| <b>Other information</b>                          |                                   |             |            |                                   |            |            |
| Closing net asset value (£000)                    | –                                 |             |            | –                                 |            |            |
| Closing number of shares                          | –                                 |             |            | –                                 |            |            |
| Operating charges (%)**                           | –                                 |             |            | –                                 |            |            |
| Direct transaction costs (%)***                   | –                                 |             |            | –                                 |            |            |
| <b>Prices</b>                                     |                                   |             |            |                                   |            |            |
| Highest share price (p)                           | 260.75                            |             |            | 260.75                            |            |            |
| Lowest share price (p)                            | 217.85                            |             |            | 217.85                            |            |            |
|   | Class X – Accumulation shares     |             |            | Class X2 – Accumulation shares    |            |            |
|   | 07/09/2020                        | 07/03/2020  | 07/03/2019 | 07/09/2020                        | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |             |            |                                   |            |            |
| Opening net asset value per share (p)             | 179.08                            | 162.75      | 165.70     | 693.89                            | 630.61     | 642.14     |
| Return before operating charges (p)               | 25.87                             | 16.47       | (2.82)     | 100.27                            | 63.84      | (11.03)    |
| Operating charges (p)                             | (0.07)                            | (0.14)      | (0.13)     | (0.29)                            | (0.56)     | (0.50)     |
| Return after operating charges (p)*               | 25.80                             | 16.33       | (2.95)     | 99.98                             | 63.28      | (11.53)    |
| Distributions (p)                                 | –                                 | (4.28)      | (3.82)     | –                                 | (16.57)    | (14.70)    |
| Retained distributions on accumulation shares (p) | –                                 | 4.28        | 3.82       | –                                 | 16.57      | 14.70      |
| Closing net asset value per share (p)             | 204.88                            | 179.08      | 162.75     | 793.87                            | 693.89     | 630.61     |
| *after direct transaction costs of (p)            | 0.11                              | 0.20        | 0.39       | 0.44                              | 0.80       | 1.51       |
| <b>Performance</b>                                |                                   |             |            |                                   |            |            |
| Return after charges (%)                          | 14.41                             | 10.03       | (1.78)     | 14.41                             | 10.03      | (1.80)     |
| <b>Other information</b>                          |                                   |             |            |                                   |            |            |
| Closing net asset value (£000)                    | 269,449                           | 229,517     | 122,597    | 284,836                           | 248,873    | 110,093    |
| Closing number of shares                          | 131,515,987                       | 128,166,472 | 75,329,668 | 35,879,497                        | 35,866,422 | 17,458,287 |
| Operating charges (%)**                           | 0.08 <sup>†</sup>                 | 0.08        | 0.08       | 0.08 <sup>†</sup>                 | 0.08       | 0.08       |
| Direct transaction costs (%)***                   | 0.12                              | 0.11        | 0.24       | 0.12                              | 0.11       | 0.24       |
| <b>Prices</b>                                     |                                   |             |            |                                   |            |            |
| Highest share price (p)                           | 208.65                            | 197.95      | 176.79     | 808.47                            | 767.02     | 685.12     |
| Lowest share price (p)                            | 151.81                            | 160.70      | 144.97     | 588.25                            | 622.67     | 561.72     |

## Threadneedle Asia Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Accumulation shares |            |            | Class Z USD – Accumulation shares |
|---|-------------------------------|------------|------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 25/01/2019 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 208.30                        | 190.87     | 195.92     | 204.75                            |
| Return before operating charges (p)               | 30.00                         | 19.30      | (3.32)     | (21.02)                           |
| Operating charges (p)                             | (0.97)                        | (1.87)     | (1.73)     | (1.11)                            |
| Return after operating charges (p)*               | 29.03                         | 17.43      | (5.05)     | (22.13)                           |
| Distributions (p)                                 | –                             | (3.29)     | (2.95)     | (2.67)                            |
| Retained distributions on accumulation shares (p) | –                             | 3.29       | 2.95       | 2.67                              |
| Closing net asset value per share (p)             | 237.33                        | 208.30     | 190.87     | 182.62                            |
| *after direct transaction costs of (p)            | 0.13                          | 0.24       | 0.46       | 0.16                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 13.94                         | 9.13       | (2.58)     | (10.81)                           |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 24,855                        | 20,485     | 17,791     | –                                 |
| Closing number of shares                          | 10,472,921                    | 9,834,053  | 9,321,029  | –                                 |
| Operating charges (%)**                           | 0.90 <sup>1</sup>             | 0.90       | 0.90       | –                                 |
| Direct transaction costs (%)***                   | 0.12                          | 0.11       | 0.24       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 241.76                        | 230.53     | 208.61     | 204.06                            |
| Lowest share price (p)                            | 176.55                        | 188.46     | 170.57     | 170.57                            |

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

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

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

<sup>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 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                       | 2020               |
|---------------------------------------|--------------------|
| <b>Class 1 – Accumulation shares</b>  |                    |
| Opening shares                        | 5,582,102          |
| Shares issued                         | 1,862,905          |
| Shares redeemed                       | (4,320,698)        |
| Net conversions                       | (266,802)          |
| Closing shares                        | <u>2,857,507</u>   |
| <b>Class 2 – Accumulation shares</b>  |                    |
| Opening shares                        | 53,088,843         |
| Shares issued                         | 6,079,087          |
| Shares redeemed                       | (9,269,546)        |
| Net conversions                       | (8,675)            |
| Closing shares                        | <u>49,889,709</u>  |
| <b>Class X – Accumulation shares</b>  |                    |
| Opening shares                        | 128,166,472        |
| Shares issued                         | 6,172,060          |
| Shares redeemed                       | (2,822,545)        |
| Net conversions                       | –                  |
| Closing shares                        | <u>131,515,987</u> |
| <b>Class X2 – Accumulation shares</b> |                    |
| Opening shares                        | 35,866,422         |
| Shares issued                         | 4,566,147          |
| Shares redeemed                       | (4,553,072)        |
| Net conversions                       | –                  |
| Closing shares                        | <u>35,879,497</u>  |
| <b>Class Z – Accumulation shares</b>  |                    |
| Opening shares                        | 9,834,053          |
| Shares issued                         | 1,876,095          |
| Shares redeemed                       | (1,548,553)        |
| Net conversions                       | 311,326            |
| Closing shares                        | <u>10,472,921</u>  |

## Threadneedle Latin America Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI EM Latin America 10/40 Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least 75% of its assets in equities and equity-related securities of companies domiciled in Latin America, or which have significant Latin American business operations.

The Fund selects companies considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI EM Latin America 10/40 Index.

The MSCI EM Latin America 10/40 Index is designed to measure the share performance of large and medium-sized companies across 5 Emerging Market countries within Latin America (Brazil, Chile, Colombia, Mexico, and Peru). The Index currently includes approximately 100 companies, and is constructed to reflect the regulatory framework applicable to the Fund. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 65 companies, which may include shares of some companies not within the Index.

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

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

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Latin America Fund has fallen from 218.10p to 203.23p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -15.54% as compared to a median return of -21.45% over the same period. (For information the MSCI EM Latin America 10/40 Index returned -22.42% over the same period).

### Market Overview and Portfolio Activity

Latin American equities came under pressure at the start of the period as investors reacted to the economic implications of COVID-19. However, the region rebounded thereafter as global sentiment improved. This was driven by central banks expanding their stimulus plans, economies gradually reopening, and optimism around a COVID-19 vaccine. As the period progressed, oil prices rebounded and the US dollar came under pressure, both of which are supportive for the region. However, heightened Sino-American tensions caused bouts of volatility over the final weeks of the period. Latin American markets were also impacted by concerns over the regional governments' handling of COVID-19 and the resulting hardship that the lockdown measures have caused.

Brazilian equities fell sharply in March amid virus concerns, political woes and the oil-price sell-off. To boost the economy, the central bank announced monetary-stimulus measures. Economic data subsequently picked up. On the political front, the Senate's approval of the Sanitation Bill was welcomed, as were government proposals to simplify the complex tax system. However, two senior economic officials resigned in August, fanning doubts about the strength of the government's commitment to reform measures, while ongoing calls to loosen a cap on public spending prompted concern about the fiscal outlook.

Mexican equities lagged the broader Latin American region over the period owing to weak economic data and a credit-rating downgrade. Following the lockdown announcement in late March, manufacturing activity slumped and unemployment surged. As the period progressed, however, there were signs of improvement. The government pledged to ramp up social security and provide low-interest loans to mitigate the recessionary risks. Providing further stimulus, the central bank cut rates multiple times over the period. Meanwhile, there were challenges on the political front, as a number of the President's core team resigned.

In the Andean region, Colombia's energy-heavy market came under significant pressure amid the oil-price collapse. Domestic economic data was also weak, with second-quarter GDP contracting by 15.7% versus last year. Chilean equities proved resilient over the period, supported by the sharp rebound in copper prices. Economic data releases, although weak, were also broadly better than expected. Elsewhere, Argentina was the best-performing country in Latin America amid optimism surrounding the renegotiation of the country's debt between the government and creditors; a deal was finally struck in August to restructure \$65bn of government debt. During the period, we bought several new holdings including Banco BTG Pactual and Cyrela Brazil Realty. The former offers a variety of financial services. We are optimistic about the company's earnings outlook due to the greater focus on growth by management, especially on digital platforms. Meanwhile, we are constructive

on the outlook for real-estate developer Cyrela Brazil Realty, given its solid operating momentum and growth in its low-income division, while the stock trades at an attractive valuation. We also participated in the IPO of Vasta Platform. The Brazilian education company supports private schools with their digital transformation initiatives. Vasta's technology solutions provide teachers with practical insights in order to promote collaboration between users and improve productivity, efficiency and education quality.

We exited Banco do Brasil owing to concerns surrounding the impact of lower interest rates and weaker loan growth, amid the potential hit from deteriorating economic conditions on asset quality. Elsewhere, we sold Brazilian retailer Companhia Brasileira de Distribuição (GPA). The business faces increased costs as a result of hiring more staff and enhancing safety measures to ensure social distancing in stores. Latin American countries face challenging outlooks, with concerns around COVID-19 posing a key risk to markets globally. The pandemic has led to an economic slowdown across the region, following production shutdowns and social distancing measures earlier in the year. Each economy needs to be assessed individually by evaluating its unique place in the political, monetary and GDP growth cycles, as well as by its exposure to commodities, which varies across countries.

In terms of trade tensions, Latin America remains relatively protected compared to other global regions, as some of its economies are relatively closed and most exports are related to raw commodities, which are less exposed to tariffs.

The outlook for the Brazilian economy has been significantly impacted by virus concerns. The pandemic has had negative implications for economic growth and the implementation of further policy reforms. Political tensions present further risks to monitor. However, we continue to identify opportunities in the consumer and technology sectors. We believe there is potential for growth in consumer finance, as technology is democratising banking, and hence steadily reducing the unbanked section of the population.

Mexico has recently suffered from political uncertainty, resulting in heightened investor concern. We hold a constructive view on the future for US-Mexico trade relations following the USMCA agreement, which came into force in July this year. We believe that Mexico's manufacturing sector will gain market share as more corporates continue to diversify their supply chains.

In the Andean region, ongoing concerns regarding the rate of global growth continue to weigh on sentiment. Argentina has been feeling the repercussions of fiscal and monetary imbalances. We currently have limited exposure to domestic names given macro concerns surrounding the country's deficit, inflation and currency devaluation. Overall, the fund's focus remains on secular growth trends and diversified, bottom-up opportunities.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000    | 2019<br>£000  |
|---|-----------------|---------------|
| Income  |                 |               |
| Net capital (losses)/gains  | (16,231)        | 31,424        |
| Revenue   | 2,005           | 6,261         |
| Expenses  | (1,428)         | (2,374)       |
| Interest payable and similar charges  | –               | (3)           |
| Net revenue before taxation   | 577             | 3,884         |
| Taxation  | (128)           | (342)         |
| Net revenue after taxation  | 449             | 3,542         |
| Total return before equalisation  | (15,782)        | 34,966        |
| Equalisation  | (4,169)         | (120)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(19,951)</b> | <b>34,846</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 272,853        | 276,846               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 398            | 5,106                 |
| Cash and bank balances                         | 8,644          | 8,095                 |
| Cash equivalents**                             | 1,619          | 18,102                |
| Total assets                                   | 283,514        | 308,149               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (2)            | –                     |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | –              | (270)                 |
| Other creditors                                | (6,613)        | (8,745)               |
| Total liabilities                              | (6,615)        | (9,015)               |
| <b>Net assets attributable to shareholders</b> | <b>276,899</b> | <b>299,134</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| Opening net assets attributable to shareholders  | 299,134        | 412,507        |
| Amounts receivable on the issue of shares  | 26,267         | 103,986        |
| Amounts payable on the cancellation of shares  | (28,551)       | (142,902)      |
|  | (2,284)        | (38,916)       |
| Dilution adjustment  | –              | 93             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (19,951)       | 34,846         |
| <b>Closing net assets attributable to shareholders</b>   | <b>276,899</b> | <b>408,530</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## Threadneedle Latin America Fund

### Comparative Table Disclosure

|   | Class 1 – Accumulation shares |            |            | Class 2 – Accumulation shares |            |             |
|---|-------------------------------|------------|------------|-------------------------------|------------|-------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |            |                               |            |             |
| Opening net asset value per share (p)             | 213.99                        | 243.25     | 261.20     | 240.50                        | 271.71     | 289.96      |
| Return before operating charges (p)               | (9.31)                        | (24.85)    | (13.93)    | (10.38)                       | (28.03)    | (15.38)     |
| Operating charges (p)                             | (1.58)                        | (4.41)     | (4.02)     | (1.15)                        | (3.18)     | (2.87)      |
| Return after operating charges (p)*               | (10.89)                       | (29.26)    | (17.95)    | (11.53)                       | (31.21)    | (18.25)     |
| Distributions (p)                                 | –                             | (2.02)     | (3.29)     | –                             | (4.05)     | (5.30)      |
| Retained distributions on accumulation shares (p) | –                             | 2.02       | 3.29       | –                             | 4.05       | 5.30        |
| Closing net asset value per share (p)             | 203.10                        | 213.99     | 243.25     | 228.97                        | 240.50     | 271.71      |
| *after direct transaction costs of (p)            | 0.16                          | 0.47       | 0.52       | 0.18                          | 0.53       | 0.58        |
| <b>Performance</b>                                |                               |            |            |                               |            |             |
| Return after charges (%)                          | (5.09)                        | (12.03)    | (6.87)     | (4.79)                        | (11.49)    | (6.29)      |
| <b>Other information</b>                          |                               |            |            |                               |            |             |
| Closing net asset value (€000)                    | 35,156                        | 39,303     | 56,823     | 212,235                       | 226,061    | 314,532     |
| Closing number of shares                          | 17,310,224                    | 18,366,754 | 23,360,248 | 92,691,591                    | 93,996,899 | 115,759,137 |
| Operating charges (%)**                           | 1.70 <sup>†</sup>             | 1.70       | 1.69       | 1.09 <sup>†</sup>             | 1.09       | 1.08        |
| Direct transaction costs (%)***                   | 0.17                          | 0.18       | 0.21       | 0.17                          | 0.18       | 0.21        |
| <b>Prices</b>                                     |                               |            |            |                               |            |             |
| Highest share price (p)                           | 211.89                        | 282.98     | 263.19     | 238.70                        | 316.86     | 293.64      |
| Lowest share price (p)                            | 152.15                        | 218.10     | 211.51     | 171.05                        | 245.11     | 235.19      |
|   | Class X – Accumulation shares |            |            | Class Z – Accumulation shares |            |             |
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019  |
| <b>Change in net assets per share</b>             |                               |            |            |                               |            |             |
| Opening net asset value per share (p)             | 100.85                        | 112.98     | 119.53     | 82.70                         | 93.27      | 99.35       |
| Return before operating charges (p)               | (4.33)                        | (12.02)    | (6.46)     | (3.57)                        | (9.66)     | (5.26)      |
| Operating charges (p)                             | (0.04)                        | (0.11)     | (0.09)     | (0.33)                        | (0.91)     | (0.82)      |
| Return after operating charges (p)*               | (4.37)                        | (12.13)    | (6.55)     | (3.90)                        | (10.57)    | (6.08)      |
| Distributions (p)                                 | –                             | (2.71)     | (3.09)     | –                             | (1.57)     | (1.98)      |
| Retained distributions on accumulation shares (p) | –                             | 2.71       | 3.09       | –                             | 1.57       | 1.98        |
| Closing net asset value per share (p)             | 96.48                         | 100.85     | 112.98     | 78.80                         | 82.70      | 93.27       |
| *after direct transaction costs of (p)            | 0.07                          | 0.23       | 0.24       | 0.06                          | 0.18       | 0.20        |
| <b>Performance</b>                                |                               |            |            |                               |            |             |
| Return after charges (%)                          | (4.33)                        | (10.74)    | (5.48)     | (4.72)                        | (11.33)    | (6.12)      |
| <b>Other information</b>                          |                               |            |            |                               |            |             |
| Closing net asset value (€000)                    | 4,053                         | 4,236      | 223        | 25,455                        | 29,534     | 40,929      |
| Closing number of shares                          | 4,200,888                     | 4,200,888  | 197,394    | 32,301,928                    | 35,712,206 | 43,884,360  |
| Operating charges (%)**                           | 0.09 <sup>†</sup>             | 0.09       | 0.08       | 0.91 <sup>†</sup>             | 0.91       | 0.90        |
| Direct transaction costs (%)***                   | 0.17                          | 0.18       | 0.21       | 0.17                          | 0.18       | 0.21        |
| <b>Prices</b>                                     |                               |            |            |                               |            |             |
| Highest share price (p)                           | 100.46                        | 132.24     | 122.03     | 82.13                         | 108.84     | 100.78      |
| Lowest share price (p)                            | 71.76                         | 102.78     | 97.25      | 58.82                         | 84.28      | 80.62       |

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

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

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

# Threadneedle Latin America Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020              |
|--------------------------------------|-------------------|
| <b>Class 1 – Accumulation shares</b> |                   |
| Opening shares                       | 18,366,754        |
| Shares issued                        | 6,520,963         |
| Shares redeemed                      | (7,504,967)       |
| Net conversions                      | (72,526)          |
| Closing shares                       | <u>17,310,224</u> |
| <b>Class 2 – Accumulation shares</b> |                   |
| Opening shares                       | 93,996,899        |
| Shares issued                        | 5,276,986         |
| Shares redeemed                      | (6,582,294)       |
| Net conversions                      | –                 |
| Closing shares                       | <u>92,691,591</u> |
| <b>Class X – Accumulation shares</b> |                   |
| Opening shares                       | 4,200,888         |
| Shares issued                        | –                 |
| Shares redeemed                      | –                 |
| Net conversions                      | –                 |
| Closing shares                       | <u>4,200,888</u>  |
| <b>Class Z – Accumulation shares</b> |                   |
| Opening shares                       | 35,712,206        |
| Shares issued                        | 2,677,436         |
| Shares redeemed                      | (6,275,173)       |
| Net conversions                      | 187,459           |
| Closing shares                       | <u>32,301,928</u> |

## Threadneedle Emerging Market Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the J.P. Morgan Emerging Market Bond Index Global (EMBI Global) over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two thirds of its assets in bonds issued by governments (or quasi-government entities) of Emerging Market countries and companies which are domiciled or have significant business operations in such countries.

The Fund considers Emerging Market countries to be those characterised as developing or emerging by the World Bank, the United Nations, or the EMBI Global. The selected bonds may be of any credit quality, including those rated below investment grade or unrated, and are typically denominated in US dollars. Due to the perceived higher risk of investing in bonds issued by emerging market borrowers, these bonds typically offer higher yields than those of more stable bonds issued in developed countries.

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

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

The EMBI Global is regarded as an appropriate performance measure of US dollar-denominated emerging market bonds issued by government and quasi-government entities. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Emerging Market Bond Fund has fallen from 62.37p to 59.79p.

The sterling total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -3.96% as compared to a median return of -3.80% over the same period. (For information the J.P. Morgan Emerging Market Bond Index Global (EMBI Global) gave a total return of -3.52% for the same period).

#### Market Overview and Portfolio Activity

Emerging-market (EM) bonds registered a positive return during the term under review. The start of the period was characterised by considerable volatility prompted by the Covid-19 pandemic and ensuing bouts of political and economic

instability in various countries. However, the asset class recovered in April, as a wave of monetary and fiscal stimulus helped to bolster investor confidence. As lockdowns were lifted and economies reopened, the macro backdrop improved, further helping sentiment, as the dollar weakened and commodity prices rose. On the geopolitical front, risk appetite was tempered by renewed US-China tensions over the final weeks of the period.

Central banks were very much in focus, led by the US Federal Reserve, which lowered its policy rate back to near zero and pledged to provide unlimited monetary stimulus. This, in turn, caused the dollar to weaken. Central banks in EM countries such as Brazil, China, South Africa, Turkey, Mexico and Russia made further rate cuts to help cushion the blow from the pandemic. Meanwhile, governments announced fiscal stimulus measures. This, together with lockdowns being lifted in many countries as virus infection rates slowed, helped commodities to rally. (However, there was some divergence across EMs, with India and Brazil in particular enduring rapid Covid-19 spread). Against this backdrop, EM bonds rallied into the end of the review term. Argentine assets were volatile amid concerns about the prospect of default ahead of critical negotiations with the International Monetary Fund (IMF) and creditors on restructuring \$65bn of debt. However, these finally culminated in agreement in August, which supported local bonds.

The Brazilian real remained weak as political issues outweighed tentative signs of economic recovery. Growing demands to increase public spending prompted concern about the deficit outlook, while the resignation of senior economic officials cast doubt on the government's commitment to its reform agenda.

Mexico was hit hard by Covid-19 as the economy in the US, its main trading partner, went into recession. Fitch cut the Mexican sovereign credit rating to BBB-, the lowest investment-grade level, and Moody's downgraded indebted state oil company Pemex to 'junk' status.

In Turkey, the lira remained under pressure against both the euro and the US dollar owing to negative real interest rates, a widening current-account deficit and waning confidence in the government's financial policies. Tensions over the deployment of troops in Syria and exploration for energy resources in the eastern Mediterranean Sea proved further headwinds for the currency.

Russia's announcement in August of the approval of a coronavirus vaccine and plans to begin a large-scale vaccination programme was met with caution, given the speed of its development and a lack of testing data.

South Africa's economy was hampered by intermittent blackouts as the national electric utility failed to meet demand, causing doubt about the likely pace of economic recovery. Near the end of the period, the government received approval for a \$4.3bn IMF loan as part of a \$26bn package, equivalent to 10% of domestic output, to stimulate growth.

In terms of activity, among government bonds, we established positions in Panama and Costa Rica. We increased our holdings in Turkey, Ghana, Qatar, Emirate of Abu Dhabi, Egypt, Ecuador, Colombia and El Salvador. Croatia, Indonesia, Russia, Mexico, Brazil, Ukraine and Oman were among exposures that were reduced. The fund sold out of the Philippines, Pakistan, Honduras and Nigeria.

Within quasi-sovereigns, the fund initiated exposure to the sovereign sukuk of Indonesia and Saudi Arabia and increased its exposure to Russia's Ministry of Finance. We sold the holdings of Abu Dhabi's sovereign wealth fund and exited sukuk issued by the Central Bank of Bahrain.

In the corporate-debt portfolio, new allocations included Philippine conglomerate JG Summit, Dubai-based logistics firm DP World, chemical company MEGlobal, Indonesian Port Corporation and Ukraine's agriculture company MHP. Within the oil and gas industry, we opened positions in Petronas and Saudi Aramco and increased the holdings in Pemex (Petroleos Mexicanos), while reducing allocations to Pertamina, CNOOC and Sinopec. We exited the position in Gazprom. Among electric utilities, we increased the exposure to Philippine energy company SMC Global Power, trimmed the holding of Eskom and exited the position in Indonesia's PLN (Perusahaan Listrik Negara).

Elsewhere, we added to Inalum (Indonesia Asahan Aluminium), petrochemical company Braskem, Indian conglomerate Adani Group, computer manufacturer Lenovo and telecommunications company Millicom. We trimmed the allocations to South Africa's Liquid Telecommunications and mining company Codeco (Corporacion Nacional del Cobre de Chile), and exited the position in Mexican cement company Cemex.

The valuation environment for EM fixed income remains attractive, with spreads around 1.5 standard deviations cheap to longer-term averages, even after a healthy tightening over the period. This has been driven by a stabilisation in fund redemptions and a predictable response to the monetary and fiscal stimulus programmes rolled out globally. Fundamentally, the outlook remains challenging, with a normalisation of business activity not expected until at least 2021, implying a sustained period of higher-than-normal defaults and credit stress.

Primary market access has expanded beyond investment grade and higher-quality high-yield borrowers, which has helped lower some of the bifurcations among credits previously observed. More challenged borrowers are seeing multilateral and bilateral creditor relief on a selective basis also.

We continue to believe that a focus on the best risk-adjusted opportunities across EM, coupled with appropriate portfolio risk management, is key to success when investing in EM bonds.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (4,811)      | 24,347       |
| Revenue  | 4,303        | 6,074        |
| Expenses   | (949)        | (1,154)      |
| Interest payable and similar charges   | (1)          | (1)          |
| Net revenue before taxation  | 3,353        | 4,919        |
| Taxation   | (15)         | –            |
| Net revenue after taxation   | 3,338        | 4,919        |
| Total return before distributions  | (1,473)      | 29,266       |
| Distributions  | (4,171)      | (5,929)      |
| Change in net assets attributable to shareholders from investment activities | (5,644)      | 23,337       |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 168,013        | 167,848               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 6,134          | 4,999                 |
| Cash and bank balances                         | 4,788          | 167                   |
| Cash equivalents**                             | 12,059         | 8,319                 |
| Total assets                                   | 190,994        | 181,333               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (212)          | (199)                 |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | (27)           | (1,557)               |
| Distribution payable                           | (2,157)        | (2,709)               |
| Other creditors                                | (5,304)        | (1,665)               |
| Total liabilities                              | (7,700)        | (6,130)               |
| <b>Net assets attributable to shareholders</b> | <b>183,294</b> | <b>175,203</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 175,203      | 178,516      |
| Amounts receivable on the issue of shares  | 28,298       | 21,929       |
| Amounts payable on the cancellation of shares  | (16,850)     | (31,942)     |
|  | 11,448       | (10,013)     |
| Dilution adjustment  | 207          | 9            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (5,644)      | 23,337       |
| Retained distribution on accumulation shares   | 2,080        | 2,327        |
| Closing net assets attributable to shareholders  | 183,294      | 194,176      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.3585        | –            | 1.3585                         | 1.9297                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.8563        | 0.5022       | 1.3585                         | 1.9297                 |
| <b>Total distributions in the period</b> |               |              | <b>1.3585</b>                  | <b>1.9297</b>          |

#### Class 1 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.3100        | –            | 2.3100                         | 3.2802                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.2856        | 1.0244       | 2.3100                         | 3.2802                 |
| <b>Total distributions in the period</b> |               |              | <b>2.3100</b>                  | <b>3.2802</b>          |

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

## Threadneedle Emerging Market Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 6.5880        | –            | 6.5880                         | 8.8498                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 2.6762        | 3.9118       | 6.5880                         | 8.8498                         |
| <b>Total distributions in the period</b> |               |              | <b>6.5880</b>                  | <b>8.8498</b>                  |

#### Class 2 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.4855        | –            | 2.4855                         | 3.5153                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.2201        | 1.2654       | 2.4855                         | 3.5153                 |
| <b>Total distributions in the period</b> |               |              | <b>2.4855</b>                  | <b>3.5153</b>          |

#### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 6.7933        | –            | 6.7933                         | 9.1298                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 3.8072        | 2.9861       | 6.7933                         | 9.1298                         |
| <b>Total distributions in the period</b> |               |              | <b>6.7933</b>                  | <b>9.1298</b>                  |

#### Class X – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.7355        | –            | 2.7355                         | 3.8132                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 2.7355        | –            | 2.7355                         | 3.8132                 |
| <b>Total distributions in the period</b> |               |              | <b>2.7355</b>                  | <b>3.8132</b>          |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 3.0759        | –            | 3.0759                         | 4.0539                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 2.1251        | 0.9508       | 3.0759                         | 4.0539                         |
| <b>Total distributions in the period</b> |               |              | <b>3.0759</b>                  | <b>4.0539</b>                  |

#### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.3328        | –            | 2.3328                         | 3.2859                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.3353        | 0.9975       | 2.3328                         | 3.2859                 |
| <b>Total distributions in the period</b> |               |              | <b>2.3328</b>                  | <b>3.2859</b>          |

#### Class Z – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 2.1848        | –            | 2.1848                         | 3.0776                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.4125        | 0.7723       | 2.1848                         | 3.0776                 |
| <b>Total distributions in the period</b> |               |              | <b>2.1848</b>                  | <b>3.0776</b>          |

#### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 3.7275        | –            | 3.7275                         | 4.9652                         |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.5078        | 2.2197       | 3.7275                         | 4.9652                         |
| <b>Total distributions in the period</b> |               |              | <b>3.7275</b>                  | <b>4.9652</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> |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 60.66  | 56.01      | 59.25      | 103.11                                     | 95.21      | 100.72     |
| Return before operating charges (p)               | (0.60)   | 9.15       | 1.70       | (1.01)                                     | 15.56      | 2.90       |
| Operating charges (p)                             | (0.46)   | (0.99)     | (0.95)     | (0.79)                                     | (1.69)     | (1.62)     |
| Return after operating charges (p)*               | (1.06)   | 8.16       | 0.75       | (1.80)                                     | 13.87      | 1.28       |
| Distributions (p)                                 | (1.36)   | (3.51)     | (3.99)     | (2.31)                                     | (5.97)     | (6.79)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | –  | –          | –          |
| Closing net asset value per share (p)             | 58.24  | 60.66      | 56.01      | 99.00                                      | 103.11     | 95.21      |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (1.75)   | 14.57      | 1.27       | (1.75)                                     | 14.57      | 1.27       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 4,654  | 5,974      | 6,452      | 50,332                                     | 57,116     | 66,994     |
| Closing number of shares                          | 7,992,128  | 9,849,009  | 11,519,472 | 50,841,777                                 | 55,393,856 | 70,365,338 |
| Operating charges (%)**                           | 1.60 <sup>†</sup>                                | 1.61       | 1.61       | 1.60 <sup>†</sup>                          | 1.61       | 1.61       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 60.68  | 67.22      | 61.74      | 103.15                                     | 114.27     | 104.95     |
| Lowest share price (p)                            | 52.49  | 57.87      | 57.07      | 89.23                                      | 98.37      | 97.01      |
|   | Class 1 – Gross accumulation shares <sup>5</sup> |            |            | Class 2 – Income shares                    |            |            |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 294.08   | 257.18     | 253.91     | 109.54                                     | 100.68     | 106.02     |
| Return before operating charges (p)               | (2.93)   | 41.52      | 7.42       | (1.05)                                     | 16.48      | 3.06       |
| Operating charges (p)                             | (2.25)   | (4.62)     | (4.15)     | (0.57)                                     | (1.21)     | (1.16)     |
| Return after operating charges (p)*               | (5.18)   | 36.90      | 3.27       | (1.62)                                     | 15.27      | 1.90       |
| Distributions (p)                                 | (6.59)   | (16.32)    | (17.41)    | (2.49)                                     | (6.41)     | (7.24)     |
| Retained distributions on accumulation shares (p) | 6.59   | 16.32      | 17.41      | –  | –          | –          |
| Closing net asset value per share (p)             | 288.90   | 294.08     | 257.18     | 105.43                                     | 109.54     | 100.68     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (1.76)   | 14.35      | 1.29       | (1.48)                                     | 15.17      | 1.79       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 34,086   | 31,259     | 30,844     | 362  | 411        | 1,477      |
| Closing number of shares                          | 11,798,524                                       | 10,629,550 | 11,993,171 | 342,991                                    | 374,983    | 1,466,898  |
| Operating charges (%)**                           | 1.60 <sup>†</sup>                                | 1.61       | 1.61       | 1.08 <sup>†</sup>                          | 1.09       | 1.09       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 294.17   | 308.28     | 272.53     | 109.80                                     | 121.10     | 110.72     |
| Lowest share price (p)                            | 254.47   | 265.40     | 246.41     | 94.83                                      | 104.03     | 102.40     |

## 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> |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 300.92   | 261.79     | 257.11     | 119.72                                     | 108.93     | 113.56     |
| Return before operating charges (p)               | (2.95)   | 42.32      | 7.53       | (1.13)                                     | 17.87      | 3.28       |
| Operating charges (p)                             | (1.56)   | (3.19)     | (2.85)     | (0.05)                                     | (0.11)     | (0.11)     |
| Return after operating charges (p)*               | (4.51)   | 39.13      | 4.68       | (1.18)                                     | 17.76      | 3.17       |
| Distributions (p)                                 | (6.79)   | (16.88)    | (17.87)    | (2.74)                                     | (6.97)     | (7.80)     |
| Retained distributions on accumulation shares (p) | 6.79   | 16.88      | 17.87      | –  | –          | –          |
| Closing net asset value per share (p)             | 296.41   | 300.92     | 261.79     | 115.80                                     | 119.72     | 108.93     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (1.50)   | 14.95      | 1.82       | (0.99)                                     | 16.30      | 2.79       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 8,939  | 7,233      | 9,451      | 301  | 508        | 462        |
| Closing number of shares                          | 3,015,660  | 2,403,634  | 3,610,315  | 259,865                                    | 424,476    | 424,476    |
| Operating charges (%)**                           | 1.08 <sup>†</sup>                                | 1.09       | 1.09       | 0.08 <sup>†</sup>                          | 0.09       | 0.10       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 301.61   | 314.52     | 277.33     | 120.46                                     | 131.60     | 119.61     |
| Lowest share price (p)                            | 260.48   | 270.19     | 249.59     | 103.71                                     | 112.59     | 110.30     |
|   | Class X – Gross accumulation shares <sup>5</sup> |            |            | Class Z – Income shares                    |            |            |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 134.63   | 115.95     | 112.75     | 103.96                                     | 95.17      | 99.82      |
| Return before operating charges (p)               | (1.30)   | 18.80      | 3.30       | (1.01)                                     | 15.58      | 2.87       |
| Operating charges (p)                             | (0.05)   | (0.12)     | (0.10)     | (0.37)                                     | (0.80)     | (0.76)     |
| Return after operating charges (p)*               | (1.35)   | 18.68      | 3.20       | (1.38)                                     | 14.78      | 2.11       |
| Distributions (p)                                 | (3.08)   | (7.51)     | (7.88)     | (2.33)                                     | (5.99)     | (6.76)     |
| Retained distributions on accumulation shares (p) | 3.08   | 7.51       | 7.88       | –  | –          | –          |
| Closing net asset value per share (p)             | 133.28   | 134.63     | 115.95     | 100.25                                     | 103.96     | 95.17      |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (1.00)   | 16.11      | 2.84       | (1.33)                                     | 15.53      | 2.11       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 35,796   | 20,851     | 11,115     | 35,230                                     | 37,969     | 40,558     |
| Closing number of shares                          | 26,857,415                                       | 15,487,680 | 9,585,709  | 35,143,073                                 | 36,522,812 | 42,615,065 |
| Operating charges (%)**                           | 0.08 <sup>†</sup>                                | 0.09       | 0.09       | 0.75 <sup>†</sup>                          | 0.76       | 0.76       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 135.45   | 139.91     | 122.76     | 104.33                                     | 114.64     | 104.50     |
| Lowest share price (p)                            | 116.61   | 119.70     | 109.50     | 90.01                                      | 98.35      | 96.63      |

## Threadneedle Emerging Market Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Gross income shares <sup>§</sup> |            |            | Class Z – Gross accumulation shares <sup>§</sup> |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 97.37                                      | 89.14      | 93.49      | 166.05   | 143.98     | 140.95     |
| Return before operating charges (p)               | (0.95)                                     | 14.59      | 2.69       | (1.62)   | 23.30      | 4.12       |
| Operating charges (p)                             | (0.35)                                     | (0.75)     | (0.71)     | (0.60)   | (1.23)     | (1.09)     |
| Return after operating charges (p)*               | (1.30)                                     | 13.84      | 1.98       | (2.22)   | 22.07      | 3.03       |
| Distributions (p)                                 | (2.18)                                     | (5.61)     | (6.33)     | (3.73)   | (9.18)     | (9.71)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 3.73   | 9.18       | 9.71       |
| Closing net asset value per share (p)             | 93.89                                      | 97.37      | 89.14      | 163.83   | 166.05     | 143.98     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (1.34)                                     | 15.53      | 2.12       | (1.34)   | 15.33      | 2.15       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 1,664                                      | 1,867      | 1,743      | 11,930   | 12,015     | 9,420      |
| Closing number of shares                          | 1,771,831                                  | 1,918,013  | 1,955,506  | 7,281,925  | 7,235,839  | 6,542,098  |
| Operating charges (%)**                           | 0.75 <sup>†</sup>                          | 0.76       | 0.76       | 0.75 <sup>†</sup>                                | 0.76       | 0.76       |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |  |            |            |
| Highest share price (p)                           | 97.72                                      | 107.37     | 97.88      | 166.64   | 173.23     | 152.50     |
| Lowest share price (p)                            | 84.31                                      | 92.12      | 90.50      | 143.77   | 148.62     | 136.85     |

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

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

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

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

# Threadneedle Emerging Market Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020              |
|--|-------------------|
| <b>Class 1 – Income shares</b>             |                   |
| Opening shares                             | 9,849,009         |
| Shares issued                              | 379,135           |
| Shares redeemed                            | (2,063,828)       |
| Net conversions                            | (172,188)         |
| Closing shares                             | <u>7,992,128</u>  |
| <b>Class 1 – Gross income shares</b>       |                   |
| Opening shares                             | 55,393,856        |
| Shares issued                              | 570,755           |
| Shares redeemed                            | (5,122,834)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>50,841,777</u> |
| <b>Class 1 – Gross accumulation shares</b> |                   |
| Opening shares                             | 10,629,550        |
| Shares issued                              | 1,875,012         |
| Shares redeemed                            | (706,038)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>11,798,524</u> |
| <b>Class 2 – Income shares</b>             |                   |
| Opening shares                             | 374,983           |
| Shares issued                              | 32,981            |
| Shares redeemed                            | (71,115)          |
| Net conversions                            | 6,142             |
| Closing shares                             | <u>342,991</u>    |
| <b>Class 2 – Gross accumulation shares</b> |                   |
| Opening shares                             | 2,403,634         |
| Shares issued                              | 1,180,653         |
| Shares redeemed                            | (568,627)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>3,015,660</u>  |
| <b>Class X – Gross income shares</b>       |                   |
| Opening shares                             | 424,476           |
| Shares issued                              | –                 |
| Shares redeemed                            | (164,611)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>259,865</u>    |
| <b>Class X – Gross accumulation shares</b> |                   |
| Opening shares                             | 15,487,680        |
| Shares issued                              | 13,379,337        |
| Shares redeemed                            | (2,009,602)       |
| Net conversions                            | –                 |
| Closing shares                             | <u>26,857,415</u> |

|  | 2020              |
|--|-------------------|
| <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 36,522,812        |
| Shares issued                              | 1,807,380         |
| Shares redeemed                            | (3,281,060)       |
| Net conversions                            | 93,941            |
| Closing shares                             | <u>35,143,073</u> |
| <b>Class Z – Gross income shares</b>       |                   |
| Opening shares                             | 1,918,013         |
| Shares issued                              | 170,467           |
| Shares redeemed                            | (316,649)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>1,771,831</u>  |
| <b>Class Z – Gross accumulation shares</b> |                   |
| Opening shares                             | 7,235,839         |
| Shares issued                              | 426,002           |
| Shares redeemed                            | (379,916)         |
| Net conversions                            | –                 |
| Closing shares                             | <u>7,281,925</u>  |

# Threadneedle High Yield Bond Fund

## Investment Report

### Investment Objective and Policy

The Fund aims to provide income. It looks to outperform the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued by companies worldwide that are denominated in euros (EUR) or sterling (GBP) and rated below investment grade. The Fund may invest to a lesser extent in bonds denominated in currencies other than euro and sterling, bonds of other credit quality (as well as unrated bonds) and bonds issued by governments and quasi-government entities. Non-sterling bonds are typically hedged into sterling.

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

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

The ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index is regarded as an appropriate performance measure of euro and sterling-denominated below investment grade bonds, issued by a broad range of companies. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle High Yield Bond Fund has fallen from 41.74p to 41.56p.

The total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +0.27% as compared to a median return of -0.37% over the same period. (For information the ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) Index gave a total return of -0.33% for the same period.)

### Market Overview and Portfolio Activity

The six months under review saw a strong rebound in the European high yield (EHY) market following the falls in March, when the spread of COVID-19 led to lockdowns across the world. Overall, there has been a strong recovery in global risk assets, with

sharp rallies in equities, commodities and corporate bonds. Investors were cheered when governments and central banks globally announced further sizeable fiscal and monetary stimulus measures to help soften the economic impact of the COVID-19 pandemic. These additional support measures followed a raft of emergency interest-rate cuts and stimulus programmes in the first quarter.

In June, eurozone and UK central banks increased monetary stimulus and the Federal Reserve indicated that US interest rates were likely to remain close to zero through 2022. Subsequently, August saw a major policy shift by the Fed, which will now target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and will no longer view the approach of full employment as a cue to hike interest rates.

Among core government bond markets, the UK issued bonds at a negative yield for the first time ever in May, amid speculation that the Bank of England might lower its benchmark lending rate below zero. The European Central Bank (ECB) expanded a pandemic asset-purchase programme, supporting demand for eurozone issues. Global investment grade (IG) and high yield (HY) credit spreads narrowed sharply from the widespread of March.

Activity in the EHY primary market, which had slammed shut in March, slowly restarted in late April and picked up pace in the following months. Net issuance of £15.3bn in Q2 was the highest since the first quarter of 2015. Higher-quality names rushed to issue bonds, in order to raise cash and improve liquidity.

Such has been the amount of new EHY issuance that the fund has selectively participated in a large number of new issues over the review period. These included Virgin Media (UK telecoms firm), IQVIA (American healthcare IT group), Cellnex (Spanish wireless company), Repsol (Spanish oil and gas firm), Aradrig Packaging (Irish packaging business), BITE (Central European mobile operator), Fiat Chrysler (car manufacturer), Dielsold Nixdorf (cash-management machine and systems group), Faurecia (French auto-parts company), Phoenix PIB (German pharmaceutical firm), Tennet (Dutch state-owned utility), Infrastructure Wireless Italiane (Italian telecom-infrastructure firm), Autodis (French car-parts manufacturer), ADO Properties (German real-estate business), Saipem (Italian oilfield-services company), Vodafone (UK telecoms group) and Solvay (Belgian materials/chemicals producer).

There has also been a sharp rise in the number of fallen angels, which has greatly increased the size of the EHY universe. We added several of these to the portfolio, including Ford (auto company), Petroleos Mexicanos (Mexican gas and oil producer), Marks & Spencer (UK retailer), Electricite de France (French state-backed utility company), Valeo (French auto-components manufacturer), and ZFF and Schaeffler (both German auto-parts firms).

Also within the portfolio, we entered a new position in ArcelorMittal (global steelmaker) and increased the exposure to Autostrade (Italian toll-road operator), as negotiations continued over a final concession agreement between the Italian government and the company. Conversely, we exited Tesco (UK food retailer) and Boparan Holdings (UK food production/restaurant group).

The EHY market continues to be largely supported by the massive fiscal and monetary support, even though the world is in recession. The relaxation of lockdowns and pent-up demand have worked together to support a sharp economic rebound in the last few months. This has resulted in second-quarter company earnings generally beating lowered expectations. However, overall the year-on-year numbers look very poor on a negative double-digit basis, with little guidance going forward. The sustainability of the rebound is uncertain. Fundamentals feel detached from valuations given the emergence of a 'second wave', with the recent uptick in Covid cases around the world, as well as the re-imposition of restrictions in some countries. With a number of government support programmes such as furlough schemes due to expire soon (or having already done so, as in the case of the US), the risk of a cliff-like situation (e.g. the risk of a rise in layoffs) cannot be ignored.

Default expectations have come down since the end of the first quarter and are now at about 4%, based on the assumption of continued government and central-bank support. EHY spreads do compensate for such a scenario. However, valuations do not look cheap overall, given the market uncertainty. Defaults have occurred at a slower pace than originally expected, with the latest figure of 2.3% just marginally above the 10-year average of 1.5% (JPMorgan). Also, the market and price recovery is looking quite sector and stock specific, as bonds in non-cyclical sectors such as healthcare and telecoms have rebounded, in some cases to pre-Covid levels. However, bonds in sectors such as transportation and leisure have only partly recovered and remain relatively subdued at well below pre-Covid levels. Technicals remain supportive, driven by ongoing central-bank support. Inflows persist into the asset class, while the primary market is way ahead of 2019's figures and remains very strong, with early indications of a big autumn pipeline. Fallen angels continue to arrive in the EHY market, dominating the scene and bringing the market size to its largest ever. Their arrival has not only increased the size of the market, but has also helped to push spreads lower as the amount of lower-yielding bonds rated BB increases.

With fundamentals seemingly detached from valuations and technicals, EHY spreads, which are now just under 50 bps wide of their five-year average, could still have room to tighten further given the continued fiscal support.

## STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (3,599)      | 23,828       |
| Revenue  | 18,217       | 16,890       |
| Expenses   | (3,103)      | (2,878)      |
| Interest payable and similar charges   | (6)          | (9)          |
| Net revenue before taxation  | 15,108       | 14,003       |
| Net revenue after taxation   | 15,108       | 14,003       |
| Total return before distributions  | 11,509       | 37,831       |
| Distributions  | (17,796)     | (16,484)     |
| Change in net assets attributable to shareholders from investment activities | (6,287)      | 21,347       |

## BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 903,907        | 811,436               |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 13,151         | 11,489                |
| Cash and bank balances                         | 25,664         | 40,513                |
| Cash equivalents**                             | 25,336         | 33,308                |
| Total assets                                   | 968,058        | 896,746               |
| <b>Liabilities:</b>                            |                |                       |
| <b>Investment liabilities</b>                  | (94)           | (32,930)              |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | (2,101)        | –                     |
| Distribution payable                           | (1,435)        | (1,260)               |
| Other creditors                                | (6,080)        | (3,483)               |
| Total liabilities                              | (9,710)        | (37,673)              |
| <b>Net assets attributable to shareholders</b> | <b>958,348</b> | <b>859,073</b>        |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 859,073      | 743,937      |
| Amounts receivable on the issue of shares  | 157,171      | 151,402      |
| Amounts payable on the cancellation of shares  | (61,945)     | (81,990)     |
|  | 95,226       | 69,412       |
| Dilution adjustment  | 623          | 327          |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (6,287)      | 21,347       |
| Retained distribution on accumulation shares   | 9,712        | 7,599        |
| Unclaimed distributions  | 1            | 12           |
| Closing net assets attributable to shareholders  | 958,348      | 842,634      |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

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

## DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

| Interest distribution in pence per share |               |              |                                |                        |
|--|---------------|--------------|--------------------------------|------------------------|
| Class 1 – Income shares                  |               |              |                                |                        |
| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1270        | –            | 0.1270                         | 0.1457                 |
| 08/04/20 to 07/05/20                     | 0.1364        | –            | 0.1364                         | 0.1556                 |
| 08/05/20 to 07/06/20                     | 0.1159        | –            | 0.1159                         | 0.1559                 |
| 08/06/20 to 07/07/20                     | 0.1607        | –            | 0.1607                         | 0.1513                 |
| 08/07/20 to 07/08/20                     | 0.1352        | –            | 0.1352                         | 0.1533                 |
| 08/08/20 to 07/09/20                     | 0.1349        | –            | 0.1349                         | 0.1326                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0732        | 0.0538       | 0.1270                         | 0.1457                 |
| 08/04/20 to 07/05/20                     | 0.0603        | 0.0761       | 0.1364                         | 0.1556                 |
| 08/05/20 to 07/06/20                     | 0.0216        | 0.0943       | 0.1159                         | 0.1559                 |
| 08/06/20 to 07/07/20                     | 0.0823        | 0.0784       | 0.1607                         | 0.1513                 |
| 08/07/20 to 07/08/20                     | 0.0813        | 0.0539       | 0.1352                         | 0.1533                 |
| 08/08/20 to 07/09/20                     | 0.0396        | 0.0953       | 0.1349                         | 0.1326                 |
| <b>Total distributions in the period</b> |               |              | <b>0.8101</b>                  | <b>0.8944</b>          |

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

# Threadneedle High Yield Bond Fund

## DISTRIBUTION TABLE

(continued)

### Class 1 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1297        | –            | 0.1297                         | 0.1458                 |
| 08/04/20 to 07/05/20                     | 0.1365        | –            | 0.1365                         | 0.1558                 |
| 08/05/20 to 07/06/20                     | 0.1316        | –            | 0.1316                         | 0.1560                 |
| 08/06/20 to 07/07/20                     | 0.1451        | –            | 0.1451                         | 0.1514                 |
| 08/07/20 to 07/08/20                     | 0.1353        | –            | 0.1353                         | 0.1534                 |
| 08/08/20 to 07/09/20                     | 0.1351        | –            | 0.1351                         | 0.1328                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.0798        | 0.0499       | 0.1297                         | 0.1458                 |
| 08/04/20 to 07/05/20                     | 0.0272        | 0.1093       | 0.1365                         | 0.1558                 |
| 08/05/20 to 07/06/20                     | 0.0126        | 0.1190       | 0.1316                         | 0.1560                 |
| 08/06/20 to 07/07/20                     | 0.1033        | 0.0418       | 0.1451                         | 0.1514                 |
| 08/07/20 to 07/08/20                     | 0.0641        | 0.0712       | 0.1353                         | 0.1534                 |
| 08/08/20 to 07/09/20                     | 0.0211        | 0.1140       | 0.1351                         | 0.1328                 |
| <b>Total distributions in the period</b> |               |              | <b>0.8133</b>                  | <b>0.8952</b>          |

### Class 1 USD Hedged – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2544        | –            | 0.2544                         | 0.2577                 |
| 08/04/20 to 07/05/20                     | 0.2603        | –            | 0.2603                         | 0.2785                 |
| 08/05/20 to 07/06/20                     | 0.2544        | –            | 0.2544                         | 0.2849                 |
| 08/06/20 to 07/07/20                     | 0.2749        | –            | 0.2749                         | 0.2795                 |
| 08/07/20 to 07/08/20                     | 0.2520        | –            | 0.2520                         | 0.2894                 |
| 08/08/20 to 07/09/20                     | 0.2434        | –            | 0.2434                         | 0.2557                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1444        | 0.1100       | 0.2544                         | 0.2577                 |
| 08/04/20 to 07/05/20                     | 0.1240        | 0.1363       | 0.2603                         | 0.2785                 |
| 08/05/20 to 07/06/20                     | 0.1214        | 0.1330       | 0.2544                         | 0.2849                 |
| 08/06/20 to 07/07/20                     | 0.2484        | 0.0265       | 0.2749                         | 0.2795                 |
| 08/07/20 to 07/08/20                     | 0.0685        | 0.1835       | 0.2520                         | 0.2894                 |
| 08/08/20 to 07/09/20                     | 0.1931        | 0.0503       | 0.2434                         | 0.2557                 |
| <b>Total distributions in the period</b> |               |              | <b>1.5394</b>                  | <b>1.6457</b>          |

### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.3729        | –            | 0.3729                         | 0.4025                         |
| 08/04/20 to 07/05/20                     | 0.3933        | –            | 0.3933                         | 0.4314                         |
| 08/05/20 to 07/06/20                     | 0.3813        | –            | 0.3813                         | 0.4338                         |
| 08/06/20 to 07/07/20                     | 0.4202        | –            | 0.4202                         | 0.4227                         |
| 08/07/20 to 07/08/20                     | 0.3939        | –            | 0.3939                         | 0.4295                         |
| 08/08/20 to 07/09/20                     | 0.3945        | –            | 0.3945                         | 0.3731                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.3729        | –            | 0.3729                         | 0.4025                         |
| 08/04/20 to 07/05/20                     | 0.2035        | 0.1898       | 0.3933                         | 0.4314                         |
| 08/05/20 to 07/06/20                     | 0.3813        | –            | 0.3813                         | 0.4338                         |
| 08/06/20 to 07/07/20                     | 0.4202        | –            | 0.4202                         | 0.4227                         |
| 08/07/20 to 07/08/20                     | 0.2639        | 0.1300       | 0.3939                         | 0.4295                         |
| 08/08/20 to 07/09/20                     | 0.3945        | –            | 0.3945                         | 0.3731                         |
| <b>Total distributions in the period</b> |               |              | <b>2.3561</b>                  | <b>2.4930</b>                  |

### Class 2 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1805        | –            | 0.1805                         | 0.2154                 |
| 08/04/20 to 07/05/20                     | 0.2026        | –            | 0.2026                         | 0.2297                 |
| 08/05/20 to 07/06/20                     | 0.1958        | –            | 0.1958                         | 0.2304                 |
| 08/06/20 to 07/07/20                     | 0.2151        | –            | 0.2151                         | 0.2238                 |
| 08/07/20 to 07/08/20                     | 0.2014        | –            | 0.2014                         | 0.2268                 |
| 08/08/20 to 07/09/20                     | 0.2010        | –            | 0.2010                         | 0.1969                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1535        | 0.0270       | 0.1805                         | 0.2154                 |
| 08/04/20 to 07/05/20                     | 0.0976        | 0.1050       | 0.2026                         | 0.2297                 |
| 08/05/20 to 07/06/20                     | 0.0708        | 0.1250       | 0.1958                         | 0.2304                 |
| 08/06/20 to 07/07/20                     | 0.0196        | 0.1955       | 0.2151                         | 0.2238                 |
| 08/07/20 to 07/08/20                     | 0.0966        | 0.1048       | 0.2014                         | 0.2268                 |
| 08/08/20 to 07/09/20                     | 0.0629        | 0.1381       | 0.2010                         | 0.1969                 |
| <b>Total distributions in the period</b> |               |              | <b>1.1964</b>                  | <b>1.3220</b>          |

### Class 2 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1658        | –            | 0.1658                         | 0.1854                 |
| 08/04/20 to 07/05/20                     | 0.1743        | –            | 0.1743                         | 0.1978                 |
| 08/05/20 to 07/06/20                     | 0.1685        | –            | 0.1685                         | 0.1983                 |
| 08/06/20 to 07/07/20                     | 0.1852        | –            | 0.1852                         | 0.1926                 |
| 08/07/20 to 07/08/20                     | 0.1733        | –            | 0.1733                         | 0.1952                 |
| 08/08/20 to 07/09/20                     | 0.1730        | –            | 0.1730                         | 0.1695                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.1058        | 0.0600       | 0.1658                         | 0.1854                 |
| 08/04/20 to 07/05/20                     | 0.0433        | 0.1310       | 0.1743                         | 0.1978                 |
| 08/05/20 to 07/06/20                     | 0.1386        | 0.0299       | 0.1685                         | 0.1983                 |
| 08/06/20 to 07/07/20                     | 0.1575        | 0.0277       | 0.1852                         | 0.1926                 |
| 08/07/20 to 07/08/20                     | 0.0680        | 0.1053       | 0.1733                         | 0.1952                 |
| 08/08/20 to 07/09/20                     | 0.1525        | 0.0205       | 0.1730                         | 0.1695                 |
| <b>Total distributions in the period</b> |               |              | <b>1.0401</b>                  | <b>1.1388</b>          |

### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.6076        | –            | 0.6076                         | 0.6526                         |
| 08/04/20 to 07/05/20                     | 0.6408        | –            | 0.6408                         | 0.6984                         |
| 08/05/20 to 07/06/20                     | 0.6216        | –            | 0.6216                         | 0.7029                         |
| 08/06/20 to 07/07/20                     | 0.6856        | –            | 0.6856                         | 0.6853                         |
| 08/07/20 to 07/08/20                     | 0.6436        | –            | 0.6436                         | 0.6971                         |
| 08/08/20 to 07/09/20                     | 0.6449        | –            | 0.6449                         | 0.6073                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.4320        | 0.1756       | 0.6076                         | 0.6526                         |
| 08/04/20 to 07/05/20                     | 0.3051        | 0.3357       | 0.6408                         | 0.6984                         |
| 08/05/20 to 07/06/20                     | 0.1060        | 0.5156       | 0.6216                         | 0.7029                         |
| 08/06/20 to 07/07/20                     | 0.2652        | 0.4194       | 0.6856                         | 0.6853                         |
| 08/07/20 to 07/08/20                     | 0.3072        | 0.3364       | 0.6436                         | 0.6971                         |
| 08/08/20 to 07/09/20                     | 0.3205        | 0.3244       | 0.6449                         | 0.6073                         |
| <b>Total distributions in the period</b> |               |              | <b>3.8441</b>                  | <b>4.0436</b>                  |

### Class X – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3663        | –            | 0.3663                         | 0.3534                 |
| 08/04/20 to 07/05/20                     | 0.3349        | –            | 0.3349                         | 0.3773                 |
| 08/05/20 to 07/06/20                     | 0.3239        | –            | 0.3239                         | 0.3786                 |
| 08/06/20 to 07/07/20                     | 0.3563        | –            | 0.3563                         | 0.3678                 |
| 08/07/20 to 07/08/20                     | 0.3335        | –            | 0.3335                         | 0.3732                 |
| 08/08/20 to 07/09/20                     | 0.3333        | –            | 0.3333                         | 0.3240                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2763        | 0.0900       | 0.3663                         | 0.3534                 |
| 08/04/20 to 07/05/20                     | 0.3349        | –            | 0.3349                         | 0.3773                 |
| 08/05/20 to 07/06/20                     | 0.3239        | –            | 0.3239                         | 0.3786                 |
| 08/06/20 to 07/07/20                     | 0.2190        | 0.1373       | 0.3563                         | 0.3678                 |
| 08/07/20 to 07/08/20                     | 0.1305        | 0.2030       | 0.3335                         | 0.3732                 |
| 08/08/20 to 07/09/20                     | 0.3333        | –            | 0.3333                         | 0.3240                 |
| <b>Total distributions in the period</b> |               |              | <b>2.0482</b>                  | <b>2.1743</b>          |

### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.4008        | –            | 0.4008                         | 0.4281                         |
| 08/04/20 to 07/05/20                     | 0.4239        | –            | 0.4239                         | 0.4587                         |
| 08/05/20 to 07/06/20                     | 0.4115        | –            | 0.4115                         | 0.4618                         |
| 08/06/20 to 07/07/20                     | 0.4541        | –            | 0.4541                         | 0.4506                         |
| 08/07/20 to 07/08/20                     | 0.4265        | –            | 0.4265                         | 0.4586                         |
| 08/08/20 to 07/09/20                     | 0.4278        | –            | 0.4278                         | 0.3998                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.2608        | 0.1400       | 0.4008                         | 0.4281                         |
| 08/04/20 to 07/05/20                     | 0.0545        | 0.3694       | 0.4239                         | 0.4587                         |
| 08/05/20 to 07/06/20                     | 0.4115        | –            | 0.4115                         | 0.4618                         |
| 08/06/20 to 07/07/20                     | 0.4541        | –            | 0.4541                         | 0.4506                         |
| 08/07/20 to 07/08/20                     | 0.1591        | 0.2674       | 0.4265                         | 0.4586                         |
| 08/08/20 to 07/09/20                     | 0.4278        | –            | 0.4278                         | 0.3998                         |
| <b>Total distributions in the period</b> |               |              | <b>2.5446</b>                  | <b>2.6576</b>                  |

### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3161        | –            | 0.3161                         | 0.3534                 |
| 08/04/20 to 07/05/20                     | 0.3331        | –            | 0.3331                         | 0.3777                 |
| 08/05/20 to 07/06/20                     | 0.3284        | –            | 0.3284                         | 0.3785                 |
| 08/06/20 to 07/07/20                     | 0.3477        | –            | 0.3477                         | 0.3677                 |
| 08/07/20 to 07/08/20                     | 0.3306        | –            | 0.3306                         | 0.3726                 |
| 08/08/20 to 07/09/20                     | 0.3302        | –            | 0.3302                         | 0.3225                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2318        | 0.0843       | 0.3161                         | 0.3534                 |
| 08/04/20 to 07/05/20                     | 0.2086        | 0.1245       | 0.3331                         | 0.3777                 |
| 08/05/20 to 07/06/20                     | 0.1206        | 0.2078       | 0.3284                         | 0.3785                 |
| 08/06/20 to 07/07/20                     | 0.1931        | 0.1546       | 0.3477                         | 0.3677                 |
| 08/07/20 to 07/08/20                     | 0.1590        | 0.1716       | 0.3306                         | 0.3726                 |
| 08/08/20 to 07/09/20                     | 0.1617        | 0.1685       | 0.3302                         | 0.3225                 |
| <b>Total distributions in the period</b> |               |              | <b>1.9861</b>                  | <b>2.1724</b>          |

### Class Z – Accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |               |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.3867        | –            | 0.3867                   | 0.4148                   |
| 08/04/20 to 07/05/20                     | 0.4080        | –            | 0.4080                   | 0.4450                   |
| 08/05/20 to 07/06/20                     | 0.3957        | –            | 0.3957                   | 0.4474                   |
| 08/06/20 to 07/07/20                     | 0.4361        | –            | 0.4361                   | 0.4362                   |
| 08/07/20 to 07/08/20                     | 0.4091        | –            | 0.4091                   | 0.4436                   |
| 08/08/20 to 07/09/20                     | 0.4100        | –            | 0.4100                   | 0.3853                   |
| <b>Group 2</b>                           |               |              |                          |                          |
| 08/03/20 to 07/04/20                     | 0.2932        | 0.0935       | 0.3867                   | 0.4148                   |
| 08/04/20 to 07/05/20                     | 0.1925        | 0.2155       | 0.4080                   | 0.4450                   |
| 08/05/20 to 07/06/20                     | 0.1811        | 0.2146       | 0.3957                   | 0.4474                   |
| 08/06/20 to 07/07/20                     | 0.1886        | 0.2475       | 0.4361                   | 0.4362                   |
| 08/07/20 to 07/08/20                     | 0.1992        | 0.2099       | 0.4091                   | 0.4436                   |
| 08/08/20 to 07/09/20                     | 0.1779        | 0.2321       | 0.4100                   | 0.3853                   |
| <b>Total distributions in the period</b> |               |              | <b>2.4456</b>            | <b>2.5723</b>            |

## Threadneedle High Yield Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.3064        | –            | 0.3064                         | 0.3442                 |
| 08/04/20 to 07/05/20                     | 0.3244        | –            | 0.3244                         | 0.3678                 |
| 08/05/20 to 07/06/20                     | 0.3135        | –            | 0.3135                         | 0.3686                 |
| 08/06/20 to 07/07/20                     | 0.3445        | –            | 0.3445                         | 0.3581                 |
| 08/07/20 to 07/08/20                     | 0.3220        | –            | 0.3220                         | 0.3629                 |
| 08/08/20 to 07/09/20                     | 0.3215        | –            | 0.3215                         | 0.3141                 |
| <b>Group 2</b>                           |               |              |                                |                        |
| 08/03/20 to 07/04/20                     | 0.2077        | 0.0987       | 0.3064                         | 0.3442                 |
| 08/04/20 to 07/05/20                     | 0.1849        | 0.1595       | 0.3244                         | 0.3678                 |
| 08/05/20 to 07/06/20                     | 0.1205        | 0.1930       | 0.3135                         | 0.3686                 |
| 08/06/20 to 07/07/20                     | 0.1488        | 0.1957       | 0.3445                         | 0.3581                 |
| 08/07/20 to 07/08/20                     | 0.1714        | 0.1506       | 0.3220                         | 0.3629                 |
| 08/08/20 to 07/09/20                     | 0.1328        | 0.1887       | 0.3215                         | 0.3141                 |
| <b>Total distributions in the period</b> |               |              | <b>1.9323</b>                  | <b>2.1157</b>          |

#### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.4748        | –            | 0.4748                         | 0.5117                         |
| 08/04/20 to 07/05/20                     | 0.5032        | –            | 0.5032                         | 0.5486                         |
| 08/05/20 to 07/06/20                     | 0.4881        | –            | 0.4881                         | 0.5519                         |
| 08/06/20 to 07/07/20                     | 0.5380        | –            | 0.5380                         | 0.5382                         |
| 08/07/20 to 07/08/20                     | 0.5047        | –            | 0.5047                         | 0.5471                         |
| 08/08/20 to 07/09/20                     | 0.5056        | –            | 0.5056                         | 0.4754                         |
| <b>Group 2</b>                           |               |              |                                |                                |
| 08/03/20 to 07/04/20                     | 0.3503        | 0.1245       | 0.4748                         | 0.5117                         |
| 08/04/20 to 07/05/20                     | 0.2763        | 0.2269       | 0.5032                         | 0.5486                         |
| 08/05/20 to 07/06/20                     | 0.2221        | 0.2660       | 0.4881                         | 0.5519                         |
| 08/06/20 to 07/07/20                     | 0.3333        | 0.2047       | 0.5380                         | 0.5382                         |
| 08/07/20 to 07/08/20                     | 0.4152        | 0.0895       | 0.5047                         | 0.5471                         |
| 08/08/20 to 07/09/20                     | 0.2304        | 0.2752       | 0.5056                         | 0.4754                         |
| <b>Total distributions in the period</b> |               |              | <b>3.0144</b>                  | <b>3.1729</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>5</sup>       |            |            |
|---|---|-------------|-------------|--|------------|------------|
|   | 07/09/2020  | 07/03/2020  | 07/03/2019  | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |   |             |             |  |            |            |
| Opening net asset value per share (p)             | 41.65   | 41.53       | 42.59       | 41.68  | 41.57      | 42.63      |
| Return before operating charges (p)               | 0.62  | 2.36        | 1.31        | 0.63   | 2.36       | 1.31       |
| Operating charges (p)                             | (0.26)  | (0.57)      | (0.56)      | (0.27)   | (0.57)     | (0.56)     |
| Return after operating charges (p)*               | 0.36  | 1.79        | 0.75        | 0.36   | 1.79       | 0.75       |
| Distributions (p)                                 | (0.81)  | (1.67)      | (1.81)      | (0.81)   | (1.68)     | (1.81)     |
| Retained distributions on accumulation shares (p) | –   | –           | –           | –  | –          | –          |
| Closing net asset value per share (p)             | 41.20   | 41.65       | 41.53       | 41.23  | 41.68      | 41.57      |
| *after direct transaction costs of (p)            | –   | –           | –           | –  | –          | –          |
| <b>Performance</b>                                |   |             |             |  |            |            |
| Return after charges (%)                          | 0.86  | 4.31        | 1.76        | 0.86   | 4.31       | 1.76       |
| <b>Other information</b>                          |   |             |             |  |            |            |
| Closing net asset value (£000)                    | 50,238  | 65,253      | 74,794      | 6,844  | 7,869      | 31,262     |
| Closing number of shares                          | 121,940,126   | 156,682,843 | 180,080,571 | 16,601,222                                       | 18,880,847 | 75,196,806 |
| Operating charges (%)**                           | 1.33 <sup>†</sup>                                     | 1.33        | 1.33        | 1.33 <sup>†</sup>                                | 1.34       | 1.33       |
| Direct transaction costs (%)***                   | –   | –           | –           | –  | –          | –          |
| <b>Prices</b>                                     |   |             |             |  |            |            |
| Highest share price (p)                           | 41.59   | 43.18       | 42.85       | 41.62  | 43.22      | 42.89      |
| Lowest share price (p)                            | 34.24   | 41.60       | 40.37       | 34.27  | 41.64      | 40.41      |
|   | Class 1 USD Hedged – Gross income shares <sup>5</sup> |             |             | Class 1 – Gross accumulation shares <sup>5</sup> |            |            |
|   | 07/09/2020  | 07/03/2020  | 07/03/2019  | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |   |             |             |  |            |            |
| Opening net asset value per share (p)             | 75.59   | 73.54       | 70.35       | 119.69   | 114.75     | 112.67     |
| Return before operating charges (p)               | 0.95  | 6.17        | 7.34        | 1.89   | 6.53       | 3.59       |
| Operating charges (p)                             | (0.50)  | (1.04)      | (0.98)      | (0.77)   | (1.59)     | (1.51)     |
| Return after operating charges (p)*               | 0.45  | 5.13        | 6.36        | 1.12   | 4.94       | 2.08       |
| Distributions (p)                                 | (1.54)  | (3.08)      | (3.17)      | (2.36)   | (4.71)     | (4.90)     |
| Retained distributions on accumulation shares (p) | –   | –           | –           | 2.36   | 4.71       | 4.90       |
| Closing net asset value per share (p)             | 74.50   | 75.59       | 73.54       | 120.81   | 119.69     | 114.75     |
| *after direct transaction costs of (p)            | –   | –           | –           | –  | –          | –          |
| <b>Performance</b>                                |   |             |             |  |            |            |
| Return after charges (%)                          | 0.60  | 6.98        | 9.04        | 0.94   | 4.31       | 1.85       |
| <b>Other information</b>                          |   |             |             |  |            |            |
| Closing net asset value (£000)                    | 12,088  | 6,116       | 5,312       | 835  | 844        | 776        |
| Closing number of shares                          | 16,225,585  | 8,091,370   | 7,223,373   | 690,775  | 704,496    | 675,945    |
| Operating charges (%)**                           | 1.33 <sup>†</sup>                                     | 1.33        | 1.33        | 1.33 <sup>†</sup>                                | 1.33       | 1.34       |
| Direct transaction costs (%)***                   | –   | –           | –           | –  | –          | –          |
| <b>Prices</b>                                     |   |             |             |  |            |            |
| Highest share price (p)                           | 78.47   | 83.96       | 76.62       | 121.57   | 123.70     | 115.30     |
| Lowest share price (p)                            | 69.39   | 73.40       | 68.51       | 98.40  | 114.93     | 110.32     |

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 – Income shares                          |             |             | Class 2 – Gross income shares <sup>5</sup> |            |            |
|---|--|-------------|-------------|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019  | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |            |            |
| Opening net asset value per share (p)             | 60.73  | 60.29       | 61.54       | 52.27                                      | 51.89      | 52.96      |
| Return before operating charges (p)               | 0.93   | 3.42        | 1.91        | 0.79                                       | 2.95       | 1.65       |
| Operating charges (p)                             | (0.24)   | (0.50)      | (0.49)      | (0.20)                                     | (0.43)     | (0.42)     |
| Return after operating charges (p)*               | 0.69   | 2.92        | 1.42        | 0.59                                       | 2.52       | 1.23       |
| Distributions (p)                                 | (1.20)   | (2.48)      | (2.67)      | (1.04)                                     | (2.14)     | (2.30)     |
| Retained distributions on accumulation shares (p) | –  | –           | –           | –  | –          | –          |
| Closing net asset value per share (p)             | 60.22  | 60.73       | 60.29       | 51.82                                      | 52.27      | 51.89      |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –          | –          |
| <b>Performance</b>                                |  |             |             |  |            |            |
| Return after charges (%)                          | 1.14   | 4.84        | 2.31        | 1.13                                       | 4.86       | 2.32       |
| <b>Other information</b>                          |  |             |             |  |            |            |
| Closing net asset value (£000)                    | 5,204  | 6,606       | 9,527       | 970  | 1,107      | 2,122      |
| Closing number of shares                          | 8,642,590  | 10,878,864  | 15,801,121  | 1,871,973                                  | 2,117,240  | 4,089,792  |
| 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)                           | 60.80  | 62.95       | 61.95       | 52.32                                      | 54.19      | 53.32      |
| Lowest share price (p)                            | 49.94  | 60.39       | 58.55       | 42.99                                      | 51.98      | 50.40      |
|   | Class 2 – Gross accumulation shares <sup>5</sup> |             |             | Class X – Gross income shares <sup>5</sup> |            |            |
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019  | 07/09/2020                                 | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |             |  |            |            |
| Opening net asset value per share (p)             | 191.47   | 182.61      | 178.37      | 100.37                                     | 98.90      | 100.19     |
| Return before operating charges (p)               | 3.06   | 10.41       | 5.70        | 1.55                                       | 5.62       | 3.14       |
| Operating charges (p)                             | (0.75)   | (1.55)      | (1.46)      | (0.03)                                     | (0.06)     | (0.06)     |
| Return after operating charges (p)*               | 2.31   | 8.86        | 4.24        | 1.52                                       | 5.56       | 3.08       |
| Distributions (p)                                 | (3.84)   | (7.66)      | (7.90)      | (2.05)                                     | (4.09)     | (4.37)     |
| Retained distributions on accumulation shares (p) | 3.84   | 7.66        | 7.90        | –  | –          | –          |
| Closing net asset value per share (p)             | 193.78   | 191.47      | 182.61      | 99.84                                      | 100.37     | 98.90      |
| *after direct transaction costs of (p)            | –  | –           | –           | –  | –          | –          |
| <b>Performance</b>                                |  |             |             |  |            |            |
| Return after charges (%)                          | 1.21   | 4.85        | 2.38        | 1.51                                       | 5.62       | 3.07       |
| <b>Other information</b>                          |  |             |             |  |            |            |
| Closing net asset value (£000)                    | 324,074  | 296,173     | 184,313     | 8,309                                      | 2,948      | 8,042      |
| Closing number of shares                          | 167,235,826                                      | 154,682,281 | 100,931,916 | 8,322,020                                  | 2,936,664  | 8,131,106  |
| 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)                           | 194.99   | 197.84      | 183.49      | 100.79                                     | 104.02     | 100.95     |
| Lowest share price (p)                            | 157.46   | 182.90      | 175.41      | 82.58                                      | 99.07      | 95.93      |

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class X – Gross accumulation shares <sup>5</sup> |            |            | Class Z – Income shares                    |             |             |
|---|--|------------|------------|--|-------------|-------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |  |             |             |
| Opening net asset value per share (p)             | 126.56   | 119.80     | 116.14     | 101.61                                     | 100.72      | 102.66      |
| Return before operating charges (p)               | 2.05   | 6.84       | 3.73       | 1.56                                       | 5.71        | 3.18        |
| Operating charges (p)                             | (0.04)   | (0.08)     | (0.07)     | (0.36)                                     | (0.75)      | (0.74)      |
| Return after operating charges (p)*               | 2.01   | 6.76       | 3.66       | 1.20                                       | 4.96        | 2.44        |
| Distributions (p)                                 | (2.54)   | (5.04)     | (5.17)     | (1.99)                                     | (4.07)      | (4.38)      |
| Retained distributions on accumulation shares (p) | 2.54   | 5.04       | 5.17       | –  | –           | –           |
| Closing net asset value per share (p)             | 128.57   | 126.56     | 119.80     | 100.82                                     | 101.61      | 100.72      |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –           | –           |
| <b>Performance</b>                                |  |            |            |  |             |             |
| Return after charges (%)                          | 1.59   | 5.64       | 3.15       | 1.18                                       | 4.92        | 2.38        |
| <b>Other information</b>                          |  |            |            |  |             |             |
| Closing net asset value (£000)                    | 118,891  | 115,450    | 76,912     | 327,854                                    | 266,458     | 272,757     |
| Closing number of shares                          | 92,475,418                                       | 91,223,235 | 64,200,212 | 325,182,954                                | 262,241,834 | 270,795,387 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                                | 0.06       | 0.06       | 0.73 <sup>†</sup>                          | 0.73        | 0.73        |
| Direct transaction costs (%)***                   | –  | –          | –          | –  | –           | –           |
| <b>Prices</b>                                     |  |            |            |  |             |             |
| Highest share price (p)                           | 129.36   | 130.73     | 120.37     | 101.78                                     | 105.32      | 103.36      |
| Lowest share price (p)                            | 104.11   | 120.00     | 114.93     | 83.56                                      | 100.89      | 97.79       |
|   | Class Z – Accumulation shares                    |            |            | Class Z – Gross income shares <sup>5</sup> |             |             |
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 | 07/09/2020                                 | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>             |  |            |            |  |             |             |
| Opening net asset value per share (p)             | 124.03   | 118.21     | 115.38     | 98.97                                      | 98.11       | 99.99       |
| Return before operating charges (p)               | 1.99   | 6.72       | 3.68       | 1.50                                       | 5.57        | 3.11        |
| Operating charges (p)                             | (0.44)   | (0.90)     | (0.85)     | (0.35)                                     | (0.74)      | (0.72)      |
| Return after operating charges (p)*               | 1.55   | 5.82       | 2.83       | 1.15                                       | 4.83        | 2.39        |
| Distributions (p)                                 | (2.45)   | (4.87)     | (5.02)     | (1.93)                                     | (3.97)      | (4.27)      |
| Retained distributions on accumulation shares (p) | 2.45   | 4.87       | 5.02       | –  | –           | –           |
| Closing net asset value per share (p)             | 125.58   | 124.03     | 118.21     | 98.19                                      | 98.97       | 98.11       |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –           | –           |
| <b>Performance</b>                                |  |            |            |  |             |             |
| Return after charges (%)                          | 1.25   | 4.92       | 2.45       | 1.16                                       | 4.92        | 2.39        |
| <b>Other information</b>                          |  |            |            |  |             |             |
| Closing net asset value (£000)                    | 23,709   | 24,074     | 21,275     | 26,438                                     | 32,842      | 37,501      |
| Closing number of shares                          | 18,879,790                                       | 19,409,718 | 17,998,360 | 26,924,861                                 | 33,185,019  | 38,225,545  |
| 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)                           | 126.36   | 128.16     | 118.77     | 99.13                                      | 102.58      | 100.67      |
| Lowest share price (p)                            | 102.00   | 118.40     | 113.53     | 81.39                                      | 98.26       | 95.25       |

## Threadneedle High Yield Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Gross accumulation shares <sup>5</sup> |            |            |
|---|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |
| Opening net asset value per share (p)             | 153.01   | 145.82     | 142.32     |
| Return before operating charges (p)               | 2.43   | 8.31       | 4.55       |
| Operating charges (p)                             | (0.54)   | (1.12)     | (1.05)     |
| Return after operating charges (p)*               | 1.89   | 7.19       | 3.50       |
| Distributions (p)                                 | (3.01)   | (6.00)     | (6.20)     |
| Retained distributions on accumulation shares (p) | 3.01   | 6.00       | 6.20       |
| Closing net asset value per share (p)             | 154.90   | 153.01     | 145.82     |
| *after direct transaction costs of (p)            | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |
| Return after charges (%)                          | 1.24   | 4.93       | 2.46       |
| <b>Other information</b>                          |  |            |            |
| Closing net asset value (£000)                    | 52,894   | 33,333     | 19,344     |
| Closing number of shares                          | 34,146,666                                       | 21,785,459 | 13,266,056 |
| Operating charges (%)**                           | 0.73 <sup>1</sup>                                | 0.73       | 0.73       |
| Direct transaction costs (%)***                   | –  | –          | –          |
| <b>Prices</b>                                     |  |            |            |
| Highest share price (p)                           | 155.87   | 158.09     | 146.51     |
| Lowest share price (p)                            | 125.83   | 146.05     | 140.05     |

\*\*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>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 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|   | 2020               |  | 2020               |
|---|--------------------|--|--------------------|
| <b>Class 1 – Income shares</b>                  |                    | <b>Class X – Gross income shares</b>       |                    |
| Opening shares                                  | 156,682,843        | Opening shares                             | 2,936,664          |
| Shares issued                                   | 2,752,319          | Shares issued                              | 8,246,418          |
| Shares redeemed                                 | (35,701,643)       | Shares redeemed                            | (2,861,062)        |
| Net conversions                                 | (1,793,393)        | Net conversions                            | –                  |
| Closing shares                                  | <u>121,940,126</u> | Closing shares                             | <u>8,322,020</u>   |
| <b>Class 1 – Gross income shares</b>            |                    | <b>Class X – Gross accumulation shares</b> |                    |
| Opening shares                                  | 18,880,847         | Opening shares                             | 91,223,235         |
| Shares issued                                   | 413,523            | Shares issued                              | 5,410,404          |
| Shares redeemed                                 | (2,693,148)        | Shares redeemed                            | (4,158,221)        |
| Net conversions                                 | –                  | Net conversions                            | –                  |
| Closing shares                                  | <u>16,601,222</u>  | Closing shares                             | <u>92,475,418</u>  |
| <b>Class 1 USD Hedged – Gross income shares</b> |                    | <b>Class Z – Income shares</b>             |                    |
| Opening shares                                  | 8,091,370          | Opening shares                             | 262,241,834        |
| Shares issued                                   | 8,134,215          | Shares issued                              | 81,035,184         |
| Shares redeemed                                 | –                  | Shares redeemed                            | (18,712,965)       |
| Net conversions                                 | –                  | Net conversions                            | 618,901            |
| Closing shares                                  | <u>16,225,585</u>  | Closing shares                             | <u>325,182,954</u> |
| <b>Class 1 – Gross accumulation shares</b>      |                    | <b>Class Z – Accumulation shares</b>       |                    |
| Opening shares                                  | 704,496            | Opening shares                             | 19,409,718         |
| Shares issued                                   | 23,182             | Shares issued                              | 4,551,961          |
| Shares redeemed                                 | (36,903)           | Shares redeemed                            | (5,169,965)        |
| Net conversions                                 | –                  | Net conversions                            | 88,076             |
| Closing shares                                  | <u>690,775</u>     | Closing shares                             | <u>18,879,790</u>  |
| <b>Class 2 – Income shares</b>                  |                    | <b>Class Z – Gross income shares</b>       |                    |
| Opening shares                                  | 10,878,864         | Opening shares                             | 33,185,019         |
| Shares issued                                   | 55,705             | Shares issued                              | 1,003,342          |
| Shares redeemed                                 | (2,291,979)        | Shares redeemed                            | (7,225,808)        |
| Net conversions                                 | –                  | Net conversions                            | (37,692)           |
| Closing shares                                  | <u>8,642,590</u>   | Closing shares                             | <u>26,924,861</u>  |
| <b>Class 2 – Gross income shares</b>            |                    | <b>Class Z – Gross accumulation shares</b> |                    |
| Opening shares                                  | 2,117,240          | Opening shares                             | 21,785,459         |
| Shares issued                                   | 27,414             | Shares issued                              | 13,733,705         |
| Shares redeemed                                 | (272,681)          | Shares redeemed                            | (1,401,291)        |
| Net conversions                                 | –                  | Net conversions                            | 28,793             |
| Closing shares                                  | <u>1,871,973</u>   | Closing shares                             | <u>34,146,666</u>  |
| <b>Class 2 – Gross accumulation shares</b>      |                    |  |                    |
| Opening shares                                  | 154,682,281        |  |                    |
| Shares issued                                   | 15,960,372         |  |                    |
| Shares redeemed                                 | (3,406,827)        |  |                    |
| Net conversions                                 | –                  |  |                    |
| Closing shares                                  | <u>167,235,826</u> |  |                    |

## Threadneedle Global Select Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the MSCI ACWI Index over rolling 3-year periods, after the deduction of charges. The Fund is actively managed, and invests at least 75% of its assets in shares of companies worldwide.

The Fund selects companies considered to have good prospects for share price growth, from any economic sector or geographic region, and whilst there is no restriction on size, investment tends to focus on larger companies, such as those included in the MSCI ACWI Index.

The MSCI ACWI Index is regarded as providing an appropriate representation of the share performance of large and medium-sized companies worldwide, with over 2,700 companies currently included. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

The Fund typically invests in fewer than 90 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash.

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

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Global Select Fund has risen from 250.71p to 287.70p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +16.14% as compared to a median return of +10.75% over the same period. (For information the MSCI AC World Index returned +10.24% over the same period).

#### Market Overview and Portfolio Activity

Global equities rose over the review period. Markets fell sharply in March, owing to concerns about the economic toll of the coronavirus and resulting quarantine measures. Global equities thereafter recouped some losses, amid optimism over the significant fiscal and monetary response, and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. Later in the period, investors were further encouraged by strong corporate earnings, signs that the global economy was recovering and optimism around a COVID-19 vaccine. However, stocks were periodically rattled by fears of a second wave of the virus

as cases spiked in some areas. A resurgence in US-China tensions also caused bouts of market volatility.

The US held up best of the major regions. Equities rebounded strongly over the period, propelled higher by substantial economic and fiscal policy measures, and the resulting improvements in jobs and spending data. The US also has a large exposure to the technology sector, which benefited from the lockdown-driven shift to online services. In contrast, Europe ex UK equities lagged, initially pressured as the pandemic was particularly severe in some of the region's largest economies. Despite central-bank asset purchases, gains remained relatively muted owing to disappointing economic data and disagreement among European leaders over the size and scope of a recovery fund. Sentiment was lifted, however, when agreement was finally reached in July. UK stocks fell over the period, hurt by the market's significant weighting to energy and financials, which fared poorly. A rise in the pound was a further headwind; a strong currency is a headwind for the overseas earners which dominate the index. Meanwhile, concern persisted that the UK and the EU might fail to agree on a trade deal before the transition period expires in December 2020.

Japanese stocks initially held up well, as the country managed to contain the virus without imposing the strict quarantine measures seen elsewhere. However, stocks later fell, as cases spiked and the yen strengthened against the dollar – a hindrance for the export-heavy bourse. Towards the end of August, shares were weak as Prime Minister Shinzo Abe announced his resignation, but later rebounded amid optimism that his successor would adhere to his stimulus policies. Elsewhere, emerging markets rebounded over the period, but lagged their developed-market peers. The ongoing weakness in the US dollar and the rebound in commodity prices were supportive factors for the asset class, though the escalation in geopolitical tensions was a headwind.

At the sector level, technology stocks led the gains, amid optimism over the pandemic-driven shift towards online services. Strong earnings from US companies boosted sentiment later in the period. Certain stocks in the communication services and consumer discretionary sectors also benefited from the move towards online services and increased demand for e-commerce. Sectors such as healthcare, utilities and consumer staples were resilient in the sell-off in March, given their limited sensitivity to the economic cycle, but succumbed to profit taking later in the period as risk appetite improved. The energy sector was weak amid ongoing uncertainty around the demand for oil.

New purchases over the period included Schneider Electric, T-Mobile US and Abbott Laboratories.

Schneider Electric is a global leader in energy management and distribution, with a particular focus on improving energy efficiency and sustainability for its clients.

Schneider has significant market share, which we believe will grow as government initiatives around climate change and sustainability, such as the EU Green Deal and Germany's domestic stimulus package, come into play. The company's strong management, robust cash generation and growth prospects further enhance its competitive advantage and market position.

Telecoms firm T-Mobile US is the leading challenger brand in US wireless. The lockdown restrictions caused many of the company's stores to close, but have also accelerated subscriber momentum, as well as the potential for mergers and acquisitions. T-Mobile is well-positioned to benefit and grow over the longer term as it capitalises on global trends, including the increasing demand for cloud computing and the development of 5G.

Medical devices and healthcare company Abbott Laboratories has a broad, diversified portfolio of increasingly differentiated products; we believe this will help the business sustain its industry-leading organic growth. We favour Abbott for its strong balance sheet; the company is well positioned to deliver stable results. Recently, the company won regulatory approval for its COVID-19 test. As well as yielding results quickly, the test is portable and low-cost for users.

We profitably sold our holding in Gilead Sciences, after a solid run of outperformance in the first quarter.

Other sales included LyondellBasell and Estée Lauder. Chemical company LyondellBasell boasts cost advantages and a disciplined approach to capital allocation, as well as healthy diversification. However, we sold our holding, as the outlook for the company was clouded by the weakening demand for ethylene and polyethylene. Estée Lauder rebounded strongly from earlier weakness, amid optimism around accelerating e-commerce activity and a resumption of demand to pre-pandemic levels in China. We subsequently decided to take profits and reallocate this capital elsewhere, owing to rising risks around supply-chain disruption and increased competition from independent brands.

Indiscriminate market movements earlier in the year have increased the relative attractiveness of the competitively advantaged companies in which we invest. While markets have since recovered, uncertainties around the coronavirus pandemic remain. We believe that the ongoing, global responses to the virus have accelerated certain structural trends, and created an environment in which companies with a sustainable edge can thrive. We also feel that the market will increasingly come to recognise these businesses' long-term merits.

We remain firmly of the view that companies with the ability to sustain above-average growth rates should be attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to continue delivering high returns and earnings growth across a range of market conditions.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital gains  | 129,292      | 154,342      |
| Revenue  | 7,443        | 7,403        |
| Expenses   | (3,548)      | (4,075)      |
| Net revenue before taxation  | 3,895        | 3,328        |
| Taxation   | (619)        | (742)        |
| Net revenue after taxation   | 3,276        | 2,586        |
| Total return before equalisation   | 132,568      | 156,928      |
| Equalisation   | 95           | 627          |
| Change in net assets attributable to shareholders from investment activities | 132,663      | 157,555      |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000     | March<br>2020<br>£000 |
|--|------------------|-----------------------|
| <b>Assets:</b>                                 |                  |                       |
| <b>Fixed assets:</b>                           |                  |                       |
| Investments                                    | 1,114,956        | 939,172               |
| <b>Current assets:</b>                         |                  |                       |
| Debtors  | 14,027           | 3,147                 |
| Cash and bank balances                         | 5,107            | 3,812                 |
| Cash equivalents**                             | 7,886            | 43,630                |
| Total assets                                   | 1,141,976        | 989,761               |
| <b>Liabilities:</b>                            |                  |                       |
| <b>Investment liabilities</b>                  | (1)              | (18)                  |
| <b>Creditors:</b>                              |                  |                       |
| Distribution payable                           | –                | (5)                   |
| Other creditors                                | (4,237)          | (2,025)               |
| Total liabilities                              | (4,238)          | (2,048)               |
| <b>Net assets attributable to shareholders</b> | <b>1,137,738</b> | <b>987,713</b>        |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 987,713      | 872,378      |
| Amounts receivable on the issue of shares  | 83,376       | 240,452      |
| Amounts payable on the cancellation of shares  | (66,014)     | (246,671)    |
|  | 17,362       | (6,219)      |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | 132,663      | 157,555      |
| Closing net assets attributable to shareholders  | 1,137,738    | 1,023,714    |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

\*\*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 |            |            |
|---|-----------------------------------|-------------|-------------|-----------------------------------|------------|------------|
|   | 07/09/2020                        | 07/03/2020  | 07/03/2019  | 25/01/2019 <sup>1</sup>           |            |            |
| <b>Change in net assets per share</b>             |                                   |             |             |                                   |            |            |
| Opening net asset value per share (p)             | 255.03                            | 223.00      | 214.97      | 228.14                            |            |            |
| Return before operating charges (p)               | 34.72                             | 36.13       | 11.63       | (12.22)                           |            |            |
| Operating charges (p)                             | (2.17)                            | (4.10)      | (3.60)      | (1.94)                            |            |            |
| Return after operating charges (p)*               | 32.55                             | 32.03       | 8.03        | (14.16)                           |            |            |
| Distributions (p)                                 | –                                 | –           | –           | –                                 |            |            |
| Retained distributions on accumulation shares (p) | –                                 | –           | –           | –                                 |            |            |
| Closing net asset value per share (p)             | 287.58                            | 255.03      | 223.00      | 213.98                            |            |            |
| *after direct transaction costs of (p)            | 0.06                              | 0.13        | 0.16        | 0.19                              |            |            |
| <b>Performance</b>                                |                                   |             |             |                                   |            |            |
| Return after charges (%)                          | 12.76                             | 14.36       | 3.74        | (6.21)                            |            |            |
| <b>Other information</b>                          |                                   |             |             |                                   |            |            |
| Closing net asset value (£000)                    | 299,964                           | 296,819     | 394,056     | –                                 |            |            |
| Closing number of shares                          | 104,306,012                       | 116,385,509 | 176,705,657 | –                                 |            |            |
| Operating charges (%)**                           | 1.63 <sup>†</sup>                 | 1.63        | 1.63        | –                                 |            |            |
| Direct transaction costs (%)***                   | 0.05                              | 0.06        | 0.07        | –                                 |            |            |
| <b>Prices</b>                                     |                                   |             |             |                                   |            |            |
| Highest share price (p)                           | 298.40                            | 283.30      | 238.91      | 238.91                            |            |            |
| Lowest share price (p)                            | 219.11                            | 221.19      | 198.87      | 198.87                            |            |            |
|   | Class 1 USD – Accumulation shares |             |             | Class 2 – Accumulation shares     |            |            |
|   | 25/01/2019 <sup>1</sup>           |             |             | 07/09/2020                        | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |             |             |                                   |            |            |
| Opening net asset value per share (p)             | 228.14                            |             |             | 370.08                            | 321.74     | 308.39     |
| Return before operating charges (p)               | (12.15)                           |             |             | 50.50                             | 52.23      | 16.71      |
| Operating charges (p)                             | (2.01)                            |             |             | (2.06)                            | (3.89)     | (3.36)     |
| Return after operating charges (p)*               | (14.16)                           |             |             | 48.44                             | 48.34      | 13.35      |
| Distributions (p)                                 | –                                 |             |             | –                                 | (0.33)     | (1.18)     |
| Retained distributions on accumulation shares (p) | –                                 |             |             | –                                 | 0.33       | 1.18       |
| Closing net asset value per share (p)             | 213.98                            |             |             | 418.52                            | 370.08     | 321.74     |
| *after direct transaction costs of (p)            | 0.29                              |             |             | 0.09                              | 0.19       | 0.23       |
| <b>Performance</b>                                |                                   |             |             |                                   |            |            |
| Return after charges (%)                          | (6.21)                            |             |             | 13.09                             | 15.02      | 4.33       |
| <b>Other information</b>                          |                                   |             |             |                                   |            |            |
| Closing net asset value (£000)                    | –                                 |             |             | 41,874                            | 38,481     | 32,258     |
| Closing number of shares                          | –                                 |             |             | 10,005,307                        | 10,398,051 | 10,026,116 |
| Operating charges (%)**                           | –                                 |             |             | 1.06 <sup>†</sup>                 | 1.06       | 1.07       |
| Direct transaction costs (%)***                   | –                                 |             |             | 0.05                              | 0.06       | 0.07       |
| <b>Prices</b>                                     |                                   |             |             |                                   |            |            |
| Highest share price (p)                           | 238.91                            |             |             | 434.24                            | 411.00     | 343.60     |
| Lowest share price (p)                            | 198.87                            |             |             | 318.00                            | 319.13     | 286.62     |

## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 EUR – Accumulation shares |             |             | Class 2 USD – Accumulation shares |            |            |
|---|-----------------------------------|-------------|-------------|-----------------------------------|------------|------------|
|   | 25/01/2019 <sup>1</sup>           |             |             | 25/01/2019 <sup>1</sup>           |            |            |
| <b>Change in net assets per share</b>             |                                   |             |             |                                   |            |            |
| Opening net asset value per share (p)             | 327.82                            |             |             | 327.82                            |            |            |
| Return before operating charges (p)               | (17.35)                           |             |             | (17.43)                           |            |            |
| Operating charges (p)                             | (1.92)                            |             |             | (1.84)                            |            |            |
| Return after operating charges (p)*               | (19.27)                           |             |             | (19.27)                           |            |            |
| Distributions (p)                                 | (0.73)                            |             |             | (0.73)                            |            |            |
| Retained distributions on accumulation shares (p) | 0.73                              |             |             | 0.73                              |            |            |
| Closing net asset value per share (p)             | 308.55                            |             |             | 308.55                            |            |            |
| *after direct transaction costs of (p)            | 0.28                              |             |             | 0.21                              |            |            |
| <b>Performance</b>                                |                                   |             |             |                                   |            |            |
| Return after charges (%)                          | (5.88)                            |             |             | (5.88)                            |            |            |
| <b>Other information</b>                          |                                   |             |             |                                   |            |            |
| Closing net asset value (£000)                    | –                                 |             |             | –                                 |            |            |
| Closing number of shares                          | –                                 |             |             | –                                 |            |            |
| Operating charges (%)**                           | –                                 |             |             | –                                 |            |            |
| Direct transaction costs (%)***                   | –                                 |             |             | –                                 |            |            |
| <b>Prices</b>                                     |                                   |             |             |                                   |            |            |
| Highest share price (p)                           | 343.60                            |             |             | 343.60                            |            |            |
| Lowest share price (p)                            | 286.62                            |             |             | 286.62                            |            |            |
|   | Class X – Accumulation shares     |             |             | Class Z – Income shares           |            |            |
|   | 07/09/2020                        | 07/03/2020  | 07/03/2019  | 07/09/2020                        | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                                   |             |             |                                   |            |            |
| Opening net asset value per share (p)             | 197.62                            | 170.11      | 161.42      | 210.03                            | 182.77     | 175.83     |
| Return before operating charges (p)               | 27.06                             | 27.63       | 8.79        | 28.68                             | 29.65      | 9.53       |
| Operating charges (p)                             | (0.06)                            | (0.12)      | (0.10)      | (0.94)                            | (1.78)     | (1.54)     |
| Return after operating charges (p)*               | 27.00                             | 27.51       | 8.69        | 27.74                             | 27.87      | 7.99       |
| Distributions (p)                                 | –                                 | (2.12)      | (2.29)      | –                                 | (0.61)     | (1.05)     |
| Retained distributions on accumulation shares (p) | –                                 | 2.12        | 2.29        | –                                 | –          | –          |
| Closing net asset value per share (p)             | 224.62                            | 197.62      | 170.11      | 237.77                            | 210.03     | 182.77     |
| *after direct transaction costs of (p)            | 0.05                              | 0.10        | 0.12        | 0.05                              | 0.11       | 0.13       |
| <b>Performance</b>                                |                                   |             |             |                                   |            |            |
| Return after charges (%)                          | 13.66                             | 16.17       | 5.38        | 13.21                             | 15.25      | 4.54       |
| <b>Other information</b>                          |                                   |             |             |                                   |            |            |
| Closing net asset value (£000)                    | 566,178                           | 486,283     | 272,362     | 2,026                             | 1,635      | 1,421      |
| Closing number of shares                          | 252,056,887                       | 246,064,523 | 160,111,848 | 851,944                           | 778,688    | 777,506    |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                 | 0.06        | 0.06        | 0.85 <sup>†</sup>                 | 0.85       | 0.85       |
| Direct transaction costs (%)***                   | 0.05                              | 0.06        | 0.07        | 0.05                              | 0.06       | 0.07       |
| <b>Prices</b>                                     |                                   |             |             |                                   |            |            |
| Highest share price (p)                           | 233.03                            | 219.38      | 180.63      | 246.70                            | 233.93     | 196.07     |
| Lowest share price (p)                            | 169.86                            | 168.73      | 151.24      | 180.49                            | 181.29     | 163.68     |

## Threadneedle Global Select Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Accumulation shares |            |            | Class Z USD – Accumulation shares |
|---|-------------------------------|------------|------------|-----------------------------------|
|   | 07/09/2020                    | 07/03/2020 | 07/03/2019 | 25/01/2019 <sup>1</sup>           |
| <b>Change in net assets per share</b>             |                               |            |            |                                   |
| Opening net asset value per share (p)             | 267.83                        | 232.35     | 222.25     | 236.38                            |
| Return before operating charges (p)               | 36.58                         | 37.73      | 12.05      | (12.52)                           |
| Operating charges (p)                             | (1.20)                        | (2.25)     | (1.95)     | (1.09)                            |
| Return after operating charges (p)*               | 35.38                         | 35.48      | 10.10      | (13.61)                           |
| Distributions (p)                                 | –                             | (0.78)     | (1.32)     | (0.94)                            |
| Retained distributions on accumulation shares (p) | –                             | 0.78       | 1.32       | 0.94                              |
| Closing net asset value per share (p)             | 303.21                        | 267.83     | 232.35     | 222.77                            |
| *after direct transaction costs of (p)            | 0.07                          | 0.14       | 0.17       | 0.21                              |
| <b>Performance</b>                                |                               |            |            |                                   |
| Return after charges (%)                          | 13.21                         | 15.27      | 4.54       | (5.76)                            |
| <b>Other information</b>                          |                               |            |            |                                   |
| Closing net asset value (£000)                    | 227,696                       | 164,495    | 172,281    | –                                 |
| Closing number of shares                          | 75,096,195                    | 61,417,341 | 74,146,666 | –                                 |
| Operating charges (%)**                           | 0.85 <sup>1</sup>             | 0.85       | 0.85       | –                                 |
| Direct transaction costs (%)***                   | 0.05                          | 0.06       | 0.07       | –                                 |
| <b>Prices</b>                                     |                               |            |            |                                   |
| Highest share price (p)                           | 314.59                        | 297.39     | 247.84     | 247.84                            |
| Lowest share price (p)                            | 230.16                        | 230.47     | 206.90     | 206.90                            |

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

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

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

<sup>1</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 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020               |
|--------------------------------------|--------------------|
| <b>Class 1 – Accumulation shares</b> |                    |
| Opening shares                       | 116,385,509        |
| Shares issued                        | 9,814,176          |
| Shares redeemed                      | (19,409,887)       |
| Net conversions                      | (2,483,786)        |
| Closing shares                       | <u>104,306,012</u> |
| <b>Class 2 – Accumulation shares</b> |                    |
| Opening shares                       | 10,398,051         |
| Shares issued                        | 547,602            |
| Shares redeemed                      | (940,346)          |
| Net conversions                      | –                  |
| Closing shares                       | <u>10,005,307</u>  |
| <b>Class X – Accumulation shares</b> |                    |
| Opening shares                       | 246,064,523        |
| Shares issued                        | 6,997,896          |
| Shares redeemed                      | (1,005,532)        |
| Net conversions                      | –                  |
| Closing shares                       | <u>252,056,887</u> |
| <b>Class Z – Income shares</b>       |                    |
| Opening shares                       | 778,688            |
| Shares issued                        | 79,418             |
| Shares redeemed                      | (22,378)           |
| Net conversions                      | 16,216             |
| Closing shares                       | <u>851,944</u>     |
| <b>Class Z – Accumulation shares</b> |                    |
| Opening shares                       | 61,417,341         |
| Shares issued                        | 14,302,376         |
| Shares redeemed                      | (2,974,569)        |
| Net conversions                      | 2,351,047          |
| Closing shares                       | <u>75,096,195</u>  |

## Threadneedle Global Bond Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to provide income with the prospect of some capital growth over the long term. It looks to outperform the JP Morgan Government Bond Index Global (GBI Global) over rolling 3-year periods, after the deduction of charges.

The Fund is actively managed, and invests at least two-thirds of its assets in bonds issued or guaranteed by governments, government agencies or quasi-government entities worldwide. In addition, the Fund may invest in other bonds, including bonds issued by companies.

The Fund usually selects bonds that are investment grade, but may include some bonds with a lower credit rating in the portfolio, if this is considered appropriate. The bonds selected may be denominated in various currencies.

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

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

The GBI Global is regarded as a good performance measure of local currency bonds issued by developed market governments. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle Global Bond Fund has fallen from 69.77p to 68.88p.

Looking at the sterling performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is +0.79% as compared to a median return of +0.03% over the same period. (For information the JPM GBI Global Index gave a total return of -0.55% for the same period).

#### Market Overview and Portfolio Activity

The review period was characterised by a very sharp sell-off in risk assets (such as stocks and corporate bonds) in March, followed by a strong and steady recovery over the remaining months.

In March, the COVID-19 outbreak approached pandemic status and governments took drastic measures to contain it. With lockdowns driving down global economic activity, investors fled to assets perceived as safe havens. Core government bond yields (which move inversely to prices) plunged to record lows while yields of riskier bonds rose, in some cases, dramatically.

Central banks and governments responded to the crisis with a flood of stimulus measures, which fuelled a rally in risk assets from late March onwards, as did the

gradual easing of lockdown restrictions in numerous countries. After some shocking data in April, economic news tended to reinforce the positive sentiment, being weak in absolute terms but generally better than expected. Corporate results, too, easily beat greatly reduced forecasts. Against this, however, optimism was tempered by worries that a second wave of the pandemic could derail the recovery, as from the late summer onwards, caseeloads spiked in the US and many countries that had reopened following lockdowns.

On the stimulus front, the Federal Reserve slashed interest rates close to zero in March and pledged unlimited bond purchases, which include corporate credit, a step not even taken in the subprime crisis. Of the other major central banks, the Bank of England cut rates and restarted its own asset-purchase programme, while the European Central Bank (ECB) increased its bond-buying, which already included corporate credit. In August, Chairman Powell garnered much attention at the virtual Jackson Hole symposium, where he unveiled a major shift in policy. The Fed will now target an average inflation rate, allowing it to rise above 2% to make up for time spent below that level, and will no longer view the approach of full employment as a cue to hike interest rates. Treasury yields rose in response, particularly at the long end, as investors anticipated higher future inflation.

Meanwhile, governments around the world unleashed unprecedented economic support measures. The US Congress, for example, approved almost \$3trn in fiscal packages, including loans to businesses and direct handouts to individuals. In Germany, the 'debt brake' that limits state borrowing was suspended, and the government increased spending too. After some fraught negotiations, EU countries agreed a joint €750bn package.

Over the period as a whole, yields of UK government bonds (gilts) were little changed overall. Having fallen precipitously in March, US Treasury yields drifted higher thereafter but traded in a relatively narrow range, and the benchmark 10-year rate edged down by a few basis points to finish around 0.7%, having been as low as 0.3% in early March. Meanwhile yields on German government bonds (bunds) fell significantly over the six months under review.

In the eurozone, yields on sovereign bonds of the so-called periphery rose sharply in March as some of the region's largest economies – Italy, Spain and France – experienced particularly severe virus outbreaks, which heightened concerns about the bloc's already fragile growth. Spreads of these bonds over bonds (which reflect risk premiums) widened, especially as global investors shunned risk assets. Peripheral eurozone sovereign spreads subsequently retraced a large portion of their earlier spikes, as the ECB expanded its asset purchases and scrapped issuer limits when it came to purchasing sovereign debt. Yields continued to trend lower amid the recovery in global risk appetite and as economic indicators in the eurozone started to pick up. Periphery bonds were particular beneficiaries of the ECB's decision to further increase its asset-purchase programme, and, importantly, the approval of the jointly financed

€750bn relief fund by EU member states. Overall, spreads of peripheral sovereign bonds over German bunds narrowed over the review period, except in Spain, where yields rose given the uptick in coronavirus cases in August.

Within government bonds, we increased exposure to Italy and Spain following the spread-widening in March. We initiated a small position in Austria via the newly issued century bond. We topped up holdings in UK gilts, as well as in Japanese and Australian sovereigns. We realised some gains in French government bonds, as spreads over bunds normalised following the spike in March, as well as in US Treasuries, which have outperformed this year.

In agency debt/quasi sovereigns, new additions included FADE and L-Bank. FADE is a securitisation platform sponsored by the Spanish government while L-Bank is owned by the German state of Baden-Württemberg. We also initiated positions in Italian sovereign-wealth fund CDP (Cassa Depositi e Prestiti), the Inter-American Development Bank and Fannie Mae (the Federal National Mortgage Association). We increased holdings in French state-owned railway operator SNCF, Province of Ontario (Canada), and the International Bank for Reconstruction and Development.

The speed and severity of the collapse in economic activity across advanced economies is likely to deliver high volatility in sequential data over coming months. We expect the return to pre-crisis rates of growth to be extremely slow due to persistent softness in demand as well as the risk that temporary job losses become more permanent. Support from governments and central banks has been substantial, though we retain concern over the longevity of the fiscal effort and the ability of monetary policy to fully offset the demand shock given that interest rates are so close to the effective lower bound.

The change to the Fed's framework is being talked about as a seismic shift, but we disagree. For an extended period, the Federal Open Market Committee has been discussing whether it should allow the economy to 'run hot' to fuel inflation. The real issue is whether the Fed and other central banks can set policy to generate their desired inflation levels. We would argue the evidence suggests that the structural impediments to growth (which have been exacerbated by the recent crisis), along with the colossal overhang of debt, make it ever harder to generate sustained pricing pressures and lift inflation expectations. Therefore, we continue to be overweight duration.

Like the Fed, the ECB is in the process of shifting from "emergency measures", designed to keep markets liquid and credit channels open, towards an assessment of the appropriateness of its monetary strategy. The credibility of the ECB's inflation target is perhaps the weakest of any major central bank, and policy settings are still too tight to achieve it – especially in the context of a stronger euro. We expect a renewed monetary effort, either through increased asset purchases or further moves into negative rate territory. That said, growing fiscal stimulus could potentially limit the decline in core yields in the region.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020           | 2019          |
|---|----------------|---------------|
|   | £000           | £000          |
| Income  |                |               |
| Net capital (losses)/gains  | (3,319)        | 64,892        |
| Revenue   | 3,448          | 5,226         |
| Expenses  | (815)          | (1,820)       |
| Interest payable and similar charges  | (7)            | (12)          |
| Net revenue before taxation   | 2,626          | 3,394         |
| Taxation  | (2)            | –             |
| Net revenue after taxation  | 2,624          | 3,394         |
| <b>Total return before distributions</b>  | <b>(695)</b>   | <b>68,286</b> |
| Distributions   | (3,267)        | (5,008)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(3,962)</b> | <b>63,278</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020            | 2019            |
|--|-----------------|-----------------|
|  | £000            | £000            |
| <b>Assets:</b>                                 |                 |                 |
| <b>Fixed assets:</b>                           |                 |                 |
| Investments                                    | 528,491         | 459,842         |
| <b>Current assets:</b>                         |                 |                 |
| Debtors  | 14,936          | 37,932          |
| Cash and bank balances                         | 5,523           | 12,040          |
| Cash equivalents**                             | 11,904          | 12,134          |
| <b>Total assets</b>                            | <b>560,854</b>  | <b>521,948</b>  |
| <b>Liabilities:</b>                            |                 |                 |
| <b>Investment liabilities</b>                  | (239)           | (1,443)         |
| <b>Creditors:</b>                              |                 |                 |
| Bank overdrafts                                | (524)           | (1,654)         |
| Distribution payable                           | (275)           | (133)           |
| Other creditors                                | (10,316)        | (50,255)        |
| <b>Total liabilities</b>                       | <b>(11,354)</b> | <b>(53,485)</b> |
| <b>Net assets attributable to shareholders</b> | <b>549,500</b>  | <b>468,463</b>  |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | £000           | £000           |
| <b>Opening net assets attributable to shareholders</b>   | <b>468,463</b> | <b>378,444</b> |
| Amounts receivable on the issue of shares  | 217,969        | 379,198        |
| Amounts payable on the cancellation of shares  | (136,324)      | (299,679)      |
|  | 81,645         | 79,519         |
| Dilution adjustment  | 115            | 19             |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (3,962)        | 63,278         |
| Retained distribution on accumulation shares   | 3,239          | 5,027          |
| <b>Closing net assets attributable to shareholders</b>   | <b>549,500</b> | <b>526,287</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Interest distribution in pence per share

#### Class 1 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4187        | –            | 0.4187                         | 0.7206                 |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.1846        | 0.2341       | 0.4187                         | 0.7206                 |
| <b>Total distributions in the period</b> |               |              | <b>0.4187</b>                  | <b>0.7206</b>          |

#### Class 1 – Accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.4197        | –            | 0.4197                   | 0.7066                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.1977        | 0.2220       | 0.4197                   | 0.7066                   |
| <b>Total distributions in the period</b> |               |              | <b>0.4197</b>            | <b>0.7066</b>            |

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

## Threadneedle Global Bond Fund

### DISTRIBUTION TABLE

(continued)

#### Class 1 – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.5747        | –            | 0.5747                         | 0.9853                 |
| Group 2<br>08/03/20 to 07/09/20          | 0.3350        | 0.2397       | 0.5747                         | 0.9853                 |
| <b>Total distributions in the period</b> |               |              | <b>0.5747</b>                  | <b>0.9853</b>          |

#### Class 1 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.8814        | –            | 0.8814                         | 1.4902                         |
| Group 2<br>08/03/20 to 07/09/20          | 0.4675        | 0.4139       | 0.8814                         | 1.4902                         |
| <b>Total distributions in the period</b> |               |              | <b>0.8814</b>                  | <b>1.4902</b>                  |

#### Class 2 – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.5008        | –            | 0.5008                         | 0.8345                 |
| Group 2<br>08/03/20 to 07/09/20          | 0.1197        | 0.3811       | 0.5008                         | 0.8345                 |
| <b>Total distributions in the period</b> |               |              | <b>0.5008</b>                  | <b>0.8345</b>          |

#### Class 2 – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.7769        | –            | 0.7769                         | 1.2697                         |
| Group 2<br>08/03/20 to 07/09/20          | 0.3379        | 0.4390       | 0.7769                         | 1.2697                         |
| <b>Total distributions in the period</b> |               |              | <b>0.7769</b>                  | <b>1.2697</b>                  |

#### Class X – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.8271        | –            | 0.8271                         | 1.3417                         |
| Group 2<br>08/03/20 to 07/09/20          | 0.4284        | 0.3987       | 0.8271                         | 1.3417                         |
| <b>Total distributions in the period</b> |               |              | <b>0.8271</b>                  | <b>1.3417</b>                  |

#### Class Z – Income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.7298        | –            | 0.7298                         | 1.2423                 |
| Group 2<br>08/03/20 to 07/09/20          | 0.3617        | 0.3681       | 0.7298                         | 1.2423                 |
| <b>Total distributions in the period</b> |               |              | <b>0.7298</b>                  | <b>1.2423</b>          |

#### Class Z – Gross income shares

| Distribution Period                      | Gross Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------------|--------------|--------------------------------|------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.7423        | –            | 0.7423                         | 1.2421                 |
| Group 2<br>08/03/20 to 07/09/20          | 0.5162        | 0.2261       | 0.7423                         | 1.2421                 |
| <b>Total distributions in the period</b> |               |              | <b>0.7423</b>                  | <b>1.2421</b>          |

#### Class Z – Gross accumulation shares

| Distribution Period                      | Gross Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------------|--------------|--------------------------------|--------------------------------|
| Group 1<br>08/03/20 to 07/09/20          | 0.8794        | –            | 0.8794                         | 1.4730                         |
| Group 2<br>08/03/20 to 07/09/20          | 0.2770        | 0.6024       | 0.8794                         | 1.4730                         |
| <b>Total distributions in the period</b> |               |              | <b>0.8794</b>                  | <b>1.4730</b>                  |

Group 2: shares purchased during a distribution period.

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

|   | Class 1 – Income shares                    |            |             | Class 1 – Accumulation shares                    |            |            |
|---|--|------------|-------------|--|------------|------------|
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019  | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |             |  |            |            |
| Opening net asset value per share (p)             | 69.14                                      | 61.35      | 61.41       | 69.11  | 60.16      | 58.96      |
| Return before operating charges (p)               | 0.19                                       | 10.02      | 2.12        | 0.18   | 9.85       | 2.03       |
| Operating charges (p)                             | (0.48)                                     | (0.92)     | (0.86)      | (0.48)   | (0.90)     | (0.83)     |
| Return after operating charges (p)*               | (0.29)                                     | 9.10       | 1.26        | (0.30)   | 8.95       | 1.20       |
| Distributions (p)                                 | (0.42)                                     | (1.31)     | (1.32)      | (0.42)   | (1.29)     | (1.27)     |
| Retained distributions on accumulation shares (p) | –  | –          | –           | 0.42   | 1.29       | 1.27       |
| Closing net asset value per share (p)             | 68.43                                      | 69.14      | 61.35       | 68.81  | 69.11      | 60.16      |
| *after direct transaction costs of (p)            | –  | –          | –           | –  | –          | –          |
| <b>Performance</b>                                |  |            |             |  |            |            |
| Return after charges (%)                          | (0.42)                                     | 14.83      | 2.05        | (0.43)   | 14.88      | 2.04       |
| <b>Other information</b>                          |  |            |             |  |            |            |
| Closing net asset value (£000)                    | 2,593                                      | 2,377      | 2,084       | 3,360  | 2,386      | 1,609      |
| Closing number of shares                          | 3,788,657                                  | 3,437,869  | 3,396,893   | 4,883,217  | 3,453,192  | 2,674,651  |
| Operating charges (%)**                           | 1.37 <sup>†</sup>                          | 1.38       | 1.38        | 1.37 <sup>†</sup>                                | 1.38       | 1.38       |
| Direct transaction costs (%)***                   | –  | –          | –           | –  | –          | –          |
| <b>Prices</b>                                     |  |            |             |  |            |            |
| Highest share price (p)                           | 73.25                                      | 73.31      | 64.91       | 73.19  | 71.88      | 62.95      |
| Lowest share price (p)                            | 67.40                                      | 61.10      | 59.65       | 67.34  | 59.92      | 57.27      |
|   | Class 1 – Gross income shares <sup>§</sup> |            |             | Class 1 – Gross accumulation shares <sup>§</sup> |            |            |
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019  | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |             |  |            |            |
| Opening net asset value per share (p)             | 94.44                                      | 83.79      | 83.88       | 145.67   | 126.86     | 124.33     |
| Return before operating charges (p)               | 0.26                                       | 13.66      | 2.88        | 0.41   | 20.71      | 4.27       |
| Operating charges (p)                             | (0.66)                                     | (1.22)     | (1.17)      | (1.02)   | (1.90)     | (1.74)     |
| Return after operating charges (p)*               | (0.40)                                     | 12.44      | 1.71        | (0.61)   | 18.81      | 2.53       |
| Distributions (p)                                 | (0.57)                                     | (1.79)     | (1.80)      | (0.88)   | (2.72)     | (2.69)     |
| Retained distributions on accumulation shares (p) | –  | –          | –           | 0.88   | 2.72       | 2.69       |
| Closing net asset value per share (p)             | 93.47                                      | 94.44      | 83.79       | 145.06   | 145.67     | 126.86     |
| *after direct transaction costs of (p)            | –  | –          | –           | –  | –          | –          |
| <b>Performance</b>                                |  |            |             |  |            |            |
| Return after charges (%)                          | (0.42)                                     | 14.85      | 2.04        | (0.42)   | 14.83      | 2.03       |
| <b>Other information</b>                          |  |            |             |  |            |            |
| Closing net asset value (£000)                    | 30   | 30         | 247,003     | 31,767   | 30,664     | 32,591     |
| Closing number of shares                          | 32,178                                     | 32,165     | 294,771,253 | 21,899,004                                       | 21,049,695 | 25,689,992 |
| Operating charges (%)**                           | 1.37 <sup>†</sup>                          | 1.40       | 1.38        | 1.37 <sup>†</sup>                                | 1.38       | 1.38       |
| Direct transaction costs (%)***                   | –  | –          | –           | –  | –          | –          |
| <b>Prices</b>                                     |  |            |             |  |            |            |
| Highest share price (p)                           | 100.06                                     | 100.13     | 88.66       | 154.34   | 151.59     | 132.75     |
| Lowest share price (p)                            | 92.06                                      | 83.46      | 81.48       | 142.01   | 126.36     | 120.76     |

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class 2 – Income shares                          |             |            | Class 2 – Gross accumulation shares <sup>5</sup> |            |            |
|---|--|-------------|------------|--|------------|------------|
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |            |  |            |            |
| Opening net asset value per share (p)             | 77.67  | 68.57       | 68.30      | 120.49   | 104.33     | 101.66     |
| Return before operating charges (p)               | 0.21   | 11.23       | 2.35       | 0.34   | 17.08      | 3.51       |
| Operating charges (p)                             | (0.32)   | (0.60)      | (0.56)     | (0.50)   | (0.92)     | (0.84)     |
| Return after operating charges (p)*               | (0.11)   | 10.63       | 1.79       | (0.16)   | 16.16      | 2.67       |
| Distributions (p)                                 | (0.50)   | (1.53)      | (1.52)     | (0.78)   | (2.33)     | (2.28)     |
| Retained distributions on accumulation shares (p) | –  | –           | –          | 0.78   | 2.33       | 2.28       |
| Closing net asset value per share (p)             | 77.06  | 77.67       | 68.57      | 120.33   | 120.49     | 104.33     |
| *after direct transaction costs of (p)            | –  | –           | –          | –  | –          | –          |
| <b>Performance</b>                                |  |             |            |  |            |            |
| Return after charges (%)                          | (0.14)   | 15.50       | 2.62       | (0.13)   | 15.49      | 2.63       |
| <b>Other information</b>                          |  |             |            |  |            |            |
| Closing net asset value (£000)                    | 280  | 264         | 20,610     | 66,236   | 99,497     | 44,395     |
| Closing number of shares                          | 363,433  | 340,401     | 30,057,613 | 55,044,110                                       | 82,574,940 | 42,550,857 |
| Operating charges (%)**                           | 0.81 <sup>†</sup>                                | 0.81        | 0.81       | 0.81 <sup>†</sup>                                | 0.80       | 0.81       |
| Direct transaction costs (%)***                   | –  | –           | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |             |            |  |            |            |
| Highest share price (p)                           | 82.31  | 82.16       | 72.50      | 127.69   | 125.02     | 109.07     |
| Lowest share price (p)                            | 75.93  | 68.30       | 66.38      | 117.79   | 103.93     | 98.81      |
|   | Class X – Gross accumulation shares <sup>5</sup> |             |            | Class Z – Income shares                          |            |            |
|   | 07/09/2020                                       | 07/03/2020  | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |             |            |  |            |            |
| Opening net asset value per share (p)             | 128.03   | 110.04      | 106.42     | 119.88   | 105.57     | 104.89     |
| Return before operating charges (p)               | 0.37   | 18.06       | 3.69       | 0.33   | 17.30      | 3.61       |
| Operating charges (p)                             | (0.04)   | (0.07)      | (0.07)     | (0.39)   | (0.72)     | (0.67)     |
| Return after operating charges (p)*               | 0.33   | 17.99       | 3.62       | (0.06)   | 16.58      | 2.94       |
| Distributions (p)                                 | (0.83)   | (2.47)      | (2.40)     | (0.73)   | (2.27)     | (2.26)     |
| Retained distributions on accumulation shares (p) | 0.83   | 2.47        | 2.40       | –  | –          | –          |
| Closing net asset value per share (p)             | 128.36   | 128.03      | 110.04     | 119.09   | 119.88     | 105.57     |
| *after direct transaction costs of (p)            | –  | –           | –          | –  | –          | –          |
| <b>Performance</b>                                |  |             |            |  |            |            |
| Return after charges (%)                          | 0.26   | 16.35       | 3.40       | (0.05)   | 15.71      | 2.80       |
| <b>Other information</b>                          |  |             |            |  |            |            |
| Closing net asset value (£000)                    | 401,127  | 319,493     | 18,494     | 40,455   | 12,502     | 11,282     |
| Closing number of shares                          | 312,506,662                                      | 249,536,544 | 16,806,511 | 33,969,297                                       | 10,428,908 | 10,686,980 |
| Operating charges (%)**                           | 0.06 <sup>†</sup>                                | 0.06        | 0.06       | 0.63 <sup>†</sup>                                | 0.63       | 0.63       |
| Direct transaction costs (%)***                   | –  | –           | –          | –  | –          | –          |
| <b>Prices</b>                                     |  |             |            |  |            |            |
| Highest share price (p)                           | 135.74   | 132.35      | 114.89     | 127.05   | 126.61     | 111.55     |
| Lowest share price (p)                            | 125.63   | 109.63      | 103.53     | 117.29   | 105.16     | 101.96     |

## Threadneedle Global Bond Fund

### Comparative Table Disclosure

(continued)

|   | Class Z – Gross income shares <sup>§</sup> |            |            | Class Z – Gross accumulation shares <sup>§</sup> |            |            |
|---|--|------------|------------|--|------------|------------|
|   | 07/09/2020                                 | 07/03/2020 | 07/03/2019 | 07/09/2020                                       | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |  |            |            |  |            |            |
| Opening net asset value per share (p)             | 119.87                                     | 105.55     | 104.87     | 144.90   | 125.24     | 121.82     |
| Return before operating charges (p)               | 0.33                                       | 17.30      | 3.61       | 0.39   | 20.52      | 4.20       |
| Operating charges (p)                             | (0.39)                                     | (0.72)     | (0.67)     | (0.47)   | (0.86)     | (0.78)     |
| Return after operating charges (p)*               | (0.06)                                     | 16.58      | 2.94       | (0.08)   | 19.66      | 3.42       |
| Distributions (p)                                 | (0.74)                                     | (2.26)     | (2.26)     | (0.88)   | (2.70)     | (2.64)     |
| Retained distributions on accumulation shares (p) | –  | –          | –          | 0.88   | 2.70       | 2.64       |
| Closing net asset value per share (p)             | 119.07                                     | 119.87     | 105.55     | 144.82   | 144.90     | 125.24     |
| *after direct transaction costs of (p)            | –  | –          | –          | –  | –          | –          |
| <b>Performance</b>                                |  |            |            |  |            |            |
| Return after charges (%)                          | (0.05)                                     | 15.71      | 2.80       | (0.06)   | 15.70      | 2.81       |
| <b>Other information</b>                          |  |            |            |  |            |            |
| Closing net asset value (£000)                    | 1,520                                      | 366        | 263        | 2,132  | 884        | 113        |
| Closing number of shares                          | 1,276,200                                  | 305,729    | 249,599    | 1,471,869  | 609,932    | 89,859     |
| 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)                           | 127.04                                     | 126.59     | 111.53     | 153.55   | 150.19     | 130.88     |
| Lowest share price (p)                            | 117.28                                     | 105.15     | 101.95     | 141.76   | 124.76     | 118.42     |

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

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

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

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

# Threadneedle Global Bond Fund

## Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020               | 2020                                       |                   |
|--|--------------------|--|-------------------|
| <b>Class 1 – Income shares</b>             |                    | <b>Class Z – Income shares</b>             |                   |
| Opening shares                             | 3,437,869          | Opening shares                             | 10,428,908        |
| Shares issued                              | 1,276,956          | Shares issued                              | 26,562,848        |
| Shares redeemed                            | (899,797)          | Shares redeemed                            | (3,022,459)       |
| Net conversions                            | (26,371)           | Net conversions                            | –                 |
| Closing shares                             | <u>3,788,657</u>   | Closing shares                             | <u>33,969,297</u> |
| <b>Class 1 – Accumulation shares</b>       |                    | <b>Class Z – Gross income shares</b>       |                   |
| Opening shares                             | 3,453,192          | Opening shares                             | 305,729           |
| Shares issued                              | 2,696,168          | Shares issued                              | 2,080,286         |
| Shares redeemed                            | (1,245,643)        | Shares redeemed                            | (1,125,019)       |
| Net conversions                            | (20,500)           | Net conversions                            | 15,204            |
| Closing shares                             | <u>4,883,217</u>   | Closing shares                             | <u>1,276,200</u>  |
| <b>Class 1 – Gross income shares</b>       |                    | <b>Class Z – Gross accumulation shares</b> |                   |
| Opening shares                             | 32,165             | Opening shares                             | 609,932           |
| Shares issued                              | 13                 | Shares issued                              | 858,193           |
| Shares redeemed                            | –                  | Shares redeemed                            | (6,026)           |
| Net conversions                            | –                  | Net conversions                            | 9,770             |
| Closing shares                             | <u>32,178</u>      | Closing shares                             | <u>1,471,869</u>  |
| <b>Class 1 – Gross accumulation shares</b> |                    |  |                   |
| Opening shares                             | 21,049,695         |  |                   |
| Shares issued                              | 3,276,409          |  |                   |
| Shares redeemed                            | (2,427,100)        |  |                   |
| Net conversions                            | –                  |  |                   |
| Closing shares                             | <u>21,899,004</u>  |  |                   |
| <b>Class 2 – Income shares</b>             |                    |  |                   |
| Opening shares                             | 340,401            |  |                   |
| Shares issued                              | 23,032             |  |                   |
| Shares redeemed                            | –                  |  |                   |
| Net conversions                            | –                  |  |                   |
| Closing shares                             | <u>363,433</u>     |  |                   |
| <b>Class 2 – Gross accumulation shares</b> |                    |  |                   |
| Opening shares                             | 82,574,940         |  |                   |
| Shares issued                              | 55,850,635         |  |                   |
| Shares redeemed                            | (83,381,465)       |  |                   |
| Net conversions                            | –                  |  |                   |
| Closing shares                             | <u>55,044,110</u>  |  |                   |
| <b>Class X – Gross accumulation shares</b> |                    |  |                   |
| Opening shares                             | 249,536,544        |  |                   |
| Shares issued                              | 81,432,445         |  |                   |
| Shares redeemed                            | (18,462,327)       |  |                   |
| Net conversions                            | –                  |  |                   |
| Closing shares                             | <u>312,506,662</u> |  |                   |

## Threadneedle UK Institutional Fund

### Investment Report

#### Investment Objective and Policy

The Fund aims to achieve capital growth over the long term. It looks to outperform the FTSE All-Share Index over rolling 3-year periods, after the deduction of charges. The Fund is actively managed, and invests at least 90% of its assets in shares of companies listed on the London Stock Exchange, predominantly companies domiciled in the UK, or which have significant UK business operations. The Fund selects companies that are considered to have good prospects for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

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

The Fund typically invests in fewer than 130 companies, which may include shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate. The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

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

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Institutional Fund has fallen from 150.25p to 135.66p. Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -10.62% as compared to a median return of -7.06% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets thereafter rebounded, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant

weighting to energy and financial stocks, which fared poorly, and its limited exposure to technology names, which performed well. The pound's rebound since the lows of March was also a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December.

Despite these Brexit jitters, UK small caps strongly outperformed the FTSE All-Share, benefiting from the resurgence in risk appetite. The pound's rise was a further tailwind; a weak currency is perceived to be cost-unfriendly for small-caps. The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings, and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery.

In terms of activity, within large caps, we initiated a position in BHP following the steep sell-off in March, as we wanted to increase exposure to potential beneficiaries of fiscal and monetary stimulus measures. Hiscox was another new holding. In our view, the business is a high-quality underwriter, and, despite recent challenges, we are confident that medium-term profit ambitions will be achieved. We topped up our position in BAE Systems. The defence manufacturer's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

We also took advantage of the aforementioned refinancing to add to some favoured holdings, such as Whitbread. In addition to limiting the increase in debt, Whitbread's rights issue should help the company to boost its presence in the UK and German markets. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors.

Within small caps, new additions included food-packaging business Hilton Food Group, pharmaceutical company Oxford Biomedica, Liontrust Asset Management and price-comparison website operator GoCo.

In our view, Hilton Food Group is a quality defensive name. Additionally, the company has significant opportunities that are not recognised in the share price. We initiated positions in Oxford Biomedica and Liontrust via their placings. The funds raised by Oxford Biomedica should help it raise its new lab investment.

The firm specialises in gene-based medicines, has expanded its manufacturing facilities and possesses the capacity to grow rapidly in the next few years. The manufacturing process is scalable, and costs are rapidly declining. The firm should also benefit from the increasing adoption of gene therapies – one of its competitive edges.

Liontrust Asset Management raised funds to finance its acquisition of Architas' UK investment business. The takeover will expand Liontrust's product offering into multi-manager funds. Liontrust has a strong track record of integrating acquisitions and an enviable history of inflows.

GoCo is on the cusp of growing its new AutoSave product and solving the inherent problem that such websites face – increasing the lifetime value of a customer. We feel that the market valuation does not adequately reflect the potential gains from this product, as it mainly reflects the core car insurance product and adverts. Sales included Coats, on concerns that its market position and debt were not yet priced into the market.

Equity markets have rebounded strongly since the lows of March, though there are still risks, especially due to the possibility of a second wave of the pandemic occurring before a scalable vaccine is developed. Consensus forecasts are for a slow and gradual recovery.

The rally has been narrowly led, mainly by technology stocks, which has resulted in the market becoming polarised. We feel that a rotation from growth to value stocks is long overdue, and that there are several attractive opportunities in areas of the market that have underperformed this year.

In the UK, we have seen a wave of refinancing as firms have sought to remove financial risks. Some recent fund-raising have also been driven by companies keen to take advantage of potential growth opportunities. Meanwhile, prospects for selected domestic cyclical appear interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum. Turning to UK small caps, we feel there are opportunities for high-quality stocks as these economic shock moments provide strong businesses with the ability to become even stronger, increase market share and benefit from structural trends which tend to accelerate in these times. We also see attractive prospects for businesses that are perceived to have too much debt at a headline level, but have strong liquidity and the ability to mitigate costs. Finally, we feel that stocks of certain leveraged companies with no liquidity issues seem to be excessively penalised, given that many of these firms have high returns and robust market positions, and should recover strongly.

Overall, our focus remains on company fundamentals to deliver solid, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|   | 2020<br>£000     | 2019<br>£000  |
|---|------------------|---------------|
| Income  |                  |               |
| Net capital (losses)/gains  | (110,209)        | 17,061        |
| Revenue   | 14,310           | 27,766        |
| Expenses  | (3,834)          | (5,030)       |
| Net revenue before taxation   | 10,476           | 22,736        |
| Taxation  | –                | –             |
| Net revenue after taxation  | 10,476           | 22,736        |
| <b>Total return before distributions</b>  | <b>(99,733)</b>  | <b>39,797</b> |
| Distributions   | (10,476)         | (22,736)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> | <b>(110,209)</b> | <b>17,061</b> |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000   | March<br>2020<br>£000 |
|--|----------------|-----------------------|
| <b>Assets:</b>                                 |                |                       |
| <b>Fixed assets:</b>                           |                |                       |
| Investments                                    | 929,467        | 1,080,563             |
| <b>Current assets:</b>                         |                |                       |
| Debtors  | 6,948          | 12,908                |
| Cash and bank balances                         | 137            | 1                     |
| Cash equivalents**                             | 2              | 15,526                |
| <b>Total assets</b>                            | <b>936,554</b> | <b>1,108,998</b>      |
| <b>Liabilities:</b>                            |                |                       |
| <b>Creditors:</b>                              |                |                       |
| Bank overdrafts                                | –              | (4,967)               |
| Distribution payable                           | –              | –                     |
| Other creditors                                | (4,166)        | (2,669)               |
| <b>Total liabilities</b>                       | <b>(4,166)</b> | <b>(7,636)</b>        |
| <b>Net assets attributable to shareholders</b> | <b>932,388</b> | <b>1,101,362</b>      |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000     | 2019<br>£000     |
|--|------------------|------------------|
| <b>Opening net assets attributable to shareholders</b>   | <b>1,101,362</b> | <b>1,169,405</b> |
| Amounts receivable on the issue of shares  | 89,884           | 97,146           |
| Amounts payable on the cancellation of shares  | (159,041)        | (50,473)         |
|  | (69,157)         | 46,673           |
| Dilution adjustment  | 225              | –                |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (110,209)        | 17,061           |
| Retained distribution on accumulation shares   | 10,167           | 22,970           |
| <b>Closing net assets attributable to shareholders</b>   | <b>932,388</b>   | <b>1,256,109</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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 1 - Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 0.9038  | –            | 0.9038                   | 2.3582                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 0.6392  | 0.2646       | 0.9038                   | 2.3582                   |
| <b>Total distributions in the period</b> |         |              | <b>0.9038</b>            | <b>2.3582</b>            |

#### Class 2 - Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b><br>08/03/20 to 07/09/20   | 1.7048  | –            | 1.7048                   | 3.4425                   |
| <b>Group 2</b><br>08/03/20 to 07/09/20   | 1.0878  | 0.6170       | 1.7048                   | 3.4425                   |
| <b>Total distributions in the period</b> |         |              | <b>1.7048</b>            | <b>3.4425</b>            |

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

## Threadneedle UK Institutional Fund

### DISTRIBUTION TABLE

(continued)

#### Class X - Gross accumulation shares

| Distribution Period                      | Revenue | Equalisation | Gross Revenue Accumulated 2020 | Gross Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------------|--------------------------------|
| <b>Group 1</b>                           |         |              |                                |                                |
| 08/03/20 to 07/09/20                     | 1.2609  | –            | 1.2609                         | 1.4553                         |
| <b>Group 2</b>                           |         |              |                                |                                |
| 08/03/20 to 07/09/20                     | 1.2609  | –            | 1.2609                         | 1.4553                         |
| <b>Total distributions in the period</b> |         |              | <b>1.2609</b>                  | <b>1.4553</b>                  |

Group 2: shares purchased during a distribution period.

## Threadneedle UK Institutional Fund

### Comparative Table Disclosure

|  | Class 1 – Accumulation shares |                         |            | Class 2 – Accumulation shares |             |             |
|--|-------------------------------|-------------------------|------------|-------------------------------|-------------|-------------|
|  | 07/09/2020                    | 07/03/2020              | 07/03/2019 | 07/09/2020                    | 07/03/2020  | 07/03/2019  |
| <b>Change in net assets per share</b>                  |                               |                         |            |                               |             |             |
| Opening net asset value per share (p)                  | 149.80                        | 159.50                  | 157.79     | 171.28                        | 180.88      | 177.49      |
| Return before operating charges (p)                    | (13.19)                       | (7.01)                  | 4.38       | (15.06)                       | (8.08)      | 4.88        |
| Operating charges (p)                                  | (1.10)                        | (2.69)                  | (2.67)     | (0.62)                        | (1.52)      | (1.49)      |
| Return after operating charges (p)*                    | (14.29)                       | (9.70)                  | 1.71       | (15.68)                       | (9.60)      | 3.39        |
| Distributions (p)                                      | (0.90)                        | (3.38)                  | (3.51)     | (1.70)                        | (5.39)      | (5.48)      |
| Retained distributions on accumulation shares (p)      | 0.90                          | 3.38                    | 3.51       | 1.70                          | 5.39        | 5.48        |
| Closing net asset value per share (p)                  | 135.51                        | 149.80                  | 159.50     | 155.60                        | 171.28      | 180.88      |
| * after direct transaction costs of (p)                | 0.07                          | 0.16                    | –          | 0.08                          | 0.18        | –           |
| <b>Performance</b>                                     |                               |                         |            |                               |             |             |
| Return after charges (%)                               | (9.54)                        | (6.08)                  | 1.08       | (9.15)                        | (5.31)      | 1.91        |
| <b>Other information</b>                               |                               |                         |            |                               |             |             |
| Closing net asset value (£000)                         | 11,761                        | 18,431                  | 40,772     | 920,165                       | 1,073,709   | 1,128,633   |
| Closing number of shares                               | 8,679,010                     | 12,303,689              | 25,561,786 | 591,358,832                   | 626,860,113 | 623,973,751 |
| Operating charges (%)**                                | 1.63 <sup>†</sup>             | 1.64                    | 1.63       | 0.81 <sup>†</sup>             | 0.81        | 0.81        |
| Direct transaction costs (%)***                        | 0.10                          | 0.09                    | 0.13       | 0.10                          | 0.09        | 0.13        |
| <b>Prices</b>  |                               |                         |            |                               |             |             |
| Highest share price (p)                                | 145.43                        | 177.28                  | 173.78     | 166.64                        | 202.38      | 196.16      |
| Lowest share price (p)                                 | 110.54                        | 150.25                  | 145.20     | 126.42                        | 171.79      | 164.40      |
| <b>Class X – Gross accumulation shares<sup>5</sup></b> |                               |                         |            |                               |             |             |
|  | 07/09/2020                    | 07/03/2020 <sup>†</sup> |            |                               |             |             |
| <b>Change in net assets per share</b>                  |                               |                         |            |                               |             |             |
| Opening net asset value per share (p)                  | 94.43                         | 100.00                  |            |                               |             |             |
| Return before operating charges (p)                    | (8.30)                        | (5.52)                  |            |                               |             |             |
| Operating charges (p)                                  | (0.02)                        | (0.05)                  |            |                               |             |             |
| Return after operating charges (p)*                    | (8.32)                        | (5.57)                  |            |                               |             |             |
| Distributions (p)                                      | (1.26)                        | (2.92)                  |            |                               |             |             |
| Retained distributions on accumulation shares (p)      | 1.26                          | 2.92                    |            |                               |             |             |
| Closing net asset value per share (p)                  | 86.11                         | 94.43                   |            |                               |             |             |
| * after direct transaction costs of (p)                | 0.04                          | 0.10                    |            |                               |             |             |
| <b>Performance</b>                                     |                               |                         |            |                               |             |             |
| Return after charges (%)                               | (8.81)                        | (5.57)                  |            |                               |             |             |
| <b>Other information</b>                               |                               |                         |            |                               |             |             |
| Closing net asset value (£000)                         | 462                           | 9,222                   |            |                               |             |             |
| Closing number of shares                               | 536,045                       | 9,765,765               |            |                               |             |             |
| Operating charges (%)**                                | 0.06 <sup>†</sup>             | 0.06 <sup>†</sup>       |            |                               |             |             |
| Direct transaction costs (%)***                        | 0.10                          | 0.09                    |            |                               |             |             |
| <b>Prices</b>  |                               |                         |            |                               |             |             |
| Highest share price (p)                                | 92.05                         | 111.41                  |            |                               |             |             |
| Lowest share price (p)                                 | 69.72                         | 94.71                   |            |                               |             |             |

\*\*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 9 May 2019.

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

## Threadneedle UK Institutional Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|  | 2020               |
|--|--------------------|
| <b>Class 1 – Accumulation shares</b>       |                    |
| Opening shares                             | 12,303,689         |
| Shares issued                              | 12,406,301         |
| Shares redeemed                            | (16,028,745)       |
| Net conversions                            | (2,235)            |
| Closing shares                             | <u>8,679,010</u>   |
| <b>Class 2 – Accumulation shares</b>       |                    |
| Opening shares                             | 626,860,113        |
| Shares issued                              | 48,872,006         |
| Shares redeemed                            | (84,375,241)       |
| Net conversions                            | 1,954              |
| Closing shares                             | <u>591,358,832</u> |
| <b>Class X – Gross accumulation shares</b> |                    |
| Opening shares                             | 9,765,765          |
| Shares issued                              | –                  |
| Shares redeemed                            | (9,229,720)        |
| Net conversions                            | –                  |
| Closing shares                             | <u>536,045</u>     |

## Threadneedle UK Equity Opportunities Fund

### Investment Report

#### Investment Objective and Policy

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

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

The Fund selects companies that are considered to provide good opportunities for share price growth, from any industry or economic sector, and whilst there is no restriction on size, investment tends to focus on the larger companies included in the FTSE All-Share Index.

The FTSE All-Share Index is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. It provides a helpful benchmark against which the performance of the Fund can be measured and evaluated over time.

The Fund is relatively concentrated, and typically invests in fewer than 55 companies, which may include the shares of some companies not within the Index. The Fund may invest in other securities (including fixed interest securities) and collective investment schemes (including funds managed by Columbia Threadneedle companies), when deemed appropriate.

The Fund may also hold money market instruments, deposits, cash and near cash. The Fund is not permitted to invest in derivatives for investment purposes, but derivatives may be used with the aim of reducing risk or managing the Fund more efficiently.

#### Performance of Class 2 – Income shares\*

Over the six months to 7 September 2020, the published share price of the Threadneedle UK Overseas Earnings Fund has fallen from 110.23p to 96.26p.

Looking at performance within its peer group, the total return on the fund for the six months ending 31 August 2020, including net reinvested income, is -13.60% as compared to a median return of -7.06% over the same period. (For information the FTSE All-Share Total Return Index returned -7.59% over the same period).

#### Market Overview and Portfolio Activity

Global equities had a turbulent start to the period amid concerns about the economic toll of the coronavirus and resulting quarantine measures. Markets

thereafter recouped some losses, amid optimism over the significant fiscal and monetary response and signs that the COVID-19 pandemic may have peaked, which led some countries to ease lockdowns. However, stocks were periodically rattled by fears of a second wave of the virus.

The FTSE All-Share lagged global equities over the period, hurt by its significant weighting to energy and financial stocks, which fared poorly. The index's limited exposure to technology names, which remained in favour globally, was a further headwind, as was a rise in the pound since the lows in March; a strong currency is a headwind for the overseas earners which dominate the bourse. Meanwhile, domestically oriented stocks were buffeted by ongoing jitters that the UK and the EU might fail to agree on a trade deal before the transition period expires in December.

The pandemic took a toll on corporate profitability and economic growth. Many UK companies issued profit warnings and announced cost-cutting plans and cash-conservation measures such as dividend cuts. Meanwhile, a wave of refinancing got underway as firms sought to shore up their finances.

On the economic front, GDP in major economies turned negative in the first quarter and fell even more steeply in the second. However, recent indicators pointed to a recovery. In the UK, retail sales returned to pre-lockdown levels in July, while the composite purchasing managers' index indicated that activity in the services and manufacturing sectors expanded at the fastest rate in more than six years in August.

To soften the economic blow of the coronavirus crisis, governments and central banks around the world unleashed unprecedented levels of stimulus. The Bank of England cut rates to a record low and announced a fresh round of bond purchases. Meanwhile, the UK government unveiled a £350bn stimulus plan and offered to pay 80% of furloughed employees' wages. In his summer statement, the chancellor announced additional measures targeting hard-hit sectors, such as hospitality, tourism and housing.

New additions to the portfolio included insurer Hiscox and defence manufacturer BAE Systems.

In our view, Hiscox is a high-quality underwriter, and, despite recent challenges, we are confident that medium-term profit ambitions will be achieved.

BAE's growth prospects appear to be improving in several key areas, notably in the electronic and US land segments. Government spending on defence is expected to hold up well, particularly in the US, which accounts for nearly half of BAE's

revenues. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

Over the review period, we also topped up some existing holdings, such as 3i, which focuses on private equity, infrastructure, and debt management. The company's robust balance sheet and strong management team give it a competitive edge. We believe that 3i's scale and preference for an investment-led strategic model will enable it to gain further market share and strengthen its competitive advantage over the longer term.

We took advantage of the aforementioned refinancing to add to our positions in Whitbread and easyJet, among others. In addition to limiting the increase in debt, Whitbread's rights issue should help the company to boost its presence in the UK and German markets. Whitbread's well-regarded brand should help it to emerge stronger from the crisis than its competitors. Budget airline easyJet is using flexibility within existing contracts to mitigate the repercussions on profitability and has embarked on cost-cutting and funding initiatives, which we hope should reassure investors in the short to medium term. On a longer-term view, easyJet's balance sheet is in a better position than those of many of its peers, and management are likely to look for opportunities in the industry while also executing an internal improvement programme.

We profitably closed our position in Legal & General and realised some gains in AstraZeneca. We also sold Compass.

Equities have rebounded sharply since the lows of March, aided by the phenomenal stimulus response. While we are also reassured by the level of policy support, we think it would be premature to declare victory for markets, as we do not believe that the potentially bruising economic path into next year is fully discounted.

The underperformance of UK equities relative to global averages this year, along with the fact that the recovery has been narrowly led, has resulted in a sharply polarised market with technology and certain growth stocks trading at excessive valuations, while sentiment towards cyclical remains depressed. Consequently, we feel there are several attractive opportunities that we can take advantage of, especially with a wave of refinancing underway as companies seek to shore up liquidity. Meanwhile, the prospects for selected domestic cyclical appear particularly interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

### STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Income   |              |              |
| Net capital (losses)/gains   | (9,577)      | 79           |
| Revenue  | 975          | 2,254        |
| Expenses   | (502)        | (745)        |
| Net revenue before taxation  | 473          | 1,509        |
| Taxation   | –            | –            |
| Net revenue after taxation   | 473          | 1,509        |
| Total return before distributions  | (9,104)      | 1,588        |
| Distributions  | (473)        | (1,509)      |
| Change in net assets attributable to shareholders from investment activities | (9,577)      | 79           |

### BALANCE SHEET

as at 7 September 2020

|  | 2020<br>£000  | March<br>2020<br>£000 |
|--|---------------|-----------------------|
| <b>Assets:</b>                                 |               |                       |
| <b>Fixed assets:</b>                           |               |                       |
| Investments                                    | 63,355        | 77,760                |
| <b>Current assets:</b>                         |               |                       |
| Debtors  | 307           | 3,255                 |
| Cash and bank balances                         | 462           | –                     |
| Total assets                                   | 64,124        | 81,015                |
| <b>Liabilities:</b>                            |               |                       |
| <b>Creditors:</b>                              |               |                       |
| Bank overdrafts                                | –             | (288)                 |
| Distribution payable                           | (458)         | (653)                 |
| Other creditors                                | (348)         | (2,443)               |
| Total liabilities                              | (806)         | (3,384)               |
| <b>Net assets attributable to shareholders</b> | <b>63,318</b> | <b>77,631</b>         |

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

for the accounting period 8 March 2020 to 7 September 2020

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Opening net assets attributable to shareholders  | 77,631       | 97,855       |
| Amounts receivable on the issue of shares  | 7,982        | 1,227        |
| Amounts payable on the cancellation of shares  | (12,721)     | (4,721)      |
|  | (4,739)      | (3,494)      |
| Dilution adjustment  | 3            | –            |
| Change in net assets attributable to shareholders from investment activities (see statement of total return above) | (9,577)      | 79           |
| Unclaimed distributions  | –            | 2            |
| Closing net assets attributable to shareholders  | 63,318       | 94,442       |

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 2020 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 7 September 2019.

\*In pound Sterling and against UK peer group (See Performance summary on page 231).

### DISTRIBUTION TABLE

for the accounting period 8 March 2020 to 7 September 2020

Dividend distribution in pence per share

#### Class 2 – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.6505  | –            | 0.6505                         | 1.9115                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.3987  | 0.2518       | 0.6505                         | 1.9115                 |
| <b>Total distributions in the period</b> |         |              | <b>0.6505</b>                  | <b>1.9115</b>          |

#### Class 2 – Accumulation shares

| Distribution Period                      | Revenue | Equalisation | Revenue Accumulated 2020 | Revenue Accumulated 2019 |
|--|---------|--------------|--------------------------|--------------------------|
| <b>Group 1</b>                           |         |              |                          |                          |
| 08/03/20 to 07/09/20                     | 0.6166  | –            | 0.6166                   | 1.6934                   |
| <b>Group 2</b>                           |         |              |                          |                          |
| 08/03/20 to 07/09/20                     | 0.6166  | –            | 0.6166                   | 1.6934                   |
| <b>Total distributions in the period</b> |         |              | <b>0.6166</b>            | <b>1.6934</b>            |

## Threadneedle UK Equity Opportunities Fund

### DISTRIBUTION TABLE

(continued)

#### Class Z – Income shares

| Distribution Period                      | Revenue | Equalisation | Distribution Paid/Payable 2020 | Distribution Paid 2019 |
|--|---------|--------------|--------------------------------|------------------------|
| <b>Group 1</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.9737  | –            | 0.9737                         | 2.3327                 |
| <b>Group 2</b>                           |         |              |                                |                        |
| 08/03/20 to 07/09/20                     | 0.6677  | 0.3060       | 0.9737                         | 2.3327                 |
| <b>Total distributions in the period</b> |         |              | <b>0.9737</b>                  | <b>2.3327</b>          |

Group 2: shares purchased during a distribution period.

## Threadneedle UK Equity Opportunities Fund

### Comparative Table Disclosure

|   | Class 2 - Income shares |            |            | Class 2 - Accumulation shares |            |            |
|---|-------------------------|------------|------------|-------------------------------|------------|------------|
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 | 07/09/2020                    | 07/03/2020 | 07/03/2019 |
| <b>Change in net assets per share</b>             |                         |            |            |                               |            |            |
| Opening net asset value per share (p)             | 109.06                  | 122.98     | 123.29     | 98.08                         | 107.98     | 105.94     |
| Return before operating charges (p)               | (12.16)                 | (9.13)     | 4.39       | (10.96)                       | (8.18)     | 3.70       |
| Operating charges (p)                             | (0.75)                  | (1.97)     | (2.01)     | (0.68)                        | (1.72)     | (1.66)     |
| Return after operating charges (p)*               | (12.91)                 | (11.10)    | 2.38       | (11.64)                       | (9.90)     | 2.04       |
| Distributions (p)                                 | (0.65)                  | (2.82)     | (2.69)     | (0.62)                        | (2.61)     | (2.38)     |
| Retained distributions on accumulation shares (p) | –                       | –          | –          | 0.62                          | 2.61       | 2.38       |
| Closing net asset value per share (p)             | 95.50                   | 109.06     | 122.98     | 86.44                         | 98.08      | 107.98     |
| * after direct transaction costs of (p)           | 0.02                    | 0.09       | 0.08       | 0.02                          | 0.08       | 0.07       |
| <b>Performance</b>                                |                         |            |            |                               |            |            |
| Return after charges (%)                          | (11.84)                 | (9.03)     | 1.93       | (11.87)                       | (9.17)     | 1.93       |
| <b>Other information</b>                          |                         |            |            |                               |            |            |
| Closing net asset value (£000)                    | 55,298                  | 76,629     | 92,626     | 22                            | 12         | 3          |
| Closing number of shares                          | 57,902,582              | 70,260,257 | 75,318,113 | 25,334                        | 12,138     | 3,001      |
| Operating charges (%)**                           | 1.59 <sup>†</sup>       | 1.58       | 1.58       | 1.59 <sup>†</sup>             | 1.56       | 1.51       |
| Direct transaction costs (%)***                   | 0.05                    | 0.07       | 0.06       | 0.05                          | 0.07       | 0.06       |
| <b>Prices</b>                                     |                         |            |            |                               |            |            |
| Highest share price (p)                           | 104.81                  | 133.69     | 137.49     | 94.40                         | 119.23     | 118.16     |
| Lowest share price (p)                            | 78.22                   | 110.23     | 113.67     | 70.46                         | 98.31      | 98.99      |
| <b>Class Z - Income shares</b>                    |                         |            |            |                               |            |            |
|   | 07/09/2020              | 07/03/2020 | 07/03/2019 |                               |            |            |
| <b>Change in net assets per share</b>             |                         |            |            |                               |            |            |
| Opening net asset value per share (p)             | 108.90                  | 122.86     | 123.18     |                               |            |            |
| Return before operating charges (p)               | (12.13)                 | (9.07)     | 4.37       |                               |            |            |
| Operating charges (p)                             | (0.44)                  | (1.12)     | (1.14)     |                               |            |            |
| Return after operating charges (p)*               | (12.57)                 | (10.19)    | 3.23       |                               |            |            |
| Distributions (p)                                 | (0.97)                  | (3.77)     | (3.55)     |                               |            |            |
| Retained distributions on accumulation shares (p) | –                       | –          | –          |                               |            |            |
| Closing net asset value per share (p)             | 95.36                   | 108.90     | 122.86     |                               |            |            |
| * after direct transaction costs of (p)           | 0.02                    | 0.09       | 0.08       |                               |            |            |
| <b>Performance</b>                                |                         |            |            |                               |            |            |
| Return after charges (%)                          | (11.54)                 | (8.29)     | 2.62       |                               |            |            |
| <b>Other information</b>                          |                         |            |            |                               |            |            |
| Closing net asset value (£000)                    | 7,998                   | 990        | 5,226      |                               |            |            |
| Closing number of shares                          | 8,387,214               | 908,841    | 4,253,130  |                               |            |            |
| Operating charges (%)**                           | 0.91 <sup>†</sup>       | 0.90       | 0.90       |                               |            |            |
| Direct transaction costs (%)***                   | 0.05                    | 0.07       | 0.06       |                               |            |            |
| <b>Prices</b>                                     |                         |            |            |                               |            |            |
| Highest share price (p)                           | 104.66                  | 133.83     | 137.57     |                               |            |            |
| Lowest share price (p)                            | 78.13                   | 110.49     | 113.79     |                               |            |            |

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

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

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

## Threadneedle UK Equity Opportunities Fund

### Notes to the financial statements

for the accounting period 8 March 2020 to 7 September 2020

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 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

|                                      | 2020              |
|--------------------------------------|-------------------|
| <b>Class 2 – Income shares</b>       |                   |
| Opening shares                       | 70,260,257        |
| Shares issued                        | 325,882           |
| Shares redeemed                      | (12,665,404)      |
| Net conversions                      | (18,153)          |
| Closing shares                       | <u>57,902,582</u> |
| <b>Class 2 – Accumulation shares</b> |                   |
| Opening shares                       | 12,138            |
| Shares issued                        | 13,196            |
| Shares redeemed                      | –                 |
| Net conversions                      | –                 |
| Closing shares                       | <u>25,334</u>     |
| <b>Class Z – Income shares</b>       |                   |
| Opening shares                       | 908,841           |
| Shares issued                        | 7,636,097         |
| Shares redeemed                      | (175,875)         |
| Net conversions                      | 18,151            |
| Closing shares                       | <u>8,387,214</u>  |

## Threadneedle UK Fund

### Portfolio Statement

as at 7 September 2020

| Holding                               | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding  | Investment                    | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------------|---|---------------|----------------------------|--|-------------------------------|---------------|----------------------------|
| <b>OIL &amp; GAS 3.23% (4.85%)</b>    |   |               |                            | <b>Tobacco 4.95% (5.83%)</b>                               |                               |               |                            |
|                                       | <b>Oil &amp; Gas Producers 2.16% (3.27%)</b>                    |               |                            | 2,128,908  | British American Tobacco      | 54,607        | 3.47                       |
| 3,278,074                             | Royal Dutch Shell 'B' Shares                                    | 34,033        | 2.16                       | 1,767,020  | Imperial Brands               | 23,201        | 1.48                       |
|                                       | <b>Oil Equipment, Services &amp; Distribution 1.07% (1.58%)</b> |               |                            | <b>Total Consumer Goods</b>                                |                               |               |                            |
| 3,233,865                             | Hunting   | 5,281         | 0.34                       | <b>340,735 21.68</b>                                       |                               |               |                            |
| 4,990,254                             | John Wood Group   | 11,523        | 0.73                       | <b>HEALTH CARE 6.16% (7.05%)</b>                           |                               |               |                            |
| <b>Total Oil &amp; Gas</b>            |   |               |                            | <b>Health Care Equipment &amp; Services 1.76% (1.78%)</b>  |                               |               |                            |
| <b>50,837 3.23</b>                    |   |               |                            | 1,815,487  | Smith & Nephew                | 27,659        | 1.76                       |
| <b>BASIC MATERIALS 9.38% (5.85%)</b>  |   |               |                            | <b>Pharmaceuticals &amp; Biotechnology 4.40% (5.27%)</b>   |                               |               |                            |
|                                       | <b>Chemicals 2.44% (2.23%)</b>                                  |               |                            | 4,707,224  | GlaxoSmithKline               | 69,224        | 4.40                       |
| 5,783,703                             | Elementis   | 4,254         | 0.27                       | <b>Total Health Care</b>                                   |                               |               |                            |
| 1,369,166                             | Johnson Matthey   | 34,133        | 2.17                       | <b>96,883 6.16</b>   |                               |               |                            |
|                                       | <b>Mining 6.94% (3.62%)</b>                                     |               |                            | <b>CONSUMER SERVICES 17.20% (18.73%)</b>                   |                               |               |                            |
| 2,270,299                             | BHP Group   | 38,250        | 2.44                       | <b>Food &amp; Drug Retailers 2.46% (2.47%)</b>             |                               |               |                            |
| 1,522,672                             | Rio Tinto   | 70,751        | 4.50                       | 17,802,950   | Tesco                         | 38,579        | 2.46                       |
| <b>Total Basic Materials</b>          |   |               |                            | <b>General Retailers 0.68% (0.78%)</b>                     |                               |               |                            |
| <b>147,388 9.38</b>                   |   |               |                            | 2,246,449  | Inchcape                      | 10,666        | 0.68                       |
| <b>INDUSTRIALS 16.17% (15.29%)</b>    |   |               |                            | <b>Media 5.81% (6.69%)</b>                                 |                               |               |                            |
|                                       | <b>Construction &amp; Materials 3.62% (3.21%)</b>               |               |                            | 6,053,366  | Informa                       | 23,959        | 1.52                       |
| 26,378,263                            | 'Breedon Aggregates   | 20,733        | 1.32                       | 25,788,752   | ITV                           | 16,381        | 1.04                       |
| 1,297,319                             | CRH (London Listing)  | 36,078        | 2.30                       | 2,964,100  | RELX (London Listing)         | 51,116        | 3.25                       |
|                                       | <b>Aerospace &amp; Defence 0.61% (0.77%)</b>                    |               |                            | <b>Travel &amp; Leisure 8.25% (8.79%)</b>                  |                               |               |                            |
| 1,876,387                             | BAE Systems   | 9,641         | 0.61                       | 2,484,997  | Compass Group                 | 31,348        | 2.00                       |
|                                       | <b>General Industrials 2.61% (2.62%)</b>                        |               |                            | 2,718,794  | easyJet                       | 17,341        | 1.10                       |
| 6,303,799                             | DS Smith  | 17,146        | 1.09                       | 741,620  | Intercontinental Hotels Group | 33,136        | 2.11                       |
| 1,694,327                             | Smiths Group  | 23,848        | 1.52                       | 4,660,639  | SSP Group                     | 12,556        | 0.80                       |
|                                       | <b>Electronic &amp; Electrical Equipment 0.87% (0.56%)</b>      |               |                            | 1,399,449  | Whitbread                     | 35,266        | 2.24                       |
| 517,894                               | Spectris  | 13,657        | 0.87                       | <b>Total Consumer Services</b>                             |                               |               |                            |
|                                       | <b>Industrial Engineering 3.13% (2.79%)</b>                     |               |                            | <b>270,348 17.20</b>                                       |                               |               |                            |
| 5,542,317                             | Rotork  | 17,004        | 1.08                       | <b>TELECOMMUNICATIONS 1.67% (2.02%)</b>                    |                               |               |                            |
| 2,500,267                             | Weir Group  | 32,228        | 2.05                       | <b>Fixed Line Telecommunications 1.67% (2.02%)</b>         |                               |               |                            |
|                                       | <b>Industrial Transportation 0.00% (0.40%)</b>                  |               |                            | 25,910,344   | BT Group                      | 26,312        | 1.67                       |
|                                       | <b>Support Services 5.33% (4.94%)</b>                           |               |                            | <b>Total Telecommunications</b>                            |                               |               |                            |
| 2,004,905                             | Aggreko   | 8,641         | 0.55                       | <b>26,312 1.67</b>   |                               |               |                            |
| 424,400                               | Ferguson  | 30,514        | 1.94                       | <b>FINANCIALS 21.25% (22.22%)</b>                          |                               |               |                            |
| 3,526,347                             | Howden Joinery Group  | 20,114        | 1.28                       | <b>Banks 2.69% (3.54%)</b>                                 |                               |               |                            |
| 4,702,033                             | Rentokil Initial  | 24,498        | 1.56                       | 20,592,240   | Barclays                      | 21,964        | 1.40                       |
| <b>Total Industrials</b>              |   |               |                            | 5,333,124  | Standard Chartered            | 20,255        | 1.29                       |
| <b>254,102 16.17</b>                  |   |               |                            | <b>Nonlife Insurance 1.27% (0.91%)</b>                     |                               |               |                            |
| <b>CONSUMER GOODS 21.68% (20.79%)</b> |   |               |                            | 4,518,010  | RSA Insurance Group           | 19,970        | 1.27                       |
|                                       | <b>Beverages 3.96% (3.67%)</b>                                  |               |                            | <b>Life Insurance 7.10% (6.91%)</b>                        |                               |               |                            |
| 2,463,609                             | Diageo  | 62,292        | 3.96                       | 12,402,085   | Legal & General Group         | 25,524        | 1.62                       |
|                                       | <b>Food Producers 2.22% (1.91%)</b>                             |               |                            | 4,950,627  | Prudential                    | 57,130        | 3.63                       |
| 1,705,291                             | Associated British Foods  | 34,958        | 2.22                       | 3,091,687  | St James's Place              | 29,142        | 1.85                       |
|                                       | <b>Household Goods &amp; Home Construction 6.26% (5.34%)</b>    |               |                            | <b>Real Estate Investment &amp; Services 1.92% (1.68%)</b> |                               |               |                            |
| 470,225                               | Berkeley Group Holdings   | 21,184        | 1.35                       | 9,781,942  | Grainger                      | 30,148        | 1.92                       |
| 3,557,117                             | Crest Nicholson Holdings  | 7,178         | 0.46                       | <b>Real Estate Investment Trusts 0.84% (1.89%)</b>         |                               |               |                            |
| 970,540                               | Reckitt Benckiser Group   | 69,879        | 4.45                       | 482,595  | Derwent London                | 13,185        | 0.84                       |
|                                       | <b>Personal Goods 4.29% (4.04%)</b>                             |               |                            | <b>CONSUMER SERVICES 17.20% (18.73%)</b>                   |                               |               |                            |
| 892,816                               | Burberry Group  | 13,307        | 0.85                       | <b>Food &amp; Drug Retailers 2.46% (2.47%)</b>             |                               |               |                            |
| 1,208,770                             | Unilever  | 54,129        | 3.44                       | <b>General Retailers 0.68% (0.78%)</b>                     |                               |               |                            |
|                                       |   |               |                            | <b>Media 5.81% (6.69%)</b>                                 |                               |               |                            |
|                                       |   |               |                            | <b>Travel &amp; Leisure 8.25% (8.79%)</b>                  |                               |               |                            |
|                                       |   |               |                            | <b>Telecommunications 1.67% (2.02%)</b>                    |                               |               |                            |
|                                       |   |               |                            | <b>Financials 21.25% (22.22%)</b>                          |                               |               |                            |

## Threadneedle UK Fund

### Portfolio Statement

(continued)

| Holding   | Investment  | Value<br>£000    | % of<br>Net Asset<br>Value |
|---|---|------------------|----------------------------|
| <b>FINANCIALS 21.25% (22.22%) (continued)</b>         |   |                  |                            |
| <b>Financial Services 7.43% (7.29%)</b>               |   |                  |                            |
| 2,185,508   | Intermediate Capital Group                                      | 27,996           | 1.78                       |
| 525,760   | London Stock Exchange Group                                     | 45,394           | 2.89                       |
| 4,874,131   | M&G Prudential  | 7,959            | 0.51                       |
| 16,862,036  | Melrose Industries  | 20,007           | 1.27                       |
| 777,731   | Schroders Non-voting  | 15,415           | 0.98                       |
|   | <b>Total Financials</b>   | <b>334,089</b>   | <b>21.25</b>               |
| <b>TECHNOLOGY 3.20% (2.69%)</b>                       |   |                  |                            |
| <b>Software &amp; Computer Services 3.20% (2.69%)</b> |   |                  |                            |
| 1,470,403   | FDM Group Holdings IPO  | 15,351           | 0.97                       |
| 4,885,730   | Sage Group  | 35,011           | 2.23                       |
|   | <b>Total Technology</b>   | <b>50,362</b>    | <b>3.20</b>                |
| <b>COLLECTIVE INVESTMENT SCHEMES 0.28% (0.48%)</b>    |   |                  |                            |
| <b>Liquidity Funds 0.28% (0.48%)<sup>1</sup></b>      |   |                  |                            |
| 3,867,292   | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 3,867            | 0.25                       |
| 552,384   | Insight Liquidity Funds - ILF GBP Liquidity Class 3             | 553              | 0.03                       |
|   | <b>Total Collective Investment Schemes</b>                      | <b>4,420</b>     | <b>0.28</b>                |
|   | <b>Total value of investments<sup>2</sup></b>                   | <b>1,575,476</b> | <b>100.22</b>              |
|   | <b>Net other (liabilities)/assets (0.03%)</b>                   | <b>(3,452)</b>   | <b>(0.22)</b>              |
|   | <b>Net assets</b>   | <b>1,572,024</b> | <b>100.00</b>              |

March 2020 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 7 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 415,601      | 306,283      |
| Total sales for the period     | 545,169      | 531,227      |

## Threadneedle UK Select Fund

### Portfolio Statement

as at 7 September 2020

| Holding                                  | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|--|---------------|----------------------------|--|--|----------------|----------------------------|
| <b>OIL &amp; GAS 3.22% (5.55%)</b>       |  |               |                            | <b>Travel &amp; Leisure 6.39% (4.79%)</b>          |  |                |                            |
|  | <b>Oil &amp; Gas Producers 3.22% (5.55%)</b>                 |               |                            | 472,848  | easyJet  | 3,016          | 1.09                       |
| 860,128                                  | Royal Dutch Shell 'B' Shares                                 | 8,930         | 3.22                       | 4,674,491  | Restaurant Group                                   | 3,074          | 1.11                       |
|  | <b>Total Oil &amp; Gas</b>                                   | <b>8,930</b>  | <b>3.22</b>                | 461,595  | Whitbread  | 11,632         | 4.19                       |
|  |  |               |                            |  | <b>Total Consumer Services</b>                     | <b>43,279</b>  | <b>15.60</b>               |
| <b>BASIC MATERIALS 8.36% (3.29%)</b>     |  |               |                            | <b>TELECOMMUNICATIONS 3.59% (6.94%)</b>            |  |                |                            |
|  | <b>Mining 8.36% (3.29%)</b>                                  |               |                            |  | <b>Fixed Line Telecommunications 1.69% (3.15%)</b> |                |                            |
| 714,135                                  | BHP Group  | 12,032        | 4.33                       | 4,612,550  | BT Group   | 4,684          | 1.69                       |
| 240,596                                  | Rio Tinto  | 11,179        | 4.03                       |  | <b>Mobile Telecommunications 1.90% (3.79%)</b>     |                |                            |
|  | <b>Total Basic Materials</b>                                 | <b>23,211</b> | <b>8.36</b>                | 4,953,040  | Vodafone Group                                     | 5,267          | 1.90                       |
|  |  |               |                            |  | <b>Total Telecommunications</b>                    | <b>9,951</b>   | <b>3.59</b>                |
| <b>INDUSTRIALS 11.16% (4.88%)</b>        |  |               |                            | <b>FINANCIALS 25.26% (27.53%)</b>                  |  |                |                            |
|  | <b>Aerospace &amp; Defence 1.68% (0.00%)</b>                 |               |                            |  | <b>Life Insurance 9.44% (10.17%)</b>               |                |                            |
| 908,140                                  | BAE Systems  | 4,666         | 1.68                       | 2,704,234  | Legal & General Group                              | 5,565          | 2.01                       |
|  | <b>Construction &amp; Materials 3.36% (3.36%)</b>            |               |                            | 726,027  | Prudential   | 8,378          | 3.02                       |
| 11,854,557                               | <sup>1</sup> Breedon Aggregates                              | 9,318         | 3.36                       | 1,298,624  | St James's Place                                   | 12,241         | 4.41                       |
|  | <b>Industrial Engineering 3.50% (1.52%)</b>                  |               |                            |  | <b>Real Estate Investment Trusts 3.12% (3.29%)</b> |                |                            |
| 752,707                                  | Weir Group   | 9,702         | 3.50                       | 316,984  | Derwent London                                     | 8,660          | 3.12                       |
|  | <b>Support Services 2.62% (0.00%)</b>                        |               |                            |  | <b>Financial Services 12.70% (14.07%)</b>          |                |                            |
| 3,598,032                                | Biffa  | 7,268         | 2.62                       | 859,831  | Intermediate Capital Group                         | 11,014         | 3.97                       |
|  | <b>Total Industrials</b>                                     | <b>30,954</b> | <b>11.16</b>               | 142,660  | London Stock Exchange Group                        | 12,317         | 4.44                       |
|  |  |               |                            | 600,386  | Schroders Non-voting                               | 11,900         | 4.29                       |
| <b>CONSUMER GOODS 18.77% (18.35%)</b>    |  |               |                            |  | <b>Total Financials</b>                            | <b>70,075</b>  | <b>25.26</b>               |
|  | <b>Beverages 2.91% (3.33%)</b>                               |               |                            | <b>COLLECTIVE INVESTMENT SCHEMES 1.84% (3.31%)</b> |  |                |                            |
| 319,535                                  | Diageo   | 8,079         | 2.91                       |  | <b>Liquidity Funds 1.84% (3.31%)<sup>1</sup></b>   |                |                            |
|  | <b>Food Producers 2.15% (2.01%)</b>                          |               |                            | 5,101,775  | BlackRock Institutional Cash Series                |                |                            |
| 876,105                                  | Tate & Lyle  | 5,954         | 2.15                       |  | Sterling Liquidity Platinum                        | 5,102          | 1.84                       |
|  | <b>Household Goods &amp; Home Construction 2.77% (3.13%)</b> |               |                            | 1,953  | Insight Liquidity Funds - ILF GBP                  |                |                            |
| 106,571                                  | Reckitt Benckiser Group                                      | 7,673         | 2.77                       |  | Liquidity Class 3                                  | 2              | –                          |
|  | <b>Personal Goods 3.14% (3.07%)</b>                          |               |                            |  | <b>Total Collective Investment Schemes</b>         | <b>5,104</b>   | <b>1.84</b>                |
| 194,466                                  | Unilever   | 8,708         | 3.14                       |  |  |                |                            |
|  | <b>Tobacco 7.80% (6.81%)</b>                                 |               |                            | <b>Total value of investments<sup>2</sup></b>      |  | <b>276,617</b> | <b>99.71</b>               |
| 569,144                                  | British American Tobacco                                     | 14,599        | 5.25                       | <b>Net other assets (0.94%)</b>                    |  | <b>801</b>     | <b>0.29</b>                |
| 537,755                                  | Imperial Brands  | 7,061         | 2.55                       | <b>Net assets</b>                                  |  | <b>277,418</b> | <b>100.00</b>              |
|  | <b>Total Consumer Goods</b>                                  | <b>52,074</b> | <b>18.77</b>               |  |  |                |                            |
| <b>HEALTH CARE 11.91% (12.88%)</b>       |  |               |                            |  |  |                |                            |
|  | <b>Pharmaceuticals &amp; Biotechnology 11.91% (12.88%)</b>   |               |                            |  |  |                |                            |
| 231,938                                  | AstraZeneca  | 18,970        | 6.84                       |  |  |                |                            |
| 956,692                                  | GlaxoSmithKline  | 14,069        | 5.07                       |  |  |                |                            |
|  | <b>Total Health Care</b>                                     | <b>33,039</b> | <b>11.91</b>               |  |  |                |                            |
| <b>CONSUMER SERVICES 15.60% (16.33%)</b> |  |               |                            |  |  |                |                            |
|  | <b>Food &amp; Drug Retailers 4.67% (6.23%)</b>               |               |                            |  |  |                |                            |
| 3,901,797                                | Tesco  | 8,455         | 3.05                       |  |  |                |                            |
| 2,354,675                                | WM Morrison Supermarkets                                     | 4,506         | 1.62                       |  |  |                |                            |
|  | <b>Media 4.54% (5.31%)</b>                                   |               |                            |  |  |                |                            |
| 280,845                                  | RELX (London Listing)  | 4,843         | 1.75                       |  |  |                |                            |
| 1,229,025                                | WPP  | 7,753         | 2.79                       |  |  |                |                            |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

<sup>3</sup>Alternative Investment Market.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 157,659      | 224,771      |
| Total sales for the period     | 143,655      | 321,245      |

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

as at 7 September 2020

| Holding                               | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------------|---|---------------|----------------------------|--|---|---------------|----------------------------|
| <b>OIL &amp; GAS 0.77% (1.07%)</b>    |   |               |                            | <b>HEALTH CARE 6.53% (6.41%)</b>         |   |               |                            |
|                                       | <b>Oil Equipment, Services &amp; Distribution 0.77% (1.07%)</b> |               |                            |  | <b>Health Care Equipment &amp; Services 0.84% (0.71%)</b> |               |                            |
| 2,008,642                             | <sup>†</sup> Enteq Upstream                                     | 281           | 0.13                       | 10,514,501                               | <sup>†</sup> Totally (Suspended)                          | 1,787         | 0.84                       |
| 1,386,789                             | <sup>†</sup> Tekmar Group                                       | 1,359         | 0.64                       |  | <b>Pharmaceuticals &amp; Biotechnology 5.69% (5.70%)</b>  |               |                            |
|                                       | <b>Total Oil &amp; Gas</b>                                      | <b>1,640</b>  | <b>0.77</b>                | 725,352                                  | <sup>†</sup> Clinigen Group                               | 4,867         | 2.28                       |
|                                       |   |               |                            | 83,995                                   | Genus   | 2,878         | 1.35                       |
|                                       |   |               |                            | 206,153                                  | Oxford Biomedica  | 1,732         | 0.81                       |
|                                       |   |               |                            | 2,503,501                                | Vectura Group   | 2,669         | 1.25                       |
|                                       |   |               |                            |  | <b>Total Health Care</b>                                  | <b>13,933</b> | <b>6.53</b>                |
| <b>BASIC MATERIALS 0.70% (0.00%)</b>  |   |               |                            | <b>CONSUMER SERVICES 23.10% (22.18%)</b> |   |               |                            |
|                                       | <b>Chemicals 0.70% (0.00%)</b>                                  |               |                            |  | <b>Food &amp; Drug Retailers 0.00% (0.00%)</b>            |               |                            |
| 472,483                               | Synthomer   | 1,502         | 0.70                       | 1,975,582                                | Conviviality Retail (Delisted)                            | -             | -                          |
|                                       | <b>Total Basic Materials</b>                                    | <b>1,502</b>  | <b>0.70</b>                |  | <b>General Retailers 2.08% (2.59%)</b>                    |               |                            |
|                                       |   |               |                            | 783,718                                  | <sup>†</sup> Applegreen                                   | 2,430         | 1.14                       |
|                                       |   |               |                            | 1,235,534                                | <sup>†</sup> Joules Group                                 | 1,390         | 0.65                       |
|                                       |   |               |                            | 1,114,960                                | N Brown Group   | 613           | 0.29                       |
|                                       |   |               |                            |  | <b>Media 14.09% (12.52%)</b>                              |               |                            |
|                                       |   |               |                            | 793,717                                  | Ascential   | 2,332         | 1.09                       |
|                                       |   |               |                            | 537,718                                  | Future  | 8,905         | 4.16                       |
|                                       |   |               |                            | 281,236                                  | <sup>†</sup> GlobalData                                   | 4,472         | 2.09                       |
|                                       |   |               |                            | 1,422,097                                | Goco Group  | 1,593         | 0.74                       |
|                                       |   |               |                            | 1,124,743                                | Hyve Group  | 949           | 0.44                       |
|                                       |   |               |                            | 4,684,609                                | <sup>†</sup> Mirriad Advertising                          | 937           | 0.44                       |
|                                       |   |               |                            | 1,584,223                                | S4 Capital  | 5,830         | 2.73                       |
|                                       |   |               |                            | 813,728                                  | STV Group   | 2,042         | 0.95                       |
|                                       |   |               |                            | 353,009                                  | <sup>†</sup> YouGov                                       | 3,106         | 1.45                       |
|                                       |   |               |                            |  | <b>Travel &amp; Leisure 6.93% (7.07%)</b>                 |               |                            |
|                                       |   |               |                            | 2,388,076                                | Cineworld Group   | 1,438         | 0.67                       |
|                                       |   |               |                            | 520,319                                  | Gamesys Group   | 5,776         | 2.70                       |
|                                       |   |               |                            | 1,899,227                                | Gym Group   | 2,936         | 1.37                       |
|                                       |   |               |                            | 1,430,300                                | Hollywood Bowl Group                                      | 2,174         | 1.02                       |
|                                       |   |               |                            | 995,927                                  | Rank Group  | 1,340         | 0.63                       |
|                                       |   |               |                            | 1,753,927                                | Restaurant Group  | 1,153         | 0.54                       |
|                                       |   |               |                            |  | <b>Total Consumer Services</b>                            | <b>49,416</b> | <b>23.10</b>               |
| <b>INDUSTRIALS 25.40% (28.55%)</b>    |   |               |                            | <b>FINANCIALS 8.34% (8.79%)</b>          |   |               |                            |
|                                       | <b>Construction &amp; Materials 3.56% (4.31%)</b>               |               |                            |  | <b>Life Insurance 0.00% (1.80%)</b>                       |               |                            |
| 5,534,594                             | <sup>†</sup> Breedon Aggregates                                 | 4,350         | 2.03                       |  | <b>Financial Services 8.34% (6.99%)</b>                   |               |                            |
| 925,816                               | Eurocell Group  | 1,620         | 0.76                       | 883,933                                  | <sup>†</sup> AFH Financial Group                          | 3,050         | 1.43                       |
| 1,958,562                             | Galliford Try   | 1,646         | 0.77                       | 2,109,188                                | <sup>†</sup> Argentex Group                               | 2,879         | 1.35                       |
|                                       | <b>Aerospace &amp; Defence 4.84% (3.79%)</b>                    |               |                            | 5,513,553                                | <sup>†</sup> Fairfx Group                                 | 1,599         | 0.75                       |
| 152,339                               | Avon Rubber   | 5,705         | 2.67                       | 697,341                                  | JTC   | 3,312         | 1.55                       |
| 1,680,510                             | Chemring Group  | 4,142         | 1.94                       | 113,516                                  | Liontrust Asset Management                                | 1,464         | 0.68                       |
| 979,270                               | Senior  | 502           | 0.23                       | 698,128                                  | <sup>†</sup> Manolete Partners                            | 2,443         | 1.14                       |
|                                       | <b>General Industrials 0.00% (0.74%)</b>                        |               |                            | 1,037,266                                | OneSavings Bank   | 3,070         | 1.44                       |
|                                       | <b>Electronic &amp; Electrical Equipment 4.09% (4.55%)</b>      |               |                            |  | <b>Total Financials</b>                                   | <b>17,817</b> | <b>8.34</b>                |
| 567,601                               | Discoverie Group  | 3,372         | 1.58                       |  |   |               |                            |
| 262,943                               | Oxford Instruments  | 4,034         | 1.89                       |  |   |               |                            |
| 711,847                               | TT electronics  | 1,320         | 0.62                       |  |   |               |                            |
|                                       | <b>Industrial Engineering 1.15% (1.60%)</b>                     |               |                            |  |   |               |                            |
| 1,054,249                             | <sup>†</sup> Avingtrans   | 2,467         | 1.15                       |  |   |               |                            |
|                                       | <b>Support Services 11.76% (13.56%)</b>                         |               |                            |  |   |               |                            |
| 510,678                               | Essentra  | 1,504         | 0.70                       |  |   |               |                            |
| 1,526,691                             | <sup>†</sup> Knights Group Holdings                             | 7,343         | 3.43                       |  |   |               |                            |
| 1,649,175                             | <sup>†</sup> Marlowe  | 8,576         | 4.01                       |  |   |               |                            |
| 582,671                               | Mears Group   | 688           | 0.32                       |  |   |               |                            |
| 745,009                               | PayPoint  | 4,738         | 2.22                       |  |   |               |                            |
| 4,477,514                             | Speedy Hire   | 2,319         | 1.08                       |  |   |               |                            |
|                                       | <b>Total Industrials</b>  | <b>54,326</b> | <b>25.40</b>               |  |   |               |                            |
| <b>CONSUMER GOODS 14.17% (11.32%)</b> |   |               |                            |  |   |               |                            |
|                                       | <b>Beverages 2.45% (2.06%)</b>                                  |               |                            |  |   |               |                            |
| 2,407,281                             | Stock Spirits Group   | 5,248         | 2.45                       |  |   |               |                            |
|                                       | <b>Food Producers 2.88% (1.20%)</b>                             |               |                            |  |   |               |                            |
| 331,504                               | Hilton Food Group   | 3,925         | 1.84                       |  |   |               |                            |
| 611,828                               | <sup>†</sup> Hotel Chocolat Group                               | 2,233         | 1.04                       |  |   |               |                            |
|                                       | <b>Household Goods &amp; Home Construction 1.95% (2.13%)</b>    |               |                            |  |   |               |                            |
| 648,267                               | Crest Nicholson Holdings  | 1,308         | 0.61                       |  |   |               |                            |
| 856,011                               | <sup>†</sup> Victoria   | 2,868         | 1.34                       |  |   |               |                            |
|                                       | <b>Leisure Goods 6.21% (5.68%)</b>                              |               |                            |  |   |               |                            |
| 1,194,395                             | <sup>†</sup> Codemasters Group Holdings                         | 4,479         | 2.09                       |  |   |               |                            |
| 38,334                                | Games Workshop Group  | 3,318         | 1.55                       |  |   |               |                            |
| 831,045                               | <sup>†</sup> Team17 Group                                       | 5,501         | 2.57                       |  |   |               |                            |
|                                       | <b>Personal Goods 0.68% (0.25%)</b>                             |               |                            |  |   |               |                            |
| 1,247,779                             | Ted Baker   | 1,454         | 0.68                       |  |   |               |                            |
|                                       | <b>Total Consumer Goods</b>                                     | <b>30,334</b> | <b>14.17</b>               |  |   |               |                            |

## Threadneedle UK Smaller Companies Fund

### Portfolio Statement

(continued)

| Holding  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|--|----------------|----------------------------|
| <b>TECHNOLOGY 16.58% (16.88%)</b>                        |  |                |                            |
| <b>Software &amp; Computer Services 14.69% (14.58%)</b>  |  |                |                            |
| 21,505,598   | <sup>†</sup> 1Spatial  | 6,452          | 3.02                       |
| 1,969,944  | <sup>†</sup> Blanco Technology                                     | 3,940          | 1.84                       |
| 472,847  | <sup>†</sup> Blue Prism Group                                      | 6,606          | 3.09                       |
| 196,952  | <sup>†</sup> First Derivatives                                     | 6,125          | 2.86                       |
| 1,435,380  | <sup>†</sup> Ideagen   | 3,014          | 1.41                       |
| 241,226  | <sup>†</sup> Instem  | 1,206          | 0.56                       |
| 4,130,611  | <sup>†</sup> IQGE0 Group   | 2,809          | 1.31                       |
| 728,301  | Shearwater Group   | 1,275          | 0.60                       |
| <b>Technology Hardware &amp; Equipment 1.89% (2.30%)</b> |  |                |                            |
| 1,473,041  | Spirent Communications   | 4,051          | 1.89                       |
| <b>Total Technology</b>                                  |  | <b>35,478</b>  | <b>16.58</b>               |
| <b>COLLECTIVE INVESTMENT SCHEMES 4.03% (2.33%)</b>       |  |                |                            |
| <b>Liquidity Funds 4.03% (2.33%)<sup>†</sup></b>         |  |                |                            |
| 8,608,812  | BlackRock Institutional Cash Series<br>Sterling Liquidity Platinum | 8,609          | 4.03                       |
| <b>Total Collective Investment Schemes</b>               |  | <b>8,609</b>   | <b>4.03</b>                |
| <b>DERIVATIVES 0.00% (0.00%)</b>                         |  |                |                            |
| <b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>  |  |                |                            |
|  | Sell GBP 1,073   |                |                            |
|  | Buy CHF 1,279 J.P. Morgan <sup>2</sup>                             | –              | –                          |
|  | Sell GBP 31  |                |                            |
|  | Buy CHF 37 J.P. Morgan <sup>2</sup>                                | –              | –                          |
| <b>Total Derivatives</b>                                 |  | <b>–</b>       | <b>–</b>                   |
| <b>Total value of investments<sup>3</sup></b>            |  | <b>213,055</b> | <b>99.62</b>               |
| <b>Net other assets (2.47%)</b>                          |  | <b>822</b>     | <b>0.38</b>                |
| <b>Net assets</b>  |  | <b>213,877</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>†</sup>Alternative Investment Market.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 66,956       | 45,494       |
| Total sales for the period     | 35,051       | 60,375       |

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2020

| Holding                              | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|--------------------------------------|--|---------------|----------------------------|--|--|---------------|----------------------------|
| <b>OIL &amp; GAS 1.80% (2.62%)</b>   |  |               |                            | <b>CONSUMER SERVICES 23.03% (25.56%)</b> |  |               |                            |
|                                      | <b>Oil &amp; Gas Producers 1.80% (2.62%)</b>               |               |                            |  | <b>Food &amp; Drug Retailers 6.51% (6.22%)</b>           |               |                            |
| 442,084                              | Royal Dutch Shell 'B' Shares                               | 4,590         | 1.80                       | 3,058,164                                | Tesco  | 6,627         | 2.59                       |
|                                      | <b>Total Oil &amp; Gas</b>                                 | <b>4,590</b>  | <b>1.80</b>                | 5,233,885                                | WM Morrison Supermarkets                                 | 10,015        | 3.92                       |
| <b>BASIC MATERIALS 2.12% (1.88%)</b> |  |               |                            |  | <b>General Retailers 1.39% (1.80%)</b>                   |               |                            |
|                                      | <b>Chemicals 2.12% (1.88%)</b>                             |               |                            | 3,244,617                                | Marks & Spencer Group                                    | 3,541         | 1.39                       |
| 217,390                              | Johnson Matthey  | 5,420         | 2.12                       |  | <b>Media 6.38% (6.80%)</b>                               |               |                            |
|                                      | <b>Total Basic Materials</b>                               | <b>5,420</b>  | <b>2.12</b>                | 4,698,751                                | ITV  | 2,985         | 1.17                       |
| <b>INDUSTRIALS 26.42% (25.33%)</b>   |  |               |                            | 1,064,937                                | Pearson  | 5,689         | 2.23                       |
|                                      | <b>Aerospace &amp; Defence 2.58% (3.31%)</b>               |               |                            | 442,114                                  | RELX (London Listing)                                    | 7,624         | 2.98                       |
| 1,092,928                            | BAE Systems  | 5,615         | 2.20                       |  | <b>Travel &amp; Leisure 8.75% (10.74%)</b>               |               |                            |
| 433,554                              | Rolls-Royce Holdings                                       | 975           | 0.38                       | 424,474                                  | Compass Group  | 5,355         | 2.09                       |
|                                      | <b>General Industrials 4.19% (4.25%)</b>                   |               |                            | 4,405,579                                | Firstgroup   | 2,101         | 0.82                       |
| 1,611,394                            | DS Smith   | 4,383         | 1.71                       | 577,299                                  | J D Wetherspoon  | 6,039         | 2.36                       |
| 451,117                              | Smiths Group   | 6,349         | 2.48                       | 2,567,775                                | Rank Group   | 3,456         | 1.35                       |
|                                      | <b>Electronic &amp; Electrical Equipment 0.64% (0.70%)</b> |               |                            | 7,246,297                                | Restaurant Group   | 4,764         | 1.86                       |
| 717,846                              | Morgan Advanced Materials                                  | 1,629         | 0.64                       | 1,574,184                                | Stagecoach Group   | 688           | 0.27                       |
|                                      | <b>Industrial Engineering 1.06% (0.88%)</b>                |               |                            |  | <b>Total Consumer Services</b>                           | <b>58,884</b> | <b>23.03</b>               |
| 253,755                              | IMI  | 2,718         | 1.06                       | <b>TELECOMMUNICATIONS 1.28% (1.52%)</b>  |  |               |                            |
|                                      | <b>Industrial Transportation 1.33% (1.83%)</b>             |               |                            |  | <b>Fixed Line Telecommunications 1.28% (1.52%)</b>       |               |                            |
| 1,813,988                            | Wincanton  | 3,410         | 1.33                       | 3,230,517                                | BT Group   | 3,281         | 1.28                       |
|                                      | <b>Support Services 16.62% (14.36%)</b>                    |               |                            |  | <b>Total Telecommunications</b>                          | <b>3,281</b>  | <b>1.28</b>                |
| 2,192,241                            | Electrocomponents  | 14,436        | 5.65                       | <b>UTILITIES 2.96% (3.61%)</b>           |  |               |                            |
| 115,570                              | Ferguson   | 8,309         | 3.25                       |  | <b>Gas, Water &amp; Multiutilities 2.96% (3.61%)</b>     |               |                            |
| 3,075,502                            | Hays   | 3,657         | 1.43                       | 5,474,040                                | Centrica   | 2,501         | 0.98                       |
| 3,085,381                            | Rentokil Initial   | 16,075        | 6.29                       | 275,524                                  | Pennon Group   | 2,831         | 1.10                       |
|                                      | <b>Total Industrials</b>                                   | <b>67,556</b> | <b>26.42</b>               | 265,206                                  | United Utilities Group                                   | 2,247         | 0.88                       |
| <b>CONSUMER GOODS 9.30% (8.85%)</b>  |  |               |                            |  | <b>Total Utilities</b>                                   | <b>7,579</b>  | <b>2.96</b>                |
|                                      | <b>Food Producers 2.31% (2.03%)</b>                        |               |                            | <b>FINANCIALS 12.22% (13.38%)</b>        |  |               |                            |
| 870,470                              | Tate & Lyle  | 5,916         | 2.31                       |  | <b>Banks 0.47% (0.96%)</b>                               |               |                            |
|                                      | <b>Personal Goods 4.37% (4.02%)</b>                        |               |                            | 201,452                                  | Secure Trust Bank  | 1,209         | 0.47                       |
| 249,542                              | Unilever   | 11,174        | 4.37                       |  | <b>Nonlife Insurance 4.24% (4.01%)</b>                   |               |                            |
|                                      | <b>Tobacco 2.62% (2.80%)</b>                               |               |                            | 611,365                                  | Hiscox   | 4,420         | 1.73                       |
| 510,248                              | Imperial Brands  | 6,700         | 2.62                       | 1,453,134                                | RSA Insurance Group                                      | 6,423         | 2.51                       |
|                                      | <b>Total Consumer Goods</b>                                | <b>23,790</b> | <b>9.30</b>                |  | <b>Life Insurance 2.09% (2.24%)</b>                      |               |                            |
| <b>HEALTH CARE 15.10% (13.58%)</b>   |  |               |                            | 2,591,302                                | Legal & General Group                                    | 5,333         | 2.09                       |
|                                      | <b>Pharmaceuticals &amp; Biotechnology 15.10% (13.58%)</b> |               |                            |  | <b>Financial Services 5.42% (6.17%)</b>                  |               |                            |
| 304,872                              | AstraZeneca  | 24,935        | 9.75                       | 967,527                                  | 3i Group   | 8,615         | 3.37                       |
| 930,736                              | GlaxoSmithKline  | 13,687        | 5.35                       | 3,250,020                                | Melrose Industries                                       | 3,856         | 1.51                       |
|                                      | <b>Total Health Care</b>                                   | <b>38,622</b> | <b>15.10</b>               | 4,150,151                                | Sherborne Investors Guernsey                             | 1,386         | 0.54                       |
|                                      |  |               |                            |  | <b>Total Financials</b>                                  | <b>31,242</b> | <b>12.22</b>               |
|                                      |  |               |                            | <b>TECHNOLOGY 5.20% (4.13%)</b>          |  |               |                            |
|                                      |  |               |                            |  | <b>Technology Hardware &amp; Equipment 5.20% (4.13%)</b> |               |                            |
|                                      |  |               |                            | 4,835,259                                | Spirent Communications                                   | 13,297        | 5.20                       |
|                                      |  |               |                            |  | <b>Total Technology</b>                                  | <b>13,297</b> | <b>5.20</b>                |

## Threadneedle UK Growth & Income Fund

### Portfolio Statement

as at 7 September 2020

| Holding  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|--|----------------|----------------------------|
| <b>COLLECTIVE INVESTMENT SCHEMES 1.18% (0.40%)</b> |  |                |                            |
| <b>Liquidity Funds 1.18% (0.40%)<sup>1</sup></b>   |  |                |                            |
| 3,014,753  | BlackRock Institutional Cash Series<br>Sterling Liquidity Platinum | 3,015          | 1.18                       |
| <b>Total Collective Investment Schemes</b>         |  | <b>3,015</b>   | <b>1.18</b>                |
| <b>Total value of investments<sup>2</sup></b>      |  | <b>257,276</b> | <b>100.61</b>              |
| <b>Net other liabilities (-0.86%)</b>              |  | <b>(1,573)</b> | <b>(0.61)</b>              |
| <b>Net assets</b>                                  |  | <b>255,703</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 40,647       | 4,235        |
| Total sales for the period     | 15,000       | 14,368       |

## Threadneedle UK Equity Income Fund

### Portfolio Statement

as at 7 September 2020

| Holding                               | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|---------------------------------------|--|----------------|----------------------------|--|--|----------------|----------------------------|
| <b>OIL &amp; GAS 1.85% (2.64%)</b>    |  |                |                            | <b>CONSUMER SERVICES 18.94% (20.28%)</b> |  |                |                            |
|                                       | <b>Oil &amp; Gas Producers 1.85% (2.64%)</b>               |                |                            |  | <b>Food &amp; Drug Retailers 6.03% (5.53%)</b>       |                |                            |
| 6,144,385                             | Royal Dutch Shell 'B' Shares                               | 63,791         | 1.85                       | 29,500,696                               | Tesco  | 63,928         | 1.85                       |
|                                       | <b>Total Oil &amp; Gas</b>                                 | <b>63,791</b>  | <b>1.85</b>                | 75,334,823                               | WM Morrison Supermarkets                             | 144,153        | 4.18                       |
| <b>BASIC MATERIALS 2.21% (2.01%)</b>  |  |                |                            |  | <b>General Retailers 1.50% (1.90%)</b>               |                |                            |
|                                       | <b>Chemicals 2.21% (2.01%)</b>                             |                |                            | 47,355,788                               | Marks & Spencer Group                                | 51,689         | 1.50                       |
| 18,106,689                            | Elementis  | 13,317         | 0.39                       |  | <b>Media 6.21% (6.46%)</b>                           |                |                            |
| 2,513,764                             | Johnson Matthey  | 62,668         | 1.82                       | 65,988,102                               | ITV  | 41,916         | 1.22                       |
|                                       | <b>Total Basic Materials</b>                               | <b>75,985</b>  | <b>2.21</b>                | 14,329,322                               | Pearson  | 76,547         | 2.22                       |
|                                       |  |                |                            | 5,534,731                                | RELX (London Listing)                                | 95,446         | 2.77                       |
| <b>INDUSTRIALS 27.84% (25.16%)</b>    |  |                |                            |  | <b>Travel &amp; Leisure 5.20% (6.39%)</b>            |                |                            |
|                                       | <b>Construction &amp; Materials 0.93% (1.15%)</b>          |                |                            | 5,919,938                                | Compass Group  | 74,680         | 2.17                       |
| 2,575,291                             | Morgan Sindall Group                                       | 32,037         | 0.93                       | 2,039,262                                | Go-Ahead Group                                       | 14,163         | 0.41                       |
|                                       | <b>Aerospace &amp; Defence 2.78% (2.92%)</b>               |                |                            | 5,108,475                                | J D Wetherspoon                                      | 53,435         | 1.55                       |
| 18,636,769                            | BAE Systems  | 95,756         | 2.78                       | 19,196,506                               | Rank Group   | 25,838         | 0.75                       |
|                                       | <b>General Industrials 3.92% (3.86%)</b>                   |                |                            | 25,021,230                               | Stagecoach Group                                     | 10,939         | 0.32                       |
| 21,738,076                            | DS Smith   | 59,128         | 1.71                       |  | <b>Total Consumer Services</b>                       | <b>652,734</b> | <b>18.94</b>               |
| 5,406,974                             | Smiths Group   | 76,103         | 2.21                       |  |  |                |                            |
|                                       | <b>Electronic &amp; Electrical Equipment 2.48% (2.12%)</b> |                |                            | <b>TELECOMMUNICATIONS 1.75% (2.03%)</b>  |  |                |                            |
| 8,191,924                             | Morgan Advanced Materials                                  | 18,596         | 0.54                       |  | <b>Fixed Line Telecommunications 1.75% (2.03%)</b>   |                |                            |
| 4,356,657                             | Oxford Instruments   | 66,831         | 1.94                       | 59,535,572                               | BT Group   | 60,458         | 1.75                       |
|                                       | <b>Industrial Engineering 1.03% (0.83%)</b>                |                |                            |  | <b>Total Telecommunications</b>                      | <b>60,458</b>  | <b>1.75</b>                |
| 3,320,885                             | IMI  | 35,567         | 1.03                       |  |  |                |                            |
|                                       | <b>Industrial Transportation 0.80% (0.97%)</b>             |                |                            | <b>UTILITIES 3.32% (3.82%)</b>           |  |                |                            |
| 14,677,133                            | Wincanton  | 27,593         | 0.80                       |  | <b>Gas, Water &amp; Multiutilities 3.32% (3.82%)</b> |                |                            |
|                                       | <b>Support Services 15.90% (13.31%)</b>                    |                |                            | 77,220,575                               | Centrica   | 35,274         | 1.02                       |
| 29,941,516                            | Electrocomponents  | 197,165        | 5.72                       | 4,481,675                                | Pennon Group   | 46,049         | 1.34                       |
| 1,214,524                             | Ferguson   | 87,324         | 2.53                       | 3,915,679                                | United Utilities Group                               | 33,174         | 0.96                       |
| 50,908,253                            | Hays   | 60,530         | 1.76                       |  | <b>Total Utilities</b>                               | <b>114,497</b> | <b>3.32</b>                |
| 38,947,537                            | Rentokil Initial   | 202,917        | 5.89                       |  |  |                |                            |
|                                       | <b>Total Industrials</b>                                   | <b>959,547</b> | <b>27.84</b>               | <b>FINANCIALS 16.72% (16.32%)</b>        |  |                |                            |
| <b>CONSUMER GOODS 10.80% (10.81%)</b> |  |                |                            |  | <b>Nonlife Insurance 4.06% (4.10%)</b>               |                |                            |
|                                       | <b>Food Producers 2.36% (2.24%)</b>                        |                |                            | 31,614,026                               | RSA Insurance Group                                  | 139,734        | 4.06                       |
| 11,969,602                            | Tate & Lyle  | 81,345         | 2.36                       |  | <b>Life Insurance 7.89% (7.07%)</b>                  |                |                            |
|                                       | <b>Personal Goods 4.22% (3.78%)</b>                        |                |                            | 10,911,922                               | Chesnara   | 31,099         | 0.90                       |
| 3,250,127                             | Unilever   | 145,541        | 4.22                       | 39,593,766                               | Legal & General Group                                | 81,484         | 2.36                       |
|                                       | <b>Tobacco 4.22% (4.79%)</b>                               |                |                            | 23,530,886                               | Phoenix Group Holdings                               | 159,445        | 4.63                       |
| 11,084,989                            | Imperial Brands  | 145,546        | 4.22                       |  | <b>Financial Services 4.77% (5.15%)</b>              |                |                            |
|                                       | <b>Total Consumer Goods</b>                                | <b>372,432</b> | <b>10.80</b>               | 12,795,915                               | 3i Group   | 113,935        | 3.31                       |
|                                       |  |                |                            | 29,711,703                               | Melrose Industries                                   | 35,253         | 1.02                       |
| <b>HEALTH CARE 16.35% (16.51%)</b>    |  |                |                            |  | <b>Life Insurance 7.89% (7.07%)</b>                  |                |                            |
|                                       | <b>Pharmaceuticals &amp; Biotechnology 16.35% (16.51%)</b> |                |                            | 40,562,539                               | Sherborne Investors Guernsey                         | 13,547         | 0.39                       |
| 4,098,222                             | AstraZeneca  | 335,194        | 9.72                       | 40,634,329                               | Sherborne Investors Guernsey B                       | 1,829          | 0.05                       |
| 15,532,336                            | GlaxoSmithKline  | 228,418        | 6.63                       |  | <b>Total Financials</b>                              | <b>576,326</b> | <b>16.72</b>               |
|                                       | <b>Total Health Care</b>                                   | <b>563,612</b> | <b>16.35</b>               |  |  |                |                            |

## Threadneedle UK Equity Income Fund

### Portfolio Statement

(continued)

| Holding  | Investment   | Value<br>£000    | % of<br>Net Asset<br>Value |
|--|--|------------------|----------------------------|
| <b>COLLECTIVE INVESTMENT SCHEMES 0.35% (0.26%)</b> |  |                  |                            |
| <b>Liquidity Funds 0.35% (0.26%)<sup>1</sup></b>   |  |                  |                            |
| 12,007,939   | BlackRock Institutional Cash Series<br>Sterling Liquidity Platinum | 12,008           | 0.35                       |
| 3,714  | Insight Liquidity Funds - ILF GBP<br>Liquidity Class 3             | 4                | –                          |
|  | <b>Total Collective Investment Schemes</b>                         | <b>12,012</b>    | <b>0.35</b>                |
|  | <b>Total value of investments<sup>2</sup></b>                      | <b>3,451,394</b> | <b>100.13</b>              |
|  | <b>Net other (liabilities)/assets (0.16%)</b>                      | <b>(4,413)</b>   | <b>(0.13)</b>              |
|  | <b>Net assets</b>  | <b>3,446,981</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 198,068      | 189,438      |
| Total sales for the period     | 281,617      | 199,054      |

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

as at 7 September 2020

| Holding                               | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------------|--|---------------|----------------------------|--|--|---------------|----------------------------|
| <b>OIL &amp; GAS 1.95% (4.06%)</b>    |  |               |                            | <b>HEALTH CARE 12.05% (12.84%)</b>       |  |               |                            |
|                                       | <b>Oil &amp; Gas Producers 1.95% (4.06%)</b>                 |               |                            |  | <b>Pharmaceuticals &amp; Biotechnology 12.05% (12.84%)</b> |               |                            |
| 125,000                               | BP   | 325           | 0.10                       | 215,000                                  | AstraZeneca  | 17,585        | 5.28                       |
| 595,000                               | Royal Dutch Shell 'B' Shares                                 | 6,177         | 1.85                       | 1,535,000                                | GlaxoSmithKline  | 22,574        | 6.77                       |
|                                       | <b>Total Oil &amp; Gas</b>                                   | <b>6,502</b>  | <b>1.95</b>                |  | <b>Total Health Care</b>                                   | <b>40,159</b> | <b>12.05</b>               |
| <b>BASIC MATERIALS 7.15% (4.68%)</b>  |  |               |                            | <b>CONSUMER SERVICES 12.67% (12.25%)</b> |  |               |                            |
|                                       | <b>Chemicals 2.98% (2.04%)</b>                               |               |                            |  | <b>Food &amp; Drug Retailers 0.75% (0.00%)</b>             |               |                            |
| 145,000                               | Johnson Matthey  | 3,615         | 1.08                       | 1,345,000                                | J Sainsbury  | 2,488         | 0.75                       |
| 1,990,000                             | Synthomer  | 6,324         | 1.90                       |  | <b>General Retailers 0.89% (1.09%)</b>                     |               |                            |
|                                       | <b>Mining 4.17% (2.64%)</b>                                  |               |                            | 1,475,000                                | Marks & Spencer Group                                      | 1,610         | 0.48                       |
| 825,000                               | BHP Group  | 13,900        | 4.17                       | 875,000                                  | ScS Group  | 1,365         | 0.41                       |
|                                       | <b>Total Basic Materials</b>                                 | <b>23,839</b> | <b>7.15</b>                |  | <b>Media 6.73% (5.04%)</b>                                 |               |                            |
| <b>INDUSTRIALS 12.77% (10.36%)</b>    |  |               |                            | 6,355,000                                | ITV  | 4,037         | 1.21                       |
|                                       | <b>Construction &amp; Materials 0.47% (0.00%)</b>            |               |                            | 790,000                                  | RELX (London Listing)                                      | 13,624        | 4.09                       |
| 920,000                               | Forterra   | 1,560         | 0.47                       | 755,000                                  | WPP  | 4,762         | 1.43                       |
|                                       | <b>Aerospace &amp; Defence 1.95% (2.42%)</b>                 |               |                            |  | <b>Travel &amp; Leisure 4.30% (6.12%)</b>                  |               |                            |
| 1,265,000                             | BAE Systems  | 6,500         | 1.95                       | 242,000                                  | Compass Group  | 3,053         | 0.91                       |
|                                       | <b>General Industrials 1.06% (0.94%)</b>                     |               |                            | 462,926                                  | Fuller Smith & Turner                                      | 2,500         | 0.75                       |
| 1,305,000                             | DS Smith   | 3,550         | 1.06                       | 275,000                                  | Go-Ahead Group   | 1,910         | 0.57                       |
|                                       | <b>Electronic &amp; Electrical Equipment 2.88% (2.50%)</b>   |               |                            | 2,600,000                                | Rank Group   | 3,500         | 1.05                       |
| 160,000                               | Halma  | 3,507         | 1.05                       | 3,415,000                                | Stagecoach Group   | 1,493         | 0.45                       |
| 175,000                               | Oxford Instruments   | 2,684         | 0.80                       | 75,000                                   | Whitbread  | 1,890         | 0.57                       |
| 130,000                               | Spectris   | 3,428         | 1.03                       |  | <b>Total Consumer Services</b>                             | <b>42,232</b> | <b>12.67</b>               |
|                                       | <b>Industrial Engineering 1.66% (1.79%)</b>                  |               |                            | <b>TELECOMMUNICATIONS 1.45% (1.72%)</b>  |  |               |                            |
| 9,185,000                             | Severfield   | 5,548         | 1.66                       |  | <b>Fixed Line Telecommunications 1.45% (1.72%)</b>         |               |                            |
|                                       | <b>Industrial Transportation 0.52% (0.47%)</b>               |               |                            | 4,750,000                                | BT Group   | 4,824         | 1.45                       |
| 138,382                               | James Fisher & Sons  | 1,721         | 0.52                       |  | <b>Total Telecommunications</b>                            | <b>4,824</b>  | <b>1.45</b>                |
|                                       | <b>Support Services 4.23% (2.24%)</b>                        |               |                            | <b>UTILITIES 6.62% (7.39%)</b>           |  |               |                            |
| 1,320,000                             | Electrocomponents  | 8,692         | 2.61                       |  | <b>Electricity 2.35% (2.99%)</b>                           |               |                            |
| 75,000                                | Ferguson   | 5,392         | 1.62                       | 640,000                                  | SSE  | 7,834         | 2.35                       |
|                                       | <b>Total Industrials</b>                                     | <b>42,582</b> | <b>12.77</b>               |  | <b>Gas, Water &amp; Multiutilities 4.27% (4.40%)</b>       |               |                            |
| <b>CONSUMER GOODS 14.81% (14.82%)</b> |  |               |                            | 2,100,000                                | Centrica   | 959           | 0.29                       |
|                                       | <b>Beverages 2.11% (2.09%)</b>                               |               |                            | 905,000                                  | Pennon Group   | 9,299         | 2.79                       |
| 225,000                               | Diageo   | 5,689         | 1.71                       | 165,000                                  | Severn Trent   | 3,976         | 1.19                       |
| 615,000                               | Stock Spirits Group  | 1,341         | 0.40                       |  | <b>Total Utilities</b>                                     | <b>22,068</b> | <b>6.62</b>                |
|                                       | <b>Household Goods &amp; Home Construction 1.83% (1.98%)</b> |               |                            | <b>FINANCIALS 28.67% (31.11%)</b>        |  |               |                            |
| 1,770,000                             | Crest Nicholson Holdings                                     | 3,572         | 1.07                       |  | <b>Banks 1.70% (8.23%)</b>                                 |               |                            |
| 35,000                                | Reckitt Benckiser Group                                      | 2,520         | 0.76                       | 285,000                                  | Close Brothers Group                                       | 3,064         | 0.92                       |
|                                       | <b>Personal Goods 3.89% (3.04%)</b>                          |               |                            | 2,450,000                                | Natwest Group  | 2,591         | 0.78                       |
| 195,000                               | Burberry Group   | 2,906         | 0.87                       |  | <b>Nonlife Insurance 0.81% (0.98%)</b>                     |               |                            |
| 225,000                               | Unilever   | 10,075        | 3.02                       | 366,695                                  | Lancashire Holdings  | 2,701         | 0.81                       |
|                                       | <b>Tobacco 6.98% (7.71%)</b>                                 |               |                            |  | <b>Life Insurance 14.10% (11.59%)</b>                      |               |                            |
| 400,000                               | British American Tobacco                                     | 10,260        | 3.08                       | 565,000                                  | Aviva  | 1,571         | 0.47                       |
| 990,000                               | Imperial Brands  | 12,999        | 3.90                       | 3,147,128                                | Chesnara   | 8,969         | 2.69                       |
|                                       | <b>Total Consumer Goods</b>                                  | <b>49,362</b> | <b>14.81</b>               | 6,535,000                                | Legal & General Group                                      | 13,449        | 4.03                       |
|                                       |  |               |                            | 2,090,000                                | Phoenix Group Holdings                                     | 14,162        | 4.25                       |
|                                       |  |               |                            | 495,000                                  | Prudential   | 5,712         | 1.71                       |
|                                       |  |               |                            | 335,000                                  | St James's Place   | 3,158         | 0.95                       |

## Threadneedle UK Monthly Income Fund

### Portfolio Statement

(continued)

| Holding  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|--|----------------|----------------------------|
| <b>FINANCIALS 28.67% (31.11%) (continued)</b>              |  |                |                            |
| <b>Real Estate Investment &amp; Services 1.15% (0.94%)</b> |  |                |                            |
| 1,240,000  | Grainger   | 3,822          | 1.15                       |
| <b>Real Estate Investment Trusts 5.74% (6.02%)</b>         |  |                |                            |
| 860,000  | Capital & Counties Properties                                      | 1,149          | 0.34                       |
| 185,000  | Derwent London   | 5,054          | 1.52                       |
| 3,765,000  | Empiric Student Property REIT                                      | 2,602          | 0.78                       |
| 275,000  | Land Securities Group REIT   | 1,512          | 0.45                       |
| 2,880,000  | Londonmetric Property REIT   | 6,739          | 2.02                       |
| 1,835,000  | <sup>1</sup> Warehouse REIT  | 2,092          | 0.63                       |
| <b>Financial Services 4.92% (3.35%)</b>                    |  |                |                            |
| 770,000  | 3i Group   | 6,856          | 2.06                       |
| 975,000  | AJ Bell  | 4,134          | 1.24                       |
| 885,000  | M&G Prudential   | 1,445          | 0.43                       |
| 1,955,000  | Melrose Industries   | 2,320          | 0.70                       |
| 4,302,702  | Sherborne Investors Guernsey                                       | 1,437          | 0.43                       |
| 4,275,000  | Sherborne Investors Guernsey B                                     | 192            | 0.06                       |
| <b>Equity Investment Instruments 0.25% (0.00%)</b>         |  |                |                            |
| 510,000  | HICL Infrastructure  | 842            | 0.25                       |
| <b>Total Financials</b>                                    |  | <b>95,573</b>  | <b>28.67</b>               |
| <b>COLLECTIVE INVESTMENT SCHEMES 0.90% (0.00%)</b>         |  |                |                            |
| <b>Liquidity Funds 0.90% (0.00%)<sup>1</sup></b>           |  |                |                            |
| 3,012,151  | BlackRock Institutional Cash Series<br>Sterling Liquidity Platinum | 3,012          | 0.90                       |
| <b>Total Collective Investment Schemes</b>                 |  | <b>3,012</b>   | <b>0.90</b>                |
| <b>Total value of investments<sup>2</sup></b>              |  | <b>330,153</b> | <b>99.04</b>               |
| <b>Net other assets (0.77%)</b>                            |  | <b>3,217</b>   | <b>0.96</b>                |
| <b>Net assets</b>  |  | <b>333,370</b> | <b>100.00</b>              |

March 2020 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 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 64,851       | 61,469       |
| Total sales for the period     | 72,775       | 81,679       |

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

as at 7 September 2020

|   |            | Value   | % of            |   |                                       | Value  | % of            |  |             |      |
|---|------------|---|-----------------|---|---------------------------------------|--|-----------------|--|-------------|------|
| Holding                                     | Investment | £000  | Net Asset Value | Holding                                       | Investment                            | £000   | Net Asset Value |  |             |      |
| <b>AUSTRALIA 0.76% (0.80%)</b>              |            |   |                 | <b>GUERNSEY 0.39% (0.52%)</b>                 |                                       |  |                 |  |             |      |
| <b>Corporate Bonds 0.76% (0.80%)</b>        |            |   |                 | <b>Financial Services 0.39% (0.52%)</b>       |                                       |  |                 |  |             |      |
| GBP   | 400,000    | APT Pipelines 3.125% 18/07/2031                         | 444             | 0.19  | 2,379,207                             | Sherborne Investors Guernsey                 | 795             | 0.35                                       |             |      |
| GBP   | 395,000    | Asciano Finance 5% 19/09/2023                           | 431             | 0.19  | 2,115,863                             | Sherborne Investors Guernsey B               | 95              | 0.04                                       |             |      |
| GBP   | 472,000    | *BHP Billiton Finance 6.5% 22/10/2077                   | 517             | 0.23  | <b>Total Guernsey</b>                 |  |                 | <b>890</b>                                 | <b>0.39</b> |      |
| USD   | 400,000    | SGSP Australia Assets 3.25% 29/07/2026                  | 335             | 0.15  |                                       |  |                 |  |             |      |
| <b>Total Australia</b>                      |            |   | <b>1,727</b>    | <b>0.76</b>                                   | <b>JERSEY 0.51% (0.53%)</b>           |  |                 |  |             |      |
| <b>BERMUDA 1.48% (1.56%)</b>                |            |   |                 | <b>Corporate Bonds 0.51% (0.53%)</b>          |                                       |  |                 |  |             |      |
| <b>Corporate Bonds 0.21% (0.18%)</b>        |            |   |                 | GBP 125,000 Gatwick Funding 2.625% 07/10/2046 |                                       |  |                 | 109  | 0.05        |      |
| USD   | 550,000    | Bacardi 4.7% 15/05/2028                                 | 485             | 0.21  | GBP 134,000                           | Glencore Finance Europe 3.125% 26/03/2026    | 141             | 0.06                                       |             |      |
| <b>Nonlife Insurance 1.27% (1.38%)</b>      |            |   |                 | GBP 160,000                                   |                                       |  |                 | Hastings Group Finance 3% 24/05/2025       | 173         | 0.08 |
|   | 395,924    | Hiscox  | 2,863           | 1.27  | GBP 170,000                           | Heathrow Funding 2.75% 09/08/2049            | 165             | 0.07                                       |             |      |
| <b>Total Bermuda</b>                        |            |   | <b>3,348</b>    | <b>1.48</b>                                   | GBP 185,000                           | Heathrow Funding 4.625% 31/10/2046           | 241             | 0.11                                       |             |      |
| <b>BRITISH VIRGIN ISLANDS 0.00% (0.19%)</b> |            |   |                 | GBP 90,000                                    |                                       |  |                 | Heathrow Funding 6.45% 10/12/2031          | 125         | 0.05 |
| <b>Corporate Bonds 0.00% (0.19%)</b>        |            |   |                 | GBP 175,000                                   |                                       |  |                 | Porterbrook Rail Finance 4.625% 04/04/2029 | 201         | 0.09 |
| <b>Total British Virgin Islands</b>         |            |   | <b>-</b>        | <b>-</b>                                      | <b>Total Jersey</b>                   |  |                 | <b>1,155</b>                               | <b>0.51</b> |      |
| <b>CAYMAN ISLANDS 0.90% (0.38%)</b>         |            |   |                 | <b>LUXEMBOURG 0.35% (0.26%)</b>               |                                       |  |                 |  |             |      |
| <b>Corporate Bonds 0.90% (0.38%)</b>        |            |   |                 | <b>Corporate Bonds 0.35% (0.26%)</b>          |                                       |  |                 |  |             |      |
| GBP   | 115,000    | Dwr Cymru Financing 6.015% 31/03/2028                   | 156             | 0.07  | GBP 399,000                           | Aroundtown 3% 16/10/2029                     | 408             | 0.18                                       |             |      |
| USD   | 190,000    | Noble Holding International 6.95% 01/04/2045            | 2               | -   | GBP 275,000                           | Aroundtown 3.25% 18/07/2027                  | 291             | 0.13                                       |             |      |
| GBP   | 295,000    | Phoenix Group Holdings 5.625% 28/04/2031                | 339             | 0.15  | GBP 100,000                           | CPI Property Group 2.75% 22/01/2028          | 97              | 0.04                                       |             |      |
| GBP   | 550,000    | Southern Water Services 3% 28/05/2037                   | 575             | 0.26  | <b>Total Luxembourg</b>               |  |                 | <b>796</b>                                 | <b>0.35</b> |      |
| GBP   | 325,000    | Thames Water Utilities 2.375% 03/05/2023                | 322             | 0.14  | <b>MEXICO 0.19% (0.27%)</b>           |  |                 |  |             |      |
| GBP   | 500,000    | Thames Water Utilities Cayman Finance 2.625% 24/01/2032 | 543             | 0.24  | <b>Corporate Bonds 0.10% (0.19%)</b>  |  |                 |  |             |      |
| GBP   | 100,000    | *Trafford Centre Finance FRN 28/07/2035 A3              | 88              | 0.04  | GBP 248,000                           | Petroleos Mexicanos 3.75% 16/11/2025         | 216             | 0.10                                       |             |      |
| <b>Total Cayman Islands</b>                 |            |   | <b>2,025</b>    | <b>0.90</b>                                   | <b>Government Bonds 0.09% (0.08%)</b> |  |                 |  |             |      |
| <b>FRANCE 1.37% (1.72%)</b>                 |            |   |                 | GBP 202,000                                   |                                       |  |                 | United Mexican States 5.625% 19/03/2114    | 215         | 0.09 |
| <b>Corporate Bonds 1.37% (1.72%)</b>        |            |   |                 | <b>Total Mexico</b>                           |                                       |  |                 | <b>431</b>                                 | <b>0.19</b> |      |
| GBP   | 400,000    | Banque Fédérative du Crédit Mutuel 1.5% 07/10/2026      | 416             | 0.18  | <b>NETHERLANDS 1.54% (1.39%)</b>      |  |                 |  |             |      |
| GBP   | 400,000    | BNP Paribas 1.875% 14/12/2027                           | 411             | 0.18  | <b>Corporate Bonds 1.54% (1.39%)</b>  |  |                 |  |             |      |
| GBP   | 200,000    | BPCE 5.25% 16/04/2029                                   | 253             | 0.11  | GBP 200,000                           | ABN AMRO Bank 1.375% 16/01/2025              | 205             | 0.09                                       |             |      |
| GBP   | 100,000    | Credit Agricole 1.25% 02/10/2024                        | 103             | 0.05  | GBP 300,000                           | Co-operative Rabobank 4.625% 23/05/2029      | 371             | 0.16                                       |             |      |
| GBP   | 300,000    | Electricite de France 5.125% 22/09/2050                 | 456             | 0.20  | GBP 300,000                           | E.ON International Finance 6.375% 07/06/2032 | 450             | 0.20                                       |             |      |
| GBP   | 400,000    | Electricite de France 5.5% 17/10/2041                   | 597             | 0.26  | GBP 750,000                           | Innogy Finance 6.25% 03/06/2030              | 1,061           | 0.47                                       |             |      |
| GBP   | 400,000    | LVMH Moet Hennessy Vuitton 1.125% 11/02/2027            | 404             | 0.18  | GBP 200,000                           | LafargeHolcim Sterling Finance 3% 12/05/2032 | 221             | 0.10                                       |             |      |
| GBP   | 300,000    | Orange 3.25% 15/01/2032                                 | 352             | 0.16  | GBP 120,000                           | Shell International Finance 1.75% 10/09/2052 | 117             | 0.05                                       |             |      |
| GBP   | 70,000     | Orange 8.125% 20/11/2028                                | 107             | 0.05  | USD 525,000                           | Syngenta Finance 5.182% 24/04/2028           | 439             | 0.19                                       |             |      |
| <b>Total France</b>                         |            |   | <b>3,099</b>    | <b>1.37</b>                                   | EUR 300,000                           | *Telefonica Europe Variable 14/03/2168       | 285             | 0.13                                       |             |      |
| <b>GERMANY 0.16% (0.13%)</b>                |            |   |                 | <b>NORWAY 0.00% (0.14%)</b>                   |                                       |  |                 |  |             |      |
| <b>Corporate Bonds 0.16% (0.13%)</b>        |            |   |                 | <b>Corporate Bonds 0.00% (0.14%)</b>          |                                       |  |                 |  |             |      |
| EUR   | 400,000    | ADLER Real Estate 3% 27/04/2026                         | 359             | 0.16  | <b>Total Netherlands</b>              |  |                 | <b>3,479</b>                               | <b>1.54</b> |      |
| <b>Total Germany</b>                        |            |   | <b>359</b>      | <b>0.16</b>                                   | <b>Total Norway</b>                   |  |                 | <b>-</b>                                   | <b>-</b>    |      |

## Threadneedle Monthly Extra Income Fund

### Portfolio Statement

(continued)

| Holding                                  |         | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding |         | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|---------|---|---------------|----------------------------|---------|---------|---|---------------|----------------------------|
| <b>REPUBLIC OF IRELAND 0.31% (0.48%)</b> |         |   |               |                            | GBP     | 233,000 | GlaxoSmithkline Capital 1.25%<br>12/10/2028                 | 237           | 0.10                       |
| <b>Corporate Bonds 0.31% (0.48%)</b>     |         |   |               |                            | GBP     | 188,000 | GlaxoSmithkline Capital 1.625%<br>12/05/2035                | 192           | 0.09                       |
| GBP                                      | 580,000 | GE Capital UK Funding 5.875%<br>18/01/2033            | 698           | 0.31                       | GBP     | 100,000 | Home Group 3.125% 27/03/2043                                | 118           | 0.05                       |
| <b>Total Republic of Ireland</b>         |         |   |               |                            | GBP     | 90,000  | HSBC Bank 4.75% 24/03/2046                                  | 110           | 0.05                       |
|  |         |   |               |                            | GBP     | 600,000 | HSBC Bank 5.375% 22/08/2033                                 | 793           | 0.35                       |
| <b>SWEDEN 0.24% (0.27%)</b>              |         |   |               |                            | GBP     | 175,000 | Imperial Brand Finance 8.125%<br>15/03/2024                 | 215           | 0.09                       |
| <b>Corporate Bonds 0.24% (0.27%)</b>     |         |   |               |                            | GBP     | 100,000 | Imperial Brands Finance 4.875%<br>07/06/2032                | 121           | 0.05                       |
| GBP                                      | 430,000 | Akelius Residential 2.375% 15/08/2025                 | 447           | 0.20                       | GBP     | 384,000 | Imperial Brands Finance 5.5%<br>28/09/2026                  | 464           | 0.21                       |
| EUR                                      | 100,000 | Sagax 1.125% 30/01/2027                               | 87            | 0.04                       | GBP     | 375,000 | Land Securities Capital Markets<br>2.375% 29/03/2029        | 397           | 0.18                       |
| <b>Total Sweden</b>                      |         |   |               |                            | GBP     | 225,000 | *Legal & General Group 5.5%<br>27/06/2064                   | 271           | 0.12                       |
|  |         |   |               |                            | GBP     | 100,000 | *Legal & General Group Variable<br>14/11/2048               | 115           | 0.05                       |
| <b>SWITZERLAND 0.40% (0.22%)</b>         |         |   |               |                            | GBP     | 279,000 | *Legal & General Group Variable<br>27/10/2045               | 321           | 0.14                       |
| <b>Corporate Bonds 0.40% (0.22%)</b>     |         |   |               |                            | GBP     | 400,000 | Lloyds Bank 6.5% 17/09/2040                                 | 703           | 0.31                       |
| GBP                                      | 285,000 | *Credit Suisse Group Variable<br>09/06/2028           | 294           | 0.13                       | GBP     | 277,000 | Lloyds Bank 7.625% 22/04/2025                               | 355           | 0.16                       |
| USD                                      | 700,000 | *UBS Group 7% 29/12/2049                              | 602           | 0.27                       | GBP     | 212,000 | Marks & Spencer 6% 12/06/2025                               | 230           | 0.10                       |
| <b>Total Switzerland</b>                 |         |   |               |                            | GBP     | 104,000 | *Marstons Issuer 5.1576% 15/10/2027                         | 84            | 0.04                       |
|  |         |   |               |                            | GBP     | 272,000 | Mitchells & Butlers Finance 5.574%<br>15/12/2030            | 110           | 0.05                       |
| <b>UNITED KINGDOM 86.43% (84.27%)</b>    |         |   |               |                            | GBP     | 192,000 | Motability Operations 2.375%<br>03/07/2039                  | 216           | 0.10                       |
| <b>Corporate Bonds 9.67% (10.76%)</b>    |         |   |               |                            | GBP     | 291,000 | National Grid Electricity Transmission<br>1.125% 07/07/2028 | 295           | 0.13                       |
| GBP                                      | 180,000 | Anglian Water Services Financing<br>2.625% 15/06/2027 | 181           | 0.08                       | GBP     | 400,000 | Newriver REIT 3.5% 07/03/2028                               | 352           | 0.16                       |
| GBP                                      | 150,000 | Anglian Water Services Financing<br>2.75% 26/10/2029  | 169           | 0.07                       | GBP     | 600,000 | *NGG Finance 5.625% 18/06/2073                              | 690           | 0.31                       |
| GBP                                      | 281,000 | *Aviva 4.375% 12/09/2049                              | 313           | 0.14                       | GBP     | 170,000 | NIE Finance 2.5% 27/10/2025 (London<br>Listing)             | 183           | 0.08                       |
| GBP                                      | 105,000 | *Aviva Variable 03/06/2055                            | 113           | 0.05                       | GBP     | 132,000 | Northern Powergrid 1.875%<br>16/06/2062                     | 136           | 0.06                       |
| GBP                                      | 203,000 | Barclays Bank 5.75% 14/09/2026                        | 245           | 0.11                       | GBP     | 100,000 | Northern Powergrid 5.125% 04/05/35                          | 144           | 0.06                       |
| GBP                                      | 552,000 | BAT International Finance 2.25%<br>26/06/2028         | 555           | 0.25                       | GBP     | 250,000 | Northumbrian Water Finance 2.375%<br>05/10/2027             | 271           | 0.12                       |
| GBP                                      | 100,000 | BAT International Finance 6%<br>24/11/2034            | 134           | 0.06                       | GBP     | 100,000 | Optivo Finance 2.857% 07/10/2035                            | 115           | 0.05                       |
| GBP                                      | 100,000 | BP Capital Markets 1.827% 08/09/2025                  | 105           | 0.05                       | GBP     | 100,000 | Pearson 3.75% 04/06/2030                                    | 108           | 0.05                       |
| GBP                                      | 285,000 | *BP Capital Markets Variable<br>22/06/2169 GBP        | 302           | 0.13                       | GBP     | 282,000 | Pension Insurance 5.625% 20/09/2030                         | 334           | 0.15                       |
| GBP                                      | 280,000 | British Telecommunications 3.125%<br>21/11/2031       | 314           | 0.14                       | GBP     | 173,000 | Reckitt Benckiser 1.75% 19/05/2032                          | 180           | 0.08                       |
| GBP                                      | 220,000 | Broadgate Finance 5.098% 05/04/2033                   | 241           | 0.11                       | GBP     | 600,000 | *Royal Bank of Scotland 2.875%<br>19/09/2026                | 639           | 0.28                       |
| GBP                                      | 590,000 | Bunzl Finance 2.25% 11/06/2025                        | 623           | 0.28                       | GBP     | 100,000 | *Royal Bank of Scotland Group<br>Variable 14/08/2030        | 106           | 0.05                       |
| GBP                                      | 162,000 | Bupa Finance 4.125% 14/06/2035                        | 173           | 0.08                       | GBP     | 275,000 | *Royal Bank of Scotland Group<br>Variable 28/03/2027        | 297           | 0.13                       |
| GBP                                      | 406,000 | Bupa Finance 5% 08/12/2026                            | 462           | 0.20                       | GBP     | 130,000 | Santander UK 10.0625% 29/10/2049                            | 205           | 0.09                       |
| GBP                                      | 200,000 | Cadent Finance 2.25% 10/10/2035                       | 213           | 0.09                       | GBP     | 200,000 | Scotland Gas Network 3.25%<br>08/03/2027                    | 226           | 0.10                       |
| GBP                                      | 100,000 | Cadent Finance 2.625% 22/09/2038                      | 110           | 0.05                       | GBP     | 200,000 | Scottish Hydro Electric 2.25%<br>27/09/2035                 | 217           | 0.10                       |
| GBP                                      | 260,000 | Cadent Finance 2.75% 22/09/2046                       | 294           | 0.13                       | GBP     | 100,000 | Scottish Widows 7% 16/06/2043                               | 142           | 0.06                       |
| GBP                                      | 138,000 | Catalyst Housing 3.125% 31/10/2047                    | 168           | 0.07                       | GBP     | 100,000 | Severn Trent Utilities Finance 2%<br>02/06/2040             | 105           | 0.05                       |
| GBP                                      | 450,000 | Cattles 7.125% 05/07/2017 (Defaulted)                 | —             | —                          | GBP     | 577,000 | Severn Trent Utilities Finance 3.625%<br>16/01/2026         | 661           | 0.29                       |
| EUR                                      | 288,000 | DS Smith 0.875% 12/09/2026                            | 258           | 0.11                       | GBP     | 120,000 | Southern Gas Networks 3.1%<br>15/09/2036                    | 143           | 0.06                       |
| GBP                                      | 140,000 | DS Smith 2.875% 26/07/2029                            | 144           | 0.06                       | GBP     | 624,000 | *Telereal Securitisation 4.0902%<br>10/12/2033              | 635           | 0.28                       |
| GBP                                      | 150,000 | Eastern Power Networks 1.875%<br>01/06/2035           | 156           | 0.07                       |         |         |   |               |                            |
| GBP                                      | 124,000 | Eversholt Funding 2.742% 30/06/2040                   | 129           | 0.06                       |         |         |   |               |                            |
| GBP                                      | 250,000 | Eversholt Funding 3.529% 07/08/2042                   | 277           | 0.12                       |         |         |   |               |                            |
| GBP                                      | 100,000 | Experian Finance 3.25% 07/04/2032                     | 118           | 0.05                       |         |         |   |               |                            |
| GBP                                      | 480,000 | First Hydro Finance 9% 31/07/2021                     | 510           | 0.23                       |         |         |   |               |                            |
| EUR                                      | 355,000 | G4S International Finance 1.5%<br>02/06/2024          | 325           | 0.14                       |         |         |   |               |                            |
| EUR                                      | 195,000 | G4S International Finance 1.875%<br>24/05/2025        | 181           | 0.08                       |         |         |   |               |                            |
| GBP                                      | 225,000 | GKN Holdings 4.625% 15/05/2032                        | 218           | 0.10                       |         |         |   |               |                            |
| GBP                                      | 200,000 | GKN Holdings 5.375% 19/09/2022                        | 208           | 0.09                       |         |         |   |               |                            |







## Threadneedle Sterling Corporate Bond Fund

### Portfolio Statement

(continued)

|   | Holding    | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |     | Holding    | Investment   | Value<br>£000              | % of<br>Net Asset<br>Value |      |
|---|------------|--|---------------|----------------------------|-----|------------|--|----------------------------|----------------------------|------|
| <b>FIXED INTEREST 87.89% (88.78%) (continued)</b> |            |  |               |                            |     | GBP        | 10,543,000   | Bupa Finance 5% 08/12/2026 | 12,000                     | 1.11 |
| GBP   | 11,131,000 | Bunzl Finance 2.25% 11/06/2025                             | 11,760        | 1.09                       |     |            |  |                            |                            |      |
| GBP   | 4,390,000  | Cadent Finance 2.125% 22/09/2028                           | 4,657         | 0.43                       |     |            |  |                            |                            |      |
| GBP   | 5,120,000  | Cadent Finance 2.625% 22/09/2038                           | 5,656         | 0.52                       | EUR | 2,442,000  | Akelius Residential 1.75% 07/02/2025   | 2,279                      | 0.21                       |      |
| GBP   | 2,850,000  | Cadent Finance 2.75% 22/09/2046                            | 3,220         | 0.30                       | GBP | 6,470,000  | Akelius Residential 2.375% 15/08/2025  | 6,731                      | 0.62                       |      |
| GBP   | 2,225,000  | Citigroup 1.75% 23/10/2026                                 | 2,296         | 0.21                       | EUR | 2,802,000  | APT Pipelines 2% 15/07/2030  | 2,716                      | 0.25                       |      |
| GBP   | 6,000,000  | Co-operative Rabobank 4.625%<br>23/05/2029                 | 7,418         | 0.69                       | GBP | 5,581,000  | APT Pipelines 3.125% 18/07/2031  | 6,189                      | 0.57                       |      |
| GBP   | 10,321,000 | GE Capital UK Funding 5.875%<br>18/01/2033                 | 12,414        | 1.15                       | GBP | 4,963,000  | APT Pipelines 3.5% 22/03/2030  | 5,620                      | 0.52                       |      |
| GBP   | 2,409,000  | Glencore Finance Europe 3.125%<br>26/03/2026               | 2,536         | 0.24                       | GBP | 6,038,000  | AT&T 4.25% 01/06/2043  | 7,557                      | 0.70                       |      |
| EUR   | 5,000,000  | Grand City Properties 1.375%<br>03/08/2026                 | 4,693         | 0.43                       | GBP | 15,264,000 | AT&T 4.375% 14/09/2029   | 18,526                     | 1.72                       |      |
| GBP   | 2,000,000  | Heathrow Funding 2.75% 09/08/2049                          | 1,944         | 0.18                       | GBP | 2,250,000  | AT&T 5.5% 15/03/2027   | 2,820                      | 0.26                       |      |
| GBP   | 1,700,000  | McDonald's 2.95% 15/03/2034                                | 1,963         | 0.18                       | USD | 4,979,000  | BAE Systems 3.4% 15/04/2030  | 4,237                      | 0.39                       |      |
| GBP   | 4,169,000  | Mitchells & Butlers Finance 5.574%<br>15/12/2030           | 1,679         | 0.16                       | GBP | 15,286,000 | Becton Dickinson 3.02% 24/05/2025  | 16,393                     | 1.52                       |      |
| GBP   | 5,475,000  | NIE Finance 2.5% 27/10/2025 (BSE)                          | 5,896         | 0.55                       | GBP | 4,455,000  | British Telecommunications 3.125%<br>21/11/2031                              | 4,994                      | 0.46                       |      |
| GBP   | 2,295,000  | NIE Finance 6.375% 02/06/2026                              | 2,983         | 0.28                       | GBP | 2,335,000  | CPI Property Group 2.75% 22/01/2028  | 2,270                      | 0.21                       |      |
| GBP   | 7,829,000  | Northumbrian Water Finance 1.625%<br>11/10/2026            | 8,125         | 0.75                       | GBP | 6,038,000  | Digital Stout 3.3% 19/07/2029  | 6,923                      | 0.64                       |      |
| GBP   | 4,700,000  | Orange 3.25% 15/01/2032                                    | 5,515         | 0.51                       | GBP | 5,145,000  | Digital Stout Holding 3.75% 17/10/2030                                       | 6,110                      | 0.57                       |      |
| GBP   | 2,230,000  | Orange 8.125% 20/11/2028                                   | 3,419         | 0.32                       | GBP | 7,825,000  | E.ON International Finance 6.375%<br>07/06/2032                              | 11,740                     | 1.09                       |      |
| GBP   | 3,062,000  | Petroleos Mexicanos 3.75%<br>16/11/2025                    | 2,660         | 0.25                       | GBP | 700,000    | Fidelity National Information Services<br>2.25% 03/12/2029                   | 741                        | 0.07                       |      |
| EUR   | 1,978,000  | RELX Finance 0.875% 10/03/2032                             | 1,800         | 0.17                       | GBP | 10,009,000 | Fidelity National Information Services<br>3.36% 21/05/2031                   | 11,646                     | 1.08                       |      |
| GBP   | 1,950,000  | Scotland Gas Network 3.25%<br>08/03/2027                   | 2,199         | 0.20                       | GBP | 3,060,000  | Fidelity National Information Services<br>3.36% 21/05/2031 (Berlin Exchange) | 3,561                      | 0.33                       |      |
| GBP   | 2,237,000  | Severn Trent Utilities Finance 2%<br>02/06/2040            | 2,352         | 0.22                       | GBP | 7,971,000  | Fiserv 3% 01/07/2031   | 9,003                      | 0.83                       |      |
| GBP   | 4,323,000  | Severn Trent Utilities Finance 3.625%<br>16/01/2026        | 4,952         | 0.46                       | GBP | 1,945,000  | Gatwick Funding 2.875% 05/07/2049  | 1,771                      | 0.16                       |      |
| GBP   | 1,127,000  | Southern Gas Networks 3.1%<br>15/09/2036                   | 1,344         | 0.12                       | GBP | 6,902,000  | Global Switch Holdings 4.375%<br>13/12/2022                                  | 7,390                      | 0.68                       |      |
| GBP   | 6,812,000  | Southern Water Services 2.375%<br>28/05/2028               | 6,987         | 0.65                       | GBP | 3,686,000  | Imperial Brand Finance 8.125%<br>15/03/2024                                  | 4,520                      | 0.42                       |      |
| GBP   | 12,079,000 | Southern Water Services 3%<br>28/05/2037                   | 12,632        | 1.17                       | GBP | 9,820,000  | Imperial Brands Finance 5.5%<br>28/09/2026                                   | 11,866                     | 1.10                       |      |
| GBP   | 1,933,000  | SP Transmission 2% 13/11/2031                              | 2,063         | 0.19                       | GBP | 15,065,000 | Innogy Finance 6.25% 03/06/2030  | 21,311                     | 1.97                       |      |
| GBP   | 1,275,000  | SPD Finance UK 5.875% 17/07/2026                           | 1,617         | 0.15                       | GBP | 4,109,000  | LafargeHolcim Sterling Finance 3%<br>12/05/2032                              | 4,531                      | 0.42                       |      |
| GBP   | 4,338,000  | Thames Water Utilities Cayman<br>Finance 2.625% 24/01/2032 | 4,714         | 0.44                       | GBP | 8,377,000  | Lloyds Bank 7.625% 22/04/2025  | 10,737                     | 0.99                       |      |
| GBP   | 5,570,000  | Thames Water Utilities Finance<br>2.375% 22/04/2040        | 5,752         | 0.53                       | GBP | 1,525,000  | Longstone Finance 4.896% 19/04/2031  | 1,812                      | 0.17                       |      |
| EUR   | 1,120,000  | Thermo Fisher Scientific 1.875%<br>01/10/2049              | 1,025         | 0.10                       | GBP | 2,000,000  | Telefonica Emisiones 5.445%<br>08/10/2029                                    | 2,642                      | 0.24                       |      |
| USD   | 7,472,000  | UBS 5.125% 15/05/2024                                      | 6,286         | 0.58                       | GBP | 1,408,000  | Telereal Securitisation 5.4252%<br>10/12/2031                                | 1,512                      | 0.14                       |      |
| GBP   | 1,968,000  | United Mexican States 5.625%<br>19/03/2114                 | 2,096         | 0.19                       | GBP | 2,875,000  | Unite Group 3.5% 15/10/2028  | 2,971                      | 0.28                       |      |
| GBP   | 2,010,000  | United Utilities Water Finance 1.75%<br>10/02/2038         | 2,062         | 0.19                       | GBP | 2,200,000  | Vodafone Group 3% 12/08/2056   | 2,397                      | 0.22                       |      |
| GBP   | 3,273,000  | United Utilities Water Finance 1.875%<br>03/06/2042        | 3,391         | 0.31                       |     |            |  |                            |                            |      |
| GBP   | 9,442,000  | Verizon Communications 1.875%<br>19/09/2030                | 9,869         | 0.91                       |     |            |  |                            |                            |      |
| GBP   | 4,700,000  | Volkswagen International Finance<br>3.375% 16/11/2026      | 5,168         | 0.48                       | GBP | 1,365,000  | Asciano Finance 5% 19/09/2023  | 1,488                      | 0.14                       |      |
| GBP   | 7,581,000  | Welltower 4.8% 20/11/2028                                  | 8,807         | 0.82                       | USD | 21,296,000 | Bacardi 4.7% 15/05/2028  | 18,787                     | 1.74                       |      |
| GBP   | 4,920,000  | Western Power Distribution 3.5%<br>16/10/2026              | 5,429         | 0.50                       | GBP | 1,550,000  | Barclays Bank 5.75% 14/09/2026   | 1,870                      | 0.17                       |      |
|   |            | <b>Baa1 1.45% (1.54%)</b>                                  |               |                            | EUR | 5,904,000  | DS Smith 0.875% 12/09/2026   | 5,291                      | 0.49                       |      |
| GBP   | 3,386,000  | Bupa Finance 4.125% 14/06/2035                             | 3,622         | 0.34                       | GBP | 3,745,000  | DS Smith 2.875% 26/07/2029   | 3,849                      | 0.36                       |      |
|   |            |  |               |                            | GBP | 3,044,000  | Ford Motor Credit 4.535% 06/03/2025  | 3,044                      | 0.28                       |      |
|   |            |  |               |                            | EUR | 3,275,000  | G4S International Finance 1.5%<br>02/06/2024                                 | 3,000                      | 0.28                       |      |

## Threadneedle Sterling Corporate Bond Fund

### Portfolio Statement

(continued)

|   | Value      | % of  |           | Value | % of  |         | Value      | % of |   |       |      |
|---|------------|---|-----------|-------|-------|---------|------------|------|---|-------|------|
| Holding   | Investment | £000  | Net Asset | Value | Value | Holding | Investment | £000 | Net Asset   |       |      |
|   |            |   |           |       |       |         |            |      |   |       |      |
| <b>FIXED INTEREST 87.89% (88.78%) (continued)</b> |            |   |           |       |       | GBP     | 58,558     |      | Insight Liquidity Funds - ILF GBP Liquidity Class 3 | 59    | 0.01 |
| EUR   | 2,495,000  | G4S International Finance 1.875% 24/05/2025                     | 2,317     | 0.21  |       |         |            |      |   |       |      |
| GBP   | 3,915,000  | GKN Holdings 4.625% 15/05/2032                                  | 3,797     | 0.35  |       |         |            |      |   |       |      |
| GBP   | 8,301,000  | GKN Holdings 5.375% 19/09/2022                                  | 8,615     | 0.80  |       |         |            |      |   |       |      |
| GBP   | 1,745,000  | Marks & Spencer 6% 12/06/2025                                   | 1,894     | 0.18  |       |         |            |      |   |       |      |
| GBP   | 1,362,000  | Pearson 3.75% 04/06/2030  | 1,470     | 0.14  |       |         |            |      |   |       |      |
| USD   | 2,022,000  | Plains All American Pipeline 3.55% 15/12/2029                   | 1,522     | 0.14  |       |         |            |      |   |       |      |
| USD   | 1,928,000  | Plains All American Pipeline 4.65% 15/10/2025                   | 1,595     | 0.15  |       |         |            |      |   |       |      |
| GBP   | 3,310,000  | Rolls-Royce 3.375% 18/06/2026                                   | 3,091     | 0.29  |       |         |            |      |   |       |      |
| USD   | 6,605,000  | Syngenta Finance 5.182% 24/04/2028                              | 5,527     | 0.51  |       |         |            |      |   |       |      |
| GBP   | 5,830,000  | Tesco Property Finance 1 7.6227% 13/07/2039                     | 7,423     | 0.69  |       |         |            |      |   |       |      |
| GBP   | 6,311,000  | Tesco Property Finance 3 5.744% 13/04/2040                      | 8,138     | 0.75  |       |         |            |      |   |       |      |
| GBP   | 4,520,000  | Tesco Property Finance 5.5% 13/10/2041                          | 5,944     | 0.55  |       |         |            |      |   |       |      |
| GBP   | 3,270,000  | Thames Water Utilities 2.375% 03/05/2023                        | 3,242     | 0.30  |       |         |            |      |   |       |      |
| GBP   | 4,559,000  | Thames Water Utilities 2.875% 03/05/2027                        | 4,556     | 0.42  |       |         |            |      |   |       |      |
| GBP   | 1,647,000  | Time Warner Cable 5.25% 15/07/2042                              | 2,122     | 0.20  |       |         |            |      |   |       |      |
| GBP   | 4,825,000  | Time Warner Cable 5.75% 02/06/2031                              | 6,158     | 0.57  |       |         |            |      |   |       |      |
| <b>Baa3 0.08% (0.00%)</b>                         |            |   |           |       |       |         |            |      |   |       |      |
| EUR   | 483,000    | Sagax 1.125% 30/01/2027   | 420       | 0.04  |       |         |            |      |   |       |      |
| EUR   | 507,000    | Sagax 2.25% 13/03/2025  | 470       | 0.04  |       |         |            |      |   |       |      |
| <b>BB+ 1.76% (1.99%)</b>                          |            |   |           |       |       |         |            |      |   |       |      |
| EUR   | 4,100,000  | ADLER Real Estate 3% 27/04/2026                                 | 3,682     | 0.34  |       |         |            |      |   |       |      |
| GBP   | 670,000    | Mitchells & Butlers Finance 6.013% 15/12/2023                   | 136       | 0.01  |       |         |            |      |   |       |      |
| GBP   | 14,136,000 | The Kraft Heinz 4.125% 01/07/2027                               | 15,276    | 1.41  |       |         |            |      |   |       |      |
| <b>BB 0.46% (0.50%)</b>                           |            |   |           |       |       |         |            |      |   |       |      |
| EUR   | 5,470,000  | IQVIA 3.25% 15/03/2025  | 4,982     | 0.46  |       |         |            |      |   |       |      |
| <b>BB- 0.32% (0.27%)</b>                          |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 661,000    | Iron Mountain UK 3.875% 15/11/2025                              | 671       | 0.06  |       |         |            |      |   |       |      |
| EUR   | 2,800,000  | Netflix 3.875% 15/11/2029                                       | 2,841     | 0.26  |       |         |            |      |   |       |      |
| <b>CCC+ 0.00% (0.06%)</b>                         |            |   |           |       |       |         |            |      |   |       |      |
| USD   | 2,364,000  | Noble Holding International 6.95% 01/04/2045 (Defaulted)        | 25        | –     |       |         |            |      |   |       |      |
| <b>Not Rated 1.92% (1.68%)</b>                    |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 4,453,000  | Cattles 7.875% 17/01/2014 (Defaulted)                           | 2         | –     |       |         |            |      |   |       |      |
| GBP   | 3,660,000  | First Hydro Finance 9% 31/07/2021                               | 3,892     | 0.36  |       |         |            |      |   |       |      |
| GBP   | 1,985,000  | Hastings Group Finance 3% 24/05/2025                            | 2,145     | 0.20  |       |         |            |      |   |       |      |
| GBP   | 100,000    | Lehman Brothers 7.875% 08/05/2018 GBP (Defaulted)               | 2         | –     |       |         |            |      |   |       |      |
| GBP   | 5,000,000  | Newriver REIT 3.5% 07/03/2028                                   | 4,400     | 0.41  |       |         |            |      |   |       |      |
| GBP   | 1,400,000  | Pension Insurance 4.625% 07/05/2031                             | 1,540     | 0.14  |       |         |            |      |   |       |      |
| GBP   | 3,526,000  | Pension Insurance 5.625% 20/09/2030                             | 4,180     | 0.39  |       |         |            |      |   |       |      |
| GBP   | 2,000,000  | Phoenix Group Holdings 5.625% 28/04/2031                        | 2,299     | 0.21  |       |         |            |      |   |       |      |
| GBP   | 2,100,000  | Segro 2.375% 11/10/2029   | 2,287     | 0.21  |       |         |            |      |   |       |      |
| <b>Liquidity Funds 2.38% (0.25%)<sup>1</sup></b>  |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 25,580,926 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 25,581    | 2.37  |       |         |            |      |   |       |      |
| <b>FLOATING RATE NOTES 10.28% (9.53%)</b>         |            |   |           |       |       |         |            |      |   |       |      |
| <b>AA+ 0.15% (0.17%)</b>                          |            |   |           |       |       | GBP     | 1,800,000  |      | *Trafford Centre Finance FRN 28/07/2035 A3          | 1,581 | 0.15 |
| <b>A- 0.80% (0.00%)</b>                           |            |   |           |       |       |         |            |      |   |       |      |
| USD   | 4,200,000  | *Bank of America Variable 19/06/2041                            | 3,250     | 0.30  |       |         |            |      |   |       |      |
| USD   | 6,428,000  | *JPMorgan Chase Variable 22/04/2041                             | 5,358     | 0.50  |       |         |            |      |   |       |      |
| <b>BBB+ 3.05% (2.33%)</b>                         |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 3,368,000  | *Aviva 4.375% 12/09/2049  | 3,748     | 0.35  |       |         |            |      |   |       |      |
| GBP   | 3,370,000  | *Aviva 6.125% 29/09/2049  | 3,683     | 0.34  |       |         |            |      |   |       |      |
| GBP   | 2,257,000  | *Aviva Variable 03/06/2055                                      | 2,421     | 0.22  |       |         |            |      |   |       |      |
| GBP   | 1,534,000  | *AXA FRN 16/01/2054   | 1,924     | 0.18  |       |         |            |      |   |       |      |
| GBP   | 5,971,000  | *Credit Suisse Group Variable 09/06/2028                        | 6,164     | 0.57  |       |         |            |      |   |       |      |
| GBP   | 2,250,000  | *Legal & General Group 5.5% 27/06/2064                          | 2,714     | 0.25  |       |         |            |      |   |       |      |
| GBP   | 6,856,000  | *Legal & General Group Variable 27/10/2045                      | 7,884     | 0.73  |       |         |            |      |   |       |      |
| GBP   | 1,050,000  | *Legal & General Group Variable 14/11/2048                      | 1,209     | 0.11  |       |         |            |      |   |       |      |
| GBP   | 3,100,000  | *Legal & General Group Variable 26/11/2049                      | 3,233     | 0.30  |       |         |            |      |   |       |      |
| <b>BBB 3.21% (3.71%)</b>                          |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 5,984,000  | *BP Capital Markets Variable 22/06/2169 GBP                     | 6,342     | 0.59  |       |         |            |      |   |       |      |
| GBP   | 9,233,000  | *NGG Finance 5.625% 18/06/2073                                  | 10,624    | 0.98  |       |         |            |      |   |       |      |
| GBP   | 2,330,000  | *Prudential 6.34% 19/12/2063                                    | 2,856     | 0.27  |       |         |            |      |   |       |      |
| GBP   | 2,600,000  | *Royal Bank of Scotland 2.875% 19/09/2026                       | 2,769     | 0.26  |       |         |            |      |   |       |      |
| GBP   | 6,499,000  | *Royal Bank of Scotland Group Variable 28/03/2027               | 7,013     | 0.65  |       |         |            |      |   |       |      |
| GBP   | 4,850,000  | *Telereal Securitisation 4.0902% 10/12/2033                     | 4,932     | 0.46  |       |         |            |      |   |       |      |
| <b>BBB- 0.35% (0.00%)</b>                         |            |   |           |       |       |         |            |      |   |       |      |
| USD   | 4,606,000  | *AIB Group 10/04/2025   | 3,781     | 0.35  |       |         |            |      |   |       |      |
| <b>Baa3 0.60% (0.51%)</b>                         |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 4,714,000  | *TSB Banking Group 5.75% 06/05/2026                             | 4,762     | 0.44  |       |         |            |      |   |       |      |
| GBP   | 1,734,000  | *Virgin Money UK Variable 11/12/2030                            | 1,741     | 0.16  |       |         |            |      |   |       |      |
| <b>BB+ 1.71% (1.38%)</b>                          |            |   |           |       |       |         |            |      |   |       |      |
| GBP   | 1,629,000  | *Marstons Issuer 5.1576% 15/10/2027                             | 1,320     | 0.12  |       |         |            |      |   |       |      |
| GBP   | 2,158,000  | *Royal Bank of Scotland Group Variable 14/08/2030               | 2,280     | 0.21  |       |         |            |      |   |       |      |
| EUR   | 3,900,000  | *Telefonica Europe Variable 14/03/2168                          | 3,708     | 0.34  |       |         |            |      |   |       |      |
| EUR   | 3,417,000  | *Tennet Holding Perpetual Variable                              | 3,129     | 0.29  |       |         |            |      |   |       |      |
| EUR   | 3,500,000  | *Tennet Holding Variable 2.995% 01/06/2167                      | 3,286     | 0.30  |       |         |            |      |   |       |      |
| USD   | 5,591,000  | *UBS Group 7% 29/12/2049  | 4,809     | 0.45  |       |         |            |      |   |       |      |
| <b>BB 0.25% (0.14%)</b>                           |            |   |           |       |       |         |            |      |   |       |      |
| EUR   | 3,043,000  | *AIB Group Variable 19/11/2029                                  | 2,694     | 0.25  |       |         |            |      |   |       |      |
| <b>BB- 0.00% (0.31%)</b>                          |            |   |           |       |       |         |            |      |   |       |      |

## Threadneedle Sterling Corporate Bond Fund

### Portfolio Statement

(continued)

| Holding  |               | Investment   | Value<br>£000    | % of<br>Net Asset<br>Value | Holding   |  | Investment | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|---------------|--|------------------|----------------------------|---|--|------------|---------------|----------------------------|
| <b>FLOATING RATE NOTES 10.28% (9.53%) (continued)</b>    |               |  |                  |                            | <b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>                     |  |            |               |                            |
| <b>Not Rated 0.16% (0.98%)</b>                           |               |  |                  |                            |   |  |            |               |                            |
| GBP  | 1,540,000     | *Credit Agricole 7.5% 31/12/2049   | 1,747            | 0.16                       |   |  |            |               |                            |
| <b>Total Floating Rate Notes</b>                         |               |  | <b>110,962</b>   | <b>10.28</b>               |   |  |            |               |                            |
| <b>DERIVATIVES -0.18% (-0.80%)</b>                       |               |  |                  |                            | <b>ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS</b>        |  |            |               |                            |
| <b>Credit Default Swaps -0.25% (-0.08%)</b>              |               |  |                  |                            |   |  |            |               |                            |
| USD  | (79,300,000)  | Morgan Stanley CDX-NAIGS34V1-5Y Credit Default Swap Index Buy Protection 20/06/2025 Spread 100 | (951)            | (0.09)                     |   |  |            |               |                            |
| EUR  | (125,000,000) | Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/06/2025 Spread 100  | (2,531)          | (0.24)                     |   |  |            |               |                            |
| EUR  | 40,000,000    | Morgan Stanley Itraxx-European Credit Default Swap Index Sell Protection 20/06/2025 Spread 100 | 810              | 0.08                       |   |  |            |               |                            |
| <b>Futures and Options -0.02% (-0.62%)</b>               |               |  |                  |                            |   |  |            |               |                            |
| EUR  | (124)         | UBS EURO -Bobl Future Expiring December 2020   | (13)             | -                          |   |  |            |               |                            |
| EUR  | (132)         | UBS EURO -Bund Future Expiring December 2020   | (45)             | (0.01)                     |   |  |            |               |                            |
| EUR  | (10)          | UBS EURO -Buxl 30 Year Bnd Future Expiring December 2020                                       | (14)             | -                          |   |  |            |               |                            |
| GBP  | (871)         | UBS Long Gilt Future Expiring December 2020  | (114)            | (0.01)                     |   |  |            |               |                            |
| USD  | (80)          | UBS US 5 Year Note Future Expiring December 2020   | (10)             | -                          |   |  |            |               |                            |
| USD  | (234)         | UBS US 10 Year Note Future Expiring December 2020  | (39)             | (0.01)                     |   |  |            |               |                            |
| USD  | (192)         | UBS US 10 Year Ultra Fut Future Expiring December 2020   | (12)             | -                          |   |  |            |               |                            |
| USD  | (144)         | UBS US Long Bond Future Expiring December 2020   | 62               | 0.01                       |   |  |            |               |                            |
| <b>Forward Foreign Exchange Contracts 0.09% (-0.10%)</b> |               |  |                  |                            |   |  |            |               |                            |
| Sell GBP 1,370,497                                       |               |  |                  |                            |   |  |            |               |                            |
| Buy EUR 1,524,780 Lloyds <sup>2</sup>                    |               |  |                  |                            |   |  |            |               |                            |
| Sell GBP 420,852   |               |  |                  |                            |   |  |            |               |                            |
| Buy EUR 466,020 UBS                                      |               |  |                  |                            |   |  |            |               |                            |
| Sell GBP 782,833   |               |  |                  |                            |   |  |            |               |                            |
| Buy EUR 866,850 UBS                                      |               |  |                  |                            |   |  |            |               |                            |
| Sell USD 565,531   |               |  |                  |                            |   |  |            |               |                            |
| Buy GBP 424,982 HSBC                                     |               |  |                  |                            |   |  |            |               |                            |
| Sell EUR 64,621,200                                      |               |  |                  |                            |   |  |            |               |                            |
| Buy GBP 58,515,789 Bank of Scotland                      |               |  |                  |                            |   |  |            |               |                            |
| Sell USD 104,941,016                                     |               |  |                  |                            |   |  |            |               |                            |
| Buy GBP 80,334,760 J.P. Morgan                           |               |  |                  |                            |   |  |            |               |                            |
| Sell GBP 514,880   |               |  |                  |                            |   |  |            |               |                            |
| Buy USD 678,204 HSBC                                     |               |  |                  |                            |   |  |            |               |                            |
| <b>Total Derivatives</b>                                 |               |  | <b>(1,906)</b>   | <b>(0.18)</b>              |   |  |            |               |                            |
| <b>Total value of investments<sup>3</sup></b>            |               |  | <b>1,058,107</b> | <b>97.99</b>               |   |  |            |               |                            |
| <b>Net other assets (2.49%)</b>                          |               |  | <b>21,670</b>    | <b>2.01</b>                |   |  |            |               |                            |
| <b>Net assets</b>  |               |  | <b>1,079,777</b> | <b>100.00</b>              |   |  |            |               |                            |
|  |               |  |                  |                            | <b>Value £000</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>% of Investment</b>  |  |            |               |                            |
|  |               |  |                  |                            | Fixed interest  |  |            |               |                            |
|  |               |  |                  |                            | 949,051   |  |            |               |                            |
|  |               |  |                  |                            | 89.69   |  |            |               |                            |
|  |               |  |                  |                            | Floating rate notes   |  |            |               |                            |
|  |               |  |                  |                            | 110,962   |  |            |               |                            |
|  |               |  |                  |                            | 10.49   |  |            |               |                            |
|  |               |  |                  |                            | Derivatives   |  |            |               |                            |
|  |               |  |                  |                            | (1,906)   |  |            |               |                            |
|  |               |  |                  |                            | (0.18)  |  |            |               |                            |
|  |               |  |                  |                            | <b>Total value of investments<sup>3</sup></b>                     |  |            |               |                            |
|  |               |  |                  |                            | <b>1,058,107</b>  |  |            |               |                            |
|  |               |  |                  |                            | <b>100.00</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>Value £000</b>   |  |            |               |                            |
|  |               |  |                  |                            | UBS EURO -Bobl Future Expiring December 2020                      |  |            |               |                            |
|  |               |  |                  |                            | (15,059)  |  |            |               |                            |
|  |               |  |                  |                            | UBS EURO -Bund Future Expiring December 2020                      |  |            |               |                            |
|  |               |  |                  |                            | (20,630)  |  |            |               |                            |
|  |               |  |                  |                            | UBS EURO -Buxl 30 Year Bnd Future Expiring December 2020          |  |            |               |                            |
|  |               |  |                  |                            | (1,969)   |  |            |               |                            |
|  |               |  |                  |                            | UBS Long Gilt Future Expiring December 2020                       |  |            |               |                            |
|  |               |  |                  |                            | (118,260)   |  |            |               |                            |
|  |               |  |                  |                            | UBS US 5 Year Note Future Expiring December 2020                  |  |            |               |                            |
|  |               |  |                  |                            | (7,661)   |  |            |               |                            |
|  |               |  |                  |                            | UBS US 10 Year Note Future Expiring December 2020                 |  |            |               |                            |
|  |               |  |                  |                            | (24,764)  |  |            |               |                            |
|  |               |  |                  |                            | UBS US 10 Year Ultra Fut Future Expiring December 2020            |  |            |               |                            |
|  |               |  |                  |                            | (23,253)  |  |            |               |                            |
|  |               |  |                  |                            | UBS US Long Bond Future Expiring December 2020                    |  |            |               |                            |
|  |               |  |                  |                            | (19,223)  |  |            |               |                            |
|  |               |  |                  |                            | <b>Total net exposure</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>(230,819)</b>  |  |            |               |                            |
|  |               |  |                  |                            | <b>Total Purchases and Sales</b>                                  |  |            |               |                            |
|  |               |  |                  |                            | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |  |            |               |                            |
|  |               |  |                  |                            | <b>2020</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>2019</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>£000</b>   |  |            |               |                            |
|  |               |  |                  |                            | <b>£000</b>   |  |            |               |                            |
|  |               |  |                  |                            | Total purchases for the period                                    |  |            |               |                            |
|  |               |  |                  |                            | 574,919   |  |            |               |                            |
|  |               |  |                  |                            | 302,595   |  |            |               |                            |
|  |               |  |                  |                            | Total sales for the period  |  |            |               |                            |
|  |               |  |                  |                            | 461,152   |  |            |               |                            |
|  |               |  |                  |                            | 260,659   |  |            |               |                            |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

\*Variable rate bonds.

## Threadneedle Sterling Bond Fund

### Portfolio Statement

as at 7 September 2020

|                                       | Holding    | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |   | Holding   | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |
|---------------------------------------|------------|---|---------------|----------------------------|---|-----------|---|----------------|----------------------------|
| <b>FIXED INTEREST 98.70% (98.04%)</b> |            |   |               |                            | <b>Liquidity Funds 1.75% (0.36%)<sup>1</sup></b>                  |           |   |                |                            |
|                                       |            | <b>AAA 3.92% (3.01%)</b>  |               |                            | GBP   | 8,922,209 | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 8,922          | 1.75                       |
| GBP                                   | 2,575,000  | European Investment Bank 0.75% 15/11/2024                               | 2,641         | 0.52                       | <b>Total Fixed Interest</b>                                       |           |   |                |                            |
| GBP                                   | 3,265,000  | European Investment Bank 1% 21/09/2026                                  | 3,410         | 0.67                       | <b>502,903 98.70</b>  |           |   |                |                            |
| GBP                                   | 3,085,000  | Export Development Canada 0.875% 07/12/2021                             | 3,111         | 0.61                       | <b>FLOATING RATES NOTES 0.64% (0.61%)</b>                         |           |   |                |                            |
| GBP                                   | 2,480,000  | International Bank for Reconstruction and Development 0.875% 13/12/2024 | 2,553         | 0.50                       | GBP   | 3,255,000 | *Export Development Canada FRN 29/05/2024                       | 3,254          | 0.64                       |
| GBP                                   | 2,600,000  | International Bank for Reconstruction and Development 1% 21/12/2029     | 2,702         | 0.53                       | <b>Total Floating Rate Notes</b>                                  |           |   |                |                            |
| GBP                                   | 2,400,000  | KFW 1% 15/12/2022   | 2,446         | 0.48                       | <b>506,157 99.34</b>  |           |   |                |                            |
| GBP                                   | 3,075,000  | KFW 1.375% 01/02/2021   | 3,091         | 0.61                       | <b>Net other assets (1.35%)</b>                                   |           |   |                |                            |
|                                       |            | <b>Aaa 0.92% (0.88%)</b>  |               |                            | <b>Net assets</b>   |           |   |                |                            |
| GBP                                   | 2,000,000  | European Investment Bank 1.125% 07/09/2021                              | 2,019         | 0.40                       | <b>509,533 100.00</b>   |           |   |                |                            |
| GBP                                   | 2,650,000  | Royal Bank of Canada 1.125% 22/12/2021                                  | 2,674         | 0.52                       | <i>March 2020 comparatives in brackets.</i>                       |           |   |                |                            |
|                                       |            | <b>AA+ 1.36% (1.27%)</b>  |               |                            | <i>*Variable rate bonds.</i>                                      |           |   |                |                            |
| GBP                                   | 2,190,000  | Municipality Finance 1.25% 07/12/2022                                   | 2,241         | 0.44                       | <i><sup>1</sup>Cash equivalents.</i>                              |           |   |                |                            |
| GBP                                   | 1,235,000  | Oesterreichische Kontrollbank 1.125% 15/12/2022                         | 1,261         | 0.25                       | <i><sup>2</sup>Includes Cash equivalents.</i>                     |           |   |                |                            |
| GBP                                   | 3,300,000  | Oesterreichische Kontrollbank 1.25% 15/12/2023                          | 3,411         | 0.67                       | <b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>                     |           |   |                |                            |
|                                       |            | <b>AA 0.65% (0.31%)</b>   |               |                            |   |           |   | <b>Value</b>   | <b>% of</b>                |
| GBP                                   | 2,540,000  | LCR Finance 4.5% 07/12/2028   | 3,337         | 0.65                       |   |           |   | <b>£000</b>    | <b>Investment</b>          |
|                                       |            | <b>Aa2u 51.85% (72.90%)</b>   |               |                            | Fixed interest  |           |   | 502,903        | 99.36                      |
| GBP                                   | 45,387,000 | United Kingdom Gilt 1.5% 22/01/2021                                     | 45,646        | 8.96                       | Floating rate notes   |           |   | 3,254          | 0.64                       |
| GBP                                   | 5,011,000  | United Kingdom Gilt 1.5% 22/07/2047                                     | 5,833         | 1.14                       | <b>Total value of investments<sup>2</sup></b>                     |           |   | <b>506,157</b> | <b>100.00</b>              |
| GBP                                   | 8,160,400  | United Kingdom Gilt 1.625% 22/10/2071                                   | 11,589        | 2.27                       | <b>Total Purchases and Sales</b>                                  |           |   |                |                            |
| GBP                                   | 37,179,000 | United Kingdom Gilt 1.75% 07/09/2037                                    | 43,590        | 8.55                       | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |           |   |                |                            |
| GBP                                   | 21,482,000 | United Kingdom Gilt 1.75% 22/01/2049                                    | 26,558        | 5.21                       |   |           |   | <b>2020</b>    | <b>2019</b>                |
| GBP                                   | 4,993,000  | United Kingdom Gilt 1.75% 22/07/2057                                    | 6,556         | 1.29                       | Total purchases for the period                                    |           |   | <b>£000</b>    | <b>£000</b>                |
| GBP                                   | 4,731,000  | United Kingdom Gilt 2.5% 22/07/2065                                     | 7,885         | 1.55                       | Total sales for the period  |           |   | 484,938        | 602,444                    |
| GBP                                   | 20,680,000 | United Kingdom Gilt 3.25% 22/01/2044                                    | 31,437        | 6.17                       |   |           |   | 500,149        | 567,793                    |
| GBP                                   | 16,793,000 | United Kingdom Gilt 3.75% 07/09/2021                                    | 17,425        | 3.42                       |   |           |   |                |                            |
| GBP                                   | 28,312,000 | United Kingdom Gilt 4.5% 07/09/2034                                     | 43,594        | 8.56                       |   |           |   |                |                            |
| GBP                                   | 22,728,000 | United Kingdom Gilt 8% 07/06/2021 (Frankfurt Exchange)                  | 24,090        | 4.73                       |   |           |   |                |                            |
|                                       |            | <b>AA- 0.00% (0.45%)</b>  |               |                            |   |           |   |                |                            |
|                                       |            | <b>A+ 0.95% (0.00%)</b>   |               |                            |   |           |   |                |                            |
| GBP                                   | 2,280,000  | Transport for London 2.125% 24/04/2025                                  | 2,430         | 0.48                       |   |           |   |                |                            |
| GBP                                   | 2,300,000  | Transport for London 2.25% 09/08/2022                                   | 2,371         | 0.47                       |   |           |   |                |                            |
|                                       |            | <b>Not Rated 37.30% (18.86%)</b>  |               |                            |   |           |   |                |                            |
| GBP                                   | 7,317,000  | United Kingdom Gilt 0.125% 31/01/2023                                   | 7,348         | 1.44                       |   |           |   |                |                            |
| GBP                                   | 32,639,000 | United Kingdom Gilt 0.125% 30/01/2026                                   | 32,844        | 6.45                       |   |           |   |                |                            |
| GBP                                   | 10,012,000 | United Kingdom Gilt 0.125% 31/01/2028                                   | 10,000        | 1.96                       |   |           |   |                |                            |
| GBP                                   | 35,542,000 | United Kingdom Gilt 0.375% 22/10/2030                                   | 35,816        | 7.03                       |   |           |   |                |                            |
| GBP                                   | 26,913,000 | United Kingdom Gilt 0.5% 22/10/2061                                     | 24,579        | 4.82                       |   |           |   |                |                            |
| GBP                                   | 21,387,000 | United Kingdom Gilt 0.625% 22/10/2050                                   | 20,245        | 3.97                       |   |           |   |                |                            |
| GBP                                   | 32,662,000 | United Kingdom Gilt 1.25% 22/10/2041                                    | 35,624        | 6.99                       |   |           |   |                |                            |
| GBP                                   | 18,974,000 | United Kingdom Gilt 1.625% 22/10/2054                                   | 23,624        | 4.64                       |   |           |   |                |                            |

## Threadneedle Sterling Short-Term Money Market Fund

### Portfolio Statement

as at 7 September 2020

|  | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|----------------|----------------------------|
| <b>FIXED INTEREST 85.69% (86.41%)</b>  |                |                            |
| <b>Government Bonds 0.98% (17.75%)</b>   |                |                            |
| GBP 2,793,000 United Kingdom Gilt 0% 02/11/2020                                    | 2,793          | 0.98                       |
| <b>Certificate of Deposit 67.90% (54.40%)</b>                                      |                |                            |
| GBP 5,000,000 BNP Paribas 0.4% 18/11/2020  | 5,000          | 1.75                       |
| GBP 14,000,000 Citibank 0.15% 11/09/2020   | 14,000         | 4.91                       |
| GBP 13,000,000 Credit Agricole 0.23% 21/09/2020                                    | 13,000         | 4.56                       |
| GBP 15,000,000 DNB Bank 0.06% 11/12/2020   | 15,000         | 5.26                       |
| GBP 15,500,000 DZ Bank 0.03% 30/11/2020  | 15,500         | 5.44                       |
| GBP 10,000,000 First Abu Dhabi Bank 0.15%<br>23/09/2020                            | 10,000         | 3.51                       |
| GBP 10,000,000 Landesbank Baden-Württemberg<br>0.11% 13/10/2020                    | 10,000         | 3.51                       |
| GBP 14,000,000 Landesbank Baden-Württemberg<br>0.17% 14/09/2020                    | 14,000         | 4.91                       |
| GBP 13,800,000 Lloyds Bank 0.05% 18/11/2020  | 13,800         | 4.84                       |
| GBP 13,000,000 Nordea Bank 0.13% 08/09/2020  | 13,000         | 4.56                       |
| GBP 13,500,000 Oversea-Chinese Banking 0.02%<br>08/12/2020                         | 13,500         | 4.73                       |
| GBP 13,000,000 Oversea-Chinese Banking 0.11%<br>08/09/2020                         | 13,000         | 4.56                       |
| GBP 15,000,000 Santander UK 0.17% 09/10/2020                                       | 15,000         | 5.26                       |
| GBP 13,800,000 Svenska Handelsbanken 0.05%<br>30/11/2020                           | 13,800         | 4.84                       |
| GBP 15,000,000 Toronto-Dominion Bank 0.07%<br>18/09/2020                           | 15,000         | 5.26                       |
| <b>Euro commercial paper 7.29% (6.27%)</b>   |                |                            |
| GBP 13,800,000 Agence Centrale des Organismes de<br>Securite Sociale 0% 30/11/2020 | 13,798         | 4.84                       |
| GBP 7,000,000 Banque Federative du Credit Mutuel<br>0% 09/11/2020                  | 6,999          | 2.45                       |
| <b>Liquidity Funds 9.52% (7.99%)<sup>1</sup></b>                                   |                |                            |
| GBP 13,560,157 BlackRock Institutional Cash Series<br>Sterling Liquidity Platinum  | 13,560         | 4.76                       |
| GBP 13,566,022 Insight Liquidity Funds - ILF GBP<br>Liquidity Class 3              | 13,566         | 4.76                       |
| <b>Total Fixed Interest</b>  | <b>244,316</b> | <b>85.69</b>               |
| <b>Total value of investments<sup>2</sup></b>                                      | <b>244,316</b> | <b>85.69</b>               |
| <b>Net other assets (13.59%)</b>   | <b>40,810</b>  | <b>14.31</b>               |
| <b>Net assets</b>  | <b>285,126</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 490,887      | 934,534      |
| Total sales for the period     | 618,377      | 850,300      |

## Threadneedle European Fund

### Portfolio Statement

as at 7 September 2020

| Holding                            | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding   | Investment                       | Value<br>£000  | % of<br>Net Asset<br>Value |
|------------------------------------|--|---------------|----------------------------|---|----------------------------------|----------------|----------------------------|
| <b>BELGIUM 1.96% (2.51%)</b>       |  |               |                            | <b>Software &amp; Computer Services 0.76% (0.54%)</b>     |                                  |                |                            |
|                                    | <b>Banks 1.96% (2.51%)</b>                                 |               |                            | 53,670  | Dassault Systems                 | 7,509          | 0.76                       |
| 444,895                            | KBC Groep  | 19,282        | 1.96                       | <b>Total France</b>                                       |                                  |                |                            |
|                                    | <b>Total Belgium</b>                                       | <b>19,282</b> | <b>1.96</b>                |   |                                  | <b>215,823</b> | <b>22.00</b>               |
| <b>DENMARK 4.91% (4.86%)</b>       |  |               |                            | <b>GERMANY 16.79% (11.38%)</b>                            |                                  |                |                            |
|                                    | <b>Industrial Transportation 2.95% (1.50%)</b>             |               |                            | <b>Chemicals 1.95% (0.97%)</b>                            |                                  |                |                            |
| 246,560                            | DSV Panalpina  | 28,918        | 2.95                       | 401,090   | Brenntag                         | 19,121         | 1.95                       |
|                                    | <b>Pharmaceuticals &amp; Biotechnology 1.96% (3.36%)</b>   |               |                            | <b>Industrial Engineering 1.59% (1.08%)</b>               |                                  |                |                            |
| 386,555                            | Novo Nordisk   | 19,291        | 1.96                       | 158,775   | Knorr-Bremse                     | 15,593         | 1.59                       |
|                                    | <b>Total Denmark</b>                                       | <b>48,209</b> | <b>4.91</b>                | <b>Personal Goods 0.00% (1.29%)</b>                       |                                  |                |                            |
| <b>FINLAND 2.90% (4.65%)</b>       |  |               |                            | <b>Health Care Equipment &amp; Services 0.43% (0.00%)</b> |                                  |                |                            |
|                                    | <b>Oil &amp; Gas Producers 0.00% (0.59%)</b>               |               |                            | 123,517   | Siemens Healthineers             | 4,176          | 0.43                       |
|                                    | <b>Forestry &amp; Paper 1.93% (1.27%)</b>                  |               |                            | <b>Nonlife Insurance 2.41% (3.17%)</b>                    |                                  |                |                            |
| 799,808                            | UPM  | 18,921        | 1.93                       | 145,763   | Allianz                          | 23,667         | 2.41                       |
|                                    | <b>Industrial Engineering 0.97% (0.49%)</b>                |               |                            | <b>General Retailers 0.48% (0.00%)</b>                    |                                  |                |                            |
| 149,849                            | Kone   | 9,555         | 0.97                       | 71,668  | Zalando                          | 4,727          | 0.48                       |
|                                    | <b>Nonlife Insurance 0.00% (2.30%)</b>                     |               |                            | <b>Financial Services 3.39% (2.19%)</b>                   |                                  |                |                            |
|                                    | <b>Total Finland</b>                                       | <b>28,476</b> | <b>2.90</b>                | 173,904   | Deutsche Boerse                  | 23,571         | 2.40                       |
| <b>FRANCE 22.00% (27.02%)</b>      |  |               |                            | 333,095   | DWS Group                        | 9,669          | 0.99                       |
|                                    | <b>Oil &amp; Gas Producers 0.00% (2.54%)</b>               |               |                            | <b>Software &amp; Computer Services 2.94% (1.79%)</b>     |                                  |                |                            |
|                                    | <b>Chemicals 2.79% (2.77%)</b>                             |               |                            | 199,631   | SAP                              | 24,292         | 2.48                       |
| 215,778                            | Air Liquide  | 27,356        | 2.79                       | 122,208   | TeamViewer                       | 4,560          | 0.46                       |
|                                    | <b>Construction &amp; Materials 0.65% (1.25%)</b>          |               |                            | <b>Technology Hardware &amp; Equipment 2.65% (0.89%)</b>  |                                  |                |                            |
| 87,270                             | Vinci  | 6,335         | 0.65                       | 1,237,348   | Infineon Technologies            | 26,052         | 2.65                       |
|                                    | <b>Electronic &amp; Electrical Equipment 2.59% (3.57%)</b> |               |                            | <b>Mobile Telecommunications 0.95% (0.00%)</b>            |                                  |                |                            |
| 268,321                            | Schneider Electric   | 25,383        | 2.59                       | 684,160   | Deutsche Telekom                 | 9,289          | 0.95                       |
|                                    | <b>Support Services 4.78% (3.98%)</b>                      |               |                            | <b>Total Germany</b>                                      |                                  |                |                            |
| 108,267                            | Teleperformance  | 24,980        | 2.55                       |   |                                  | <b>164,717</b> | <b>16.79</b>               |
| 318,686                            | Worldline  | 21,919        | 2.23                       | <b>ITALY 3.87% (4.25%)</b>                                |                                  |                |                            |
|                                    | <b>Beverages 0.00% (1.01%)</b>                             |               |                            | <b>Support Services 1.76% (0.36%)</b>                     |                                  |                |                            |
|                                    | <b>Leisure Goods 0.46% (1.80%)</b>                         |               |                            | 1,278,224   | Nexi                             | 17,308         | 1.76                       |
| 76,184                             | Ubisoft Entertainment                                      | 4,554         | 0.46                       | <b>Automobiles &amp; Parts 0.00% (1.37%)</b>              |                                  |                |                            |
|                                    | <b>Personal Goods 3.15% (2.84%)</b>                        |               |                            | <b>Personal Goods 0.00% (0.48%)</b>                       |                                  |                |                            |
| 55,671                             | L'Oreal  | 13,821        | 1.41                       | <b>Mobile Telecommunications 0.87% (0.00%)</b>            |                                  |                |                            |
| 46,677                             | LVMH Moet Hennessy Vuitton                                 | 17,077        | 1.74                       | 1,131,372   | Infrastrutture Wireless Italiane | 8,491          | 0.87                       |
|                                    | <b>Health Care Equipment &amp; Services 0.90% (1.35%)</b>  |               |                            | <b>Banks 1.24% (2.04%)</b>                                |                                  |                |                            |
| 99,445                             | Orpea  | 8,863         | 0.90                       | 1,655,272   | Unicredit                        | 12,131         | 1.24                       |
|                                    | <b>Pharmaceuticals &amp; Biotechnology 0.00% (0.81%)</b>   |               |                            | <b>Total Italy</b>  |                                  |                |                            |
|                                    | <b>Banks 1.55% (1.54%)</b>                                 |               |                            |   |                                  | <b>37,930</b>  | <b>3.87</b>                |
| 451,614                            | BNP Paribas  | 15,173        | 1.55                       | <b>LUXEMBOURG 0.99% (0.00%)</b>                           |                                  |                |                            |
|                                    | <b>Nonlife Insurance 2.40% (0.92%)</b>                     |               |                            | <b>Health Care Equipment &amp; Services 0.99% (0.00%)</b> |                                  |                |                            |
| 1,517,645                          | AXA  | 23,528        | 2.40                       | 16,473  | Eurofins Scientific              | 9,748          | 0.99                       |
|                                    | <b>Financial Services 1.97% (2.10%)</b>                    |               |                            | <b>Total Luxembourg</b>                                   |                                  |                |                            |
| 337,523                            | Amundi   | 19,325        | 1.97                       |   |                                  | <b>9,748</b>   | <b>0.99</b>                |
| <b>NETHERLANDS 13.29% (10.10%)</b> |  |               |                            | <b>Chemicals 2.20% (0.00%)</b>                            |                                  |                |                            |
|                                    |  |               |                            | 289,988   | Akzo Nobel                       | 21,613         | 2.20                       |

## Threadneedle European Fund

### Portfolio Statement

(continued)

| Holding  | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value | Holding   | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|---|----------------|----------------------------|---|--|----------------|----------------------------|
| <b>NETHERLANDS 13.29% (10.10%) (continued)</b> |   |                |                            | <b>SWITZERLAND 16.45% (16.73%)</b>                                |  |                |                            |
|  | <b>Aerospace &amp; Defence 0.00% (1.20%)</b>                    |                |                            |   | <b>Construction &amp; Materials 2.80% (2.39%)</b>        |                |                            |
|  | <b>General Retailers 1.47% (0.00%)</b>                          |                |                            | 153,316   | Sika   | 27,459         | 2.80                       |
| 176,496  | Just Eat Takeaway.com   | 14,414         | 1.47                       |   | <b>General Industrials 0.93% (0.00%)</b>                 |                |                            |
|  | <b>Health Care Equipment &amp; Services 0.89% (0.00%)</b>       |                |                            | 616,157   | SIG Combibloc Group                                      | 9,113          | 0.93                       |
| 243,133  | Koninklijke Philips   | 8,722          | 0.89                       |   | <b>Food Producers 5.08% (4.94%)</b>                      |                |                            |
|  | <b>Media 0.99% (0.55%)</b>                                      |                |                            | 552,017   | Nestle   | 49,842         | 5.08                       |
| 155,945  | Wolters Kluwer  | 9,672          | 0.99                       |   | <b>Pharmaceuticals &amp; Biotechnology 6.68% (6.91%)</b> |                |                            |
|  | <b>Banks 2.56% (2.11%)</b>                                      |                |                            | 10,352  | Lonza  | 4,764          | 0.48                       |
| 4,020,573                                      | ING Groep   | 25,145         | 2.56                       | 393,963   | Novartis   | 26,107         | 2.66                       |
|  | <b>Software &amp; Computer Services 1.40% (2.53%)</b>           |                |                            | 130,112   | Roche  | 34,722         | 3.54                       |
| 191,302  | Prosus  | 13,745         | 1.40                       |   | <b>Financial Services 0.96% (2.49%)</b>                  |                |                            |
|  | <b>Technology Hardware &amp; Equipment 3.78% (3.71%)</b>        |                |                            | 12,823  | Partners Group Holdings                                  | 9,419          | 0.96                       |
| 136,155  | ASML  | 37,099         | 3.78                       |   | <b>Total Switzerland</b>                                 | <b>161,426</b> | <b>16.45</b>               |
|  | <b>Total Netherlands</b>  | <b>130,410</b> | <b>13.29</b>               |   |  |                |                            |
| <b>NORWAY 2.07% (2.12%)</b>                    |   |                |                            | <b>UNITED KINGDOM 0.49% (2.47%)</b>                               |  |                |                            |
|  | <b>Banks 2.07% (2.12%)</b>                                      |                |                            |   | <b>Oil &amp; Gas Producers 0.00% (0.54%)</b>             |                |                            |
| 1,723,962                                      | DNB Bank  | 20,305         | 2.07                       |   | <b>Media 0.49% (1.93%)</b>                               |                |                            |
|  | <b>Total Norway</b>   | <b>20,305</b>  | <b>2.07</b>                | 279,313   | RELX (UK Listing)  | 4,826          | 0.49                       |
|  |   |                |                            |   | <b>Total United Kingdom</b>                              | <b>4,826</b>   | <b>0.49</b>                |
| <b>REPUBLIC OF IRELAND 6.23% (6.34%)</b>       |   |                |                            | <b>DERIVATIVES 0.08% (-0.72%)</b>                                 |  |                |                            |
|  | <b>Chemicals 2.11% (1.15%)</b>                                  |                |                            |   | <b>Forward Foreign Exchange Contracts 0.09% (-0.72%)</b> |                |                            |
| 109,142  | Linde   | 20,679         | 2.11                       |   | Sell GBP 24,370  |                |                            |
|  | <b>Construction &amp; Materials 3.94% (3.04%)</b>               |                |                            |   | Buy EUR 27,448 J.P. Morgan <sup>2</sup>                  | –              | –                          |
| 843,289  | CRH (Dublin Listing)  | 23,459         | 2.39                       |   | Sell GBP 45,74,948                                       |                |                            |
| 250,618  | Kingspan Group (EUR)  | 15,273         | 1.55                       |   | Buy EUR 5,118,431 J.P. Morgan                            | 28             | –                          |
|  | <b>General Industrials 0.00% (0.48%)</b>                        |                |                            |   | Sell GBP 62,333  |                |                            |
|  | <b>Food Producers 0.00% (0.53%)</b>                             |                |                            |   | Buy EUR 69,372 J.P. Morgan <sup>2</sup>                  | –              | –                          |
|  | <b>Liquidity Funds 0.18% (1.14%)<sup>1</sup></b>                |                |                            |   | Sell EUR 25,17,09,138                                    |                |                            |
| 1,766,044                                      | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 1,766          | 0.18                       |   | Buy GBP 227,154,157 J.P. Morgan                          | 830            | 0.09                       |
|  | <b>Total Republic of Ireland</b>                                | <b>61,177</b>  | <b>6.23</b>                |   | Sell EUR 3,98,000  |                |                            |
|  |   |                |                            |   | Buy GBP 355,545 Bank of Scotland                         | (2)            | –                          |
|  |   |                |                            |   | Sell EUR 57,00,484                                       |                |                            |
|  |   |                |                            |   | Buy GBP 5,074,385 J.P. Morgan                            | (51)           | (0.01)                     |
|  |   |                |                            |   | Sell EUR 66,000  |                |                            |
|  |   |                |                            |   | Buy GBP 58,599 Barclays                                  | (1)            | –                          |
|  |   |                |                            |   | <b>Total Derivatives</b>                                 | <b>804</b>     | <b>0.08</b>                |
| <b>SPAIN 1.71% (0.53%)</b>                     |   |                |                            | <b>Total value of investments<sup>3</sup></b>                     |  |                |                            |
|  | <b>Pharmaceuticals &amp; Biotechnology 0.00% (0.53%)</b>        |                |                            |   |  | <b>965,637</b> | <b>98.40</b>               |
|  | <b>Mobile Telecommunications 0.91% (0.00%)</b>                  |                |                            |   | <b>Net other assets (2.33%)</b>                          | <b>15,665</b>  | <b>1.60</b>                |
| 188,755  | Cellnex Telecom   | 8,944          | 0.91                       |   | <b>Net assets</b>  | <b>981,302</b> | <b>100.00</b>              |
|  | <b>Software &amp; Computer Services 0.80% (0.00%)</b>           |                |                            |   |  |                |                            |
| 171,862  | Amadeus IT Group  | 7,866          | 0.80                       |   |  |                |                            |
|  | <b>Total Spain</b>  | <b>16,810</b>  | <b>1.71</b>                |   |  |                |                            |
| <b>SWEDEN 4.66% (5.43%)</b>                    |   |                |                            | <b>Total Purchases and Sales</b>                                  |  |                |                            |
|  | <b>Construction &amp; Materials 0.00% (0.41%)</b>               |                |                            | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |  |                |                            |
|  | <b>Industrial Engineering 4.66% (4.70%)</b>                     |                |                            |   |  | <b>2020</b>    | <b>2019</b>                |
| 580,965  | Atlas Copco 'A' Shares  | 20,415         | 2.08                       |   |  | <b>£000</b>    | <b>£000</b>                |
| 1,630,619                                      | Sandvik   | 25,279         | 2.58                       |   |  |                |                            |
|  | <b>Financial Services 0.00% (0.32%)</b>                         |                |                            | Total purchases for the period                                    | 580,480  | 559,647        |                            |
|  | <b>Total Sweden</b>   | <b>45,694</b>  | <b>4.66</b>                | Total sales for the period  | 667,629  | 741,627        |                            |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

## Threadneedle European Select Fund

### Portfolio Statement

as at 7 September 2020

| Holding                        | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--------------------------------|--|----------------|----------------------------|--|--|----------------|----------------------------|
| <b>DENMARK 6.35% (6.74%)</b>   |  |                |                            | <b>ITALY 4.65% (4.25%)</b>               |  |                |                            |
|                                | <b>Industrial Transportation 2.55% (2.02%)</b>             |                |                            |  | <b>Support Services 1.28% (1.14%)</b>                                    |                |                            |
| 379,617                        | DSV Panalpina  | 44,524         | 2.55                       | 1,656,490                                | Nexi   | 22,430         | 1.28                       |
|                                | <b>Pharmaceuticals &amp; Biotechnology 3.80% (4.72%)</b>   |                |                            |  | <b>Beverages 2.32% (1.98%)</b>   |                |                            |
| 1,331,441                      | Novo Nordisk   | 66,444         | 3.80                       | 5,030,255                                | Davide Campari-Milano  | 40,556         | 2.32                       |
|                                | <b>Total Denmark</b>                                       | <b>110,968</b> | <b>6.35</b>                |  | <b>Mobile Telecommunications 1.05% (1.13%)</b>                           |                |                            |
|                                |  |                |                            | 2,440,993                                | Infrastrutture Wireless Italiane   | 18,320         | 1.05                       |
| <b>FINLAND 1.74% (4.75%)</b>   |  |                |                            |  | <b>Total Italy</b>   | <b>81,306</b>  | <b>4.65</b>                |
|                                | <b>Industrial Engineering 1.74% (1.77%)</b>                |                |                            | <b>NETHERLANDS 13.14% (12.73%)</b>       |  |                |                            |
| 475,267                        | Kone   | 30,304         | 1.74                       |  | <b>Chemicals 3.02% (4.16%)</b>   |                |                            |
|                                | <b>Nonlife Insurance 0.00% (2.98%)</b>                     |                |                            | 417,240                                  | IMCD Group   | 33,715         | 1.93                       |
|                                | <b>Total Finland</b>                                       | <b>30,304</b>  | <b>1.74</b>                | 157,364                                  | Koninklijke DSM  | 18,981         | 1.09                       |
| <b>FRANCE 23.29% (27.19%)</b>  |  |                |                            |  | <b>Support Services 0.47% (0.00%)</b>                                    |                |                            |
|                                | <b>Chemicals 2.07% (2.30%)</b>                             |                |                            | 6,782                                    | Adyen  | 8,165          | 0.47                       |
| 284,745                        | Air Liquide  | 36,100         | 2.07                       |  | <b>Personal Goods 0.00% (2.10%)</b>                                      |                |                            |
|                                | <b>Electronic &amp; Electrical Equipment 2.56% (0.95%)</b> |                |                            |  | <b>General Retailers 1.18% (0.00%)</b>                                   |                |                            |
| 267,436                        | Legrand  | 16,980         | 0.97                       | 252,893                                  | Just Eat Takeaway.com  | 20,653         | 1.18                       |
| 294,248                        | Schneider Electric   | 27,836         | 1.59                       |  | <b>Health Care Equipment &amp; Services 3.76% (2.44%)</b>                |                |                            |
|                                | <b>Support Services 8.10% (6.41%)</b>                      |                |                            | 1,831,992                                | Koninklijke Philips  | 65,717         | 3.76                       |
| 857,972                        | Bureau Veritas   | 14,494         | 0.83                       |  | <b>Technology Hardware &amp; Equipment 4.71% (4.03%)</b>                 |                |                            |
| 3,307,087                      | Elis   | 33,946         | 1.94                       | 240,553                                  | ASML   | 65,545         | 3.75                       |
| 1,352,820                      | Worldline  | 93,044         | 5.33                       | 770,715                                  | STMicroelectronics   | 16,743         | 0.96                       |
|                                | <b>Beverages 1.68% (4.06%)</b>                             |                |                            |  | <b>Total Netherlands</b>   | <b>229,519</b> | <b>13.14</b>               |
| 228,266                        | Pernod Ricard  | 29,237         | 1.68                       | <b>REPUBLIC OF IRELAND 1.60% (3.74%)</b> |  |                |                            |
|                                | <b>Leisure Goods 1.02% (1.09%)</b>                         |                |                            |  | <b>Food Producers 0.00% (1.58%)</b>                                      |                |                            |
| 298,077                        | Ubisoft Entertainment                                      | 17,817         | 1.02                       |  | <b>Liquidity Funds 1.60% (2.16%)</b>                                     |                |                            |
|                                | <b>Personal Goods 5.15% (7.20%)</b>                        |                |                            | 313,014                                  | BlackRock Institutional Cash Series Euro Liquidity Platinum <sup>1</sup> | 27,921         | 1.60                       |
| 244,788                        | L'Oreal  | 60,770         | 3.48                       |  | <b>Total Republic of Ireland</b>   | <b>27,921</b>  | <b>1.60</b>                |
| 79,628                         | LVMH Moet Hennessy Vuitton                                 | 29,133         | 1.67                       | <b>SPAIN 5.35% (7.14%)</b>               |  |                |                            |
|                                | <b>Health Care Equipment &amp; Services 0.75% (1.78%)</b>  |                |                            |  | <b>Pharmaceuticals &amp; Biotechnology 0.69% (1.69%)</b>                 |                |                            |
| 131,042                        | Essilor International                                      | 13,092         | 0.75                       | 1,031,686                                | Grifols ADR  | 12,051         | 0.69                       |
|                                | <b>Software &amp; Computer Services 1.96% (3.40%)</b>      |                |                            |  | <b>General Retailers 2.96% (2.19%)</b>                                   |                |                            |
| 244,799                        | Dassault Systems   | 34,248         | 1.96                       | 2,506,655                                | Inditex  | 51,640         | 2.96                       |
|                                | <b>Total France</b>  | <b>406,697</b> | <b>23.29</b>               |  | <b>Software &amp; Computer Services 1.70% (3.26%)</b>                    |                |                            |
| <b>GERMANY 17.40% (11.03%)</b> |  |                |                            | 649,626                                  | Amadeus IT Group   | 29,732         | 1.70                       |
|                                | <b>Chemicals 4.61% (3.44%)</b>                             |                |                            |  | <b>Total Spain</b>   | <b>93,423</b>  | <b>5.35</b>                |
| 1,688,921                      | Brenntag   | 80,517         | 4.61                       | <b>SWEDEN 6.88% (5.27%)</b>              |  |                |                            |
|                                | <b>Industrial Engineering 2.54% (1.75%)</b>                |                |                            |  | <b>Industrial Engineering 6.88% (5.27%)</b>                              |                |                            |
| 451,701                        | Knorr-Bremse   | 44,359         | 2.54                       | 1,465,850                                | Atlas Copco 'A' Shares   | 51,511         | 2.95                       |
|                                | <b>Personal Goods 2.65% (2.93%)</b>                        |                |                            | 1,969,467                                | Epiroc A   | 22,364         | 1.28                       |
| 194,738                        | Adidas   | 46,227         | 2.65                       | 2,984,017                                | Sandvik  | 46,261         | 2.65                       |
|                                | <b>Health Care Equipment &amp; Services 2.19% (0.00%)</b>  |                |                            |  | <b>Total Sweden</b>  | <b>120,136</b> | <b>6.88</b>                |
| 1,133,075                      | Siemens Healthineers                                       | 38,308         | 2.19                       |  |  |                |                            |
|                                | <b>Software &amp; Computer Services 5.41% (2.91%)</b>      |                |                            |  |  |                |                            |
| 776,310                        | SAP  | 94,463         | 5.41                       |  |  |                |                            |
|                                | <b>Total Germany</b>                                       | <b>303,874</b> | <b>17.40</b>               |  |  |                |                            |

## Threadneedle European Select Fund

### Portfolio Statement

(continued)

| Holding  | Investment                       | Value<br>£000    | % of<br>Net Asset<br>Value |
|--|----------------------------------|------------------|----------------------------|
| <b>SWITZERLAND 18.22% (13.38%)</b>                       |                                  |                  |                            |
| <b>Construction &amp; Materials 2.78% (2.28%)</b>        |                                  |                  |                            |
| 270,957  | Sika                             | 48,529           | 2.78                       |
| <b>Industrial Engineering 2.06% (2.01%)</b>              |                                  |                  |                            |
| 178,007  | Schindler Holding                | 35,998           | 2.06                       |
| <b>Food Producers 5.80% (4.41%)</b>                      |                                  |                  |                            |
| 1,121,856  | Nestle                           | 101,294          | 5.80                       |
| <b>Pharmaceuticals &amp; Biotechnology 7.58% (4.68%)</b> |                                  |                  |                            |
| 140,908  | Lonza                            | 64,845           | 3.71                       |
| 253,568  | Roche                            | 67,668           | 3.87                       |
| <b>Total Switzerland</b>                                 |                                  | <b>318,334</b>   | <b>18.22</b>               |
| <b>UNITED KINGDOM 1.14% (3.74%)</b>                      |                                  |                  |                            |
| <b>Media 1.14% (3.74%)</b>                               |                                  |                  |                            |
| 1,150,850  | RELX (UK Listing)                | 19,886           | 1.14                       |
| <b>Total United Kingdom</b>                              |                                  | <b>19,886</b>    | <b>1.14</b>                |
| <b>DERIVATIVES 0.00% (-0.02%)</b>                        |                                  |                  |                            |
| <b>Forward Foreign Exchange Contracts 0.00% (-0.02%)</b> |                                  |                  |                            |
| Sell USD 500,002   |                                  |                  |                            |
|  | Buy EUR 422,300 J.P. Morgan      | (1)              | -                          |
| Sell EUR 395,000   |                                  |                  |                            |
|  | Buy GBP 352,865 Bank of Scotland | (2)              | -                          |
| Sell EUR 5,604,417                                       |                                  |                  |                            |
|  | Buy USD 6,635,585 J.P. Morgan    | 6                | -                          |
| <b>Total Derivatives</b>                                 |                                  | <b>3</b>         | <b>-</b>                   |
| <b>Total value of investments<sup>2</sup></b>            |                                  | <b>1,742,371</b> | <b>99.76</b>               |
| <b>Net other assets (0.06%)</b>                          |                                  | <b>4,134</b>     | <b>0.24</b>                |
| <b>Net assets</b>  |                                  | <b>1,746,505</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 467,369      | 206,852      |
| Total sales for the period     | 512,973      | 326,180      |

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

as at 7 September 2020

| Holding                       | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding  | Investment            | Value<br>£000 | % of<br>Net Asset<br>Value |
|-------------------------------|---|---------------|----------------------------|--|-----------------------|---------------|----------------------------|
| <b>AUSTRIA 0.23% (0.81%)</b>  |   |               |                            | <b>Household Goods &amp; Home Construction 1.09% (1.24%)</b> |                       |               |                            |
|                               | <b>Oil Equipment, Services &amp; Distribution 0.00% (0.33%)</b> |               |                            | 36,600   | SEB Group             | 4,688         | 1.09                       |
|                               | <b>Travel &amp; Leisure 0.23% (0.48%)</b>                       |               |                            | <b>Leisure Goods 0.94% (1.04%)</b>                           |                       |               |                            |
| 30,579                        | Do & Co   | 1,010         | 0.23                       | 67,822   | Ubisoft Entertainment | 4,054         | 0.94                       |
|                               | <b>Total Austria</b>  | <b>1,010</b>  | <b>0.23</b>                | <b>Health Care Equipment &amp; Services 2.39% (3.18%)</b>    |                       |               |                            |
| <b>BELGIUM 3.74% (5.15%)</b>  |   |               |                            | 73,953   | Korian                | 2,126         | 0.49                       |
|                               | <b>Chemicals 1.31% (1.73%)</b>                                  |               |                            | 91,713   | Orpea                 | 8,174         | 1.90                       |
| 158,097                       | Umicore   | 5,641         | 1.31                       | <b>Real Estate Investment &amp; Services 0.59% (1.56%)</b>   |                       |               |                            |
|                               | <b>Electronic &amp; Electrical Equipment 0.30% (0.47%)</b>      |               |                            | 96,929   | Nexity                | 2,516         | 0.59                       |
| 81,263                        | Barco   | 1,288         | 0.30                       | <b>Technology Hardware &amp; Equipment 0.59% (0.00%)</b>     |                       |               |                            |
|                               | <b>Health Care Equipment &amp; Services 0.00% (0.11%)</b>       |               |                            | 19,830   | Ingenico Group        | 2,529         | 0.59                       |
|                               | <b>Technology Hardware &amp; Equipment 2.13% (2.84%)</b>        |               |                            | <b>Total France</b>  |                       |               |                            |
| 153,757                       | Melexis   | 9,142         | 2.13                       | <b>52,683 12.26</b>  |                       |               |                            |
|                               | <b>Total Belgium</b>  | <b>16,071</b> | <b>3.74</b>                | <b>GERMANY 23.89% (20.54%)</b>                               |                       |               |                            |
| <b>DENMARK 3.91% (3.77%)</b>  |   |               |                            | 187,252  | Brenntag              | 8,927         | 2.08                       |
|                               | <b>Industrial Transportation 0.00% (0.00%)</b>                  |               |                            | <b>Chemicals 2.08% (1.81%)</b>                               |                       |               |                            |
| 88,321                        | OW Bunker (Delisted)  | -             | -                          | 84,844   | Knorr-Bremse          | 8,332         | 1.94                       |
|                               | <b>Nonlife Insurance 1.24% (1.34%)</b>                          |               |                            | 198,616  | Norma Group           | 5,281         | 1.23                       |
| 232,700                       | Tryg  | 5,335         | 1.24                       | 35,869   | Sartorius             | 10,845        | 2.52                       |
|                               | <b>Software &amp; Computer Services 2.67% (2.43%)</b>           |               |                            | <b>Household Goods &amp; Home Construction 0.71% (0.42%)</b> |                       |               |                            |
| 122,531                       | SimCorp   | 11,485        | 2.67                       | 26,241   | Varta                 | 3,061         | 0.71                       |
|                               | <b>Total Denmark</b>  | <b>16,820</b> | <b>3.91</b>                | <b>Personal Goods 1.20% (0.20%)</b>                          |                       |               |                            |
| <b>FINLAND 5.05% (6.07%)</b>  |   |               |                            | 83,086   | Puma                  | 5,160         | 1.20                       |
|                               | <b>Construction &amp; Materials 0.92% (0.88%)</b>               |               |                            | <b>Health Care Equipment &amp; Services 3.88% (3.28%)</b>    |                       |               |                            |
| 287,380                       | Tikkurila   | 3,973         | 0.92                       | 32,819   | Carl Zeiss Meditec    | 2,805         | 0.65                       |
|                               | <b>General Industrials 1.92% (1.92%)</b>                        |               |                            | 84,364   | Gerresheimer          | 7,226         | 1.68                       |
| 226,341                       | Huhtamaki   | 8,231         | 1.92                       | 75,981   | Stratec               | 6,659         | 1.55                       |
|                               | <b>Electronic &amp; Electrical Equipment 0.93% (0.90%)</b>      |               |                            | <b>Pharmaceuticals &amp; Biotechnology 0.11% (0.00%)</b>     |                       |               |                            |
| 128,327                       | Vaisala   | 4,008         | 0.93                       | 11,971   | Dermapharm Holding    | 486           | 0.11                       |
|                               | <b>Health Care Equipment &amp; Services 0.12% (0.00%)</b>       |               |                            | <b>Media 2.01% (2.15%)</b>                                   |                       |               |                            |
| 17,323                        | Revenio Group   | 536           | 0.12                       | 222,856  | CTS Eventim           | 8,645         | 2.01                       |
|                               | <b>Industrial Engineering 1.16% (2.37%)</b>                     |               |                            | <b>Financial Services 2.22% (2.51%)</b>                      |                       |               |                            |
| 109,737                       | Cargotec  | 2,590         | 0.60                       | 96,359   | Grenkeleasing         | 5,244         | 1.22                       |
| 110,997                       | Konecranes  | 2,386         | 0.56                       | 10,285   | Hypoport              | 4,280         | 1.00                       |
|                               | <b>Total Finland</b>  | <b>21,724</b> | <b>5.05</b>                | <b>Software &amp; Computer Services 5.99% (4.17%)</b>        |                       |               |                            |
| <b>FRANCE 12.26% (15.00%)</b> |   |               |                            | 46,831   | CANCOM                | 1,923         | 0.45                       |
|                               | <b>General Industrials 0.48% (0.58%)</b>                        |               |                            | 154,625  | CompuGroup Medical    | 10,437        | 2.43                       |
| 86,991                        | Verallia  | 2,064         | 0.48                       | 137,020  | Nemetschek            | 7,753         | 1.81                       |
|                               | <b>Support Services 4.79% (6.24%)</b>                           |               |                            | 150,001  | TeamViewer            | 5,597         | 1.30                       |
| 433,964                       | Bureau Veritas  | 7,331         | 1.71                       | <b>Total Germany</b>   |                       |               |                            |
| 96,388                        | Edenred   | 3,724         | 0.87                       | <b>102,661 23.89</b>   |                       |               |                            |
| 528,488                       | Elis  | 5,425         | 1.26                       | <b>ICELAND 1.01% (0.80%)</b>                                 |                       |               |                            |
| 17,656                        | Teleperformance   | 4,074         | 0.95                       | <b>Industrial Engineering 1.01% (0.80%)</b>                  |                       |               |                            |
|                               | <b>Beverages 1.39% (1.16%)</b>                                  |               |                            | 1,085,856  | Marel                 | 4,324         | 1.01                       |
| 46,094                        | Remy Cointreau  | 5,978         | 1.39                       | <b>Total Iceland</b>   |                       |               |                            |
|                               |   |               |                            | <b>4,324 1.01</b>  |                       |               |                            |

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

|  |   | Value<br>£000 | % of<br>Net Asset<br>Value |   |  | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|---|---------------|----------------------------|---|--|---------------|----------------------------|
| <b>ITALY 11.03% (11.33%)</b>             |   |               |                            | <b>SPAIN 1.81% (2.37%)</b>                    |  |               |                            |
|  | <b>Chemicals 0.59% (0.00%)</b>                            |               |                            |   | <b>Construction &amp; Materials 1.35% (1.18%)</b>          |               |                            |
| 262,497                                  | GVS   | 2,534         | 0.59                       | 462,820                                       | Fluidra  | 5,791         | 1.35                       |
|  | <b>Industrial Engineering 0.25% (0.45%)</b>               |               |                            |   | <b>Support Services 0.46% (1.19%)</b>                      |               |                            |
| 17,422                                   | Industria Macchine Automatic                              | 1,052         | 0.25                       | 329,054                                       | Applus Services  | 2,008         | 0.46                       |
|  | <b>Support Services 1.54% (1.17%)</b>                     |               |                            |   | <b>Total Spain</b>   | <b>7,799</b>  | <b>1.81</b>                |
| 489,105                                  | Nexi  | 6,623         | 1.54                       |   |  |               |                            |
|  | <b>Automobiles &amp; Parts 0.00% (0.48%)</b>              |               |                            | <b>SWEDEN 4.55% (5.61%)</b>                   |  |               |                            |
|  | <b>Beverages 1.56% (0.90%)</b>                            |               |                            |   | <b>Chemicals 0.00% (0.94%)</b>                             |               |                            |
| 830,613                                  | Davide Campari-Milano                                     | 6,697         | 1.56                       |   | <b>Leisure Goods 1.40% (2.17%)</b>                         |               |                            |
|  | <b>Health Care Equipment &amp; Services 1.85% (2.49%)</b> |               |                            | 30,427  | Stillfront Group   | 2,382         | 0.55                       |
| 62,289                                   | DiaSorin  | 7,967         | 1.85                       | 156,936                                       | Thule Group  | 3,640         | 0.85                       |
|  | <b>Food &amp; Drug Retailers 0.75% (1.27%)</b>            |               |                            |   | <b>Health Care Equipment &amp; Services 1.38% (1.23%)</b>  |               |                            |
| 271,709                                  | MARR  | 3,229         | 0.75                       | 580,714                                       | Elekta 'B' Shares  | 5,915         | 1.38                       |
|  | <b>Mobile Telecommunications 1.92% (2.52%)</b>            |               |                            |   | <b>Financial Services 1.77% (1.27%)</b>                    |               |                            |
| 1,100,629                                | Infrastructure Wireless Italia                            | 8,260         | 1.92                       | 542,964                                       | Avanza Bank Holding  | 7,606         | 1.77                       |
|  | <b>Banks 2.57% (2.05%)</b>                                |               |                            |   | <b>Total Sweden</b>  | <b>19,543</b> | <b>4.55</b>                |
| 975,439                                  | FinecoBank  | 11,064        | 2.57                       |   |  |               |                            |
|  | <b>Total Italy</b>  | <b>47,426</b> | <b>11.03</b>               | <b>SWITZERLAND 14.15% (12.75%)</b>            |  |               |                            |
|  |   |               |                            |   | <b>Construction &amp; Materials 5.20% (5.20%)</b>          |               |                            |
| <b>LUXEMBOURG 3.70% (4.06%)</b>          |   |               |                            | 1,763   | Belimo   | 10,545        | 2.45                       |
|  | <b>Industrial Engineering 0.94% (1.52%)</b>               |               |                            | 65,890  | Sika   | 11,801        | 2.75                       |
| 96,539                                   | Stabilus  | 4,042         | 0.94                       |   | <b>General Industrials 2.68% (2.47%)</b>                   |               |                            |
|  | <b>Health Care Equipment &amp; Services 2.76% (2.54%)</b> |               |                            | 778,180                                       | SIG Combibloc Group  | 11,510        | 2.68                       |
| 20,009                                   | Eurofins Scientific                                       | 11,841        | 2.76                       |   | <b>Electronic &amp; Electrical Equipment 1.49% (1.25%)</b> |               |                            |
|  | <b>Total Luxembourg</b>                                   | <b>15,883</b> | <b>3.70</b>                | 4,559   | LEM Holding  | 6,402         | 1.49                       |
|  |   |               |                            |   | <b>Industrial Engineering 3.84% (3.83%)</b>                |               |                            |
| <b>NETHERLANDS 7.06% (4.86%)</b>         |   |               |                            | 17,887  | Burckhardt Compression                                     | 3,393         | 0.79                       |
|  | <b>Chemicals 2.69% (2.43%)</b>                            |               |                            | 3,819   | INFICON Holding  | 2,402         | 0.56                       |
| 143,112                                  | IMCD Group  | 11,564        | 2.69                       | 77,120  | VAT Group  | 10,694        | 2.49                       |
|  | <b>Food &amp; Drug Retailers 0.57% (0.00%)</b>            |               |                            |   | <b>Health Care Equipment &amp; Services 0.55% (0.00%)</b>  |               |                            |
| 21,112                                   | Shop Apotheke Europe                                      | 2,467         | 0.57                       | 6,931   | Tecan Group  | 2,381         | 0.55                       |
|  | <b>General Retailers 2.16% (2.43%)</b>                    |               |                            |   | <b>Food &amp; Drug Retailers 0.39% (0.00%)</b>             |               |                            |
| 113,549                                  | Just Eat Takeaway.com                                     | 9,273         | 2.16                       | 9,663   | Zur Rose Group   | 1,700         | 0.39                       |
|  | <b>Technology Hardware &amp; Equipment 1.64% (0.00%)</b>  |               |                            |   | <b>Total Switzerland</b>                                   | <b>60,828</b> | <b>14.15</b>               |
| 64,818                                   | ASM International   | 7,041         | 1.64                       |   |  |               |                            |
|  | <b>Total Netherlands</b>                                  | <b>30,345</b> | <b>7.06</b>                | <b>UNITED STATES OF AMERICA 0.55% (0.78%)</b> |  |               |                            |
|  |   |               |                            |   | <b>Automobiles &amp; Parts 0.55% (0.78%)</b>               |               |                            |
| <b>REPUBLIC OF IRELAND 6.28% (6.22%)</b> |   |               |                            | 39,791  | Autoliv (SDR)  | 2,368         | 0.55                       |
|  | <b>Construction &amp; Materials 2.71% (2.80%)</b>         |               |                            |   | <b>Total United States Of America</b>                      | <b>2,368</b>  | <b>0.55</b>                |
| 191,259                                  | Kingspan Group (EUR)                                      | 11,655        | 2.71                       |   |  |               |                            |
|  | <b>Travel &amp; Leisure 1.75% (2.73%)</b>                 |               |                            | <b>DERIVATIVES 0.00% (0.00%)</b>              |  |               |                            |
| 889,274                                  | Dalata Hotel Group  | 2,402         | 0.56                       |   | <b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>    |               |                            |
| 1,728,803                                | Irish Continental Group                                   | 5,097         | 1.19                       |   | Sell EUR 16,000  |               |                            |
|  | <b>Liquidity Funds 1.82% (0.69%)<sup>1</sup></b>          |               |                            |   | Buy GBP 14,206 Barclays <sup>2</sup>                       |               |                            |
| 87,680                                   | BlackRock Institutional Cash Series                       |               |                            |   | Sell EUR 313,000   |               |                            |
|  | Euro Liquidity Platinum                                   | 7,821         | 1.82                       |   | Buy GBP 279,612 Bank of Scotland                           | (2)           |                            |
|  | <b>Total Republic Of Ireland</b>                          | <b>26,975</b> | <b>6.28</b>                |   | <b>Total Derivatives</b>                                   | <b>(2)</b>    |                            |

## Threadneedle European Smaller Companies Fund

### Portfolio Statement

(continued)

| Holding  | Investment | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|------------|----------------|----------------------------|
| <b>Total value of investments<sup>3</sup></b>  |            | <b>426,458</b> | <b>99.22</b>               |
| <b>Net other assets/(liabilities) (-0.12%)</b> |            | <b>3,351</b>   | <b>0.78</b>                |
| <b>Net assets</b>                              |            | <b>429,809</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 45,822       | 21,040       |
| Total sales for the period     | 63,221       | 87,816       |

## Threadneedle European Bond Fund

### Portfolio Statement

as at 7 September 2020

|                                | Value                          | % of   |                 | Value                         | % of                 |  |  |  |  |              |      |
|--------------------------------|--------------------------------|--|-----------------|-------------------------------|----------------------|--|--|--|--|--------------|------|
| Holding                        | Investment                     | £000   | Net Asset Value | Holding                       | Investment           | £000   | Net Asset Value                                      |  |  |              |      |
| <b>AUSTRALIA 1.03% (1.32%)</b> |                                |  |                 | <b>BBB+ 0.07% (0.00%)</b>     |                      |  |  |  |  |              |      |
|                                | <b>A- 0.12% (0.64%)</b>        |  |                 | EUR                           | 100,000              | *Sampo Variable 03/09/2052                             | 91   | 0.07   |  |              |      |
| EUR                            | 186,000                        | AusNet Services Holdings 0.625%<br>25/08/2030            | 170             | 0.12                          | <b>Total Finland</b> |  |  | <b>686</b>   | <b>0.50</b>                              |              |      |
|                                | <b>BBB+ 0.28% (0.29%)</b>      |  |                 | <b>FRANCE 13.17% (12.34%)</b> |                      |  |  |  |  |              |      |
| EUR                            | 230,000                        | Aurizon Network 3.125% 01/06/2026                        | 232             | 0.17                          | EUR                  | 800,000  | Agence Française de Développement<br>0.5% 31/10/2025 | 747  | 0.54                                     |              |      |
| EUR                            | 164,000                        | Goodman Australia Finance 1.375%<br>27/09/2025           | 151             | 0.11                          |                      |  | <b>Aa2 3.66% (0.65%)</b>                             |  |  |              |      |
|                                | <b>BBB 0.63% (0.39%)</b>       |  |                 | EUR                           | 1,100,000            | SNCF Reseau 2.25% 20/12/2047                           | 1,332  | 0.96   |  |              |      |
| EUR                            | 195,000                        | APT Pipelines 2% 22/03/2027                              | 189             | 0.13                          | EUR                  | 2,700,000  | UNEDIC 0.25% 25/11/2029                              | 2,490  | 1.79                                     |              |      |
| EUR                            | 356,000                        | APT Pipelines 2% 15/07/2030                              | 345             | 0.25                          | EUR                  | 1,400,000  | UNEDIC 0.25% 16/07/2035                              | 1,260  | 0.91                                     |              |      |
| EUR                            | 365,000                        | Ausgrid Finance 1.25% 30/07/2025                         | 343             | 0.25                          |                      |  | <b>Aa2u 3.74% (9.30%)</b>                            |  |  |              |      |
|                                | <b>Total Australia</b>         |  | <b>1,430</b>    | <b>1.03</b>                   | EUR                  | 1,275,000  | France Government Bond 0.75%<br>25/05/2052           | 1,218  | 0.88                                     |              |      |
| <b>AUSTRIA 0.33% (0.00%)</b>   |                                |  |                 |                               |                      | EUR  | 3,430,000  | France Government Bond 1.75%<br>25/06/2039             | 3,970                                    | 2.86         |      |
|                                | <b>AA+ 0.33% (0.00%)</b>       |  |                 |                               |                      | EUR  | 900,000  | Societe Nationale SNCF 1%<br>25/05/2040                | 826                                      | 0.60         |      |
| EUR                            | 440,000                        | Republic of Austria 0.85% 30/06/2120                     | 459             | 0.33                          |                      |  | EUR  | 200,000  | Crédit Mutuel Arkéa 1.125%<br>23/05/2029 | 191          | 0.14 |
|                                | <b>Total Austria</b>           |  | <b>459</b>      | <b>0.33</b>                   |                      |  | EUR  | 200,000  | Crédit Agricole 1% 03/07/2029            | 193          | 0.14 |
| <b>BELGIUM 0.65% (1.47%)</b>   |                                |  |                 |                               |                      | EUR  | 600,000  | Banque Fédérative du Crédit Mutuel<br>0.75% 08/06/2026 | 560                                      | 0.40         |      |
|                                | <b>A- 0.26% (0.27%)</b>        |  |                 | EUR                           | 400,000              | Réseau de Transport d'Électricité<br>1.125% 08/07/2040 | 377  | 0.27   |  |              |      |
| EUR                            | 200,000                        | Argenta Spaarbank 1% 06/02/2024                          | 184             | 0.13                          |                      |  | EUR  | 100,000  | *Credit Agricole Variable 05/06/2030     | 93           | 0.07 |
| EUR                            | 200,000                        | Belfius Bank 0% 28/08/2026                               | 178             | 0.13                          | EUR                  | 200,000  | Electricite de France 2% 09/12/2049                  | 187  | 0.13                                     |              |      |
|                                | <b>BBB+ 0.39% (0.00%)</b>      |  |                 |                               |                      | EUR  | 400,000  | <b>BBB 0.47% (0.09%)</b>                               |  |              |      |
| EUR                            | 387,000                        | Anheuser-Busch InBev 3.7%<br>02/04/2040                  | 440             | 0.32                          | EUR                  | 140,000  | Carrefour 2.625% 15/12/2027                          | 411  | 0.30                                     |              |      |
| EUR                            | 100,000                        | Elia Transmission Belgium 0.875%<br>28/04/2030           | 93              | 0.07                          | EUR                  | 113,000  | RCI Banque 2% 11/07/2024                             | 128  | 0.09                                     |              |      |
|                                | <b>Not Rated 0.00% (1.20%)</b> |  |                 | EUR                           | 113,000              | WPP Finance 2.375% 19/05/2027                          | 109  | 0.08   |  |              |      |
|                                | <b>Total Belgium</b>           |  | <b>895</b>      | <b>0.65</b>                   |                      |  | EUR  | 100,000  | <b>BBB- 0.21% (0.14%)</b>                |              |      |
| <b>BERMUDA 0.16% (0.24%)</b>   |                                |  |                 |                               |                      | EUR  | 100,000  | Auchan Holding 3.25% 23/07/2027                        | 95                                       | 0.07         |      |
|                                | <b>BBB- 0.16% (0.24%)</b>      |  |                 | EUR                           | 200,000              | Sanef 1.875% 16/03/2026                                | 187  | 0.14   |  |              |      |
| EUR                            | 240,000                        | Bacardi 2.75% 03/07/2023                                 | 225             | 0.16                          |                      |  | EUR  | 200,000  | <b>BB- 0.13% (0.00%)</b>                 |              |      |
|                                | <b>Total Bermuda</b>           |  | <b>225</b>      | <b>0.16</b>                   |                      |  | EUR  | 170,000  | Rexel 2.75% 15/06/2026                   | 184          | 0.13 |
| <b>CHILE 1.72% (1.74%)</b>     |                                |  |                 |                               |                      | EUR  | 130,000  | <b>B 0.09% (0.00%)</b>                                 |  |              |      |
|                                | <b>A+ 1.72% (1.74%)</b>        |  |                 | EUR                           | 130,000              | Altice France 5.875% 01/02/2027                        | 126  | 0.09   |  |              |      |
| EUR                            | 2,500,000                      | Chile Government International Bond<br>1.625% 30/01/2025 | 2,380           | 1.72                          |                      |  | EUR  | 3,880,000  | <b>Not Rated 2.58% (0.00%)</b>           |              |      |
|                                | <b>Total Chile</b>             |  | <b>2,380</b>    | <b>1.72</b>                   |                      |  | EUR  | 3,880,000  | France Government Bond 0%<br>25/03/2025  | 3,580        | 2.58 |
| <b>DENMARK 0.44% (0.21%)</b>   |                                |  |                 |                               |                      | <b>Total France</b>                                    |  |  | <b>18,264</b>                            | <b>13.17</b> |      |
|                                | <b>A 0.33% (0.21%)</b>         |  |                 |                               |                      |  |  |  |  |              |      |
| EUR                            | 491,000                        | Danske Bank 0.625% 26/05/2025                            | 450             | 0.33                          |                      |  |  |  |  |              |      |
|                                | <b>BBB+ 0.11% (0.00%)</b>      |  |                 |                               |                      |  |  |  |  |              |      |
| EUR                            | 170,000                        | Nykredit Realkredit A 0.75%<br>20/01/2027                | 154             | 0.11                          |                      |  |  |  |  |              |      |
|                                | <b>Total Denmark</b>           |  | <b>604</b>      | <b>0.44</b>                   |                      |  |  |  |  |              |      |
| <b>FINLAND 0.50% (0.00%)</b>   |                                |  |                 |                               |                      |  |  |  |  |              |      |
|                                | <b>AA- 0.33% (0.00%)</b>       |  |                 |                               |                      |  |  |  |  |              |      |
| EUR                            | 494,000                        | Nordea Bank 0.5% 14/05/2027                              | 457             | 0.33                          |                      |  |  |  |  |              |      |
|                                | <b>A- 0.10% (0.00%)</b>        |  |                 |                               |                      |  |  |  |  |              |      |
| EUR                            | 150,000                        | *OP Corporate Bank 1.625% 09/06/2030                     | 138             | 0.10                          |                      |  |  |  |  |              |      |

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

|                                | Holding   | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |                                 | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|--------------------------------|-----------|--|---------------|----------------------------|---------------------------------|-----------|---|---------------|----------------------------|
| <b>GERMANY 2.52% (5.28%)</b>   |           |  |               |                            | <b>Baa3u 6.89% (10.59%)</b>     |           |   |               |                            |
|                                |           | <b>AAA 0.09% (0.00%)</b>                                     |               |                            | EUR                             | 3,235,000 | Buoni Poliennali Del Tesoro 0.05%<br>15/01/2023     | 2,910         | 2.10                       |
| EUR                            | 140,000   | KFW 0% 15/09/2028  | 130           | 0.09                       | EUR                             | 910,000   | Buoni Poliennali Del Tesoro 4.75%<br>01/09/2044     | 1,270         | 0.92                       |
|                                |           | <b>Aaa 0.24% (0.47%)</b>                                     |               |                            | EUR                             | 4,349,000 | Buoni Poliennali Del Tesoro 5.5%<br>01/11/2022      | 4,369         | 3.15                       |
| EUR                            | 271,000   | Bundesrepublik Deutschland 1.25%<br>15/08/2048               | 333           | 0.24                       | EUR                             | 965,000   | Italy Government Bond 2.7%<br>01/03/2047            | 1,006         | 0.72                       |
|                                |           | <b>A- 0.13% (0.48%)</b>                                      |               |                            |                                 |           | <b>BB+ 0.16% (0.17%)</b>                            |               |                            |
| EUR                            | 200,000   | Vier Gas Transport 0.5% 10/09/2034                           | 176           | 0.13                       | EUR                             | 248,000   | Aeroporti Di Roma 1.625% 08/06/2027                 | 218           | 0.16                       |
|                                |           | <b>BBB+ 1.17% (0.24%)</b>                                    |               |                            |                                 |           | <b>BB- 0.07% (0.07%)</b>                            |               |                            |
| EUR                            | 200,000   | Commerzbank 0.375% 01/09/2027                                | 178           | 0.13                       | EUR                             | 105,000   | Autostrade per l'Italia 1.75% EMTN<br>01/02/2027    | 93            | 0.07                       |
| EUR                            | 622,000   | Commerzbank 1% 04/03/2026                                    | 577           | 0.41                       |                                 |           | <b>Not Rated 7.08% (3.11%)</b>                      |               |                            |
| EUR                            | 221,000   | Daimler 2% 22/08/2026  | 215           | 0.15                       | EUR                             | 5,700,000 | Buoni Poliennali Del Tesoro 0.35%<br>01/02/2025     | 5,118         | 3.69                       |
| EUR                            | 498,000   | *Deutsche Bank Variable 10/06/2026                           | 467           | 0.34                       | EUR                             | 4,500,000 | Buoni Poliennali Del Tesoro 0.95%<br>01/08/2030     | 4,017         | 2.90                       |
| EUR                            | 200,000   | Eurogrid 1.113% 15/05/2032                                   | 192           | 0.14                       | EUR                             | 764,000   | Buoni Poliennali Del Tesoro 1.45%<br>01/03/2036     | 686           | 0.49                       |
|                                |           | <b>Baa1u 0.14% (0.21%)</b>                                   |               |                            |                                 |           | <b>Total Italy</b>                                  | <b>21,869</b> | <b>15.77</b>               |
| EUR                            | 200,000   | Eurogrid 1.875% 10/06/2025                                   | 195           | 0.14                       |                                 |           |   |               |                            |
|                                |           | <b>BBB 0.58% (0.44%)</b>                                     |               |                            |                                 |           |   |               |                            |
| EUR                            | 200,000   | Alstria Office REIT 0.5% 26/09/2025                          | 176           | 0.13                       |                                 |           |   |               |                            |
| EUR                            | 100,000   | Bayer 1.125% 06/01/2030                                      | 92            | 0.07                       |                                 |           |   |               |                            |
| EUR                            | 300,000   | Bayer 1.125% 06/01/2030 (Frankfurt<br>Exchange)              | 275           | 0.20                       |                                 |           |   |               |                            |
| EUR                            | 125,000   | E.On 0.625% 07/11/2031                                       | 113           | 0.08                       |                                 |           |   |               |                            |
| EUR                            | 100,000   | Innogy Finance II 5.75% 14/02/2033                           | 143           | 0.10                       |                                 |           |   |               |                            |
|                                |           | <b>BB+ 0.00% (0.07%)</b>                                     |               |                            |                                 |           |   |               |                            |
|                                |           | <b>Not Rated 0.17% (3.37%)</b>                               |               |                            |                                 |           |   |               |                            |
| EUR                            | 255,000   | Bundesrepublik Deutschland 0%<br>15/05/2035                  | 238           | 0.17                       |                                 |           |   |               |                            |
|                                |           | <b>Total Germany</b>   | <b>3,500</b>  | <b>2.52</b>                |                                 |           |   |               |                            |
| <b>HUNGARY 0.39% (0.00%)</b>   |           |  |               |                            | <b>JAPAN 0.26% (0.00%)</b>      |           |   |               |                            |
|                                |           | <b>Baa3 0.39% (0.00%)</b>                                    |               |                            | EUR                             | 396,000   | Sumitomo Mitsui Banking 0.01%<br>10/09/2025         | 359           | 0.26                       |
| EUR                            | 583,000   | Hungarian Development Bank 1.375%<br>24/06/2025              | 538           | 0.39                       |                                 |           | <b>Total Japan</b>                                  | <b>359</b>    | <b>0.26</b>                |
|                                |           | <b>Total Hungary</b>   | <b>538</b>    | <b>0.39</b>                |                                 |           |   |               |                            |
| <b>INDONESIA 1.75% (1.79%)</b> |           |  |               |                            | <b>JERSEY 0.52% (0.65%)</b>     |           |   |               |                            |
|                                |           | <b>BBB 1.75% (1.79%)</b>                                     |               |                            | EUR                             | 222,000   | Heathrow Funding 1.875% 14/03/2034                  | 201           | 0.14                       |
| EUR                            | 2,650,000 | Indonesia Government International<br>Bond 2.875% 08/07/2021 | 2,432         | 1.75                       | GBP                             | 400,000   | Heathrow Funding 4.625% 31/10/2046                  | 521           | 0.38                       |
|                                |           | <b>Total Indonesia</b>                                       | <b>2,432</b>  | <b>1.75</b>                |                                 |           | <b>Total Jersey</b>                                 | <b>722</b>    | <b>0.52</b>                |
| <b>ITALY 15.77% (14.36%)</b>   |           |  |               |                            | <b>LUXEMBOURG 1.24% (1.17%)</b> |           |   |               |                            |
|                                |           | <b>BBB 1.45% (0.27%)</b>                                     |               |                            | EUR                             | 300,000   | Prologis International Funding 1.625%<br>17/06/2032 | 290           | 0.21                       |
| EUR                            | 1,700,000 | Cassa Depositi e Prestiti 1.5%<br>20/04/2023                 | 1,574         | 1.13                       |                                 |           | <b>BBB+ 0.40% (0.20%)</b>                           |               |                            |
| EUR                            | 390,000   | FCA Capital Ireland 0.5% 13/09/2024                          | 347           | 0.25                       | EUR                             | 200,000   | Aroundtown 1.45% 09/07/2028                         | 183           | 0.13                       |
| EUR                            | 100,000   | Intesa Sanpaolo 1.75% 04/07/2029                             | 94            | 0.07                       | EUR                             | 400,000   | Aroundtown 1.625% 31/01/2028                        | 371           | 0.27                       |
|                                |           | <b>Baa3 0.12% (0.15%)</b>                                    |               |                            |                                 |           | <b>BBB 0.52% (0.68%)</b>                            |               |                            |
| EUR                            | 160,000   | *Assicurazioni 5% 08/06/2048                                 | 167           | 0.12                       | EUR                             | 476,000   | Becton Dickinson Euro Finance<br>1.208% 04/06/2026  | 437           | 0.32                       |
|                                |           |  |               |                            | EUR                             | 165,000   | Bevco 1.75% 09/02/2023                              | 151           | 0.11                       |
|                                |           |  |               |                            | EUR                             | 150,000   | CPI Property Group 1.625% 23/04/2027                | 131           | 0.09                       |
|                                |           |  |               |                            |                                 |           | <b>Baa2 0.11% (0.11%)</b>                           |               |                            |
|                                |           |  |               |                            | EUR                             | 167,000   | SELP Finance 1.25% 25/10/2023                       | 153           | 0.11                       |
|                                |           |  |               |                            |                                 |           | <b>Total Luxembourg</b>                             | <b>1,716</b>  | <b>1.24</b>                |

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

|                                   | Holding   | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |  | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|-----------------------------------|-----------|--|---------------|----------------------------|--|-----------|---|---------------|----------------------------|
| <b>NETHERLANDS 10.32% (4.75%)</b> |           |  |               |                            | <b>NORWAY 0.46% (1.83%)</b>              |           |   |               |                            |
|                                   |           | <b>AAA 1.16% (0.00%)</b>                           |               |                            |  |           | <b>AAA 0.00% (1.60%)</b>                                    |               |                            |
| EUR                               | 1,600,000 | BNG Bank 0.875% 24/10/2036                         | 1,606         | 1.16                       |  |           | <b>AA- 0.46% (0.23%)</b>                                    |               |                            |
|                                   |           | <b>AA 0.00% (0.13%)</b>                            |               |                            | EUR                                      | 705,000   | DNB Bank 0.25% 09/04/2024                                   | 642           | 0.46                       |
|                                   |           | <b>AA- 0.10% (0.00%)</b>                           |               |                            |  |           | <b>Total Norway</b>   | <b>642</b>    | <b>0.46</b>                |
| EUR                               | 140,000   | Shell International Finance 1.875% 07/04/2032      | 143           | 0.10                       | <b>PORTUGAL 0.04% (0.05%)</b>            |           |   |               |                            |
|                                   |           | <b>Aa3 0.30% (0.18%)</b>                           |               |                            |  |           | <b>Not Rated 0.04% (0.05%)</b>                              |               |                            |
| EUR                               | 185,000   | Enexis Holding 0.625% 17/06/2032                   | 172           | 0.12                       | EUR                                      | 300,000   | Banco Espirito Santo 4% 21/01/2019 (Defaulted)              | 52            | 0.04                       |
| EUR                               | 265,000   | Enexis Holding 0.75% 02/07/2031                    | 248           | 0.18                       |  |           | <b>Total Portugal</b>                                       | <b>52</b>     | <b>0.04</b>                |
|                                   |           | <b>A+ 0.00% (0.67%)</b>                            |               |                            | <b>REPUBLIC OF IRELAND 4.77% (6.62%)</b> |           |   |               |                            |
|                                   |           | <b>A 0.14% (0.23%)</b>                             |               |                            |  |           | <b>AA- 3.18% (2.31%)</b>                                    |               |                            |
| EUR                               | 100,000   | Airbus 2.375% 07/04/2032                           | 98            | 0.07                       | EUR                                      | 4,715,000 | Irish Treasury 0.4% 15/05/2035                              | 4,404         | 3.18                       |
| EUR                               | 100,000   | Airbus 2.375% 09/06/2040                           | 93            | 0.07                       |  |           | <b>A+ 0.16% (0.14%)</b>                                     |               |                            |
|                                   |           | <b>A- 0.65% (0.31%)</b>                            |               |                            | EUR                                      | 215,000   | Zurich Finance Ireland 1.625% 17/06/2039                    | 220           | 0.16                       |
| EUR                               | 500,000   | *Coöperatieve Rabobank U.A. Variable 05/05/2028    | 465           | 0.34                       |  |           | <b>Baa1 0.08% (0.00%)</b>                                   |               |                            |
| EUR                               | 198,000   | Stedin Holding 0.5% 14/11/2029                     | 180           | 0.13                       | EUR                                      | 130,000   | Glencore Capital Finance 1.125% 10/03/2028                  | 116           | 0.08                       |
| EUR                               | 255,000   | Stedin Holding 1.375% 19/09/2028                   | 248           | 0.18                       |  |           | <b>BB 0.30% (0.18%)</b>                                     |               |                            |
|                                   |           | <b>BBB+ 1.34% (0.87%)</b>                          |               |                            | EUR                                      | 300,000   | *AIB Group Variable 19/11/2029                              | 266           | 0.19                       |
| EUR                               | 100,000   | ABN AMRO Bank 0.6% 15/01/2027                      | 91            | 0.07                       | EUR                                      | 168,000   | *Bank of Ireland Group Variable 14/10/2029                  | 151           | 0.11                       |
| EUR                               | 600,000   | ABN AMRO Bank 1.25% 28/05/2025                     | 563           | 0.41                       |  |           | <b>Liquidity Funds 1.05% (3.99%)<sup>1</sup></b>            |               |                            |
| EUR                               | 163,000   | Achmea 1.5% 26/05/2027                             | 154           | 0.11                       | EUR                                      | 16,381    | BlackRock Institutional Cash Series Euro Liquidity Platinum | 1,461         | 1.05                       |
| EUR                               | 240,000   | Heineken 1.25% 07/05/2033                          | 223           | 0.16                       |  |           | <b>Total Republic of Ireland</b>                            | <b>6,618</b>  | <b>4.77</b>                |
| EUR                               | 652,000   | RELX Finance 0.5% 10/03/2028                       | 587           | 0.42                       | <b>SLOVENIA 1.89% (1.60%)</b>            |           |   |               |                            |
| EUR                               | 200,000   | Volkswagen International Finance 4.125% 16/11/2038 | 236           | 0.17                       |  |           | <b>AA- 1.89% (1.60%)</b>                                    |               |                            |
|                                   |           | <b>BBB 1.21% (0.83%)</b>                           |               |                            | EUR                                      | 2,641,000 | Republika Slovenija 1.1875% 14/03/2029                      | 2,628         | 1.89                       |
| EUR                               | 100,000   | Digital Dutch Finco 1.5% 15/03/2030                | 94            | 0.07                       |  |           | <b>Total Slovenia</b>                                       | <b>2,628</b>  | <b>1.89</b>                |
| EUR                               | 425,000   | *Eneco Holding 3.25% 29/12/2049                    | 389           | 0.28                       | <b>SPAIN 16.52% (7.88%)</b>              |           |   |               |                            |
| EUR                               | 400,000   | *ING Groep Variable 26/05/2031                     | 377           | 0.27                       |  |           | <b>A 1.69% (0.00%)</b>                                      |               |                            |
| GBP                               | 350,000   | Innogy Finance 6.125% 06/07/2039                   | 570           | 0.41                       | EUR                                      | 2,600,000 | FADE FTA 0.01% 17/09/2025                                   | 2,350         | 1.69                       |
| EUR                               | 173,000   | NE Property 1.875% 09/10/2026                      | 147           | 0.11                       |  |           | <b>A3 0.36% (0.37%)</b>                                     |               |                            |
| EUR                               | 100,000   | NE Property 3.375% 14/07/2027                      | 92            | 0.07                       | EUR                                      | 525,000   | Basque Government 1.125% 30/04/2029                         | 504           | 0.36                       |
|                                   |           | <b>BBB- 0.34% (0.13%)</b>                          |               |                            |  |           | <b>BBB+ 0.46% (0.39%)</b>                                   |               |                            |
| EUR                               | 200,000   | Redexis Gas Finance 1.875% 28/05/2025              | 188           | 0.14                       | EUR                                      | 600,000   | Caixabank 0.375% 03/02/2025                                 | 538           | 0.39                       |
| EUR                               | 200,000   | Syngenta Finance 1.25% 10/09/2027                  | 173           | 0.12                       | EUR                                      | 100,000   | CaixaBank 1.125% 17/05/2024                                 | 93            | 0.07                       |
| EUR                               | 110,000   | Syngenta Finance 3.375% 16/04/2026                 | 107           | 0.08                       |  |           | <b>Baa1 8.11% (3.28%)</b>                                   |               |                            |
|                                   |           | <b>(P)BBB- 0.10% (0.00%)</b>                       |               |                            | EUR                                      | 7,350,000 | Spain Government Bond 0.35% 30/07/2023                      | 6,750         | 4.87                       |
| EUR                               | 141,000   | Upjohn Finance B.V. 1.908% 23/06/2032              | 134           | 0.10                       | EUR                                      | 1,735,000 | Spain Government Bond 1.25% 31/10/2030                      | 1,699         | 1.22                       |
|                                   |           | <b>BB+ 0.59% (0.31%)</b>                           |               |                            | EUR                                      | 980,000   | Spain Government Bond 2.7% 31/10/2048                       | 1,216         | 0.88                       |
| EUR                               | 500,000   | *Telefonica Europe Variable 14/03/2168             | 475           | 0.34                       | EUR                                      | 1,020,000 | Spain Government Bond 4.7% 30/07/2041                       | 1,580         | 1.14                       |
| EUR                               | 235,000   | *Tennet Holding Perpetual Variable                 | 215           | 0.15                       |  |           | <b>Not Rated 4.39% (1.09%)</b>                              |               |                            |
| EUR                               | 153,000   | *Tennet Holding Variable 2.995% 01/06/2167         | 144           | 0.10                       | EUR                                      | 5,175,000 | Netherlands Government Bond 0% 15/07/2030                   | 4,819         | 3.48                       |
|                                   |           | <b>Total Netherlands</b>                           | <b>14,299</b> | <b>10.32</b>               | EUR                                      | 815,000   | Netherlands Government Bond 2.75% 15/01/2047                | 1,268         | 0.91                       |

## Threadneedle European Bond Fund

### Portfolio Statement

(continued)

|   | Value      | % of  |              | Value      | % of      |
|---|------------|---|--------------|------------|-----------|
| Holding                                 | Investment | €000  | Net Asset    | Investment | Net Asset |
|   |            |   | Value        |            | Value     |
| <b>SPAIN 16.52% (7.88%) (continued)</b> |            |   |              |            |           |
| <b>Baa2 4.79% (2.88%)</b>               |            |   |              |            |           |
| EUR                                     | 7,200,000  | Adif Alta Velocidad 0.8% 05/07/2023                       | 6,636        | 4.79       |           |
| <b>BBB- 0.14% (0.34%)</b>               |            |   |              |            |           |
| EUR                                     | 100,000    | Abertis Infraestructuras 3% 27/03/2031                    | 98           | 0.07       |           |
| EUR                                     | 100,000    | Nortegas Energia 2.065% 28/09/2027                        | 97           | 0.07       |           |
| <b>BB+ 0.20% (0.00%)</b>                |            |   |              |            |           |
| EUR                                     | 300,000    | *Bankia Variable 15/02/2029                               | 284          | 0.20       |           |
| <b>Not Rated 0.77% (0.62%)</b>          |            |   |              |            |           |
| EUR                                     | 1,240,000  | Spain Government Bond 1% 31/10/2050                       | 1,068        | 0.77       |           |
| <b>Total Spain</b>                      |            |   |              |            |           |
|   |            | <b>22,913</b>   | <b>16.52</b> |            |           |
| <b>SUPRANATIONAL 2.21% (3.10%)</b>      |            |   |              |            |           |
| <b>AAA 1.19% (1.47%)</b>                |            |   |              |            |           |
| EUR                                     | 785,000    | Euro Stability Mechanism 1.85% 01/12/2055                 | 1,028        | 0.74       |           |
| EUR                                     | 689,000    | European Investment Bank 0.05% 13/10/2034                 | 626          | 0.45       |           |
| <b>Aa1 0.00% (0.69%)</b>                |            |   |              |            |           |
| <b>AA 1.02% (0.94%)</b>                 |            |   |              |            |           |
| EUR                                     | 1,200,000  | European Financial Stability Facility 1.7% 13/02/2043     | 1,416        | 1.02       |           |
| <b>Total Supranational</b>              |            |   |              |            |           |
|   |            | <b>3,070</b>  | <b>2.21</b>  |            |           |
| <b>SWEDEN 0.75% (0.78%)</b>             |            |   |              |            |           |
| <b>Aa3 0.00% (0.15%)</b>                |            |   |              |            |           |
| EUR                                     | 200,000    | Essity 0% 30/03/2027                                      | 195          | 0.14       |           |
| <b>BBB+ 0.14% (0.00%)</b>               |            |   |              |            |           |
| EUR                                     | 545,000    | Akelius Residential 1.75% 07/02/2025                      | 509          | 0.37       |           |
| <b>BBB 0.37% (0.37%)</b>                |            |   |              |            |           |
| EUR                                     | 165,000    | Sagax 1.125% 30/01/2027                                   | 143          | 0.10       |           |
| EUR                                     | 216,000    | Sagax 2% 17/01/2024                                       | 199          | 0.14       |           |
| <b>Total Sweden</b>                     |            |   |              |            |           |
|   |            | <b>1,046</b>  | <b>0.75</b>  |            |           |
| <b>SWITZERLAND 0.19% (0.00%)</b>        |            |   |              |            |           |
| <b>A+ 0.19% (0.00%)</b>                 |            |   |              |            |           |
| EUR                                     | 287,000    | Credit Suisse London 0.45% 19/05/2025                     | 264          | 0.19       |           |
| <b>Total Switzerland</b>                |            |   |              |            |           |
|   |            | <b>264</b>  | <b>0.19</b>  |            |           |
| <b>UNITED KINGDOM 16.64% (22.47%)</b>   |            |   |              |            |           |
| <b>Aa2u 5.57% (13.78%)</b>              |            |   |              |            |           |
| GBP                                     | 1,575,000  | United Kingdom Gilt 0.875% 22/10/2029                     | 1,670        | 1.20       |           |
| GBP                                     | 200,000    | United Kingdom Gilt 1.625% 22/10/2071                     | 284          | 0.20       |           |
| GBP                                     | 3,978,000  | United Kingdom Gilt 1.75% 07/09/2037                      | 4,664        | 3.36       |           |
| GBP                                     | 725,000    | United Kingdom Gilt 4.5% 07/09/2034                       | 1,116        | 0.81       |           |
| <b>A 0.29% (0.28%)</b>                  |            |   |              |            |           |
| EUR                                     | 449,000    | Nationwide Building Society 0.25% 22/07/2025              | 406          | 0.29       |           |
| <b>A- 2.09% (1.91%)</b>                 |            |   |              |            |           |
| EUR                                     | 561,000    | BP Capital Markets 0.831% 08/11/2027                      | 517          | 0.37       |           |
| EUR                                     | 170,000    | Experian Finance 1.375% 25/06/2026                        | 160          | 0.12       |           |
| EUR                                     | 387,000    | National Grid Electricity Transmission 0.19% 20/01/2025   | 351          | 0.25       |           |
| EUR                                     | 104,000    | National Grid Electricity Transmission 0.823% 07/07/2032  | 96           | 0.07       |           |
| EUR                                     | 389,000    | NatWest Markets 1% 28/05/2024                             | 357          | 0.26       |           |
| EUR                                     | 125,000    | *NatWest Markets FRN 27/09/2021                           | 113          | 0.08       |           |
| GBP                                     | 900,000    | Western Power Distribution West Midlands 5.75% 16/04/2032 | 1,303        | 0.94       |           |
| <b>BBB+ 1.09% (0.55%)</b>               |            |   |              |            |           |
| EUR                                     | 540,000    | BAT International Finance 2.75% 25/03/2025                | 538          | 0.39       |           |
| EUR                                     | 693,000    | Cadent Finance 0.625% 22/09/2024                          | 635          | 0.46       |           |
| EUR                                     | 378,000    | Cadent Finance 0.75% 11/03/2032                           | 338          | 0.24       |           |
| <b>BBB 1.13% (0.75%)</b>                |            |   |              |            |           |
| EUR                                     | 249,000    | *BP Capital Markets Variable 22/06/2169 EUR               | 232          | 0.17       |           |
| EUR                                     | 350,000    | British Telecommunications 1.5% 23/06/2027                | 334          | 0.24       |           |
| EUR                                     | 550,000    | Imperial Brands Finance 1.125% 14/08/2023                 | 505          | 0.36       |           |
| EUR                                     | 190,000    | Imperial Brand Finance 3.375% 26/02/2026                  | 192          | 0.14       |           |
| EUR                                     | 344,000    | *NGG Finance Variable 05/09/2082                          | 310          | 0.22       |           |
| <b>Baa2 0.00% (0.07%)</b>               |            |   |              |            |           |
| <b>BBB- 0.97% (1.24%)</b>               |            |   |              |            |           |
| GBP                                     | 270,000    | Delamare Finance 5.5457% 29/02/2029                       | 243          | 0.18       |           |
| EUR                                     | 826,000    | DS Smith 0.875% 12/09/2026                                | 740          | 0.53       |           |
| EUR                                     | 235,000    | G4S International Finance 1.5% 02/06/2024                 | 215          | 0.16       |           |
| GBP                                     | 127,000    | GKN Holdings 5.375% 19/09/2022                            | 132          | 0.10       |           |
| <b>Ba1 0.13% (0.00%)</b>                |            |   |              |            |           |
| EUR                                     | 205,000    | *Vodafone Group Variable 27/08/2080 (London Listing)      | 184          | 0.13       |           |
| <b>BB 0.07% (0.00%)</b>                 |            |   |              |            |           |
| EUR                                     | 120,000    | Rolls-Royce 1.625% 09/05/2028                             | 91           | 0.07       |           |
| <b>Not Rated 5.30% (3.89%)</b>          |            |   |              |            |           |
| GBP                                     | 295,000    | Cattles 7.125% 05/07/2017 (Defaulted)                     | -            | -          |           |
| GBP                                     | 120,000    | First Hydro Finance 9% 31/07/2021                         | 128          | 0.09       |           |
| GBP                                     | 1,925,000  | United Kingdom Gilt 0.5% 22/10/2061                       | 1,758        | 1.27       |           |
| GBP                                     | 3,810,000  | United Kingdom Gilt 0.625% 22/10/2050                     | 3,607        | 2.60       |           |
| GBP                                     | 1,700,000  | United Kingdom Gilt 1.25% 22/10/2041                      | 1,854        | 1.34       |           |
| <b>Total United Kingdom</b>             |            |   |              |            |           |
|   |            | <b>23,073</b>   | <b>16.64</b> |            |           |





## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

|   | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |                                  | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|-----------|---|---------------|----------------------------|----------------------------------|-----------|---|---------------|----------------------------|
| <b>FRANCE 4.50% (6.22%) (continued)</b> |           |   |               |                            | <b>INDIA 2.69% (2.07%)</b>       |           |   |               |                            |
| EUR                                     | 390,000   | Altice France 3.375% 15/01/2028                           | 347           | 0.15                       |                                  |           |   |               |                            |
| EUR                                     | 853,000   | Altice France 5.875% 01/02/2027                           | 824           | 0.37                       | USD                              | 1,953,000 | Adani Ports and Special Economic Zone 4.375% 03/07/2029 | 1,525         | 0.68                       |
| EUR                                     | 400,000   | Casino Guichard 4.498% 07/03/2024                         | 291           | 0.13                       | USD                              | 1,955,000 | Bharti Airtel 4.375% 10/06/2025 'REGS'                  | 1,582         | 0.70                       |
| EUR                                     | 1,000,000 | Casino Guichard-Perrachon 3.311% 25/01/2023               | 798           | 0.35                       |                                  |           |   |               |                            |
| EUR                                     | 243,000   | Kapla Holding 3.375% 15/12/2026                           | 208           | 0.09                       |                                  |           |   |               |                            |
| EUR                                     | 740,000   | Paprec Holding 4% 31/03/2025                              | 632           | 0.28                       |                                  |           |   |               |                            |
|   |           | <b>B- 0.04% (0.00%)</b>                                   |               |                            | USD                              | 2,549,000 | GMR Hyderabad 4.25% 27/10/2027                          | 1,733         | 0.77                       |
| EUR                                     | 105,000   | CMA CGM 6.5% 15/07/2022                                   | 94            | 0.04                       | USD                              | 1,645,000 | GMR Hyderabad International 5.375% 10/04/2024           | 1,229         | 0.54                       |
|   |           | <b>CCC+ 0.17% (0.17%)</b>                                 |               |                            |                                  |           | <b>Total India</b>                                      | <b>6,069</b>  | <b>2.69</b>                |
| EUR                                     | 445,000   | Banijay Group 6.5% 01/03/2026                             | 381           | 0.17                       |                                  |           |   |               |                            |
|   |           | <b>CCC- 0.17% (0.00%)</b>                                 |               |                            | <b>ITALY 1.95% (2.04%)</b>       |           |   |               |                            |
| EUR                                     | 455,000   | Vallourec 6.375% 15/10/2023                               | 198           | 0.09                       | GBP                              | 810,000   | *Enel 6.625% 15/09/2076                                 | 846           | 0.38                       |
| EUR                                     | 427,000   | Vallourec 6.625% 15/10/2022                               | 187           | 0.08                       |                                  |           |   |               |                            |
|   |           | <b>Not Rated 0.36% (0.36%)</b>                            |               |                            | EUR                              | 665,000   | *Assicurazioni 5% 08/06/2048                            | 695           | 0.31                       |
| GBP                                     | 720,000   | *Credit Agricole 7.5% 31/12/2049                          | 817           | 0.36                       |                                  |           |   |               |                            |
|   |           | <b>Total France</b>                                       | <b>10,130</b> | <b>4.50</b>                | EUR                              | 544,000   | Infrastrutture Wireless Italiane 1.875% 08/07/2026      | 499           | 0.22                       |
| <b>GERMANY 2.39% (2.20%)</b>            |           |   |               |                            | EUR                              | 555,000   | Banco BPM 1.75% 24/04/2023                              | 502           | 0.22                       |
|   |           | <b>BBB 0.40% (0.00%)</b>                                  |               |                            |                                  |           |   |               |                            |
| EUR                                     | 1,000,000 | Bayer 1.125% 06/01/2030 (Frankfurt Exchange)              | 916           | 0.40                       | EUR                              | 830,000   | Autostrade per L'Italia 1.875% 26/09/2029               | 736           | 0.33                       |
|   |           | <b>BB+ 0.79% (1.08%)</b>                                  |               |                            | EUR                              | 764,000   | Nexi 1.75% 31/10/2024                                   | 683           | 0.30                       |
| EUR                                     | 800,000   | ADLER Real Estate 3% 27/04/2026                           | 718           | 0.32                       |                                  |           |   |               |                            |
| EUR                                     | 800,000   | Demire Deutsche Mittelstand Real Estate 1.875% 15/10/2024 | 674           | 0.30                       | EUR                              | 495,000   | International Design Group 6.5% 15/11/2025              | 428           | 0.19                       |
| EUR                                     | 404,000   | *Lanxess Finance 4.5% 06/12/2076                          | 385           | 0.17                       |                                  |           | <b>Total Italy</b>                                      | <b>4,389</b>  | <b>1.95</b>                |
|   |           | <b>BB- 0.15% (0.14%)</b>                                  |               |                            | <b>IVORY COAST 0.34% (0.34%)</b> |           |   |               |                            |
| EUR                                     | 368,000   | Wepa Hygieneprodukte 2.875% 15/12/2027                    | 331           | 0.15                       | EUR                              | 900,000   | Ivory Coast 5.25% 22/03/2030                            | 770           | 0.34                       |
|   |           | <b>B+ 0.13% (0.13%)</b>                                   |               |                            |                                  |           | <b>Total Ivory Coast</b>                                | <b>770</b>    | <b>0.34</b>                |
| EUR                                     | 343,000   | Techem Verwaltungsgesellschaft 2% 15/07/2025              | 298           | 0.13                       | <b>JERSEY 1.13% (1.47%)</b>      |           |   |               |                            |
|   |           | <b>B 0.00% (0.23%)</b>                                    |               |                            |                                  |           |   |               |                            |
|   |           | <b>B- 0.71% (0.45%)</b>                                   |               |                            | GBP                              | 592,000   | Glencore Finance Europe 3.125% 26/03/2026               | 623           | 0.28                       |
| EUR                                     | 1,145,000 | Blitz 6% 30/07/2026                                       | 1,071         | 0.47                       |                                  |           |   |               |                            |
| EUR                                     | 672,000   | SGL Carbon 4.625% 30/09/2024                              | 536           | 0.24                       | GBP                              | 824,000   | Porterbrook Rail Finance 4.625% 04/04/2029              | 945           | 0.42                       |
|   |           | <b>CCC 0.21% (0.17%)</b>                                  |               |                            |                                  |           |   |               |                            |
| EUR                                     | 575,000   | Safari Holdings 5.375% 30/11/2022                         | 468           | 0.21                       | EUR                              | 1,085,000 | LHC Three PIK 4.125% 15/08/2024                         | 974           | 0.43                       |
|   |           | <b>Total Germany</b>                                      | <b>5,397</b>  | <b>2.39</b>                |                                  |           |   |               |                            |
| <b>HONG KONG 0.15% (0.78%)</b>          |           |   |               |                            |                                  |           |   |               |                            |
|   |           | <b>A3 0.15% (0.78%)</b>                                   |               |                            |                                  |           |   |               |                            |
| USD                                     | 434,000   | Swire Pacific MTN Financing 2.875% 30/01/2030             | 346           | 0.15                       |                                  |           |   |               |                            |
|   |           | <b>Total Hong Kong</b>                                    | <b>346</b>    | <b>0.15</b>                |                                  |           |   |               |                            |
|   |           | <b>B 0.00% (0.25%)</b>                                    |               |                            |                                  |           |   |               |                            |
|   |           | <b>Not Rated 0.00% (0.17%)</b>                            |               |                            |                                  |           |   |               |                            |
|   |           | <b>Total Jersey</b>                                       |               |                            |                                  |           | <b>2,542</b>  | <b>1.13</b>   |                            |

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

|                                 | Holding   | Investment                                       | Value<br>£000 | % of<br>Net Asset<br>Value |                               | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------|-----------|--|---------------|----------------------------|-------------------------------|-----------|---|---------------|----------------------------|
| <b>LUXEMBOURG 5.14% (3.78%)</b> |           |  |               |                            | EUR                           | 627,000   | NE Property 3.375% 14/07/2027                     | 574           | 0.26                       |
|                                 |           | <b>A- 0.40% (0.00%)</b>                          |               |                            |                               |           | <b>BBB- 1.23% (1.24%)</b>                         |               |                            |
| EUR                             | 925,000   | Prologis International Funding 1.625% 17/06/2032 | 893           | 0.40                       | USD                           | 3,367,000 | Syngenta Finance 4.892% 24/04/2025                | 2,782         | 1.23                       |
|                                 |           | <b>BBB+ 0.64% (0.65%)</b>                        |               |                            |                               |           | <b>(P)BBB- 0.34% (0.00%)</b>                      |               |                            |
| GBP                             | 1,417,000 | Aroundtown 3% 16/10/2029                         | 1,449         | 0.64                       | EUR                           | 810,000   | Upjohn Finance B.V. 1.908% 23/06/2032             | 772           | 0.34                       |
|                                 |           | <b>BBB 0.15% (0.15%)</b>                         |               |                            |                               |           | <b>BB+ 4.21% (1.89%)</b>                          |               |                            |
| GBP                             | 352,000   | CPI Property Group 2.75% 22/01/2028              | 342           | 0.15                       | USD                           | 990,000   | Braskem Netherlands Finance 4.5% 10/01/2028       | 743           | 0.33                       |
|                                 |           | <b>BBB- 0.57% (0.00%)</b>                        |               |                            | EUR                           | 1,520,000 | Darling Global Finance 3.625% 15/05/2026          | 1,402         | 0.62                       |
| EUR                             | 1,384,000 | SIG Combibloc 2.125% 18/06/2025                  | 1,288         | 0.57                       | EUR                           | 1,260,000 | Fiat Chrysler Automobiles 3.875% 05/01/2026       | 1,222         | 0.54                       |
|                                 |           | <b>BB+ 0.32% (0.00%)</b>                         |               |                            | EUR                           | 894,000   | PPF Telecom Group 3.5% 20/05/2024                 | 832           | 0.37                       |
| EUR                             | 800,000   | Ado Properties 3.25% 05/08/2025                  | 730           | 0.32                       | EUR                           | 3,200,000 | *Telefonica Europe Variable 14/03/2168            | 3,042         | 1.35                       |
|                                 |           | <b>Ba2 0.38% (0.37%)</b>                         |               |                            | EUR                           | 2,470,000 | *Tennet Holding Perpetual Variable                | 2,262         | 1.00                       |
| USD                             | 1,020,000 | Millicom International Cellular 6.25% 25/03/2029 | 851           | 0.38                       |                               |           | <b>BB- 0.75% (0.79%)</b>                          |               |                            |
|                                 |           | <b>BB- 0.13% (0.12%)</b>                         |               |                            | GBP                           | 668,000   | Petrobras Global Finance 6.625% 16/01/2034        | 727           | 0.32                       |
| EUR                             | 300,000   | Telenet Finance VI Luxembourg 3.5% 01/03/2028    | 282           | 0.13                       | EUR                           | 324,000   | Q-Park Holding 1.5% 01/03/2025                    | 271           | 0.12                       |
|                                 |           | <b>B+ 0.57% (0.57%)</b>                          |               |                            | EUR                           | 851,000   | Q-Park Holding 2% 01/03/2027                      | 702           | 0.31                       |
| GBP                             | 1,000,000 | Garfunkelux 8.5% 01/11/2022                      | 943           | 0.42                       |                               |           | <b>Ba3 0.40% (0.40%)</b>                          |               |                            |
| EUR                             | 400,000   | Matterhorn Telecom 3.125% 15/09/2026             | 348           | 0.15                       | USD                           | 1,166,000 | Mong Duong Finance Holdings 5.125% 07/05/2029     | 906           | 0.40                       |
|                                 |           | <b>B 0.75% (0.89%)</b>                           |               |                            |                               |           | <b>B+ 0.00% (0.57%)</b>                           |               |                            |
| EUR                             | 205,000   | Altice Financing 2.25% 15/01/2025                | 178           | 0.08                       |                               |           | <b>B 0.92% (0.68%)</b>                            |               |                            |
| EUR                             | 1,289,000 | Altice Financing 3% 15/01/2028                   | 1,108         | 0.49                       | EUR                           | 411,000   | Constellium 4.25% 15/02/2026                      | 369           | 0.16                       |
| EUR                             | 653,000   | LSF 10 Wolverine Investments 5% 15/03/2024       | 402           | 0.18                       | EUR                           | 464,000   | Trivium Packaging Finance 3.75% 15/08/2026        | 429           | 0.19                       |
|                                 |           | <b>CCC+ 1.23% (1.03%)</b>                        |               |                            | EUR                           | 935,000   | United Group 3.125% 15/02/2026                    | 807           | 0.36                       |
| EUR                             | 558,000   | Altice France 4% 15/02/2028                      | 464           | 0.21                       | EUR                           | 513,000   | United Group 4.875% GTD 01/07/2024                | 471           | 0.21                       |
| EUR                             | 2,073,000 | Altice France 8% 15/05/2027                      | 2,013         | 0.89                       |                               |           | <b>B- 0.29% (0.27%)</b>                           |               |                            |
| EUR                             | 450,000   | *Group Ecore Holdings SAS FRN 15/11/2023         | 286           | 0.13                       | EUR                           | 690,000   | *Summer BidCo 9% PIK 16/11/2025                   | 644           | 0.29                       |
|                                 |           | <b>Total Luxembourg</b>                          | <b>11,577</b> | <b>5.14</b>                |                               |           | <b>Not Rated 0.00% (0.18%)</b>                    |               |                            |
| <b>MEXICO 0.54% (0.48%)</b>     |           |  |               |                            |                               |           | <b>Total Netherlands</b>                          | <b>26,644</b> | <b>11.82</b>               |
|                                 |           | <b>BBB+ 0.00% (0.48%)</b>                        |               |                            | <b>OMAN 0.00% (0.71%)</b>     |           |   |               |                            |
|                                 |           | <b>BBB 0.54% (0.00%)</b>                         |               |                            |                               |           | <b>Ba2 0.00% (0.71%)</b>                          |               |                            |
| GBP                             | 886,000   | Petroleos Mexicanos 3.75% 16/11/2025             | 770           | 0.34                       |                               |           | <b>Total Oman</b>                                 | <b>-</b>      | <b>-</b>                   |
| EUR                             | 525,000   | Petroleos Mexicanos 3.75% 16/04/2026             | 436           | 0.20                       | <b>PORTUGAL 0.22% (0.27%)</b> |           |   |               |                            |
|                                 |           | <b>Total Mexico</b>                              | <b>1,206</b>  | <b>0.54</b>                |                               |           | <b>Not Rated 0.22% (0.27%)</b>                    |               |                            |
|                                 |           | <b>NETHERLANDS 11.82% (9.69%)</b>                |               |                            | EUR                           | 300,000   | Banco Espirito 2.625% 08/05/2017 (Defaulted)      | 45            | 0.02                       |
|                                 |           | <b>BBB+ 0.61% (1.43%)</b>                        |               |                            | EUR                           | 1,800,000 | Banco Espirito Santo 4% 21/01/2019 (Defaulted)    | 315           | 0.14                       |
| USD                             | 1,654,000 | Vonovia Finance 5% 02/10/2023                    | 1,384         | 0.61                       | EUR                           | 800,000   | Banco Espirito Santo 4.75% 15/01/2018 (Defaulted) | 137           | 0.06                       |
|                                 |           | <b>BBB 3.07% (2.24%)</b>                         |               |                            |                               |           | <b>Total Portugal</b>                             | <b>497</b>    | <b>0.22</b>                |
| USD                             | 942,000   | *Aegon Variable 11/04/2048                       | 785           | 0.35                       |                               |           |   |               |                            |
| EUR                             | 183,000   | Digital Dutch Finco 1.5% 15/03/2030              | 172           | 0.08                       |                               |           |   |               |                            |
| GBP                             | 3,005,000 | Innogy Finance 6.25% 03/06/2030                  | 4,251         | 1.89                       |                               |           |   |               |                            |
| GBP                             | 993,000   | LafargeHolcim Sterling Finance 3% 12/05/2032     | 1,095         | 0.49                       |                               |           |   |               |                            |

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

|  | Value  | % of  |                 | Value                                 | % of                     |  |   |            |
|--|--|---|-----------------|---------------------------------------|--------------------------|--|---|------------|
| Holding                                  | Investment                                       | £000  | Net Asset Value | Holding                               | Investment               | £000   | Net Asset Value                             |            |
| <b>REPUBLIC OF IRELAND 7.25% (3.03%)</b> |  |   |                 |                                       | <b>BB+ 0.42% (0.41%)</b> |  |   |            |
|  | <b>A+ 0.00% (0.29%)</b>                          |   |                 | USD                                   | 1,100,000                | *UBS Group 7% 29/12/2049                           | 946 0.42                                    |            |
|  | <b>BBB+ 0.61% (0.72%)</b>                        |   |                 |                                       |                          | <b>BB 0.35% (0.34%)</b>                            |   |            |
| GBP                                      | 1,145,000  | GE Capital UK Funding 5.875% 18/01/2033                         | 1,377           | 0.61                                  | USD                      | 940,000  | *Credit Suisse 7.5% 11/12/2049              | 793 0.35   |
|  |  |   |                 |                                       |                          | <b>Total Switzerland</b>                           | <b>4,098 1.82</b>                           |            |
|  | <b>BB+ 0.18% (0.18%)</b>                         |   |                 | <b>UNITED KINGDOM 24.43% (30.84%)</b> |                          |  |   |            |
| EUR                                      | 380,000  | Bank of Ireland 10% 19/12/2022                                  | 406             | 0.18                                  |                          | <b>Aaa 0.00% (0.19%)</b>                           |   |            |
|  | <b>BB 1.19% (0.54%)</b>                          |   |                 |                                       |                          | <b>AA 0.43% (0.67%)</b>                            |   |            |
| EUR                                      | 2,302,000  | *AIB Group Variable 19/11/2029                                  | 2,038           | 0.90                                  | GBP                      | 1,137,000  | Telereal Securitisation 5.9478% 10/12/2031  | 976 0.43   |
| EUR                                      | 734,000  | *Bank of Ireland Group Variable 14/10/2029                      | 660             | 0.29                                  |                          |  | <b>Aa2u 0.04% (0.00%)</b>                   |            |
|  | <b>BB- 0.00% (0.37%)</b>                         |   |                 | GBP                                   | 80,000                   | United Kingdom Gilt 1.75% 22/01/2049               | 99 0.04                                     |            |
|  | <b>B+ 0.89% (0.74%)</b>                          |   |                 |                                       |                          | <b>A- 0.17% (1.47%)</b>                            |   |            |
| EUR                                      | 241,000  | *AIB Group Variable 23/12/2168                                  | 224             | 0.10                                  | GBP                      | 324,000  | Experian Finance 3.25% 07/04/2032           | 382 0.17   |
| EUR                                      | 650,000  | Eircom Finance 2.625% 15/02/2027                                | 573             | 0.25                                  |                          |  | <b>A3 0.22% (0.00%)</b>                     |            |
| EUR                                      | 1,317,000  | Eircom Finance 3.5% 15/05/2026                                  | 1,209           | 0.54                                  | GBP                      | 470,000  | *Aviva Variable 03/06/2055                  | 504 0.22   |
|  | <b>B 0.38% (0.18%)</b>                           |   |                 |                                       |                          | <b>BBB+ 2.67% (5.06%)</b>                          |   |            |
| GBP                                      | 832,000  | Virgin Media 4.875% 15/07/2028                                  | 845             | 0.38                                  | GBP                      | 989,000  | BAT International Finance 2.25% 26/06/2028  | 994 0.44   |
|  | <b>Liquidity Funds 4.00% (0.01%)<sup>1</sup></b> |   |                 | GBP                                   | 691,000                  | HSBC Bank 5.375% 22/08/2033                        | 914 0.41                                    |            |
| GBP                                      | 9,016,712  | BlackRock Institutional Cash Series Sterling Liquidity Platinum | 9,017           | 4.00                                  | GBP                      | 767,000  | *Legal & General Group Variable 27/10/2045  | 882 0.39   |
|  | <b>Total Republic of Ireland</b>                 |   | <b>16,349</b>   | <b>7.25</b>                           | GBP                      | 478,000  | *Legal & General Group Variable 26/11/2049  | 499 0.22   |
| <b>SENEGAL 0.36% (0.35%)</b>             |  |   |                 |                                       | GBP                      | 281,000  | *Legal & General Group Variable 01/11/2050  | 309 0.14   |
|  | <b>B+ 0.36% (0.35%)</b>                          |   |                 | GBP                                   | 540,000                  | Longstone Finance 4.896% 19/04/2031                | 642 0.28                                    |            |
| EUR                                      | 900,000  | Senegal Government International Bond 4.75% 13/03/2028          | 807             | 0.36                                  | GBP                      | 1,610,000  | Western Power Distribution 3.5% 16/10/2026  | 1,777 0.79 |
|  | <b>Total Senegal</b>                             |   | <b>807</b>      | <b>0.36</b>                           |                          |  |   |            |
| <b>SINGAPORE 0.64% (0.20%)</b>           |  |   |                 |                                       |                          | <b>Baa1 1.61% (1.52%)</b>                          |   |            |
|  | <b>A 0.44% (0.00%)</b>                           |   |                 | GBP                                   | 708,000                  | Bupa Finance 4.125% 14/06/2035                     | 757 0.34                                    |            |
| USD                                      | 1,286,000  | Singtel Group Treasury 1.875% 10/06/2030                        | 1,000           | 0.44                                  | GBP                      | 2,507,000  | Bupa Finance 5% 08/12/2026                  | 2,855 1.27 |
|  | <b>B- 0.00% (0.20%)</b>                          |   |                 |                                       |                          | <b>BBB 6.90% (6.92%)</b>                           |   |            |
|  | <b>D 0.20% (0.00%)</b>                           |   |                 | GBP                                   | 550,000                  | Anglian Water Services Financing 2.625% 15/06/2027 | 553 0.25                                    |            |
| USD                                      | 1,010,000  | Geo Coal International 8% 04/10/2022                            | 439             | 0.20                                  | USD                      | 1,439,000  | BAE Systems 3.4% 15/04/2030                 | 1,224 0.54 |
|  | <b>Total Singapore</b>                           |   | <b>1,439</b>    | <b>0.64</b>                           | GBP                      | 1,263,000  | *BP Capital Markets Variable 22/06/2169 GBP | 1,340 0.59 |
| <b>SWEDEN 1.40% (1.36%)</b>              |  |   |                 |                                       | GBP                      | 1,616,000  | Imperial Brands Finance 5.5% 28/09/2026     | 1,953 0.87 |
|  | <b>BBB 0.90% (0.88%)</b>                         |   |                 | GBP                                   | 2,751,000                | Lloyds Bank 7.625% 22/04/2025                      | 3,526 1.56                                  |            |
| EUR                                      | 515,000  | Akelius Residential 1.75% 07/02/2025                            | 481             | 0.21                                  | GBP                      | 507,000  | *M&G Variable 20/07/2049                    | 533 0.24   |
| GBP                                      | 1,505,000  | Akelius Residential 2.375% 15/08/2025                           | 1,566           | 0.69                                  | GBP                      | 3,100,000  | *NGG Finance 5.625% 18/06/2073              | 3,567 1.58 |
|  | <b>Baa3 0.50% (0.48%)</b>                        |   |                 | GBP                                   | 1,603,000                | *Royal Bank of Scotland Group Variable 28/03/2027  | 1,730 0.77                                  |            |
| EUR                                      | 1,285,000  | Sagax 1.125% 30/01/2027   | 1,117           | 0.50                                  | GBP                      | 1,100,000  | *Telereal Securitisation 4.0902% 10/12/2033 | 1,119 0.50 |
|  | <b>Total Sweden</b>                              |   | <b>3,164</b>    | <b>1.40</b>                           |                          |  |   |            |
| <b>SWITZERLAND 1.82% (1.20%)</b>         |  |   |                 |                                       |                          | <b>Baa2 1.41% (1.66%)</b>                          |   |            |
|  | <b>BBB+ 1.05% (0.45%)</b>                        |   |                 | GBP                                   | 581,000                  | Eversholt Funding 2.742% 30/06/2040                | 603 0.27                                    |            |
| GBP                                      | 1,260,000  | *Credit Suisse Group Variable 09/06/2028                        | 1,301           | 0.58                                  | GBP                      | 810,000  | Eversholt Funding 3.529% 07/08/2042         | 896 0.40   |
| USD                                      | 1,258,000  | UBS 5.125% 15/05/2024   | 1,058           | 0.47                                  | GBP                      | 780,000  | Eversholt Funding 6.359% 02/12/2025         | 961 0.43   |
|  |  |   |                 | GBP                                   | 450,000                  | Santander UK 10.0625% 29/10/2049                   | 708 0.31                                    |            |



## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

|   |             |  | Value         | % of            |     |              | Value  | % of  |                 |
|---|-------------|--|---------------|-----------------|-----|--------------|--|-------|-----------------|
|   | Holding     | Investment   | £000          | Net Asset Value |     | Holding      | Investment   | £000  | Net Asset Value |
| <b>UNITED STATES OF AMERICA 19.74% (20.91%) (continued)</b> |             |  |               |                 |     |              |  |       |                 |
| EUR   | 348,000     | Equinix 2.875% 01/02/2026  | 319           | 0.14            | EUR | (2,700,000)  | Citigroup Standard Chartered Credit Default Swap Buy Protection 20/06/2025 Spread 100                | (50)  | (0.02)          |
| USD   | 290,000     | Equinix 5.375% 15/05/2027  | 241           | 0.11            |     |              |  |       |                 |
| GBP   | 207,000     | MPT Operating Partnership 2.55% 05/12/2023   | 207           | 0.09            | EUR | (1,000,000)  | Credit Suisse Iceland Bond Credit Default Swap Buy Protection 20/06/2025 Spread 500                  | 23    | 0.01            |
| USD   | 265,000     | Plains All American Pipeline 3.55% 15/12/2029  | 199           | 0.09            | USD | (6,300,000)  | Goldman Sachs Itraxx Asia ex-Japan IG Credit Default Swap Index Buy Protection 20/12/2024 Spread 100 | (113) | (0.05)          |
| GBP   | 1,100,000   | Time Warner Cable 5.75% 02/06/2031   | 1,404         | 0.62            |     |              |  |       |                 |
|   |             | <b>BB+ 1.91% (1.86%)</b>   |               |                 | EUR | (1,160,000)  | Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100                        | (3)   | –               |
| GBP   | 3,975,000   | The Kraft Heinz 4.125% 01/07/2027  | 4,296         | 1.91            |     |              |  |       |                 |
|   |             | <b>BB 3.46% (1.74%)</b>  |               |                 | EUR | (3,700,000)  | Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100                         | (24)  | (0.01)          |
| EUR   | 1,460,000   | IQVIA 2.25% 15/01/2028   | 1,314         | 0.58            |     |              |  |       |                 |
| EUR   | 2,332,000   | IQVIA 3.25% 15/03/2025   | 2,124         | 0.94            | EUR | (1,600,000)  | Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100                    | (11)  | (0.01)          |
| EUR   | 1,642,000   | Netflix 3.625% 15/05/2027  | 1,629         | 0.72            |     |              |  |       |                 |
| EUR   | 680,000     | Netflix 3.625% 15/06/2030  | 678           | 0.30            |     |              |  |       |                 |
| EUR   | 1,282,000   | Netflix 3.875% 15/11/2029  | 1,301         | 0.58            | EUR | 1,300,000    | J.P. Morgan Airbus Credit Default Swap Sell Protection 20/06/2025 Spread 100                         | 10    | –               |
| EUR   | 350,000     | Silgan Holdings 2.25% 01/06/2028   | 312           | 0.14            |     |              |  |       |                 |
| EUR   | 500,000     | Silgan Holdings 3.25% 15/03/2025   | 455           | 0.20            | EUR | (1,400,000)  | J.P. Morgan Banco Bilbao Credit Default Swap Buy Protection 20/06/2025 Spread 100                    | (10)  | –               |
|   |             | <b>BB- 0.55% (1.63%)</b>   |               |                 | EUR | (3,420,000)  | J.P. Morgan Barclays Credit Default Swap Buy Protection 20/06/2025 Spread 100                        | 39    | 0.02            |
| EUR   | 1,322,000   | Avantor 4.75% 01/10/2024   | 1,232         | 0.55            |     |              |  |       |                 |
|   |             | <b>B+ 0.40% (1.33%)</b>  |               |                 | EUR | (2,720,000)  | J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500         | (73)  | (0.03)          |
| EUR   | 1,019,000   | Catalent Pharma Solutions 2.375% 01/03/2028  | 897           | 0.40            | EUR | 2,700,000    | J.P. Morgan BT Group Credit Default Swap Sell Protection 20/06/2025 Spread 100                       | 18    | 0.01            |
|   |             | <b>B 0.78% (0.30%)</b>   |               |                 | EUR | (930,000)    | J.P. Morgan Daimler AG Credit Default Swap Buy Protection 20/06/2025 Spread 100                      | (16)  | (0.01)          |
| EUR   | 754,000     | Refinitiv US Holdings 4.5% 15/05/2026  | 714           | 0.32            |     |              |  |       |                 |
| EUR   | 1,125,000   | Spectrum Brands 4% 01/10/2026  | 1,033         | 0.46            | EUR | (3,000,000)  | J.P. Morgan Deutsche Bank Credit Default Swap Buy Protection 20/06/2025 Spread 100                   | 189   | 0.08            |
|   |             | <b>Total United States of America</b>  | <b>44,479</b> | <b>19.74</b>    |     |              |  |       |                 |
| <b>DERIVATIVES -0.87% (-3.28%)</b>                          |             |  |               |                 |     |              |  |       |                 |
| <b>Credit Default Swaps -0.96% (-0.99%)</b>                 |             |  |               |                 |     |              |  |       |                 |
| EUR   | (2,800,000) | Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500       | (63)          | (0.03)          | EUR | (3,700,000)  | J.P. Morgan Electricite de France Credit Default Swap Buy Protection 20/06/2025 Spread 100           | (96)  | (0.04)          |
| USD   | 440,000     | Barclays Itraxx Asia ex-Japan IG Credit Default Swap Index Sell Protection 20/12/2024 Spread 100 | 8             | –               | EUR | (1,800,000)  | J.P. Morgan Fortum Credit Default Swap Buy Protection 20/06/2025 Spread 100                          | (36)  | (0.02)          |
| EUR   | (1,075,000) | Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100                    | (5)           | –               | USD | (2,700,000)  | J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500                  | (218) | (0.10)          |
| EUR   | (1,100,000) | Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100                         | (3)           | –               | EUR | (2,250,000)  | J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100                     | (10)  | –               |
| EUR   | (850,000)   | Citigroup Lloyds Banking Group Credit Default Swap Buy Protection 20/06/2025 Spread 100          | 3             | –               | EUR | (2,600,000)  | J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/06/2025 Spread 100                        | (74)  | (0.03)          |
| EUR   | (3,155,000) | Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100                   | (14)          | (0.01)          | EUR | (2,700,000)  | J.P. Morgan Telia Company Credit Default Swap Buy Protection 20/06/2025 Spread 100                   | (93)  | (0.04)          |
| EUR   | (3,400,000) | Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100                       | (1)           | –               | EUR | (2,600,000)  | J.P. Morgan Veolia Environnement Credit Default Swap Buy Protection 20/06/2025 Spread 100            | (80)  | (0.04)          |
| EUR   | (1,680,000) | Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100                        | (4)           | –               | USD | (4,900,000)  | J.P. Morgan Westpac Banking Credit Default Swap Buy Protection 20/06/2025 Spread 100                 | (121) | (0.05)          |
| EUR   | 1,200,000   | Citigroup Rolls-Royce Credit Default Swap Sell Protection 20/06/2025 Spread 100                  | (145)         | (0.06)          | USD | (16,700,000) | Morgan Stanley CDX-NAIGS34V1-5Y Credit Default Swap Index Buy Protection 20/06/2025 Spread 100       | (200) | (0.09)          |
| EUR   | (2,400,000) | Citigroup SSE Credit Default Swap Buy Protection 20/06/2025 Spread 100                           | (61)          | (0.03)          |     |              |  |       |                 |

## Threadneedle Strategic Bond Fund

### Portfolio Statement

(continued)

|  | Holding      | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |  | Holding | Investment | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|--------------|---|----------------|----------------------------|--|---------|------------|---------------|----------------------------|
| <b>DERIVATIVES -0.87% (-3.28%) (continued)</b>           |              |   |                |                            | <b>Total value of investments<sup>3</sup></b>      |         |            |               |                            |
| EUR  | (39,050,000) | Morgan Stanley Itraxx-European Credit Default Swap Index Buy Protection 20/06/2025 Spread 100 | (791)          | (0.35)                     | <b>Net other assets (5.95%)</b>                    |         |            |               |                            |
| EUR  | (8,550,000)  | Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100  | (56)           | (0.03)                     | <b>Net assets</b>                                  |         |            |               |                            |
| EUR  | (8,000,000)  | Morgan Stanley Itraxx-Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100  | (58)           | (0.03)                     | <b>216,660</b>                                     |         |            |               |                            |
| <b>Interest Rate Swaps 0.00% (-0.30%)</b>                |              |   |                |                            | <b>8,711</b>                                       |         |            |               |                            |
| <b>Futures and Options -0.02% (-0.75%)</b>               |              |   |                |                            | <b>225,371</b>                                     |         |            |               |                            |
| JPY  | 3            | UBS Japan 10 Year Bond Future Expiring September 2020   | (5)            | -                          | <i>March 2020 comparatives in brackets.</i>        |         |            |               |                            |
| EUR  | (360)        | UBS EURO -Bobl Future Expiring December 2020  | (68)           | (0.03)                     | <i>*Variable rate bond.</i>                        |         |            |               |                            |
| EUR  | (44)         | UBS EURO -Bund Future Expiring December 2020  | (27)           | (0.01)                     | <i>(P) refers to provisional rating.</i>           |         |            |               |                            |
| EUR  | (4)          | UBS EURO -Buxl 30 Year Bnd Future Expiring December 2020                                      | (9)            | -                          | <i><sup>1</sup>Cash equivalents.</i>               |         |            |               |                            |
| EUR  | 48           | UBS EURO -Oat Future Expiring December 2020   | 28             | 0.01                       | <i><sup>2</sup>Less than £500, rounded to nil.</i> |         |            |               |                            |
| USD  | (12)         | UBS US 10 Year Note Future Expiring December 2020   | (1)            | -                          | <i><sup>3</sup>Includes Cash equivalents.</i>      |         |            |               |                            |
| USD  | (64)         | UBS US 10 Year Ultra Fut Future Expiring December 2020  | 10             | -                          | <b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>      |         |            |               |                            |
| USD  | (58)         | UBS US Long Bond Future Expiring December 2020  | 41             | 0.02                       | <b>Value</b>                                       |         |            |               |                            |
| USD  | 10           | UBS US Ultra Bond Cbt Future Expiring December 2020   | (16)           | (0.01)                     | <b>£000</b>  |         |            |               |                            |
| GBP  | (118)        | UBS Long Gilt Future Expiring December 2020   | (6)            | -                          | <b>% of</b>  |         |            |               |                            |
| USD  | 25           | UBS US 5 Year Note Future Expiring December 2020  | 3              | -                          | <b>Investment</b>                                  |         |            |               |                            |
| <b>Forward Foreign Exchange Contracts 0.11% (-1.24%)</b> |              |   |                |                            | <b>Fixed interest</b>                              |         |            |               |                            |
| Sell GBP 539,356   |              |   |                |                            | 184,222  |         |            |               |                            |
| Buy EUR 600,000 Lloyds <sup>2</sup>                      |              |   |                |                            | 34,388   |         |            |               |                            |
| Sell GBP 559,218   |              |   |                |                            | (1,950)  |         |            |               |                            |
| Buy EUR 619,100 UBS                                      |              |   |                |                            | <b>Total value of investments<sup>3</sup></b>      |         |            |               |                            |
| Sell GBP 834,915   |              |   |                |                            | <b>216,660</b>                                     |         |            |               |                            |
| Buy EUR 924,320 UBS                                      |              |   |                |                            | <b>100.00</b>                                      |         |            |               |                            |
| Sell USD 184,417   |              |   |                |                            |  |         |            |               |                            |
| Buy GBP 140,636 Citigroup <sup>2</sup>                   |              |   |                |                            |  |         |            |               |                            |
| Sell AUD 424,102   |              |   |                |                            |  |         |            |               |                            |
| Buy GBP 231,122 J.P. Morgan                              |              |   |                |                            |  |         |            |               |                            |
| Sell USD 395,549   |              |   |                |                            |  |         |            |               |                            |
| Buy GBP 297,235 HSBC                                     |              |   |                |                            |  |         |            |               |                            |
| Sell USD 65,715,448                                      |              |   |                |                            |  |         |            |               |                            |
| Buy GBP 50,000,459 Citigroup                             |              |   |                |                            |  |         |            |               |                            |
| Sell EUR 80,541,464                                      |              |   |                |                            |  |         |            |               |                            |
| Buy GBP 72,633,049 Barclays                              |              |   |                |                            |  |         |            |               |                            |
| Sell GBP 1,752,374                                       |              |   |                |                            |  |         |            |               |                            |
| Buy USD 2,300,000 Citigroup                              |              |   |                |                            |  |         |            |               |                            |
| Sell GBP 411,131   |              |   |                |                            |  |         |            |               |                            |
| Buy USD 543,160 UBS                                      |              |   |                |                            |  |         |            |               |                            |
| <b>Total Derivatives</b>                                 |              |   |                |                            |  |         |            |               |                            |
|  |              |   | <b>(1,950)</b> | <b>(0.87)</b>              |  |         |            |               |                            |

## Threadneedle American Fund

### Portfolio Statement

as at 7 September 2020

| Holding  | Investment                   | Value<br>£000  | % of<br>Net Asset<br>Value | Holding  | Investment                     | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|------------------------------|----------------|----------------------------|--|--------------------------------|----------------|----------------------------|
| <b>OIL &amp; GAS 1.70% (2.78%)</b>                           |                              |                |                            | <b>OIL &amp; GAS 1.70% (2.78%)</b>                         |                                |                |                            |
| <b>Oil &amp; Gas Producers 1.70% (2.78%)</b>                 |                              |                |                            | <b>General Retailers 10.57% (8.20%)</b>                    |                                |                |                            |
| 847,409  | ConocoPhillips               | 23,109         | 0.86                       | 405,009  | Eli Lilly and Company          | 46,473         | 1.73                       |
| 578,179  | Valero Energy                | 22,520         | 0.84                       | 186,836  | Guardant Health                | 12,902         | 0.48                       |
|  | <b>Total Oil &amp; Gas</b>   | <b>45,629</b>  | <b>1.70</b>                |  | <b>Total Health Care</b>       | <b>335,681</b> | <b>12.50</b>               |
| <b>BASIC MATERIALS 2.95% (1.28%)</b>                         |                              |                |                            | <b>CONSUMER SERVICES 14.40% (10.55%)</b>                   |                                |                |                            |
| <b>Chemicals 2.95% (1.28%)</b>                               |                              |                |                            | <b>General Retailers 10.57% (8.20%)</b>                    |                                |                |                            |
| 873,352  | DuPont de Nemours            | 39,032         | 1.45                       | 68,602   | Amazon.com                     | 171,772        | 6.40                       |
| 670,421  | Eastman Chemical             | 40,236         | 1.50                       | 319,658  | Home Depot                     | 65,599         | 2.44                       |
|  | <b>Total Basic Materials</b> | <b>79,268</b>  | <b>2.95</b>                | 415,380  | Target Corporation             | 46,469         | 1.73                       |
| <b>INDUSTRIALS 11.36% (8.68%)</b>                            |                              |                |                            | <b>Media 2.10% (2.35%)</b>                                 |                                |                |                            |
| <b>Aerospace &amp; Defence 0.30% (0.60%)</b>                 |                              |                |                            | 1,667,011 Comcast Corporation                              |                                |                |                            |
| 500,938  | Spirit Aerosystems Class A   | 8,114          | 0.30                       | 708,872  | Starbucks                      | 46,500         | 1.73                       |
| <b>General Industrials 1.70% (0.00%)</b>                     |                              |                |                            | <b>Travel &amp; Leisure 1.73% (0.00%)</b>                  |                                |                |                            |
| 583,284  | Eaton                        | 45,501         | 1.70                       |  | <b>Total Consumer Services</b> | <b>386,651</b> | <b>14.40</b>               |
| <b>Electronic &amp; Electrical Equipment 2.64% (0.00%)</b>   |                              |                |                            | <b>TELECOMMUNICATIONS 1.06% (0.00%)</b>                    |                                |                |                            |
| 401,753  | TE Connectivity              | 30,167         | 1.12                       | <b>Mobile Telecommunications 1.06% (0.00%)</b>             |                                |                |                            |
| 1,077,282  | Trimble Navigation           | 40,904         | 1.52                       | 327,436  | T-Mobile US                    | 28,441         | 1.06                       |
| <b>Industrial Engineering 3.18% (4.14%)</b>                  |                              |                |                            | <b>Total Telecommunications</b>                            |                                |                |                            |
| 439,539  | Caterpillar                  | 49,529         | 1.85                       |  |                                | <b>28,441</b>  | <b>1.06</b>                |
| 1,329,953  | Ingersoll-Rand               | 35,701         | 1.33                       | <b>UTILITIES 0.79% (1.89%)</b>                             |                                |                |                            |
| <b>Industrial Transportation 2.09% (2.11%)</b>               |                              |                |                            | <b>Electricity 0.79% (1.89%)</b>                           |                                |                |                            |
| 386,875  | Union Pacific                | 56,237         | 2.09                       | 352,919  | American Electric Power        | 21,207         | 0.79                       |
| <b>Support Services 1.45% (1.83%)</b>                        |                              |                |                            | <b>Total Utilities</b>                                     |                                |                |                            |
| 546,272  | Republic Services            | 38,841         | 1.45                       |  |                                | <b>21,207</b>  | <b>0.79</b>                |
|  | <b>Total Industrials</b>     | <b>304,994</b> | <b>11.36</b>               | <b>FINANCIALS 13.79% (15.70%)</b>                          |                                |                |                            |
| <b>CONSUMER GOODS 4.42% (9.82%)</b>                          |                              |                |                            | <b>Banks 5.49% (5.73%)</b>                                 |                                |                |                            |
| <b>Automobiles &amp; Parts 1.07% (0.00%)</b>                 |                              |                |                            | 3,017,513 Bank of America                                  |                                |                |                            |
| 1,262,803  | General Motors               | 28,809         | 1.07                       | 1,175,664  | Citigroup                      | 46,937         | 1.75                       |
| <b>Beverages 1.84% (2.24%)</b>                               |                              |                |                            | 1,903,236 Citizens Finance Group                           |                                |                |                            |
| 466,528  | PepsiCo                      | 49,221         | 1.84                       | <b>Nonlife Insurance 1.30% (1.84%)</b>                     |                                |                |                            |
| <b>Food Producers 0.00% (2.00%)</b>                          |                              |                |                            | 489,891 Allstate   |                                |                |                            |
| <b>Household Goods &amp; Home Construction 0.00% (3.02%)</b> |                              |                |                            | <b>Real Estate Investment Trusts 0.91% (1.06%)</b>         |                                |                |                            |
| <b>Leisure Goods 1.51% (1.55%)</b>                           |                              |                |                            | 106,501 SBA Communications                                 |                                |                |                            |
| 330,307  | Take-Two Interactive         | 40,619         | 1.51                       | <b>Financial Services 6.09% (7.07%)</b>                    |                                |                |                            |
| <b>Personal Goods 0.00% (1.01%)</b>                          |                              |                |                            | 726,124 JPMorgan Chase                                     |                                |                |                            |
|  | <b>Total Consumer Goods</b>  | <b>118,649</b> | <b>4.42</b>                | 268,252  | MasterCard Class A             | 68,291         | 2.54                       |
| <b>HEALTH CARE 12.50% (16.66%)</b>                           |                              |                |                            | <b>Total Financials</b>                                    |                                |                |                            |
| <b>Health Care Equipment &amp; Services 4.92% (5.67%)</b>    |                              |                |                            | 985,235 Voya Financial                                     |                                |                |                            |
| 699,249  | Centene                      | 31,719         | 1.18                       |  |                                | <b>370,165</b> | <b>13.79</b>               |
| 550,257  | Medtronic                    | 44,226         | 1.65                       | <b>TECHNOLOGY 36.47% (31.17%)</b>                          |                                |                |                            |
| 180,517  | Thermo Fisher Scientific     | 56,279         | 2.09                       | <b>Software &amp; Computer Services 18.66% (17.42%)</b>    |                                |                |                            |
| <b>Pharmaceuticals &amp; Biotechnology 7.58% (10.99%)</b>    |                              |                |                            | 180,166 Adobe Systems                                      |                                |                |                            |
| 698,063  | Abbott Laboratories          | 55,266         | 2.06                       | 90,910   | Alphabet Class A               | 109,263        | 4.07                       |
| 270,937  | Alexion Pharmaceuticals      | 23,276         | 0.87                       | 480,223  | Facebook                       | 103,195        | 3.85                       |
| 371,755  | Biomarin Pharmaceutical      | 21,486         | 0.80                       | 1,157,728  | Microsoft                      | 188,529        | 7.02                       |
| 966,329  | Bristol-Myers Squibb         | 44,054         | 1.64                       | 1,829,781  | NortonLifeLock                 | 32,560         | 1.21                       |
|  |                              |                |                            | <b>Technology Hardware &amp; Equipment 17.81% (13.75%)</b> |                                |                |                            |
|  |                              |                |                            | 2,375,268 Apple  |                                |                |                            |
|  |                              |                |                            | 169,232 Broadcom   |                                |                |                            |
|  |                              |                |                            | 1,324,337 Cisco Systems                                    |                                |                |                            |
|  |                              |                |                            | 268,415 L3Harris Technologies                              |                                |                |                            |
|  |                              |                |                            | 149,715 Lam Research                                       |                                |                |                            |
|  |                              |                |                            | 428,774 Microchip Technology                               |                                |                |                            |

## Threadneedle American Fund

### Portfolio Statement

(continued)

| Holding   | Investment                                    | Value<br>£000    | % of<br>Net Asset<br>Value |
|---|---|------------------|----------------------------|
| <b>TECHNOLOGY 36.47% (31.17%) (continued)</b>           |   |                  |                            |
| 160,554   | Nvidia  | 61,606           | 2.30                       |
|   | <b>Total Technology</b>                       | <b>978,977</b>   | <b>36.47</b>               |
| <b>COLLECTIVE INVESTMENT SCHEMES 0.77% (0.96%)</b>      |   |                  |                            |
| <b>Liquidity Funds 0.77% (0.96%)<sup>1</sup></b>        |   |                  |                            |
| 27,082,694  | BlackRock Institutional Cash Series           |                  |                            |
|   | US Dollar Liquidity Platinum                  | 20,595           | 0.77                       |
|   | <b>Total Collective Investment Schemes</b>    | <b>20,595</b>    | <b>0.77</b>                |
| <b>DERIVATIVES 0.02% (0.07%)</b>                        |   |                  |                            |
| <b>Forward Foreign Exchange Contracts 0.02% (0.07%)</b> |   |                  |                            |
|   | Sell USD 2,396,000                            |                  |                            |
|   | Buy GBP 1,804,427 Bank of Scotland            | (18)             | –                          |
|   | Sell USD 341,436,310                          |                  |                            |
|   | Buy GBP 260,255,372 J.P. Morgan               | 650              | 0.02                       |
|   | Sell USD 7,638,820                            |                  |                            |
|   | Buy GBP 5,791,344 J.P. Morgan                 | (17)             | –                          |
|   | Sell USD 11,820,243                           |                  |                            |
|   | Buy GBP 8,882,920 J.P. Morgan                 | (104)            | –                          |
|   | Sell GBP 8,158,385                            |                  |                            |
|   | Buy USD 10,775,073 J.P. Morgan                | 34               | –                          |
|   | Sell GBP 1,793,921                            |                  |                            |
|   | Buy USD 2,369,000 Barclays                    | 8                | –                          |
|   | Sell GBP 2,260,580                            |                  |                            |
|   | Buy USD 2,981,753 J.P. Morgan                 | 7                | –                          |
|   | Sell GBP 192,740                              |                  |                            |
|   | Buy USD 255,443 J.P. Morgan                   | 1                | –                          |
|   | Sell GBP 3,782,924                            |                  |                            |
|   | Buy USD 5,056,040 J.P. Morgan                 | 61               | –                          |
|   | Sell GBP 711,398                              |                  |                            |
|   | Buy USD 935,832 J.P. Morgan <sup>2</sup>      | –                | –                          |
|   | <b>Total Derivatives</b>                      | <b>622</b>       | <b>0.02</b>                |
|   | <b>Total value of investments<sup>3</sup></b> | <b>2,690,879</b> | <b>100.23</b>              |
|   | <b>Net other liabilities (0.44%)</b>          | <b>(6,117)</b>   | <b>(0.23)</b>              |
|   | <b>Net assets</b>                             | <b>2,684,762</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 1,153,207    | 452,499      |
| Total sales for the period     | 971,978      | 518,680      |



## Threadneedle American Select Fund

### Portfolio Statement

(continued)

| Holding                                      | Investment                              | Value<br>£000    | % of<br>Net Asset<br>Value |
|--|---|------------------|----------------------------|
| <b>DERIVATIVES 0.00% (0.00%) (continued)</b> |   |                  |                            |
|  | Sell USD 10,790                         |                  |                            |
|  | Buy GBP 8,213 J.P. Morgan <sup>1</sup>  | –                | –                          |
|  | Sell USD 121                            |                  |                            |
|  | Buy GBP 92 J.P. Morgan <sup>1</sup>     | –                | –                          |
|  | Sell CHF 1,047                          |                  |                            |
|  | Buy USD 1,144 J.P. Morgan <sup>1</sup>  | –                | –                          |
|  | Sell GBP 12,088                         |                  |                            |
|  | Buy USD 15,966 J.P. Morgan <sup>1</sup> | –                | –                          |
|  | Sell GBP 20,000                         |                  |                            |
|  | Buy USD 26,566 J.P. Morgan <sup>1</sup> | –                | –                          |
|  | Sell GBP 4                              |                  |                            |
|  | Buy USD 5 J.P. Morgan <sup>1</sup>      | –                | –                          |
|  | <b>Total Derivatives</b>                | <b>(19)</b>      | <b>–</b>                   |
|  | <b>Total value of investments</b>       | <b>1,049,808</b> | <b>100.09</b>              |
|  | <b>Net other liabilities (0.41%)</b>    | <b>(978)</b>     | <b>(0.09)</b>              |
|  | <b>Net assets</b>                       | <b>1,048,830</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Less than £500, rounded to nil.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 187,843      | 141,307      |
| Total sales for the period     | 126,283      | 176,606      |

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

as at 7 September 2020

| Holding                              | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|--------------------------------------|---|---------------|----------------------------|--|--|---------------|----------------------------|
| <b>OIL &amp; GAS 1.81% (1.32%)</b>   |   |               |                            | <b>HEALTH CARE 15.38% (13.53%)</b>       |  |               |                            |
|                                      | <b>Oil &amp; Gas Producers 0.00% (0.19%)</b>                    |               |                            |  | <b>Health Care Equipment &amp; Services 3.29% (0.00%)</b>  |               |                            |
|                                      | <b>Oil Equipment, Services &amp; Distribution 1.81% (1.13%)</b> |               |                            | 112,012                                  | CONMED Corporation   | 7,281         | 2.17                       |
| 4,227,132                            | Newpark Resources   | 6,076         | 1.81                       | 71,331                                   | Integer Holdings   | 3,744         | 1.12                       |
|                                      | <b>Total Oil &amp; Gas</b>                                      | <b>6,076</b>  | <b>1.81</b>                |  | <b>Pharmaceuticals &amp; Biotechnology 12.09% (13.53%)</b> |               |                            |
| <b>BASIC MATERIALS 3.63% (5.33%)</b> |   |               |                            | 858,089                                  | Dynavax Technologies                                       | 3,171         | 0.95                       |
|                                      | <b>Chemicals 1.05% (3.22%)</b>                                  |               |                            | 157,315                                  | Elanco Animal Health                                       | 3,360         | 1.00                       |
| 201,412                              | Axalta Coating Systems  | 3,532         | 1.05                       | 76,172                                   | Insmed   | 1,590         | 0.47                       |
|                                      | <b>Industrial Metals &amp; Mining 2.58% (2.11%)</b>             |               |                            | 1,296,369                                | Kindred Biosciences  | 4,486         | 1.34                       |
| 538,833                              | Schnitzer Steel Industries Class A                              | 8,630         | 2.58                       | 311,078                                  | Luminex  | 5,680         | 1.69                       |
|                                      | <b>Total Basic Materials</b>                                    | <b>12,162</b> | <b>3.63</b>                | 79,704                                   | Medpace Holdings   | 7,270         | 2.17                       |
|                                      |   |               |                            | 71,010                                   | Mirati Therapeutics  | 7,467         | 2.23                       |
| <b>INDUSTRIALS 18.43% (18.70%)</b>   |   |               |                            | 152,209                                  | Quanterix  | 3,587         | 1.07                       |
|                                      | <b>Construction &amp; Materials 5.41% (4.28%)</b>               |               |                            | 100,011                                  | Sage Therapeutics  | 3,927         | 1.17                       |
| 367,002                              | KBR   | 6,866         | 2.05                       |  | <b>Total Health Care</b>                                   | <b>51,563</b> | <b>15.38</b>               |
| 73,111                               | Masonite International  | 5,112         | 1.52                       | <b>CONSUMER SERVICES 15.24% (11.24%)</b> |  |               |                            |
| 283,025                              | Quanex Building Products  | 3,930         | 1.17                       |  | <b>General Retailers 9.75% (5.12%)</b>                     |               |                            |
| 19,854                               | TopBuild  | 2,235         | 0.67                       | 451,131                                  | Carriage Services  | 7,595         | 2.27                       |
|                                      | <b>Aerospace &amp; Defence 0.77% (1.64%)</b>                    |               |                            | 24,375                                   | Lithia Motors  | 4,505         | 1.34                       |
| 33,944                               | Curtiss-Wright Corporation                                      | 2,575         | 0.77                       | 304,076                                  | Matthews International                                     | 5,318         | 1.59                       |
|                                      | <b>General Industrials 1.64% (0.00%)</b>                        |               |                            | 100,175                                  | Ritchie Bros Auctioneers                                   | 4,354         | 1.30                       |
| 76,996                               | ITT   | 3,686         | 1.10                       | 796,419                                  | WillScot Mobile Mini Holdings                              | 10,883        | 3.25                       |
| 73,075                               | Westrock  | 1,808         | 0.54                       |  | <b>Media 2.31% (2.12%)</b>                                 |               |                            |
|                                      | <b>Electronic &amp; Electrical Equipment 5.73% (4.63%)</b>      |               |                            | 460,499                                  | Qurate Retail  | 3,590         | 1.07                       |
| 1,356,347                            | Livent  | 8,912         | 2.66                       | 139,943                                  | Techtarget   | 4,168         | 1.24                       |
| 183,996                              | MTS Systems   | 3,361         | 1.00                       |  | <b>Travel &amp; Leisure 3.18% (4.00%)</b>                  |               |                            |
| 567,888                              | Vishay Intertechnology  | 6,953         | 2.07                       | 219,310                                  | Wendy's  | 3,599         | 1.07                       |
|                                      | <b>Industrial Engineering 2.58% (2.33%)</b>                     |               |                            | 65,204                                   | Wingstop   | 7,084         | 2.11                       |
| 52,921                               | MSA Safety  | 4,943         | 1.47                       |  | <b>Total Consumer Services</b>                             | <b>51,096</b> | <b>15.24</b>               |
| 130,895                              | Navistar International  | 3,716         | 1.11                       | <b>UTILITIES 3.11% (3.66%)</b>           |  |               |                            |
|                                      | <b>Industrial Transportation 0.65% (3.86%)</b>                  |               |                            |  | <b>Electricity 0.00% (3.66%)</b>                           |               |                            |
| 32,756                               | XPO Logistics   | 2,178         | 0.65                       |  | <b>Gas, Water &amp; Multiutilities 3.11% (0.00%)</b>       |               |                            |
|                                      | <b>Support Services 1.65% (1.96%)</b>                           |               |                            | 369,961                                  | Avista   | 10,432        | 3.11                       |
| 139,291                              | EVO Payments  | 2,914         | 0.87                       |  | <b>Total Utilities</b>                                     | <b>10,432</b> | <b>3.11</b>                |
| 49,912                               | ICF International   | 2,600         | 0.78                       | <b>FINANCIALS 20.44% (26.16%)</b>        |  |               |                            |
|                                      | <b>Total Industrials</b>  | <b>61,789</b> | <b>18.43</b>               |  | <b>Banks 4.60% (8.13%)</b>                                 |               |                            |
| <b>CONSUMER GOODS 9.67% (7.64%)</b>  |   |               |                            | 250,303                                  | First Hawaiian   | 3,171         | 0.95                       |
|                                      | <b>Food Producers 2.35% (2.12%)</b>                             |               |                            | 273,580                                  | Houlihan Lokey   | 12,248        | 3.65                       |
| 302,489                              | Bellring Brands   | 4,511         | 1.35                       |  | <b>Real Estate Investment Trusts 8.21% (11.18%)</b>        |               |                            |
| 27,471                               | Medifast  | 3,351         | 1.00                       | 197,053                                  | First Industrial Realty                                    | 6,229         | 1.86                       |
|                                      | <b>Leisure Goods 0.93% (0.00%)</b>                              |               |                            | 127,240                                  | Life Storage   | 10,413        | 3.11                       |
| 119,128                              | Acushnet Holdings   | 3,134         | 0.93                       | 138,325                                  | QTS Realty Trust   | 6,863         | 2.05                       |
|                                      | <b>Personal Goods 6.39% (5.52%)</b>                             |               |                            | 188,207                                  | STORE Capital  | 3,992         | 1.19                       |
| 273,803                              | Canada Goose Holdings   | 5,243         | 1.56                       |  | <b>Financial Services 7.63% (6.85%)</b>                    |               |                            |
| 285,865                              | ELF Beauty  | 4,148         | 1.24                       | 294,183                                  | Moelis & Company   | 7,058         | 2.10                       |
| 522,647                              | Gildan Activewear   | 8,072         | 2.41                       | 684,289                                  | Virtu Financial  | 14,222        | 4.24                       |
| 419,491                              | Levi Strauss & Co   | 3,959         | 1.18                       | 112,496                                  | Voya Financial   | 4,344         | 1.29                       |
|                                      | <b>Total Consumer Goods</b>                                     | <b>32,418</b> | <b>9.67</b>                |  | <b>Total Financials</b>                                    | <b>68,540</b> | <b>20.44</b>               |

## Threadneedle American Smaller Companies Fund (US)

### Portfolio Statement

(continued)

| Holding  | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|---|----------------|----------------------------|
| <b>TECHNOLOGY 11.80% (11.56%)</b>                        |   |                |                            |
| <b>Software &amp; Computer Services 7.05% (6.63%)</b>    |   |                |                            |
| 112,770  | Altair Engineering Class A  | 3,418          | 1.02                       |
| 328,580  | Avaya Holdings  | 3,873          | 1.15                       |
| 159,082  | Clarivate Analytics   | 3,384          | 1.01                       |
| 115,649  | DOMO Class B  | 3,539          | 1.05                       |
| 58,371   | PTC   | 3,889          | 1.16                       |
| 323,893  | Teradata Corporation  | 5,552          | 1.66                       |
| <b>Technology Hardware &amp; Equipment 4.75% (4.93%)</b> |   |                |                            |
| 218,981  | COHU  | 2,781          | 0.83                       |
| 558,990  | Impinj  | 10,712         | 3.19                       |
| 46,171   | SiTime  | 2,433          | 0.73                       |
| <b>Total Technology</b>                                  |   | <b>39,581</b>  | <b>11.80</b>               |
| <b>COLLECTIVE INVESTMENT SCHEMES 1.37% (0.82%)</b>       |   |                |                            |
| <b>Liquidity Funds 1.37% (0.82%)<sup>1</sup></b>         |   |                |                            |
| 6,044,378  | BlackRock Institutional Cash Series<br>US Dollar Liquidity Platinum | 4,596          | 1.37                       |
| <b>Total Collective Investment Schemes</b>               |   | <b>4,596</b>   | <b>1.37</b>                |
| <b>DERIVATIVES 0.00% (0.00%)</b>                         |   |                |                            |
| <b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>  |   |                |                            |
|  | Sell USD 215,000  |                |                            |
|  | Buy GBP 161,916 Bank of Scotland                                    | (2)            | –                          |
|  | Sell USD 964,000  |                |                            |
|  | Buy GBP 722,572 Bank of Scotland                                    | (10)           | –                          |
| <b>Total Derivatives</b>                                 |   | <b>(12)</b>    | <b>–</b>                   |
| <b>Total value of investments<sup>2</sup></b>            |   | <b>338,241</b> | <b>100.88</b>              |
| <b>Net other liabilities (0.04%)</b>                     |   | <b>(2,943)</b> | <b>(0.88)</b>              |
| <b>Net assets</b>  |   | <b>335,298</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 209,752      | 192,553      |
| Total sales for the period     | 225,382      | 242,419      |

## Threadneedle Dollar Bond Fund

### Portfolio Statement

as at 7 September 2020

|                                       | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |     | Holding | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------------|-----------|---|---------------|----------------------------|-----|---------|--|---------------|----------------------------|
| <b>FIXED INTEREST 92.34% (97.34%)</b> |           |   |               |                            | USD | 163,000 | Teachers Insurance & Annuity Association of America 4.9%<br>15/09/2044 | 157           | 0.21                       |
| <b>AAA 9.92% (1.54%)</b>              |           |   |               |                            |     |         |  |               |                            |
| USD                                   | 1,000,000 | BNG Bank 1.5% 16/10/2024  | 789           | 1.06                       |     |         |  |               |                            |
| USD                                   | 1,000,000 | International Bank for Reconstruction and Development 3.125% 20/11/2025 | 864           | 1.17                       |     |         |  |               |                            |
| USD                                   | 1,000,000 | International Finance Corporation 2% 24/10/2022                         | 788           | 1.06                       | USD | 400,000 | Alibaba Group 3.4% 06/12/2027  | 342           | 0.46                       |
| USD                                   | 135,000   | Johnson & Johnson 2.1% 01/09/2040                                       | 102           | 0.14                       | USD | 550,000 | BPCE 2.7% 01/10/2029   | 451           | 0.61                       |
| USD                                   | 3,220,000 | KFW 0.75% 30/09/2030  | 2,420         | 3.27                       | USD | 400,000 | Connecticut Light & Power 3.2%<br>15/03/2027                           | 340           | 0.46                       |
| USD                                   | 2,000,000 | KFW 2% 29/09/2022   | 1,576         | 2.13                       | USD | 250,000 | Intel 3.9% 25/03/2030  | 230           | 0.31                       |
| USD                                   | 540,000   | Microsoft 2.875% 06/02/2024   | 443           | 0.60                       | USD | 135,000 | Intel 4.75% 25/03/2050   | 141           | 0.19                       |
| USD                                   | 371,000   | Microsoft 4.1% 06/02/2037   | 365           | 0.49                       | USD | 143,000 | Oncor Electric Delivery 3.7%<br>15/11/2028                             | 128           | 0.17                       |
| <b>Aaa 25.12% (49.91%)</b>            |           |   |               |                            | USD | 160,000 | Port Authority of New York & New Jersey 4.458% 01/10/2062              | 161           | 0.22                       |
| USD                                   | 130,000   | Johnson & Johnson 2.45% 01/09/2060                                      | 96            | 0.13                       | USD | 250,000 | Siemens Financieringsmaatschappij 3.125% 16/03/2024                    | 206           | 0.28                       |
| USD                                   | 2,300,000 | United States Treasury Note/Bond 0.125% 15/08/2023                      | 1,746         | 2.36                       | USD | 200,000 | Tencent Holdings 3.24% 03/06/2050                                      | 160           | 0.22                       |
| USD                                   | 800,000   | United States Treasury Note/Bond 0.25% 31/08/2025                       | 607           | 0.82                       | USD | 200,000 | Tencent Holdings 3.595% 19/01/2028                                     | 168           | 0.23                       |
| USD                                   | 540,000   | United States Treasury Note/Bond 1.125% 15/05/2040                      | 402           | 0.54                       | USD | 150,000 | Total Capital International 2.986%<br>29/06/2041                       | 119           | 0.16                       |
| USD                                   | 1,669,000 | United States Treasury Note/Bond 1.875% 30/04/2022                      | 1,305         | 1.76                       |     |         |  |               |                            |
| USD                                   | 1,425,600 | United States Treasury Note/Bond 2% 15/11/2021                          | 1,108         | 1.50                       | USD | 200,000 | CLP Power Hong Kong Financing 2.125% 30/06/2030                        | 154           | 0.21                       |
| USD                                   | 1,060,000 | United States Treasury Note/Bond 2% 31/05/2024                          | 859           | 1.16                       |     |         |  |               |                            |
| USD                                   | 5,100,000 | United States Treasury Note/Bond 2.375% 15/08/2024                      | 4,203         | 5.67                       | USD | 200,000 | Banque Fédérative du Crédit Mutuel 2.375% 21/11/2024                   | 162           | 0.22                       |
| USD                                   | 3,110,000 | United States Treasury Note/Bond 2.75% 15/08/2047                       | 3,056         | 4.13                       | USD | 60,000  | CenterPoint Energy Houston 2.9%<br>01/07/2050                          | 49            | 0.07                       |
| USD                                   | 150,000   | United States Treasury Note/Bond 3.625% 15/02/2044                      | 166           | 0.22                       | USD | 80,000  | Consumers Energy 2.5% 01/05/2060                                       | 58            | 0.08                       |
| USD                                   | 1,900,000 | United States Treasury Note/Bond 4.25% 15/05/2039                       | 2,207         | 2.98                       | USD | 500,000 | Danske Bank 1.226% 22/06/2024  | 385           | 0.52                       |
| USD                                   | 2,485,000 | United States Treasury Note/Bond 4.5% 15/02/2036                        | 2,854         | 3.85                       | USD | 300,000 | Danske Bank 2.7% 02/03/2022  | 235           | 0.32                       |
| <b>AA+ 2.21% (1.38%)</b>              |           |   |               |                            | USD | 510,000 | Duke Energy Carolinas 3.2%<br>15/08/2049                               | 435           | 0.59                       |
| USD                                   | 1,000,000 | Apple 2.05% 11/09/2026  | 815           | 1.10                       | USD | 120,000 | Duke Energy Florida 2.5% 01/12/2029                                    | 99            | 0.13                       |
| USD                                   | 240,000   | Apple 2.65% 11/05/2050  | 190           | 0.26                       | USD | 635,000 | Five Corners Funding Trust 4.419%<br>15/11/2023                        | 538           | 0.73                       |
| USD                                   | 54,000    | Apple 4.5% 23/02/2036   | 54            | 0.07                       | USD | 650,000 | Honeywell International 1.95%<br>01/06/2030                            | 521           | 0.70                       |
| USD                                   | 750,000   | New York Life Global Funding 1.1%<br>05/05/2023                         | 580           | 0.78                       | USD | 572,000 | International Business Machines 1.95% 15/05/2030                       | 449           | 0.61                       |
| <b>AA 0.83% (0.23%)</b>               |           |   |               |                            | USD | 525,000 | Loews 3.75% 01/04/2026   | 455           | 0.61                       |
| USD                                   | 600,000   | Abu Dhabi Government International 2.5% 30/09/2029                      | 490           | 0.66                       | USD | 317,000 | Oracle 2.95% 01/04/2030  | 267           | 0.36                       |
| USD                                   | 130,000   | Berkshire Hathaway Finance 4.25%<br>15/01/2049                          | 128           | 0.17                       | USD | 240,000 | Oracle 3.6% 01/04/2040   | 205           | 0.28                       |
| <b>AA- 2.65% (0.98%)</b>              |           |   |               |                            | USD | 60,000  | Peco Energy 3% 15/09/2049  | 50            | 0.07                       |
| USD                                   | 253,000   | Amazon.Com 2.7% 03/06/2060  | 194           | 0.26                       | USD | 150,000 | PPL Electric Utilities 4.15% 15/06/2048                                | 145           | 0.20                       |
| USD                                   | 215,000   | Merck & Co 2.35% 24/06/2040   | 166           | 0.22                       | USD | 450,000 | Public Service Electric & Gas Company 2.7% 01/05/2050                  | 357           | 0.48                       |
| USD                                   | 150,000   | Metropolitan Life Global Funding I 2.95% 09/04/2030                     | 128           | 0.17                       | USD | 100,000 | San Diego Gas & Electric 4.15%<br>15/05/2048                           | 94            | 0.13                       |
| USD                                   | 80,000    | New York Life Insurance 4.45%<br>04/04/2069                             | 75            | 0.10                       | USD | 255,000 | Santander UK 2.875% 18/06/2024   | 209           | 0.28                       |
| USD                                   | 160,000   | Northwestern 3.85% 30/09/2047   | 139           | 0.19                       | USD | 478,000 | Singtel Group Treasury 1.875%<br>10/06/2030                            | 372           | 0.50                       |
| USD                                   | 213,000   | Pfizer 2.55% 28/05/2040   | 169           | 0.23                       | USD | 317,000 | Southwestern Public Service 3.15%<br>01/05/2050                        | 265           | 0.36                       |
| USD                                   | 113,000   | Pfizer 2.625% 01/04/2030  | 96            | 0.13                       |     |         |  |               |                            |
| USD                                   | 1,000,000 | Qatar Government International Bond 3.25% 02/06/2026                    | 841           | 1.14                       |     |         |  |               |                            |
| <b>A+ 3.31% (3.75%)</b>               |           |   |               |                            |     |         |  |               |                            |
| <b>A 7.24% (3.51%)</b>                |           |   |               |                            |     |         |  |               |                            |
| <b>A1 0.21% (0.00%)</b>               |           |   |               |                            |     |         |  |               |                            |
| <b>A 7.24% (3.51%)</b>                |           |   |               |                            |     |         |  |               |                            |
| <b>A- 3.75% (5.74%)</b>               |           |   |               |                            |     |         |  |               |                            |





## Threadneedle Dollar Bond Fund

### Portfolio Statement

(continued)

| Holding  | Investment                                    | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|---|---------------|----------------------------|
| <b>DERIVATIVES -0.20% (-1.17%) (continued)</b>           |   |               |                            |
| <b>Forward Foreign Exchange Contracts -0.02% (0.00%)</b> |   |               |                            |
|  | Sell USD 1,520,000                            |               |                            |
|  | Buy GBP 1,139,324 Bank of Scotland            | (17)          | (0.02)                     |
|  | Sell USD 75,000                               |               |                            |
|  | Buy GBP 56,482 Bank of Scotland <sup>2</sup>  | –             | –                          |
|  | Sell GBP 38,620                               |               |                            |
|  | Buy USD 51,000 Barclays <sup>2</sup>          | –             | –                          |
|  | <b>Total Derivatives</b>                      | <b>(150)</b>  | <b>(0.20)</b>              |
|  | <b>Total value of investments<sup>3</sup></b> | <b>72,541</b> | <b>97.95</b>               |
|  | <b>Net other assets (1.55%)</b>               | <b>1,519</b>  | <b>2.05</b>                |
|  | <b>Net assets</b>                             | <b>74,060</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

\*Variable rate bond.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

|   | Value<br>£000 | % of<br>Investment |
|---|---------------|--------------------|
| Fixed interest                                | 68,387        | 94.27              |
| Floating rate notes                           | 4,304         | 5.93               |
| Derivatives                                   | (150)         | (0.20)             |
| <b>Total value of investments<sup>3</sup></b> | <b>72,541</b> | <b>100.00</b>      |

### ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

|  | Value<br>£000   |
|--|-----------------|
| UBS US 10 Year Note Future Expiring December 2020      | (2,434)         |
| UBS US 10 Year Ultra Fut Future Expiring December 2020 | (5,087)         |
| UBS US Long Bond Future Expiring December 2020         | (8,277)         |
| UBS US Ultra Bond Cbt Future Expiring December 2020    | (168)           |
| <b>Total net exposure</b>                              | <b>(15,966)</b> |

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 60,149       | 19,772       |
| Total sales for the period     | 45,385       | 18,673       |

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2020

|  | Holding   | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |   | Holding                      | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|-----------|--|----------------|----------------------------|---|------------------------------|--|---------------|----------------------------|
| <b>BASIC MATERIALS 5.79% (4.40%)</b>   |           |  |                |                            | <b>TELECOMMUNICATIONS 4.35% (5.87%)</b> |                              |  |               |                            |
|  |           | <b>Chemicals 5.79% (4.40%)</b>                               |                |                            |   |                              | <b>Fixed Line Telecommunications 2.42% (4.23%)</b>         |               |                            |
|  | 350,600   | JCU  | 8,445          | 1.10                       | 1,100,300                               | Nippon Telegraph & Telephone | 18,663   | 2.42          |                            |
|  | 374,200   | Shin-Etsu Chemical   | 36,081         | 4.69                       |   |                              | <b>Mobile Telecommunications 1.93% (1.64%)</b>             |               |                            |
|  |           | <b>Total Basic Materials</b>                                 | <b>44,526</b>  | <b>5.79</b>                | 352,200                                 | SoftBank Group               | 14,824   | 1.93          |                            |
| <b>INDUSTRIALS 29.66% (29.34%)</b>     |           |  |                |                            |   |                              | <b>Total Telecommunications</b>                            | <b>33,487</b> | <b>4.35</b>                |
|  |           | <b>Construction &amp; Materials 9.78% (8.83%)</b>            |                |                            | <b>FINANCIALS 12.15% (10.73%)</b>       |                              |  |               |                            |
|  | 322,200   | Daikin Industries  | 45,874         | 5.96                       |   |                              | <b>Banks 0.00% (1.46%)</b>                                 |               |                            |
|  | 806,700   | Kinden   | 10,106         | 1.31                       |   |                              | <b>Life Insurance 5.50% (1.95%)</b>                        |               |                            |
|  | 1,632,500 | Takuma   | 19,328         | 2.51                       | 3,750,200                               | Dai-ichi Life Insurance      | 42,267   | 5.50          |                            |
|  |           | <b>General Industrials 7.19% (4.92%)</b>                     |                |                            |   |                              | <b>Nonlife Insurance 1.50% (2.26%)</b>                     |               |                            |
|  | 174,100   | Daiwabo Holdings   | 7,664          | 1.00                       | 334,900                                 | Tokio Marine Holdings        | 11,538   | 1.50          |                            |
|  | 2,377,800 | Itochu   | 47,616         | 6.19                       |   |                              | <b>Real Estate Investment &amp; Services 1.54% (0.00%)</b> |               |                            |
|  |           | <b>Electronic &amp; Electrical Equipment 7.97% (9.74%)</b>   |                |                            | 472,100                                 | Open House                   | 11,862   | 1.54          |                            |
|  | 134,100   | Keyence  | 41,689         | 5.42                       |   |                              | <b>Real Estate Investment Trusts 0.00% (0.93%)</b>         |               |                            |
|  | 421,400   | Murata Manufacturing   | 19,598         | 2.55                       |   |                              | <b>Financial Services 3.61% (4.13%)</b>                    |               |                            |
|  |           | <b>Support Services 4.72% (5.85%)</b>                        |                |                            | 427,300                                 | Nihon M&A Center             | 15,875   | 2.06          |                            |
|  | 114,700   | IR Japan Holdings  | 10,838         | 1.41                       | 1,223,300                               | Orix                         | 11,931   | 1.55          |                            |
|  | 896,400   | Recruit Holdings   | 25,468         | 3.31                       |   |                              | <b>Total Financials</b>                                    | <b>93,473</b> | <b>12.15</b>               |
|  |           | <b>Total Industrials</b>                                     | <b>228,181</b> | <b>29.66</b>               | <b>TECHNOLOGY 12.16% (10.94%)</b>       |                              |  |               |                            |
| <b>CONSUMER GOODS 20.11% (21.42%)</b>  |           |  |                |                            |   |                              | <b>Software &amp; Computer Services 5.49% (4.44%)</b>      |               |                            |
|  |           | <b>Automobiles &amp; Parts 6.81% (5.75%)</b>                 |                |                            | 191,900                                 | Freee KK                     | 7,899  | 1.03          |                            |
|  | 314,700   | Koito Manufacturing  | 12,052         | 1.57                       | 114,900                                 | Grace Technology             | 3,631  | 0.47          |                            |
|  | 808,800   | Toyota Motor   | 40,261         | 5.24                       | 212,600                                 | Justsystems                  | 11,018   | 1.43          |                            |
|  |           | <b>Household Goods &amp; Home Construction 1.43% (1.05%)</b> |                |                            | 46,700                                  | OBIC                         | 6,144  | 0.80          |                            |
|  | 485,000   | Shoei  | 11,023         | 1.43                       | 275,200                                 | Square Enix Holdings         | 13,553   | 1.76          |                            |
|  |           | <b>Leisure Goods 7.77% (8.63%)</b>                           |                |                            |   |                              | <b>Technology Hardware &amp; Equipment 6.67% (6.50%)</b>   |               |                            |
|  | 180,600   | Bandai Namco Holdings  | 8,539          | 1.11                       | 636,400                                 | Elecom                       | 22,163   | 2.88          |                            |
|  | 65,900    | Nintendo   | 27,785         | 3.61                       | 220,000                                 | Rohm                         | 11,197   | 1.46          |                            |
|  | 400,200   | Sony   | 23,465         | 3.05                       | 214,600                                 | Shinko Electric Industries   | 2,424  | 0.31          |                            |
|  |           | <b>Personal Goods 4.10% (5.99%)</b>                          |                |                            | 82,200                                  | Tokyo Electron               | 15,534   | 2.02          |                            |
|  | 561,000   | Kao  | 31,564         | 4.10                       |   |                              | <b>Total Technology</b>                                    | <b>93,563</b> | <b>12.16</b>               |
|  |           | <b>Total Consumer Goods</b>                                  | <b>154,689</b> | <b>20.11</b>               | <b>DERIVATIVES 0.18% (-1.11%)</b>       |                              |  |               |                            |
| <b>HEALTH CARE 9.85% (10.13%)</b>      |           |  |                |                            |   |                              | <b>Forward Foreign Exchange Contracts 0.18% (-1.11%)</b>   |               |                            |
|  |           | <b>Health Care Equipment &amp; Services 5.03% (4.14%)</b>    |                |                            |   |                              | Sell JPY 26,761,470,299                                    |               |                            |
|  | 327,700   | Hoya   | 24,595         | 3.20                       |   |                              | Buy GBP 192,981,588 J.P. Morgan                            | 1,385         | 0.18                       |
|  | 309,600   | M3   | 14,051         | 1.83                       |   |                              | Sell JPY 641,846,468                                       |               |                            |
|  |           | <b>Pharmaceuticals &amp; Biotechnology 4.82% (5.99%)</b>     |                |                            |   |                              | Buy GBP 4,636,243 J.P. Morgan                              | 41            | —                          |
|  | 223,600   | Chugai Pharmaceutical  | 7,534          | 0.98                       |   |                              | Sell JPY 12,814,000  |               |                            |
|  | 277,100   | Daiichi Sankyo   | 18,415         | 2.39                       |   |                              | Buy GBP 91,153 Bank of Scotland                            | (1)           | —                          |
|  | 410,800   | Takeda Pharmaceutical  | 11,168         | 1.45                       |   |                              | Sell GBP 86,704  |               |                            |
|  |           | <b>Total Health Care</b>                                     | <b>75,763</b>  | <b>9.85</b>                |   |                              | Buy JPY 12,115,657 J.P. Morgan <sup>1</sup>                | —             | —                          |
| <b>CONSUMER SERVICES 1.97% (1.96%)</b> |           |  |                |                            |   |                              | Sell GBP 23,001  |               |                            |
|  |           | <b>General Retailers 0.00% (0.87%)</b>                       |                |                            |   |                              | Buy JPY 3,248,000 Citigroup <sup>1</sup>                   | —             | —                          |
|  |           | <b>Media 1.97% (1.09%)</b>                                   |                |                            |   |                              | Sell GBP 225,646   |               |                            |
|  | 648,600   | ValueCommerce  | 15,136         | 1.97                       |   |                              | Buy JPY 31,974,000 Citigroup                               | 3             | —                          |
|  |           | <b>Total Consumer Services</b>                               | <b>15,136</b>  | <b>1.97</b>                |   |                              | Sell GBP 34,795  |               |                            |
|  |           |  |                |                            |   |                              | Buy JPY 4,937,261 J.P. Morgan                              | 1             | —                          |
|  |           |  |                |                            |   |                              | <b>Total Derivatives</b>                                   | <b>1,429</b>  | <b>0.18</b>                |

## Threadneedle Japan Fund

### Portfolio Statement

as at 7 September 2020

| Holding                           | Investment | Value<br>£000  | % of<br>Net Asset<br>Value |
|-----------------------------------|------------|----------------|----------------------------|
| <b>Total value of investments</b> |            | <b>740,247</b> | <b>96.22</b>               |
| <b>Net other assets (6.32%)</b>   |            | <b>29,114</b>  | <b>3.78</b>                |
| <b>Net assets</b>                 |            | <b>769,361</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Less than £500, rounded to nil.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 204,240      | 186,434      |
| Total sales for the period     | 317,844      | 217,683      |

## Threadneedle Asia Fund

### Portfolio Statement

as at 7 September 2020

|                                       | Holding   | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |                                  | Holding    | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------------|-----------|--|----------------|----------------------------|----------------------------------|------------|--|---------------|----------------------------|
| <b>AUSTRALIA 11.73% (12.86%)</b>      |           |  |                |                            | <b>HONG KONG 13.02% (13.90%)</b> |            |  |               |                            |
|                                       |           | <b>Mining 2.63% (2.38%)</b>                                |                |                            |                                  |            | <b>Oil &amp; Gas Producers 0.90% (1.54%)</b>                 |               |                            |
|                                       | 945,790   | BHP Group (AUD)  | 19,395         | 2.63                       |                                  | 8,143,760  | CNOOC  | 6,600         | 0.90                       |
|                                       |           | <b>Construction &amp; Materials 0.93% (1.50%)</b>          |                |                            |                                  |            | <b>Household Goods &amp; Home Construction 1.46% (1.03%)</b> |               |                            |
|                                       | 1,002,159 | Lend Lease Group   | 6,889          | 0.93                       |                                  | 1,158,500  | Techtronic Industries  | 10,793        | 1.46                       |
|                                       |           | <b>General Industrials 0.97% (0.85%)</b>                   |                |                            |                                  |            | <b>Pharmaceuticals &amp; Biotechnology 0.96% (1.09%)</b>     |               |                            |
|                                       | 858,235   | Amcor  | 7,135          | 0.97                       |                                  | 4,591,200  | CSPC Pharmaceutical Group                                    | 7,082         | 0.96                       |
|                                       |           | <b>Pharmaceuticals &amp; Biotechnology 2.49% (3.34%)</b>   |                |                            |                                  |            | <b>Travel &amp; Leisure 1.87% (1.66%)</b>                    |               |                            |
|                                       | 117,705   | CSL  | 18,372         | 2.49                       |                                  | 2,412,000  | Galaxy Entertainment Group                                   | 13,809        | 1.87                       |
|                                       |           | <b>Travel &amp; Leisure 1.35% (1.36%)</b>                  |                |                            |                                  |            | <b>Mobile Telecommunications 0.61% (0.81%)</b>               |               |                            |
|                                       | 625,395   | Aristocrat Leisure   | 9,962          | 1.35                       |                                  | 875,500    | China Mobile   | 4,518         | 0.61                       |
|                                       |           | <b>Banks 1.16% (1.48%)</b>                                 |                |                            |                                  |            | <b>Life Insurance 3.35% (3.97%)</b>                          |               |                            |
|                                       | 854,496   | Australia & New Zealand Banking Group                      | 8,537          | 1.16                       |                                  | 3,070,916  | AIA Group  | 24,738        | 3.35                       |
|                                       |           | <b>Financial Services 2.20% (1.95%)</b>                    |                |                            |                                  |            | <b>Real Estate Investment &amp; Services 0.92% (1.90%)</b>   |               |                            |
|                                       | 231,591   | Macquarie Group  | 16,241         | 2.20                       |                                  | 698,500    | Sun Hung Kai Properties                                      | 6,799         | 0.92                       |
|                                       |           | <b>Total Australia</b>                                     | <b>86,531</b>  | <b>11.73</b>               |                                  |            | <b>Financial Services 2.35% (1.90%)</b>                      |               |                            |
| <b>CAYMAN ISLANDS 23.07% (17.99%)</b> |           |  |                |                            |                                  |            | <b>Technology Hardware &amp; Equipment 0.60% (0.00%)</b>     |               |                            |
|                                       |           | <b>Food Producers 1.19% (0.00%)</b>                        |                |                            |                                  |            | <b>Total Hong Kong</b>                                       | <b>96,053</b> | <b>13.02</b>               |
|                                       | 2,399,000 | China Mengniu Dairy  | 8,756          | 1.19                       | <b>INDIA 6.93% (6.68%)</b>       |            |  |               |                            |
|                                       |           | <b>Pharmaceuticals &amp; Biotechnology 0.07% (0.00%)</b>   |                |                            |                                  |            | <b>Oil &amp; Gas Producers 2.41% (0.83%)</b>                 |               |                            |
|                                       | 27,500    | Wuxi Biologics Cayman                                      | 489            | 0.07                       |                                  | 788,799    | Reliance Industries  | 17,171        | 2.33                       |
|                                       |           | <b>General Retailers 9.51% (7.53%)</b>                     |                |                            |                                  | 47,571     | Reliance Industries Rights                                   | 602           | 0.08                       |
|                                       | 328,050   | Alibaba Group ADR  | 70,120         | 9.51                       |                                  |            | <b>Personal Goods 0.64% (0.72%)</b>                          |               |                            |
|                                       |           | <b>Travel &amp; Leisure 1.69% (1.54%)</b>                  |                |                            |                                  | 704,956    | Godrej Consumer Products                                     | 4,749         | 0.64                       |
|                                       | 3,832,800 | Sands China  | 12,486         | 1.69                       |                                  |            | <b>Mobile Telecommunications 1.14% (1.03%)</b>               |               |                            |
|                                       |           | <b>Real Estate Investment &amp; Services 1.40% (1.62%)</b> |                |                            |                                  |            | <b>Gas, Water &amp; Multiutilities 0.90% (1.01%)</b>         |               |                            |
|                                       | 2,915,184 | China Resources Land                                       | 10,340         | 1.40                       |                                  | 2,691,304  | Petronet LNG   | 6,602         | 0.90                       |
|                                       |           | <b>Software &amp; Computer Services 8.55% (6.48%)</b>      |                |                            |                                  |            | <b>Banks 1.84% (3.09%)</b>                                   |               |                            |
|                                       | 76,530    | Sea ADR  | 8,386          | 1.14                       |                                  | 1,180,258  | HDFC Bank  | 13,608        | 1.84                       |
|                                       | 1,090,880 | Tencent Holdings   | 54,642         | 7.41                       |                                  |            | <b>Total India</b>   | <b>51,134</b> | <b>6.93</b>                |
|                                       |           | <b>Technology Hardware &amp; Equipment 0.66% (0.82%)</b>   |                |                            | <b>INDONESIA 1.34% (2.72%)</b>   |            |  |               |                            |
|                                       | 616,200   | Asm Pacific Technology                                     | 4,870          | 0.66                       |                                  |            | <b>Fixed Line Telecommunications 0.82% (1.26%)</b>           |               |                            |
|                                       |           | <b>Total Cayman Islands</b>                                | <b>170,089</b> | <b>23.07</b>               |                                  | 40,412,100 | Telekomunikasi Indonesia                                     | 6,025         | 0.82                       |
| <b>CHINA 13.38% (12.19%)</b>          |           |  |                |                            |                                  |            |  |               |                            |
|                                       |           | <b>Construction &amp; Materials 1.32% (1.47%)</b>          |                |                            |                                  |            |  |               |                            |
|                                       | 1,724,500 | Anhui Conch Cement   | 9,712          | 1.32                       |                                  |            |  |               |                            |
|                                       |           | <b>Industrial Engineering 0.00% (0.71%)</b>                |                |                            |                                  |            |  |               |                            |
|                                       |           | <b>Industrial Transportation 0.56% (0.81%)</b>             |                |                            |                                  |            |  |               |                            |
|                                       | 488,960   | Shanghai International Airport-A                           | 4,107          | 0.56                       |                                  |            |  |               |                            |
|                                       |           | <b>Beverages 1.60% (1.58%)</b>                             |                |                            |                                  |            |  |               |                            |
|                                       | 469,330   | Wuliangye Yibin  | 11,847         | 1.60                       |                                  |            |  |               |                            |
|                                       |           | <b>General Retailers 5.44% (1.34%)</b>                     |                |                            |                                  |            |  |               |                            |
|                                       | 303,880   | JD.com ADR   | 18,485         | 2.51                       |                                  |            |  |               |                            |

## Threadneedle Asia Fund

### Portfolio Statement

(continued)

| Holding                                    | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value | Holding   | Investment                            | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|---|----------------|----------------------------|---|---------------------------------------|---------------|----------------------------|
| <b>INDONESIA 1.34% (2.72%) (continued)</b> |   |                |                            | <b>Technology Hardware &amp; Equipment 9.74% (8.70%)</b>          |                                       |               |                            |
|  | <b>Banks 0.52% (1.46%)</b>  |                |                            | 1,052,000   | MediaTek                              | 16,318        | 2.21                       |
| 21,105,000                                 | Bank Rakyat Indonesia   | 3,822          | 0.52                       | 5,025,408   | Taiwan Semiconductor<br>Manufacturing | 55,530        | 7.53                       |
|  | <b>Total Indonesia</b>  | <b>9,847</b>   | <b>1.34</b>                |   | <b>Total Taiwan</b>                   | <b>98,395</b> | <b>13.34</b>               |
| <b>PHILIPPINES 0.95% (3.54%)</b>           |   |                |                            | <b>DERIVATIVES 0.00% (-0.01%)</b>                                 |                                       |               |                            |
|  | <b>Banks 0.35% (0.91%)</b>  |                |                            | <b>Forward Foreign Exchange Contracts 0.00% (-0.01%)</b>          |                                       |               |                            |
| 4,743,483                                  | Metropolitan Bank & Trust   | 2,572          | 0.35                       | Sell USD 87,000   |                                       |               |                            |
|  | <b>Real Estate Investment &amp; Services 0.60% (1.07%)</b>          |                |                            | Buy GBP 65,520 Bank of Scotland                                   |                                       |               |                            |
| 9,527,860                                  | Ayala Land  | 4,452          | 0.60                       | <b>Total Derivatives</b>  |                                       |               |                            |
|  | <b>Total Philippines</b>  | <b>7,024</b>   | <b>0.95</b>                | <b>(1)</b>  |                                       |               |                            |
| <b>REPUBLIC OF IRELAND 0.22% (1.77%)</b>   |   |                |                            | <b>Total value of investments<sup>2</sup></b>                     |                                       |               |                            |
|  | <b>Liquidity Funds 0.22% (1.77%)<sup>1</sup></b>                    |                |                            | <b>733,872</b>  |                                       |               |                            |
| 2,115,288                                  | BlackRock Institutional Cash Series<br>US Dollar Liquidity Platinum | 1,609          | 0.22                       | <b>Net other assets (0.99%)</b>                                   |                                       |               |                            |
|  | <b>Total Republic of Ireland</b>                                    | <b>1,609</b>   | <b>0.22</b>                | <b>3,614</b>  |                                       |               |                            |
| <b>SINGAPORE 1.79% (2.84%)</b>             |   |                |                            | <b>Net assets</b>   |                                       |               |                            |
|  | <b>Banks 0.71% (1.28%)</b>  |                |                            | <b>737,486</b>  |                                       |               |                            |
| 478,900                                    | United Overseas Bank  | 5,203          | 0.71                       | <b>100.00</b>   |                                       |               |                            |
|  | <b>Real Estate Investment &amp; Services 0.00% (1.56%)</b>          |                |                            | <i>March 2020 comparatives in brackets.</i>                       |                                       |               |                            |
|  | <b>Real Estate Investment Trusts 1.08% (0.00%)</b>                  |                |                            | <i><sup>1</sup>Cash equivalents.</i>                              |                                       |               |                            |
| 7,246,400                                  | CapitaMall Trust (REIT)   | 7,982          | 1.08                       | <i><sup>2</sup>Includes Cash equivalents.</i>                     |                                       |               |                            |
|  | <b>Total Singapore</b>  | <b>13,185</b>  | <b>1.79</b>                | <b>Total Purchases and Sales</b>                                  |                                       |               |                            |
| <b>SOUTH KOREA 13.74% (12.96%)</b>         |   |                |                            | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |                                       |               |                            |
|  | <b>Electronic &amp; Electrical Equipment 2.88% (3.37%)</b>          |                |                            | <b>2020</b>   |                                       |               |                            |
| 130,041                                    | Samsung Elec Mech Krw5000   | 11,442         | 1.55                       | <b>£000</b>   |                                       |               |                            |
| 35,708                                     | Samsung SDI   | 9,826          | 1.33                       | <b>2019</b>   |                                       |               |                            |
|  | <b>Automobiles &amp; Parts 2.81% (0.00%)</b>                        |                |                            | <b>£000</b>   |                                       |               |                            |
| 970,247                                    | Hanon Systems   | 7,854          | 1.07                       | Total purchases for the period                                    |                                       |               |                            |
| 473,544                                    | Kia Motors  | 12,803         | 1.74                       | Total sales for the period  |                                       |               |                            |
|  | <b>Beverages 0.43% (0.00%)</b>                                      |                |                            | 193,971   |                                       |               |                            |
| 136,192                                    | HiteJinro   | 3,199          | 0.43                       | 194,659   |                                       |               |                            |
|  | <b>Banks 0.00% (0.78%)</b>  |                |                            | 169,479   |                                       |               |                            |
|  | <b>Software &amp; Computer Services 1.37% (0.95%)</b>               |                |                            | 114,113   |                                       |               |                            |
| 40,417                                     | Kakao   | 10,139         | 1.37                       |   |                                       |               |                            |
|  | <b>Technology Hardware &amp; Equipment 6.25% (7.86%)</b>            |                |                            |   |                                       |               |                            |
| 1,112,936                                  | Samsung Electronics   | 40,168         | 5.45                       |   |                                       |               |                            |
| 117,350                                    | SK Hynix  | 5,880          | 0.80                       |   |                                       |               |                            |
|  | <b>Total South Korea</b>  | <b>101,311</b> | <b>13.74</b>               |   |                                       |               |                            |
| <b>TAIWAN 13.34% (13.13%)</b>              |   |                |                            |   |                                       |               |                            |
|  | <b>Electronic &amp; Electrical Equipment 2.60% (2.02%)</b>          |                |                            |   |                                       |               |                            |
| 1,733,000                                  | Chroma Ate  | 6,833          | 0.93                       |   |                                       |               |                            |
| 1,020,000                                  | Delta Electronic  | 4,802          | 0.65                       |   |                                       |               |                            |
| 3,767,000                                  | Hon Hai Precision Industry  | 7,553          | 1.02                       |   |                                       |               |                            |
|  | <b>Leisure Goods 0.00% (0.91%)</b>                                  |                |                            |   |                                       |               |                            |
|  | <b>Banks 1.00% (1.50%)</b>  |                |                            |   |                                       |               |                            |
| 10,645,559                                 | E.Sun Financial   | 7,359          | 1.00                       |   |                                       |               |                            |

## Threadneedle Latin America Fund

### Portfolio Statement

as at 7 September 2020

| Holding                       | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding   | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|-------------------------------|--|---------------|----------------------------|---|--|----------------|----------------------------|
| <b>BERMUDA 2.31% (2.82%)</b>  |  |               |                            | <b>Nonequity Investment Instruments 2.46% (0.00%)</b> |  |                |                            |
|                               | <b>Banks 2.31% (2.82%)</b>                                 |               |                            | 598,453   | Banco BTG Pactual  | 6,825          | 2.46                       |
| 63,464                        | Credicorp  | 6,389         | 2.31                       |   |  |                |                            |
|                               | <b>Total Bermuda</b>                                       | <b>6,389</b>  | <b>2.31</b>                |   |  |                |                            |
| <b>BRAZIL 65.94% (59.39%)</b> |  |               |                            | <b>Software &amp; Computer Services 3.97% (1.82%)</b> |  |                |                            |
|                               | <b>Oil &amp; Gas Producers 6.54% (7.39%)</b>               |               |                            | 652,374   | Locaweb Serviços de Internet                               | 5,863          | 2.12                       |
| 2,523,446                     | Petrol Brasileiros Preference share                        | 8,296         | 3.00                       | 1,295,064   | Totvs  | 5,129          | 1.85                       |
| 2,934,563                     | Petroleo Brasileiro  | 9,812         | 3.54                       |   | <b>Total Brazil</b>  | <b>182,596</b> | <b>65.94</b>               |
|                               | <b>Forestry &amp; Paper 2.47% (0.89%)</b>                  |               |                            | <b>BRITISH VIRGIN ISLANDS 0.76% (0.77%)</b>           |  |                |                            |
| 1,001,477                     | Suzano Papel e Celulose                                    | 6,829         | 2.47                       |   | <b>Travel &amp; Leisure 0.76% (0.77%)</b>                  |                |                            |
|                               | <b>Industrial Metals &amp; Mining 4.53% (4.10%)</b>        |               |                            | 315,903   | Despegar.Com   | 2,090          | 0.76                       |
| 1,448,232                     | Vale   | 12,547        | 4.53                       |   | <b>Total British Virgin Islands</b>                        | <b>2,090</b>   | <b>0.76</b>                |
|                               | <b>Industrial Transportation 3.15% (2.30%)</b>             |               |                            | <b>CANADA 0.80% (0.56%)</b>                           |  |                |                            |
| 2,725,139                     | Rumo   | 8,729         | 3.15                       |   | <b>Oil &amp; Gas Producers 0.80% (0.56%)</b>               |                |                            |
|                               | <b>Support Services 1.94% (1.12%)</b>                      |               |                            | 218,911   | Parex Resources  | 2,210          | 0.80                       |
| 141,282                       | StoneCo  | 5,371         | 1.94                       |   | <b>Total Canada</b>  | <b>2,210</b>   | <b>0.80</b>                |
|                               | <b>Personal Goods 1.58% (3.74%)</b>                        |               |                            | <b>CAYMAN ISLANDS 2.77% (1.33%)</b>                   |  |                |                            |
| 516,821                       | Arezzo Industria E Comercio                                | 4,361         | 1.58                       |   | <b>Support Services 1.88% (1.33%)</b>                      |                |                            |
|                               | <b>Health Care Equipment &amp; Services 7.00% (3.94%)</b>  |               |                            | 175,182   | PagSeguro Digital  | 5,212          | 1.88                       |
| 314,700                       | Afiya Class A  | 5,947         | 2.15                       |   | <b>General Retailers 0.89% (0.00%)</b>                     |                |                            |
| 593,607                       | Hapvida Participacoes E Investimentos                      | 5,655         | 2.04                       | 210,707   | Vasta Platform   | 2,468          | 0.89                       |
| 728,153                       | Notredame Intermedica                                      | 7,790         | 2.81                       |   | <b>Total Cayman Islands</b>                                | <b>7,680</b>   | <b>2.77</b>                |
|                               | <b>Food &amp; Drug Retailers 0.76% (0.97%)</b>             |               |                            | <b>CHILE 1.64% (2.83%)</b>                            |  |                |                            |
| 558,732                       | Dimed S.A. Distribuidora de Medicamentos                   | 2,116         | 0.76                       |   | <b>Beverages 1.14% (1.17%)</b>                             |                |                            |
|                               | <b>General Retailers 13.25% (10.85%)</b>                   |               |                            | 1,773,074   | Embotelladora Andina                                       | 3,145          | 1.14                       |
| 210,954                       | Arco Platform 'A' Shares                                   | 7,723         | 2.79                       |   | <b>Real Estate Investment &amp; Services 0.50% (1.66%)</b> |                |                            |
| 154,724                       | B2W Digital  | 2,269         | 0.82                       | 1,164,064   | Parque Arauco  | 1,382          | 0.50                       |
| 10,256                        | B2W Digital Rights   | 144           | 0.05                       |   | <b>Total Chile</b>   | <b>4,527</b>   | <b>1.64</b>                |
| 771,842                       | Localiza Rent a Car  | 5,615         | 2.03                       | <b>COLOMBIA 2.51% (1.21%)</b>                         |  |                |                            |
| 1,337,264                     | Lojas Renner   | 8,878         | 3.21                       |   | <b>Banks 2.51% (1.21%)</b>                                 |                |                            |
| 945,645                       | Magazine Luiza   | 12,041        | 4.35                       | 305,715   | Bancolombia ADR  | 6,951          | 2.51                       |
|                               | <b>Travel &amp; Leisure 1.38% (1.12%)</b>                  |               |                            |   | <b>Total Colombia</b>                                      | <b>6,951</b>   | <b>2.51</b>                |
| 699,853                       | Azul   | 2,469         | 0.89                       | <b>ISRAEL 0.61% (0.83%)</b>                           |  |                |                            |
| 828,106                       | BK Brasil Operacao e Assessoria                            | 1,343         | 0.49                       |   | <b>Technology Hardware &amp; Equipment 0.61% (0.83%)</b>   |                |                            |
|                               | <b>Mobile Telecommunications 2.46% (1.64%)</b>             |               |                            | 164,533   | Ituran Location and Control                                | 1,689          | 0.61                       |
| 1,328,657                     | Linx   | 6,823         | 2.46                       |   | <b>Total Israel</b>  | <b>1,689</b>   | <b>0.61</b>                |
|                               | <b>Banks 0.71% (7.06%)</b>                                 |               |                            | <b>LUXEMBOURG 3.81% (3.16%)</b>                       |  |                |                            |
| 627,507                       | Banco Bradesco   | 1,978         | 0.71                       |   | <b>Industrial Metals &amp; Mining 0.57% (0.66%)</b>        |                |                            |
|                               | <b>Nonlife Insurance 1.66% (2.45%)</b>                     |               |                            | 113,051   | Ternium S.A. Sponsored                                     | 1,584          | 0.57                       |
| 725,707                       | Sul America  | 4,588         | 1.66                       |   | <b>Software &amp; Computer Services 3.24% (2.50%)</b>      |                |                            |
|                               | <b>Real Estate Investment &amp; Services 1.47% (0.00%)</b> |               |                            | 69,444  | Globant  | 8,974          | 3.24                       |
| 1,193,258                     | Cyrela Brazil Realty                                       | 4,082         | 1.47                       |   | <b>Total Luxembourg</b>                                    | <b>10,558</b>  | <b>3.81</b>                |
|                               | <b>Financial Services 10.61% (10.00%)</b>                  |               |                            | <b>MEXICO 15.60% (17.68%)</b>                         |  |                |                            |
| 280,187                       | B3 SA Brasil Bolsa Balcao                                  | 2,343         | 0.85                       |   | <b>Industrial Metals &amp; Mining 2.71% (2.21%)</b>        |                |                            |
| 1,701,896                     | Bradespar  | 10,805        | 3.90                       | 3,599,861   | Grupo Mexico   | 7,515          | 2.71                       |
| 8,576,773                     | Itausa - Investimentos Itau                                | 12,020        | 4.34                       |   | <b>Beverages 3.41% (4.70%)</b>                             |                |                            |
| 118,565                       | XP Inc - Class A   | 4,205         | 1.52                       | 218,248   | Fomento Economico Mexicano ADR                             | 9,444          | 3.41                       |

## Threadneedle Latin America Fund

### Portfolio Statement

(continued)

| Holding   | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |
|---|---|----------------|----------------------------|
| <b>MEXICO 15.60% (17.68%) (continued)</b>               |   |                |                            |
| <b>General Retailers 4.18% (3.82%)</b>                  |   |                |                            |
| 6,361,873   | Wal-Mart de Mexico  | 11,588         | 4.18                       |
| <b>Travel &amp; Leisure 0.00% (0.72%)</b>               |   |                |                            |
| <b>Mobile Telecommunications 2.45% (2.39%)</b>          |   |                |                            |
| 731,230   | America Movil ADR   | 6,773          | 2.45                       |
| <b>Banks 1.42% (3.84%)</b>                              |   |                |                            |
| 1,501,581   | Grupo Financiero Banorte  | 3,937          | 1.42                       |
| <b>Real Estate Investment Trusts 1.43% (0.00%)</b>      |   |                |                            |
| 4,098,411   | PLA Administradora Industrial                                       | 3,949          | 1.43                       |
|   | <b>Total Mexico</b>   | <b>43,206</b>  | <b>15.60</b>               |
| <b>PANAMA 0.00% (0.49%)</b>                             |   |                |                            |
| <b>Travel &amp; Leisure 0.00% (0.49%)</b>               |   |                |                            |
|   | <b>Total Panama</b>   | <b>-</b>       | <b>-</b>                   |
| <b>REPUBLIC OF IRELAND 0.58% (6.05%)</b>                |   |                |                            |
| <b>Liquidity Funds 0.58% (6.05%)<sup>1</sup></b>        |   |                |                            |
| 2,128,331   | BlackRock Institutional Cash Series<br>US Dollar Liquidity Platinum | 1,619          | 0.58                       |
|   | <b>Total Republic of Ireland</b>                                    | <b>1,619</b>   | <b>0.58</b>                |
| <b>UNITED STATES OF AMERICA 1.79% (1.48%)</b>           |   |                |                            |
| <b>General Retailers 1.79% (1.48%)</b>                  |   |                |                            |
| 6,024   | Mercadolibre  | 4,957          | 1.79                       |
|   | <b>Total United States of America</b>                               | <b>4,957</b>   | <b>1.79</b>                |
| <b>DERIVATIVES 0.00% (0.00%)</b>                        |   |                |                            |
| <b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b> |   |                |                            |
|   | Sell USD 94,000   |                |                            |
|   | Buy GBP 70,791 Bank of Scotland                                     | (1)            | -                          |
|   | Sell USD 111,000  |                |                            |
|   | Buy GBP 83,201 Bank of Scotland                                     | (1)            | -                          |
|   | <b>Total Derivatives</b>  | <b>(2)</b>     | <b>-</b>                   |
|   | <b>Total value of investments<sup>2</sup></b>                       | <b>274,470</b> | <b>99.12</b>               |
|   | <b>Net other assets (1.40%)</b>                                     | <b>2,429</b>   | <b>0.88</b>                |
|   | <b>Net assets</b>   | <b>276,899</b> | <b>100.00</b>              |

March 2020 comparatives in brackets.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Includes Cash equivalents.

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 108,536      | 176,721      |
| Total sales for the period     | 111,528      | 204,726      |

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

as at 7 September 2020

|   | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |                                     | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|-----------|---|---------------|----------------------------|-------------------------------------|-----------|---|---------------|----------------------------|
| <b>ANGOLA 1.51% (1.69%)</b>                 |           |   |               |                            | <b>CANADA 0.64% (0.00%)</b>         |           |   |               |                            |
|   |           | <b>B- 0.00% (0.79%)</b>   |               |                            |                                     |           | <b>BBB 0.64% (0.00%)</b>                                      |               |                            |
|   |           | <b>B3 0.00% (0.90%)</b>   |               |                            | USD                                 | 1,421,000 | Meglobal Canada 5% 18/05/2025                                 | 1,179         | 0.64                       |
|   |           | <b>CCC+ 0.63% (0.00%)</b>   |               |                            |                                     |           | <b>Total Canada</b>   | <b>1,179</b>  | <b>0.64</b>                |
| USD   | 1,803,000 | Republic of Angola 8% 26/11/2029  | 1,158         | 0.63                       | <b>CAYMAN ISLANDS 2.41% (2.28%)</b> |           |   |               |                            |
|   |           | <b>Caa1 0.88% (0.00%)</b>   |               |                            |                                     |           | <b>A1 0.42% (0.00%)</b>                                       |               |                            |
| USD   | 2,500,000 | Republic of Angola 9.375% 08/05/2048                                      | 1,607         | 0.88                       | USD                                 | 950,000   | KSA Sukuk 2.969% 29/10/2029                                   | 769           | 0.42                       |
|   |           | <b>Total Angola</b>   | <b>2,765</b>  | <b>1.51</b>                |                                     |           | <b>A 0.87% (0.90%)</b>  |               |                            |
| <b>ARGENTINA 1.47% (1.04%)</b>              |           |   |               |                            | USD                                 | 2,000,000 | QNB Finance 2.75% 12/02/2027                                  | 1,608         | 0.87                       |
|   |           | <b>CCC- 0.00% (1.04%)</b>   |               |                            |                                     |           | <b>BBB- 0.44% (0.74%)</b>                                     |               |                            |
|   |           | <b>Ca 1.47% (0.00%)</b>   |               |                            | USD                                 | 1,000,000 | Vale Overseas 3.75% 08/07/2030                                | 802           | 0.44                       |
| USD   | 1,050,000 | Republic of Argentina 7.125%<br>06/07/2036 (Defaulted)                    | 378           | 0.20                       |                                     |           | <b>Baa3 0.56% (0.00%)</b>                                     |               |                            |
| USD   | 3,200,000 | Republic of Argentina 7.5% 22/04/2026                                     | 1,112         | 0.61                       | USD                                 | 1,200,000 | DP World Crescent 4.848% 26/09/2028                           | 1,031         | 0.56                       |
| USD   | 1,093,000 | Republic of Argentina International<br>Bond 5.875% 11/01/2028 (Defaulted) | 379           | 0.21                       |                                     |           | <b>Ba2 0.12% (0.32%)</b>                                      |               |                            |
| USD   | 2,465,000 | Republic of Argentina International<br>Bond 6.875% 11/01/2048 (Defaulted) | 831           | 0.45                       | USD                                 | 270,000   | Energuate Trust 5.875% 03/05/2027                             | 214           | 0.12                       |
|   |           | <b>Total Argentina</b>  | <b>2,700</b>  | <b>1.47</b>                |                                     |           | <b>Not Rated 0.00% (0.32%)</b>                                |               |                            |
| <b>BAHRAIN 0.00% (0.79%)</b>                |           |   |               |                            |                                     |           | <b>Total Cayman Islands</b>                                   | <b>4,424</b>  | <b>2.41</b>                |
|   |           | <b>B+ 0.00% (0.79%)</b>   |               |                            | <b>CHILE 0.85% (1.23%)</b>          |           |   |               |                            |
|   |           | <b>Total Bahrain</b>  | <b>-</b>      | <b>-</b>                   |                                     |           | <b>A+ 0.54% (1.23%)</b>                                       |               |                            |
| <b>BELARUS 0.36% (0.43%)</b>                |           |   |               |                            | USD                                 | 1,100,000 | Chile Government International Bond<br>3.5% 25/01/2050        | 996           | 0.54                       |
|   |           | <b>B 0.36% (0.43%)</b>  |               |                            |                                     |           | <b>A 0.31% (0.00%)</b>  |               |                            |
| USD   | 920,000   | Republic of Belarus 6.2% 28/02/2030                                       | 661           | 0.36                       | USD                                 | 710,000   | Codelco 3% 30/09/2029   | 570           | 0.31                       |
|   |           | <b>Total Belarus</b>  | <b>661</b>    | <b>0.36</b>                |                                     |           | <b>Total Chile</b>  | <b>1,566</b>  | <b>0.85</b>                |
| <b>BRAZIL 2.78% (3.77%)</b>                 |           |   |               |                            | <b>CHINA 0.26% (0.28%)</b>          |           |   |               |                            |
|   |           | <b>BB- 2.78% (3.77%)</b>  |               |                            |                                     |           | <b>Not Rated 0.26% (0.28%)</b>                                |               |                            |
| USD   | 1,950,000 | Brazil Government International Bond<br>3.875% 12/06/2030                 | 1,523         | 0.83                       | USD                                 | 606,000   | China Government International Bond<br>1.95% 03/12/2024       | 484           | 0.26                       |
| USD   | 4,100,000 | Brazil Government International Bond<br>5% 27/01/2045                     | 3,272         | 1.79                       |                                     |           | <b>Total China</b>  | <b>484</b>    | <b>0.26</b>                |
| USD   | 350,000   | Brazil Government International Bond<br>5.625% 21/02/2047                 | 301           | 0.16                       | <b>COLOMBIA 2.59% (2.22%)</b>       |           |   |               |                            |
|   |           | <b>Total Brazil</b>   | <b>5,096</b>  | <b>2.78</b>                |                                     |           | <b>BBB- 2.59% (2.22%)</b>                                     |               |                            |
| <b>BRITISH VIRGIN ISLANDS 3.94% (5.11%)</b> |           |   |               |                            | USD                                 | 5,350,000 | Colombia Government International<br>Bond 3% 30/01/2030       | 4,201         | 2.29                       |
|   |           | <b>A+ 1.47% (4.51%)</b>   |               |                            | USD                                 | 650,000   | Colombia Government International<br>Bond 3.875% 25/04/2027   | 540           | 0.30                       |
| USD   | 800,000   | Sinopec Group Overseas<br>Development (2018) 4.125% 12/09/2025            | 689           | 0.38                       |                                     |           | <b>Total Colombia</b>   | <b>4,741</b>  | <b>2.59</b>                |
| USD   | 750,000   | Sinopec Group Overseas<br>Development 2018 2.95% 12/11/2029               | 611           | 0.33                       | <b>COSTA RICA 0.39% (0.00%)</b>     |           |   |               |                            |
| USD   | 800,000   | Sinopec Group Overseas<br>Development 3.25% 13/09/2027                    | 665           | 0.36                       |                                     |           | <b>B 0.39% (0.00%)</b>  |               |                            |
| USD   | 1,000,000 | State Grid Overseas 1.625%<br>05/08/2030                                  | 737           | 0.40                       | USD                                 | 1,000,000 | Costa Rica Government International<br>Bond 6.125% 19/02/2031 | 718           | 0.39                       |
|   |           | <b>BB+ 0.58% (0.60%)</b>  |               |                            |                                     |           | <b>Total Costa Rica</b>                                       | <b>718</b>    | <b>0.39</b>                |
| USD   | 1,150,000 | Gold Fields Orogen Holdings 6.125%<br>15/05/2029                          | 1,058         | 0.58                       | <b>CROATIA 0.23% (1.30%)</b>        |           |   |               |                            |
|   |           | <b>Not Rated 1.89% (0.00%)</b>  |               |                            |                                     |           | <b>BBB- 0.23% (1.30%)</b>                                     |               |                            |
| USD   | 4,539,000 | JGSH Philippines 4.125% 09/07/2030  | 3,466         | 1.89                       | USD                                 | 480,000   | Croatia Government International<br>Bond 6% 26/01/2024        | 423           | 0.23                       |
|   |           | <b>Total British Virgin Islands</b>                                       | <b>7,226</b>  | <b>3.94</b>                |                                     |           | <b>Total Croatia</b>  | <b>423</b>    | <b>0.23</b>                |

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

|   | Value      | % of  |               | Value       | % of      |
|---|------------|---|---------------|-------------|-----------|
| Holding                                 | Investment | £000  | Net Asset     | Investment  | Net Asset |
|   |            |   | Value         |             | Value     |
| <b>DOMINICAN REPUBLIC 4.05% (4.46%)</b> |            |   |               |             |           |
| <b>BB- 3.33% (3.53%)</b>                |            |   |               |             |           |
| USD                                     | 2,470,000  | Dominican Republic International Bond 4.5% 30/01/2030       | 1,891         | 1.03        |           |
| USD                                     | 1,980,000  | Dominican Republic International Bond 5.5% 27/01/2025       | 1,607         | 0.88        |           |
| USD                                     | 868,000    | Dominican Republic International Bond 6.4% 05/06/2049       | 687           | 0.37        |           |
| USD                                     | 1,145,000  | Dominican Republic International Bond 7.45% 30/04/2044      | 1,005         | 0.55        |           |
| DOP                                     | 69,600,000 | Dominican Republic International Bond 9.75% 05/06/2026      | 919           | 0.50        |           |
| <b>Not Rated 0.72% (0.93%)</b>          |            |   |               |             |           |
| DOP                                     | 93,000,000 | Dominican Republic International Bond 11.25% 05/02/2027     | 1,326         | 0.72        |           |
| <b>Total Dominican Republic</b>         |            |   | <b>7,435</b>  | <b>4.05</b> |           |
| <b>ECUADOR 0.94% (0.54%)</b>            |            |   |               |             |           |
| <b>B- 0.94% (0.54%)</b>                 |            |   |               |             |           |
| USD                                     | 199,953    | Republic of Ecuador 0% 31/07/2030                           | 74            | 0.04        |           |
| USD                                     | 714,609    | *Republic of Ecuador 0.5% 31/07/2030                        | 399           | 0.22        |           |
| USD                                     | 1,872,728  | *Republic of Ecuador 0.5% 31/07/2035                        | 886           | 0.48        |           |
| USD                                     | 858,287    | *Republic of Ecuador 0.5% 31/07/2040                        | 367           | 0.20        |           |
| <b>Total Ecuador</b>                    |            |   | <b>1,726</b>  | <b>0.94</b> |           |
| <b>EGYPT 4.18% (3.77%)</b>              |            |   |               |             |           |
| <b>B 2.91% (2.57%)</b>                  |            |   |               |             |           |
| EUR                                     | 880,000    | Arab Republic of Egypt 5.625% 16/04/2030                    | 745           | 0.41        |           |
| EUR                                     | 1,000,000  | Arab Republic of Egypt 6.375% 11/04/2031                    | 875           | 0.48        |           |
| USD                                     | 600,000    | Arab Republic of Egypt 7.0529% 15/01/2032                   | 462           | 0.25        |           |
| USD                                     | 1,600,000  | Arab Republic of Egypt 7.625% 29/05/2032                    | 1,268         | 0.69        |           |
| USD                                     | 1,294,000  | Arab Republic of Egypt 7.903% 21/02/2048                    | 969           | 0.53        |           |
| USD                                     | 1,250,000  | Arab Republic of Egypt 8.875% 29/05/2050                    | 1,005         | 0.55        |           |
| <b>B2 0.25% (0.18%)</b>                 |            |   |               |             |           |
| USD                                     | 575,000    | Arab Republic of Egypt 8.5% 31/01/2047                      | 456           | 0.25        |           |
| <b>Not Rated 1.02% (1.02%)</b>          |            |   |               |             |           |
| EGP                                     | 41,000,000 | Egypt Treasury Bill 0% 16/02/2021                           | 1,864         | 1.02        |           |
| <b>Total Egypt</b>                      |            |   | <b>7,644</b>  | <b>4.18</b> |           |
| <b>EL SALVADOR 1.11% (0.94%)</b>        |            |   |               |             |           |
| <b>B- 1.11% (0.94%)</b>                 |            |   |               |             |           |
| USD                                     | 400,000    | El Salvador Government International Bond 5.88% 30/01/2025  | 288           | 0.16        |           |
| USD                                     | 1,705,000  | El Salvador Government International Bond 6.375% 18/01/2027 | 1,225         | 0.67        |           |
| USD                                     | 645,000    | El Salvador Government International Bond 9.5% 15/07/2052   | 520           | 0.28        |           |
| <b>Total El Salvador</b>                |            |   | <b>2,033</b>  | <b>1.11</b> |           |
| <b>GHANA 1.49% (0.57%)</b>              |            |   |               |             |           |
| <b>B 1.49% (0.57%)</b>                  |            |   |               |             |           |
| USD                                     | 1,500,000  | Republic of Ghana 6.375% 11/02/2027                         | 1,088         | 0.59        |           |
| USD                                     | 1,050,000  | Republic of Ghana 7.875% 11/02/2035                         | 739           | 0.40        |           |
| USD                                     | 1,200,000  | Republic of Ghana 7.875% 26/03/2027                         | 916           | 0.50        |           |
| <b>Total Ghana</b>                      |            |   | <b>2,743</b>  | <b>1.49</b> |           |
| <b>GUATEMALA 0.51% (0.54%)</b>          |            |   |               |             |           |
| <b>Ba1 0.00% (0.54%)</b>                |            |   |               |             |           |
| <b>BB- 0.51% (0.00%)</b>                |            |   |               |             |           |
| USD                                     | 1,000,000  | Guatemala Government Bond 6.125% 01/06/2050                 | 942           | 0.51        |           |
| <b>Total Guatemala</b>                  |            |   | <b>942</b>    | <b>0.51</b> |           |
| <b>HONDURAS 0.00% (0.76%)</b>           |            |   |               |             |           |
| <b>BB- 0.00% (0.76%)</b>                |            |   |               |             |           |
| <b>Total Honduras</b>                   |            |   | <b>-</b>      | <b>-</b>    |           |
| <b>HONG KONG 0.87% (0.00%)</b>          |            |   |               |             |           |
| <b>Not Rated 0.87% (0.00%)</b>          |            |   |               |             |           |
| USD                                     | 1,950,000  | Lenovo Group 5.875% 24/04/2025                              | 1,598         | 0.87        |           |
| <b>Total Hong Kong</b>                  |            |   | <b>1,598</b>  | <b>0.87</b> |           |
| <b>INDIA 0.87% (0.90%)</b>              |            |   |               |             |           |
| <b>BBB- 0.87% (0.90%)</b>               |            |   |               |             |           |
| USD                                     | 1,100,000  | Adani Ports and Special Economic Zone 4% 30/07/2027         | 850           | 0.47        |           |
| USD                                     | 950,000    | Export-Import Bank of India 3.25% 15/01/2030                | 738           | 0.40        |           |
| <b>Total India</b>                      |            |   | <b>1,588</b>  | <b>0.87</b> |           |
| <b>INDONESIA 8.54% (8.70%)</b>          |            |   |               |             |           |
| <b>BBB 1.30% (2.78%)</b>                |            |   |               |             |           |
| USD                                     | 2,050,000  | Indonesia Government International Bond 3.7% 30/10/2049     | 1,679         | 0.92        |           |
| USD                                     | 875,000    | Perusahaan Penerbit SBSN Indonesia 2.3% 23/06/2025          | 692           | 0.38        |           |
| <b>Baa2 5.31% (4.64%)</b>               |            |   |               |             |           |
| USD                                     | 3,050,000  | Indonesia Asahan Aluminium 5.45% 15/05/2030                 | 2,728         | 1.49        |           |
| USD                                     | 2,900,000  | Indonesia Asahan Aluminium 6.757% 15/11/2048                | 2,949         | 1.61        |           |
| USD                                     | 3,500,000  | Indonesia Government International Bond 4.75% 18/07/2047    | 3,320         | 1.81        |           |
| USD                                     | 950,000    | PT Pertamina 4.175% 21/01/2050                              | 737           | 0.40        |           |
| <b>BBB- 0.43% (0.00%)</b>               |            |   |               |             |           |
| USD                                     | 900,000    | PT. Pelabuhan Indonesia II 5.375% 05/05/2045                | 790           | 0.43        |           |
| <b>BB 0.00% (1.28%)</b>                 |            |   |               |             |           |
| <b>B+ 1.50% (0.00%)</b>                 |            |   |               |             |           |
| USD                                     | 3,850,000  | Saka Energi Indonesia 4.45% 05/05/2024                      | 2,749         | 1.50        |           |
| <b>Total Indonesia</b>                  |            |   | <b>15,644</b> | <b>8.54</b> |           |
| <b>IVORY COAST 0.98% (1.07%)</b>        |            |   |               |             |           |
| <b>Ba3 0.98% (1.07%)</b>                |            |   |               |             |           |
| EUR                                     | 2,083,000  | Ivory Coast 5.875% 17/10/2031                               | 1,797         | 0.98        |           |
| <b>Total Ivory Coast</b>                |            |   | <b>1,797</b>  | <b>0.98</b> |           |

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

|                                 | Holding    | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |                                  | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------|------------|---|---------------|----------------------------|----------------------------------|-----------|---|---------------|----------------------------|
| <b>KAZAKHSTAN 1.85% (1.84%)</b> |            |   |               |                            | <b>MOROCCO 0.62% (0.67%)</b>     |           |   |               |                            |
|                                 |            | <b>Baa3 0.93% (1.50%)</b>                             |               |                            |                                  |           | <b>BBB- 0.62% (0.67%)</b>                             |               |                            |
| USD                             | 1,830,000  | KazMunayGas 5.375% 24/04/2030                         | 1,705         | 0.93                       | USD                              | 1,150,000 | OCP Group 6.875% 25/04/2044                           | 1,128         | 0.62                       |
|                                 |            | <b>BB 0.92% (0.34%)</b>                               |               |                            |                                  |           | <b>Total Morocco</b>                                  | <b>1,128</b>  | <b>0.62</b>                |
| USD                             | 700,000    | KazMunayGas 4.75% 19/04/2027                          | 608           | 0.33                       |                                  |           |   |               |                            |
| USD                             | 1,100,000  | KazMunayGas 5.75% 19/04/2047                          | 1,071         | 0.59                       | <b>NETHERLANDS 4.18% (4.19%)</b> |           |   |               |                            |
|                                 |            | <b>Total Kazakhstan</b>                               | <b>3,384</b>  | <b>1.85</b>                |                                  |           | <b>Aa2 0.00% (0.85%)</b>                              |               |                            |
| <b>LUXEMBOURG 1.23% (0.43%)</b> |            |   |               |                            |                                  |           | <b>A- 0.59% (0.00%)</b>                               |               |                            |
|                                 |            | <b>Ba2 0.84% (0.43%)</b>                              |               |                            | USD                              | 1,428,000 | SABIC Capital I 2.15% 14/09/2030                      | 1,083         | 0.59                       |
| USD                             | 1,000,000  | Millicom International Cellular 5.125% 15/01/2028     | 794           | 0.43                       |                                  |           | <b>BBB- 1.91% (2.34%)</b>                             |               |                            |
| USD                             | 895,000    | Millicom International Cellular 6.25% 25/03/2029      | 746           | 0.41                       | USD                              | 500,000   | Syngenta Finance 4.441% 24/04/2023                    | 399           | 0.22                       |
|                                 |            | <b>B 0.39% (0.00%)</b>                                |               |                            | USD                              | 2,480,000 | Syngenta Finance 5.182% 24/04/2028                    | 2,075         | 1.13                       |
| USD                             | 900,000    | MHP 6.95% 03/04/2026                                  | 710           | 0.39                       | USD                              | 1,250,000 | Syngenta Finance 5.676% 24/04/2048                    | 1,019         | 0.56                       |
|                                 |            | <b>Total Luxembourg</b>                               | <b>2,250</b>  | <b>1.23</b>                |                                  |           | <b>BB+ 0.82% (0.00%)</b>                              |               |                            |
| <b>MALAYSIA 0.56% (0.00%)</b>   |            |   |               |                            | USD                              | 1,000,000 | Braskem Netherlands Finance 3.5% 10/01/2023           | 767           | 0.42                       |
|                                 |            | <b>A- 0.56% (0.00%)</b>                               |               |                            | USD                              | 800,000   | Braskem Netherlands Finance 4.5% 31/01/2030           | 587           | 0.32                       |
| USD                             | 855,000    | Petronas Capital 3.5% 21/04/2030                      | 737           | 0.40                       | USD                              | 200,000   | Braskem Netherlands Finance 5.875% 31/01/2050         | 145           | 0.08                       |
| USD                             | 345,000    | Petronas Capital 3.5% 21/04/2030 (Frankfurt Exchange) | 298           | 0.16                       |                                  |           | <b>BB- 0.39% (0.00%)</b>                              |               |                            |
|                                 |            | <b>Total Malaysia</b>                                 | <b>1,035</b>  | <b>0.56</b>                | USD                              | 900,000   | Petrobras Global Finance 8.375% 23/05/2021            | 715           | 0.39                       |
| <b>MAURITIUS 0.00% (0.35%)</b>  |            |   |               |                            |                                  |           | <b>Ba3 0.47% (0.51%)</b>                              |               |                            |
|                                 |            | <b>BB 0.00% (0.35%)</b>                               |               |                            | USD                              | 1,117,000 | Mong Duong Finance Holdings 5.125% 07/05/2029         | 868           | 0.47                       |
|                                 |            | <b>Total Mauritius</b>                                | <b>-</b>      | <b>-</b>                   |                                  |           | <b>B 0.00% (0.49%)</b>                                |               |                            |
| <b>MEXICO 9.92% (10.25%)</b>    |            |   |               |                            |                                  |           | <b>Total Netherlands</b>                              | <b>7,658</b>  | <b>4.18</b>                |
|                                 |            | <b>A- 0.00% (1.57%)</b>                               |               |                            | <b>NIGERIA 0.00% (0.47%)</b>     |           |   |               |                            |
|                                 |            | <b>BBB+ 0.79% (8.16%)</b>                             |               |                            |                                  |           | <b>B 0.00% (0.47%)</b>                                |               |                            |
| MXN                             | 35,000,000 | Mexican Bonos 8.5% 31/05/2029                         | 1,455         | 0.79                       |                                  |           | <b>Total Nigeria</b>                                  | <b>-</b>      | <b>-</b>                   |
|                                 |            | <b>BBB 9.13% (0.00%)</b>                              |               |                            | <b>OMAN 0.36% (1.54%)</b>        |           |   |               |                            |
| USD                             | 1,920,000  | Petroleos Mexicanos 4.5% 23/01/2026                   | 1,366         | 0.75                       |                                  |           | <b>BB 0.00% (0.83%)</b>                               |               |                            |
| USD                             | 2,589,000  | Petroleos Mexicanos 5.95% 28/01/2031                  | 1,767         | 0.96                       |                                  |           | <b>Ba2 0.00% (0.71%)</b>                              |               |                            |
| USD                             | 850,000    | Petroleos Mexicanos 6.375% 23/01/2045                 | 526           | 0.29                       |                                  |           | <b>Ba3 0.36% (0.00%)</b>                              |               |                            |
| USD                             | 4,600,000  | Petroleos Mexicanos 6.5% 23/01/2029                   | 3,323         | 1.81                       | USD                              | 950,000   | Oman Government International 6.75% 17/01/2048        | 653           | 0.36                       |
| USD                             | 1,092,000  | Petroleos Mexicanos 6.625% 15/06/2035                 | 735           | 0.40                       |                                  |           | <b>Total Oman</b>                                     | <b>653</b>    | <b>0.36</b>                |
| USD                             | 8,601,000  | Petroleos Mexicanos 6.84% 23/01/2030                  | 6,263         | 3.42                       | <b>PAKISTAN 0.00% (1.05%)</b>    |           |   |               |                            |
| USD                             | 4,037,000  | Petroleos Mexicanos 7.69% 23/01/2050                  | 2,740         | 1.50                       |                                  |           | <b>B- 0.00% (1.05%)</b>                               |               |                            |
|                                 |            | <b>BB 0.00% (0.52%)</b>                               |               |                            |                                  |           | <b>Total Pakistan</b>                                 | <b>-</b>      | <b>-</b>                   |
|                                 |            | <b>Total Mexico</b>                                   | <b>18,175</b> | <b>9.92</b>                | <b>PANAMA 1.03% (0.00%)</b>      |           |   |               |                            |
| <b>MONGOLIA 0.24% (0.45%)</b>   |            |   |               |                            | USD                              | 350,000   | Panama Government International Bond 3.75% 16/03/2025 | 292           | 0.16                       |
|                                 |            | <b>B 0.24% (0.45%)</b>                                |               |                            | USD                              | 1,594,000 | Panama Government International Bond 4.5% 01/04/2056  | 1,586         | 0.87                       |
| USD                             | 550,000    | Mongolia Government Bond 4% 01/05/2023                | 432           | 0.24                       |                                  |           | <b>Total Panama</b>                                   | <b>1,878</b>  | <b>1.03</b>                |
|                                 |            | <b>Total Mongolia</b>                                 | <b>432</b>    | <b>0.24</b>                |                                  |           |   |               |                            |

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

| Holding  |            | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                           |           | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|------------|---|---------------|----------------------------|-----------------------------------|-----------|---|---------------|----------------------------|
| <b>PARAGUAY 0.95% (1.21%)</b>                    |            |   |               |                            | USD                               | 950,000   | Saudi International Bond 3.625%<br>04/03/2028             | 805           | 0.44                       |
| <b>BB 0.95% (1.21%)</b>                          |            |   |               |                            | USD                               | 4,660,000 | Saudi International Bond 3.75%<br>21/01/2055              | 3,927         | 2.14                       |
| USD  | 1,040,000  | Republic of Paraguay 5.6% 13/03/2048                                | 1,022         | 0.56                       | <b>Total Saudi Arabia</b>         |           |   |               |                            |
| USD  | 700,000    | Republic of Paraguay 6.1% 11/08/2044                                | 718           | 0.39                       |                                   |           |   | <b>5,251</b>  | <b>2.86</b>                |
| <b>Total Paraguay</b>                            |            |   |               |                            |                                   |           |   |               |                            |
|  |            |   | <b>1,740</b>  | <b>0.95</b>                |                                   |           |   |               |                            |
| <b>PERU 1.57% (1.84%)</b>                        |            |   |               |                            | <b>SENEGAL 0.00% (0.26%)</b>      |           |   |               |                            |
| <b>BBB+ 1.57% (1.84%)</b>                        |            |   |               |                            | <b>B+ 0.00% (0.26%)</b>           |           |   |               |                            |
| USD  | 3,450,000  | Peruvian Government International<br>Bond 2.844% 20/06/2030         | 2,886         | 1.57                       | <b>Total Senegal</b>              |           |   |               |                            |
| <b>Total Peru</b>                                |            |   |               |                            |                                   |           |   | -             | -                          |
|  |            |   | <b>2,886</b>  | <b>1.57</b>                |                                   |           |   |               |                            |
| <b>PHILIPPINES 0.51% (1.94%)</b>                 |            |   |               |                            | <b>SINGAPORE 0.36% (0.40%)</b>    |           |   |               |                            |
| <b>BBB+ 0.00% (1.80%)</b>                        |            |   |               |                            | <b>B- 0.00% (0.40%)</b>           |           |   |               |                            |
| <b>Not Rated 0.51% (0.14%)</b>                   |            |   |               |                            | <b>D 0.36% (0.00%)</b>            |           |   |               |                            |
| USD  | 1,300,000  | *SMC Global Power Holdings Variable<br>21/07/2168                   | 940           | 0.51                       | USD                               | 1,505,000 | Geo Coal International 8% 04/10/2022                      | 654           | 0.36                       |
| <b>Total Philippines</b>                         |            |   |               |                            | <b>Total Singapore</b>            |           |   |               |                            |
|  |            |   | <b>940</b>    | <b>0.51</b>                |                                   |           |   | <b>654</b>    | <b>0.36</b>                |
| <b>QATAR 5.43% (4.51%)</b>                       |            |   |               |                            | <b>SOUTH AFRICA 1.94% (1.84%)</b> |           |   |               |                            |
| <b>AA- 5.43% (4.51%)</b>                         |            |   |               |                            | <b>BB- 1.16% (0.00%)</b>          |           |   |               |                            |
| USD  | 3,876,000  | Qatar Government International Bond<br>3.75% 16/04/2030             | 3,448         | 1.88                       | USD                               | 1,000,000 | South Africa Government Bond 4.85%<br>30/09/2029          | 751           | 0.41                       |
| USD  | 4,098,000  | Qatar Government International Bond<br>4% 14/03/2029                | 3,673         | 2.00                       | USD                               | 2,000,000 | South Africa Government Bond 5.75%<br>30/09/2049          | 1,377         | 0.75                       |
| USD  | 678,000    | Qatar Government International Bond<br>4.4% 16/04/2050              | 677           | 0.37                       | <b>CCC+ 0.78% (1.84%)</b>         |           |   |               |                            |
| USD  | 2,057,000  | Qatar Government International Bond<br>4.817% 14/03/2049            | 2,161         | 1.18                       | USD                               | 1,930,000 | Eskom Holdings 5.75% 26/01/2021                           | 1,433         | 0.78                       |
| <b>Total Qatar</b>                               |            |   |               |                            | <b>Total South Africa</b>         |           |   |               |                            |
|  |            |   | <b>9,959</b>  | <b>5.43</b>                |                                   |           |   | <b>3,561</b>  | <b>1.94</b>                |
| <b>REPUBLIC OF IRELAND 6.58% (4.75%)</b>         |            |   |               |                            | <b>SRI LANKA 0.41% (0.86%)</b>    |           |   |               |                            |
| <b>Liquidity Funds 6.58% (4.75%)<sup>1</sup></b> |            |   |               |                            | <b>B 0.00% (0.86%)</b>            |           |   |               |                            |
| USD  | 15,857,820 | BlackRock Institutional Cash Series<br>US Dollar Liquidity Platinum | 12,059        | 6.58                       | USD                               | 260,000   | Republic of Sri Lanka 6.75%<br>18/04/2028                 | 162           | 0.09                       |
| <b>Total Republic of Ireland</b>                 |            |   |               |                            | USD                               | 950,000   | Republic of Sri Lanka 7.55%<br>28/03/2030                 | 591           | 0.32                       |
|  |            |   | <b>12,059</b> | <b>6.58</b>                | <b>Total Sri Lanka</b>            |           |   |               |                            |
|  |            |   |               |                            |                                   |           |   | <b>753</b>    | <b>0.41</b>                |
| <b>ROMANIA 0.65% (0.52%)</b>                     |            |   |               |                            | <b>TURKEY 5.38% (3.65%)</b>       |           |   |               |                            |
| <b>BBB- 0.65% (0.52%)</b>                        |            |   |               |                            | <b>B1 5.38% (3.65%)</b>           |           |   |               |                            |
| USD  | 1,500,000  | Romania Government International<br>Bond 4% 14/02/2051              | 1,185         | 0.65                       | USD                               | 700,000   | Turkey Government International<br>Bond 4.25% 14/04/2026  | 486           | 0.26                       |
| <b>Total Romania</b>                             |            |   |               |                            | USD                               | 4,900,000 | Turkey Government International<br>Bond 5.125% 17/02/2028 | 3,438         | 1.88                       |
|  |            |   | <b>1,185</b>  | <b>0.65</b>                | USD                               | 1,850,000 | Turkey Government International<br>Bond 5.75% 22/03/2024  | 1,389         | 0.76                       |
| <b>RUSSIA 3.02% (3.49%)</b>                      |            |   |               |                            | USD                               | 3,360,000 | Turkey Government International<br>Bond 6% 25/03/2027     | 2,487         | 1.36                       |
| <b>BBB 0.00% (0.73%)</b>                         |            |   |               |                            | USD                               | 1,000,000 | Turkey Government International<br>Bond 6% 14/01/2041     | 662           | 0.36                       |
| <b>Not Rated 3.02% (2.76%)</b>                   |            |   |               |                            | USD                               | 1,900,000 | Turkey Government International<br>Bond 6.875% 17/03/2036 | 1,398         | 0.76                       |
| USD  | 3,600,000  | Russian Federal Bond 4.375%<br>21/03/2029                           | 3,138         | 1.71                       | <b>Total Turkey</b>               |           |   |               |                            |
| USD  | 800,000    | Russian Federal Bond 4.75%<br>27/05/2026                            | 698           | 0.38                       |                                   |           |   | <b>9,860</b>  | <b>5.38</b>                |
| USD  | 600,000    | Russian Federal Bond 5.1% 28/03/2035                                | 564           | 0.31                       | <b>UKRAINE 1.61% (2.17%)</b>      |           |   |               |                            |
| USD  | 1,200,000  | Russian Federal Bond 5.1% 28/03/2035<br>(Berlin Exchange)           | 1,128         | 0.62                       | <b>B 1.61% (2.17%)</b>            |           |   |               |                            |
| <b>Total Russia</b>                              |            |   |               |                            | USD                               | 1,311,000 | Ukraine Government 7.253%<br>15/03/2033                   | 993           | 0.54                       |
|  |            |   | <b>5,528</b>  | <b>3.02</b>                | USD                               | 2,430,000 | Ukraine Government 7.75% 01/09/2026                       | 1,958         | 1.07                       |
| <b>SAUDI ARABIA 2.86% (2.64%)</b>                |            |   |               |                            | <b>Total Ukraine</b>              |           |   |               |                            |
| <b>A1 2.86% (2.64%)</b>                          |            |   |               |                            |                                   |           |   | <b>2,951</b>  | <b>1.61</b>                |
| USD  | 550,000    | Kingdom of Saudi Arabia 4%<br>04/10/2047                            | 519           | 0.28                       |                                   |           |   |               |                            |

## Threadneedle Emerging Market Bond Fund

### Portfolio Statement

(continued)

|   | Holding   | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |  | Holding | Investment                  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|-----------|---|---------------|----------------------------|--|---------|-----------------------------|---------------|----------------------------|
| <b>UNITED ARAB EMIRATES 4.16% (2.10%)</b>     |           |   |               |                            |  |         |                             |               |                            |
|   |           | <b>AA 2.80% (2.10%)</b>   |               |                            |  |         | Sell EUR 4,541,089          |               |                            |
| USD   | 5,950,000 | Abu Dhabi Government International<br>3.125% 30/09/2049                 | 4,921         | 2.69                       |  |         | Buy USD 5,202,387 Citigroup | (126)         | (0.07)                     |
| USD   | 223,000   | Abu Dhabi Government International<br>3.875% 16/04/2050                 | 210           | 0.11                       |  |         | Sell EUR 4,541,089          |               |                            |
|   |           | <b>Baa3 1.36% (0.00%)</b>   |               |                            |  |         | Buy USD 5,368,457 Lloyds    | (5)           | –                          |
| USD   | 2,550,000 | DP World 6.85% 02/07/2037   | 2,501         | 1.36                       |  |         | <b>Total Derivatives</b>    | <b>(205)</b>  | <b>(0.11)</b>              |
|   |           | <b>Total United Arab Emirates</b>                                       | <b>7,632</b>  | <b>4.16</b>                |  |         |                             |               |                            |
| <b>UNITED KINGDOM 0.75% (3.38%)</b>           |           |   |               |                            |  |         |                             |               |                            |
|   |           | <b>BBB- 0.00% (2.18%)</b>   |               |                            |  |         |                             |               |                            |
| USD   | 925,000   | <b>B1 0.40% (0.91%)</b><br>Liquid Telecom 8.5% 13/07/2022               | 725           | 0.40                       |  |         |                             |               |                            |
|   |           | <b>B 0.00% (0.20%)</b>  |               |                            |  |         |                             |               |                            |
| USD   | 675,000   | <b>CCC+ 0.15% (0.00%)</b><br>Tullow Oil 7% 01/03/2025                   | 276           | 0.15                       |  |         |                             |               |                            |
|   |           | <b>Not Rated 0.20% (0.09%)</b>  |               |                            |  |         |                             |               |                            |
| USD   | 500,000   | Kondor Finance 7.625% 08/11/2026  | 376           | 0.20                       |  |         |                             |               |                            |
|   |           | <b>Total United Kingdom</b>   | <b>1,377</b>  | <b>0.75</b>                |  |         |                             |               |                            |
| <b>UNITED STATES OF AMERICA 0.73% (0.21%)</b> |           |   |               |                            |  |         |                             |               |                            |
|   |           | <b>BBB- 0.00% (0.21%)</b>   |               |                            |  |         |                             |               |                            |
|   |           | <b>BB+ 0.73% (0.00%)</b>  |               |                            |  |         |                             |               |                            |
| USD   | 1,600,000 | Braskem America 7.125% 22/07/2041                                       | 1,333         | 0.73                       |  |         |                             |               |                            |
|   |           | <b>Total United States of America</b>                                   | <b>1,333</b>  | <b>0.73</b>                |  |         |                             |               |                            |
| <b>VENEZUELA 0.37% (0.93%)</b>                |           |   |               |                            |  |         |                             |               |                            |
|   |           | <b>D 0.27% (0.56%)</b>  |               |                            |  |         |                             |               |                            |
| USD   | 8,677,700 | Venezuela Government International<br>Bond 8.25% 13/10/2024 (Defaulted) | 488           | 0.27                       |  |         |                             |               |                            |
|   |           | <b>BB+ 0.10% (0.00%)</b>  |               |                            |  |         |                             |               |                            |
| USD   | 8,692,931 | Petroleos de Venezuela 6% 15/11/2026<br>(Defaulted)                     | 182           | 0.10                       |  |         |                             |               |                            |
|   |           | <b>Total Venezuela</b>  | <b>670</b>    | <b>0.37</b>                |  |         |                             |               |                            |
| <b>DERIVATIVES -0.11% (0.11%)</b>             |           |   |               |                            |  |         |                             |               |                            |
|   |           | <b>Forward Foreign Exchange Contracts -0.11% (0.11%)</b>                |               |                            |  |         |                             |               |                            |
|   |           | Sell USD 5,361,314  |               |                            |  |         |                             |               |                            |
|   |           | Buy EUR 4,541,089 Lloyds  | 5             | –                          |  |         |                             |               |                            |
|   |           | Sell USD 734,157  |               |                            |  |         |                             |               |                            |
|   |           | Buy EUR 621,066 HSBC  | 1             | –                          |  |         |                             |               |                            |
|   |           | Sell USD 41,000   |               |                            |  |         |                             |               |                            |
|   |           | Buy GBP 30,877 Bank of Scotland <sup>2</sup>                            | –             | –                          |  |         |                             |               |                            |
|   |           | Sell USD 823,000  |               |                            |  |         |                             |               |                            |
|   |           | Buy GBP 616,884 Bank of Scotland  | (9)           | –                          |  |         |                             |               |                            |
|   |           | Sell USD 1,943,643  |               |                            |  |         |                             |               |                            |
|   |           | Buy MXN 42,040,846 Bank of Scotland                                     | (1)           | –                          |  |         |                             |               |                            |
|   |           | Sell MXN 42,040,846   |               |                            |  |         |                             |               |                            |
|   |           | Buy USD 1,849,402 UBS   | (71)          | (0.04)                     |  |         |                             |               |                            |
|   |           | Sell MXN 42,040,846   |               |                            |  |         |                             |               |                            |
|   |           | Buy USD 1,929,846 Bank of Scotland                                      | 1             | –                          |  |         |                             |               |                            |

**Total value of investments<sup>3</sup>**

**Net other assets (-0.44%)**

**Net assets**

**179,860**

**3,434**

**183,294**

**98.13**

**1.87**

**100.00**

March 2020 comparatives in brackets.

\* Variable rate bonds.

<sup>1</sup> Cash equivalents.

<sup>2</sup> Less than £500, rounded to nil.

<sup>3</sup> Includes Cash equivalents.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

|   | Value<br>£000  | % of<br>Investment |
|---|----------------|--------------------|
| Fixed interest                                | 177,473        | 98.67              |
| Floating rate notes                           | 2,592          | 1.44               |
| Derivatives                                   | (205)          | (0.11)             |
| <b>Total value of investments<sup>3</sup></b> | <b>179,860</b> | <b>100.00</b>      |

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 161,704      | 137,209      |
| Total sales for the period     | 152,343      | 141,526      |

## Threadneedle High Yield Bond Fund

### Portfolio Statement

as at 7 September 2020

|                                     | Holding   | Investment                                    | Value<br>€000 | % of<br>Net Asset<br>Value |                           | Holding    | Investment  | Value<br>€000 | % of<br>Net Asset<br>Value |
|-------------------------------------|-----------|---|---------------|----------------------------|---------------------------|------------|---|---------------|----------------------------|
| <b>BELGIUM 0.91% (0.85%)</b>        |           |   |               |                            | <b>BB 1.87% (0.56%)</b>   |            |   |               |                            |
|                                     |           | <b>BB+ 0.29% (0.12%)</b>                      |               |                            | EUR                       | 3,200,000  | Elis 1% 03/04/2025                                    | 2,765         | 0.29                       |
| EUR                                 | 2,000,000 | *Solvay Variable 02/09/2169                   | 1,788         | 0.18                       | EUR                       | 1,300,000  | Elis 1.625% 03/04/2028                                | 1,122         | 0.12                       |
| EUR                                 | 1,100,000 | *Solvay Finance Variable 04/03/2167           | 1,046         | 0.11                       | EUR                       | 4,000,000  | Elis 1.75% 11/04/2024                                 | 3,598         | 0.38                       |
|                                     |           | <b>B+ 0.00% (0.32%)</b>                       |               |                            | EUR                       | 2,953,000  | Faurecia 2.375% 15/06/2027                            | 2,549         | 0.27                       |
|                                     |           | <b>B 0.28% (0.00%)</b>                        |               |                            | EUR                       | 953,000    | Faurecia 2.625% 15/06/2025                            | 855           | 0.09                       |
| EUR                                 | 3,130,000 | The House of Finance 4.375%<br>15/07/2026     | 2,669         | 0.28                       | EUR                       | 1,859,000  | Faurecia 3.125% 15/06/2026                            | 1,692         | 0.18                       |
|                                     |           | <b>Not Rated 0.34% (0.41%)</b>                |               |                            | EUR                       | 2,009,000  | Faurecia 3.75% 15/06/2028                             | 1,840         | 0.19                       |
| EUR                                 | 3,900,000 | *Belfius Bank 4.609% 29/12/2165               | 3,260         | 0.34                       | EUR                       | 2,100,000  | SPIE 2.625% 18/06/2026                                | 1,903         | 0.20                       |
|                                     |           | <b>Total Belgium</b>                          | <b>8,763</b>  | <b>0.91</b>                | EUR                       | 1,600,000  | SPIE 3.125% 22/03/2024                                | 1,482         | 0.15                       |
| <b>CANADA 0.11% (0.52%)</b>         |           |   |               |                            | <b>Ba2 0.34% (0.46%)</b>  |            |   |               |                            |
|                                     |           | <b>B 0.11% (0.52%)</b>                        |               |                            | EUR                       | 1,700,000  | Elis 1.875% 15/02/2023                                | 1,541         | 0.16                       |
| EUR                                 | 695,000   | Bausch Health Companies 4.5%<br>15/05/2023    | 622           | 0.06                       | EUR                       | 1,900,000  | Elis 2.875% 15/02/2026                                | 1,768         | 0.18                       |
| EUR                                 | 500,000   | Cott Finance 5.5% 01/07/2024                  | 460           | 0.05                       |                           |            |   |               |                            |
|                                     |           | <b>Total Canada</b>                           | <b>1,082</b>  | <b>0.11</b>                | <b>BB- 2.20% (1.53%)</b>  |            |   |               |                            |
| <b>CAYMAN ISLANDS 0.25% (0.27%)</b> |           |   |               |                            | EUR                       | 6,800,000  | *Electricite de France 5% Perpetual<br>22/01/2049     | 6,787         | 0.71                       |
|                                     |           | <b>BB 0.25% (0.27%)</b>                       |               |                            | EUR                       | 4,100,000  | *Electricite de France 5.375%<br>Perpetual            | 4,091         | 0.43                       |
| EUR                                 | 300,000   | UPCB Finance IV 4% 15/01/2027                 | 248           | 0.03                       | GBP                       | 3,000,000  | *Electricite de France 5.875%<br>Perpetual 31/12/2049 | 3,252         | 0.34                       |
| EUR                                 | 2,357,000 | UPCB Finance VII 3.625% 15/06/2029            | 2,162         | 0.22                       | EUR                       | 1,400,000  | *Electricite de France Variable<br>03/12/2168         | 1,261         | 0.13                       |
|                                     |           | <b>Total Cayman Islands</b>                   | <b>2,410</b>  | <b>0.25</b>                | EUR                       | 724,000    | Getlink 3.625% 01/10/2023                             | 661           | 0.07                       |
| <b>FINLAND 0.32% (0.19%)</b>        |           |   |               |                            | EUR                       | 3,289,000  | Rexel 2.125% 15/06/2025                               | 2,959         | 0.31                       |
|                                     |           | <b>BB+ 0.32% (0.19%)</b>                      |               |                            | EUR                       | 2,247,000  | Rexel 2.75% 15/06/2026                                | 2,062         | 0.21                       |
| EUR                                 | 1,627,000 | Nokia 2% 11/03/2026                           | 1,534         | 0.16                       |                           |            |   |               |                            |
| EUR                                 | 100,000   | Nokia 2% 11/03/2026 (Frankfurt<br>Exchange)   | 94            | 0.01                       | <b>B+ 0.43% (0.18%)</b>   |            |   |               |                            |
| EUR                                 | 970,000   | Nokia 2.375% 15/05/2025                       | 936           | 0.10                       | EUR                       | 3,057,000  | Louvre Bidco SAS 4.25% 30/09/2024                     | 2,617         | 0.27                       |
| EUR                                 | 485,000   | Nokia 3.125% 15/05/2028                       | 479           | 0.05                       | EUR                       | 1,729,000  | *Louvre Bidco SAS FRN 30/09/2024                      | 1,527         | 0.16                       |
|                                     |           | <b>Total Finland</b>                          | <b>3,043</b>  | <b>0.32</b>                | <b>B 4.19% (3.95%)</b>    |            |   |               |                            |
| <b>FRANCE 12.76% (11.48%)</b>       |           |   |               |                            | EUR                       | 1,159,000  | Altice France 2.5% 15/01/2025                         | 1,020         | 0.11                       |
|                                     |           | <b>BBB- 0.14% (0.72%)</b>                     |               |                            | EUR                       | 3,698,000  | Altice France 3.375% 15/01/2028                       | 3,291         | 0.34                       |
| EUR                                 | 1,416,000 | *Credit Agricole Perpetual 6.5%<br>23/12/2049 | 1,309         | 0.14                       | EUR                       | 6,905,000  | Altice France 5.875% 01/02/2027                       | 6,672         | 0.70                       |
|                                     |           | <b>BB+ 2.31% (3.62%)</b>                      |               |                            | EUR                       | 1,136,000  | Banijay Entertainment 3.5%<br>01/03/2025              | 1,007         | 0.10                       |
| EUR                                 | 890,000   | Crown European Holdings 0.75%<br>15/02/2023   | 787           | 0.08                       | EUR                       | 700,000    | Casino Guichard 2.798% 05/08/2026                     | 477           | 0.05                       |
| EUR                                 | 288,000   | Crown European Holdings 2.25%<br>01/02/2023   | 264           | 0.03                       | EUR                       | 3,300,000  | Casino Guichard 4.498% 07/03/2024                     | 2,402         | 0.25                       |
| EUR                                 | 5,148,000 | Crown European Holdings 2.625%<br>30/09/2024  | 4,821         | 0.50                       | EUR                       | 11,600,000 | Casino Guichard-Perrachon 3.311%<br>25/01/2023        | 9,259         | 0.97                       |
| EUR                                 | 1,735,000 | Crown European Holdings 2.875%<br>01/02/2026  | 1,644         | 0.17                       | EUR                       | 1,000,000  | Casino Guichard-Perrachon 3.58%<br>07/02/2025         | 690           | 0.07                       |
| EUR                                 | 300,000   | Crown European Holdings 3.375%<br>15/05/2025  | 290           | 0.03                       | EUR                       | 1,075,000  | Kapla Holding 3.375% 15/12/2026                       | 920           | 0.10                       |
| EUR                                 | 112,000   | Crown European Holdings 4%<br>15/07/2022      | 105           | 0.01                       | EUR                       | 3,526,000  | La Financiere Atalian 4% 15/05/2024                   | 2,743         | 0.29                       |
| EUR                                 | 1,700,000 | Orano 3.125% 20/03/2023                       | 1,590         | 0.17                       | EUR                       | 2,634,000  | La Financiere Atalian 5.125%<br>15/05/2025            | 2,050         | 0.21                       |
| EUR                                 | 1,300,000 | Orano 3.375% 23/04/2026                       | 1,227         | 0.13                       | EUR                       | 4,328,000  | Loxam SAS 3.25% 14/01/2025                            | 3,769         | 0.39                       |
| EUR                                 | 4,381,000 | *Solvay Finance 5.869% 29/06/2049             | 4,419         | 0.46                       | EUR                       | 1,734,000  | Loxam SAS 3.75% 15/07/2026                            | 1,534         | 0.16                       |
| EUR                                 | 3,254,000 | SPCM 2.875% 15/06/2023                        | 2,916         | 0.30                       | EUR                       | 4,158,000  | Paprec Holding 4% 31/03/2025                          | 3,551         | 0.37                       |
| EUR                                 | 1,100,000 | Valeo 1.5% 18/06/2025                         | 977           | 0.10                       | EUR                       | 915,000    | *Picard Groupe FRN 30/11/2023                         | 815           | 0.08                       |
| EUR                                 | 3,000,000 | Valeo 1.625% 18/03/2026                       | 2,647         | 0.28                       | <b>B- 0.34% (0.13%)</b>   |            |   |               |                            |
| EUR                                 | 500,000   | Valeo 3.25% 22/01/2024                        | 473           | 0.05                       | EUR                       | 604,000    | CMA CGM 6.5% 15/07/2022                               | 539           | 0.06                       |
|                                     |           |   |               |                            | EUR                       | 2,951,000  | Parts Europe 6.5% 16/07/2025                          | 2,703         | 0.28                       |
|                                     |           |   |               |                            | <b>CCC+ 0.48% (0.33%)</b> |            |   |               |                            |
|                                     |           |   |               |                            | EUR                       | 3,708,000  | Banijay Group 6.5% 01/03/2026                         | 3,173         | 0.33                       |
|                                     |           |   |               |                            | EUR                       | 1,035,000  | Loxam SAS 5.75% 15/07/2027                            | 864           | 0.09                       |
|                                     |           |   |               |                            | EUR                       | 675,000    | Newco Sab Midco 5.375% 15/04/2025                     | 613           | 0.06                       |
|                                     |           |   |               |                            | <b>CCC- 0.46% (0.00%)</b> |            |   |               |                            |
|                                     |           |   |               |                            | EUR                       | 647,000    | Europcar Mobility Group 4% 30/04/2026                 | 284           | 0.03                       |

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

|   | Holding   | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |                                  | Holding   | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|-----------|---|----------------|----------------------------|----------------------------------|-----------|--|---------------|----------------------------|
| <b>FRANCE 12.76% (11.48%) (continued)</b> |           |   |                |                            | <b>ISLE OF MAN 0.44% (0.47%)</b> |           |  |               |                            |
| EUR                                       | 1,000,000 | Vallourec 2.25% 30/09/2024                                | 419            | 0.04                       |                                  |           |  |               |                            |
| EUR                                       | 1,765,000 | Vallourec 6.375% 15/10/2023                               | 768            | 0.08                       |                                  |           |  |               |                            |
| EUR                                       | 6,712,000 | Vallourec 6.625% 15/10/2022                               | 2,944          | 0.31                       |                                  |           |  |               |                            |
|   |           | <b>Total France</b>                                       | <b>122,308</b> | <b>12.76</b>               | EUR                              | 2,623,000 | Playtech 3.75% 12/10/2023                          | 2,379         | 0.25                       |
|   |           |   |                |                            | EUR                              | 1,976,000 | Playtech 4.25% 07/03/2026                          | 1,806         | 0.19                       |
|   |           |   |                |                            |                                  |           | <b>Total Isle of Man</b>                           | <b>4,185</b>  | <b>0.44</b>                |
| <b>GERMANY 6.97% (6.57%)</b>              |           |   |                |                            | <b>ITALY 5.81% (5.61%)</b>       |           |  |               |                            |
|   |           | <b>BB+ 1.67% (2.32%)</b>                                  |                |                            |                                  |           | <b>BB 0.00% (0.47%)</b>                            |               |                            |
| EUR                                       | 2,648,000 | ADLER Real Estate 1.5% 06/12/2021                         | 2,373          | 0.25                       |                                  |           |  |               |                            |
| EUR                                       | 2,000,000 | ADLER Real Estate 1.875% 27/04/2023                       | 1,769          | 0.18                       |                                  |           |  |               |                            |
| EUR                                       | 965,000   | ADLER Real Estate 2.125% 06/02/2024                       | 852            | 0.09                       | GBP                              | 1,609,000 | *Enel 6.625% 15/09/2076                            | 1,681         | 0.18                       |
| EUR                                       | 2,800,000 | ADLER Real Estate 3% 27/04/2026                           | 2,514          | 0.26                       | EUR                              | 1,002,000 | *Enel Variable 10/03/2169                          | 903           | 0.09                       |
| EUR                                       | 4,600,000 | Demire Deutsche Mittelstand Real Estate 1.875% 15/10/2024 | 3,878          | 0.41                       |                                  |           |  |               |                            |
| EUR                                       | 2,247,000 | *Lanxess Finance 4.5% 06/12/2076                          | 2,141          | 0.22                       | EUR                              | 4,189,000 | Infrastrutture Wireless Italiane 1.875% 08/07/2026 | 3,843         | 0.40                       |
| EUR                                       | 2,700,000 | ZF North America Capital 2.75% 27/04/2023                 | 2,474          | 0.26                       | EUR                              | 1,106,000 | Leonardo 1.5% 07/06/2024                           | 993           | 0.10                       |
|   |           |   |                |                            | EUR                              | 2,010,000 | Leonardo 2.375% 08/01/2026                         | 1,820         | 0.19                       |
|   |           | <b>BB- 1.83% (1.93%)</b>                                  |                |                            | EUR                              | 1,390,000 | Leonardo 4.875% 24/03/2025                         | 1,409         | 0.15                       |
| EUR                                       | 1,245,000 | IHO Verwaltungen PIK 3.625% 15/05/2025                    | 1,144          | 0.12                       | EUR                              | 483,000   | Telecom Italia 2.375% 12/10/2027                   | 441           | 0.05                       |
| EUR                                       | 1,390,069 | IHO Verwaltungen PIK 3.75% 15/09/2026                     | 1,280          | 0.13                       | EUR                              | 5,450,000 | Telecom Italia 2.5% 19/07/2023                     | 5,055         | 0.53                       |
| EUR                                       | 3,489,000 | Progroup 3% 31/03/2026                                    | 3,140          | 0.33                       | EUR                              | 4,680,000 | Telecom Italia 2.75% 15/04/2025                    | 4,371         | 0.46                       |
| EUR                                       | 2,235,000 | Thyssenkrupp 1.375% 03/03/2022                            | 1,972          | 0.21                       | EUR                              | 1,300,000 | Telecom Italia 2.875% 28/01/2026                   | 1,218         | 0.13                       |
| EUR                                       | 4,692,000 | Thyssenkrupp 1.875% 06/03/2023                            | 4,039          | 0.42                       | EUR                              | 3,270,000 | Telecom Italia 3.625% 25/05/2026                   | 3,198         | 0.33                       |
| EUR                                       | 3,410,000 | Thyssenkrupp 2.75% 08/03/2021                             | 3,062          | 0.32                       | EUR                              | 3,758,000 | Telecom Italia 4.5% 25/01/2021                     | 3,431         | 0.36                       |
| EUR                                       | 3,187,000 | Wepa Hygieneprodukte 2.875% 15/12/2027                    | 2,868          | 0.30                       | EUR                              | 1,100,000 | Telecom Italia 5.25% 17/03/2055                    | 1,163         | 0.12                       |
|   |           |   |                |                            |                                  |           | <b>BB 0.27% (0.47%)</b>                            |               |                            |
|   |           | <b>B+ 0.44% (0.28%)</b>                                   |                |                            | EUR                              | 2,779,000 | LKQ Italia Bondco 3.875% 01/04/2024                | 2,635         | 0.27                       |
| EUR                                       | 4,812,000 | Techem Verwaltungsgesellschaft 2% 15/07/2025              | 4,184          | 0.44                       |                                  |           |  |               |                            |
|   |           |   |                |                            |                                  |           | <b>BB- 1.72% (0.95%)</b>                           |               |                            |
|   |           | <b>B 1.43% (0.92%)</b>                                    |                |                            | EUR                              | 1,438,000 | Atlantia 1.625% 03/02/2025                         | 1,274         | 0.13                       |
| EUR                                       | 4,332,000 | Cheplapharm Arzneimittel 3.5% 11/02/2027                  | 3,857          | 0.40                       | EUR                              | 1,340,000 | Atlantia 1.875% 13/07/2027                         | 1,180         | 0.12                       |
| EUR                                       | 2,800,000 | K+S 3% 20/06/2022   | 2,455          | 0.26                       | EUR                              | 1,515,000 | Autostrade 4.375% 16/09/2025                       | 1,533         | 0.16                       |
| EUR                                       | 319,000   | K+S 4.125% 06/12/2021                                     | 287            | 0.03                       | EUR                              | 1,032,000 | Autostrade per L'Italia 1.125% 04/11/2021          | 923           | 0.10                       |
| EUR                                       | 2,371,000 | Platin 5.375% 15/06/2023                                  | 2,048          | 0.21                       | EUR                              | 3,748,000 | Autostrade per L'Italia 1.625% 12/06/2023          | 3,348         | 0.35                       |
| EUR                                       | 5,472,000 | Vertical Midco 4.375% 15/07/2027                          | 5,053          | 0.53                       | EUR                              | 444,000   | Autostrade per L'Italia 1.75% 26/06/2026           | 395           | 0.04                       |
|   |           |   |                |                            | EUR                              | 4,104,000 | Autostrade per L'Italia 1.875% 04/11/2025          | 3,693         | 0.39                       |
|   |           | <b>B3 0.00% (0.11%)</b>                                   |                |                            | GBP                              | 745,000   | Autostrade per L'Italia 6.25% 09/06/2022           | 790           | 0.08                       |
| EUR                                       | 3,935,000 | Blitz 6% 30/07/2026                                       | 3,680          | 0.38                       | EUR                              | 3,770,000 | Nexi 1.75% 31/10/2024                              | 3,370         | 0.35                       |
| EUR                                       | 1,976,000 | SGL Carbon 4.625% 30/09/2024                              | 1,577          | 0.16                       |                                  |           |  |               |                            |
|   |           |   |                |                            |                                  |           | <b>B 0.29% (0.35%)</b>                             |               |                            |
|   |           | <b>(PIB) - 0.41% (0.00%)</b>                              |                |                            | EUR                              | 3,244,000 | International Design Group 6.5% 15/11/2025         | 2,802         | 0.29                       |
| EUR                                       | 4,043,000 | HT Troplast 9.25% 15/07/2025                              | 3,920          | 0.41                       |                                  |           |  |               |                            |
|   |           |   |                |                            |                                  |           | <b>Caa1 0.44% (0.00%)</b>                          |               |                            |
| EUR                                       | 2,300,000 | Consus Real Estate 9.625% 15/05/2024                      | 2,232          | 0.23                       | EUR                              | 2,337,000 | Banca Monte dei Paschi di Siena 2.625% 28/04/2025  | 2,074         | 0.22                       |
| EUR                                       | 1,005,000 | Douglas 6.25% 15/07/2022                                  | 849            | 0.09                       | EUR                              | 2,268,000 | Banca Monte dei Paschi di Siena 3.625% 24/09/2024  | 2,094         | 0.22                       |
|   |           |   |                |                            |                                  |           | <b>Total Italy</b>                                 | <b>55,637</b> | <b>5.81</b>                |
|   |           | <b>CCC+ 0.27% (0.34%)</b>                                 |                |                            |                                  |           |  |               |                            |
| EUR                                       | 3,213,000 | Safari Holdings 5.375% 30/11/2022                         | 2,618          | 0.27                       |                                  |           |  |               |                            |
|   |           |   |                |                            |                                  |           | <b>Total Germany</b>                               | <b>66,822</b> | <b>6.97</b>                |
|   |           | <b>CCC- 0.06% (0.00%)</b>                                 |                |                            | <b>JAPAN 1.03% (1.25%)</b>       |           |  |               |                            |
| EUR                                       | 1,069,000 | Kirk Beauty One 8.75% 15/07/2023                          | 556            | 0.06                       |                                  |           |  |               |                            |
|   |           |   |                |                            |                                  |           | <b>BB+ 1.03% (1.25%)</b>                           |               |                            |
|   |           |   |                |                            | EUR                              | 1,443,000 | SoftBank Group 4% 20/04/2023                       | 1,347         | 0.14                       |
|   |           |   |                |                            | EUR                              | 325,000   | SoftBank Group 5% 15/04/2028                       | 322           | 0.04                       |
|   |           |   |                |                            | EUR                              | 8,248,000 | SoftBank Group 5% 15/04/2028 (Berlin Exchange)     | 8,177         | 0.85                       |
|   |           |   |                |                            |                                  |           | <b>Total Japan</b>                                 | <b>9,846</b>  | <b>1.03</b>                |

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

| Holding                         |           | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                            |           | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|---------------------------------|-----------|--|---------------|----------------------------|------------------------------------|-----------|---|---------------|----------------------------|
| <b>JERSEY 1.40% (1.49%)</b>     |           |  |               |                            | <b>(P)B 0.19% (0.00%)</b>          |           |   |               |                            |
|                                 |           | <b>BB 0.00% (0.51%)</b>                            |               |                            | EUR                                | 1,212,000 | PLT VII Finance 4.625% 05/01/2026                                   | 1,118         | 0.12                       |
|                                 |           | <b>Ba2 0.70% (0.72%)</b>                           |               |                            | EUR                                | 760,000   | PLT VII Finance 4.625% 05/01/2026<br>(Frankfurt Exchange)           | 701           | 0.07                       |
| EUR                             | 7,465,980 | LHC Three PIK 4.125% 15/08/2024                    | 6,699         | 0.70                       | <b>B- 0.75% (1.02%)</b>            |           |   |               |                            |
|                                 |           | <b>B 0.19% (0.26%)</b>                             |               |                            | EUR                                | 4,981,000 | ARD Finance 5% PIK 30/06/2027                                       | 4,499         | 0.47                       |
| EUR                             | 2,176,000 | Adient Global Holdings 3.5%<br>15/08/2024          | 1,809         | 0.19                       | EUR                                | 1,401,000 | Cirsa Finance International 4.75%<br>22/05/2025                     | 1,090         | 0.11                       |
|                                 |           | <b>B- 0.51% (0.00%)</b>                            |               |                            | EUR                                | 1,929,000 | Cirsa Finance International 6.25%<br>20/12/2023                     | 1,578         | 0.17                       |
| EUR                             | 6,079,000 | Avis Budget Finance 4.75% 30/01/2026               | 4,906         | 0.51                       | <b>CCC+ 1.75% (1.23%)</b>          |           |   |               |                            |
|                                 |           | <b>Total Jersey</b>                                | <b>13,414</b> | <b>1.40</b>                | EUR                                | 5,345,000 | Altice Financing 4.75% 15/01/2028                                   | 4,519         | 0.47                       |
| <b>LUXEMBOURG 9.62% (9.77%)</b> |           |  |               |                            | EUR                                | 2,213,000 | Altice France 4% 15/02/2028   | 1,840         | 0.19                       |
|                                 |           | <b>BBB- 0.83% (0.45%)</b>                          |               |                            | EUR                                | 9,541,000 | Altice France 8% 15/05/2027   | 9,265         | 0.97                       |
| EUR                             | 143,000   | ArcelorMittal 1% 19/05/2023                        | 127           | 0.01                       | EUR                                | 1,866,000 | *Group Ecore Holdings SAS FRN<br>15/11/2023                         | 1,184         | 0.12                       |
| EUR                             | 2,769,000 | ArcelorMittal 2.25% 17/01/2024                     | 2,536         | 0.27                       | <b>CCC 0.00% (0.08%)</b>           |           |   |               |                            |
| EUR                             | 5,653,000 | SIG Combibloc 2.125% 18/06/2025                    | 5,260         | 0.55                       | <b>Caa2 0.00% (0.09%)</b>          |           |   |               |                            |
|                                 |           | <b>BB+ 1.59% (2.23%)</b>                           |               |                            | <b>CC 0.07% (0.00%)</b>            |           |   |               |                            |
| EUR                             | 3,400,000 | Ado Properties 3.25% 05/08/2025                    | 3,104         | 0.32                       | EUR                                | 1,275,000 | Codere Finance 2 (Luxembourg) 6.75%<br>01/11/2021                   | 685           | 0.07                       |
| EUR                             | 1,700,000 | *CPI Property Group Variable<br>09/05/2167         | 1,496         | 0.16                       | <b>Total Luxembourg</b>            |           |   |               |                            |
| EUR                             | 2,094,000 | *CPI Property Group Variable<br>16/10/2167         | 1,850         | 0.19                       |                                    |           |   | <b>92,176</b> | <b>9.62</b>                |
| EUR                             | 2,372,000 | *Holcim Finance Variable 05/07/2168                | 2,180         | 0.23                       | <b>MEXICO 2.32% (0.29%)</b>        |           |   |               |                            |
| EUR                             | 4,054,000 | Lincoln Finance 3.625% 01/04/2024                  | 3,551         | 0.37                       | <b>BBB 2.05% (0.00%)</b>           |           |   |               |                            |
| EUR                             | 2,292,000 | Telecom Italia Finance 7.75%<br>24/01/2033         | 3,028         | 0.32                       | EUR                                | 5,332,000 | Petroleos Mexicanos 2.75%<br>21/04/2027                             | 4,056         | 0.42                       |
|                                 |           | <b>BB 0.52% (0.79%)</b>                            |               |                            | EUR                                | 5,083,000 | Petroleos Mexicanos 4.75%<br>26/02/2029                             | 4,182         | 0.44                       |
| EUR                             | 1,804,000 | Gestamp Funding Luxembourg 3.5%<br>15/05/2023      | 1,586         | 0.17                       | EUR                                | 5,976,000 | Petroleos Mexicanos 4.875%<br>21/02/2028                            | 4,982         | 0.52                       |
| EUR                             | 3,600,000 | Hanesbrands 3.5% 15/06/2024                        | 3,381         | 0.35                       | USD                                | 6,836,000 | Petroleos Mexicanos 5.35%<br>12/02/2028                             | 4,737         | 0.49                       |
|                                 |           | <b>BB- 0.97% (0.40%)</b>                           |               |                            | USD                                | 2,439,000 | Petroleos Mexicanos 6.5% 23/01/2029                                 | 1,762         | 0.18                       |
| EUR                             | 2,300,000 | Autostrade 5.875% 09/06/2024                       | 2,383         | 0.25                       | <b>BB 0.27% (0.29%)</b>            |           |   |               |                            |
| GBP                             | 4,043,000 | B&M European Value Retail 3.625%<br>15/07/2025     | 4,107         | 0.43                       | EUR                                | 300,000   | Cemex 3.125% 19/03/2026   | 263           | 0.03                       |
| EUR                             | 3,000,000 | Telenet Finance VI Luxembourg 3.5%<br>01/03/2028   | 2,817         | 0.29                       | USD                                | 1,304,000 | Cemex 7.75% 16/04/2026  | 1,046         | 0.11                       |
|                                 |           | <b>B+ 1.34% (1.24%)</b>                            |               |                            | EUR                                | 1,360,000 | Cemex S.A.B. De C.V. 2.75%<br>05/12/2024                            | 1,198         | 0.13                       |
| EUR                             | 3,090,000 | Aramark International Finance 3.125%<br>01/04/2025 | 2,655         | 0.28                       | <b>Total Mexico</b>                |           |   |               |                            |
| EUR                             | 4,050,000 | Garfunkelux 7.5% 01/08/2022                        | 3,463         | 0.36                       |                                    |           |   | <b>22,226</b> | <b>2.32</b>                |
| GBP                             | 2,477,000 | Garfunkelux 8.5% 01/11/2022                        | 2,336         | 0.24                       | <b>NETHERLANDS 14.04% (15.43%)</b> |           |   |               |                            |
| EUR                             | 1,700,000 | Ineos Group Holdings 5.375%<br>01/08/2024          | 1,545         | 0.16                       | <b>BB+ 8.27% (6.62%)</b>           |           |   |               |                            |
| EUR                             | 850,000   | Matterhorn Telecom 2.625%<br>15/09/2024            | 752           | 0.08                       | EUR                                | 3,070,000 | Ashland Services 2% 30/01/2028                                      | 2,692         | 0.28                       |
| EUR                             | 2,428,000 | Matterhorn Telecom 3.125%<br>15/09/2026            | 2,115         | 0.22                       | EUR                                | 5,717,000 | Darling Global Finance 3.625%<br>15/05/2026                         | 5,273         | 0.55                       |
|                                 |           | <b>B 1.61% (2.24%)</b>                             |               |                            | EUR                                | 5,002,000 | Fiat Chrysler Automobiles 3.875%<br>05/01/2026                      | 4,852         | 0.51                       |
| EUR                             | 1,606,000 | Altice Financing 2.25% 15/01/2025                  | 1,396         | 0.15                       | EUR                                | 3,297,000 | Fiat Chrysler Automobiles 3.875%<br>05/01/2026 (Frankfurt Exchange) | 3,198         | 0.33                       |
| EUR                             | 5,269,000 | Altice Financing 3% 15/01/2028                     | 4,527         | 0.47                       | EUR                                | 1,434,000 | Fiat Chrysler Automobiles 4.5%<br>07/07/2028                        | 1,454         | 0.15                       |
| EUR                             | 2,499,000 | Crystal Almond 4.25% 15/10/2024                    | 2,229         | 0.23                       | EUR                                | 2,500,000 | Fiat Chrysler Automobiles 4.5%<br>07/07/2028 (Frankfurt Exchange)   | 2,535         | 0.26                       |
| EUR                             | 1,741,000 | LSF 10 Wolverine Investments 5%<br>15/03/2024      | 1,073         | 0.11                       | EUR                                | 4,567,000 | Intertrust Group 3.375% 15/11/2025                                  | 4,221         | 0.44                       |
| EUR                             | 2,234,000 | Motion Finco 7% 15/05/2025                         | 2,066         | 0.22                       | EUR                                | 3,000,000 | *Koninklijke KPN 08/02/2168   | 2,658         | 0.28                       |
| EUR                             | 4,299,000 | Rossini 6.75% 30/10/2025                           | 4,134         | 0.43                       | EUR                                | 2,800,000 | Phoenix Pib Dutch Finance 2.375%<br>05/08/2025                      | 2,549         | 0.27                       |





## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

|   | Holding   | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |                                       | Holding    | Investment  | Value<br>£000  | % of<br>Net Asset<br>Value |
|---|-----------|---|----------------|----------------------------|---------------------------------------|------------|---|----------------|----------------------------|
| <b>UNITED KINGDOM 15.96% (17.29%) (continued)</b> |           |   |                |                            | EUR                                   | 1,781,000  | MPT Operating Partnership 3.325%<br>24/03/2025              | 1,687          | 0.18                       |
| GBP   | 4,835,000 | Virgin Media Secured Finance 5%<br>15/04/2027     | 5,075          | 0.53                       | GBP                                   | 2,005,000  | MPT Operating Partnership 3.692%<br>05/06/2028              | 2,021          | 0.21                       |
| GBP   | 1,107,000 | Virgin Media Secured Finance 5.25%<br>15/05/2029  | 1,183          | 0.12                       | <b>BB+ 2.96% (1.50%)</b>              |            |   |                |                            |
| GBP   | 755,000   | William Hill 4.75% 01/05/2026                     | 766            | 0.08                       | EUR                                   | 1,674,000  | Ball Corporation 0.875% 15/03/2024                          | 1,489          | 0.16                       |
| GBP   | 3,399,000 | William Hill 4.875% 07/09/2023                    | 3,490          | 0.36                       | EUR                                   | 4,882,000  | Ball Corporation 1.5% 15/03/2027                            | 4,364          | 0.46                       |
| <b>Ba3 0.22% (0.27%)</b>                          |           |   |                |                            | EUR                                   | 1,388,000  | Ford Motor Credit 1.355% 07/02/2025                         | 1,162          | 0.12                       |
| GBP   | 940,000   | Heathrow Finance 3.875% 01/03/2027                | 888            | 0.09                       | EUR                                   | 1,500,000  | Ford Motor Credit 1.744% 19/07/2024                         | 1,290          | 0.13                       |
| GBP   | 1,370,000 | Heathrow Finance 4.125% 01/09/2029                | 1,283          | 0.13                       | EUR                                   | 7,261,000  | Ford Motor Credit 2.33% 25/11/2025                          | 6,298          | 0.66                       |
| <b>B+ 0.00% (0.81%)</b>                           |           |   |                |                            | EUR                                   | 503,000    | Ford Motor Credit 2.386% 17/02/2026                         | 434            | 0.05                       |
| <b>B1 0.37% (0.00%)</b>                           |           |   |                |                            | EUR                                   | 888,000    | Ford Motor Credit 2.386% 17/02/2026<br>(Frankfurt Exchange) | 767            | 0.08                       |
| GBP   | 3,401,000 | Argiva Broadcast Finance 6.75%<br>30/09/2023      | 3,518          | 0.37                       | EUR                                   | 7,448,000  | Ford Motor Credit 3.021% 06/03/2024                         | 6,701          | 0.70                       |
| <b>B 0.95% (1.67%)</b>                            |           |   |                |                            | GBP                                   | 2,253,000  | Ford Motor Credit 4.535% 06/03/2025                         | 2,253          | 0.24                       |
| EUR   | 130,000   | Jaguar Land Rover Automotive 2.2%<br>15/01/2024   | 101            | 0.01                       | EUR                                   | 2,306,000  | Kraft Heinz Foods 2.25% 25/05/2028                          | 2,131          | 0.22                       |
| GBP   | 1,465,000 | Jaguar Land Rover Automotive 2.75%<br>24/01/2021  | 1,450          | 0.15                       | GBP                                   | 1,218,000  | The Kraft Heinz 4.125% 01/07/2027                           | 1,316          | 0.14                       |
| GBP   | 4,376,000 | Jaguar Land Rover Automotive<br>3.875% 01/03/2023 | 4,024          | 0.42                       | <b>Ba1 0.31% (0.35%)</b>              |            |   |                |                            |
| EUR   | 1,522,000 | Jaguar Land Rover Automotive<br>5.875% 15/11/2024 | 1,300          | 0.14                       | EUR                                   | 3,238,000  | UGI International 3.25% 01/11/2025                          | 2,961          | 0.31                       |
| EUR   | 2,047,000 | Jaguar Land Rover Automotive<br>6.875% 15/11/2026 | 1,770          | 0.19                       | <b>BB 5.51% (2.85%)</b>               |            |   |                |                            |
| EUR   | 431,000   | Virgin Media Finance 3.75%<br>15/07/2030          | 380            | 0.04                       | EUR                                   | 3,895,000  | Cemex Finance 4.625% 15/06/2024                             | 3,583          | 0.37                       |
| <b>B2 0.00% (0.40%)</b>                           |           |   |                |                            | EUR                                   | 2,675,000  | Colfax 3.25% 15/05/2025                                     | 2,430          | 0.25                       |
| EUR   | 3,199,000 | Algeco Scotsman 6.5% 15/02/2023                   | 2,892          | 0.30                       | EUR                                   | 5,681,000  | IQVIA 2.25% 15/01/2028                                      | 5,111          | 0.53                       |
| EUR   | 1,525,000 | EG Global Finance 3.625% 07/02/2024               | 1,335          | 0.14                       | EUR                                   | 2,551,000  | IQVIA 2.875% 15/06/2028                                     | 2,358          | 0.25                       |
| EUR   | 1,679,000 | EG Global Finance 4.375% 07/02/2025               | 1,430          | 0.15                       | EUR                                   | 11,066,000 | IQVIA 3.25% 15/03/2025                                      | 10,078         | 1.05                       |
| EUR   | 2,775,000 | EG Global Finance 6.25% 30/10/2025                | 2,504          | 0.26                       | EUR                                   | 1,204,000  | Netflix 3% 15/06/2025                                       | 1,144          | 0.12                       |
| EUR   | 3,140,000 | Synlab 8.25% 01/07/2023                           | 2,895          | 0.30                       | EUR                                   | 7,320,000  | Netflix 3.625% 15/05/2027                                   | 7,262          | 0.76                       |
| <b>B- 1.15% (1.56%)</b>                           |           |   |                |                            | EUR                                   | 4,058,000  | Netflix 3.625% 15/06/2030                                   | 4,047          | 0.42                       |
| EUR   | 3,199,000 | Algeco Scotsman 6.5% 15/02/2023                   | 2,892          | 0.30                       | EUR                                   | 5,867,000  | Netflix 3.875% 15/11/2029                                   | 5,953          | 0.62                       |
| EUR   | 1,525,000 | EG Global Finance 3.625% 07/02/2024               | 1,335          | 0.14                       | EUR                                   | 4,830,000  | Netflix 4.625% 15/05/2029                                   | 5,121          | 0.53                       |
| EUR   | 1,679,000 | EG Global Finance 4.375% 07/02/2025               | 1,430          | 0.15                       | EUR                                   | 1,427,000  | Silgan Holdings 2.25% 01/06/2028                            | 1,273          | 0.13                       |
| EUR   | 2,775,000 | EG Global Finance 6.25% 30/10/2025                | 2,504          | 0.26                       | EUR                                   | 5,019,000  | Silgan Holdings 3.25% 15/03/2025                            | 4,569          | 0.48                       |
| EUR   | 3,140,000 | Synlab 8.25% 01/07/2023                           | 2,895          | 0.30                       | <b>BB- 0.97% (2.85%)</b>              |            |   |                |                            |
| <b>B3 0.75% (0.66%)</b>                           |           |   |                |                            | EUR                                   | 7,900,000  | Avantor 4.75% 01/10/2024                                    | 7,360          | 0.77                       |
| GBP   | 4,742,000 | Pinnacle Bidco 6.375% 15/02/2025                  | 4,264          | 0.45                       | EUR                                   | 2,070,000  | Axalta Coating Systems 4.25%<br>15/08/2024                  | 1,888          | 0.20                       |
| GBP   | 2,965,000 | Shop Direct Funding 7.75% 15/11/2022              | 2,845          | 0.30                       | <b>B+ 0.86% (2.49%)</b>               |            |   |                |                            |
| <b>CCC+ 0.48% (0.13%)</b>                         |           |   |                |                            | USD                                   | 3,112,000  | Adient US 9% 15/04/2025                                     | 2,635          | 0.27                       |
| EUR   | 796,000   | EC Finance 2.375% 15/11/2022 (FWB)                | 619            | 0.07                       | USD                                   | 761,000    | Catalent Pharma Solution 5%<br>15/07/2027                   | 613            | 0.06                       |
| EUR   | 762,000   | EC Finance 2.375% 15/11/2022 (Lux)                | 593            | 0.06                       | EUR                                   | 5,766,000  | Catalent Pharma Solutions 2.375%<br>01/03/2028              | 5,076          | 0.53                       |
| USD   | 7,192,216 | EnQuest PIK 7% 15/04/2022                         | 3,309          | 0.35                       | <b>B 1.68% (0.71%)</b>                |            |   |                |                            |
| <b>Not rated 0.00% (0.09%)</b>                    |           |   |                |                            | EUR                                   | 2,809,000  | Chemours 4% 15/05/2026                                      | 2,442          | 0.25                       |
| USD   | 651       | NV Profit Share Preference Share                  | –              | –                          | USD                                   | 1,000,000  | Cott Holdings 5.5% 01/04/2025                               | 787            | 0.08                       |
| <b>Total United Kingdom</b>                       |           |   | <b>152,916</b> | <b>15.96</b>               | EUR                                   | 5,750,000  | Refinitiv US Holdings 4.5% 15/05/2026                       | 5,446          | 0.57                       |
| <b>UNITED STATES OF AMERICA 14.04% (13.69%)</b>   |           |   |                |                            | EUR                                   | 6,051,000  | Spectrum Brands 4% 01/10/2026                               | 5,558          | 0.58                       |
| <b>BBB- 1.36% (2.51%)</b>                         |           |   |                |                            | EUR                                   | 2,220,000  | Tenneco 4.875% 15/04/2022                                   | 1,918          | 0.20                       |
| EUR   | 3,100,000 | Berry Global 1% 15/01/2025                        | 2,715          | 0.28                       | <b>B- 0.39% (0.43%)</b>               |            |   |                |                            |
| EUR   | 1,376,000 | Berry Global 1.5% 15/01/2027                      | 1,218          | 0.13                       | EUR                                   | 3,782,000  | Refinitiv US Holdings 6.875%<br>15/11/2026                  | 3,699          | 0.39                       |
| EUR   | 1,015,000 | Equinix 2.875% 01/10/2025                         | 927            | 0.10                       | <b>Total United States of America</b> |            |   | <b>134,523</b> | <b>14.04</b>               |
| EUR   | 2,646,000 | Equinix 2.875% 01/02/2026                         | 2,428          | 0.25                       |                                       |            |   |                |                            |
| USD   | 1,375,000 | Equinix 5.375% 15/05/2027                         | 1,144          | 0.12                       |                                       |            |   |                |                            |
| GBP   | 867,000   | MPT Operating Partnership 2.55%<br>05/12/2023     | 866            | 0.09                       |                                       |            |   |                |                            |

## Threadneedle High Yield Bond Fund

### Portfolio Statement

(continued)

| Holding  | Investment                               | Value<br>£000 | % of<br>Net Asset<br>Value | Holding   | Investment | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|--|---------------|----------------------------|---|------------|----------------|----------------------------|
| <b>DERIVATIVES 0.36% (-3.75%)</b>                        |  |               |                            | <b>Total value of investments<sup>3</sup></b>                     |            |                |                            |
| <b>Forward Foreign Exchange Contracts 0.36% (-3.75%)</b> |  |               |                            | <b>Net other assets (5.50%)</b>                                   |            |                |                            |
|  | Sell GBP 923,789                         |               |                            |   |            | <b>929,149</b> | <b>96.95</b>               |
|  | Buy EUR 1,031,030 UBS                    | 3             | –                          |   |            | <b>29,199</b>  | <b>3.05</b>                |
|  | Sell GBP 1,103,430                       |               |                            |   |            | <b>958,348</b> | <b>100.00</b>              |
|  | Buy EUR 1,230,030 Barclays               | 2             | –                          | <i>March 2020 comparatives in brackets.</i>                       |            |                |                            |
|  | Sell GBP 1,956,014                       |               |                            | <i>*Variable rate bonds.</i>                                      |            |                |                            |
|  | Buy EUR 2,175,800 Lloyds <sup>2</sup>    | –             | –                          | <i>(P) refers to provisional rating.</i>                          |            |                |                            |
|  | Sell EUR 1,195,800                       |               |                            | <i><sup>1</sup>Cash equivalents.</i>                              |            |                |                            |
|  | Buy GBP 1,066,701 UBS                    | (8)           | –                          | <i><sup>2</sup>Less than £500, rounded to nil.</i>                |            |                |                            |
|  | Sell EUR 1,987,520                       |               |                            | <i><sup>3</sup>Includes Cash equivalents.</i>                     |            |                |                            |
|  | Buy GBP 1,771,726 Citigroup              | (15)          | –                          | <b>ANALYSIS OF INVESTMENTS BY ASSET CLASS</b>                     |            |                |                            |
|  | Sell EUR 2,173,239                       |               |                            |   |            | <b>Value</b>   | <b>% of</b>                |
|  | Buy GBP 1,945,232 Lloyds                 | (9)           | –                          |   |            | <b>£000</b>    | <b>Investment</b>          |
|  | Sell USD 146,425                         |               |                            | Fixed interest  |            | 802,970        | 86.42                      |
|  | Buy GBP 110,226 HSBC                     | (1)           | –                          | Floating rate notes   |            | 122,729        | 13.21                      |
|  | Sell USD 185,864                         |               |                            | Derivatives   |            | 3,450          | 0.37                       |
|  | Buy GBP 139,881 Citigroup                | (1)           | –                          | <b>Total value of investments<sup>3</sup></b>                     |            | <b>929,149</b> | <b>100.00</b>              |
|  | Sell USD 216,953                         |               |                            | <b>Total Purchases and Sales</b>                                  |            |                |                            |
|  | Buy GBP 164,945 Lloyds <sup>2</sup>      | –             | –                          | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |            |                |                            |
|  | Sell USD 231,846                         |               |                            |   |            | <b>2020</b>    | <b>2019</b>                |
|  | Buy GBP 173,485 Citigroup                | (3)           | –                          |   |            | <b>£000</b>    | <b>£000</b>                |
|  | Sell EUR 3,317,045                       |               |                            | Total purchases for the period                                    |            | 323,952        | 311,740                    |
|  | Buy GBP 2,958,767 Lloyds                 | (24)          | –                          | Total sales for the period  |            | 260,979        | 269,270                    |
|  | Sell EUR 286,000,000                     |               |                            |   |            |                |                            |
|  | Buy GBP 258,278,077 Citigroup            | 1,146         | 0.12                       |   |            |                |                            |
|  | Sell EUR 286,000,000                     |               |                            |   |            |                |                            |
|  | Buy GBP 258,292,034 UBS                  | 1,160         | 0.12                       |   |            |                |                            |
|  | Sell USD 35,158,365                      |               |                            |   |            |                |                            |
|  | Buy GBP 26,783,775 Lloyds                | 50            | –                          |   |            |                |                            |
|  | Sell EUR 287,911,971                     |               |                            |   |            |                |                            |
|  | Buy GBP 260,013,301 Lloyds               | 1,162         | 0.12                       |   |            |                |                            |
|  | Sell EUR 430,000                         |               |                            |   |            |                |                            |
|  | Buy GBP 384,908 Lloyds                   | (2)           | –                          |   |            |                |                            |
|  | Sell EUR 4,862,000                       |               |                            |   |            |                |                            |
|  | Buy GBP 4,390,563 Barclays               | 19            | –                          |   |            |                |                            |
|  | Sell USD 104,724                         |               |                            |   |            |                |                            |
|  | Buy GBP 79,330 Citigroup <sup>2</sup>    | –             | –                          |   |            |                |                            |
|  | Sell EUR 100,000                         |               |                            |   |            |                |                            |
|  | Buy GBP 89,074 Lloyds                    | (1)           | –                          |   |            |                |                            |
|  | Sell GBP 102,703                         |               |                            |   |            |                |                            |
|  | Buy USD 135,442 HSBC <sup>2</sup>        | –             | –                          |   |            |                |                            |
|  | Sell GBP 11,915,908                      |               |                            |   |            |                |                            |
|  | Buy USD 15,632,813 J.P. Morgan           | (30)          | –                          |   |            |                |                            |
|  | Sell GBP 124,782                         |               |                            |   |            |                |                            |
|  | Buy USD 163,704 J.P. Morgan <sup>2</sup> | –             | –                          |   |            |                |                            |
|  | Sell GBP 129,466                         |               |                            |   |            |                |                            |
|  | Buy USD 172,277 J.P. Morgan              | 2             | –                          |   |            |                |                            |
|  | Sell GBP 35,839                          |               |                            |   |            |                |                            |
|  | Buy USD 47,606 J.P. Morgan <sup>2</sup>  | –             | –                          |   |            |                |                            |
|  | <b>Total Derivatives</b>                 | <b>3,450</b>  | <b>0.36</b>                |   |            |                |                            |

## Threadneedle Global Select Fund

### Portfolio Statement

as at 7 September 2020

| Holding                             | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|-------------------------------------|--|---------------|----------------------------|--|---|---------------|----------------------------|
| <b>CANADA 0.00% (0.97%)</b>         |  |               |                            | <b>INDONESIA 0.70% (0.00%)</b>           |   |               |                            |
|                                     | <b>Oil &amp; Gas Producers 0.00% (0.97%)</b>               |               |                            |  | <b>Banks 0.70% (0.00%)</b>  |               |                            |
|                                     | <b>Total Canada</b>  | –             | –                          | 43,964,400                               | Bank Rakyat Indonesia   | 7,961         | 0.70                       |
| <b>CAYMAN ISLANDS 3.58% (3.32%)</b> |  |               |                            |  | <b>Total Indonesia</b>  | <b>7,961</b>  | <b>0.70</b>                |
|                                     | <b>General Retailers 2.01% (1.81%)</b>                     |               |                            | <b>JAPAN 4.24% (4.77%)</b>               |   |               |                            |
| 107,099                             | Alibaba Group ADR  | 22,892        | 2.01                       |  | <b>Electronic &amp; Electrical Equipment 1.27% (1.12%)</b>          |               |                            |
|                                     | <b>Software &amp; Computer Services 1.57% (1.51%)</b>      |               |                            | 46,600                                   | Keyence   | 14,487        | 1.27                       |
| 355,200                             | Tencent Holdings   | 17,792        | 1.57                       |  | <b>Leisure Goods 2.39% (3.00%)</b>                                  |               |                            |
|                                     | <b>Total Cayman Islands</b>                                | <b>40,684</b> | <b>3.58</b>                | 32,200                                   | Nintendo  | 13,576        | 1.19                       |
| <b>CHINA 1.14% (1.87%)</b>          |  |               |                            | 233,300                                  | Sony  | 13,679        | 1.20                       |
|                                     | <b>Travel &amp; Leisure 0.00% (0.47%)</b>                  |               |                            |  | <b>Technology Hardware &amp; Equipment 0.58% (0.65%)</b>            |               |                            |
|                                     | <b>Life Insurance 1.14% (1.40%)</b>                        |               |                            | 128,200                                  | Rohm  | 6,525         | 0.58                       |
| 1,639,000                           | Ping An Insurance Group                                    | 12,914        | 1.14                       |  | <b>Total Japan</b>  | <b>48,267</b> | <b>4.24</b>                |
|                                     | <b>Total China</b>   | <b>12,914</b> | <b>1.14</b>                | <b>NETHERLANDS 0.48% (3.78%)</b>         |   |               |                            |
| <b>DENMARK 2.83% (1.29%)</b>        |  |               |                            |  | <b>Chemicals 0.00% (1.19%)</b>                                      |               |                            |
|                                     | <b>Pharmaceuticals &amp; Biotechnology 1.72% (1.29%)</b>   |               |                            |  | <b>Aerospace &amp; Defence 0.48% (0.80%)</b>                        |               |                            |
| 392,112                             | Novo Nordisk   | 19,568        | 1.72                       | 84,185                                   | Airbus  | 5,465         | 0.48                       |
|                                     | <b>Gas, Water &amp; Multiutilities 1.11% (0.00%)</b>       |               |                            |  | <b>Banks 0.00% (1.11%)</b>  |               |                            |
| 120,993                             | Orsted   | 12,627        | 1.11                       |  | <b>Technology Hardware &amp; Equipment 0.00% (0.68%)</b>            |               |                            |
|                                     | <b>Total Denmark</b>                                       | <b>32,195</b> | <b>2.83</b>                |  | <b>Total Netherlands</b>  | <b>5,465</b>  | <b>0.48</b>                |
| <b>FINLAND 1.08% (1.12%)</b>        |  |               |                            | <b>REPUBLIC OF IRELAND 4.76% (8.21%)</b> |   |               |                            |
|                                     | <b>Forestry &amp; Paper 1.08% (1.12%)</b>                  |               |                            |  | <b>Construction &amp; Materials 1.25% (1.38%)</b>                   |               |                            |
| 518,234                             | UPM  | 12,260        | 1.08                       | 513,056                                  | CRH (Dublin Listing)  | 14,272        | 1.25                       |
|                                     | <b>Total Finland</b>                                       | <b>12,260</b> | <b>1.08</b>                |  | <b>Industrial Engineering 1.46% (1.20%)</b>                         |               |                            |
| <b>FRANCE 2.94% (3.24%)</b>         |  |               |                            | 185,130                                  | Trane Technologies  | 16,580        | 1.46                       |
|                                     | <b>Beverages 0.68% (1.19%)</b>                             |               |                            |  | <b>Liquidity Funds 0.69% (4.42%)*</b>                               |               |                            |
| 60,242                              | Pernod Ricard  | 7,716         | 0.68                       | 10,370,404                               | BlackRock Institutional Cash Series<br>US Dollar Liquidity Platinum | 7,886         | 0.69                       |
|                                     | <b>Personal Goods 0.00% (0.94%)</b>                        |               |                            |  | <b>Health Care Equipment &amp; Services 1.36% (1.21%)</b>           |               |                            |
|                                     | <b>Health Care Equipment &amp; Services 0.87% (1.11%)</b>  |               |                            | 191,898                                  | Medtronic   | 15,423        | 1.36                       |
| 99,439                              | Essilor International                                      | 9,934         | 0.87                       |  | <b>Total Republic of Ireland</b>                                    | <b>54,161</b> | <b>4.76</b>                |
|                                     | <b>Electronic &amp; Electrical Equipment 1.39% (0.00%)</b> |               |                            | <b>SOUTH KOREA 2.19% (2.54%)</b>         |   |               |                            |
| 166,765                             | Schneider Electric   | 15,776        | 1.39                       |  | <b>Technology Hardware &amp; Equipment 2.19% (2.54%)</b>            |               |                            |
|                                     | <b>Total France</b>  | <b>33,426</b> | <b>2.94</b>                | 690,126                                  | Samsung Electronics   | 24,908        | 2.19                       |
| <b>GERMANY 1.67% (1.38%)</b>        |  |               |                            |  | <b>Total South Korea</b>  | <b>24,908</b> | <b>2.19</b>                |
|                                     | <b>Personal Goods 1.67% (1.38%)</b>                        |               |                            | <b>SPAIN 0.00% (0.56%)</b>               |   |               |                            |
| 80,271                              | Adidas   | 19,055        | 1.67                       |  | <b>General Retailers 0.00% (0.56%)</b>                              |               |                            |
|                                     | <b>Total Germany</b>                                       | <b>19,055</b> | <b>1.67</b>                |  | <b>Total Spain</b>  | –             | –                          |
| <b>HONG KONG 1.39% (0.91%)</b>      |  |               |                            | <b>SWITZERLAND 1.32% (0.86%)</b>         |   |               |                            |
|                                     | <b>Life Insurance 1.38% (0.91%)</b>                        |               |                            |  | <b>Electronic &amp; Electrical Equipment 1.32% (0.86%)</b>          |               |                            |
| 1,962,800                           | AIA Group  | 15,811        | 1.39                       | 200,417                                  | TE Connectivity   | 15,049        | 1.32                       |
|                                     | <b>Total Hong Kong</b>                                     | <b>15,811</b> | <b>1.39</b>                |  | <b>Total Switzerland</b>  | <b>15,049</b> | <b>1.32</b>                |
| <b>INDIA 1.74% (1.77%)</b>          |  |               |                            | <b>TAIWAN 1.21% (0.00%)</b>              |   |               |                            |
|                                     | <b>Banks 1.74% (1.77%)</b>                                 |               |                            |  | <b>Technology Hardware &amp; Equipment 1.21% (0.00%)</b>            |               |                            |
| 1,712,935                           | HDFC Bank  | 19,750        | 1.74                       | 1,250,000                                | Taiwan Semiconductor<br>Manufacturing                               | 13,812        | 1.21                       |
|                                     | <b>Total India</b>   | <b>19,750</b> | <b>1.74</b>                |  | <b>Total Taiwan</b>   | <b>13,812</b> | <b>1.21</b>                |

## Threadneedle Global Select Fund

### Portfolio Statement

(continued)

| Holding   | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value | Holding   | Investment          | Value<br>£000  | % of<br>Net Asset<br>Value |
|---|--|---------------|----------------------------|---|---------------------|----------------|----------------------------|
| <b>UNITED KINGDOM 6.50% (6.92%)</b>             |  |               |                            | <b>Media 3.11% (1.45%)</b>  |                     |                |                            |
|   | <b>Support Services 0.97% (0.95%)</b>                        |               |                            | 702,283   | Comcast Corporation | 23,723         | 2.09                       |
| 153,886   | Ferguson   | 11,064        | 0.97                       | 115,814   | Walt Disney         | 11,622         | 1.02                       |
|   | <b>Beverages 0.77% (0.96%)</b>                               |               |                            | <b>Electricity 1.42% (0.86%)</b>                                  |                     |                |                            |
| 346,136   | Diageo   | 8,752         | 0.77                       | 76,807  | FPL Group           | 16,198         | 1.42                       |
|   | <b>Household Goods &amp; Home Construction 1.93% (1.05%)</b> |               |                            | <b>Banks 1.48% (2.13%)</b>  |                     |                |                            |
| 304,458   | Reckitt Benckiser Group                                      | 21,921        | 1.93                       | 214,065   | JPMorgan Chase      | 16,847         | 1.48                       |
|   | <b>Personal Goods 1.13% (1.39%)</b>                          |               |                            | <b>Real Estate Investment Trusts 1.64% (1.57%)</b>                |                     |                |                            |
| 285,628   | Unilever   | 12,790        | 1.13                       | 32,699  | Equinix             | 18,700         | 1.64                       |
|   | <b>Media 0.86% (1.47%)</b>                                   |               |                            | <b>Financial Services 6.44% (7.24%)</b>                           |                     |                |                            |
| 567,714   | RELX (UK Listing)  | 9,810         | 0.86                       | 65,264  | CME Group           | 8,418          | 0.74                       |
|   | <b>Nonlife Insurance 0.84% (1.10%)</b>                       |               |                            | 111,499   | MasterCard Class A  | 28,385         | 2.49                       |
| 62,288  | AON  | 9,602         | 0.84                       | 46,584  | S&P Global          | 12,228         | 1.07                       |
|   | <b>Total United Kingdom</b>                                  | <b>73,939</b> | <b>6.50</b>                | 156,708   | Visa 'A' Shares     | 24,370         | 2.14                       |
| <b>UNITED STATES OF AMERICA 60.92% (55.99%)</b> |  |               |                            | <b>Software &amp; Computer Services 14.48% (12.82%)</b>           |                     |                |                            |
|   | <b>Oil &amp; Gas Producers 0.00% (0.74%)</b>                 |               |                            | 52,266  | Adobe Systems       | 19,548         | 1.72                       |
|   | <b>Chemicals 1.14% (1.15%)</b>                               |               |                            | 44,028  | Alphabet Class A    | 52,916         | 4.65                       |
| 83,626  | ECOLAB   | 13,015        | 1.14                       | 3,159   | Alphabet Class C    | 3,820          | 0.34                       |
|   | <b>Construction &amp; Materials 0.00% (0.80%)</b>            |               |                            | 145,365   | Facebook            | 31,237         | 2.75                       |
|   | <b>Electronic &amp; Electrical Equipment 0.96% (0.96%)</b>   |               |                            | 350,851   | Microsoft           | 57,134         | 5.02                       |
|   | <b>Industrial Engineering 0.00% (0.25%)</b>                  |               |                            | <b>Technology Hardware &amp; Equipment 3.45% (2.38%)</b>          |                     |                |                            |
|   | <b>Industrial Transportation 1.02% (1.39%)</b>               |               |                            | 56,371  | Lam Research        | 14,279         | 1.26                       |
| 132,126   | Amphenol   | 10,896        | 0.96                       | 65,001  | Nvidia              | 24,942         | 2.19                       |
|   | <b>Support Services 2.74% (1.92%)</b>                        |               |                            | <b>Mobile Telecommunications 1.40% (0.00%)</b>                    |                     |                |                            |
|   | <b>Leisure Goods 2.82% (2.84%)</b>                           |               |                            | 183,906   | T-Mobile US         | 15,974         | 1.40                       |
| 308,188   | Activision Blizzard  | 18,515        | 1.63                       | <b>Total United States of America</b>                             |                     |                |                            |
| 137,265   | Electronic Arts  | 13,584        | 1.19                       |   |                     | <b>693,154</b> | <b>60.92</b>               |
|   | <b>Personal Goods 0.00% (0.97%)</b>                          |               |                            | <b>DERIVATIVES 0.00% (0.00%)</b>                                  |                     |                |                            |
|   | <b>Health Care Equipment &amp; Services 8.36% (6.82%)</b>    |               |                            | <b>Forward Foreign Exchange Contracts 0.00% (0.00%)</b>           |                     |                |                            |
| 210,034   | Baxter International   | 13,145        | 1.16                       | Sell USD 182,000  |                     |                |                            |
| 360,633   | Boston Scientific  | 11,376        | 1.00                       | Buy GBP 137,064 Bank of Scotland                                  |                     |                |                            |
| 433,581   | Centene  | 19,668        | 1.73                       | Sell GBP 1,205,506  |                     |                |                            |
| 39,769  | Cooper Cos   | 9,777         | 0.86                       | Buy USD 1,545,000 Barclays  |                     |                |                            |
| 82,293  | Danaher Corporation  | 12,301        | 1.08                       | <b>Total Derivatives</b>  |                     |                |                            |
| 83,835  | Stryker  | 12,598        | 1.11                       | <b>30</b>   |                     |                |                            |
| 67,870  | UnitedHealth Group   | 16,100        | 1.42                       | <b>Total value of investments<sup>2</sup></b>                     |                     |                |                            |
|   | <b>Pharmaceuticals &amp; Biotechnology 3.58% (4.63%)</b>     |               |                            | <b>1,122,841</b>  |                     |                |                            |
| 142,095   | Abbott Laboratories  | 11,250        | 0.99                       | <b>Net other assets (0.50%)</b>                                   |                     |                |                            |
| 72,915  | Illumina   | 18,980        | 1.67                       | <b>14,897</b>   |                     |                |                            |
| 51,651  | Vertex Pharmaceuticals                                       | 10,468        | 0.92                       | <b>Net assets</b>   |                     |                |                            |
|   | <b>General Retailers 6.88% (5.07%)</b>                       |               |                            | <b>1,137,738</b>  |                     |                |                            |
| 24,227  | Amazon.com   | 60,662        | 5.33                       | <b>100.00</b>   |                     |                |                            |
| 355,105   | Service Corporate International                              | 12,203        | 1.07                       | <i>March 2020 comparatives in brackets.</i>                       |                     |                |                            |
| 217,045   | Uber Technologies  | 5,486         | 0.48                       | <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 2020 to 7 September 2020</i> |                     |                |                            |
|   |  |               |                            |   |                     | <b>2020</b>    | <b>2019</b>                |
|   |  |               |                            |   |                     | <b>£000</b>    | <b>£000</b>                |
|   |  |               |                            | Total purchases for the period                                    |                     | 264,429        | 223,923                    |
|   |  |               |                            | Total sales for the period  |                     | 253,804        | 226,556                    |

## Threadneedle Global Bond Fund

### Portfolio Statement

as at 7 September 2020

|   | Holding    | Investment                                     | Value<br>£000 | % of<br>Net Asset<br>Value |                                  | Holding       | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|------------|--|---------------|----------------------------|----------------------------------|---------------|--|---------------|----------------------------|
| <b>AUSTRALIA 1.41% (1.10%)</b>              |            |  |               |                            | <b>GERMANY 0.51% (0.00%)</b>     |               |  |               |                            |
|   |            | <b>Aaa 0.58% (0.48%)</b>                       |               |                            |                                  |               | <b>Aaa 0.51% (0.00%)</b>   |               |                            |
| AUD   | 5,475,000  | Australia Government Bond 2.25%<br>21/11/2022  | 3,161         | 0.58                       | USD                              | 3,155,000     | Landesbank Baden-Wuerttemberg<br>7.625% 01/02/2023                       | 2,776         | 0.51                       |
|   |            | <b>AA+ 0.56% (0.62%)</b>                       |               |                            |                                  |               | <b>Total Germany</b>   | <b>2,776</b>  | <b>0.51</b>                |
| AUD   | 3,550,000  | Queensland Treasury 6.5% 14/03/2033            | 3,062         | 0.56                       |                                  |               |  |               |                            |
|   |            | <b>Not Rated 0.27% (0.00%)</b>                 |               |                            | <b>ITALY 10.58% (3.73%)</b>      |               |  |               |                            |
| AUD   | 2,800,000  | Australia Government Bond 1.75%<br>21/06/2051  | 1,500         | 0.27                       | EUR                              | 5,900,000     | <b>BBB 0.99% (0.00%)</b><br>Cassa Depositi e Prestiti 1.5%<br>20/04/2023 | 5,464         | 0.99                       |
|   |            | <b>Total Australia</b>                         | <b>7,723</b>  | <b>1.41</b>                |                                  |               | <b>Baa3u 4.50% (2.08%)</b>   |               |                            |
| <b>AUSTRIA 0.17% (0.00%)</b>                |            |  |               |                            | EUR                              | 21,000,000    | Buoni Poliennali Del Tesoro 0.05%<br>15/01/2023                          | 18,892        | 3.44                       |
|   |            | <b>AA+ 0.17% (0.00%)</b>                       |               |                            | EUR                              | 2,315,000     | Italy Government Bond 2.45%<br>01/09/2033                                | 2,363         | 0.43                       |
| EUR   | 905,000    | Republic of Austria 0.85% 30/06/2120           | 944           | 0.17                       | EUR                              | 3,301,000     | Italy Government Bond 2.7%<br>01/03/2047                                 | 3,441         | 0.63                       |
|   |            | <b>Total Austria</b>                           | <b>944</b>    | <b>0.17</b>                |                                  |               | <b>Not Rated 5.09% (1.65%)</b>   |               |                            |
| <b>BELGIUM 0.77% (0.74%)</b>                |            |  |               |                            | EUR                              | 12,415,000    | Buoni Poliennali Del Tesoro 0.35%<br>01/02/2025                          | 11,148        | 2.03                       |
|   |            | <b>Not Rated 0.77% (0.74%)</b>                 |               |                            | EUR                              | 13,300,000    | Buoni Poliennali Del Tesoro 0.95%<br>01/08/2030                          | 11,872        | 2.16                       |
| EUR   | 3,550,000  | Belgium Government Bond 1.7%<br>22/06/2050     | 4,249         | 0.77                       | EUR                              | 1,790,000     | Buoni Poliennali Del Tesoro 1.45%<br>01/03/2036                          | 1,608         | 0.29                       |
|   |            | <b>Total Belgium</b>                           | <b>4,249</b>  | <b>0.77</b>                | EUR                              | 3,725,000     | Buoni Poliennali Del Tesoro 1.45%<br>01/03/2036 (Frankfurt Exchange)     | 3,346         | 0.61                       |
| <b>BRITISH VIRGIN ISLANDS 0.42% (0.50%)</b> |            |  |               |                            |                                  |               | <b>Total Italy</b>   | <b>58,134</b> | <b>10.58</b>               |
|   |            | <b>A+ 0.42% (0.50%)</b>                        |               |                            | <b>JAPAN 8.87% (10.23%)</b>      |               |  |               |                            |
| USD   | 3,000,000  | Sinopec Group 2% 29/09/2021                    | 2,305         | 0.42                       |                                  |               | <b>AA- 0.22% (0.26%)</b>   |               |                            |
|   |            | <b>Total British Virgin Islands</b>            | <b>2,305</b>  | <b>0.42</b>                | USD                              | 1,550,000     | Japan Tobacco 2% 13/04/2021  | 1,186         | 0.22                       |
| <b>CANADA 3.84% (3.45%)</b>                 |            |  |               |                            |                                  |               | <b>A+ 0.24% (0.00%)</b>  |               |                            |
|   |            | <b>AAA 2.14% (2.06%)</b>                       |               |                            | USD                              | 1,778,000     | Development Bank of Japan 0.5%<br>27/08/2025                             | 1,343         | 0.24                       |
| USD   | 3,020,000  | Canada Government 2.625%<br>25/01/2022         | 2,373         | 0.43                       |                                  |               | <b>A1 8.41% (9.97%)</b>  |               |                            |
| CAD   | 5,375,000  | Canada Housing Trust 1.75%<br>15/06/2030       | 3,339         | 0.61                       | JPY                              | 1,561,100,000 | Japan Government 0.3% 20/12/2039   | 10,926        | 1.99                       |
| USD   | 3,000,000  | CDP Financial 3.15% 24/07/2024                 | 2,507         | 0.46                       | JPY                              | 1,589,500,000 | Japan Government 0.4% 20/03/2050   | 10,740        | 1.95                       |
| USD   | 4,500,000  | CPPIB Capital 2.25% 25/01/2022                 | 3,514         | 0.64                       | JPY                              | 1,229,850,000 | Japan Government 0.4% 20/03/2056   | 8,168         | 1.49                       |
|   |            | <b>AA 0.30% (0.35%)</b>                        |               |                            | JPY                              | 558,300,000   | Japan Government 0.5% 20/03/2059   | 3,818         | 0.70                       |
| CAD   | 2,700,000  | City of Toronto Canada 2.6%<br>24/09/2039      | 1,675         | 0.30                       | JPY                              | 1,389,100,000 | Japan Government 0.7% 20/12/2048   | 10,233        | 1.86                       |
|   |            | <b>A+ 1.40% (1.04%)</b>                        |               |                            | JPY                              | 283,150,000   | Japan Government 2.1% 20/03/2027   | 2,316         | 0.42                       |
| USD   | 10,000,000 | Province of Ontario Canada 1.05%<br>21/05/2027 | 7,678         | 1.40                       |                                  |               | <b>Total Japan</b>   | <b>48,730</b> | <b>8.87</b>                |
|   |            | <b>Total Canada</b>                            | <b>21,086</b> | <b>3.84</b>                | <b>NETHERLANDS 1.42% (2.11%)</b> |               |  |               |                            |
| <b>FRANCE 4.06% (6.12%)</b>                 |            |  |               |                            |                                  |               | <b>AA- 0.58% (0.00%)</b>   |               |                            |
|   |            | <b>Aa2 1.28% (0.95%)</b>                       |               |                            | USD                              | 3,850,000     | Shell International Finance 3.4%<br>12/08/2023                           | 3,175         | 0.58                       |
| EUR   | 3,600,000  | SNCF Reseau 2.25% 20/12/2047                   | 4,360         | 0.79                       |                                  |               | <b>A+ 0.84% (1.36%)</b>  |               |                            |
| EUR   | 3,000,000  | UNEDIC 0.25% 16/07/2035                        | 2,699         | 0.49                       | USD                              | 6,000,000     | Siemens Financieringsmaatschappij<br>1.7% 15/09/2021                     | 4,633         | 0.84                       |
|   |            | <b>Aa2u 1.98% (5.17%)</b>                      |               |                            |                                  |               | <b>BBB+ 0.00% (0.75%)</b>  |               |                            |
| EUR   | 2,745,000  | France Government Bond 0.75%<br>25/05/2052     | 2,623         | 0.48                       |                                  |               | <b>Total Netherlands</b>   | <b>7,808</b>  | <b>1.42</b>                |
| EUR   | 6,300,000  | France Government Bond 1.25%<br>25/05/2034     | 6,626         | 1.21                       | <b>NETHERLANDS 1.42% (2.11%)</b> |               |  |               |                            |
| EUR   | 1,370,000  | France Government Bond 1.75%<br>25/06/2039     | 1,586         | 0.29                       |                                  |               | <b>AA- 0.58% (0.00%)</b>   |               |                            |
|   |            | <b>AA- 0.80% (0.00%)</b>                       |               |                            | USD                              | 3,850,000     | Shell International Finance 3.4%<br>12/08/2023                           | 3,175         | 0.58                       |
| EUR   | 4,800,000  | Societe Nationale SNCF 1% 25/05/2040           | 4,407         | 0.80                       |                                  |               | <b>A+ 0.84% (1.36%)</b>  |               |                            |
|   |            | <b>Total France</b>                            | <b>22,301</b> | <b>4.06</b>                |                                  |               | <b>BBB+ 0.00% (0.75%)</b>  |               |                            |

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

|  | Holding    | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |   | Holding    | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value |
|--|------------|---|---------------|----------------------------|---|------------|---|---------------|----------------------------|
| <b>REPUBLIC OF IRELAND 2.75% (3.26%)</b> |            |   |               |                            | <b>UNITED KINGDOM 7.75% (7.82%)</b>             |            |   |               |                            |
|  |            | <b>AA- 0.59% (0.67%)</b>  |               |                            |   |            | <b>Aa2u 2.53% (5.43%)</b>                                   |               |                            |
| EUR                                      | 3,450,000  | Irish Treasury 0.4% 15/05/2035  | 3,222         | 0.59                       | GBP   | 700,000    | United Kingdom Gilt 1.625% 22/10/2071                       | 994           | 0.18                       |
|  |            | <b>Liquidity Funds 2.16% (2.59%)<sup>1</sup></b>                        |               |                            | GBP   | 6,535,000  | United Kingdom Gilt 1.75% 07/09/2037                        | 7,662         | 1.40                       |
| EUR                                      | 4,388      | BlackRock Institutional Cash Series Euro Liquidity Platinum             | 391           | 0.07                       | GBP   | 1,960,000  | United Kingdom Gilt 3.25% 22/01/2044                        | 2,980         | 0.54                       |
| GBP                                      | 15,925     | BlackRock Institutional Cash Series Sterling Liquidity Platinum         | 16            | –                          | GBP   | 2,167,000  | United Kingdom Gilt 3.75% 07/09/2021                        | 2,249         | 0.41                       |
| USD                                      | 15,119,009 | BlackRock Institutional Cash Series US Dollar Liquidity Platinum        | 11,497        | 2.09                       |   |            | <b>A 0.00% (0.48%)</b>                                      |               |                            |
|  |            | <b>Total Republic of Ireland</b>  | <b>15,126</b> | <b>2.75</b>                | USD   | 2,800,000  | <b>A- 0.40% (0.00%)</b><br>*HSBC Holdings 3.262% 13/03/2023 | 2,211         | 0.40                       |
| <b>SOUTH KOREA 0.85% (1.01%)</b>         |            |   |               |                            |   |            | <b>BBB 0.39% (0.46%)</b>                                    |               |                            |
|  |            | <b>AA 0.85% (1.01%)</b>   |               |                            | USD   | 2,688,000  | Imperial Brands Finance PI 3.125% 26/07/2024                | 2,160         | 0.39                       |
| USD                                      | 6,000,000  | Export-Import Bank of Korea 2.75% 25/01/2022                            | 4,694         | 0.85                       |   |            | <b>Not Rated 4.43% (1.45%)</b>                              |               |                            |
|  |            | <b>Total South Korea</b>  | <b>4,694</b>  | <b>0.85</b>                | GBP   | 3,850,000  | United Kingdom Gilt 0.375% 22/10/2030                       | 3,880         | 0.71                       |
| <b>SPAIN 6.12% (3.01%)</b>               |            |   |               |                            | GBP   | 5,605,000  | United Kingdom Gilt 0.5% 22/10/2061                         | 5,119         | 0.93                       |
|  |            | <b>A 0.95% (0.00%)</b>  |               |                            | GBP   | 11,300,000 | United Kingdom Gilt 0.625% 22/10/2050                       | 10,697        | 1.95                       |
| EUR                                      | 5,800,000  | FADE FTA 0.01% 17/09/2025   | 5,243         | 0.95                       | GBP   | 4,225,000  | United Kingdom Gilt 1.25% 22/10/2041                        | 4,608         | 0.84                       |
|  |            | <b>A3 0.38% (0.43%)</b>   |               |                            |   |            | <b>Total United Kingdom</b>                                 | <b>42,560</b> | <b>7.75</b>                |
| EUR                                      | 2,150,000  | Basque Government 1.125% 30/04/2029                                     | 2,064         | 0.38                       | <b>UNITED STATES OF AMERICA 45.32% (54.19%)</b> |            |   |               |                            |
|  |            | <b>Baa1 3.27% (2.58%)</b>   |               |                            | USD   | 1,730,000  | Microsoft 1.55% 08/08/2021                                  | 1,330         | 0.24                       |
| EUR                                      | 465,000    | Spain Government Bond 0.35% 30/07/2023                                  | 427           | 0.08                       | USD   | 1,025,000  | Microsoft 2.875% 06/02/2024                                 | 840           | 0.15                       |
| EUR                                      | 9,660,000  | Spain Government Bond 1.25% 31/10/2030                                  | 9,461         | 1.72                       |   |            | <b>Aaa 34.32% (44.92%)</b>                                  |               |                            |
| EUR                                      | 475,000    | Spain Government Bond 2.35% 30/07/2033                                  | 523           | 0.10                       | USD   | 8,250,000  | Private Export Funding 2.3% 15/09/2020                      | 6,276         | 1.14                       |
| EUR                                      | 200,000    | Spain Government Bond 2.7% 31/10/2048                                   | 248           | 0.05                       | USD   | 6,650,000  | Tennessee Valley Authority 5.88% 01/04/2036                 | 7,885         | 1.44                       |
| EUR                                      | 4,695,000  | Spain Government Bond 4.7% 30/07/2041                                   | 7,274         | 1.32                       | USD   | 19,175,000 | United States Treasury Note/Bond 0.375% 31/07/2027          | 14,463        | 2.63                       |
|  |            | <b>Not Rated 1.52% (0.00%)</b>  |               |                            | USD   | 3,800,000  | United States Treasury Note/Bond 0.625% 31/03/2027          | 2,920         | 0.53                       |
| EUR                                      | 9,725,000  | Spain Government Bond 1% 31/10/2050                                     | 8,379         | 1.52                       | USD   | 14,135,000 | United States Treasury Note/Bond 0.625% 15/05/2030          | 10,670        | 1.94                       |
|  |            | <b>Total Spain</b>  | <b>33,619</b> | <b>6.12</b>                | USD   | 41,100,000 | United States Treasury Note/Bond 1.125% 30/06/2021          | 31,504        | 5.73                       |
| <b>SUPRANATIONAL 3.41% (1.87%)</b>       |            |   |               |                            | USD   | 15,230,000 | United States Treasury Note/Bond 1.125% 15/05/2040          | 11,352        | 2.07                       |
|  |            | <b>AAA 3.13% (1.46%)</b>  |               |                            | USD   | 37,360,000 | United States Treasury Note/Bond 1.25% 15/05/2050           | 26,872        | 4.89                       |
| USD                                      | 6,825,000  | Asian Development Bank 1.75% 19/09/2029                                 | 5,578         | 1.01                       | USD   | 1,400,000  | United States Treasury Note/Bond 1.5% 30/09/2024            | 1,118         | 0.20                       |
| USD                                      | 2,380,000  | European Bank for Reconstruction and Development 1.5% 13/02/2025        | 1,893         | 0.34                       | USD   | 13,450,000 | United States Treasury Note/Bond 1.5% 15/08/2026            | 10,885        | 1.98                       |
| USD                                      | 3,025,000  | Inter-American Development Bank 0.5% 24/05/2023                         | 2,314         | 0.42                       | USD   | 19,900,000 | United States Treasury Note/Bond 1.5% 15/02/2030            | 16,273        | 2.96                       |
| CAD                                      | 725,000    | Inter-American Development Bank 0.875% 27/08/2027                       | 420           | 0.08                       | USD   | 16,500,000 | United States Treasury Note/Bond 1.75% 15/11/2020           | 12,586        | 2.29                       |
| USD                                      | 5,900,000  | International Bank for Reconstruction and Development 0.625% 22/04/2025 | 4,525         | 0.82                       | USD   | 4,700,000  | United States Treasury Note/Bond 2% 15/01/2021              | 3,598         | 0.66                       |
| USD                                      | 3,300,000  | International Bank for Reconstruction and Development 0.875% 14/05/2030 | 2,509         | 0.46                       | USD   | 4,000,000  | United States Treasury Note/Bond 2.25% 30/04/2021           | 3,083         | 0.56                       |
|  |            | <b>AA 0.28% (0.00%)</b>   |               |                            | USD   | 11,000,000 | United States Treasury Note/Bond 2.375% 15/08/2024          | 9,066         | 1.65                       |
| USD                                      | 1,999,000  | Inter-American Investment Corporation 0.5% 21/07/2023                   | 1,521         | 0.28                       | USD   | 5,635,000  | United States Treasury Note/Bond 2.5% 15/05/2046            | 5,270         | 0.96                       |
|  |            | <b>Not Rated 0.00% (0.41%)</b>  |               |                            | USD   | 2,550,000  | United States Treasury Note/Bond 2.75% 15/08/2047           | 2,506         | 0.46                       |
|  |            | <b>Total Supranational</b>  | <b>18,760</b> | <b>3.41</b>                | USD   | 8,150,000  | United States Treasury Note/Bond 2.875% 15/08/2045          | 8,110         | 1.48                       |

## Threadneedle Global Bond Fund

### Portfolio Statement

(continued)

|   | Holding    | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value | Holding | Investment   | Value<br>£000 | % of<br>Net Asset<br>Value |
|---|------------|--|----------------|----------------------------|---------|--|---------------|----------------------------|
| <b>UNITED STATES OF AMERICA 45.32% (54.19%) (continued)</b> |            |  |                |                            |         |  |               |                            |
| USD   | 3,985,000  | United States Treasury Note/Bond<br>3.125% 15/08/2044        | 4,107          | 0.75                       |         | Buy JPY 9,320,943,775 Barclays<br>Sell USD 1,398,854     | 333           | 0.06                       |
|   |            | <b>AA+ 3.30% (3.39%)</b>                                     |                |                            |         | Buy SEK 12,186,915 UBS<br>Sell JPY 170,326,828           | (7)           | –                          |
| USD   | 2,100,000  | Fannie Mae 5.625% 15/07/2037                                 | 2,558          | 0.47                       |         | Buy USD 1,611,860 Citigroup<br>Sell GBP 1,465,877        | 6             | –                          |
| USD   | 13,150,000 | Federal Home Loan Bank 5.5%<br>15/07/2036                    | 15,562         | 2.83                       |         | Buy USD 1,947,451 Lloyds<br>Sell JPY 16,563,451          | 15            | –                          |
|   |            | <b>AA- 0.00% (1.02%)</b>                                     |                |                            |         | Buy USD 156,234 HSBC <sup>2</sup><br>Sell EUR 1,977,762  | –             | –                          |
|   |            | <b>A+ 0.82% (0.47%)</b>                                      |                |                            |         | Buy USD 2,368,339 HSBC<br>Sell JPY 282,720,577           | 21            | –                          |
| USD   | 4,475,000  | Port Authority of New York & New<br>Jersey 4.458% 01/10/2062 | 4,500          | 0.82                       |         | Buy USD 2,681,140 Bank of Scotland<br>Sell GBP 2,073,641 | 14            | –                          |
|   |            | <b>A 0.92% (0.13%)</b>                                       |                |                            |         | Buy USD 2,742,002 HSBC<br>Sell GBP 18,456,766            | 11            | –                          |
| USD   | 800,000    | Gilead Sciences 0% 01/03/2022                                | 621            | 0.11                       |         | Buy USD 24,112,303 J.P. Morgan<br>Sell EUR 3,654,089     | (125)         | (0.02)                     |
| USD   | 2,750,000  | Oracle 2.5% 01/04/2025                                       | 2,249          | 0.41                       |         | Buy USD 4,355,108 UBS<br>Sell JPY 55,056,969             | 24            | –                          |
| USD   | 2,750,000  | Oracle 2.625% 15/02/2023                                     | 2,199          | 0.40                       |         | Buy USD 517,586 Citigroup<br>Sell MXN 1,311,025          | (1)           | –                          |
|   |            | <b>A- 1.15% (0.86%)</b>                                      |                |                            |         | Buy USD 58,528 HSBC<br>Sell GBP 5,052,429                | (1)           | –                          |
| USD   | 2,080,000  | ERAC USA Finance 2.6% 01/12/2021                             | 1,611          | 0.29                       |         | Buy USD 6,690,500 J.P. Morgan<br>Sell EUR 514,408        | 34            | 0.01                       |
| USD   | 3,168,000  | Qualcomm Inc 1.3% 20/05/2028                                 | 2,409          | 0.44                       |         | Buy USD 608,551 UBS <sup>2</sup><br>Sell GBP 627,179     | –             | –                          |
| USD   | 2,750,000  | Southern California Edison 3.7%<br>01/08/2025                | 2,329          | 0.42                       |         | Buy USD 821,353 Lloyds                                   | (3)           | –                          |
|   |            | <b>BBB+ 1.08% (0.55%)</b>                                    |                |                            |         | <b>Total Derivatives</b>                                 | <b>301</b>    | <b>0.05</b>                |
| USD   | 3,850,000  | Goldman Sachs Group 3.5%<br>01/04/2025                       | 3,236          | 0.59                       |         |  |               |                            |
| USD   | 3,500,000  | NiSource 0.95% 15/08/2025                                    | 2,674          | 0.49                       |         |  |               |                            |
|   |            | <b>BBB 0.07% (0.09%)</b>                                     |                |                            |         |  |               |                            |
| CAD   | 700,000    | AT&T 3.825% 25/11/2020                                       | 409            | 0.07                       |         |  |               |                            |
|   |            | <b>BBB- 0.72% (0.85%)</b>                                    |                |                            |         |  |               |                            |
| USD   | 5,000,000  | Broadcom 2.65% 15/01/2023                                    | 3,960          | 0.72                       |         |  |               |                            |
|   |            | <b>Not Rated 2.55% (1.44%)</b>                               |                |                            |         |  |               |                            |
| USD   | 18,425,000 | Residual Funding 0% 15/10/2020                               | 14,009         | 2.55                       |         |  |               |                            |
|   |            | <b>Total United States of America</b>                        | <b>249,040</b> | <b>45.32</b>               |         |  |               |                            |
| <b>DERIVATIVES 0.05% (1.30%)</b>                            |            |  |                |                            |         |  |               |                            |
| <b>Forward Foreign Exchange Contracts 0.05% (1.30%)</b>     |            |  |                |                            |         |  |               |                            |
|   |            | Sell USD 1,881,471   |                |                            |         |  |               |                            |
|   |            | Buy AUD 2,631,336 Citigroup                                  | 26             | 0.01                       |         |  |               |                            |
|   |            | Sell USD 449,739   |                |                            |         |  |               |                            |
|   |            | Buy AUD 608,563 Citigroup                                    | (5)            | –                          |         |  |               |                            |
|   |            | Sell USD 1,860,525   |                |                            |         |  |               |                            |
|   |            | Buy CAD 2,463,955 UBS  | 15             | –                          |         |  |               |                            |
|   |            | Sell USD 17,121,543  |                |                            |         |  |               |                            |
|   |            | Buy EUR 14,414,136 Lloyds                                    | (52)           | (0.01)                     |         |  |               |                            |
|   |            | Sell USD 42,898,078  |                |                            |         |  |               |                            |
|   |            | Buy EUR 36,301,522 Barclays                                  | 38             | 0.01                       |         |  |               |                            |
|   |            | Sell USD 630,021   |                |                            |         |  |               |                            |
|   |            | Buy EUR 532,757 Bank of Scotland <sup>2</sup>                | –              | –                          |         |  |               |                            |
|   |            | Sell USD 2,542,752   |                |                            |         |  |               |                            |
|   |            | Buy GBP 1,935,406 Barclays                                   | 2              | –                          |         |  |               |                            |
|   |            | Sell USD 10,921,819  |                |                            |         |  |               |                            |
|   |            | Buy GBP 8,286,931 Bank of Scotland                           | (17)           | –                          |         |  |               |                            |
|   |            | Sell USD 5,616,523   |                |                            |         |  |               |                            |
|   |            | Buy JPY 592,400,352 J.P. Morgan                              | (28)           | (0.01)                     |         |  |               |                            |
|   |            | Sell USD 736,369   |                |                            |         |  |               |                            |
|   |            | Buy JPY 78,302,340 Bank of Scotland                          | 1              | –                          |         |  |               |                            |
|   |            | Sell USD 87,351,842  |                |                            |         |  |               |                            |

|  |                |               |
|--|----------------|---------------|
| <b>Total value of investments<sup>3</sup></b>  | <b>540,156</b> | <b>98.30</b>  |
| <b>Net other assets/(liabilities) (-0.44%)</b> | <b>9,344</b>   | <b>1.70</b>   |
| <b>Net assets</b>                              | <b>549,500</b> | <b>100.00</b> |

March 2020 comparatives in brackets.

\*Variable rate bonds.

<sup>1</sup>Cash equivalents.

<sup>2</sup>Less than £500, rounded to nil.

<sup>3</sup>Includes Cash equivalents.

### ANALYSIS OF INVESTMENTS BY ASSET CLASS

|   | Value<br>£000  | % of<br>Investment |
|---|----------------|--------------------|
| Fixed interest                                | 537,644        | 99.53              |
| Floating rate notes                           | 2,211          | 0.41               |
| Derivatives                                   | 301            | 0.06               |
| <b>Total value of investments<sup>3</sup></b> | <b>540,156</b> | <b>100.00</b>      |

### Total Purchases and Sales

for the accounting period 8 March 2020 to 7 September 2020

|                                | 2020<br>£000 | 2019<br>£000 |
|--------------------------------|--------------|--------------|
| Total purchases for the period | 620,462      | 426,769      |
| Total sales for the period     | 543,967      | 353,917      |

## Threadneedle UK Institutional Fund

### Portfolio Statement

as at 7 September 2020

| Holding                              | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding                                  | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--------------------------------------|---|---------------|----------------------------|--|--|----------------|----------------------------|
| <b>OIL &amp; GAS 4.15% (5.52%)</b>   |   |               |                            | <b>OIL &amp; GAS 4.15% (5.52%)</b>       |  |                |                            |
|                                      | <b>Oil &amp; Gas Producers 3.38% (4.44%)</b>                    |               |                            |  |  |                |                            |
| 1,305,244                            | Cairn Energy  | 1,834         | 0.20                       | 192,740                                  | Ferguson   | 13,858         | 1.49                       |
| 3,426,424                            | EnQuest   | 395           | 0.04                       | 6,673,629                                | Hays   | 7,935          | 0.85                       |
| 1,327,424                            | Premier Oil   | 249           | 0.03                       | 872,057                                  | Mears Group  | 1,029          | 0.11                       |
| 2,792,943                            | Royal Dutch Shell 'B' Shares                                    | 28,996        | 3.11                       | 426,911                                  | Northgate  | 875            | 0.09                       |
|                                      | <b>Oil Equipment, Services &amp; Distribution 0.77% (1.08%)</b> |               |                            | 415,916                                  | PayPoint   | 2,645          | 0.28                       |
| 3,124,025                            | John Wood Group   | 7,213         | 0.77                       | 3,474,993                                | Rentokil Initial   | 18,105         | 1.94                       |
|                                      | <b>Total Oil &amp; Gas</b>                                      | <b>38,687</b> | <b>4.15</b>                | 131,509                                  | Ricardo  | 410            | 0.04                       |
|                                      |   |               |                            | 2,102,977                                | RPS Group  | 912            | 0.10                       |
|                                      |   |               |                            | 2,408,994                                | Speedy Hire  | 1,248          | 0.13                       |
|                                      |   |               |                            |  | <b>Total Industrials</b>                                     | <b>160,455</b> | <b>17.21</b>               |
| <b>BASIC MATERIALS 5.24% (2.34%)</b> |   |               |                            | <b>CONSUMER GOODS 19.55% (19.15%)</b>    |  |                |                            |
|                                      | <b>Chemicals 2.55% (2.34%)</b>                                  |               |                            |  | <b>Beverages 3.77% (4.32%)</b>                               |                |                            |
| 1,530,815                            | Elementis   | 1,126         | 0.12                       | 1,066,088                                | Britvic  | 9,179          | 0.99                       |
| 594,318                              | Johnson Matthey   | 14,816        | 1.59                       | 905,550                                  | Diageo   | 22,897         | 2.46                       |
| 634,629                              | Synthomer   | 2,017         | 0.21                       | 1,381,879                                | Stock Spirits Group  | 3,012          | 0.32                       |
| 294,541                              | Victrex   | 5,847         | 0.63                       |  | <b>Food Producers 1.59% (1.09%)</b>                          |                |                            |
|                                      | <b>Mining 2.69% (0.00%)</b>                                     |               |                            | 485,699                                  | Greencore Group  | 590            | 0.06                       |
| 1,490,353                            | BHP Group   | 25,109        | 2.69                       | 228,759                                  | Hilton Food Group  | 2,708          | 0.29                       |
|                                      | <b>Total Basic Materials</b>                                    | <b>48,915</b> | <b>5.24</b>                | 420,034                                  | Hotel Chocolat Group   | 1,533          | 0.16                       |
|                                      |   |               |                            | 1,475,193                                | Tate & Lyle  | 10,025         | 1.08                       |
| <b>INDUSTRIALS 17.21% (17.78%)</b>   |   |               |                            |  | <b>Household Goods &amp; Home Construction 3.78% (3.29%)</b> |                |                            |
|                                      | <b>Construction &amp; Materials 1.41% (1.71%)</b>               |               |                            | 697,757                                  | Crest Nicholson Holdings                                     | 1,408          | 0.15                       |
| 11,894,654                           | Breedon Aggregates  | 9,349         | 1.00                       | 469,913                                  | Reckitt Benckiser Group                                      | 33,834         | 3.63                       |
| 431,148                              | Eurocell Group  | 755           | 0.08                       |  | <b>Leisure Goods 0.21% (0.18%)</b>                           |                |                            |
| 842,178                              | Galliford Try   | 708           | 0.08                       | 16,834                                   | Games Workshop Group   | 1,457          | 0.16                       |
| 553,789                              | Polypipe Group  | 2,334         | 0.25                       | 994,462                                  | Photo-Me International                                       | 494            | 0.05                       |
|                                      | <b>Aerospace &amp; Defence 3.22% (2.65%)</b>                    |               |                            |  | <b>Personal Goods 5.31% (4.68%)</b>                          |                |                            |
| 130,591                              | Avon Rubber   | 4,891         | 0.53                       | 884,024                                  | Burberry Group   | 13,176         | 1.41                       |
| 3,333,232                            | BAE Systems   | 17,126        | 1.84                       | 2,880,326                                | Ted Baker  | 3,356          | 0.36                       |
| 1,060,282                            | Chemring Group  | 2,614         | 0.28                       | 736,066                                  | Unilever   | 32,961         | 3.54                       |
| 1,320,251                            | Rolls-Royce Holdings  | 2,969         | 0.32                       |  | <b>Tobacco 4.89% (5.59%)</b>                                 |                |                            |
| 1,441,530                            | Senior  | 739           | 0.08                       | 1,119,577                                | British American Tobacco                                     | 28,717         | 3.08                       |
| 69,361                               | Ultra Electronics Holdings                                      | 1,576         | 0.17                       | 1,288,414                                | Imperial Brands  | 16,917         | 1.81                       |
|                                      | <b>General Industrials 1.55% (1.67%)</b>                        |               |                            |  | <b>Total Consumer Goods</b>                                  | <b>182,264</b> | <b>19.55</b>               |
| 1,024,023                            | Smiths Group  | 14,413        | 1.55                       |  |  |                |                            |
|                                      | <b>Electronic &amp; Electrical Equipment 0.97% (0.89%)</b>      |               |                            | <b>HEALTH CARE 13.50% (12.85%)</b>       |  |                |                            |
| 230,804                              | Discoverie Group  | 1,371         | 0.15                       |  | <b>Health Care Equipment &amp; Services 1.53% (1.64%)</b>    |                |                            |
| 620,888                              | Morgan Advanced Materials                                       | 1,409         | 0.15                       | 934,787                                  | Smith & Nephew   | 14,241         | 1.53                       |
| 221,561                              | Oxford Instruments  | 3,399         | 0.37                       |  | <b>Pharmaceuticals &amp; Biotechnology 11.97% (11.21%)</b>   |                |                            |
| 494,906                              | TT electronics  | 918           | 0.10                       | 697,722                                  | AstraZeneca  | 57,067         | 6.12                       |
| 41,581                               | XP Power  | 1,825         | 0.20                       | 176,560                                  | Clinigen Group   | 1,185          | 0.12                       |
|                                      | <b>Industrial Engineering 2.73% (2.49%)</b>                     |               |                            | 53,658                                   | Genus  | 1,838          | 0.20                       |
| 3,378,144                            | Rotork  | 10,364        | 1.11                       | 3,207,582                                | GlaxoSmithKline  | 47,171         | 5.06                       |
| 1,550,919                            | Severfield  | 937           | 0.10                       | 132,178                                  | Oxford Biomedica   | 1,110          | 0.12                       |
| 755,080                              | Trifast   | 778           | 0.08                       | 3,076,382                                | Vectura Group  | 3,279          | 0.35                       |
| 1,044,100                            | Weir Group  | 13,458        | 1.44                       |  | <b>Total Health Care</b>                                     | <b>125,891</b> | <b>13.50</b>               |
|                                      | <b>Industrial Transportation 1.28% (1.15%)</b>                  |               |                            | <b>CONSUMER SERVICES 19.19% (18.59%)</b> |  |                |                            |
| 50,443                               | Clarkson  | 1,223         | 0.13                       |  | <b>Food &amp; Drug Retailers 3.65% (3.75%)</b>               |                |                            |
| 125,792                              | James Fisher & Sons   | 1,565         | 0.17                       | 8,468,722                                | Tesco  | 18,352         | 1.97                       |
| 5,311,270                            | Royal Mail  | 9,165         | 0.98                       | 8,208,054                                | WM Morrison Supermarkets                                     | 15,706         | 1.68                       |
|                                      | <b>Support Services 6.05% (7.22%)</b>                           |               |                            |  | <b>General Retailers 2.10% (0.98%)</b>                       |                |                            |
| 1,803,481                            | Aggreko   | 7,773         | 0.83                       | 1,693,147                                | Howden Joinery Group   | 9,658          | 1.04                       |
| 603,769                              | Essentra  | 1,779         | 0.19                       |  |  |                |                            |



## Threadneedle UK Equity Opportunities Fund

### Portfolio Statement

as at 7 September 2020

| Holding                                  | Investment  | Value<br>£000 | % of<br>Net Asset<br>Value | Holding   | Investment   | Value<br>£000  | % of<br>Net Asset<br>Value |
|--|---|---------------|----------------------------|---|--|----------------|----------------------------|
| <b>OIL &amp; GAS 3.17% (4.35%)</b>       |   |               |                            | <b>General Retailers 3.16% (1.98%)</b>                            |  |                |                            |
|  | <b>Oil &amp; Gas Producers 2.04% (2.91%)</b>                    |               |                            | 179,174   | Howden Joinery Group                                 | 1,022          | 1.61                       |
| 124,294                                  | Royal Dutch Shell 'B' Shares                                    | 1,290         | 2.04                       | 903,197   | Marks & Spencer Group                                | 986            | 1.55                       |
|  | <b>Oil Equipment, Services &amp; Distribution 1.13% (1.44%)</b> |               |                            | <b>Media 6.43% (6.53%)</b>  |  |                |                            |
| 310,120                                  | John Wood Group   | 716           | 1.13                       | 1,252,831   | ITV  | 796            | 1.26                       |
|  | <b>Total Oil &amp; Gas</b>                                      | <b>2,006</b>  | <b>3.17</b>                | 263,544   | Pearson  | 1,408          | 2.22                       |
|  |   |               |                            | 108,198   | RELX (London Listing)                                | 1,866          | 2.95                       |
| <b>BASIC MATERIALS 3.68% (3.25%)</b>     |   |               |                            | <b>Travel &amp; Leisure 11.32% (14.83%)</b>                       |  |                |                            |
|  | <b>Chemicals 3.68% (3.25%)</b>                                  |               |                            | 160,154   | easyJet  | 1,021          | 1.61                       |
| 60,716                                   | Johnson Matthey   | 1,514         | 2.39                       | 1,458,987   | Firstgroup   | 696            | 1.10                       |
| 41,040                                   | Victrex   | 815           | 1.29                       | 124,791   | J D Wetherspoon                                      | 1,305          | 2.06                       |
|  | <b>Total Basic Materials</b>                                    | <b>2,329</b>  | <b>3.68</b>                | 855,367   | Rank Group   | 1,151          | 1.82                       |
|  |   |               |                            | 1,932,749   | Restaurant Group                                     | 1,271          | 2.01                       |
| <b>INDUSTRIALS 18.11% (15.31%)</b>       |   |               |                            | 239,557   | SSP Group  | 645            | 1.02                       |
|  | <b>Aerospace &amp; Defence 1.89% (0.94%)</b>                    |               |                            | 688,228   | Stagecoach Group                                     | 301            | 0.47                       |
| 192,553                                  | BAE Systems   | 989           | 1.56                       | 30,965  | Whitbread  | 780            | 1.23                       |
| 93,126                                   | Rolls-Royce Holdings  | 209           | 0.33                       |   | <b>Total Consumer Services</b>                       | <b>17,255</b>  | <b>27.24</b>               |
|  | <b>General Industrials 4.00% (2.21%)</b>                        |               |                            | <b>TELECOMMUNICATIONS 1.80% (2.08%)</b>                           |  |                |                            |
| 882,336                                  | Melrose Industries  | 1,047         | 1.65                       |   | <b>Fixed Line Telecommunications 1.80% (2.08%)</b>   |                |                            |
| 105,772                                  | Smiths Group  | 1,489         | 2.35                       | 1,120,448   | BT Group   | 1,138          | 1.80                       |
|  | <b>Industrial Engineering 2.01% (1.65%)</b>                     |               |                            |   | <b>Total Telecommunications</b>                      | <b>1,138</b>   | <b>1.80</b>                |
| 414,478                                  | Rotork  | 1,272         | 2.01                       | <b>UTILITIES 0.97% (1.41%)</b>                                    |  |                |                            |
|  | <b>Industrial Transportation 1.16% (0.99%)</b>                  |               |                            |   | <b>Gas, Water &amp; Multiutilities 0.97% (1.41%)</b> |                |                            |
| 425,559                                  | Royal Mail  | 734           | 1.16                       | 1,350,832   | Centrica   | 617            | 0.97                       |
|  | <b>Support Services 9.05% (9.52%)</b>                           |               |                            |   | <b>Total Utilities</b>                               | <b>617</b>     | <b>0.97</b>                |
| 167,087                                  | Aggreko   | 720           | 1.14                       | <b>FINANCIALS 14.94% (16.98%)</b>                                 |  |                |                            |
| 346,061                                  | Electrocomponents   | 2,279         | 3.60                       |   | <b>Banks 2.79% (3.58%)</b>                           |                |                            |
| 852,653                                  | Hays  | 1,014         | 1.60                       | 718,068   | Natwest Group  | 759            | 1.20                       |
| 329,312                                  | Rentokil Initial  | 1,716         | 2.71                       | 264,336   | Standard Chartered                                   | 1,004          | 1.59                       |
|  | <b>Total Industrials</b>  | <b>11,469</b> | <b>18.11</b>               |   | <b>Nonlife Insurance 4.18% (2.66%)</b>               |                |                            |
|  |   |               |                            | 136,786   | Hiscox   | 989            | 1.56                       |
| <b>CONSUMER GOODS 15.88% (14.20%)</b>    |   |               |                            | 375,684   | RSA Insurance Group                                  | 1,661          | 2.62                       |
|  | <b>Food Producers 2.57% (2.44%)</b>                             |               |                            |   | <b>Life Insurance 3.04% (4.48%)</b>                  |                |                            |
| 239,316                                  | Tate & Lyle   | 1,626         | 2.57                       | 166,996   | Prudential   | 1,927          | 3.04                       |
|  | <b>Household Goods &amp; Home Construction 4.28% (3.26%)</b>    |               |                            |   | <b>Financial Services 4.93% (6.26%)</b>              |                |                            |
| 37,608                                   | Reckitt Benckiser Group   | 2,708         | 4.28                       | 172,466   | 3i Group   | 1,536          | 2.43                       |
|  | <b>Personal Goods 6.37% (5.47%)</b>                             |               |                            | 468,966   | M&G Prudential                                       | 766            | 1.21                       |
| 60,736                                   | Burberry Group  | 905           | 1.43                       | 2,236,190   | Sherborne Investors Guernsey                         | 747            | 1.18                       |
| 243,549                                  | Ted Baker   | 284           | 0.45                       | 1,549,692   | Sherborne Investors Guernsey B                       | 70             | 0.11                       |
| 63,439                                   | Unilever  | 2,841         | 4.49                       |   | <b>Total Financials</b>                              | <b>9,459</b>   | <b>14.94</b>               |
|  | <b>Tobacco 2.66% (3.03%)</b>                                    |               |                            | <b>Total value of investments</b>                                 |  |                |                            |
| 128,444                                  | Imperial Brands   | 1,686         | 2.66                       |   |  | <b>63,355</b>  | <b>100.06</b>              |
|  | <b>Total Consumer Goods</b>                                     | <b>10,050</b> | <b>15.88</b>               | <b>Net other liabilities (0.17%)</b>                              |  |                |                            |
|  |   |               |                            |   |  | <b>(37.00)</b> | <b>(0.06)</b>              |
| <b>HEALTH CARE 14.27% (13.24%)</b>       |   |               |                            | <b>Net assets</b>   |  |                |                            |
|  | <b>Pharmaceuticals &amp; Biotechnology 14.27% (13.24%)</b>      |               |                            |   |  | <b>63,318</b>  | <b>100.00</b>              |
| 64,767                                   | AstraZeneca   | 5,297         | 8.37                       | <i>March 2020 comparatives in brackets.</i>                       |  |                |                            |
| 254,007                                  | GlaxoSmithKline   | 3,735         | 5.90                       | <b>Total Purchases and Sales</b>                                  |  |                |                            |
|  | <b>Total Health Care</b>  | <b>9,032</b>  | <b>14.27</b>               | <i>for the accounting period 8 March 2020 to 7 September 2020</i> |  |                |                            |
|  |   |               |                            |   |  | <b>2020</b>    | <b>2019</b>                |
| <b>CONSUMER SERVICES 27.24% (29.35%)</b> |   |               |                            |   |  | <b>£000</b>    | <b>£000</b>                |
|  | <b>Food &amp; Drug Retailers 6.33% (6.01%)</b>                  |               |                            | Total purchases for the period                                    | 4,603  | 2,900          |                            |
| 761,436                                  | Tesco   | 1,650         | 2.61                       | Total sales for the period  | 9,438  | 4,902          |                            |
| 1,231,517                                | WM Morrison Supermarkets  | 2,357         | 3.72                       |   |  |                |                            |

## Performance Summary for the six months ended 31 August 2020

| Fund Name   | Sector   | Index  | Class 1<br>Net<br>Return<br>% | Class 2<br>Net<br>Return<br>% | Sector<br>Median<br>Net Return<br>% | Index<br>Total<br>Return<br>% |
|---|--|--|-------------------------------|-------------------------------|-------------------------------------|-------------------------------|
| <b>UNITED KINGDOM</b>   |  |  |                               |                               |                                     |                               |
| UK Fund   | IA UK All Companies                                | FTSE All-Share Total Return  | -9.82                         | -9.57                         | -7.06                               | -7.59                         |
| UK Select Fund  | IA UK All Companies                                | FTSE All-Share Total Return  | -6.95                         | -6.67                         | -7.06                               | -7.59                         |
| UK Smaller Companies Fund   | IA UK Smaller Companies                            | Numis Smaller Companies Index ex Investment Companies  | +2.24                         | +2.58                         | -3.11                               | -8.25                         |
| UK Growth & Income Fund   | IA UK All Companies                                | FTSE All-Share Total Return  | -9.83                         | -9.59                         | -7.06                               | -7.59                         |
| UK Equity Income Fund   | IA UK Equity Income                                | FTSE All-Share Total Return  | -6.88                         | -6.63                         | -10.61                              | -7.59                         |
| UK Monthly Income Fund  | IA UK Equity Income                                | FTSE All-Share Total Return  | -11.19                        | -10.93                        | -10.61                              | -7.59                         |
| Monthly Extra Income Fund   | IA UK Equity and Bond Income                       | 80% FTSE All-Share Total Return, 20% ICE BofA Sterling Corp & Collateralized (USD Unhedged)  | -4.29                         | –                             | -8.28                               | -5.72                         |
| Sterling Corporate Bond Fund  | IA £ Corporate Bond                                | iBoxx GBP Non-Gilts  | +1.50                         | +1.66                         | +1.28                               | +1.46                         |
| Strategic Bond Fund   | IA £ Strategic Bond                                | iBoxx GBP Non-Gilts 1-10 Years (60%), ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling) (40%) | +1.99                         | +2.27                         | +0.76                               | +0.78                         |
| Sterling Bond Fund  | IA UK Gilts  | FTSE Actuaries UK Conventional Gilts All Stocks  | +0.15                         | –                             | +0.48                               | +1.14                         |
| UK Institutional Fund   | IA UK All Companies                                | FTSE All-Share Total Return  | -10.62                        | -10.24                        | -7.06                               | -7.59                         |
| UK Equity Opportunities Fund  | IA UK All Companies                                | FTSE All-Share Total Return  | –                             | -13.60                        | -7.06                               | -7.59                         |
| <b>EUROPE</b>   |  |  |                               |                               |                                     |                               |
| European Fund   | IA Europe Excluding UK                             | FTSE World Europe Ex UK  | +10.81                        | +11.13                        | +7.81                               | +6.12                         |
| European Select Fund  | IA Europe Excluding UK                             | FTSE World Europe Ex UK  | +14.17                        | +14.48                        | +7.81                               | +6.12                         |
| European Smaller Companies Fund   | Morningstar Category Europe ex-UK Small_Mid-Cap Eq | EMIX Smaller European Companies Ex UK  | +16.88                        | +17.24                        | +13.32                              | +9.48                         |
| European Bond Fund  | –  | ICE BofA Pan-Europe Broad Market   | +5.15                         | –                             | –                                   | +2.84                         |
| <b>US</b>   |  |  |                               |                               |                                     |                               |
| American Fund   | IA North America                                   | S&P 500  | +18.28                        | +18.60                        | +14.14                              | +14.13                        |
| American Select Fund  | IA North America                                   | S&P 500  | +19.01                        | +19.34                        | +14.14                              | +14.13                        |
| American Smaller Companies Fund (US)                                      | Morningstar Category US Mid-Cap Equity             | Russell 2500   | +9.18                         | +9.49                         | +4.62                               | +2.76                         |
| Dollar Bond Fund  | Morningstar Category USD Diversified Bond          | ICE BofA US Treasury Master (50%), ICE BofA Eurodollar Global (50%)  | +1.01                         | –                             | -1.68                               | -1.35                         |
| <b>JAPAN</b>  |  |  |                               |                               |                                     |                               |
| Japan Fund  | IA Japan   | MSCI Japan   | +18.69                        | +19.03                        | +7.87                               | +4.92                         |
| <b>PACIFIC BASIN &amp; EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN</b> |  |  |                               |                               |                                     |                               |
| Asia Fund   | IA Asia Pacific Excluding Japan                    | MSCI AC Asia Pacific ex Japan – Gross Return   | +15.77                        | +16.12                        | +10.72                              | +8.98                         |
| Latin America Fund  | Morningstar Category Latin American Equity         | MSCI EM Latin America 10-40  | -15.54                        | -15.28                        | -21.45                              | -22.42                        |
| Emerging Market Bond Fund   | Morningstar Category Global Emerging Markets Bond  | J.P. Morgan Emerging Market Bond Index Global (EMBI Global)  | -3.96                         | -3.71                         | -3.80                               | -3.52                         |
| <b>GLOBAL</b>   |  |  |                               |                               |                                     |                               |
| High Yield Bond Fund  | IA £ High Yield                                    | ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling)   | +0.27                         | +0.53                         | -0.37                               | -0.33                         |
| Global Select Fund  | IA Global  | MSCI AC World Index  | +16.14                        | +16.48                        | +10.75                              | +10.24                        |
| Global Bond Fund  | Morningstar Category Global Bond                   | J.P. Morgan Government Bond Index Global (GBI Global)  | +0.79                         | +1.08                         | +0.03                               | -0.55                         |
| <b>CASH</b>   |  |  |                               |                               |                                     |                               |
| Sterling Short-Term Money Market Fund                                     | –  | LIBID  | +0.09                         | –                             | –                                   | +0.02                         |

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. Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. All data shown in GBP.

## Risk and Reward Profiles

| Fund                                     | Share Class                                    | SRRI* |
|--|--|-------|
| <b>UK Fund</b>                           | Class 1 – Income shares                        | 6     |
|  | Class 1 – Accumulation shares                  | 6     |
|  | Class 2 – Income shares                        | 6     |
|  | Class 2 – Accumulation shares                  | 6     |
|  | **Class L – Gross income shares                | 6     |
|  | **Class L – Gross accumulation shares          | 6     |
|  | Class X – Income shares                        | 6     |
|  | Class X – Accumulation shares                  | 6     |
|  | Class Z – Income shares                        | 6     |
|  | Class Z – Accumulation shares                  | 6     |
| <b>UK Select Fund</b>                    | Class 1 – Income shares                        | 5     |
|  | Class 2 – Income shares                        | 5     |
|  | Class D – Accumulation shares                  | 5     |
|  | Class L – Accumulation shares                  | 5     |
|  | Class X – Accumulation shares                  | 5     |
|  | Class X2 – Accumulation shares                 | 5     |
|  | Class Z – Income shares                        | 5     |
| Class Z – Gross accumulation shares      | 5  |       |
| <b>UK Smaller Companies Fund</b>         | Class 1 – Income shares                        | 6     |
|  | Class 2 – Income shares                        | 6     |
|  | Class X – Income shares                        | 6     |
|  | Class X – Gross accumulation shares            | 6     |
|  | Class Z – Income shares                        | 6     |
|  | Class Z – Accumulation shares                  | 6     |
| <b>UK Growth &amp; Income Fund</b>       | Class Z CHF Hedged – Gross accumulation shares | 6     |
|  | Class 1 – Income shares                        | 6     |
|  | Class 2 – Income shares                        | 6     |
|  | Class X – Gross accumulation shares            | 6     |
|  | Class Z – Accumulation shares                  | 6     |
| <b>UK Equity Income Fund</b>             | Class 1 – Income shares                        | 5     |
|  | Class 1 – 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  |       |
| <b>UK Monthly Income Fund</b>            | Class 1 – Income shares                        | 5     |
|  | Class 2 – Income shares                        | 5     |
|  | Class X – Gross income shares                  | 5     |
|  | Class Z – Income shares                        | 5     |
| <b>Monthly Extra Income Fund</b>         | Class 1 – Income shares                        | 5     |
|  | Class 1 EUR Hedged – Income shares             | 5     |
|  | Class 1 EUR Hedged – Accumulation shares       | 5     |
|  | Class X – Gross income shares                  | 5     |
|  | Class X – Gross accumulation shares            | 5     |
|  | Class Z – Income shares                        | 5     |
|  | Class Z – Accumulation shares                  | 5     |
| Class Z EUR Hedged – Accumulation shares | 5  |       |
| <b>Sterling Corporate Bond Fund</b>      | 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 Short-Term Money Market 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                  | 6                       |
|  | Class 2 – Accumulation shares                  | 6                       |
|  | Class D – Accumulation shares                  | 6                       |
|  | Class L – Income shares                        | 6                       |
|  | Class L – Accumulation shares                  | 6                       |
|  | Class L GBP Hedged – Income shares             | 6                       |
|  | Class X – Accumulation shares                  | 6                       |
|  | Class X2 – Accumulation shares                 | 6                       |
|  | Class X GBP Hedged – Gross accumulation shares | 6                       |
|  | Class Z – Income shares                        | 6                       |
|  | Class Z – Accumulation shares                  | 6                       |
|  | <b>European Select Fund</b>                    | Class 1 – Income shares |
| Class 1 – Accumulation shares                |  | 5                       |
| Class 2 – Income shares                      |  | 5                       |
| Class 2 – Accumulation shares                |  | 5                       |
| Class 2 USD Hedged – Accumulation shares     |  | 5                       |
| Class X – Accumulation shares                |  | 5                       |
| Class Z – Income shares                      |  | 5                       |
| Class Z – Accumulation shares                |  | 5                       |
| <b>European Smaller Companies Fund</b>       | Class 1 – Income shares                        | 6                       |
|  | Class 1 EUR – Income shares                    | 6                       |
|  | Class 1 – Accumulation shares                  | 6                       |
|  | Class 2 – Accumulation shares                  | 6                       |
|  | Class X – Gross accumulation shares            | 6                       |
|  | Class Z – Income shares                        | 6                       |
|  | Class Z – Accumulation shares                  | 6                       |
| <b>European Bond Fund</b>                    | Class 1 – Income shares                        | 4                       |
|  | Class 1 – Gross accumulation shares            | 4                       |
|  | Class 2 – Gross accumulation shares            | 4                       |
|  | Class X – Gross accumulation shares            | 4                       |
|  | Class Z – Income shares                        | 4                       |
|  | Class Z – 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 X – 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 – Accumulation shares                  | 5                       |
|  | Class 2 – Accumulation shares                  | 5                       |
|  | Class X – Accumulation shares                  | 5                       |
|  | Class X GBP Hedged – Gross accumulation shares | 5                       |
|  | Class Z – Income shares                        | 5                       |
|  | Class Z – Accumulation shares                  | 5                       |

## Risk and Reward Profiles

(continued)

| Fund  | Share Class                                    | SRRI* |
|---|--|-------|
| <b>American Select Fund</b>                 | Class 1 – Income shares                        | 6     |
|   | Class 1 – Accumulation shares                  | 6     |
|   | Class 2 – Accumulation shares                  | 6     |
|   | Class X – Accumulation shares                  | 6     |
|   | Class Z – Income shares                        | 6     |
|   | Class Z – Accumulation shares                  | 6     |
|   | Class Z CHF Hedged – Accumulation shares       | 6     |
|   | Class Z GBP Hedged – Accumulation shares       | 6     |
| <b>American Smaller Companies Fund (US)</b> | Class 1 – Income shares                        | 6     |
|   | Class 1 – Accumulation shares                  | 6     |
|   | Class 1 EUR – Accumulation shares              | 6     |
|   | Class 2 – Accumulation shares                  | 6     |
|   | Class X – Accumulation shares                  | 6     |
|   | Class Z – Income shares                        | 6     |
|   | Class Z – Accumulation shares                  | 6     |
| <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 X GBP Hedged – Gross accumulation shares | 6     |
|   | Class Z – Accumulation shares                  | 6     |
| <b>Asia Fund</b>                            | Class 1 – Accumulation shares                  | 6     |
|   | Class 2 – Accumulation shares                  | 6     |
|   | Class X – Accumulation shares                  | 6     |
|   | Class X2 – Accumulation shares                 | 6     |
|   | Class Z – Accumulation shares                  | 6     |
| <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     |
| <b>Emerging Market Bond Fund</b>            | Class 1 – Income shares                        | 5     |
|   | Class 1 – Gross income shares                  | 5     |
|   | Class 1 – Gross accumulation shares            | 5     |
|   | Class 2 – Income shares                        | 5     |
|   | Class 2 – Gross accumulation shares            | 5     |
|   | Class X – Gross income shares                  | 5     |
|   | Class X – Gross accumulation shares            | 5     |
|   | Class Z – Income shares                        | 5     |
|   | Class Z – Gross income shares                  | 5     |
| Class Z – Gross accumulation shares         | 5  |       |
| <b>High Yield Bond Fund</b>                 | Class 1 – Income shares                        | 4     |
|   | Class 1 – Gross income shares                  | 4     |
|   | Class 1 USD Hedged – Gross income shares       | 4     |
|   | Class 1 – Gross accumulation shares            | 4     |
|   | Class 2 – Income shares                        | 4     |
|   | Class 2 – Gross 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 – Accumulation shares                  | 4     |
|   | Class Z – Gross income shares                  | 4     |
|   | Class Z – Gross accumulation shares            | 4     |

## Risk and Reward Profiles

(continued)

| Fund                         | Share Class                         | SRRI* |
|------------------------------|-------------------------------------|-------|
| Global Select Fund           | Class 1 – Accumulation shares       | 6     |
|                              | Class 2 – Accumulation shares       | 6     |
|                              | Class X – Accumulation shares       | 6     |
|                              | Class Z – Income shares             | 6     |
|                              | Class Z – Accumulation shares       | 6     |
| Global Bond Fund             | Class 1 – Income shares             | 4     |
|                              | Class 1 – Accumulation shares       | 4     |
|                              | Class 1 – Gross income shares       | 4     |
|                              | Class 1 – Gross accumulation shares | 4     |
|                              | Class 2 – Income shares             | 4     |
|                              | Class 2 – Gross accumulation shares | 4     |
|                              | Class X – Gross accumulation shares | 4     |
|                              | Class Z – Income shares             | 4     |
|                              | Class Z – Gross income shares       | 4     |
|                              | Class Z – Gross accumulation shares | 4     |
| UK Institutional Fund        | Class 1 – Accumulation shares       | 6     |
|                              | Class 2 – Accumulation shares       | 6     |
|                              | Class X – Gross accumulation shares | 6     |
| UK Equity Opportunities Fund | Class 2 – Income shares             | 6     |
|                              | Class 2 – Accumulation shares       | 6     |
|                              | Class Z – Income shares             | 6     |

\* As at 7 September 2020 the synthetic risk and reward indicator (SRRI) is explained in the table below:

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

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

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

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

The lowest category does not mean a risk-free investment.

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

The risk and reward profile of UK Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Smaller Companies Fund changed to a 6 for all share classes on 3 July 2020.

The risk and reward profile of UK Growth and Income Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of Monthly Extra Income Fund changed to a 5 for all share classes on 12 June 2020.

The risk and reward profile of the European Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of European Smaller Companies Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of American Select Fund changed to a 6 for all share classes on 26 June 2020.

The risk and reward profile of High Yield Bond Fund changed to a 4 for all share classes on 3 July 2020.

The risk and reward profile of Global Select Fund changed to a 6 for all share classes on 31 July 2020.

The risk and reward profile of UK Institutional Fund changed to a 6 for all share classes on 24 July 2020.

The risk and reward profile of UK Equity Opportunities Fund changed to a 6 for all share classes on 3 July 2020.

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

## Important Information

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

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

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

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

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

### Prospectus

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

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

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

Other funds may be launched in the future.

### Key Investor Information Document – Subscription requirements

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

### Changes to the management of the ACD

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

- Resignation of P Stone on 15 June 2020.

### Changes to the Prospectus

During the period from 8 March 2020 to 7 September 2020 the following changes were made to the Prospectus of the Company:

- Change to the board directors of the ACD;
- Fee reductions to reflect Asset Management Market Study remedies;
- Updated Brexit risk wording and new COVID-19 and LIBOR Replacement risk wording;
- Updated capital gains tax exemption for 2020/21;
- Registrar name change from DST Financial Services Europe Ltd to SS&C Financial Services Europe Ltd.;
- Note regarding lower Asset Management fee on Sterling Short-Term Money Market Fund;
- UK Growth and Income Fund name consistency;
- Updated share class descriptions;
- Clarification of share class conversion wording;
- Updated dilution adjustment estimates to 31 July 2020;
- Updated performance figures to 31 July 2020;
- Updated share class information;
- Update to delegates list of the Depositary.

### Changes to the Instrument of Incorporation

The were no changes were made to the instrument of incorporation of the Company during the period from 8 March 2020 to 7 September 2020.

### Brexit

On 31 January 2020, the UK formally exited the European Union ('EU') on the terms of the Withdrawal Agreement, the deal agreed at a political level between the UK and the EU, and entered into an implementation period until 31 December 2020, during which negotiations on the future relationship between the UK and the EU will take place. However, depending on the outcome of these negotiations, it is possible that the Company may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may impact the ability of non-UK domiciled investors to make new investments in the Company.

## Important Information

(continued)

### COVID 19

The coronavirus disease 2019 (COVID-19) public health crisis has become a pandemic that has resulted in, and may continue to result in, significant global economic and societal disruption and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chain disruption, among others. Such disruptions may be caused, or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. The uncertainty surrounding the magnitude, duration, reach, costs and effects of the global pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, present unknowns that are yet to unfold. The impacts, as well as the uncertainty over impacts to come, of COVID-19 – and any other infectious illness outbreaks, epidemics and pandemics that may arise in the future – could negatively affect global economies and markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illness outbreaks and epidemics in emerging market countries may be greater due to generally less established healthcare systems, governments and financial markets. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The disruptions caused by COVID-19 could prevent the Company from executing advantageous investment decisions in a timely manner and negatively impact the Company's ability to achieve their investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Company.

### Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Private>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Intermediary>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Institutional>

### Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 28 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                       | Minimum Investment  | Availability   |
|-----------------------------------|---|--|
| Class 1 (including Hedged Shares) | GBP 2,000<br>EUR 2,500<br>USD 3,000<br>JPY 280,000<br>CHF 3,000<br>SGD 4,000                | All investors, and typically where rebates are paid to the investor or commission is paid to an intermediary.  |
| Class 2 (including Hedged Shares) | GBP 0.5 million<br>EUR 0.75 million<br>USD 0.8 million<br>JPY 70 million<br>CHF 1.2 million | Institutional investors and retail investors.<br>At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients. |
| Class D                           | GBP 2,000   | All investors at the ACD's discretion  |

| Share Class                       | Minimum Investment  | Availability   |
|-----------------------------------|---|--|
| Class L                           | GBP 100 million   | Institutional investors and retail investors at the ACD's discretion.  |
| Class M (including Hedged Shares) | AUD 750<br>USD 3,000  | All investors at the ACD's discretion  |
| Class N (including Hedged Shares) | USD 1.5 million   | All investors not precluded by law or by the terms of the Prospectus.<br>At the discretion of the ACD, to eligible distributors that have entered into separate fee arrangements with their clients. |
| Class X (including Hedged Shares) | GBP 3 million<br>EUR 5 million<br>USD 5 million<br>JPY 420 million<br>AUD 5 million       | Eligible Shareholders investing under a specific agreement.  |
| Class Z (including Hedged Shares) | GBP 1 million<br>EUR 1.5 million<br>USD 1.5 million<br>JPY 140 million<br>CHF 1.5 million | All investors not precluded by law or by the terms of the Prospectus.<br>At the discretion of the ACD, 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.

### Income Equalisation

Since each Fund operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

## Important Information

*(continued)*

### Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

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 | China Interbank Bond Market - Hong Kong Bond 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 & 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          |                 |                        |                               |  |
| Sterling 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 Short-Term Money Market 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          |                 |                        |                               |  |
| European Bond Fund                    | 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          |                 |                        |                               | 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 Equity Opportunities 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.

**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.

## Important Information

*(continued)*

**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:** The investment policy of the fund allows it to invest principally in deposits.

**China-Hong Kong Stock Connect:** The fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

### **China Interbank Bond Market - Hong Kong Bond Connect:**

The fund may invest in the China Interbank Bond Market (CIBM) via Hong Kong Bond Connect which is subject to regulatory, volatility and liquidity risk, as well as risks associated with settlement, default of counterparties and market suspension. Furthermore, the fund may incur significant trading, taxation and realisation costs.

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:  
SS&C 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

### 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 Zentralbank Österreich AG  
Am Stadtpark 9  
1030 Vienna  
Austria

### Paying and Information Agent in Belgium

CACEIS Belgium  
Avenue du Port 86C Bte 320  
1000 Brussels  
Belgium

### Paying and Information Agent in France

BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

### Paying and Information Agent in Germany

J.P. Morgan AG  
Junghofstr. 14  
60311 Frankfurt am Main  
Germany

### Paying and Information Agent in Hong Kong

HSBC Institutional Trust Services (Asia) Limited  
Services Transfer Agency, Fund Services  
1 Queen's Road Central  
Hong Kong

### Paying and Information Agent in Ireland

J.P. Morgan Bank Administration Services (Ireland) Limited  
J.P. Morgan House, International Financial Services Centre  
Dublin 1  
Ireland

### Paying and Information Agent in Italy

Allfunds Bank S.A., filiale di Milano  
via Bocchetto, 6  
20123 Milan  
Italy

BNP Paribas Securities Services,  
succursale di Milano  
Piazza Lina Bo Bardi, 3  
20124 Milan  
Italy

SGSS S.p.A.  
con sede legale in Milano  
via Benigno Crespi 19/A – MAC2  
Italy

State Street Bank S.p.A.  
Via Ferrante Aporti, 10  
20125 Milan  
Italy

\*Name changed from DST Financial Services Europe Limited to SS&C Financial Services Europe Limited on the 31 March 2020.

\*\*Calls will be recorded.

## Directory

*(continued)*

### **Paying and Information Agent in Luxembourg**

State Street Bank Luxembourg S.A.  
49 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **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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