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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE INVESTMENT FUNDS ICVC
MARCH 2020

THREADNEEDLE INVESTMENT FUNDS ICVC

Contents

Company Information*	3	Pacific Basin & Emerging Markets:	
Authorised Corporate Director's Report*	4	Asia Fund	169 – 177
Notes to the Annual Reports and Audited Financial Statements for Threadneedle Investment Funds ICVC	5 – 6	Latin America Fund	178 – 183
UK:		Emerging Market Bond Fund	184 – 192
UK Fund	7 – 14	International:	
UK Select Fund	15 – 21	High Yield Bond Fund	193 – 204
UK Smaller Companies Fund	22 – 28	Global Select Fund	205 – 212
UK Growth & Income Fund	29 – 35	Global Bond Fund	213 – 221
UK Equity Income Fund	36 – 45	Institutional Funds:	
UK Monthly Income Fund	46 – 51	UK Institutional Fund	222 – 227
Monthly Extra Income Fund	52 – 59	UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)	228 – 233
Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)	60 – 68	Statement of Authorised Corporate Director's (ACD) Responsibilities	234
Sterling Bond Fund	69 – 75	Statement of the Depositary's Responsibilities and Report of the Depositary	234
Sterling Short-Term Money Market Fund (formerly Sterling Fund)	76 – 80	Independent Auditors' Report	235
Europe:		Portfolio Statements*:	
European Fund	81 – 89	UK Fund	236 – 237
European Select Fund	90 – 100	UK Select Fund	238
European Smaller Companies Fund	101 – 109	UK Smaller Companies Fund	239 – 240
European Bond Fund	110 – 116	UK Growth & Income Fund	241
Strategic Bond Fund	117 – 126	UK Equity Income Fund	242
US:		UK Monthly Income Fund	243 – 244
American Fund	127 – 135	Monthly Extra Income Fund	245 – 249
American Select Fund	136 – 145	Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)	250 – 253
American Smaller Companies Fund (US)	146 – 154	Sterling Bond Fund	254
Dollar Bond Fund	155 – 161	Sterling Short-Term Money Market Fund (formerly Sterling Fund)	255
Japan:			
Japan Fund	162 – 168		

Contents

(continued)

European Fund.....	256 – 258
European Select Fund.....	259 – 260
European Smaller Companies Fund.....	261 – 262
European Bond Fund.....	263 – 267
Strategic Bond Fund.....	268 – 275
American Fund.....	276 – 277
American Select Fund.....	278 – 279
American Smaller Companies Fund (US).....	280 – 281
Dollar Bond Fund.....	282 – 284
Japan Fund.....	285 – 286
Asia Fund.....	287 – 288
Latin America Fund.....	289 – 290
Emerging Market Bond Fund.....	291 – 295
High Yield Bond Fund.....	296 – 302
Global Select Fund.....	303 – 305
Global Bond Fund.....	306 – 308
UK Institutional Fund.....	309 – 310
UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)	311
Performance Summaries*	312 – 313
Risk and Reward Profiles*	314 – 317
Important Information*	318 – 323
Directory*	324 – 325

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

**These pages, together with the investment reports of the individual funds comprise the Authorised Corporate Director's 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 (Appointed to the Board 24 September 2019)
A Roughead (non-executive)
M Scrimgeour (Resigned from the Board 26 April 2019)
P Stone
R Vincent (Appointed to the Board on 12 August 2019)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Investment Funds ICVC for the 12 months to 7 March 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 for further information about Columbia Threadneedle.

Thank you for your continued support.



L Weatherup
Director

DIRECTORS' STATEMENTS

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



L Weatherup
Director
26 May 2020



P Stone
Director

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

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

(b) Basis of valuation of investments

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

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

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

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

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

(c) Exchange rates

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

(d) Derivatives

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

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

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

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

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

(e) Recognition of revenue

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

- Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.
- Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.
- Special dividends are treated as either revenue or capital depending on the facts of each particular case.
- Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.
- Interest on debt securities and bank and short-term deposits is recognised on an earned basis.

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

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

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

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

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

- Dividends from U.S. Real Estate Investment Trusts (REITs) include a capital element. Upon receipt, a provision equivalent to 30% of the dividend is made in capital. On an annual basis, once the actual information has been published in the market, the provision will be amended to reflect actual split between capital and revenue.

(f) Treatment of expenses (including management expenses)

All expenses other than those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. Expenses are recognised on an accrual basis and include irrecoverable VAT where appropriate.

(g) Fee rebate

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

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

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

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

(i) Equalisation policy

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

(j) Allocation of return on hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Reference Currency or Reference Currencies and the Hedged Currency (for further definitions refer to page 320). Where undertaken, the allocation of return in relation to hedging transactions is applied in respect of that hedged share class only.

(k) Deferred tax

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

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

2 DISTRIBUTION POLICIES

- (a) In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any share class, a distribution will be made from that share class. Should expenses and taxation exceed revenue for any share class, there will be no distribution for that share class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

- (b) Where distributions are unclaimed for a period of six years these are brought back into the relevant fund as capital.

- (c) The ACD's charges in respect of the following funds are added back for the purpose of determining the amount available for distribution:

- Dollar Bond Fund
- Emerging Market Bond Fund
- European Bond Fund
- Global Bond Fund
- High Yield Bond Fund

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

Notes to the financial statements

(continued)

- Monthly Extra Income Fund
- Sterling Bond Fund
- Strategic Bond Fund
- UK Equity Income Fund
- UK Growth & Income Fund
- UK Monthly Income Fund

(d) When a transfer is made between the revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of the fund.

3 RISK MANAGEMENT POLICIES

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

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

The ACD has a Risk Management Policy (RMP*), which is reviewed by the Depositary. The processes detailed within are designed to monitor and measure as frequently as appropriate the risk of the funds' underlying investments, derivative and forward positions and their contribution to the overall risk profile of the funds. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks.

The main risks arising from financial instruments and the ACD's policies for managing these risks are stated below. These policies have been consistent for both the current and prior period to which these financial statements relate.

Market price risk

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

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

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

The value of the investment can fall as well as rise and investors might not get back the sum originally invested, especially if investments are not held for the long term.

The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

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

Liquidity risk

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

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

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

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

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

Credit risk/Counterparty risk

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

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

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

Interest rate risk

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

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

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

Currency risk

Foreign currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. For those funds where a proportion of the net assets of the fund are denominated in currencies other than the fund's base currency, the balance sheet can be affected by movements in exchange rates. The ACD monitors the foreign currency exposure of the funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies. Hedged Share Classes are available to investors as set out in the Important Information – Characteristics of Shares section on page 319. The currency risk profile for the relevant funds is shown in their notes to the financial statements, contained within the full financial statements.

4 CROSS HOLDINGS

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

5 CASH AND CASH EQUIVALENTS

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

*The RMP available on request from the client services team contact details on page 324.

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Fund has fallen from 134.36p to 124.08p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is -0.54% as compared to a median return of -0.16% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period.)

Market Overview and Portfolio Activity

UK equities posted a small negative return over the 12 months under review. The period fell into two distinct parts, as gains accrued during 2019 were erased in the new year by sharp declines amid a global sell-off.

Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

New additions to the portfolio over the period included housebuilder Berkeley and speciality-chemicals company Elementis.

We believe that as competitors move out of the London land-buying market, Berkeley's unique position will enable it to accumulate sites at great prices, which should boost profits. We also expect the firm to retain its strong focus on balancing asset growth and cash returns.

Elementis is de-levering its balance sheet and pursuing several self-help initiatives which include the transformation of its coatings division and the optimisation of its supply chain.

Another new position was Spectris, which manufactures, designs and markets products for the electronic control and process instrumentation sectors. The investment case is enhanced with the appointment of a new CEO who is refocusing the firm by selling off non-core assets.

We received shares in M&G following its demerger from Prudential. We then scaled up the position in M&G to a more meaningful holding due to its extremely attractive valuation proposition.

Over the review period, we also topped up selected existing holdings, such as easyJet, Hunting, Whitbread and Aggreko.

We profitably closed our positions in Cobham, Greene King and Merlin Entertainments ahead of the completion of their respective takeover bids. We also sold Daily Mail & General Trust. Additionally, we realised some gains in stocks which had outperformed such as London Stock Exchange, Crest Nicholson, Smith & Nephew and Rentokil.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum.

Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(148,155)	(35,991)
Revenue	3	76,678	83,677
Expenses	4	(18,454)	(22,452)
Interest payable and similar charges	5	(1)	(3)
Net revenue before taxation		58,223	61,222
Taxation	6	–	–
Net revenue after taxation		58,223	61,222
Total return before distributions		(89,932)	25,231
Distributions	7	(58,224)	(61,222)
Change in net assets attributable to shareholders from investment activities		(148,156)	(35,991)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		1,832,831	2,128,050
Current assets:			
Debtors	8	28,627	20,058
Cash and bank balances		1	11,691
Cash equivalents**		8,802	125
Total assets		1,870,261	2,159,924
Liabilities:			
Creditors:			
Bank overdrafts		(4,128)	–
Distribution payable		(8,157)	(15,473)
Other creditors	9	(15,848)	(15,468)
Total liabilities		(28,133)	(30,941)
Net assets attributable to shareholders		1,842,128	2,128,983

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	2,128,983	2,118,533
Amounts receivable on the issue of shares	757,982	440,972
Amounts payable on the cancellation of shares	(926,556)	(352,632)
Amounts payable on inspecie transfers	–	(62,352)
	(168,574)	25,988
Dilution adjustment	44	35
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(148,156)	(35,991)
Retained distribution on accumulation shares	29,817	20,392
Unclaimed distributions	14	26
Closing net assets attributable to shareholders	1,842,128	2,128,983

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.1531	–	2.1531	1.9939
08/09/19 to 07/03/20	0.7327	–	0.7327	1.0885
Group 2				
08/03/19 to 07/09/19	1.8341	0.3190	2.1531	1.9939
08/09/19 to 07/03/20	0.5267	0.2060	0.7327	1.0885
Total distributions in the period			2.8858	3.0824
Class 1 – Accumulation shares				
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.0301	–	2.0301	1.8383
08/09/19 to 07/03/20	0.7003	–	0.7003	1.0245
Group 2				
08/03/19 to 07/09/19	1.1373	0.8928	2.0301	1.8383
08/09/19 to 07/03/20	0.4814	0.2189	0.7003	1.0245
Total distributions in the period			2.7304	2.8628

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.5595	–	2.5595	2.4167
08/09/19 to 07/03/20	1.1406	–	1.1406	1.4685
Group 2				
08/03/19 to 07/09/19	1.5179	1.0416	2.5595	2.4167
08/09/19 to 07/03/20	0.6855	0.4551	1.1406	1.4685
Total distributions in the period			3.7001	3.8852

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.0028	–	2.0028	1.8389
08/09/19 to 07/03/20	0.9079	–	0.9079	1.1371
Group 2				
08/03/19 to 07/09/19	1.0345	0.9683	2.0028	1.8389
08/09/19 to 07/03/20	0.4927	0.4152	0.9079	1.1371
Total distributions in the period			2.9107	2.9760

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.6489	–	2.6489	2.5613
08/09/19 to 07/03/20	1.5075	–	1.5075	1.7319
Group 2				
08/03/19 to 07/09/19	1.7162	0.9327	2.6489	2.5613
08/09/19 to 07/03/20	1.5075	–	1.5075	1.7319
Total distributions in the period			4.1564	4.2932

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	3.0446	–	3.0446	2.8314
08/09/19 to 07/03/20	1.7690	–	1.7690	1.9691
Group 2				
08/03/19 to 07/09/19	1.2967	1.7479	3.0446	2.8314
08/09/19 to 07/03/20	0.9454	0.8236	1.7690	1.9691
Total distributions in the period			4.8136	4.8005

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.9859	–	2.9859	2.8270
08/09/19 to 07/03/20	1.4292	–	1.4292	1.7768
Group 2				
08/03/19 to 07/09/19	1.4164	1.5695	2.9859	2.8270
08/09/19 to 07/03/20	0.6546	0.7746	1.4292	1.7768
Total distributions in the period			4.4151	4.6038

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	3.4939	–	3.4939	3.2203
08/09/19 to 07/03/20	1.7021	–	1.7021	2.0537
Group 2				
08/03/19 to 07/09/19	1.8856	1.6083	3.4939	3.2203
08/09/19 to 07/03/20	0.7948	0.9073	1.7021	2.0537
Total distributions in the period			5.1960	5.2740

Group 2: shares purchased during a distribution period.

Threadneedle UK Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	133.22	135.81	138.34	125.60	125.20	125.35
Return before operating charges (p)	(4.97)	2.73	2.19	(4.88)	2.48	1.95
Operating charges (p)	(2.27)	(2.24)	(2.30)	(2.16)	(2.08)	(2.10)
Return after operating charges (p)*	(7.24)	0.49	(0.11)	(7.04)	0.40	(0.15)
Distributions (p)	(2.89)	(3.08)	(2.42)	(2.73)	(2.86)	(2.20)
Retained distributions on accumulation shares (p)	–	–	–	2.73	2.86	2.20
Closing net asset value per share (p)	123.09	133.22	135.81	118.56	125.60	125.20
* after direct transaction costs of (p)	0.17	0.18	0.14	0.16	0.17	0.13
Performance						
Return after charges (%)	(5.43)	0.36	(0.08)	(5.61)	0.32	(0.12)
Other information						
Closing net asset value (£000)	199,706	487,399	450,191	2,325	1,980	1,717
Closing number of shares	162,248,931	365,854,211	331,491,703	1,961,080	1,576,857	1,371,644
Operating charges (%)**	1.64	1.63	1.63	1.63	1.63	1.63
Direct transaction costs (%)***	0.13	0.13	0.10	0.13	0.13	0.10
Prices						
Highest share price (p)	148.94	149.10	146.01	142.61	137.46	133.81
Lowest share price (p)	124.08	121.03	134.70	118.81	113.18	123.81

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	133.43	136.02	138.58	104.44	103.51	103.03
Return before operating charges (p)	(5.01)	2.76	2.18	(4.11)	2.05	1.61
Operating charges (p)	(1.49)	(1.46)	(1.50)	(1.17)	(1.12)	(1.13)
Return after operating charges (p)*	(6.50)	1.30	0.68	(5.28)	0.93	0.48
Distributions (p)	(3.70)	(3.89)	(3.24)	(2.91)	(2.98)	(2.42)
Retained distributions on accumulation shares (p)	–	–	–	2.91	2.98	2.42
Closing net asset value per share (p)	123.23	133.43	136.02	99.16	104.44	103.51
* after direct transaction costs of (p)	0.17	0.18	0.14	0.14	0.14	0.10
Performance						
Return after charges (%)	(4.87)	0.96	0.49	(5.06)	0.90	0.47
Other information						
Closing net asset value (£000)	178,420	419,957	461,592	418,203	281,406	180,919
Closing number of shares	144,784,248	314,739,661	339,346,214	421,748,534	269,451,804	174,791,020
Operating charges (%)**	1.07	1.06	1.06	1.06	1.06	1.06
Direct transaction costs (%)***	0.13	0.13	0.10	0.13	0.13	0.10
Prices						
Highest share price (p)	149.44	149.52	146.46	119.14	113.78	110.53
Lowest share price (p)	124.63	121.42	135.26	99.36	94.00	101.91

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	108.55	110.67	112.77	124.76	122.44	120.67
Return before operating charges (p)	(4.13)	2.24	1.77	(5.04)	2.40	1.84
Operating charges (p)	(0.07)	(0.07)	(0.07)	(0.08)	(0.08)	(0.07)
Return after operating charges (p)*	(4.20)	2.17	1.70	(5.12)	2.32	1.77
Distributions (p)	(4.16)	(4.29)	(3.80)	(4.81)	(4.80)	(4.09)
Retained distributions on accumulation shares (p)	–	–	–	4.81	4.80	4.09
Closing net asset value per share (p)	100.19	108.55	110.67	119.64	124.76	122.44
* after direct transaction costs of (p)	0.14	0.15	0.11	0.17	0.16	0.12
Performance						
Return after charges (%)	(3.87)	1.96	1.51	(4.10)	1.89	1.47
Other information						
Closing net asset value (£000)	62,315	60,197	57,625	353,973	46,842	28,362
Closing number of shares	62,196,718	55,453,153	52,069,718	295,852,892	37,546,067	23,164,007
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.13	0.13	0.10	0.13	0.13	0.10
Prices						
Highest share price (p)	121.95	121.90	119.47	143.48	134.87	130.57
Lowest share price (p)	101.91	99.08	110.54	119.90	112.09	119.49

	Class Z – Income shares			Class Z EUR – Income shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	146.65	149.45	152.26	162.69
Return before operating charges (p)	(5.54)	3.06	2.39	(12.86)
Operating charges (p)	(1.27)	(1.26)	(1.29)	(0.40)
Return after operating charges (p)*	(6.81)	1.80	1.10	(13.26)
Distributions (p)	(4.42)	(4.60)	(3.91)	(3.11)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	135.42	146.65	149.45	146.32
* after direct transaction costs of (p)	0.19	0.20	0.15	0.09
Performance				
Return after charges (%)	(4.64)	1.20	0.72	(8.15)
Other information				
Closing net asset value (£000)	414,949	487,696	525,499	–
Closing number of shares	306,418,216	332,560,403	351,630,750	–
Operating charges (%)**	0.83	0.83	0.83	–
Direct transaction costs (%)***	0.13	0.13	0.10	–
Prices				
Highest share price (p)	164.36	164.35	161.01	163.33
Lowest share price (p)	137.13	133.54	148.75	142.11

Threadneedle UK Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares	
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ²	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	171.60	169.71	168.55	137.04	145.43
Return before operating charges (p)	(6.82)	3.33	2.60	(2.18)	(7.20)
Operating charges (p)	(1.50)	(1.44)	(1.44)	(0.66)	(1.19)
Return after operating charges (p)*	(8.32)	1.89	1.16	(2.84)	(8.39)
Distributions (p)	(5.20)	(5.27)	(4.35)	(2.81)	(3.63)
Retained distributions on accumulation shares (p)	5.20	5.27	4.35	2.81	3.63
Closing net asset value per share (p)	163.28	171.60	169.71	134.20	137.04
* after direct transaction costs of (p)	0.22	0.23	0.17	0.14	0.14
Performance					
Return after charges (%)	(4.85)	1.11	0.69	(2.07)	(5.77)
Other information					
Closing net asset value (£000)	212,237	343,506	371,361	–	5,507
Closing number of shares	129,986,862	200,173,868	218,822,439	–	4,018,724
Operating charges (%)**	0.83	0.83	0.83	–	0.83
Direct transaction costs (%)***	0.13	0.13	0.10	–	0.10
Prices					
Highest share price (p)	196.11	186.63	181.17	152.68	152.79
Lowest share price (p)	163.63	154.39	166.76	129.61	135.99
	Class Z EUR Hedged – Accumulation shares			Class Z USD Hedged – Accumulation shares	
	09/11/2018 ²	07/03/2018		09/11/2018 ²	07/03/2018
Change in net assets per share					
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
Performance					
Return after charges (%)	(3.85)	2.96		6.94	(10.35)
Other information					
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
Prices					
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.

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

Threadneedle UK Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	(148,209)	(36,628)
Forward currency contracts	—	743
Other gains/(losses)	59	(101)
Transaction costs	(5)	(5)
Net capital losses	(148,155)	(35,991)

3 REVENUE

	2020	2019
	£000	£000
UK dividends	76,460	83,514
Interest on short term investments	17	43
Bank interest	201	50
Underwriting commission	—	70
Total revenue	76,678	83,677

4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(16,990)	(20,788)
Registration fees	(1,148)	(1,334)
	(18,138)	(22,122)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(248)	(260)
Safe custody fees	(52)	(55)
	(300)	(315)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(8)
	(16)	(15)
Total expenses*	(18,454)	(22,452)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(1)	(3)
Total interest payable and similar charges	(1)	(3)

6 TAXATION

	2020	2019
	£000	£000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	58,223	61,222
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(11,645)	(12,244)

Effects of:

Revenue not subject to taxation	15,067	16,381
Excess expenses	(3,422)	(4,137)
Retail Distribution Review (RDR) conversion transfer from capital	(1)	—
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £74,543,937 (2019: £71,121,706) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020	2019
	£000	£000
Interim	38,520	37,946
Final	19,446	23,404
	57,966	61,350
Add: Revenue deducted on the cancellation of shares	6,677	2,329
Deduct: Revenue received on the creation of shares	(6,419)	(2,457)
Net distribution for the period	58,224	61,222
Net revenue after taxation	58,223	61,222
Equalisation on conversion	1	1
Undistributed revenue brought forward	1	—
Undistributed revenue carried forward	(1)	(1)
Total distributions	58,224	61,222

Details of the distribution per share are set out in the table on pages 7 to 8.

8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	18,585	1,384
Sales awaiting settlement	—	3,030
Accrued revenue	10,042	15,644
Total debtors	28,627	20,058

9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(1,352)	(13,314)
Purchases awaiting settlement	(12,828)	—
Accrued expenses	(35)	(39)
Amounts payable to ACD	(1,633)	(2,115)
Total other creditors	(15,848)	(15,468)

10 DILUTION ADJUSTMENT

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

Threadneedle UK Fund

Notes to the financial statements

(continued)

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 9 to 11. The distribution per share class is given in the distribution table on pages 7 to 8. All classes have the same rights on winding up."

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	365,854,211
Shares issued	22,059,606
Shares redeemed	(223,951,357)
Net conversions	(1,713,529)
Closing shares	162,248,931
Class 1 – Accumulation shares	
Opening shares	1,576,857
Shares issued	905,466
Shares redeemed	(521,243)
Net conversions	–
Closing shares	1,961,080
Class 2 – Income shares	
Opening shares	314,739,661
Shares issued	45,666,347
Shares redeemed	(215,614,823)
Net conversions	(6,937)
Closing shares	144,784,248
Class 2 – Accumulation shares	
Opening shares	269,451,804
Shares issued	207,668,204
Shares redeemed	(55,367,506)
Net conversions	(3,968)
Closing shares	421,748,534
Class X – Income shares	
Opening shares	55,453,153
Shares issued	6,743,565
Shares redeemed	–
Net conversions	–
Closing shares	62,196,718

2020

Class X – Accumulation shares

Opening shares	37,546,067
Shares issued	276,686,636
Shares redeemed	(18,379,811)
Net conversions	–
Closing shares	295,852,892

Class Z – Income shares

Opening shares	332,560,403
Shares issued	24,948,324
Shares redeemed	(52,539,455)
Net conversions	1,448,944
Closing shares	306,418,216

Class Z – Accumulation shares

Opening shares	200,173,868
Shares issued	12,145,165
Shares redeemed	(82,440,339)
Net conversions	108,168
Closing shares	129,986,862

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.22% and vice versa (2019: 4.73%).

Currency exposures

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

	Total £000
Currency 2020	
US Dollar	2,631
Currency 2019	£000
US Dollar	2,529

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
UK Sterling	–	8,802	1,858,828	1,867,630
US Dollar	1	–	2,630	2,631
Currency 2019	£000	£000	£000	£000
UK Sterling	11,690	–	2,145,705	2,157,395
US Dollar	1	–	2,528	2,529

Threadneedle UK Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	(4,128)	—	(24,005)	(28,133)
Currency 2018	£000	£000	£000	£000
UK Sterling	—	—	(30,941)	(30,941)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	1,841,633	—	2,128,175	—
	1,841,633	—	2,128,175	—

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	448,343	199	0.04	2,169	0.48
Collective investment schemes	244,677	—	—	—	—
Total	693,020	199		2,169	

Gross purchases total: 695,388

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	565,699	197	0.03	1	0.00
Collective investment schemes	236,000	—	—	—	—
Corporate actions	32,243	—	—	—	—
Total	833,942	197		1	

Total sales net of transaction costs: 833,744

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.11%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	493,409	219	0.04	2,444	0.50
Collective investment schemes	48,037	—	—	—	—
Corporate actions	11,042	—	—	—	—
Total	552,488	219		2,444	

Gross purchases total: 555,151

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	380,223	143	0.03	1	0.00
Collective investment schemes	48,913	—	—	—	—
In specie transactions	61,902	—	—	—	—
Corporate actions	14,764	—	—	—	—
Total	505,802	143		1	

Total sales net of transaction costs: 505,658

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.11%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.09% (7 March 2019: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 3.94%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Income shares	123.14	110.31	(10.42)
Class 1 – Accumulation shares	118.80	106.21	(10.60)
Class 2 – Income shares	123.29	110.54	(10.34)
Class 2 – Accumulation shares	99.37	88.94	(10.49)
Class X – Income shares	100.23	90.06	(10.15)
Class X – Accumulation shares	119.89	107.53	(10.31)
Class Z – Income shares	135.48	121.53	(10.30)
Class Z – Accumulation shares	163.61	146.51	(10.45)

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(28.91)
Class 1 – Accumulation shares	(10.96)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Select Fund has fallen from 122.47p to 114.28p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is -1.85% as compared to a median return of -0.16% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

UK equities posted a small negative return over the 12 months under

review. The period fell into two distinct parts, as gains accrued during 2019 were erased in the new year by sharp declines amid a global sell-off. Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

New additions to the portfolio over the review period included AstraZeneca, Schroders, Vodafone and Reckitt Benckiser.

We initiated a position in global asset manager Schroders via its non-voting shares, which traded at a meaningful discount to the voting shares.

We acquired this high-quality franchise on a single-digit price-to-earnings multiple and a dividend yield of over 5%. We felt that the valuation was appealing, given the strength of the firm's balance sheet and the cash generative nature of the business.

Our purchase of telecom giant Vodafone was on the premise that the spin-off of its European mobile-mast division will unlock value and help to repair the company's balance sheet. The move should also help to boost share price performance from a very low base following a turbulent period.

Consumer-goods company Reckitt Benckiser is exposed to some of the faster growing categories in the household personal-care sector and boasts strong brands with robust market positions. Following the company's significant reinvestments, we feel that operational performance can improve. We also believe that growth and margins could rebound faster than expected. A new management team also brings prospects of a more clearly delineated strategy. We closed positions in Micro Focus, DS Smith and Johnson Matthey, among others.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum. Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(14,639)	(25,835)
Revenue	3	15,307	20,165
Expenses	4	(2,294)	(3,425)
Interest payable and similar charges	5	(4)	(5)
Net revenue before taxation		13,009	16,735
Taxation	6	–	–
Net revenue after taxation		13,009	16,735
Total return before distributions		(1,630)	(9,100)
Distributions	7	(13,009)	(16,735)
Change in net assets attributable to shareholders from investment activities		(14,639)	(25,835)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		277,794	465,048
Current assets:			
Debtors	8	8,791	6,402
Cash and bank balances		–	9,070
Cash equivalents**		9,594	5,023
Total assets		296,179	485,543
Liabilities:			
Creditors:			
Bank overdrafts		(95)	–
Distribution payable		(974)	(2,226)
Other creditors	9	(4,993)	(666)
Total liabilities		(6,062)	(2,892)
Net assets attributable to shareholders		290,117	482,651

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	482,651	491,228
Amounts receivable on the issue of shares	133,792	118,004
Amounts payable on the cancellation of shares	(320,313)	(111,694)
	(186,521)	6,310
Dilution adjustment	101	202
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(14,639)	(25,835)
Retained distribution on accumulation shares	8,522	10,735
Unclaimed distributions	3	11
Closing net assets attributable to shareholders	290,117	482,651

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.8728	–	1.8728	1.7689
08/09/19 to 07/03/20	0.8826	–	0.8826	1.0623
Group 2				
08/03/19 to 07/09/19	1.1348	0.7380	1.8728	1.7689
08/09/19 to 07/03/20	0.6740	0.2086	0.8826	1.0623
Total distributions in the period			2.7554	2.8312

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.2527	–	2.2527	2.1664
08/09/19 to 07/03/20	1.2310	–	1.2310	1.4151
Group 2				
08/03/19 to 07/09/19	1.4420	0.8107	2.2527	2.1664
08/09/19 to 07/03/20	0.8699	0.3611	1.2310	1.4151
Total distributions in the period			3.4837	3.5815

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	4.0603	–	4.0603	3.7974
08/09/19 to 07/03/20	2.2423	–	2.2423	2.5184
Group 2				
08/03/19 to 07/09/19	2.0768	1.9835	4.0603	3.7974
08/09/19 to 07/03/20	1.1093	1.1330	2.2423	2.5184
Total distributions in the period			6.3026	6.3158

Class L – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	5.6700	–	5.6700	5.3409
08/09/19 to 07/03/20	3.4426	–	3.4426	3.7183
Group 2				
08/03/19 to 07/09/19	3.0369	2.6331	5.6700	5.3409
08/09/19 to 07/03/20	1.5563	1.8863	3.4426	3.7183
Total distributions in the period			9.1126	9.0592

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.7594	–	2.7594	2.6169
08/09/19 to 07/03/20	1.8129	–	1.8129	1.9011
Group 2				
08/03/19 to 07/09/19	0.5975	2.1619	2.7594	2.6169
08/09/19 to 07/03/20	0.4866	1.3263	1.8129	1.9011
Total distributions in the period			4.5723	4.5180

Class X2 – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	9.3208	–	9.3208	8.8315
08/09/19 to 07/03/20	6.1125	–	6.1125	6.4159
Group 2				
08/03/19 to 07/09/19	1.0228	8.2980	9.3208	8.8315
08/09/19 to 07/03/20	2.8506	3.2619	6.1125	6.4159
Total distributions in the period			15.4333	15.2474

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.8352	–	2.8352	2.7404
08/09/19 to 07/03/20	1.6064	–	1.6064	1.8245
Group 2				
08/03/19 to 07/09/19	1.6975	1.1377	2.8352	2.7404
08/09/19 to 07/03/20	1.1600	0.4464	1.6064	1.8245
Total distributions in the period			4.4416	4.5649

Class Z – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020
Group 1			
08/09/19 to 07/03/20	0.4880	–	0.4880
Group 2			
08/09/19 to 07/03/20	0.4880	–	0.4880
Total distributions in the period			0.4880

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		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	121.34	127.47	128.11	121.79	127.95	128.61
Return before operating charges (p)	(3.16)	(1.22)	3.50	(3.23)	(1.23)	3.50
Operating charges (p)	(2.06)	(2.08)	(2.20)	(1.34)	(1.35)	(1.40)
Return after operating charges (p)*	(5.22)	(3.30)	1.30	(4.57)	(2.58)	2.10
Distributions (p)	(2.76)	(2.83)	(1.94)	(3.48)	(3.58)	(2.76)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	113.36	121.34	127.47	113.74	121.79	127.95
* after direct transaction costs of (p)	0.54	0.56	0.52	0.54	0.56	0.52
Performance						
Return after charges (%)	(4.30)	(2.59)	1.01	(3.75)	(2.02)	1.63
Other information						
Closing net asset value (£000)	30,039	103,644	122,790	56,633	97,754	89,589
Closing number of shares	26,499,588	85,416,963	96,327,173	49,792,638	80,267,218	70,017,489
Operating charges (%)**	1.64	1.63	1.67	1.06	1.06	1.06
Direct transaction costs (%)***	0.43	0.44	0.39	0.43	0.44	0.39
Prices						
Highest share price (p)	132.43	139.69	136.15	133.18	140.39	136.95
Lowest share price (p)	113.97	111.87	125.89	114.70	112.48	126.70

	Class D – Accumulation shares			Class L – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018 ¹	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	220.61	225.35	229.57	271.79	276.34	280.45
Return before operating charges (p)	(6.16)	(2.31)	(2.57)	(7.68)	(2.84)	(2.95)
Operating charges (p)	(2.47)	(2.43)	(1.65)	(1.74)	(1.71)	(1.16)
Return after operating charges (p)*	(8.63)	(4.74)	(4.22)	(9.42)	(4.55)	(4.11)
Distributions (p)	(6.30)	(6.32)	(2.88)	(9.11)	(9.06)	(4.60)
Retained distributions on accumulation shares (p)	6.30	6.32	2.88	9.11	9.06	4.60
Closing net asset value per share (p)	211.98	220.61	225.35	262.37	271.79	276.34
* after direct transaction costs of (p)	1.00	0.99	0.75	1.22	1.22	0.91
Performance						
Return after charges (%)	(3.91)	(2.10)	(1.84)	(3.47)	(1.65)	(1.47)
Other information						
Closing net asset value (£000)	39,542	8,541	9,352	1,953	2,978	4,058
Closing number of shares	18,653,427	3,871,487	4,149,947	744,580	1,095,750	1,468,352
Operating charges (%)**	1.06	1.07	1.06 ¹	0.61	0.61	0.61 ¹
Direct transaction costs (%)***	0.43	0.44	0.39	0.43	0.44	0.39
Prices						
Highest share price (p)	245.58	247.24	239.94	303.77	303.48	294.00
Lowest share price (p)	211.51	201.42	221.98	261.77	247.92	272.11

Threadneedle UK Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	116.23	117.53	114.54	392.30	396.67	400.80
Return before operating charges (p)	(3.35)	(1.23)	3.06	(11.28)	(4.13)	(3.97)
Operating charges (p)	(0.07)	(0.07)	(0.07)	(0.25)	(0.24)	(0.16)
Return after operating charges (p)*	(3.42)	(1.30)	2.99	(11.53)	(4.37)	(4.13)
Distributions (p)	(4.57)	(4.52)	(3.67)	(15.43)	(15.25)	(8.40)
Retained distributions on accumulation shares (p)	4.57	4.52	3.67	15.43	15.25	8.40
Closing net asset value per share (p)	112.81	116.23	117.53	380.77	392.30	396.67
* after direct transaction costs of (p)	0.53	0.51	0.47	1.76	1.75	1.31
Performance						
Return after charges (%)	(2.94)	(1.11)	2.61	(2.94)	(1.10)	(1.03)
Other information						
Closing net asset value (£000)	64,831	848	272	86,328	254,263	239,766
Closing number of shares	57,468,858	730,044	231,352	22,671,760	64,814,029	60,444,332
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06 [†]
Direct transaction costs (%)***	0.43	0.44	0.39	0.43	0.44	0.39
Prices						
Highest share price (p)	130.52	129.22	124.93	440.53	436.13	421.66
Lowest share price (p)	112.55	105.91	113.44	379.88	357.47	390.48

	Class Z – Income shares			Class Z - Gross accumulation shares [§]
	07/03/2020	07/03/2019	07/03/2018	07/03/2020 ²
Change in net assets per share				
Opening net asset value per share (p)	146.03	153.42	154.20	100.00
Return before operating charges (p)	(3.88)	(1.47)	4.21	(12.36)
Operating charges (p)	(1.34)	(1.36)	(1.40)	(0.13)
Return after operating charges (p)*	(5.22)	(2.83)	2.81	(12.49)
Distributions (p)	(4.44)	(4.56)	(3.59)	(0.49)
Retained distributions on accumulation shares (p)	–	–	–	0.49
Closing net asset value per share (p)	136.37	146.03	153.42	87.51
* after direct transaction costs of (p)	0.65	0.67	0.62	0.42
Performance				
Return after charges (%)	(3.57)	(1.84)	1.82	(12.49)
Other information				
Closing net asset value (£000)	10,790	14,623	25,401	1
Closing number of shares	7,912,435	10,013,751	16,556,554	1,000
Operating charges (%)**	0.88	0.88	0.88	0.81 [†]
Direct transaction costs (%)***	0.43	0.44	0.39	0.43
Prices				
Highest share price (p)	159.79	168.39	164.31	101.34
Lowest share price (p)	137.65	134.94	152.03	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.

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

[§]Only available to eligible investors.

[†]Commenced 12 May 2017.

²Commenced 7 January 2020.

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

Threadneedle UK Select Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(14,630)	(25,819)
Other losses	(6)	(13)
Transaction costs	(3)	(3)
Net capital losses	(14,639)	(25,835)

3 REVENUE

	2020 £000	2019 £000
UK dividends	15,206	20,057
Interest on short term investments	13	31
Bank interest	88	45
Underwriting commission	—	32
Total revenue	15,307	20,165

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,007)	(3,023)
Registration fees	(206)	(301)
	(2,213)	(3,324)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(48)	(63)
Safe custody fees	(17)	(20)
	(65)	(83)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(11)
	(16)	(18)
Total expenses*	(2,294)	(3,425)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(4)	(5)
Total interest payable and similar charges	(4)	(5)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	13,009	16,735
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,602)	(3,347)
Effects of:		
Revenue not subject to taxation	2,980	3,966
Excess expenses	(378)	(619)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £12,603,734 (2019: £12,225,875) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	8,182	10,105
Final	3,845	6,537
	12,027	16,642
Add: Revenue deducted on the cancellation of shares	2,250	783
Deduct: Revenue received on the creation of shares	(1,268)	(690)
Net distribution for the period	13,009	16,735

Details of the distribution per share are set out in the table on pages 15 to 16.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	2,743	32
Sales awaiting settlement	4,163	2,635
Accrued revenue	1,885	3,735
Total debtors	8,791	6,402

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(142)	(353)
Purchases awaiting settlement	(4,659)	—
Accrued expenses	(12)	(18)
Amounts payable to ACD	(180)	(295)
Total other creditors	(4,993)	(666)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

Threadneedle UK Select Fund currently has seven share classes; Class 1, Class 2, Class D, Class L, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A**
Class Z shares	0.75%

Threadneedle UK Select Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.150%
Class L shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 17 to 18. The distribution per share class is given in the distribution table on pages 15 to 16. All classes have the same rights on winding up.

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

**X2 Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	85,416,963
Shares issued	560,737
Shares redeemed	(59,315,637)
Net conversions	(162,475)
Closing shares	26,499,588
Class 2 – Income shares	
Opening shares	80,267,218
Shares issued	7,638,992
Shares redeemed	(38,113,572)
Net conversions	–
Closing shares	49,792,638
Class D – Accumulation shares	
Opening shares	3,871,487
Shares issued	15,306,962
Shares redeemed	(525,022)
Net conversions	–
Closing shares	18,653,427
Class L – Accumulation shares	
Opening shares	1,095,750
Shares issued	6,351
Shares redeemed	(357,521)
Net conversions	–
Closing shares	744,580
Class X – Accumulation shares	
Opening shares	730,044
Shares issued	57,705,765
Shares redeemed	(966,951)
Net conversions	–
Closing shares	57,468,858
Class X2 – Accumulation shares	
Opening shares	64,814,029
Shares issued	3,841,437
Shares redeemed	(45,983,706)
Net conversions	–
Closing shares	22,671,760
Class Z – Income shares	
Opening shares	10,013,751
Shares issued	345,080
Shares redeemed	(2,581,278)
Net conversions	134,882
Closing shares	7,912,435

Class Z – Gross accumulation shares*

Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.62% and vice versa (2019: 4.46%).

Currency exposures

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

	Total
Currency 2020	£000
US Dollar	344
Currency 2019	£000
Euro	566
US Dollar	835

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	9,594	286,241	295,835
US Dollar	–	–	344	344
Currency 2019	£000	£000	£000	£000
Euro	566	–	–	566
UK Sterling	8,504	–	475,638	484,142
US Dollar	–	–	835	835
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	(95)	–	(5,967)	(6,062)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(2,892)	(2,892)

Interest rate risk sensitivity

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

Threadneedle UK Select Fund

Notes to the financial statements

(continued)

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	287,388	–	470,071	–
	287,388	–	470,071	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	298,519	143	0.05	1,314	0.44
Collective investment schemes	138,071	–	–	–	–
Total	436,590	143		1,314	

Gross purchases total: 438,047

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	471,638	254	0.05	–	–
Collective investment schemes	133,500	–	–	–	–
Corporate actions	1,221	–	–	–	–
Total	606,359	254		–	

Total sales net of transaction costs: 606,105

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.33%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	413,939	196	0.05	1,911	0.46
Collective investment schemes	44,031	–	–	–	–
Corporate actions	5,476	–	–	–	–
Total	463,446	196		1,911	

Gross purchases total: 465,553

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	398,893	205	0.05	–	–
Collective investment schemes	44,008	–	–	–	–
Corporate actions	2,051	–	–	–	–
Total	444,952	205		–	

Total sales net of transaction costs: 444,747

Transaction costs as a percentage of average Net Assets

Commissions:	0.08%
Taxes:	0.36%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.11% (7 March 2019: 0.12%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 1.11%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(41.29)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Smaller Companies Fund has risen from 308.70p to 343.64p. Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +15.24% as compared to a median return of +8.29% over the same period. (For information the Numis Smaller Companies Index ex Investment Companies returned +0.81% over the same period).

Market Overview and Portfolio Activity

In an environment of volatile stock-market returns, UK small caps underperformed as perceived domestic risks and bouts of widespread risk aversion offset the boost to sentiment from easing trade-war jitters and stimulus measures by key central banks. The Brexit-induced slump in the pound was an additional headwind for small caps, given the perceived vulnerability of the asset class to higher inflation.

In 2019, despite worries about Brexit and global growth, markets rallied amid optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms. Small caps performed particularly well towards the end of 2019, due to the prospect, then reality of the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. Small caps were further pressured as investors eschewed the asset class, which is perceived to be risky. Central banks and governments across the world moved to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

We initiated several new positions over the review period. Examples included Marlowe, PayPoint, OneSavings Bank, Cineworld, discoverE and S4 Capital. PayPoint has a strong market position with small convenience retailers. Management have invested in a new technology platform with strong payback for the customer base. In our view, PayPoint is well placed to upsell this new functionality which has the potential to significantly improve profitability.

Specialist lender OneSavings is focused on underserved areas of the lending market.

We initiated a position in Cineworld, which we have monitored for many years, following a sharp correction on short-term concerns. We believe the stock offers significant value and, as a mid-cap name, helps to increase the liquidity of the portfolio. Cineworld is the second-largest cinema operator globally. The firm recently concluded a round of returns-enhancing refurbishments, and cashflows should start to build as the balance sheet rapidly de-levers.

Advertising firm S4 Capital was founded by Sir Martin Sorrell, the former chairman of advertising giant WPP. We participated in the company's placing and open offer which was launched to finance the takeover of American marketing agency Firewood. S4 Capital is making selected acquisitions and its slender cost base enables it to offer its services at much lower prices than the big-name traditional players.

We profitably closed some positions, such as AJ Bell. We also realised some gains in stocks which had performed well, such as publishing company Future, Avon Rubber and Spirom Communications. The reduced exposure to Avon Rubber was also premised on its less attractive valuations and the company's potential vulnerability to the fallout from the virus.

In the UK, the last few years have seen significant volatility and political uncertainty. As a result of this, shares have been pushed to levels reflecting considerable value, even before the impact of the coronavirus is taken into account.

UK small caps now offer a double opportunity. Firstly, we expect the recovery from coronavirus to take several months at least, but think a V-shaped recovery is possible as global economies were fundamentally in a good position before the outbreak, and it is our belief that that governments will do everything it takes to respond to the crisis. We are already seeing businesses in China getting back to normal.

Once the coronavirus discount has been removed, we expect the discount relating to Brexit to similarly fall away as increased certainty around the UK's position emerges at the end of the year. We see considerable potential for UK small caps to generate very strong performance. The fund has a big cash balance and will use volatility to invest in the market.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	17,091	(23,282)
Revenue	3	2,550	3,339
Expenses	4	(1,826)	(2,445)
Interest payable and similar charges	5	—	(3)
Net revenue before taxation		724	891
Taxation	6	—	—
Net revenue after taxation		724	891
Total return before distributions		17,815	(22,391)
Distributions	7	(804)	(1,012)
Change in net assets attributable to shareholders from investment activities		17,011	(23,403)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		163,309	164,420
Current assets:			
Debtors	8	604	342
Cash and bank balances		4,336	228
Cash equivalents**		4,000	—
Total assets		172,249	164,990
Liabilities:			
Creditors:			
Bank overdrafts		—	(115)
Distribution payable		(170)	(130)
Other creditors	9	(536)	(722)
Total liabilities		(706)	(967)
Net assets attributable to shareholders		171,543	164,023

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	164,023	212,557
Amounts receivable on the issue of shares	60,732	30,834
Amounts payable on the cancellation of shares	(70,792)	(56,410)
	(10,060)	(25,576)
Dilution adjustment	130	333
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,011	(23,403)
Retained distribution on accumulation shares	438	111
Unclaimed distributions	1	1
Closing net assets attributable to shareholders	171,543	164,023

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2019 to 7 March 2020, as expenses exceed revenue (2019: 0.525).

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.8174	—	0.8174	1.6443
08/09/19 to 07/03/20	0.6334	—	0.6334	0.3281
Group 2				
08/03/19 to 07/09/19	0.5130	0.3044	0.8174	1.6443
08/09/19 to 07/03/20	0.2495	0.3839	0.6334	0.3281
Total distributions in the period			1.4508	1.9724

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.0763	–	1.0763	1.4688
08/09/19 to 07/03/20	1.0680	–	1.0680	0.8100
Group 2				
08/03/19 to 07/09/19	1.0763	–	1.0763	1.4688
08/09/19 to 07/03/20	1.0680	–	1.0680	0.8100
Total distributions in the period			2.1443	2.2788

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulate 2019/2020
Group 1			
08/03/19 to 07/09/19	0.4462	–	0.4462
08/09/19 to 07/03/20	0.7278	–	0.7278
Group 2			
08/03/19 to 07/09/19	0.1662	0.2800	0.4462
08/09/19 to 07/03/20	0.7278	–	0.7278
Total distributions in the period			1.1740

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.7491	–	0.7491	1.3268
08/09/19 to 07/03/20	0.6430	–	0.6430	0.4070
Group 2				
08/03/19 to 07/09/19	0.3497	0.3994	0.7491	1.3268
08/09/19 to 07/03/20	0.1040	0.5390	0.6430	0.4070
Total distributions in the period			1.3921	1.7338

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.6410	–	0.6410	1.1275
08/09/19 to 07/03/20	0.5519	–	0.5519	0.3460
Group 2				
08/03/19 to 07/09/19	0.2735	0.3675	0.6410	1.1275
08/09/19 to 07/03/20	0.1346	0.4173	0.5519	0.3460
Total distributions in the period			1.1929	1.4735

Class Z CHF Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.3360	–	0.3360	0.2960
08/09/19 to 07/03/20	0.3180	–	0.3180	0.1880
Group 2				
08/03/19 to 07/09/19	0.3360	–	0.3360	0.2960
08/09/19 to 07/03/20	0.3180	–	0.3180	0.1880
Total distributions in the period			0.6540	0.4840

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		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	306.06	343.90	282.40	311.38	349.17	286.00
Return before operating charges (p)	40.06	(31.75)	67.67	40.79	(32.22)	68.58
Operating charges (p)	(5.70)	(5.56)	(5.63)	(3.69)	(3.60)	(3.62)
Return after operating charges (p)*	34.36	(37.31)	62.04	37.10	(35.82)	64.96
Distributions (p)	–	(0.53)	(0.54)	(1.45)	(1.97)	(1.79)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	340.42	306.06	343.90	347.03	311.38	349.17
* after direct transaction costs of (p)	0.60	0.39	0.78	0.62	0.40	0.79
Performance						
Return after charges (%)	11.23	(10.85)	21.97	11.91	(10.26)	22.71
Other information						
Closing net asset value (£000)	40,599	57,849	66,294	59,979	73,500	91,964
Closing number of shares	11,925,950	18,900,821	19,277,211	17,283,611	23,604,216	26,338,001
Operating charges (%)**	1.68	1.68	1.68	1.07	1.07	1.07
Direct transaction costs (%)***	0.18	0.12	0.23	0.18	0.12	0.23
Prices						
Highest share price (p)	397.35	369.07	372.05	405.63	375.36	377.64
Lowest share price (p)	302.93	281.19	285.90	308.22	286.03	289.55
	Class X – Income shares			Class X – Gross accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020 ¹		
Change in net assets per share						
Opening net asset value per share (p)	132.16	148.20	121.35	100.00		
Return before operating charges (p)	17.27	(13.67)	29.15	3.92		
Operating charges (p)	(0.03)	(0.09)	(0.10)	(0.06)		
Return after operating charges (p)*	17.24	(13.76)	29.05	3.86		
Distributions (p)	(2.14)	(2.28)	(2.20)	(1.17)		
Retained distributions on accumulation shares (p)	–	–	–	1.17		
Closing net asset value per share (p)	147.26	132.16	148.20	103.86		
* after direct transaction costs of (p)	0.26	0.17	0.34	0.19		
Performance						
Return after charges (%)	13.04	(9.28)	23.94	3.86		
Other information						
Closing net asset value (£000)	4	4	40	33,927		
Closing number of shares	3,000	3,000	26,664	32,667,508		
Operating charges (%)**	0.02	0.06	0.07	0.07 [†]		
Direct transaction costs (%)***	0.18	0.12	0.23	0.18		
Prices						
Highest share price (p)	172.98	159.75	160.83	121.13		
Lowest share price (p)	130.83	121.77	122.86	94.64		

Threadneedle UK Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z - Income shares			Class Z - Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	210.69	236.26	193.51	180.40	200.80	163.34
Return before operating charges (p)	27.58	(21.81)	46.42	23.70	(18.63)	39.17
Operating charges (p)	(2.08)	(2.03)	(2.06)	(1.84)	(1.77)	(1.71)
Return after operating charges (p)*	25.50	(23.84)	44.36	21.86	(20.40)	37.46
Distributions (p)	(1.39)	(1.73)	(1.61)	(1.19)	(1.47)	(1.36)
Retained distributions on accumulation shares (p)	—	—	—	1.19	1.47	1.36
Closing net asset value per share (p)	234.80	210.69	236.26	202.26	180.40	200.80
* after direct transaction costs of (p)	0.42	0.27	0.54	0.37	0.24	0.45
Performance						
Return after charges (%)	12.10	(10.09)	22.92	12.12	(10.16)	22.93
Other information						
Closing net asset value (£000)	21,991	27,120	41,193	15,042	5,549	13,066
Closing number of shares	9,365,943	12,871,930	17,435,342	7,436,943	3,076,037	6,506,994
Operating charges (%)**	0.89	0.89	0.89	0.89	0.89	0.89
Direct transaction costs (%)***	0.18	0.12	0.23	0.18	0.12	0.23
Prices						
Highest share price (p)	274.69	254.11	255.68	235.98	215.97	216.97
Lowest share price (p)	208.56	193.64	195.91	178.57	165.48	165.37
Class Z CHF Hedged - Gross accumulation shares						
	07/03/2020	07/03/2019 ²				
Change in net assets per share						
Opening net asset value per share (p)	85.64	100.00				
Return before operating charges (p)	17.83	(13.77)				
Operating charges (p)	(0.79)	(0.59)				
Return after operating charges (p)*	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)	102.68	85.64				
* after direct transaction costs of (p)	0.18	0.11				
Performance						
Return after charges (%)	19.90	(14.36)				
Other information						
Closing net asset value (£000)	1	1				
Closing number of shares	1,000	1,000				
Operating charges (%)**	0.80	0.81 [†]				
Direct transaction costs (%)***	0.18	0.12				
Prices						
Highest share price (p)	115.10	106.58				
Lowest share price (p)	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.

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

¹Commenced 9 May 2019.

²Commenced 30 May 2018.

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	17,095	(23,282)
Other (losses)/gains	(1)	2
Transaction costs	(3)	(2)
Net capital gains/(losses)	17,091	(23,282)

3 REVENUE

	2020 £000	2019 £000
UK dividends	2,518	3,325
Bank interest	27	14
Underwriting commission	5	—
Total revenue	2,550	3,339

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,640)	(2,208)
Registration fees	(136)	(183)
	(1,776)	(2,391)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(21)	(24)
Safe custody fees	(12)	(13)
	(33)	(37)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(10)
	(17)	(17)
Total expenses*	(1,826)	(2,445)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	—	(3)
Total interest payable and similar charges	—	(3)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	724	891
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(145)	(178)
Effects of:		
Revenue not subject to taxation	503	665
Excess expenses	(358)	(487)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £7,059,231 (2019: £6,700,573) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	403	834
Final	448	141
	851	975
Add: Revenue deducted on the cancellation of shares	72	80
Deduct: Revenue received on the creation of shares	(119)	(43)
Net distribution for the period	804	1,012
Net revenue after taxation	724	891
Shortfall transfer from capital to revenue	80	121
Total distributions	804	1,012

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 22 to 23.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	425	219
Accrued revenue	179	123
Total debtors	604	342

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(173)	(516)
Purchases awaiting settlement	(173)	—
Accrued expenses	(11)	(13)
Amounts payable to ACD	(179)	(193)
Total other creditors	(536)	(722)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.150%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 24 to 25. The distribution per share class is given in the distribution table on pages 22 to 23.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	18,900,821
Shares issued	990,636
Shares redeemed	(7,945,579)
Net conversions	(19,928)
Closing shares	11,925,950
Class 2 – Income shares	
Opening shares	23,604,216
Shares issued	1,842,900
Shares redeemed	(8,158,930)
Net conversions	(4,575)
Closing shares	17,283,611
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	32,667,508
Shares redeemed	–
Net conversions	–
Closing shares	32,667,508
Class Z – Income shares	
Opening shares	12,871,930
Shares issued	1,541,407
Shares redeemed	(5,083,049)
Net conversions	35,655
Closing shares	9,365,943
Class Z – Accumulation shares	
Opening shares	3,076,037
Shares issued	6,289,618
Shares redeemed	(1,928,712)
Net conversions	–
Closing shares	7,436,943
Class Z CHF Hedged – Gross accumulation shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.31% and vice versa (2019: 4.38%).

Currency exposures

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

Currency 2020	Total £000
Euro	1
Swiss Franc	1

Currency 2019	£000
Euro	(115)
Swiss Franc	1

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	1	–	–	1
Swiss Franc	–	–	1	1
UK Sterling	4,335	4,000	163,912	172,247
Currency 2019	£000	£000	£000	£000
Swiss Franc	–	–	1	1
UK Sterling	228	–	164,761	164,989
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(706)	(706)
Currency 2019	£000	£000	£000	£000
Euro	(115)	–	–	(115)
UK Sterling	–	–	(852)	(852)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

Threadneedle UK Smaller Companies Fund

Notes to the financial statements

(continued)

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	167,309	–	164,420	–
	167,309	–	164,420	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	83,208	41	0.05	209	0.25
Collective investment schemes	4,000	–	–	–	–
Corporate actions	1,497	–	–	–	–
Total	88,705	41		209	

Gross purchases total:

88,955

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	101,675	57	0.06	–	–
Corporate actions	1,544	–	–	–	–
Total	103,219	57		–	

Total sales net of transaction costs:

103,162

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.12%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	74,274	27	0.04	156	0.21
Corporate actions	1,702	–	–	–	–
Total	75,976	27		156	

Gross purchases total:

76,159

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Equities	97,521	55	0.06	–	–
Total	97,521	55		–	

Total sales net of transaction costs:

97,466

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.08%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 1.86% (7 March 2019: 1.69%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 2.49%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Income shares	343.60	305.77	(11.01)
Class 2 – Income shares	350.23	312.09	(10.89)
Class X – Income shares	148.62	132.72	(10.70)
Class X – Gross accumulation shares	104.82	93.59	(10.72)
Class Z – Income shares	236.97	211.23	(10.86)
Class Z – Accumulation shares	204.14	181.95	(10.87)

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(25.44)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Growth & Income Fund has fallen from 89.61p to 86.04p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +2.26% as compared to a median return of -0.16% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

UK equities posted a small negative return over the 12 months under review. The period fell into two distinct parts, as gains accrued during 2019 were erased in the new year by sharp declines amid a global sell-off. Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed

an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

We focused on adding to our existing holdings over the review period, chiefly Centrica, Imperial Brands, IMI, Restaurant Group and Marks & Spencer.

Sentiment towards Centrica is poor, but customer losses have stabilised, and cost-cutting measures are progressing well. Meanwhile, planned disposals in the non-core nuclear and upstream energy divisions should simplify the business and bolster the balance sheet.

Engineering firm IMI has completed its business review sooner than expected and we are optimistic about its plans to reduce costs and raise margins.

Imperial Brands' shares have been pressured by concerns that the increased regulatory rhetoric in the US against next-generation products could hurt revenues, and the impact was indeed visible in its full-year results. We believe that these concerns are rather overblown. We are encouraged by the recent appointment of Stefan Bomhard as the new CEO. Under his tenure, we feel that management should accelerate the move towards unlocking underappreciated shareholder value, given Mr Bomhard's strong record in buying back stock and

making judicious disposals. Imperial Brands' combustible business remains robust, and the sale of the premium cigar business should result in significant optionality for deleveraging and/or investment.

We are positive about Restaurant Group's acquisition of the Wagamama restaurant chain, as well as the underlying value in the existing pubs and concessions business. In the wake of the coronavirus crisis, the firm has recently taken steps to neutralise its debt position and 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 added to Marks & Spencer via a rights issue, which was launched to fund the company's share of its joint venture with Ocado. Despite market concerns, we are positive about the deal. We feel that this route is relatively less disruptive and less capital-intensive than a home-grown approach to help Marks & Spencer move into the online grocery channel. In response to the recent crisis, Marks & Spencer has postponed its final dividend as the clothing and home division faces a potentially lengthy hiatus in trading. While this move is disappointing, it should shore up liquidity and support the company's turnaround in other areas.

We profitably closed our position in Cobham ahead of the completion of the company's takeover. We also realised some gains in Rentokil, RELX, Legal & General and Spirent Communications.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum.

Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

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

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(4,988)	2,168
Revenue	3	11,069	12,546
Expenses	4	(3,163)	(3,974)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		7,906	8,571
Taxation	6	–	–
Net revenue after taxation		7,906	8,571
Total return before distributions		2,918	10,739
Distributions	7	(10,735)	(12,149)
Change in net assets attributable to shareholders from investment activities		(7,817)	(1,410)

BALANCE SHEET

as at 7 March 2020

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		253,186	304,381
Current assets:			
Debtors	8	1,435	1,644
Cash and bank balances		733	1,199
Cash equivalents**		1,006	–
Total assets		256,360	307,224
Liabilities:			
Creditors:			
Distribution payable		(3,626)	(4,845)
Other creditors	9	(738)	(1,247)
Total liabilities		(4,364)	(6,092)
Net assets attributable to shareholders		251,996	301,132

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	301,132	400,634
Amounts receivable on the issue of shares	57,620	38,128
Amounts payable on the cancellation of shares	(99,983)	(136,419)
	(42,363)	(98,291)
Dilution adjustment	–	109
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,817)	(1,410)
Retained distribution on accumulation shares	1,027	68
Unclaimed distributions	17	22
Closing net assets attributable to shareholders	251,996	301,132

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.9024	–	1.9024	2.0066
08/09/19 to 07/03/20	1.3839	–	1.3839	1.4137
Group 2				
08/03/19 to 07/09/19	1.3077	0.5947	1.9024	2.0066
08/09/19 to 07/03/20	0.7667	0.6172	1.3839	1.4137
Total distributions in the period			3.2863	3.4203

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.1612	–	2.1612	2.2683
08/09/19 to 07/03/20	1.5878	–	1.5878	1.6109
Group 2				
08/03/19 to 07/09/19	1.2007	0.9605	2.1612	2.2683
08/09/19 to 07/03/20	0.6507	0.9371	1.5878	1.6109
Total distributions in the period			3.7490	3.8792

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/09/19	1.3940	–	1.3940
08/09/19 to 07/03/20	1.6326	–	1.6326
Group 2			
08/03/19 to 07/09/19	1.3940	–	1.3940
08/09/19 to 07/03/20	1.6326	–	1.6326
Total distributions in the period			3.0266

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.1106	–	3.1106	3.2560
08/09/19 to 07/03/20	2.2711	–	2.2711	2.3029
Group 2				
08/03/19 to 07/09/19	1.6291	1.4815	3.1106	3.2560
08/09/19 to 07/03/20	0.9636	1.3075	2.2711	2.3029
Total distributions in the period			5.3817	5.5589

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.1196	–	2.1196	2.1387
08/09/19 to 07/03/20	1.5778	–	1.5778	1.5438
Group 2				
08/03/19 to 07/09/19	0.5999	1.5197	2.1196	2.1387
08/09/19 to 07/03/20	1.3059	0.2719	1.5778	1.5438
Total distributions in the period			3.6974	3.6825

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		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	88.12	88.67	93.34	98.20	98.32	102.98
Return before operating charges (p)	1.16	4.38	0.21	1.27	4.85	0.22
Operating charges (p)	(1.51)	(1.51)	(1.54)	(1.10)	(1.09)	(1.11)
Return after operating charges (p)*	(0.35)	2.87	(1.33)	0.17	3.76	(0.89)
Distributions (p)	(3.29)	(3.42)	(3.34)	(3.75)	(3.88)	(3.77)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	84.48	88.12	88.67	94.62	98.20	98.32
*after direct transaction costs of (p)	0.02	0.01	0.05	0.02	0.02	0.06
Performance						
Return after charges (%)	(0.40)	3.24	(1.42)	0.17	3.82	(0.86)
Other information						
Closing net asset value (£000)	67,296	120,366	154,559	47,252	49,995	40,329
Closing number of shares	79,659,876	136,595,549	174,316,681	49,940,994	50,910,602	41,019,411
Operating charges (%)**	1.64	1.63	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.02	0.01	0.06	0.02	0.01	0.06
Prices						
Highest share price (p)	100.01	100.48	100.21	111.94	111.69	110.71
Lowest share price (p)	86.04	82.88	88.22	96.40	92.29	97.82

	Class X – Gross accumulation shares		Class Z – Income shares		
	07/03/2020 ¹		07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	100.00		143.81	143.61	150.04
Return before operating charges (p)	(0.68)		1.82	7.08	0.29
Operating charges (p)	(0.05)		(1.33)	(1.32)	(1.34)
Return after operating charges (p)*	(0.73)		0.49	5.76	(1.05)
Distributions (p)	(3.03)		(5.38)	(5.56)	(5.38)
Retained distributions on accumulation shares (p)	3.03		—	—	—
Closing net asset value per share (p)	99.27		138.92	143.81	143.61
*after direct transaction costs of (p)	0.02		0.03	0.02	0.08
Performance					
Return after charges (%)	(0.73)		0.34	4.01	(0.70)
Other information					
Closing net asset value (£000)	31,359		105,918	130,734	202,806
Closing number of shares	31,588,518		76,246,045	90,907,105	141,221,346
Operating charges (%)**	0.06 [†]		0.88	0.88	0.88
Direct transaction costs (%)***	0.02		0.02	0.01	0.06
Prices					
Highest share price (p)	115.28		164.22	163.27	161.37
Lowest share price (p)	96.88		141.48	135.06	142.80

Threadneedle UK Growth & Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018 ²
Change in net assets per share			
Opening net asset value per share (p)	98.00	94.33	100.00
Return before operating charges (p)	1.13	4.57	(5.21)
Operating charges (p)	(0.94)	(0.90)	(0.46)
Return after operating charges (p)*	0.19	3.67	(5.67)
Distributions (p)	(3.70)	(3.68)	(2.08)
Retained distributions on accumulation shares (p)	3.70	3.68	2.08
Closing net asset value per share (p)	98.19	98.00	94.33
*after direct transaction costs of (p)	0.02	0.02	0.04
Performance			
Return after charges (%)	0.19	3.89	(5.67)
Other information			
Closing net asset value (£000)	171	37	2,940
Closing number of shares	173,896	37,131	3,116,610
Operating charges (%)**	0.88	0.88	0.88 ¹
Direct transaction costs (%)***	0.02	0.01	0.06
Prices			
Highest share price (p)	114.21	107.24	101.62
Lowest share price (p)	96.42	90.59	92.49

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

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

¹Commenced 9 May 2019.

²Commenced 15 June 2017.

³The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle UK Growth & Income Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2020 £000	2019 £000
Non-derivative securities	(4,989)	2,169
Other gains	2	1
Transaction costs	(1)	(2)
Net capital (losses)/gains	(4,988)	2,168

3 REVENUE

	2020 £000	2019 £000
UK dividends	11,046	12,524
Interest on short term investments	1	6
Bank interest	14	9
Underwriting commission	8	7
Total revenue	11,069	12,546

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,829)	(3,575)
Registration fees	(268)	(329)
	(3,097)	(3,904)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(36)	(39)
Safe custody fees	(15)	(16)
	(51)	(55)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(8)	(8)
	(15)	(15)
Total expenses*	(3,163)	(3,974)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

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

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	7,906	8,571
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,581)	(1,714)
Effects of:		
Revenue not subject to taxation	2,210	2,505
Excess expenses	(629)	(790)
Retail Distribution Review (RDR) conversion transfer from capital	—	(1)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £18,658,880 (2019: £18,029,500) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	6,071	6,902
Final	4,145	4,845
	10,216	11,747
Add: Revenue deducted on the cancellation of shares	969	643
Deduct: Revenue received on the creation of shares	(450)	(241)
Net distribution for the period	10,735	12,149
Net revenue after taxation	7,906	8,571
Annual management charge to capital	2,829	3,575
Equalisation on conversion	—	3
Total distributions	10,735	12,149

Details of the distribution per share are set out in the table on pages 29 to 30.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	193	96
Accrued revenue	1,242	1,548
Total debtors	1,435	1,644

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(452)	(882)
Accrued expenses	(11)	(14)
Amounts payable to ACD	(275)	(351)
Total other creditors	(738)	(1,247)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

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

Threadneedle UK Growth & Income Fund

Notes to the financial statements

(continued)

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 31 to 32. The distribution per share class is given in the distribution table on pages 29 to 30. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	136,595,549
Shares issued	2,416,415
Shares redeemed	(58,799,944)
Net conversions	(552,144)
Closing shares	79,659,876
Class 2 – Income shares	
Opening shares	50,910,602
Shares issued	5,627,621
Shares redeemed	(6,581,472)
Net conversions	(15,757)
Closing shares	49,940,994
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	36,433,741
Shares redeemed	(4,845,223)
Net conversions	–
Closing shares	31,588,518
Class Z – Income shares	
Opening shares	90,907,105
Shares issued	8,592,676
Shares redeemed	(23,602,177)
Net conversions	348,441
Closing shares	76,246,045
Class Z – Accumulation shares	
Opening shares	37,131
Shares issued	152,933
Shares redeemed	(16,168)
Net conversions	–
Closing shares	173,896

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.76% and vice versa (2019: 4.28%).

Currency exposures

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

	Total
Currency 2020	£000
Euro	11
US Dollar	156
Currency 2019	£000
Euro	11
US Dollar	177

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	11	–	–	11
UK Sterling	713	1,006	254,474	256,193
US Dollar	9	–	147	156
Currency 2019	£000	£000	£000	£000
Euro	11	–	–	11
UK Sterling	1,179	–	305,857	307,036
US Dollar	9	–	168	177
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	4,364	4,364
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(6,092)	(6,092)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	254,192	–	304,381	–
	254,192	–	304,381	–

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

Threadneedle UK Growth & Income Fund

Notes to the financial statements

(continued)

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	10,306	5	0.05	32	0.31
Collective investment schemes	15,002	—	—	—	—
Corporate actions	1,022	—	—	—	—
Total	26,330	5		32	

Gross purchases total: **26,367**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	57,508	12	0.02	—	—
Collective investment schemes	13,996	—	—	—	—
Corporate actions	77	—	—	—	—
Total	71,581	12		—	

Total sales net of transaction costs: **71,569**

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.01%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	7,354	4	0.05	37	0.50
Corporate actions	4,850	—	—	—	—
Total	12,204	4		37	

Gross purchases total: **12,245**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	110,108	12	0.01	1	0.00
Corporate actions	2,823	—	—	—	—
Total	112,931	12		1	

Total sales net of transaction costs: **112,918**

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.01%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.23% (7 March 2019: 0.18%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 0.22%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Income shares	84.58	73.93	(12.58)
Class 2 – Income shares	94.72	82.89	(12.49)
Class X – Gross accumulation shares	99.48	87.14	(12.41)
Class Z – Income shares	139.08	121.74	(12.47)
Class Z – Accumulation shares	98.40	86.04	(12.56)

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(29.18)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Equity Income Fund has fallen from 92.62p to 87.41p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +0.29% as compared to a median return of -0.98% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

UK equities posted a small negative return over the 12 months under review. The period fell into two distinct parts, as gains accrued during 2019 were erased in the new year by sharp declines amid a global sell-off.

Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities

were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing. Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen. In terms of activity, we focused on adding to our existing holdings over the review period, chiefly ILM, BT, Imperial Brands and Marks & Spencer.

Engineering firm ILM has completed its business review sooner than expected and we are optimistic about its plans to reduce costs and raise margins.

We are also positive about BT's investment in the rollout of the fibre-to-the-home network. The outlay is part of the telco's plans to target long-term growth and improve its relationship with the regulator, which should pave the way for BT to earn a reasonable return on its investment.

Imperial Brands' shares have been pressured by concerns that the increased regulatory rhetoric in the US against next-generation products could hurt revenues, and the impact was indeed visible in its full-year results. We believe that these concerns are rather overblown. We are encouraged by the recent appointment of Stefan Bomhard as the new CEO. Under his tenure, we feel that management should accelerate the move towards unlocking underappreciated shareholder value, given Mr Bomhard's strong record in buying back stock and making judicious disposals. Imperial Brands' combustible business remains robust, and the sale of

the premium cigar business should result in significant optionality for deleveraging and/or investment.

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

We profitably sold Cobham ahead of the completion of its takeover bid. The residual position in Rolls-Royce was closed to fund higher-conviction ideas. We also realised some gains in RELX and Rentokil, which have performed well in recent years.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum. Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already. Subsequent to the fund's year-end, the impact of the spread of coronavirus has substantially worsened. This has now reached the point where at the time of writing, we could be facing a severe recession. Numerous companies have since indicated that they intend to pass their next dividend payments, which will inevitably have an impact on the level of distributions that the fund itself can make next year. Given the rapidly evolving nature of the situation, it is, unfortunately not yet possible to quantify the magnitude or duration of this impact, but it will not be insignificant. We will of course endeavour to mitigate these headwinds as best we can.

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

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(181,198)	61,193
Revenue	3	176,984	167,391
Expenses	4	(37,085)	(37,510)
Interest payable and similar charges	5	(1)	(7)
Net revenue before taxation		139,898	129,874
Taxation	6	–	–
Net revenue after taxation		139,898	129,874
Total return before distributions		(41,300)	191,067
Distributions	7	(173,982)	(164,379)
Change in net assets attributable to shareholders from investment activities		(215,282)	26,688

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		3,830,208	4,039,368
Current assets:			
Debtors	8	31,173	28,788
Cash and bank balances		197	10
Cash equivalents**		10,027	25,006
Total assets		3,871,605	4,093,172
Liabilities:			
Creditors:			
Bank overdrafts		–	(927)
Distribution payable		(19,310)	(19,945)
Other creditors	9	(5,951)	(11,384)
Total liabilities		(25,261)	(32,256)
Net assets attributable to shareholders		3,846,344	4,060,916

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	4,060,916	3,946,115
Amounts receivable on the issue of shares	321,182	414,484
Amounts payable on the cancellation of shares	(389,762)	(377,664)
Amounts payable on in specie transfers	–	(9,061)
	(68,580)	27,759
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(215,282)	26,688
Retained distribution on accumulation shares	69,276	60,325
Unclaimed distributions	14	29
Closing net assets attributable to shareholders	3,846,344	4,060,916

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	1.2668	–	1.2668	1.2493
08/06/19 to 07/09/19	0.9921	–	0.9921	0.9699
08/09/19 to 07/12/19	0.9266	–	0.9266	0.8882
08/12/19 to 07/03/20	0.7234	–	0.7234	0.7349
Group 2				
08/03/19 to 07/06/19	0.5831	0.6837	1.2668	1.2493
08/06/19 to 07/09/19	0.6578	0.3343	0.9921	0.9699
08/09/19 to 07/12/19	0.4147	0.5119	0.9266	0.8882
08/12/19 to 07/03/20	0.4554	0.2680	0.7234	0.7349
Total distributions in the period			3.9089	3.8423

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	1.8500	–	1.8500	1.7524
08/06/19 to 07/09/19	1.4691	–	1.4691	1.3774
08/09/19 to 07/12/19	1.3866	–	1.3866	1.2739
08/12/19 to 07/03/20	1.0911	–	1.0911	1.0646
Group 2				
08/03/19 to 07/06/19	0.9817	0.8683	1.8500	1.7524
08/06/19 to 07/09/19	0.7887	0.6804	1.4691	1.3774
08/09/19 to 07/12/19	0.6885	0.6981	1.3866	1.2739
08/12/19 to 07/03/20	0.7125	0.3786	1.0911	1.0646
Total distributions in the period			5.7968	5.4683

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	1.4301	–	1.4301	1.4038
08/06/19 to 07/09/19	1.1239	–	1.1239	1.0946
08/09/19 to 07/12/19	1.0518	–	1.0518	1.0037
08/12/19 to 07/03/20	0.8254	–	0.8254	0.8329
Group 2				
08/03/19 to 07/06/19	0.7124	0.7177	1.4301	1.4038
08/06/19 to 07/09/19	0.7756	0.3483	1.1239	1.0946
08/09/19 to 07/12/19	0.4840	0.5678	1.0518	1.0037
08/12/19 to 07/03/20	0.4518	0.3736	0.8254	0.8329
Total distributions in the period			4.4312	4.3350

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	1.6984	–	1.6984	1.6008
08/06/19 to 07/09/19	1.3536	–	1.3536	1.2639
08/09/19 to 07/12/19	1.2803	–	1.2803	1.1706
08/12/19 to 07/03/20	1.0129	–	1.0129	0.9815
Group 2				
08/03/19 to 07/06/19	0.0732	1.6252	1.6984	1.6008
08/06/19 to 07/09/19	1.1189	0.2347	1.3536	1.2639
08/09/19 to 07/12/19	0.0203	1.2600	1.2803	1.1706
08/12/19 to 07/03/20	0.4977	0.5152	1.0129	0.9815
Total distributions in the period			5.3452	5.0168

Class D – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	2.5073	–	2.5073	2.4578
08/06/19 to 07/09/19	1.9634	–	1.9634	1.9068
08/09/19 to 07/12/19	1.8356	–	1.8356	1.7484
08/12/19 to 07/03/20	1.4315	–	1.4315	1.4497
Group 2				
08/03/19 to 07/06/19	1.5885	0.9188	2.5073	2.4578
08/06/19 to 07/09/19	1.2743	0.6891	1.9634	1.9068
08/09/19 to 07/12/19	1.1573	0.6783	1.8356	1.7484
08/12/19 to 07/03/20	0.2685	1.1630	1.4315	1.4497
Total distributions in the period			7.7378	7.5627

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	2.4285	–	2.4285	2.3734
08/06/19 to 07/09/19	1.9108	–	1.9108	1.8526
08/09/19 to 07/12/19	1.7901	–	1.7901	1.7007
08/12/19 to 07/03/20	1.4066	–	1.4066	1.4134
Group 2				
08/03/19 to 07/06/19	1.1493	1.2792	2.4285	2.3734
08/06/19 to 07/09/19	1.1663	0.7445	1.9108	1.8526
08/09/19 to 07/12/19	0.9320	0.8581	1.7901	1.7007
08/12/19 to 07/03/20	0.8421	0.5645	1.4066	1.4134
Total distributions in the period			7.5360	7.3401

Class L – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	4.0559	–	4.0559	3.8055
08/06/19 to 07/09/19	3.2363	–	3.2363	3.0078
08/09/19 to 07/12/19	3.0641	–	3.0641	2.7890
08/12/19 to 07/03/20	2.4272	–	2.4272	2.3417
Group 2				
08/03/19 to 07/06/19	2.3970	1.6589	4.0559	3.8055
08/06/19 to 07/09/19	1.5955	1.6408	3.2363	3.0078
08/09/19 to 07/12/19	1.5443	1.5198	3.0641	2.7890
08/12/19 to 07/03/20	1.1803	1.2469	2.4272	2.3417
Total distributions in the period			12.7835	11.9440

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	1.5959	–	1.5959	1.5513
08/06/19 to 07/09/19	1.2575	–	1.2575	1.2124
08/09/19 to 07/12/19	1.1795	–	1.1795	1.1145
08/12/19 to 07/03/20	0.9283	–	0.9283	0.9278
Group 2				
08/03/19 to 07/06/19	1.0649	0.5310	1.5959	1.5513
08/06/19 to 07/09/19	0.4775	0.7800	1.2575	1.2124
08/09/19 to 07/12/19	0.6509	0.5286	1.1795	1.1145
08/12/19 to 07/03/20	0.7383	0.1900	0.9283	0.9278
Total distributions in the period			4.9612	4.8060

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	4.2795	–	4.2795	3.9931
08/06/19 to 07/09/19	3.4191	–	3.4191	3.1604
08/09/19 to 07/12/19	3.2416	–	3.2416	2.9345
08/12/19 to 07/03/20	2.5715	–	2.5715	2.4677
Group 2				
08/03/19 to 07/06/19	4.2795	–	4.2795	3.9931
08/06/19 to 07/09/19	1.7344	1.6847	3.4191	3.1604
08/09/19 to 07/12/19	1.8648	1.3768	3.2416	2.9345
08/12/19 to 07/03/20	1.0580	1.5135	2.5715	2.4677
Total distributions in the period			13.5117	12.5557

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	1.9106	–	1.9106	1.8705
08/06/19 to 07/09/19	1.5007	–	1.5007	1.4569
08/09/19 to 07/12/19	1.4047	–	1.4047	1.3367
08/12/19 to 07/03/20	1.1006	–	1.1006	1.1092
Group 2				
08/03/19 to 07/06/19	1.0370	0.8736	1.9106	1.8705
08/06/19 to 07/09/19	0.8712	0.6295	1.5007	1.4569
08/09/19 to 07/12/19	0.6749	0.7298	1.4047	1.3367
08/12/19 to 07/03/20	0.7150	0.3856	1.1006	1.1092
Total distributions in the period			5.9166	5.7733

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	2.4712	–	2.4712	2.3233
08/06/19 to 07/09/19	1.9682	–	1.9682	1.8322
08/09/19 to 07/12/19	1.8618	–	1.8618	1.6979
08/12/19 to 07/03/20	1.4707	–	1.4707	1.4233
Group 2				
08/03/19 to 07/06/19	1.5487	0.9225	2.4712	2.3233
08/06/19 to 07/09/19	1.2162	0.7520	1.9682	1.8322
08/09/19 to 07/12/19	0.8942	0.9676	1.8618	1.6979
08/12/19 to 07/03/20	0.9841	0.4866	1.4707	1.4233
Total distributions in the period			7.7719	7.2767

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	92.03	92.01	97.70	134.39	129.06	131.73
Return before operating charges (p)	(0.12)	5.38	(0.23)	(0.37)	7.49	(0.48)
Operating charges (p)	(1.50)	(1.52)	(1.60)	(2.22)	(2.16)	(2.19)
Return after operating charges (p)*	(1.62)	3.86	(1.83)	(2.59)	5.33	(2.67)
Distributions (p)	(3.91)	(3.84)	(3.86)	(5.80)	(5.47)	(5.28)
Retained distributions on accumulation shares (p)	–	–	–	5.80	5.47	5.28
Closing net asset value per share (p)	86.50	92.03	92.01	131.80	134.39	129.06
* after direct transaction costs of (p)	0.03	0.03	0.07	0.05	0.05	0.10
Performance						
Return after charges (%)	(1.76)	4.20	(1.87)	(1.93)	4.13	(2.03)
Other information						
Closing net asset value (£000)	255,538	330,425	368,909	161,973	222,901	230,892
Closing number of shares	295,425,783	359,047,835	400,926,969	122,897,028	165,857,368	178,900,787
Operating charges (%)**	1.59	1.59	1.63	1.59	1.59	1.63
Direct transaction costs (%)***	0.03	0.03	0.07	0.03	0.03	0.07
Prices						
Highest share price (p)	100.40	102.82	104.06	151.70	146.01	140.32
Lowest share price (p)	87.33	85.24	90.54	130.24	123.49	126.07
	Class 1 CHF Hedged – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	09/11/2018¹	07/03/2018		09/11/2018¹	07/03/2018	
Change in net assets per share						
Opening net asset value per share (p)	134.04	146.12		128.53	128.18	
Return before operating charges (p)	5.50	(9.76)		2.06	2.51	
Operating charges (p)	(1.04)	(2.32)		(0.99)	(2.16)	
Return after operating charges (p)*	4.46	(12.08)		1.07	0.35	
Distributions (p)	(3.96)	(5.64)		(3.79)	(5.18)	
Retained distributions on accumulation shares (p)	3.96	5.64		3.79	5.18	
Closing net asset value per share (p)	138.50	134.04		129.60	128.53	
* after direct transaction costs of (p)	0.02	0.11		0.02	0.10	
Performance						
Return after charges (%)	3.33	(8.27)		0.83	0.27	
Other information						
Closing net asset value (£000)	–	403		–	2,095	
Closing number of shares	–	300,658		–	1,629,997	
Operating charges (%)**	–	1.62		–	1.63	
Direct transaction costs (%)***	–	0.07		–	0.07	
Prices						
Highest share price (p)	154.75	154.79		145.72	139.49	
Lowest share price (p)	125.62	131.18		121.27	122.87	

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 USD Hedged – Accumulation shares		Class 2 – Income shares		
	09/11/2018 ¹	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	150.78	172.93	102.96	102.42	108.20
Return before operating charges (p)	19.34	(19.47)	(0.17)	6.00	(0.26)
Operating charges (p)	(1.24)	(2.68)	(1.11)	(1.12)	(1.15)
Return after operating charges (p)*	18.10	(22.15)	(1.28)	4.88	(1.41)
Distributions (p)	(4.72)	(6.49)	(4.43)	(4.34)	(4.37)
Retained distributions on accumulation shares (p)	4.72	6.49	–	–	–
Closing net asset value per share (p)	168.88	150.78	97.25	102.96	102.42
*after direct transaction costs of (p)	0.02	0.12	0.04	0.04	0.08
Performance					
Return after charges (%)	12.00	(12.81)	(1.24)	4.76	(1.30)
Other information					
Closing net asset value (£000)	–	1,053	153,282	181,990	210,343
Closing number of shares	–	698,723	157,608,914	176,765,510	205,367,961
Operating charges (%)**	–	1.63	1.05	1.05	1.06
Direct transaction costs (%)***	–	0.07	0.03	0.03	0.07
Prices					
Highest share price (p)	185.98	177.28	112.78	114.70	115.42
Lowest share price (p)	142.57	146.68	98.20	95.27	100.76

	Class 2 – Accumulation shares			Class D – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018 ²
Change in net assets per share						
Opening net asset value per share (p)	122.27	116.79	118.53	183.00	181.90	196.90
Return before operating charges (p)	(0.37)	6.76	(0.47)	(0.31)	10.59	(7.94)
Operating charges (p)	(1.34)	(1.28)	(1.27)	(1.92)	(1.93)	(1.34)
Return after operating charges (p)*	(1.71)	5.48	(1.74)	(2.23)	8.66	(9.28)
Distributions (p)	(5.35)	(5.02)	(4.85)	(7.74)	(7.56)	(5.72)
Retained distributions on accumulation shares (p)	5.35	5.02	4.85	–	–	–
Closing net asset value per share (p)	120.56	122.27	116.79	173.03	183.00	181.90
*after direct transaction costs of (p)	0.05	0.04	0.09	0.07	0.06	0.12
Performance						
Return after charges (%)	(1.40)	4.69	(1.47)	(1.22)	4.76	(4.71)
Other information						
Closing net asset value (£000)	15,791	17,355	274	1,131	1,150	1,719
Closing number of shares	13,097,881	14,193,793	234,626	653,324	628,455	944,993
Operating charges (%)**	1.05	1.06	1.05	1.02	1.02	1.03 ¹
Direct transaction costs (%)***	0.03	0.03	0.07	0.03	0.03	0.07
Prices						
Highest share price (p)	138.63	132.44	126.43	200.60	203.77	202.89
Lowest share price (p)	118.65	112.24	114.04	174.67	169.32	178.92

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class L – Income shares			Class L – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018 ²	07/03/2020	07/03/2019	07/03/2018 ²
Change in net assets per share						
Opening net asset value per share (p)	174.72	173.04	186.77	291.80	277.45	290.42
Return before operating charges (p)	(0.31)	10.10	(7.43)	(0.93)	16.11	(11.80)
Operating charges (p)	(1.08)	(1.08)	(0.75)	(1.84)	(1.76)	(1.17)
Return after operating charges (p)*	(1.39)	9.02	(8.18)	(2.77)	14.35	(12.97)
Distributions (p)	(7.54)	(7.34)	(5.55)	(12.78)	(11.94)	(8.72)
Retained distributions on accumulation shares (p)	–	–	–	12.78	11.94	8.72
Closing net asset value per share (p)	165.79	174.72	173.04	289.03	291.80	277.45
*after direct transaction costs of (p)	0.06	0.06	0.11	0.11	0.10	0.17
Performance						
Return after charges (%)	(0.80)	5.21	(4.38)	(0.95)	5.17	(4.47)
Other information						
Closing net asset value (£000)	501,268	219,604	15,412	394,113	263,452	139,416
Closing number of shares	302,346,792	125,690,839	8,906,635	136,359,046	90,284,756	50,248,860
Operating charges (%)**	0.60	0.60	0.61 ¹	0.60	0.60	0.61 ¹
Direct transaction costs (%)***	0.03	0.03	0.07	0.03	0.03	0.07
Prices						
Highest share price (p)	192.08	194.16	192.49	332.04	315.23	299.33
Lowest share price (p)	167.39	161.54	170.18	283.46	267.63	270.83

	Class X – Income shares			Class X – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018 ²
Change in net assets per share						
Opening net asset value per share (p)	114.73	113.00	118.18	307.62	290.89	303.13
Return before operating charges (p)	(0.24)	6.60	(0.33)	(1.09)	16.88	(12.12)
Operating charges (p)	(0.06)	(0.06)	(0.06)	(0.16)	(0.15)	(0.12)
Return after operating charges (p)*	(0.30)	6.54	(0.39)	(1.25)	16.73	(12.24)
Distributions (p)	(4.96)	(4.81)	(4.79)	(13.51)	(12.56)	(9.12)
Retained distributions on accumulation shares (p)	–	–	–	13.51	12.56	9.12
Closing net asset value per share (p)	109.47	114.73	113.00	306.37	307.62	290.89
*after direct transaction costs of (p)	0.04	0.04	0.09	0.11	0.10	0.18
Performance						
Return after charges (%)	(0.26)	5.79	(0.33)	(0.41)	5.75	(4.04)
Other information						
Closing net asset value (£000)	6,902	3,858	1,053	29,029	42,122	50,321
Closing number of shares	6,304,941	3,363,326	932,013	9,474,838	13,692,572	17,298,673
Operating charges (%)**	0.05	0.05	0.05	0.05	0.05	0.06 ¹
Direct transaction costs (%)***	0.03	0.03	0.07	0.03	0.03	0.07
Prices						
Highest share price (p)	126.69	127.09	126.36	351.60	331.28	312.51
Lowest share price (p)	110.51	105.96	111.08	299.23	281.55	283.84

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	138.14	137.08	144.45	178.67	170.26	172.41
Return before operating charges (p)	(0.24)	8.00	(0.36)	(0.56)	9.88	(0.68)
Operating charges (p)	(1.16)	(1.17)	(1.21)	(1.54)	(1.47)	(1.47)
Return after operating charges (p)*	(1.40)	6.83	(1.57)	(2.10)	8.41	(2.15)
Distributions (p)	(5.92)	(5.77)	(5.80)	(7.77)	(7.28)	(7.02)
Retained distributions on accumulation shares (p)	–	–	–	7.77	7.28	7.02
Closing net asset value per share (p)	130.82	138.14	137.08	176.57	178.67	170.26
*after direct transaction costs of (p)	0.05	0.05	0.11	0.07	0.06	0.13
Performance						
Return after charges (%)	(1.01)	4.98	(1.09)	(1.18)	4.94	(1.25)
Other information						
Closing net asset value (£000)	1,372,924	1,745,600	1,955,410	954,393	1,032,459	959,094
Closing number of shares	1,049,501,400	1,263,689,987	1,426,492,453	540,524,493	577,868,081	563,301,037
Operating charges (%)**	0.82	0.82	0.83	0.82	0.82	0.83
Direct transaction costs (%)***	0.03	0.03	0.07	0.03	0.03	0.07
Prices						
Highest share price (p)	151.62	153.67	154.16	202.94	193.26	184.00
Lowest share price (p)	132.07	127.76	134.82	173.47	163.94	166.23

	Class Z CHF Hedged – Accumulation shares		Class Z EUR Hedged – Accumulation shares	
	09/11/2018¹	07/03/2018	09/11/2018¹	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	137.57	148.79	135.32	133.92
Return before operating charges (p)	4.85	(10.00)	2.36	2.55
Operating charges (p)	(0.55)	(1.22)	(0.54)	(1.15)
Return after operating charges (p)*	4.30	(11.22)	1.82	1.40
Distributions (p)	(4.10)	(5.83)	(4.02)	(5.50)
Retained distributions on accumulation shares (p)	4.10	5.83	4.02	5.50
Closing net asset value per share (p)	141.87	137.57	137.14	135.32
*after direct transaction costs of (p)	0.02	0.11	0.02	0.10
Performance				
Return after charges (%)	3.13	(7.54)	1.34	1.05
Other information				
Closing net asset value (£000)	–	465	–	6,645
Closing number of shares	–	337,940	–	4,910,832
Operating charges (%)**	–	0.83	–	0.83
Direct transaction costs (%)***	–	0.07	–	0.07
Prices				
Highest share price (p)	159.39	157.98	153.98	146.27
Lowest share price (p)	128.98	134.56	127.71	128.49

Threadneedle UK Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD Hedged - Accumulation shares	
	09/11/2018 ¹	07/03/2018
Change in net assets per share		
Opening net asset value per share (p)	155.55	176.96
Return before operating charges (p)	20.26	(20.01)
Operating charges (p)	(0.66)	(1.40)
Return after operating charges (p)*	19.60	(21.41)
Distributions (p)	(4.91)	(6.75)
Retained distributions on accumulation shares (p)	4.91	6.75
Closing net asset value per share (p)	175.15	155.55
*after direct transaction costs of (p)	0.02	0.12
Performance		
Return after charges (%)	12.60	(12.10)
Other information		
Closing net asset value (£000)	—	2,611
Closing number of shares	—	1,678,459
Operating charges (%)**	—	0.83
Direct transaction costs (%)***	—	0.07
Prices		
Highest share price (p)	192.51	181.81
Lowest share price (p)	147.15	151.23

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

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

¹Closed 9 November 2018.

²Commenced 12 May 2017.

³The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle UK Equity Income Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2020 £000	2019 £000
Non-derivative securities	(181,217)	61,173
Forward currency contracts	—	17
Other gains	25	9
Transaction costs	(6)	(6)
Net capital (losses)/gains	(181,198)	61,193

3 REVENUE

	2020 £000	2019 £000
UK dividends	176,631	158,431
Overseas dividends	—	8,544
Interest on short term investments	41	45
Bank interest	201	69
Underwriting commission	111	302
Total revenue	176,984	167,391

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(34,067)	(34,495)
Registration fees	(2,401)	(2,415)
	(36,468)	(36,910)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(500)	(486)
Safe custody fees	(98)	(96)
	(598)	(582)
Other expenses:		
Regulatory fees	(10)	(7)
Audit fees	(9)	(11)
	(19)	(18)
Total expenses*	(37,085)	(37,510)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(1)	(7)
Total interest payable and similar charges	(1)	(7)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	139,898	129,874
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(27,980)	(25,975)
Effects of:		
Revenue not subject to taxation	35,350	33,394
Excess expenses	(7,366)	(7,417)
Retail Distribution Review (RDR) conversion transfer from capital	(4)	(2)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £68,246,099 (2019: £60,879,925) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	141,480	131,831
Final	32,286	32,526
	173,766	164,357
Add: Revenue deducted on the cancellation of shares	1,650	1,687
Deduct: Revenue received on the creation of shares	(1,434)	(1,665)
Net distribution for the period	173,982	164,379
Net revenue after taxation	139,898	129,874
Annual management charge to capital	34,067	34,495
Equalisation on conversion	19	11
Undistributed revenue carried forward	(2)	(1)
Total distributions	173,982	164,379

Details of the distribution per share are set out in the table on pages 36 to 37.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	7,357	3,032
Accrued revenue	23,816	25,756
Total debtors	31,173	28,788

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(2,356)	(6,355)
Purchases awaiting settlement	—	(1,513)
Accrued expenses	(65)	(66)
Amounts payable to ACD	(3,530)	(3,450)
Total other creditors	(5,951)	(11,384)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class Z shares	0.75%

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

Registration fees

Class 1 shares	0.080%
Class 2 shares	0.035%
Class D shares	0.110%
Class L shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 38 to 42. The distribution per share class is given in the distribution table on pages 36 to 37.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	359,047,835
Shares issued	13,480,496
Shares redeemed	(35,616,234)
Net conversions	(41,486,314)
Closing shares	295,425,783
Class 1 – Accumulation shares	
Opening shares	165,857,368
Shares issued	4,468,041
Shares redeemed	(21,469,178)
Net conversions	(25,959,203)
Closing shares	122,897,028
Class 2 – Income shares	
Opening shares	176,765,510
Shares issued	12,154,982
Shares redeemed	(27,991,956)
Net conversions	(3,319,622)
Closing shares	157,608,914
Class 2 – Accumulation shares	
Opening shares	14,193,793
Shares issued	646,297
Shares redeemed	(1,667,994)
Net conversions	(74,215)
Closing shares	13,097,881
Class D – Income shares	
Opening shares	628,455
Shares issued	167,854
Shares redeemed	(142,985)
Net conversions	–
Closing shares	653,324
Class L – Income shares	
Opening shares	125,690,839
Shares issued	33,430,102
Shares redeemed	(5,291,969)
Net conversions	148,517,820
Closing shares	302,346,792
Class L – Accumulation shares	
Opening shares	90,284,756
Shares issued	19,557,430
Shares redeemed	(15,312,002)
Net conversions	41,828,862
Closing shares	136,359,046
Class X – Income shares	
Opening shares	3,363,326
Shares issued	3,023,315
Shares redeemed	(81,700)
Net conversions	–
Closing shares	6,304,941

2020

Class X – Accumulation shares

Opening shares	13,692,572
Shares issued	2,722,481
Shares redeemed	(6,940,215)
Net conversions	–
Closing shares	9,474,838

Class Z – Income shares

Opening shares	1,263,689,987
Shares issued	41,796,009
Shares redeemed	(74,057,488)
Net conversions	(181,927,108)
Closing shares	1,049,501,400

Class Z – Accumulation shares

Opening shares	577,868,081
Shares issued	51,623,537
Shares redeemed	(58,152,745)
Net conversions	(30,814,380)
Closing shares	540,524,493

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.69% and vice versa (2019: 4.74%).

Currency exposures

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

Currency 2020	£000
Euro	3
US Dollar	2,244
Currency 2019	£000
Euro	2
US Dollar	2,237

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	3	–	–	3
UK Sterling	194	10,027	3,859,137	3,869,358
US Dollar	–	–	2,244	2,244
Currency 2019	£000	£000	£000	£000
Euro	2	–	–	2
UK Sterling	–	–	4,090,933	4,090,933
US Dollar	8	–	2,229	2,237

Threadneedle UK Equity Income Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(25,261)	(25,261)
Currency 2019	£000	£000	£000	£000
UK Sterling	(927)	–	(31,329)	(32,256)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	3,840,235	–	4,064,374	–
	3,840,235	–	4,064,374	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	256,263	93	0.04	1,269	0.50
Collective investment schemes	199,171	–	–	–	–
Corporate actions	14,843	–	–	–	–
Total	470,277	93		1,269	

Gross purchases total: 471,639

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	299,728	110	0.04	1	0.00
Collective investment schemes	214,150	–	–	–	–
Corporate actions	794	–	–	–	–
Total	514,672	110		1	

Total sales net of transaction costs: 514,561

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	251,361	78	0.04	1,238	0.00
Collective investment schemes	31,006	–	–	–	–
Corporate actions	57,608	–	–	–	–
Total	339,975	78		1,238	

Gross purchases total: 341,291

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	242,859	33	0.01	1	0.00
Collective investment schemes	6,000	–	–	–	–
Corporate actions	19,967	–	–	–	–
Total	268,826	33		1	

Total sales net of transaction costs: 268,792

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.14% (7 March 2019: 0.12%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 9.46%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(17.70)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Monthly Income Fund has fallen from 70.18p to 65.06p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +0.34% as compared to a median return of -0.98% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

The main economic narrative for the majority of the year was the ongoing trade tensions between the US and China. Despite a period of détente later in the period and notwithstanding the strength of the US economy, this conflict was the major contributor to ongoing reductions in global GDP, to the point where 2019's expansion ended up being the weakest since the financial crisis. The world came to realise that the broadly uninterrupted growth in free trade for the previous 75 years may have reached its nadir.

The other cause for concern earlier in the year was the developing U-turn in US monetary policy. Having scaled back the rate at which it was reversing quantitative easing, the Federal Reserve (Fed) then completely abandoned this reversal, despite having only neutralised about 15% of the outstanding balance. In the second half of the year, the Fed went further, cutting US interest rates by 0.25% three times to 1.5-1.75%. This further stoked concerns about weaker economic growth as the process briefly caused an inversion of the yield curve, whereby ten-year bonds yielded less than two-year bonds, historically a signal of impending recession. And then at the end of the period, the Fed made its first emergency rate cut (of 0.5%) since the financial crisis in response to the Covid-19 coronavirus.

Domestically, Brexit again dominated the debate. The postponement of the exit deadline from the end of March to the end of October in the absence of any withdrawal bill being passed by Parliament led to Prime Minister Theresa May's resignation over the summer. Her replacement, Boris Johnson, himself had to push the deadline out further to January 2020, triggering a series of events which ultimately led to the third general election in four years in December. This surprisingly resulted in a large Conservative majority, ushering in the prospect of stable government and a Brexit transition period fixed to the end of calendar 2020.

However, the new government's honeymoon period ended unexpectedly early as the coronavirus, which was seen as a domestic Chinese issue when it first emerged in January, had a serious hold in Europe by late February.

During the last three weeks of the fund's year, the spread of the coronavirus and mounting fears about its impact on the global economy caused the sharpest sell-off since the financial crisis over a decade earlier, leaving the market, as measured by the FTSE All-Share index, down by 8.3% over the year.

Fund activity was modest, except in the third quarter of the year when the portfolio increased its holdings in more domestically orientated names to a more neutral level. The total number of holdings increased by four to 62 over

the year. Of the six positions exited during the period, Manx Telecom, KCOM and Cobham received successful takeover bids. Less positively, the fund cut its losses in TUI, Galliford Try and De La Rue. There were 10 additions to the portfolio: Direct Line, Spectris, Reckitt Benckiser, RBS, Crest Nicholson, Land Securities, Grainger, M&G, Marston's and Stock Spirits. The biggest sector increases were in housebuilding, banking and property. The latter, along with utilities, is now the fund's third-largest overweight sector. The biggest sector overweights were pharmaceuticals and life assurance. Elsewhere, activity was very stock specific; Amongst the biggest additions were top ups to HSBC, Legal & General, Shell and SSE, all yielding dividends above 6%, which should prove sustainable. The biggest reductions during the period were in energy, where profits were subsequently taken in Shell, as well as in DS Smith, consistent with the desire to maintain a meaningfully underweight position in popular but economically sensitive industrials.

Dividend cover across the market remained unchanged at circa 1.7x. However, growth prospects continue to be constrained by concerns around global economic growth, Brexit, trade and a volatile pound-dollar exchange rate.

For the ninth consecutive year, the fund's monthly distributions on the majority Class 1 units again increased by 0.01 pence per unit, from 0.26 to 0.27 pence per unit. 2 class units saw a broadly similar rate of increase from 0.45 to 0.47 pence per unit.

However, for the reasons referenced above, it felt prudent to continue to prioritise improving the fund's dividend in terms of quality rather than quantity. Therefore, as anticipated, the fund's 12th and final dividend payment for the year was again slightly reduced, thereby moderating the rate of dividend growth for the year for the Class 1 distributions to approximately 1.5%. This has now been the 19th year in the fund's 21-year history as an OEIC that the dividend had been increased. At year end, the yield on both share classes was 5.4%.

Postscript: In the four weeks subsequent to the fund's year end, the impact of the spread of the coronavirus has substantially worsened. At the time of writing, it appears that the world is now facing a recession far more severe than that seen in 2008-09 after the failure of Lehman Brothers. Over the last two weeks, numerous companies have issued statements indicating that they intend to pass their forthcoming dividend payment. This will inevitably have an impact on the level of distributions that the fund itself can make next year. Given the rapidly evolving nature of the situation, it is currently not possible to quantify the magnitude and duration of this impact, but it is unlikely to be insignificant. However, the manager will endeavour to mitigate these headwinds as much as possible.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(23,926)	(8,099)
Revenue	3	22,205	23,640
Expenses	4	(6,595)	(7,182)
Interest payable and similar charges	5	(2)	(1)
Net revenue before taxation		15,608	16,457
Taxation	6	—	(37)
Net revenue after taxation		15,608	16,420
Total return before distributions		(8,318)	8,321
Distributions	7	(21,636)	(22,982)
Change in net assets attributable to shareholders from investment activities		(29,954)	(14,661)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		382,596	439,307
Current assets:			
Debtors	8	4,819	7,483
Cash and bank balances		3,475	1,174
Cash equivalents**		8	5,016
Total assets		390,898	452,980
Liabilities:			
Creditors:			
Distribution payable		(3,276)	(3,841)
Other creditors	9	(2,039)	(6,351)
Total liabilities		(5,315)	(10,192)
Net assets attributable to shareholders		385,583	442,788

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	442,788	497,135
Amounts receivable on the issue of shares	12,297	11,781
Amounts payable on the cancellation of shares	(39,662)	(51,645)
	(27,365)	(39,864)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(29,954)	(14,661)
Unclaimed distributions	114	178
Closing net assets attributable to shareholders	385,583	442,788

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2700	—	0.2700	0.2600
08/04/19 to 07/05/19	0.2700	—	0.2700	0.2600
08/05/19 to 07/06/19	0.2700	—	0.2700	0.2600
08/06/19 to 07/07/19	0.2700	—	0.2700	0.2600
08/07/19 to 07/08/19	0.2700	—	0.2700	0.2600
08/08/19 to 07/09/19	0.2700	—	0.2700	0.2600
08/09/19 to 07/10/19	0.2700	—	0.2700	0.2600
08/10/19 to 07/11/19	0.2700	—	0.2700	0.2600
08/11/19 to 07/12/19	0.2700	—	0.2700	0.2600
08/12/19 to 07/01/20	0.2700	—	0.2700	0.2600
08/01/20 to 07/02/20	0.2700	—	0.2700	0.2600
08/02/20 to 07/03/20	0.5402	—	0.5402	0.5973

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 2				
08/03/19 to 07/04/19	0.0031	0.2669	0.2700	0.2600
08/04/19 to 07/05/19	–	0.2700	0.2700	0.2600
08/05/19 to 07/06/19	–	0.2700	0.2700	0.2600
08/06/19 to 07/07/19	–	0.2700	0.2700	0.2600
08/07/19 to 07/08/19	0.0187	0.2513	0.2700	0.2600
08/08/19 to 07/09/19	–	0.2700	0.2700	0.2600
08/09/19 to 07/10/19	–	0.2700	0.2700	0.2600
08/10/19 to 07/11/19	–	0.2700	0.2700	0.2600
08/11/19 to 07/12/19	–	0.2700	0.2700	0.2600
08/12/19 to 07/01/20	–	0.2700	0.2700	0.2600
08/01/20 to 07/02/20	0.0026	0.2674	0.2700	0.2600
08/02/20 to 07/03/20	0.0838	0.4564	0.5402	0.5973
Total distributions in the period			3.5102	3.4573

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.4100	–	0.4100	0.3900
08/04/19 to 07/05/19	0.4100	–	0.4100	0.3900
08/05/19 to 07/06/19	0.4100	–	0.4100	0.3900
08/06/19 to 07/07/19	0.4100	–	0.4100	0.3900
08/07/19 to 07/08/19	0.4100	–	0.4100	0.3900
08/08/19 to 07/09/19	0.4100	–	0.4100	0.3900
08/09/19 to 07/10/19	0.4100	–	0.4100	0.3900
08/10/19 to 07/11/19	0.4100	–	0.4100	0.3900
08/11/19 to 07/12/19	0.4100	–	0.4100	0.3900
08/12/19 to 07/01/20	0.4100	–	0.4100	0.3900
08/01/20 to 07/02/20	0.3600	–	0.3600	0.3900
08/02/20 to 07/03/20	0.8011	–	0.8011	0.8671
Group 2				
08/03/19 to 07/04/19	0.4100	–	0.4100	0.3900
08/04/19 to 07/05/19	0.4100	–	0.4100	0.3900
08/05/19 to 07/06/19	0.4100	–	0.4100	0.3900
08/06/19 to 07/07/19	0.4100	–	0.4100	0.3900
08/07/19 to 07/08/19	0.4100	–	0.4100	0.3900
08/08/19 to 07/09/19	0.4100	–	0.4100	0.3900
08/09/19 to 07/10/19	0.4100	–	0.4100	0.3900
08/10/19 to 07/11/19	0.4100	–	0.4100	0.3900
08/11/19 to 07/12/19	0.4100	–	0.4100	0.3900
08/12/19 to 07/01/20	0.4100	–	0.4100	0.3900
08/01/20 to 07/02/20	0.3600	–	0.3600	0.3900
08/02/20 to 07/03/20	0.8011	–	0.8011	0.8671
Total distributions in the period			5.2611	5.1571

Class X – Gross income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid 2019/2020
Group 1			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3900	–	0.3900
08/07/19 to 07/08/19	0.3900	–	0.3900
08/08/19 to 07/09/19	0.3900	–	0.3900
08/09/19 to 07/10/19	0.3900	–	0.3900
08/10/19 to 07/11/19	0.3900	–	0.3900
08/11/19 to 07/12/19	0.3900	–	0.3900
08/12/19 to 07/01/20	0.3900	–	0.3900
08/01/20 to 07/02/20	0.3900	–	0.3900
08/02/20 to 07/03/20	0.8930	–	0.8930
Group 2			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3900	–	0.3900
08/07/19 to 07/08/19	0.3900	–	0.3900
08/08/19 to 07/09/19	0.3900	–	0.3900
08/09/19 to 07/10/19	0.3900	–	0.3900
08/10/19 to 07/11/19	0.3900	–	0.3900
08/11/19 to 07/12/19	0.3900	–	0.3900
08/12/19 to 07/01/20	0.3900	–	0.3900
08/01/20 to 07/02/20	0.3900	–	0.3900
08/02/20 to 07/03/20	0.8930	–	0.8930
Total distributions in the period			4.0130

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.4700	–	0.4700	0.4500
08/04/19 to 07/05/19	0.4700	–	0.4700	0.4500
08/05/19 to 07/06/19	0.4700	–	0.4700	0.4500
08/06/19 to 07/07/19	0.4700	–	0.4700	0.4500
08/07/19 to 07/08/19	0.4700	–	0.4700	0.4500
08/08/19 to 07/09/19	0.4700	–	0.4700	0.4500
08/09/19 to 07/10/19	0.4700	–	0.4700	0.4500
08/10/19 to 07/11/19	0.4700	–	0.4700	0.4500
08/11/19 to 07/12/19	0.4700	–	0.4700	0.4500
08/12/19 to 07/01/20	0.4700	–	0.4700	0.4500
08/01/20 to 07/02/20	0.4700	–	0.4700	0.4500
08/02/20 to 07/03/20	1.0274	–	1.0274	1.1075
Group 2				
08/03/19 to 07/04/19	0.2539	0.2161	0.4700	0.4500
08/04/19 to 07/05/19	0.0895	0.3805	0.4700	0.4500
08/05/19 to 07/06/19	–	0.4700	0.4700	0.4500
08/06/19 to 07/07/19	–	0.4700	0.4700	0.4500
08/07/19 to 07/08/19	0.1047	0.3653	0.4700	0.4500
08/08/19 to 07/09/19	–	0.4700	0.4700	0.4500
08/09/19 to 07/10/19	–	0.4700	0.4700	0.4500
08/10/19 to 07/11/19	–	0.4700	0.4700	0.4500
08/11/19 to 07/12/19	–	0.4700	0.4700	0.4500
08/12/19 to 07/01/20	–	0.4700	0.4700	0.4500
08/01/20 to 07/02/20	–	0.4700	0.4700	0.4500
08/02/20 to 07/03/20	0.4213	0.6061	1.0274	1.1075
Total distributions in the period			6.1974	6.0575

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		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	69.50	71.88	77.99	102.34	105.32	113.70
Return before operating charges (p)	(0.49)	2.26	(1.48)	(0.74)	3.30	(2.17)
Operating charges (p)	(1.16)	(1.18)	(1.26)	(1.11)	(1.12)	(1.20)
Return after operating charges (p)*	(1.65)	1.08	(2.74)	(1.85)	2.18	(3.37)
Distributions (p)	(3.51)	(3.46)	(3.37)	(5.26)	(5.16)	(5.01)
Closing net asset value per share (p)	64.34	69.50	71.88	95.23	102.34	105.32
*after direct transaction costs of (p)	0.12	0.07	0.13	0.18	0.10	0.19
Performance						
Return after charges (%)	(2.37)	1.50	(3.51)	(1.81)	2.07	(2.96)
Other information						
Closing net asset value (£000)	322,344	367,747	406,560	81	86	80
Closing number of shares	500,965,659	529,162,282	565,574,075	84,409	84,409	75,616
Operating charges (%)**	1.63	1.63	1.63	1.06	1.06	1.06
Direct transaction costs (%)***	0.17	0.09	0.17	0.17	0.09	0.17
Prices						
Highest share price (p)	75.60	77.94	81.71	111.74	114.31	119.27
Lowest share price (p)	65.06	64.46	71.45	96.28	94.83	104.68

	Class X – Gross income shares		Class Z – Income shares		
	07/03/2020 ¹		07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	100.00		122.23	125.48	135.11
Return before operating charges (p)	(2.60)		(0.90)	3.93	(2.59)
Operating charges (p)	—		(1.11)	(1.12)	(1.18)
Return after operating charges (p)*	(2.60)		(2.01)	2.81	(3.77)
Distributions (p)	(4.01)		(6.20)	(6.06)	(5.86)
Closing net asset value per share (p)	93.39		114.02	122.23	125.48
*after direct transaction costs of (p)	0.17		0.21	0.12	0.22
Performance					
Return after charges (%)	(2.60)		(1.64)	2.24	(2.79)
Other information					
Closing net asset value (£000)	1		63,157	74,955	90,495
Closing number of shares	1,000		55,392,407	61,324,814	72,121,364
Operating charges (%)**	— [†]		0.88	0.88	0.88
Direct transaction costs (%)***	0.17		0.17	0.09	0.17
Prices					
Highest share price (p)	109.53		133.84	136.27	141.81
Lowest share price (p)	94.53		115.34	113.25	124.70

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

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

[†]Commenced 9 May 2019.

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(23,934)	(8,098)
Other gains	10	—
Transaction costs	(2)	(1)
Net capital losses	(23,926)	(8,099)

3 REVENUE

	2020 £000	2019 £000
UK dividends	22,160	21,554
Overseas dividends	—	2,004
Interest on short term investments	4	14
Bank interest	32	34
Underwriting commission	9	34
Total revenue	22,205	23,640

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(6,028)	(6,562)
Registration fees	(482)	(527)
	(6,510)	(7,089)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(52)	(58)
Safe custody fees	(18)	(19)
	(70)	(77)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(9)	(9)
	(15)	(16)
Total expenses*	(6,595)	(7,182)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(2)	(1)
Total interest payable & similar charges	(2)	(1)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	—	(37)
Total current tax (note 6b)	—	(37)
Total tax charge for the period	—	(37)
b) Factors affecting taxation charge for period		
Net revenue before taxation	15,608	16,457
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,122)	(3,291)
Effects of:		
Revenue not subject to taxation	4,314	4,608
Overseas taxes	—	(37)
Excess expenses	(1,192)	(1,317)
Current tax charge for period (note 6a)	—	(37)

The fund has not recognised a deferred tax asset of £44,832,033 (2019: £43,639,663) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	18,245	18,934
Final	3,276	3,841
	21,521	22,775
Add: Revenue deducted on the cancellation of shares	192	279
Deduct: Revenue received on the creation of shares	(77)	(72)
Net distribution for the period	21,636	22,982
Net revenue after taxation	15,608	16,420
Annual management charge to capital	6,028	6,562
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	21,636	22,982

Details of the distribution per share are set out in the table on pages 46 to 47.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	990	556
Sales awaiting settlement	660	3,501
Accrued revenue	3,137	3,399
Foreign withholding tax recoverable	28	27
United Kingdom income tax recoverable	4	—
Total debtors	4,819	7,483

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(358)	(722)
Purchases awaiting settlement	(1,036)	(4,982)
Accrued expenses	(13)	(15)
Amounts payable to ACD	(632)	(632)
Total other creditors	(2,039)	(6,351)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 48. The distribution per share class is given in the distribution table on pages 46 to 47. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	529,162,282
Shares issued	15,056,933
Shares redeemed	(41,024,019)
Net conversions	(2,229,537)
Closing shares	500,965,659
Class 2 – Income shares	
Opening shares	84,409
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	84,409
Class X - Gross income shares*	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000
Class Z – Income shares	
Opening shares	61,324,814
Shares issued	1,330,594
Shares redeemed	(8,528,190)
Net conversions	1,265,189
Closing shares	55,392,407

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.74% and vice versa (2019: 4.66%).

Currency exposures

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

	Total
Currency 2020	£000
Euro	28
US Dollar	1,415
Currency 2019	£000
Euro	28
US Dollar	1,387

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	–	–	28	28
UK Sterling	3,475	8	385,972	389,455
US Dollar	–	–	1,415	1,415
Currency 2019	£000	£000	£000	£000
Euro	–	–	28	28
UK Sterling	1,174	–	450,391	451,565
US Dollar	–	–	1,387	1,387
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(5,315)	(5,315)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(10,192)	(10,192)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	382,604	–	444,323	–
	382,604	–	444,323	–

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

Threadneedle UK Monthly Income Fund

Notes to the financial statements

(continued)

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	119,780	67	0.06	597	0.50
Collective investment schemes	34,022	—	—	—	—
Corporate actions	1,268	—	—	—	—
Total	155,070	67		597	

Gross purchases total: **155,734**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	134,198	75	0.06	—	—
Collective investment schemes	39,030	—	—	—	—
Corporate actions	20,779	—	—	—	—
Total	194,007	75		—	

Total sales net of transaction costs: **193,932**

Transaction costs as a percentage of average Net Assets

Commissions:	0.03%
Taxes:	0.14%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	71,082	41	0.06	334	0.47
Collective investment schemes	11,016	—	—	—	—
Corporate actions	6,575	—	—	—	—
Total	88,673	41		334	

Gross purchases total: **89,048**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	125,435	72	0.06	—	—
Collective investment schemes	6,000	—	—	—	—
Corporate actions	1,295	—	—	—	—
Total	132,730	72		—	

Total sales net of transaction costs: **132,658**

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.07%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.21% (7 March 2019: 0.25%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 10.11%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

Subsequent to the year end, the Prudential Regulation Authority (PRA) urged caution against dividend payments and share buybacks until the end of 2020, which led to cancellation of some outstanding 2019 dividend payments. As the announcement was made after the distribution payment had been made on this fund, the income deficit caused by the cancellation of the dividends accrued on this fund were made good with a transfer of £607,000 from capital in accordance with COLL 6.7.10R(2). This caused there to be a fall in the net asset value of the income shares.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(36.74)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Monthly Extra Income Fund has fallen from 78.72p to 77.80p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +3.94% as compared to a median return of +1.33% over the same period. (For information the 80% FTSE All Share, 20% ICE BofA Sterling Corp & collateralized is +1.15%).

Market Overview and Portfolio Activity

Risk assets, including UK equities and investment grade (IG) corporate bonds, performed well over 2019, supported by optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin

Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit. Brexit-related worries were particularly painful for UK stocks of firms with close links to the domestic economy. However, these shares, along with the broader equity market, rallied strongly following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard-left Labour government and was also seen to pave the way for an orderly Brexit.

Equities and corporate bonds in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

Within equities, we took advantage of share-price weakness to top up some holdings, chiefly IML, Imperial Brands and Hays.

Engineering firm IML has completed its business review sooner than expected and we are optimistic about its plans to reduce costs and raise margins.

For Imperial Brands, though we have been disappointed by the soft numbers, we are encouraged by the appointment of Stefan Bonhard as the new CEO. Under his tenure, we feel that management should accelerate the move towards unlocking underappreciated shareholder value, given Mr Bonhard's strong record in buying back stock and making judicious disposals. Imperial Brands' combustible business remains robust, and the sale of the premium cigar business should result in significant optionality for deleveraging and/or investment.

Hays' shares and guidance have been pressured by Brexit-related uncertainty and weak economic conditions in the eurozone. Nevertheless, the company is more diversified by business line and geography than ever before, while progress on its five-year strategic plan remains on track.

We profitably sold Cobham ahead of the completion of the company's takeover by US private-equity group Advent. The residual position in Rolls-Royce was also closed to fund higher conviction ideas.

We took part in a broad range of new issues, including two tranches each from Fidelity National Information Services, Fiserv and, in its first-ever sterling deal, Berkshire Hathaway. We also took part in offerings by AbbVie and LVMH, which issued bonds

to finance acquisitions of Allergan and Tiffany & Co. respectively. In the secondary market, we initiated positions in LafargeHolcim, Rolls-Royce and Aroundtown. Sales included Vonovia, Clydesdale Bank, Bank of America, Bayer and ING. Overall, the fixed-income segment of the portfolio retained a slight underweight duration position and modest overweight exposure to credit-market risk.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical areas appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum.

Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

Subsequent to the fund's year-end, the impact of the spread of coronavirus has substantially worsened. This has now reached the point where at the time of writing, we could be facing a severe recession. Numerous companies have since indicated that they intend to pass their next dividend payments, which will inevitably have an impact on the level of distributions that the fund itself can make next year. Given the rapidly evolving nature of the situation, it is, unfortunately not yet possible to quantify the magnitude or duration of this impact, but it will not be insignificant. We will of course endeavour to mitigate these headwinds as best we can.

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

The IG market remains supported by low or negative interest rates and corporate bond purchases by the European Central Bank. We note the increased uncertainty that the coronavirus brings to our growth outlook. Earnings remain reasonable, but generally these are being utilised for the benefit of equity owners rather than for strengthening corporate balance sheets at a time of higher corporate leverage. Market valuations (or spreads) have improved somewhat given the widening seen in the last month. However, when placed in the context of the longer term, this widening has not, as yet, brought spreads back to the average. Consequently, we remain relatively defensively positioned in terms of credit risk, and in terms of the issuers and sectors we prefer.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	1,474	7,209
Revenue	3	12,397	13,396
Expenses	4	(2,607)	(3,206)
Interest payable and similar charges	5	(1)	(2)
Net revenue before taxation		9,789	10,188
Taxation	6	–	–
Net revenue after taxation		9,789	10,188
Total return before distributions		11,263	17,397
Distributions	7	(11,966)	(12,917)
Change in net assets attributable to shareholders from investment activities		(703)	4,480

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		270,535	314,191
Current assets:			
Debtors	8	2,306	3,278
Cash and bank balances	9	4,827	13
Total assets		277,668	317,482
Liabilities:			
Investment liabilities		(145)	(57)
Creditors:			
Bank overdrafts	9	–	(120)
Distribution payable		(1,367)	(1,510)
Other creditors	10	(1,494)	(943)
Total liabilities		(3,006)	(2,630)
Net assets attributable to shareholders		274,662	314,852

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	314,852	351,896
Amounts receivable on the issue of shares	45,410	19,690
Amounts payable on the cancellation of shares	(86,401)	(61,924)
	(40,991)	(42,234)
Dilution adjustment	–	15
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(703)	4,480
Retained distribution on accumulation shares	1,501	693
Unclaimed distributions	3	2
Closing net assets attributable to shareholders	274,662	314,852

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2400	–	0.2400	0.2450
08/04/19 to 07/05/19	0.2500	–	0.2500	0.2450
08/05/19 to 07/06/19	0.2450	–	0.2450	0.2450
08/06/19 to 07/07/19	0.2450	–	0.2450	0.2450
08/07/19 to 07/08/19	0.2450	–	0.2450	0.2450
08/08/19 to 07/09/19	0.2450	–	0.2450	0.2450
08/09/19 to 07/10/19	0.2450	–	0.2450	0.2450
08/10/19 to 07/11/19	0.2450	–	0.2450	0.2450
08/11/19 to 07/12/19	0.2450	–	0.2450	0.2450
08/12/19 to 07/01/20	0.2450	–	0.2450	0.2450
08/01/20 to 07/02/20	0.2450	–	0.2450	0.2165
08/02/20 to 07/03/20	0.4252	–	0.4252	0.3962

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

Threadneedle Monthly Extra Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 2				
08/03/19 to 07/04/19	0.1521	0.0879	0.2400	0.2450
08/04/19 to 07/05/19	0.0844	0.1656	0.2500	0.2450
08/05/19 to 07/06/19	–	0.2450	0.2450	0.2450
08/06/19 to 07/07/19	–	0.2450	0.2450	0.2450
08/07/19 to 07/08/19	–	0.2450	0.2450	0.2450
08/08/19 to 07/09/19	–	0.2450	0.2450	0.2450
08/09/19 to 07/10/19	–	0.2450	0.2450	0.2450
08/10/19 to 07/11/19	–	0.2450	0.2450	0.2450
08/11/19 to 07/12/19	–	0.2450	0.2450	0.2450
08/12/19 to 07/01/20	–	0.2450	0.2450	0.2450
08/01/20 to 07/02/20	0.0156	0.2294	0.2450	0.2165
08/02/20 to 07/03/20	0.1818	0.2434	0.4252	0.3962
Total distributions in the period			3.1202	3.0627

Class 1 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.3615	–	0.3615	0.3846
08/04/19 to 07/05/19	0.4986	–	0.4986	0.4915
08/05/19 to 07/06/19	0.6440	–	0.6440	0.6792
08/06/19 to 07/07/19	0.2956	–	0.2956	0.3398
08/07/19 to 07/08/19	0.1268	–	0.1268	0.1146
08/08/19 to 07/09/19	0.8773	–	0.8773	0.7784
08/09/19 to 07/10/19	0.2863	–	0.2863	0.2677
08/10/19 to 07/11/19	0.2852	–	0.2852	0.3101
08/11/19 to 07/12/19	0.4158	–	0.4158	0.4294
08/12/19 to 07/01/20	0.1699	–	0.1699	0.1788
08/01/20 to 07/02/20	0.1339	–	0.1339	0.1433
08/02/20 to 07/03/20	0.6059	–	0.6059	0.5957
Group 2				
08/03/19 to 07/04/19	0.2191	0.1424	0.3615	0.3846
08/04/19 to 07/05/19	0.2431	0.2555	0.4986	0.4915
08/05/19 to 07/06/19	0.0470	0.5970	0.6440	0.6792
08/06/19 to 07/07/19	0.0633	0.2323	0.2956	0.3398
08/07/19 to 07/08/19	0.1040	0.0228	0.1268	0.1146
08/08/19 to 07/09/19	0.1682	0.7091	0.8773	0.7784
08/09/19 to 07/10/19	0.1884	0.0979	0.2863	0.2677
08/10/19 to 07/11/19	0.1739	0.1113	0.2852	0.3101
08/11/19 to 07/12/19	0.1280	0.2878	0.4158	0.4294
08/12/19 to 07/01/20	0.0299	0.1400	0.1699	0.1788
08/01/20 to 07/02/20	0.0270	0.1069	0.1339	0.1433
08/02/20 to 07/03/20	0.1807	0.4252	0.6059	0.5957
Total distributions in the period			4.7008	4.7131

Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2931	–	0.2931	0.3001
08/04/19 to 07/05/19	0.4052	–	0.4052	0.3847
08/05/19 to 07/06/19	0.5256	–	0.5256	0.5335
08/06/19 to 07/07/19	0.2425	–	0.2425	0.2698
08/07/19 to 07/08/19	0.1048	–	0.1048	0.0930
08/08/19 to 07/09/19	0.7232	–	0.7232	0.6178
08/09/19 to 07/10/19	0.2386	–	0.2386	0.2145
08/10/19 to 07/11/19	0.2384	–	0.2384	0.2487
08/11/19 to 07/12/19	0.3472	–	0.3472	0.3439
08/12/19 to 07/01/20	0.1432	–	0.1432	0.1445
08/01/20 to 07/02/20	0.1141	–	0.1141	0.1157
08/02/20 to 07/03/20	0.5081	–	0.5081	0.4805
Group 2				
08/03/19 to 07/04/19	0.2931	–	0.2931	0.3001
08/04/19 to 07/05/19	0.4052	–	0.4052	0.3847
08/05/19 to 07/06/19	0.5256	–	0.5256	0.5335
08/06/19 to 07/07/19	0.2425	–	0.2425	0.2698
08/07/19 to 07/08/19	0.1048	–	0.1048	0.0930
08/08/19 to 07/09/19	0.7232	–	0.7232	0.6178
08/09/19 to 07/10/19	0.2386	–	0.2386	0.2145
08/10/19 to 07/11/19	0.2384	–	0.2384	0.2487
08/11/19 to 07/12/19	0.3472	–	0.3472	0.3439
08/12/19 to 07/01/20	0.1432	–	0.1432	0.1445
08/01/20 to 07/02/20	0.1141	–	0.1141	0.1157
08/02/20 to 07/03/20	0.5081	–	0.5081	0.4805
Total distributions in the period			3.8840	3.7467

Class X – Gross income shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020
Group 1			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3100	–	0.3100
08/07/19 to 07/08/19	0.3100	–	0.3100
08/08/19 to 07/09/19	0.3100	–	0.3100
08/09/19 to 07/10/19	0.3100	–	0.3100
08/10/19 to 07/11/19	0.3100	–	0.3100
08/11/19 to 07/12/19	0.3100	–	0.3100
08/12/19 to 07/01/20	0.3100	–	0.3100
08/01/20 to 07/02/20	0.3100	–	0.3100
08/02/20 to 07/03/20	0.6300	–	0.6300

Group 2			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3100	–	0.3100
08/07/19 to 07/08/19	0.3100	–	0.3100
08/08/19 to 07/09/19	0.3100	–	0.3100
08/09/19 to 07/10/19	0.3100	–	0.3100
08/10/19 to 07/11/19	0.3100	–	0.3100
08/11/19 to 07/12/19	0.3100	–	0.3100
08/12/19 to 07/01/20	0.3100	–	0.3100
08/01/20 to 07/02/20	0.3100	–	0.3100
08/02/20 to 07/03/20	0.6300	–	0.6300
Total distributions in the period			3.1100

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020
Group 1			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3100	–	0.3100
08/07/19 to 07/08/19	0.3100	–	0.3100
08/08/19 to 07/09/19	0.3100	–	0.3100
08/09/19 to 07/10/19	0.3100	–	0.3100
08/10/19 to 07/11/19	0.3100	–	0.3100
08/11/19 to 07/12/19	0.3100	–	0.3100
08/12/19 to 07/01/20	0.3100	–	0.3100
08/01/20 to 07/02/20	0.3100	–	0.3100
08/02/20 to 07/03/20	0.6422	–	0.6422
Group 2			
08/05/19 to 07/06/19	–	–	–
08/06/19 to 07/07/19	0.3100	–	0.3100
08/07/19 to 07/08/19	0.3100	–	0.3100
08/08/19 to 07/09/19	0.3100	–	0.3100
08/09/19 to 07/10/19	0.3100	–	0.3100
08/10/19 to 07/11/19	0.3100	–	0.3100
08/11/19 to 07/12/19	0.3100	–	0.3100
08/12/19 to 07/01/20	0.3100	–	0.3100
08/01/20 to 07/02/20	0.3100	–	0.3100
08/02/20 to 07/03/20	0.6422	–	0.6422
Total distributions in the period			3.1222

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.4100	–	0.4100	0.4200
08/04/19 to 07/05/19	0.4300	–	0.4300	0.4200
08/05/19 to 07/06/19	0.4200	–	0.4200	0.4200
08/06/19 to 07/07/19	0.4200	–	0.4200	0.4200
08/07/19 to 07/08/19	0.4200	–	0.4200	0.4200
08/08/19 to 07/09/19	0.4200	–	0.4200	0.4200
08/09/19 to 07/10/19	0.4200	–	0.4200	0.4200
08/10/19 to 07/11/19	0.4200	–	0.4200	0.4200
08/11/19 to 07/12/19	0.4200	–	0.4200	0.4200
08/12/19 to 07/01/20	0.4200	–	0.4200	0.4200
08/01/20 to 07/02/20	0.4200	–	0.4200	0.3785
08/02/20 to 07/03/20	0.7924	–	0.7924	0.6860
Group 2				
08/03/19 to 07/04/19	0.2362	0.1738	0.4100	0.4200
08/04/19 to 07/05/19	0.1572	0.2728	0.4300	0.4200
08/05/19 to 07/06/19	–	0.4200	0.4200	0.4200
08/06/19 to 07/07/19	–	0.4200	0.4200	0.4200
08/07/19 to 07/08/19	–	0.4200	0.4200	0.4200
08/08/19 to 07/09/19	–	0.4200	0.4200	0.4200
08/09/19 to 07/10/19	–	0.4200	0.4200	0.4200
08/10/19 to 07/11/19	–	0.4200	0.4200	0.4200
08/11/19 to 07/12/19	–	0.4200	0.4200	0.4200
08/12/19 to 07/01/20	–	0.4200	0.4200	0.4200
08/01/20 to 07/02/20	0.0123	0.4077	0.4200	0.3785
08/02/20 to 07/03/20	0.3757	0.4167	0.7924	0.6860
Total distributions in the period			5.4124	5.2645

Threadneedle Monthly Extra Income Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.3700	–	0.3700	0.3700
08/04/19 to 07/05/19	0.3700	–	0.3700	0.3700
08/05/19 to 07/06/19	0.3700	–	0.3700	0.3700
08/06/19 to 07/07/19	0.3700	–	0.3700	0.3700
08/07/19 to 07/08/19	0.3700	–	0.3700	0.3700
08/08/19 to 07/09/19	0.3700	–	0.3700	0.3700
08/09/19 to 07/10/19	0.3700	–	0.3700	0.3700
08/10/19 to 07/11/19	0.3700	–	0.3700	0.3700
08/11/19 to 07/12/19	0.3700	–	0.3700	0.3700
08/12/19 to 07/01/20	0.3700	–	0.3700	0.3700
08/01/20 to 07/02/20	0.3700	–	0.3700	0.3700
08/02/20 to 07/03/20	1.2318	–	1.2318	0.9037
Group 2				
08/03/19 to 07/04/19	0.1675	0.2025	0.3700	0.3700
08/04/19 to 07/05/19	0.0392	0.3308	0.3700	0.3700
08/05/19 to 07/06/19	–	0.3700	0.3700	0.3700
08/06/19 to 07/07/19	–	0.3700	0.3700	0.3700
08/07/19 to 07/08/19	–	0.3700	0.3700	0.3700
08/08/19 to 07/09/19	–	0.3700	0.3700	0.3700
08/09/19 to 07/10/19	–	0.3700	0.3700	0.3700
08/10/19 to 07/11/19	–	0.3700	0.3700	0.3700
08/11/19 to 07/12/19	–	0.3700	0.3700	0.3700
08/12/19 to 07/01/20	–	0.3700	0.3700	0.3700
08/01/20 to 07/02/20	–	0.3700	0.3700	0.3700
08/02/20 to 07/03/20	0.4472	0.7846	1.2318	0.9037
Total distributions in the period			5.3018	4.9737

Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2928	–	0.2928	0.2988
08/04/19 to 07/05/19	0.4094	–	0.4094	0.3860
08/05/19 to 07/06/19	0.5302	–	0.5302	0.5348
08/06/19 to 07/07/19	0.2460	–	0.2460	0.2704
08/07/19 to 07/08/19	0.1060	–	0.1060	0.0924
08/08/19 to 07/09/19	0.7310	–	0.7310	0.6204
08/09/19 to 07/10/19	0.2424	–	0.2424	0.2161
08/10/19 to 07/11/19	0.2426	–	0.2426	0.2499
08/11/19 to 07/12/19	0.3514	–	0.3514	0.3442
08/12/19 to 07/01/20	0.1464	–	0.1464	0.1443
08/01/20 to 07/02/20	0.1165	–	0.1165	0.1167
08/02/20 to 07/03/20	0.5173	–	0.5173	0.4852
Group 2				
08/03/19 to 07/04/19	0.2928	–	0.2928	0.2988
08/04/19 to 07/05/19	0.4094	–	0.4094	0.3860
08/05/19 to 07/06/19	0.5302	–	0.5302	0.5348
08/06/19 to 07/07/19	0.2460	–	0.2460	0.2704
08/07/19 to 07/08/19	0.1060	–	0.1060	0.0924
08/08/19 to 07/09/19	0.7310	–	0.7310	0.6204
08/09/19 to 07/10/19	0.2424	–	0.2424	0.2161
08/10/19 to 07/11/19	0.1026	0.1400	0.2426	0.2499
08/11/19 to 07/12/19	0.3514	–	0.3514	0.3442
08/12/19 to 07/01/20	0.1464	–	0.1464	0.1443
08/01/20 to 07/02/20	0.1165	–	0.1165	0.1167
08/02/20 to 07/03/20	0.5173	–	0.5173	0.4852
Total distributions in the period			3.9320	3.7592

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		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	78.22	77.69	81.44	117.01	122.47	125.53
Return before operating charges (p)	3.21	4.70	0.46	4.80	0.96	3.47
Operating charges (p)	(1.12)	(1.11)	(1.13)	(1.69)	(1.71)	(1.76)
Return after operating charges (p)*	2.09	3.59	(0.67)	3.11	(0.75)	1.71
Distributions (p)	(3.12)	(3.06)	(3.08)	(4.70)	(4.71)	(4.77)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	77.19	78.22	77.69	115.42	117.01	122.47
*after direct transaction costs of (p)	0.02	0.01	0.02	0.03	0.02	0.03
Performance						
Return after charges (%)	2.67	4.62	(0.82)	2.66	(0.61)	1.36
Other information						
Closing net asset value (£000)	51,692	97,572	129,443	3,538	3,966	2,597
Closing number of shares	66,965,303	124,744,919	166,619,550	3,065,112	3,389,579	2,120,674
Operating charges (%)**	1.39	1.39	1.38	1.39	1.39	1.38
Direct transaction costs (%)***	0.03	0.01	0.03	0.03	0.01	0.03
Prices						
Highest share price (p)	86.20	84.82	85.90	130.58	134.01	134.34
Lowest share price (p)	76.90	73.62	76.89	113.86	114.25	119.79
	Class 1 EUR Hedged – Accumulation shares			Class X – Gross income shares		
	07/03/2020	07/03/2019	07/03/2018 ¹	07/03/2020 ²		
Change in net assets per share						
Opening net asset value per share (p)	94.74	95.40	100.00	100.00		
Return before operating charges (p)	3.74	0.68	(3.92)	2.62		
Operating charges (p)	(1.38)	(1.34)	(0.68)	—		
Return after operating charges (p)*	2.36	(0.66)	(4.60)	2.69		
Distributions (p)	(3.88)	(3.75)	(2.30)	(3.11)		
Retained distributions on accumulation shares (p)	3.88	3.75	2.30	—		
Closing net asset value per share (p)	97.10	94.74	95.40	99.51		
*after direct transaction costs of (p)	0.03	0.02	0.02	0.03		
Performance						
Return after charges (%)	2.49	(0.69)	(4.60)	2.62		
Other information						
Closing net asset value (£000)	10	10	10	1		
Closing number of shares	10,001	10,001	10,001	1,000		
Operating charges (%)**	1.37	1.37	1.37 ¹	— [†]		
Direct transaction costs (%)***	0.03	0.01	0.03	0.03		
Prices						
Highest share price (p)	107.30	106.06	102.48	110.94		
Lowest share price (p)	93.33	90.98	92.85	98.00		

Threadneedle Monthly Extra Income Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares			Class Z – Income shares		
	07/03/2020 ²			07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	100.00			135.36	133.60	139.17
Return before operating charges (p)	2.57			5.50	8.04	0.71
Operating charges (p)	(0.06)			(1.04)	(1.02)	(1.03)
Return after operating charges (p)*	2.51			4.46	7.02	(0.32)
Distributions (p)	(3.12)			(5.41)	(5.26)	(5.25)
Retained distributions on accumulation shares (p)	3.12			-	-	-
Closing net asset value per share (p)	102.51			134.41	135.36	133.60
*after direct transaction costs of (p)	0.03			0.04	0.02	0.04
Performance						
Return after charges (%)	2.51			3.29	5.25	(0.23)
Other information						
Closing net asset value (£000)	25,022			180,456	196,431	200,709
Closing number of shares	24,410,392			134,262,752	145,120,698	150,232,940
Operating charges (%)**	0.07 ¹			0.74	0.74	0.73
Direct transaction costs (%)***	0.03			0.03	0.01	0.03
Prices						
Highest share price (p)	112.93			149.95	146.26	147.00
Lowest share price (p)	98.00			133.28	127.25	132.16

	Class Z – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	130.50	123.96	124.37	95.77	95.83	100.00
Return before operating charges (p)	5.20	7.50	0.52	3.75	0.65	(3.81)
Operating charges (p)	(1.02)	(0.96)	(0.93)	(0.74)	(0.71)	(0.36)
Return after operating charges (p)*	4.18	6.54	(0.41)	3.01	(0.06)	(4.17)
Distributions (p)	(5.30)	(4.97)	(4.76)	(3.93)	(3.76)	(2.30)
Retained distributions on accumulation shares (p)	5.30	4.97	4.76	3.93	3.76	2.30
Closing net asset value per share (p)	134.68	130.50	123.96	98.78	95.77	95.83
*after direct transaction costs of (p)	0.04	0.02	0.03	0.03	0.02	0.02
Performance						
Return after charges (%)	3.20	5.28	(0.33)	3.14	(0.06)	(4.17)
Other information						
Closing net asset value (£000)	13,930	16,860	19,127	13	13	10
Closing number of shares	10,343,044	12,919,667	15,429,800	13,520	13,411	10,001
Operating charges (%)**	0.74	0.74	0.73	0.73	0.72	0.72 ¹
Direct transaction costs (%)***	0.03	0.01	0.03	0.03	0.01	0.03
Prices						
Highest share price (p)	148.52	137.74	132.13	108.74	106.87	102.60
Lowest share price (p)	129.28	121.33	121.95	94.38	91.41	93.22

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

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

¹Commenced 22 June 2017.

²Commenced 9 May 2019.

³The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	1,642	7,380
Forward currency contracts	(225)	(175)
Other gains	61	8
Transaction costs	(4)	(4)
Net capital gains	1,474	7,209

3 REVENUE

	2020 £000	2019 £000
UK dividends	10,242	10,314
Overseas dividends	—	540
Interest on debt securities	2,138	2,515
Bank interest	11	10
Underwriting commission	6	17
Total revenue	12,397	13,396

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,205)	(2,754)
Registration fees	(326)	(371)
	(2,531)	(3,125)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(37)	(41)
Safe custody fees	(18)	(18)
	(55)	(59)
Other expenses:		
Regulatory fees	(6)	(6)
Audit fees	(15)	(16)
	(21)	(22)
Total expenses*	(2,607)	(3,206)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(1)	(2)
Total interest payable and similar charges	(1)	(2)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	9,789	10,188
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,958)	(2,038)
Effects of:		
Revenue not subject to taxation	2,025	2,143
Excess expenses	(67)	(105)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £695,776 (2019: £629,142) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	10,180	11,168
Final	1,651	1,627
	11,831	12,795
Add: Revenue deducted on the cancellation of shares	388	204
Deduct: Revenue received on the creation of shares	(253)	(82)
Net distribution for the period	11,966	12,917
Net revenue after taxation	9,789	10,188
Annual management charge to capital	2,205	2,754
Equalisation on conversion	1	—
Tax relief on capitalised fees	(29)	(25)
Total distributions	11,966	12,917

Details of the distribution per share are set out in the table on pages 52 to 54.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	91	187
Sales awaiting settlement	—	410
Accrued revenue	2,215	2,681
Total debtors	2,306	3,278

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	110	—
Cash and bank balances	4,717	13
	4,827	13
Cash overdrafts at broker	—	(120)
Total cash and bank balances	4,827	(107)

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(811)	(214)
Purchases awaiting settlement	(404)	(397)
Accrued expenses	(17)	(21)
Amounts payable to ACD	(230)	(279)
Corporation tax payable	(32)	(32)
Total other creditors	(1,494)	(943)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Monthly Extra Income Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.25%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 55 to 56. The distribution per share class is given in the distribution table on pages 52 to 54. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	124,744,919
Shares issued	1,689,243
Shares redeemed	(58,670,455)
Net conversions	(798,404)
Closing shares	66,965,303
Class 1 EUR Hedged – Income shares	
Opening shares	3,389,579
Shares issued	637,657
Shares redeemed	(962,124)
Net conversions	–
Closing shares	3,065,112
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001
Class X – Gross income shares*	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	31,847,821
Shares redeemed	(7,437,429)
Net conversions	–
Closing shares	24,410,392
Class Z – Income shares	
Opening shares	145,120,698
Shares issued	6,561,709
Shares redeemed	(17,697,426)
Net conversions	277,771
Closing shares	134,262,752
Class Z – Accumulation shares	
Opening shares	12,919,667
Shares issued	1,325,951
Shares redeemed	(4,085,651)
Net conversions	183,077
Closing shares	10,343,044
Class Z EUR Hedged – Accumulation shares	
Opening shares	13,411
Shares issued	199
Shares redeemed	(90)
Net conversions	–
Closing shares	13,520

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% increase applied to the fund would result in an increase on net asset value of the fund by 3.55% and vice versa (2019: 2.98%). A 1.00% interest rate decrease applied to the fund would result in an increase on net asset value of the fund by -1.88% and vice versa (2019: 1.54%).

Currency exposures

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

Currency 2020	Total £000
Euro	3,167
US Dollar	167

Currency 2019	Total £000
Euro	3,998
US Dollar	156

Currency sensitivity

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

Credit/Counterparty exposure

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

2020	Forward Foreign Exchange Contracts Exposure £000
Counterparty	141
J.P. Morgan	

2019	Forward Foreign Exchange Contracts Exposure £000
Counterparty	121
Bank of Scotland	80
Lloyds	

The fund held £100,000 (2019: £130,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent. Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Euro	612	2,586	4,130	7,328
UK Sterling	11,132	50,816	215,858	277,806
US Dollar	607	2,806	265	3,678
Currency 2019				
Euro	1,518	3,540	4,214	9,272
UK Sterling	8,398	49,558	259,610	317,566
US Dollar	888	2,268	380	3,536
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2020				
Euro	–	–	(4,161)	(4,161)
UK Sterling	–	–	(6,478)	(6,478)
US Dollar	–	–	(3,511)	(3,511)
Currency 2019				
Euro	–	–	(5,274)	(5,274)
UK Sterling	(120)	–	(6,748)	(6,868)
US Dollar	–	–	(3,380)	(3,380)

Threadneedle Monthly Extra Income Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £149,000 (2019: £203,000) and a liability value of £145,000 (2019: £57,000).

15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	207,135	–	247,993	–
Level 2	63,400	(145)	66,198	(57)
	270,535	(145)	314,191	(57)

Included within Level 1, are debt securities of £481,000 (2019: £161,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Bonds	22,913	–	–	–	–
Equities	14,235	8	0.05	71	0.50
Corporate actions	738	–	–	–	–
Total	37,886	8		71	

Gross purchases total: 37,965

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Bonds	30,441	–	–	–	–
Equities	52,491	9	0.02	1	–
Corporate actions	171	–	–	–	–
Total	83,103	9		1	

Total sales net of transaction costs: 83,093

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.02%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Bonds	23,152	–	–	–	–
Equities	8,948	4	0.05	45	0.50
Corporate actions	3,325	–	–	–	–
Total	35,425	4		45	

Gross purchases total: 35,474

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000	%	£000	%
Bonds	31,748	–	–	–	–
Equities	44,298	5	0.01	1	0.00
Corporate actions	1,426	–	–	–	–
Total	77,472	5		1	

Total sales net of transaction costs: 77,466

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.01%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.32% (7 March 2019: 0.27%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 24.68%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

Subsequent to the year end, the Prudential Regulation Authority (PRA) urged caution against dividend payments and share buybacks until the end of 2020, which led to cancellation of some outstanding 2019 dividend payments. As the announcement was made after the distribution payment had been made on this fund, the income deficit caused by the cancellation of the dividends accrued on this fund were made good with a transfer of £200,000 from capital in accordance with COLL 6.7.10R(2). This caused there to be a fall in the net asset value of both income and accumulation shares.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(37.94)
Class X – Gross accumulation shares	(90.46)
Class Z EUR Hedged – Accumulation shares	(23.55)

Threadneedle Sterling Corporate Bond Fund (formerly UK 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Sterling Corporate Bond Fund has risen from 61.26p to 65.44p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +9.46% as compared to a median return of +10.39% over the same period. (For information the iBoxx GBP Non-Gilts gave a total return of +10.17% for the same period).

Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period in financial markets but a good one for sterling investment grade (IG) corporate bonds. The asset class delivered solid, positive returns for the year, driven by a sharp decline in the yields available on underlying UK government debt. Credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) were subject to large moves

during the period. Nevertheless, in the context of these swings, sterling IG spreads were relatively little changed over the year as a whole.

For much of the review period – the first half, roughly speaking – three broadly overlapping factors combined to push core bond yields down. One of these drivers was the ongoing US-China trade dispute. Another was the accompanying deterioration in the global economy, which was especially evident in manufacturing data. German GDP, which is highly geared to both manufacturing and global trade, shrank in the second quarter (Q2). The UK economy also contracted in Q2, though this was largely due to Brexit-related developments.

The last and perhaps most important of these factors was looser monetary policy from key central banks. Near the start of the period, the Federal Reserve (Fed) signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally and, in the summer, the first of a series of rate cuts by the Fed itself. Against soft economic data, the European Central Bank eventually followed suit in September, cutting rates further below zero and restarting its bond-buying programme. UK policymakers appeared hawkish in comparison, insisting that rate hikes were still a possibility if a disorderly Brexit did not derail the economy.

In the fourth quarter of 2019, yields retraced some of their earlier declines and credit spreads tightened. This came as trade tensions between China and the US eased and the economic backdrop appeared to improve. The world's two largest economies brokered a phase-one agreement, while global manufacturing data indicated that the worst may have been over for the sector. In the UK specifically, receding Brexit worries sharpened investors' appetite for risk. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory. The election result paved the way for his Brexit deal to pass through Parliament in late December.

In the first quarter of 2020, the UK duly left the EU and entered a transition phase scheduled to last until the end of the year. Fears of a no-deal Brexit resurfaced as the UK government set out a tough negotiating position ahead of the resumption of trade talks with the EU. However, this and all other market preoccupations were overshadowed by a new and unexpected

threat – the rapid spread of the SARS-CoV-2 virus from China to the rest of the world. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted riskier assets in search of safer havens.

Core government bond yields plunged to record lows in this environment, and credit spreads widened. Sterling IG spreads widened by less than their dollar- and euro-denominated equivalents during this sell-off, as the UK market clawed back previous Brexit-related underperformance. In early March, the Fed made the first of two emergency rate cuts (the second arriving after the review period), which further supported government debt. The Bank of England also cut its base rate to a record low, though this too came after the period covered by this commentary.

Even before the pandemic disrupted the global economy, we were more constructive on defensive areas of the IG market, which we felt would be more resilient at this late point in the credit cycle. These include sectors such as regulated utilities and infrastructure, alongside an increased exposure to housing associations. Accordingly, we invested in long-dated bonds from housing providers Home Group and Sovereign Housing, among a range of new issues we took part in during the period. Others included new deals from Fidelity National Information Services, Fiserv, Verizon Communications and Anheuser-Busch InBev.

We were also active in the secondary market, for example starting new positions in Rolls-Royce, Lafarge Holcim, Aroundtown and Catalyst, another housing provider, while increasing exposure to Kraft Heinz Foods, Innogy, Northumbrian Water, Lloyds Bank and Plains All American Pipeline, among others. We reduced exposure to a number of issuers, such as APT Pipelines, Bupa, Glencore, Vodafone, and Prudential; and exited others, including Bayer, BHP, ING Groep, Goldman Sachs and Experian.

With so much still unknown about the scale and duration of the ongoing coronavirus pandemic, and given that the situation is changing so quickly, it is hard to give a meaningful outlook for corporate bond markets. One thing we can say is that valuations are now well below long-term averages, and pricing in default rates that far exceed the maximums so far recorded at any time over the last century.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	71,455	(4,685)
Revenue	3	31,099	32,218
Expenses	4	(3,682)	(4,029)
Interest payable and similar charges	5	(908)	(678)
Net revenue before taxation		26,509	27,511
Taxation	6	–	–
Net revenue after taxation		26,509	27,511
Total return before distributions		97,964	22,826
Distributions	7	(26,517)	(27,523)
Change in net assets attributable to shareholders from investment activities		71,447	(4,697)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		944,700	932,090
Current assets:			
Debtors	8	14,584	21,341
Cash and bank balances	9	28,590	14,267
Cash equivalents**		2,402	10,017
Total assets		990,276	977,715
Liabilities:			
Investment liabilities		(10,068)	(83)
Creditors:			
Bank overdrafts	9	(4,474)	(1,195)
Distribution payable		(2,057)	(2,147)
Other creditors	10	(12,669)	(4,274)
Total liabilities		(29,268)	(7,699)
Net assets attributable to shareholders		961,008	970,016

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	970,016	926,836
Amounts receivable on the issue of shares	395,445	191,426
Amounts payable on the cancellation of shares	(493,721)	(163,107)
	(98,276)	28,319
Dilution adjustment	420	278
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	71,447	(4,697)
Retained distribution on accumulation shares	17,390	19,264
Unclaimed distributions	11	16
Closing net assets attributable to shareholders	961,008	970,016

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.3705	–	0.3705	0.3852
08/06/19 to 07/09/19	0.3594	–	0.3594	0.3733
08/09/19 to 07/12/19	0.3037	–	0.3037	0.3765
08/12/19 to 07/03/20	0.3109	–	0.3109	0.3683
Group 2				
08/03/19 to 07/06/19	0.1727	0.1978	0.3705	0.3852
08/06/19 to 07/09/19	0.2363	0.1231	0.3594	0.3733
08/09/19 to 07/12/19	0.1392	0.1645	0.3037	0.3765
08/12/19 to 07/03/20	0.1851	0.1258	0.3109	0.3683
Total distributions in the period			1.3445	1.5033

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

DISTRIBUTION TABLE

(continued)

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	0.6419	–	0.6419	0.6510
08/06/19 to 07/09/19	0.6262	–	0.6262	0.6348
08/09/19 to 07/12/19	0.5325	–	0.5325	0.6443
08/12/19 to 07/03/20	0.5467	–	0.5467	0.6342
Group 2				
08/03/19 to 07/06/19	0.3019	0.3400	0.6419	0.6510
08/06/19 to 07/09/19	0.1899	0.4363	0.6262	0.6348
08/09/19 to 07/12/19	0.2125	0.3200	0.5325	0.6443
08/12/19 to 07/03/20	0.2767	0.2700	0.5467	0.6342
Total distributions in the period			2.3473	2.5643

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.3707	–	0.3707	0.3854
08/06/19 to 07/09/19	0.3596	–	0.3596	0.3735
08/09/19 to 07/12/19	0.3039	–	0.3039	0.3768
08/12/19 to 07/03/20	0.3110	–	0.3110	0.3685
Group 2				
08/03/19 to 07/06/19	0.2577	0.1130	0.3707	0.3854
08/06/19 to 07/09/19	0.3168	0.0428	0.3596	0.3735
08/09/19 to 07/12/19	0.0939	0.2100	0.3039	0.3768
08/12/19 to 07/03/20	0.0943	0.2167	0.3110	0.3685
Total distributions in the period			1.3452	1.5042

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.4218	–	0.4218	0.4362
08/06/19 to 07/09/19	0.4121	–	0.4121	0.4242
08/09/19 to 07/12/19	0.3555	–	0.3555	0.4263
08/12/19 to 07/03/20	0.3645	–	0.3645	0.4174
Group 2				
08/03/19 to 07/06/19	0.2064	0.2154	0.4218	0.4362
08/06/19 to 07/09/19	0.1838	0.2283	0.4121	0.4242
08/09/19 to 07/12/19	0.1564	0.1991	0.3555	0.4263
08/12/19 to 07/03/20	0.1595	0.2050	0.3645	0.4174
Total distributions in the period			1.5539	1.7041

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	0.8407	–	0.8407	0.8451
08/06/19 to 07/09/19	0.8268	–	0.8268	0.8279
08/09/19 to 07/12/19	0.7179	–	0.7179	0.8378
08/12/19 to 07/03/20	0.7395	–	0.7395	0.8263
Group 2				
08/03/19 to 07/06/19	0.3127	0.5280	0.8407	0.8451
08/06/19 to 07/09/19	0.3485	0.4783	0.8268	0.8279
08/09/19 to 07/12/19	0.3876	0.3303	0.7179	0.8378
08/12/19 to 07/03/20	0.3198	0.4197	0.7395	0.8263
Total distributions in the period			3.1249	3.3371

Class L – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.7124	–	0.7124	0.7357
08/06/19 to 07/09/19	0.6975	–	0.6975	0.7161
08/09/19 to 07/12/19	0.6049	–	0.6049	0.7190
08/12/19 to 07/03/20	0.6203	–	0.6203	0.7042
Group 2				
08/03/19 to 07/06/19	0.3803	0.3321	0.7124	0.7357
08/06/19 to 07/09/19	0.2366	0.4609	0.6975	0.7161
08/09/19 to 07/12/19	0.2552	0.3497	0.6049	0.7190
08/12/19 to 07/03/20	0.3000	0.3203	0.6203	0.7042
Total distributions in the period			2.6351	2.8750

Class L – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	0.7646	–	0.7646	0.7671
08/06/19 to 07/09/19	0.7538	–	0.7538	0.7520
08/09/19 to 07/12/19	0.6580	–	0.6580	0.7606
08/12/19 to 07/03/20	0.6782	–	0.6782	0.7504
Group 2				
08/03/19 to 07/06/19	0.2563	0.5083	0.7646	0.7671
08/06/19 to 07/09/19	0.3166	0.4372	0.7538	0.7520
08/09/19 to 07/12/19	0.4276	0.2304	0.6580	0.7606
08/12/19 to 07/03/20	0.3553	0.3229	0.6782	0.7504
Total distributions in the period			2.8546	3.0301

Class L – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.7124	–	0.7124	0.7357
08/06/19 to 07/09/19	0.6975	–	0.6975	0.7161
08/09/19 to 07/12/19	0.6048	–	0.6048	0.7190
08/12/19 to 07/03/20	0.6203	–	0.6203	0.7041
Group 2				
08/03/19 to 07/06/19	0.1791	0.5333	0.7124	0.7357
08/06/19 to 07/09/19	0.3123	0.3852	0.6975	0.7161
08/09/19 to 07/12/19	0.3133	0.2915	0.6048	0.7190
08/12/19 to 07/03/20	0.1336	0.4867	0.6203	0.7041
Total distributions in the period			2.6350	2.8749

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/06/19	0.8763	–	0.8763	0.9008
08/06/19 to 07/09/19	0.8635	–	0.8635	0.8794
08/09/19 to 07/12/19	0.7619	–	0.7619	0.8800
08/12/19 to 07/03/20	0.7826	–	0.7826	0.8628
Group 2				
08/03/19 to 07/06/19	0.8763	–	0.8763	0.9008
08/06/19 to 07/09/19	0.8635	–	0.8635	0.8794
08/09/19 to 07/12/19	0.7619	–	0.7619	0.8800
08/12/19 to 07/03/20	0.7826	–	0.7826	0.8628
Total distributions in the period			3.2843	3.5230

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/06/19	0.9624	–	0.9624	0.9572
08/06/19 to 07/09/19	0.9560	–	0.9560	0.9424
08/09/19 to 07/12/19	0.8499	–	0.8499	0.9508
08/12/19 to 07/03/20	0.8782	–	0.8782	0.9399
Group 2				
08/03/19 to 07/06/19	0.6249	0.3375	0.9624	0.9572
08/06/19 to 07/09/19	0.6791	0.2769	0.9560	0.9424
08/09/19 to 07/12/19	0.3396	0.5103	0.8499	0.9508
08/12/19 to 07/03/20	0.5615	0.3167	0.8782	0.9399
Total distributions in the period			3.6465	3.7903

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	60.70	60.96	61.51	105.14	103.01	101.38
Return before operating charges (p)	6.42	1.77	1.58	11.21	3.04	2.58
Operating charges (p)	(0.56)	(0.53)	(0.57)	(0.99)	(0.91)	(0.95)
Return after operating charges (p)*	5.86	1.24	1.01	10.22	2.13	1.63
Distributions (p)	(1.34)	(1.50)	(1.56)	(2.35)	(2.56)	(2.60)
Retained distributions on accumulation shares (p)	–	–	–	2.35	2.56	2.60
Closing net asset value per share (p)	65.22	60.70	60.96	115.36	105.14	103.01
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	9.65	2.03	1.64	9.72	2.07	1.61
Other information						
Closing net asset value (£000)	36,714	37,608	41,541	983	338	191
Closing number of shares	56,294,088	61,959,400	68,146,854	851,994	321,385	184,932
Operating charges (%)**	0.88	0.88	0.92	0.88	0.88	0.91
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	65.67	61.56	63.28	115.60	105.47	105.64
Lowest share price (p)	60.91	59.64	61.06	105.50	102.22	101.28

	Class 1 – Gross income shares [§]			Class 2 – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	60.73	60.99	61.55	60.79	61.05	61.61
Return before operating charges (p)	6.43	1.78	1.57	6.43	1.78	1.58
Operating charges (p)	(0.56)	(0.54)	(0.57)	(0.35)	(0.34)	(0.35)
Return after operating charges (p)*	5.87	1.24	1.00	6.08	1.44	1.23
Distributions (p)	(1.35)	(1.50)	(1.56)	(1.55)	(1.70)	(1.79)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	65.25	60.73	60.99	65.32	60.79	61.05
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	9.67	2.03	1.62	10.00	2.36	2.00
Other information						
Closing net asset value (£000)	11,204	16,187	16,733	87,594	182,457	246,559
Closing number of shares	17,170,705	26,652,455	27,434,683	134,102,799	300,126,582	403,837,101
Operating charges (%)**	0.88	0.88	0.92	0.56	0.56	0.56
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	65.70	61.59	63.32	65.81	61.69	63.44
Lowest share price (p)	60.94	59.67	61.10	61.00	59.74	61.20

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares [§]			Class 3 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	08/06/2017 [†]		
Change in net assets per share						
Opening net asset value per share (p)	121.16	118.32	116.03	111.29		
Return before operating charges (p)	12.93	3.51	2.96	3.05		
Operating charges (p)	(0.71)	(0.67)	(0.67)	(0.29)		
Return after operating charges (p)*	12.22	2.84	2.29	2.76		
Distributions (p)	(3.12)	(3.34)	(3.41)	(0.68)		
Retained distributions on accumulation shares (p)	3.12	3.34	3.41	0.68		
Closing net asset value per share (p)	133.38	121.16	118.32	114.05		
*after direct transaction costs of (p)	–	–	–	–		
Performance						
Return after charges (%)	10.09	2.40	1.97	2.48		
Other information						
Closing net asset value (£000)	230,284	347,689	349,536	–		
Closing number of shares	172,650,413	286,961,969	295,405,481	–		
Operating charges (%)**	0.56	0.56	0.56	–		
Direct transaction costs (%)***	–	–	–	–		
Prices						
Highest share price (p)	133.65	121.54	121.28	114.26		
Lowest share price (p)	121.58	117.70	115.93	111.18		
	Class L – Income shares			Class L – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	99.01	99.44	100.34	106.26	103.67	101.56
Return before operating charges (p)	10.50	2.90	2.59	11.36	3.07	2.59
Operating charges (p)	(0.48)	(0.45)	(0.47)	(0.52)	(0.48)	(0.48)
Return after operating charges (p)*	10.02	2.45	2.12	10.84	2.59	2.11
Distributions (p)	(2.64)	(2.88)	(3.02)	(2.85)	(3.03)	(3.09)
Retained distributions on accumulation shares (p)	–	–	–	2.85	3.03	3.09
Closing net asset value per share (p)	106.39	99.01	99.44	117.10	106.26	103.67
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	10.12	2.46	2.11	10.20	2.50	2.08
Other information						
Closing net asset value (£000)	223,040	72,668	487	11,165	10,788	11,510
Closing number of shares	209,642,635	73,391,811	489,476	9,534,762	10,151,572	11,102,748
Operating charges (%)**	0.46	0.46	0.46	0.46	0.46	0.46
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	107.22	100.50	103.34	117.33	106.60	106.24
Lowest share price (p)	99.36	97.30	99.69	106.63	103.20	101.48

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Comparative Table Disclosure

(continued)

	Class L – Gross income shares [§]			Class X – Gross income shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	99.01	99.44	100.34	106.57	107.03	108.00
Return before operating charges (p)	10.50	2.90	2.59	11.29	3.12	2.79
Operating charges (p)	(0.48)	(0.46)	(0.47)	(0.07)	(0.06)	(0.07)
Return after operating charges (p)*	10.02	2.44	2.12	11.22	3.06	2.72
Distributions (p)	(2.64)	(2.87)	(3.02)	(3.28)	(3.52)	(3.69)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	106.39	99.01	99.44	114.51	106.57	107.03
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	10.12	2.45	2.11	10.53	2.86	2.52
Other information						
Closing net asset value (£000)	6,511	6,954	10,090	264	245	383
Closing number of shares	6,120,554	7,023,159	10,147,441	230,128	230,128	357,739
Operating charges (%)**	0.46	0.46	0.46	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	107.22	100.49	103.35	115.51	108.25	111.35
Lowest share price (p)	99.35	97.29	99.69	106.94	104.74	107.39

	Class X – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	117.05	113.73	110.97
Return before operating charges (p)	12.52	3.39	2.83
Operating charges (p)	(0.07)	(0.07)	(0.07)
Return after operating charges (p)*	12.45	3.32	2.76
Distributions (p)	(3.65)	(3.79)	(3.84)
Retained distributions on accumulation shares (p)	3.65	3.79	3.84
Closing net asset value per share (p)	129.50	117.05	113.73
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	10.64	2.92	2.49
Other information			
Closing net asset value (£000)	353,249	295,082	249,806
Closing number of shares	272,782,869	252,109,463	219,642,935
Operating charges (%)**	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	129.74	117.41	116.47
Lowest share price (p)	117.45	113.49	110.90

**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.

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

[§]Only available to eligible investors.

[†]Closed 8 June 2017.

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	87,563	(2,047)
Derivative contracts	(13,644)	(1,587)
Forward currency contracts	(1,283)	(1,888)
Other (losses)/gains	(1,179)	839
Transaction costs	(2)	(2)
Net capital gains/(losses)	71,455	(4,685)

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	30,959	32,090
Interest on short term investments	19	59
Bank interest	121	69
Total revenue	31,099	32,218

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,090)	(3,467)
Registration fees	(392)	(372)
	(3,482)	(3,839)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(120)	(113)
Safe custody fees	(62)	(59)
	(182)	(172)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(11)	(11)
	(18)	(18)
Total expenses*	(3,682)	(4,029)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(7)	(12)
Derivative expense	(901)	(666)
Total interest payable and similar charges	(908)	(678)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	26,509	27,511
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,302)	(5,502)
Effects of:		
Distributions treated as tax deductible	5,303	5,504
Retail Distribution Review (RDR) conversion transfer from capital	(1)	(2)
Current tax charge for period (note 6a)	—	—

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

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	20,251	20,880
Final	5,799	6,966
	26,050	27,846
Add: Revenue deducted on the cancellation of shares	1,483	554
Deduct: Revenue received on the creation of shares	(1,016)	(877)
Net distribution for the period	26,517	27,523
Net revenue after taxation	26,509	27,511
Equalisation on conversion	9	12
Undistributed revenue carried forward	(1)	—
Total distributions	26,517	27,523

Details of the distribution per share are set out in the table on pages 60 to 61.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	852	3,190
Sales awaiting settlement	—	2,535
Accrued revenue	13,732	15,616
Total debtors	14,584	21,341

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	16,208	2,266
Cash and bank balances	12,382	12,001
	28,590	14,267
Cash overdrafts at broker	(4,474)	(1,195)
Total cash and bank balances	24,116	13,072

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(6,269)	(581)
Purchases awaiting settlement	(6,047)	(3,304)
Accrued expenses	(25)	(28)
Amounts payable to ACD	(328)	(361)
Total other creditors	(12,669)	(4,274)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	0.75%
Class 2 shares	0.50%
Class L shares	0.40%
Class X shares	N/A*

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 62 to 64. The distribution per share class is given in the distribution table on pages 60 to 61. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	61,959,400
Shares issued	3,327,114
Shares redeemed	(8,923,927)
Net conversions	(68,499)
Closing shares	56,294,088
Class 1 – Accumulation shares	
Opening shares	321,385
Shares issued	8,903,480
Shares redeemed	(8,372,871)
Net conversions	–
Closing shares	851,994
Class 1 – Gross income shares	
Opening shares	26,652,455
Shares issued	7,735,974
Shares redeemed	(17,250,131)
Net conversions	32,407
Closing shares	17,170,705
Class 2 – Income shares	
Opening shares	300,126,582
Shares issued	6,450,704
Shares redeemed	(29,288,157)
Net conversions	(143,186,330)
Closing shares	134,102,799
Class 2 – Gross accumulation shares	
Opening shares	286,961,969
Shares issued	94,162,610
Shares redeemed	(208,452,692)
Net conversions	(21,474)
Closing shares	172,650,413
Class L – Income shares	
Opening shares	73,391,811
Shares issued	56,919,937
Shares redeemed	(8,740,264)
Net conversions	88,071,151
Closing shares	209,642,635

Class L – Accumulation shares

Opening shares	10,151,572
Shares issued	1,136,025
Shares redeemed	(1,777,319)
Net conversions	24,484
Closing shares	9,534,762

Class L – Gross income shares

Opening shares	7,023,159
Shares issued	253,246
Shares redeemed	(1,018,580)
Net conversions	(137,271)
Closing shares	6,120,554

Class X – Gross income shares

Opening shares	230,128
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	230,128

Class X – Gross accumulation shares

Opening shares	252,109,463
Shares issued	158,758,085
Shares redeemed	(138,084,679)
Net conversions	–
Closing shares	272,782,869

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 7.01% and vice versa (2019: 6.70%).

Currency exposures

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

	Total £000
Currency 2020	
Euro	(5,815)
US Dollar	159
Currency 2019	£000
Euro	315
US Dollar	338

Currency sensitivity

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

Credit/Counterparty exposure

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

	Credit Default Swaps Exposure £000	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2020				
Counterparty				
Barclays	–	–	–	1,910
Royal Bank of Scotland	–	–	11	–

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Notes to the financial statements

(continued)

2019 Counterparty	Credit Default Swaps Exposure £000	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Barclays	—	—	1,986	—
Citigroup	—	—	11	—
Goldman Sachs	569	—	—	—
HSBC	—	—	1,335	—
J.P. Morgan	—	—	16	—
Lloyds	—	—	78	—
UBS	—	76	—	—

The fund did not hold any collateral received from the fund's counterparties in the current year (2019: £3,960,000). The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	10,079	1.07	11,557	1.23
Aaa	5,782	0.62	2,510	0.27
AA+	8,894	0.95	1,576	0.17
AA	20,596	2.20	26,532	2.82
Aa2u	38,611	4.12	37,627	3.99
AA-	8,727	0.93	7,702	0.82
A+	32,391	3.46	12,531	1.33
A	33,523	3.58	17,251	1.83
A-	133,390	14.23	124,468	13.21
A3	2,982	0.32	6,584	0.70
BBB+	213,796	22.82	216,455	22.98
Baa1	14,774	1.58	15,580	1.65
BBB	213,310	22.76	197,671	20.98
Baa2	16,144	1.72	17,958	1.91
BBB-	114,304	12.20	123,717	13.13
Baa3	4,862	0.52	6,234	0.66
BB+	32,364	3.45	41,250	4.38
BB	6,136	0.65	15,730	1.67
BB-	5,522	0.59	6,934	0.74
B+	—	—	3,100	0.33
B	—	—	1,439	0.15
CCC+	590	0.06	—	—
Not Rated*	25,571	2.73	33,529	3.56
Liquidity Funds	2,402	0.26	10,017	1.06
Derivatives**	(7,716)	(0.82)	4,072	0.43
	<u>937,034</u>	<u>100.00</u>	<u>942,024</u>	<u>100.00</u>

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Euro	11,197	37,686	5,416	54,299
UK Sterling	104,201	753,180	125,772	983,153
US Dollar	4,810	62,266	3,160	70,236
Currency 2019	£000	£000	£000	£000
Euro	22,012	47,699	1,563	71,274
UK Sterling	126,070	686,593	163,559	976,222
US Dollar	14,938	54,907	1,669	71,514

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2020				
Euro	(432)	—	(59,682)	(60,114)
UK Sterling	—	—	(16,489)	(16,489)
US Dollar	(4,042)	—	(66,035)	(70,077)
Currency 2019	£000	£000	£000	£000
Euro	(1,195)	—	(69,764)	(70,959)
UK Sterling	—	—	(6,859)	(6,859)
US Dollar	—	—	(71,176)	(71,176)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps, forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various credit default swaps, forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2020, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £2,352,000 (2019: £4,154,000) and a liability value of £10,068,000 (2019: £83,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Notes to the financial statements

(continued)

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	47,283	(5,966)	52,891	(66)
Level 2	899,815	(4,102)	889,214	(17)
Level 3	4	—	2	—
	947,102	(10,068)	942,107	(83)

Included within Level 1, are debt securities of £47,283,000 (2019: £52,749,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £490,948,039 (2019: £523,574,614) and £557,517,039 (2019: £489,561,643) respectively. Collective investment schemes purchases and sales amounted to £134,085,431 (2019: £22,016,987) and £141,700,000 (2019: £12,000,000) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £1,125,429 (2019: £1,454,806) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £13,965 (2019: £11,948).

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

At the balance sheet date, the portfolio dealing spread was 0.68% (7 March 2019: 0.65%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 8.59%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(43.26)
Class 1 – Accumulation shares	(55.25)
Class 1 – Gross income shares	(11.68)
Class L – Gross income shares	(13.43)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Sterling Bond Fund has risen from 57.80p to 64.66p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +11.59% as compared to a median return of +11.72% over the same period. (For information the FTSE Actuaries UK Conventional Gilts All Stocks Index gave a total return of +11.88% for the same period).

Market Overview and Portfolio Activity

Over the year under review, core government bond yields remained on a downward trend and prices rose. Investors favoured government securities for their relative safety, amid heightened US-China trade tensions, adverse geopolitical developments, and, in 2020, concerns about the global spread of the novel coronavirus and its implications for the already-slowing world economy. This environment heightened expectations that key central banks

would further loosen monetary policy, which provided additional support for core bonds.

The UK's benchmark 10-year government bond (gilt) yield fell from 1.17% to 0.23% over the review period. As well as being bolstered by the international events outlined above, gilts also periodically benefited from Brexit-related jitters and fears of a hard-left government. The political melodrama ran the gamut from Theresa May's ill-fated attempts to pass her EU withdrawal agreement, to Boris Johnson taking over as prime minister in the summer. Given his stronger commitment to a 'hard Brexit', gilt yields fell. However, yields rose in the final quarter of 2019, as US-China trade tensions eased, and as the UK's political backdrop improved significantly following a decisive victory by the Conservatives in December's snap general election. The result was seen as paving the way for an orderly Brexit and also removing the tail risk of a hard-left Labour government. Yields then fell again in 2020, this time on concerns about the economic impact of the coronavirus.

On the economic front, the UK's GDP growth shrunk during the second quarter, though much of this was due to companies running down stockpiles they had accumulated in the run-up to the original Article 50 date. GDP rebounded and expanded in the third quarter but flattened in the fourth quarter, resulting in a marginal increase in 2019's annual growth to 1.4%, from 1.3% in 2018. The Bank of England (BoE) left official rates unchanged throughout the review period; however, the vote was no longer unanimous with two policymakers starting to call for a rate cut. As the period drew to a close, the growing pandemic heightened expectations of fiscal and monetary stimulus in the UK, which subsequently materialised.

Elsewhere, with low inflation and growth under pressure in the euro area, the European Central Bank indicated its willingness to adopt looser monetary policy. In September, the bank cut rates further below zero, and also restarted its bond-buying programme.

The Federal Reserve (Fed) lowered official rates with a series of three consecutive quarter-point cuts in the second half of 2019, and delivered an emergency cut of 50 basis points in early March to boost the US economy as concerns about the virus outbreak rapidly spread. Hopes also rose that other central banks would unveil their own stimulus, as indeed transpired after the end of the review period, with further rate cuts from the BoE and the Fed, and the latter unleashing a fourth round of bond purchases.

The portfolio started the review period with a relative duration of -0.1 years short of the index.

In March, we increased duration as yields fell on mounting Brexit fears and as the Fed signalled that US rates would not rise for the rest of 2019. We increased duration again in mid-April as 10-year gilt yields rose to 1.20%. Later in May, we reduced duration as the 10-year yield dropped to our 1% target, but reversed

this as yields fell further to our stop target of 0.95%, driven by poor European election results for the Conservatives and further global trade tensions.

In June and July, we increased duration. Following this, we sold 3-year gilts into 18-month and 5-year gilts for a pick-up in yield, taking advantage of an inversion of the yield curve at the shorter-dated end.

Following a steepening in late July, during the middle of August, we shifted some duration further along the curve.

Towards the end of September, we reduced the flattening bias following dovish comments from the BoE's Monetary Policy Committee.

Ahead of Parliament's Brexit deal vote in October, we moved to flat duration across the curve.

In November, we increased duration as the 30-year gilt yield climbed to 1.30%. We took relative duration to neutral across the curve again on the eve of the general election; as yields gapped higher on the morning after the election, we increased duration via 30-year gilts. On Christmas Eve, we trimmed the resulting overweight in ultra-longs. With the other maturity buckets flat against the benchmark, the portfolio finished 2019 with an overall relative duration of 0.1 years long.

On the first trading day of January, we added 0.1 years CTD (contribution to duration) in the 30-year area as core bond markets opened weaker. A couple of weeks later, we lowered duration in the 5-year area to flat, reducing it by 0.2 CTD a few days later in anticipation of a strong Purchasing Managers' Index (PMI) release. We subsequently added this back as the PMI reading disappointed. In February, although we increased duration at the start of the month, we sold 0.1 years CTD each in the 5-year area and in the ultra-longs on the announcement that the UK Chancellor resigned on 13 February. A week later we added 0.1 CTD back into the 20-30-year area as virus fears rose.

The portfolio ended the review period 0.2 years long of the index in terms of relative duration: -0.05 years CTD in the 0-3 years area; -0.1 in 3-7s; -0.05 in 7-15s; +0.25 in 15-25s; and +0.25 in the 25+ years area.

Looking ahead, the economic impact on developed markets of the coronavirus will be significant, and we are sceptical that a recovery in global activity will be as early as the authorities hope.

The Fed and other central banks are determined to support governments' efforts to soften the hit to global growth through massive fiscal and monetary stimulus. Demand will be severely hit, unemployment will rise and inflation will fall.

Aside from the risk posed by the coronavirus, the UK economy also faces the risk, in the longer term, of a no-deal Brexit. This still remains a possibility given that the agreed transition period ends in less than a year. The economic shock caused by the virus has tilted the UK's policy outlook in a very accommodative direction, as reflected by the BoE's sudden interest-rate cuts and the government's stimulus package.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	58,024	9,024
Revenue	3	5,258	5,294
Expenses	4	(1,527)	(2,018)
Interest payable and similar charges	5	—	(1)
Net revenue before taxation		3,731	3,275
Taxation	6	—	—
Net revenue after taxation		3,731	3,275
Total return before distributions		61,755	12,299
Distributions	7	(4,882)	(4,941)
Change in net assets attributable to shareholders from investment activities		56,873	7,358

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		528,134	445,169
Current assets:			
Debtors	8	13,453	9,882
Cash and bank balances		5,719	7,046
Cash equivalents**		1,913	—
Total assets		549,219	462,097
Liabilities:			
Creditors:			
Distribution payable		(321)	(1,832)
Other creditors	9	(11,584)	(9,040)
Total liabilities		(11,905)	(10,872)
Net assets attributable to shareholders		537,314	451,225

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	451,225	311,435
Amounts receivable on the issue of shares	416,158	312,338
Amounts payable on the cancellation of shares	(391,296)	(181,635)
	24,862	130,703
Dilution adjustment	51	113
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	56,873	7,358
Retained distribution on accumulation shares	4,303	1,616
Closing net assets attributable to shareholders	537,314	451,225

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.3357	—	0.3357	0.3719
08/09/19 to 07/03/20	0.2698	—	0.2698	0.3586
Group 2				
08/03/19 to 07/09/19	0.1709	0.1648	0.3357	0.3719
08/09/19 to 07/03/20	0.1372	0.1326	0.2698	0.3586
Total distributions in the period			0.6055	0.7305

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.7302	—	0.7302	0.7984
08/09/19 to 07/03/20	0.5901	—	0.5901	0.7752
Group 2				
08/03/19 to 07/09/19	0.2315	0.4987	0.7302	0.7984
08/09/19 to 07/03/20	0.0583	0.5318	0.5901	0.7752
Total distributions in the period			1.3203	1.5736

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

**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 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.7225	–	0.7225	0.7966
08/09/19 to 07/03/20	0.5716	–	0.5716	0.7663
Group 2				
08/03/19 to 07/09/19	0.7225	–	0.7225	0.7966
08/09/19 to 07/03/20	0.5716	–	0.5716	0.7663
Total distributions in the period			1.2941	1.5629

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.6602	–	0.6602	0.7167
08/09/19 to 07/03/20	0.5380	–	0.5380	0.6974
Group 2				
08/03/19 to 07/09/19	0.3049	0.3553	0.6602	0.7167
08/09/19 to 07/03/20	0.2794	0.2586	0.5380	0.6974
Total distributions in the period			1.1982	1.4141

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.6233	–	0.6233	0.6943
08/09/19 to 07/03/20	0.4953	–	0.4953	0.6694
Group 2				
08/03/19 to 07/09/19	0.4265	0.1968	0.6233	0.6943
08/09/19 to 07/03/20	0.1394	0.3559	0.4953	0.6694
Total distributions in the period			1.1186	1.3637

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.6872	–	0.6872	0.7562
08/09/19 to 07/03/20	0.5489	–	0.5489	0.7337
Group 2				
08/03/19 to 07/09/19	0.2967	0.3905	0.6872	0.7562
08/09/19 to 07/03/20	0.3139	0.2350	0.5489	0.7337
Total distributions in the period			1.2361	1.4899

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	57.42	56.13	57.66	124.89	120.55	122.53
Return before operating charges (p)	7.83	2.32	(0.29)	17.08	4.99	(0.61)
Operating charges (p)	(0.31)	(0.30)	(0.63)	(0.70)	(0.65)	(1.37)
Return after operating charges (p)*	7.52	2.02	(0.92)	16.38	4.34	(1.98)
Distributions (p)	(0.61)	(0.73)	(0.61)	(1.32)	(1.57)	(1.29)
Retained distributions on accumulation shares (p)	–	–	–	1.32	1.57	1.29
Closing net asset value per share (p)	64.33	57.42	56.13	141.27	124.89	120.55
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	13.10	3.60	(1.60)	13.12	3.60	(1.62)
Other information						
Closing net asset value (£000)	67,039	283,655	210,876	79,842	30,437	19,899
Closing number of shares	104,215,490	494,003,665	375,705,291	56,515,332	24,370,959	16,506,423
Operating charges (%)**	0.53	0.53	1.10	0.53	0.53	1.12
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	64.66	57.96	58.66	141.41	125.28	125.09
Lowest share price (p)	57.16	54.89	55.33	124.32	118.65	118.18
	Class X – Gross income shares [§]			Class X – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	118.04	114.87	116.88	110.35	105.99	106.60
Return before operating charges (p)	16.16	4.75	(0.56)	15.13	4.43	(0.55)
Operating charges (p)	(0.06)	(0.02)	(0.02)	(0.07)	(0.07)	(0.06)
Return after operating charges (p)*	16.10	4.73	(0.58)	15.06	4.36	(0.61)
Distributions (p)	(1.29)	(1.56)	(1.43)	(1.20)	(1.41)	(1.24)
Retained distributions on accumulation shares (p)	–	–	–	1.20	1.41	1.24
Closing net asset value per share (p)	132.85	118.04	114.87	125.41	110.35	105.99
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	13.64	4.12	(0.50)	13.65	4.11	(0.57)
Other information						
Closing net asset value (£000)	22	3	3	287,782	64,523	3,891
Closing number of shares	16,495	3,000	3,000	229,463,782	58,471,904	3,670,742
Operating charges (%)**	0.05	0.02	0.02	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	133.54	119.15	119.49	125.54	110.67	109.44
Lowest share price (p)	117.51	112.64	113.29	109.85	104.63	103.88

Threadneedle Sterling Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	111.56	109.00	111.35	123.00	118.71	119.97
Return before operating charges (p)	15.23	4.50	(0.55)	16.83	4.93	(0.62)
Operating charges (p)	(0.62)	(0.58)	(0.59)	(0.69)	(0.64)	(0.64)
Return after operating charges (p)*	14.61	3.92	(1.14)	16.14	4.29	(1.26)
Distributions (p)	(1.12)	(1.36)	(1.21)	(1.24)	(1.49)	(1.30)
Retained distributions on accumulation shares (p)	–	–	–	1.24	1.49	1.30
Closing net asset value per share (p)	125.05	111.56	109.00	139.14	123.00	118.71
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	13.10	3.60	(1.02)	13.12	3.61	(1.05)
Other information						
Closing net asset value (£000)	10,002	10,042	12,849	92,627	62,565	63,917
Closing number of shares	7,998,506	9,001,019	11,788,519	66,572,658	50,864,249	53,841,774
Operating charges (%)**	0.53	0.53	0.53	0.53	0.53	0.53
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	125.66	112.59	113.55	139.27	123.39	122.87
Lowest share price (p)	111.05	106.62	107.46	122.44	116.86	116.38

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

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

[§]Only available to eligible investors.

Threadneedle Sterling Bond Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	58,026	9,026
Transaction costs	(2)	(2)
Net capital gains	58,024	9,024

3 REVENUE

	2020	2019
	£000	£000
Interest on debt securities	5,217	5,252
Bank interest	41	42
Total revenue	5,258	5,294

4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,151)	(1,666)
Registration fees	(281)	(269)
	(1,432)	(1,935)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(58)	(47)
Safe custody fees	(20)	(18)
	(78)	(65)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(11)
	(17)	(18)
Total expenses*	(1,527)	(2,018)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

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

6 TAXATION

	2020	2019
	£000	£000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	3,731	3,275
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(746)	(655)
Effects of:		
Excess expenses	746	655
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £4,962,862 (2019: £5,709,097) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years. Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2020	2019
	£000	£000
Interim	2,825	2,622
Final	2,255	2,802
	5,080	5,424
Add: Revenue deducted on the cancellation of shares	1,175	753
Deduct: Revenue received on the creation of shares	(1,373)	(1,236)
Net distribution for the period	4,882	4,941
Net revenue after taxation	3,731	3,275
Annual management charge to capital	1,151	1,666
Total distributions	4,882	4,941

Details of the distribution per share are set out in the table on pages 69 to 70.

8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	10,998	407
Sales awaiting settlement	–	8,150
Accrued revenue	2,455	1,325
Total debtors	13,453	9,882

9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(1,963)	(802)
Purchases awaiting settlement	(9,488)	(8,028)
Accrued expenses	(15)	(18)
Amounts payable to ACD	(118)	(192)
Total other creditors	(11,584)	(9,040)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

12 SHAREHOLDER FUNDS

Threadneedle Sterling Bond Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	0.45%
Class X shares	N/A*
Class Z shares	0.40%

Registration fees

Class 1 shares	0.060%
Class X shares	0.035%
Class Z shares	0.090%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 71 to 72. The distribution per share class is given in the distribution table on pages 69 to 70.

All classes have the same rights on winding up.

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

Threadneedle Sterling Bond Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	494,003,665
Shares issued	31,405,069
Shares redeemed	(421,191,216)
Net conversions	(2,028)
Closing shares	104,215,490
Class 1 – Gross accumulation shares	
Opening shares	24,370,959
Shares issued	85,839,480
Shares redeemed	(53,687,159)
Net conversions	(7,948)
Closing shares	56,515,332
Class X – Gross income shares	
Opening shares	3,000
Shares issued	13,495
Shares redeemed	–
Net conversions	–
Closing shares	16,495
Class X – Gross accumulation shares	
Opening shares	58,471,904
Shares issued	205,419,249
Shares redeemed	(34,427,371)
Net conversions	–
Closing shares	229,463,782
Class Z – Income shares	
Opening shares	9,001,019
Shares issued	4,330,220
Shares redeemed	(5,333,776)
Net conversions	1,043
Closing shares	7,998,506
Class Z – Gross accumulation shares	
Opening shares	50,864,249
Shares issued	33,659,373
Shares redeemed	(17,959,034)
Net conversions	8,070
Closing shares	66,572,658

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 13.29% and vice versa (2019: 11.42%).

Currency exposures

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

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	19,419	3.66	6,168	1.39
Aaa	4,697	0.89	6,801	1.53
AA+	6,882	1.30	6,362	1.43
AA	1,673	0.31	6,279	1.41
Aa2u	391,698	73.90	341,837	76.79
AA-	2,422	0.46	2,337	0.52
Not Rated*	101,343	19.12	75,385	16.93
Liquidity Funds	1,913	0.36	–	–
	530,047	100.00	445,169	100.00

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020	£000	£000	£000	£000
UK Sterling	8,973	526,793	13,453	549,219
Currency 2019	£000	£000	£000	£000
UK Sterling	7,046	445,169	9,882	462,097
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(11,905)	(11,905)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(10,872)	(10,872)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle Sterling Bond Fund

Notes to the financial statements

(continued)

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	500,361	—	422,453	—
Level 2	29,686	—	22,716	—
	530,047	—	445,169	—

Included within Level 1, are debt securities of £500,361,000 (2019: £422,453,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,104,614,588 (2019: £1,142,618,198) and £1,075,758,063 (2019: £1,014,502,976) respectively. Collective investment schemes purchases and sales amounted to £26,512,732 (2019: £Nil) and £24,600,000 (2019: £Nil) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.20% (7 March 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 1.48%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

Threadneedle Sterling Short-Term Money Market Fund* (formerly Threadneedle Sterling 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 Net Income Class 1 Shares**

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Sterling Short – Term Money Market Fund has fallen from 100.10p to 100.07p

The total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +0.51%. (Source: Threadneedle, bid-bid, net income reinvested.) For information the 1 Month GBP London Interbank Bid Rate (LIBID) Index gave a total return of +0.58% for the same period.

Market Overview and Portfolio Activity

During the 12 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.

Over the first six months of the reporting period, sterling came under pressure as the uncertainty over Brexit rumbled on and the UK economy showed increasing signs of strain. On the political front, the melodrama ran the gambit from Theresa May's ill-fated attempts to pass her EU withdrawal agreement, to Boris Johnson taking over as prime minister in the summer. The UK economy contracted by 0.2% in the second quarter, which was its worst performance since 2012 and the weakest among the G7 economies during the period. The sharp fall in manufacturing output was partly attributed to the unwinding of Brexit-related stockpiling in the first quarter, ahead of the original withdrawal deadline.

In the US, the Federal Reserve (Fed) made good on its previous dovish intimations, cutting the benchmark funds rate by 25 basis points at its July meeting. US economic data remained fairly robust over the period, although the effects of the trade war with China started to show, and GDP growth slowed to 2.0% in the second quarter. The European Central Bank (ECB) also maintained its dovish messaging, signalling a readiness to act, both through further rate cuts and restarting its bond-buying programme. Eurozone economic data showed few signs of improving.

Sterling rallied over the second half of the reporting period, although the gains have been pared back since the start of 2020. Overall, sentiment was helped by better-than-expected third quarter GDP growth for the UK, and interest-rate cuts by central banks elsewhere in the world. On the political stage, MPs effectively legislated against a no-deal Brexit in September.

The following month Boris Johnson managed to renegotiate the withdrawal agreement with the EU, while the Brexit deadline was further extended. With an imminent no-deal Brexit off the table, MPs agreed to his demands for an early general election on 12 December 2019, which resulted in a comfortable majority for the Conservative Party. After some better-than-expected economic data for the third quarter, UK GDP growth was flat in the final quarter of 2019.

In the US, the Fed cut interest rates by another quarter point in mid-September and again at the end of October to further support the economy. In 2020, the spread of the coronavirus outside China led to heightened concerns over the adverse impact on US and global growth. At its emergency meeting at the start of March, the Fed announced a rate cut of 50 basis points, bringing the target range to 1.0-1.25%.

During the review period we kept the fund relatively short and broadly unchanged. At the start of the first quarter 2020, the weighted average maturity of the fund is approximately 46 days and the weighted average yield is 0.70%. The fund is invested approximately 59% in bank-issued certificates of deposit, 23% in short-dated bank deposits (including 8% in a AAA-rated external liquidity fund), 1% in Euro Commercial Paper (ECP) and 17% in UK Treasury Bills.

With economic data pointing to continued weakness, particularly in the wake of the coronavirus, we expect the world's central banks to remain committed to ongoing policy accommodation. Encouragingly, there also seems to be political consensus on the need for fiscal stimulus to support the global economy.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital (losses)/gains	2	(109)	122
Revenue	3	3,842	3,192
Expenses	4	(698)	(882)
Interest payable and similar charges	5	(1)	(4)
Net revenue before taxation		3,143	2,306
Taxation	6	—	—
Net revenue after taxation		3,143	2,306
Total return before distributions		3,034	2,428
Distributions	7	(3,143)	(2,306)
Change in net assets attributable to shareholders from investment activities		(109)	122

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		337,301	376,250
Current assets:			
Debtors	8	568	636
Cash and bank balances		74,284	88,326
Cash equivalents***		34,386	23,173
Total assets		446,539	488,385
Liabilities:			
Creditors:			
Distribution payable		(344)	(799)
Other creditors	9	(16,057)	(689)
Total liabilities		(16,401)	(1,488)
Net assets attributable to shareholders		430,138	486,897

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	486,897	514,157
Amounts receivable on the issue of shares	612,588	601,578
Amounts payable on the cancellation of shares	(671,575)	(629,994)
	(58,987)	(28,416)
Dilution adjustment	—	20
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(109)	122
Retained distribution on accumulation shares	2,337	1,014
Closing net assets attributable to shareholders	430,138	486,897

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.2710	—	0.2710	0.1624
08/09/19 to 07/03/20	0.2665	—	0.2665	0.2535
Group 2				
08/03/19 to 07/09/19	0.1633	0.1077	0.2710	0.1624
08/09/19 to 07/03/20	0.1589	0.1076	0.2665	0.2535
Total distributions in the period			0.5375	0.4159

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.2857	—	0.2857	0.1754
08/09/19 to 07/03/20	0.2808	—	0.2808	0.2676
Group 2				
08/03/19 to 07/09/19	0.1521	0.1336	0.2857	0.1754
08/09/19 to 07/03/20	0.1137	0.1671	0.2808	0.2676
Total distributions in the period			0.5665	0.4430

*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 pages 312 to 313).

*** 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 (formerly Threadneedle Sterling Fund)

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.3644	–	0.3644	0.2527
08/09/19 to 07/03/20	0.3539	–	0.3539	0.3450
Group 2				
08/03/19 to 07/09/19	0.1726	0.1918	0.3644	0.2527
08/09/19 to 07/03/20	0.1981	0.1558	0.3539	0.3450
Total distributions in the period			0.7183	0.5977

Group 2: shares purchased during a distribution period.

Threadneedle Sterling Short-Term Money Market Fund (formerly Threadneedle Sterling Fund)

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	99.84	99.81	99.81	100.54	100.06	100.02
Return before operating charges (p)	0.74	0.68	0.30	0.74	0.69	0.30
Operating charges (p)	(0.23)	(0.23)	(0.28)	(0.21)	(0.21)	(0.26)
Return after operating charges (p)*	0.51	0.45	0.02	0.53	0.48	0.04
Distributions (p)	(0.54)	(0.42)	(0.02)	(0.57)	(0.44)	(0.03)
Retained distributions on accumulation shares (p)	–	–	–	0.57	0.44	0.03
Closing net asset value per share (p)	99.81	99.84	99.81	101.07	100.54	100.06
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.51	0.45	0.02	0.53	0.48	0.04
Other information						
Closing net asset value (£000)	128,807	314,520	343,102	62,775	49,689	39,196
Closing number of shares	129,056,186	315,022,373	343,751,180	62,108,332	49,424,514	39,172,736
Operating charges (%)**	0.23	0.23	0.28	0.21	0.21	0.26†
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	100.10	100.10	99.83	101.09	100.54	100.07
Lowest share price (p)	99.84	99.82	99.79	100.54	100.06	100.01
	Class 3 – Gross accumulation shares [‡]			Class X – Gross accumulation shares [‡]		
	08/06/2017 [†]			07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	99.73			101.25	100.62	100.39
Return before operating charges (p)	0.07			0.76	0.69	0.29
Operating charges (p)	(0.16)			(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	(0.09)			0.70	0.63	0.23
Distributions (p)	–			(0.72)	(0.60)	(0.23)
Retained distributions on accumulation shares (p)	–			0.72	0.60	0.23
Closing net asset value per share (p)	99.64			101.95	101.25	100.62
* after direct transaction costs of (p)	–			–	–	–
Performance						
Return after charges (%)	(0.09)			0.69	0.63	0.23
Other information						
Closing net asset value (£000)	–			238,556	122,688	131,859
Closing number of shares	–			234,002,057	121,172,112	131,044,192
Operating charges (%)**	0.63			0.06	0.06	0.06†
Direct transaction costs (%)***	–			–	–	–
Prices						
Highest share price (p)	99.73			101.96	101.25	100.63
Lowest share price (p)	99.64			101.25	100.63	100.39

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

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

[‡]Only available to eligible investors.

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

Threadneedle Sterling Short-Term Money Market Fund (formerly Threadneedle Sterling Fund)

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

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

	2020 £000	2019 £000
Non-derivative securities	(108)	123
Transaction costs	(1)	(1)
Net capital (losses)/gains	(109)	122

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	3,239	2,726
Interest on short term investments	379	289
Bank interest	224	177
Total revenue	3,842	3,192

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(381)	(540)
Registration fees	(227)	(253)
	(608)	(793)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(61)	(59)
Safe custody fees	(20)	(21)
	(81)	(80)
Other expenses:		
Audit fees	(9)	(9)
	(9)	(9)
Total expenses*	(698)	(882)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(1)	(4)
Total interest payable and similar charges	(1)	(4)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	3,143	2,306
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(629)	(461)
Effects of:		
Distributions treated as tax deductible	629	461
Current tax charge for period (note 6a)	—	—
Interest distributions were made in respect of all distributions during the prior period.		

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	1,736	924
Final	1,346	1,349
	3,082	2,273
Add: Revenue deducted on the cancellation of shares	1,025	650
Deduct: Revenue received on the creation of shares	(964)	(617)
Net distribution for the period	3,143	2,306

Details of the distribution per share are set out in the table on pages 76 to 77.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	320	282
Accrued revenue	248	354
Total debtors	568	636

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	—	(602)
Purchases awaiting settlement	(15,994)	—
Accrued expenses	(13)	(16)
Amounts payable to ACD	(50)	(71)
Total other creditors	(16,057)	(689)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

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

12 SHAREHOLDER FUNDS

Threadneedle Sterling Short-Term Money Market Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	0.15%*
Class 2 shares	0.15%
Class X shares	N/A**

Registration fees	
Class 1 shares	0.060%
Class 2 shares	0.035%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 78. The distribution per share class is given in the distribution table on pages 76 to 77. All classes have the same rights on winding up.

*The lower annual management charge of 0.15% is charged at the ACD's discretion subject to market conditions and can be increased to a maximum of the 0.5% fee disclosed in the prospectus.

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

Threadneedle Sterling Short-Term Money Market Fund (formerly Threadneedle Sterling Fund)

Notes to the financial statements

(continued)

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	315,022,373
Shares issued	191,099,603
Shares redeemed	(377,065,790)
Net conversions	–
Closing shares	129,056,186
Class 2 – Accumulation shares	
Opening shares	49,424,514
Shares issued	42,066,289
Shares redeemed	(29,382,471)
Net conversions	–
Closing shares	62,108,332
Class X – Gross accumulation shares	
Opening shares	121,172,112
Shares issued	374,462,933
Shares redeemed	(261,632,988)
Net conversions	–
Closing shares	234,002,057

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 0.12% and vice versa (2019: 0.02%).

Currency exposures

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

Currency sensitivity

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

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	74,284	371,687	568	446,539
Currency 2019	£000	£000	£000	£000
UK Sterling	88,326	399,423	636	488,385
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(16,401)	(16,401)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(1,488)	(1,488)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 1*	371,687	–	399,423	–
	371,687	–	399,423	–

Included within Level 1, are debt securities of £76,328,000 (2019: £58,250,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,630,679,987 (2019: £1,743,470,604) and £1,670,647,000 (2019: £1,807,300,514) respectively. Collective investment schemes purchases and sales amounted to £27,712,667 (2019: £31,173,337) and £16,500,000 (2019: £28,000,000) respectively. The purchases and sales are not subject to portfolio transaction costs.

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

At the balance sheet date, the portfolio dealing spread was 0.01% (7 March 2019: 0.01%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 34.87%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(23.81)
Class X – Gross accumulation shares	(57.48)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle European Fund has risen from 223.80p to 242.25p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +9.59% as compared to a median return of +5.45% over the same period. (For information the FTSE World Europe ex UK Index returned +6.53% over the same period).

Market Overview and Portfolio Activity

European equity markets delivered strong gains through much of 2019, but retraced early in 2020 as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might tip economies into recession.

The review period started on an upbeat note, buoyed by some encouraging economic data and corporate results. Later in the year, signs of a global economic slowdown multiplied. Third-quarter GDP growth was subdued for the eurozone region, and Germany's economy only narrowly avoided recession. Data showed that eurozone GDP growth slowed to near zero in the fourth quarter of 2019 as the French and Italian economies contracted, although Spain's economy was more resilient.

The European Central Bank announced stimulus measures to spur growth. These included lowering interest rates further into negative territory, restarting its bond-purchase programme, and outlining more generous terms for long-term cheap financing for banks. In the US, the Federal Reserve (Fed) cut rates three times. Eurozone inflation later strengthened, a sign that the region's economy may have been stabilising after a downturn, and December's widely watched Zentrum für Europäische Wirtschaftsforschung (ZEW) index of German economic sentiment was stronger than predicted.

A trade war between the US and China heavily influenced investor sentiment during the year, although markets were reassured when phase one of a Sino-American trade agreement was signed in January 2020.

In Italy, the Democratic Party and the Five Star Movement agreed to form a new coalition government, avoiding a snap election, while Spain's fourth general election in as many years resulted in a fragile left-wing coalition. In other political news, the impeachment proceedings against President Trump ended with his acquittal, while Ireland's election resulted in a three-way split between the leading parties; coalition talks are underway. Germany's political outlook was clouded as the politician expected to succeed Chancellor Merkel stepped down as leader of the centre-right Christian Democratic Union (CDU) party.

Early in 2020, a virulent coronavirus started spreading in China, where several cities were placed in quarantine. The virus later spread internationally, causing widespread economic disruption, and prompting sharp falls in equity markets; simultaneously, disagreement between Russia and Saudi Arabia resulted in an oil price fall as the Saudis increased production.

Italy was one of the first European countries to suffer an outbreak, and quarantined several areas in an effort to contain its spread. The government warned the EU that budget targets may be missed. The outbreak dampened sentiment among financial professionals in Europe's largest economy; Germany's ZEW index of economic sentiment dropped sharply in February.

The Federal Reserve (Fed) said it would act as appropriate to support the US economy, widely viewed as a signal of its willingness to cut interest rates further, and expectations mounted that other central banks would launch their own support packages.

New positions included Nestlé, Novartis and Roche. Swiss food group Nestlé is under new management and its portfolio is being revamped, with a focus on areas with higher returns and margins. Novartis is strong in cancer drugs, and has an attractive yield. The disposals of the consumer healthcare segment and Alcon realised good value. Roche is a leading player in cancer treatment, with a robust portfolio of drugs.

Following a period of good returns, we sold several stocks including telecoms firms Cellnex Telecom. Other sales included consumer-goods group Unilever; we prefer Nestlé as new management has more scope to improve returns and capital allocation.

Coronavirus and its effects continue to dominate sentiment; several European countries have shut their borders, Spain has declared a state of emergency, while France and Italy are now in lockdown and Germany has taken measures to limit social contact.

However, the disease appears to have peaked in China (factories are reopening) and while many countries are in lockdown, policymakers are planning exit strategies. The search for an effective vaccination is now in progress. Loose monetary policy aims to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability.

Brexit is now underway, but the negotiations have prompted uncertainty amid renewed risks of a hard outcome. The Spanish and Italian coalitions are surviving but Merkel and her succession plans are under some pressure. The US is keen to avoid recession in the run-up to the 2020 elections.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	77,171	(24,136)
Revenue	3	25,413	28,323
Expenses	4	(6,920)	(9,909)
Interest payable and similar charges	5	(8)	(7)
Net revenue before taxation		18,485	18,407
Taxation	6	(3,217)	(1,378)
Net revenue after taxation		15,268	17,029
Total return before distributions		92,439	(7,107)
Distributions	7	(12,867)	(17,029)
Change in net assets attributable to shareholders from investment activities		79,572	(24,136)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		960,392	1,062,476
Current assets:			
Debtors	8	13,971	7,046
Cash and bank balances	9	10,374	8,101
Cash equivalents**		11,207	–
Total assets		995,944	1,077,623
Liabilities:			
Investment liabilities		(7,625)	(1)
Creditors:			
Distribution payable		(19)	(20)
Other creditors	10	(1,361)	(6,753)
Total liabilities		(9,005)	(6,774)
Net assets attributable to shareholders		986,939	1,070,849

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	1,070,849	1,081,395
Amounts receivable on the issue of shares	391,037	153,655
Amounts payable on the cancellation of shares	(566,437)	(157,354)
	(175,400)	(3,699)
Dilution adjustment	–	70
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	79,572	(24,136)
Retained distribution on accumulation shares	11,918	17,219
Closing net assets attributable to shareholders	986,939	1,070,849

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	1.0466	–	1.0466	1.8697
Group 2 08/03/19 to 07/03/20	0.1768	0.8698	1.0466	1.8697
Total distributions in the period			1.0466	1.8697

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.8307	–	2.8307	3.5873
Group 2 08/03/19 to 07/03/20	0.0919	2.7388	2.8307	3.5873
Total distributions in the period			2.8307	3.5873

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle European Fund

DISTRIBUTION TABLE

(continued)

Class D – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	4.6772	–	4.6772	5.9543
Group 2 08/03/19 to 07/03/20	0.3460	4.3312	4.6772	5.9543
Total distributions in the period			4.6772	5.9543

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1 08/03/19 to 07/03/20	2.9790	–	2.9790	3.4805
Group 2 08/03/19 to 07/03/20	1.1490	1.8300	2.9790	3.4805
Total distributions in the period			2.9790	3.4805

Class L – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	4.2315	–	4.2315	4.8531
Group 2 08/03/19 to 07/03/20	0.2629	3.9686	4.2315	4.8531
Total distributions in the period			4.2315	4.8531

Class L GBP – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1 08/03/19 to 07/03/20	2.6551	–	2.6551	3.1536
Group 2 08/03/19 to 07/03/20	0.1198	2.5353	2.6551	3.1536
Total distributions in the period			2.6551	3.1536

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.9110	–	2.9110	3.1180
Group 2 08/03/19 to 07/03/20	0.6338	2.2772	2.9110	3.1180
Total distributions in the period			2.9110	3.1180

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	11.5353	–	11.5353	12.3557
Group 2 08/03/19 to 07/03/20	2.9920	8.5433	11.5353	12.3557
Total distributions in the period			11.5353	12.3557

Class X GBP Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1 08/03/19 to 07/03/20	0.3165	–	0.3165
Group 2 08/03/19 to 07/03/20	0.2720	0.0445	0.3165
Total distributions in the period			0.3165

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1 08/03/19 to 07/03/20	1.7836	–	1.7836	2.1912
Group 2 08/03/19 to 07/03/20	0.3279	1.4557	1.7836	2.1912
Total distributions in the period			1.7836	2.1912

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.3791	–	2.3791	2.8784
Group 2 08/03/19 to 07/03/20	0.1748	2.2043	2.3791	2.8784
Total distributions in the period			2.3791	2.8784

Group 2: shares purchased during a distribution period.

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

Threadneedle European Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	223.73	227.50	210.31	253.95	256.75	235.91
Return before operating charges (p)	22.46	(0.06)	21.03	25.58	(0.07)	23.58
Operating charges (p)	(4.02)	(3.71)	(3.84)	(3.03)	(2.73)	(2.74)
Return after operating charges (p)*	18.44	(3.77)	17.19	22.55	(2.80)	20.84
Distributions (p)	(1.05)	(1.87)	(1.53)	(2.83)	(3.59)	(3.29)
Retained distributions on accumulation shares (p)	1.05	1.87	1.53	2.83	3.59	3.29
Closing net asset value per share (p)	242.17	223.73	227.50	276.50	253.95	256.75
*after direct transaction costs of (p)	0.56	0.28	0.37	0.65	0.31	0.42
Performance						
Return after charges (%)	8.24	(1.66)	8.17	8.88	(1.09)	8.83
Other information						
Closing net asset value (£000)	87,885	313,643	361,879	350,728	344,321	346,112
Closing number of shares	36,290,245	140,189,774	159,069,537	126,847,064	135,583,758	134,804,454
Operating charges (%)**	1.64	1.63	1.67	1.06	1.06	1.06
Direct transaction costs (%)***	0.23	0.12	0.16	0.23	0.12	0.16
Prices						
Highest share price (p)	272.38	246.95	241.55	310.90	279.48	272.18
Lowest share price (p)	222.04	204.62	207.11	252.04	232.00	232.49

	Class D – Accumulation shares			Class L – Income shares		
	07/03/2020	07/03/2019	07/03/2018 ¹	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	426.06	430.82	419.74	183.51	188.20	183.66
Return before operating charges (p)	42.90	(0.13)	14.22	18.44	(0.06)	6.34
Operating charges (p)	(5.14)	(4.63)	(3.14)	(1.25)	(1.15)	(0.79)
Return after operating charges (p)*	37.76	(4.76)	11.08	17.19	(1.21)	5.55
Distributions (p)	(4.68)	(5.95)	(0.66)	(2.98)	(3.48)	(1.01)
Retained distributions on accumulation shares (p)	4.68	5.95	0.66	–	–	–
Closing net asset value per share (p)	463.82	426.06	430.82	197.72	183.51	188.20
*after direct transaction costs of (p)	1.09	0.53	0.59	0.46	0.23	0.26
Performance						
Return after charges (%)	8.86	(1.10)	2.64	9.37	(0.64)	3.02
Other information						
Closing net asset value (£000)	997	951	996	104	205	211
Closing number of shares	214,870	223,169	231,232	52,639	111,918	112,119
Operating charges (%)**	1.07	1.07	1.06 [†]	0.61	0.61	0.61 [†]
Direct transaction costs (%)***	0.23	0.12	0.16	0.23	0.12	0.16
Prices						
Highest share price (p)	521.52	468.92	456.72	225.63	205.30	200.47
Lowest share price (p)	422.85	389.24	412.40	182.10	170.67	180.45

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class L – Accumulation shares			Class L GBP – Income shares		
	07/03/2020	07/03/2019	07/03/2018 ¹	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	260.68	262.36	254.66	163.56	166.53	169.32
Return before operating charges (p)	26.15	(0.07)	8.80	16.45	1.22	(1.20)
Operating charges (p)	(1.79)	(1.61)	(1.10)	(1.13)	(1.04)	(0.68)
Return after operating charges (p)*	24.36	(1.68)	7.70	15.32	0.18	(1.88)
Distributions (p)	(4.23)	(4.85)	(1.41)	(2.66)	(3.15)	(0.91)
Retained distributions on accumulation shares (p)	4.23	4.85	1.41	–	–	–
Closing net asset value per share (p)	285.04	260.68	262.36	176.22	163.56	166.53
*after direct transaction costs of (p)	0.67	0.32	0.36	0.42	0.21	0.22
Performance						
Return after charges (%)	9.34	(0.64)	3.02	9.37	0.11	(1.11)
Other information						
Closing net asset value (£000)	1,482	1,573	2,377	360	383	475
Closing number of shares	519,784	603,578	905,998	204,457	234,420	284,914
Operating charges (%)**	0.61	0.61	0.61 ¹	0.61	0.61	0.60 ¹
Direct transaction costs (%)***	0.23	0.12	0.16	0.23	0.12	0.16
Prices						
Highest share price (p)	320.50	286.20	277.97	201.10	181.26	180.09
Lowest share price (p)	258.72	237.93	250.21	162.31	152.16	162.73

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share						
Opening net asset value per share (p)	129.50	129.62	117.91	513.14	513.63	496.31
Return before operating charges (p)	12.99	(0.04)	11.79	51.48	(0.18)	17.53
Operating charges (p)	(0.09)	(0.08)	(0.08)	(0.34)	(0.31)	(0.21)
Return after operating charges (p)*	12.90	(0.12)	11.71	51.14	(0.49)	17.32
Distributions (p)	(2.91)	(3.12)	(2.94)	(11.54)	(12.36)	(5.08)
Retained distributions on accumulation shares (p)	2.91	3.12	2.94	11.54	12.36	5.08
Closing net asset value per share (p)	142.40	129.50	129.62	564.28	513.14	513.63
*after direct transaction costs of (p)	0.33	0.16	0.21	1.29	0.63	0.70
Performance						
Return after charges (%)	9.96	(0.09)	9.93	9.97	(0.10)	3.49
Other information						
Closing net asset value (£000)	303,748	210,531	198,699	43,655	179,035	148,571
Closing number of shares	213,300,518	162,578,165	153,294,434	7,736,439	34,889,972	28,925,626
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06 ¹
Direct transaction costs (%)***	0.23	0.12	0.16	0.23	0.12	0.16
Prices						
Highest share price (p)	160.05	141.77	137.23	634.22	561.76	543.80
Lowest share price (p)	128.52	118.06	116.34	509.29	467.84	487.68

Threadneedle European Fund

Comparative Table Disclosure

(continued)

	Class X GBP Hedged – Gross accumulation shares	Class Z – Income shares		
	07/03/2020 ²	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	100.00	135.84	139.31	129.66
Return before operating charges (p)	0.21	13.66	(0.05)	12.97
Operating charges (p)	(0.03)	(1.36)	(1.23)	(1.26)
Return after operating charges (p)*	0.18	12.30	(1.28)	11.71
Distributions (p)	(0.32)	(1.78)	(2.19)	(2.06)
Retained distributions on accumulation shares (p)	0.32	–	–	–
Closing net asset value per share (p)	100.18	146.36	135.84	139.31
*after direct transaction costs of (p)	0.25	0.35	0.17	0.23
Performance				
Return after charges (%)	0.18	9.05	(0.92)	9.03
Other information				
Closing net asset value (£000)	175,444	1,004	567	608
Closing number of shares	175,127,274	686,124	417,059	436,406
Operating charges (%)**	0.06 ¹	0.88	0.88	0.88
Direct transaction costs (%)***	0.23	0.23	0.12	0.16
Prices				
Highest share price (p)	117.11	166.58	151.76	149.83
Lowest share price (p)	99.88	134.80	126.05	127.81

	Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	181.32	183.00	167.84
Return before operating charges (p)	18.25	(0.06)	16.78
Operating charges (p)	(1.80)	(1.62)	(1.62)
Return after operating charges (p)*	16.45	(1.68)	15.16
Distributions (p)	(2.38)	(2.88)	(2.66)
Retained distributions on accumulation shares (p)	2.38	2.88	2.66
Closing net asset value per share (p)	197.77	181.32	183.00
*after direct transaction costs of (p)	0.46	0.22	0.30
Performance			
Return after charges (%)	9.07	(0.92)	9.03
Other information			
Closing net asset value (£000)	21,532	19,640	21,467
Closing number of shares	10,887,328	10,831,823	11,730,948
Operating charges (%)**	0.88	0.88	0.88
Direct transaction costs (%)***	0.23	0.12	0.16
Prices			
Highest share price (p)	222.35	199.36	193.95
Lowest share price (p)	179.95	165.58	165.44

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

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

¹Commenced 12 May 2017.

²Commenced 8 October 2019.

³The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle European Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 8 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	78,551	(23,483)
Forward currency contracts	(1,439)	(64)
Other gains/(losses)	74	(583)
Transaction costs	(15)	(6)
Net capital gains/(losses)	77,171	(24,136)

3 REVENUE

	2020 £000	2019 £000
UK dividends	1,522	1,580
Overseas dividends	23,845	26,699
Interest on short term investments	1	—
Bank interest	45	44
Total revenue	25,413	28,323

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(6,214)	(9,027)
Registration fees	(502)	(666)
	(6,716)	(9,693)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(124)	(132)
Safe custody fees	(62)	(64)
	(186)	(196)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(11)	(13)
	(18)	(20)
Total expenses*	(6,920)	(9,909)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(8)	(7)
Total interest payable & similar charges	(8)	(7)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(3,217)	(1,378)
Total current tax (note 6b)	(3,217)	(1,378)
Total tax charge for the period	(3,217)	(1,378)
b) Factors affecting taxation charge for period		
Net revenue before taxation	18,485	18,407
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,697)	(3,681)

Effects of:

Revenue not subject to taxation	5,055	5,675
Overseas taxes	(3,217)	(1,378)
Excess expenses	(1,358)	(1,994)
Current tax charge for period (note 6a)	(3,217)	(1,378)

The fund has not recognised a deferred tax asset of £13,654,111 (2019: £12,296,395) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Final	11,937	17,240
	11,937	17,240
Add: Revenue deducted on the cancellation of shares	5,490	2,143
Deduct: Revenue received on the creation of shares	(4,560)	(2,354)
Net distribution for the period	12,867	17,029
Net revenue after taxation	15,268	17,029
Equalisation on conversion	(2,401)	—
Total distributions	12,867	17,029

Details of the distribution per share are set out in the table on pages 81 to 82.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	4,987	200
Sales awaiting settlement	5,777	2,804
Accrued revenue	173	570
Foreign withholding tax recoverable	3,034	3,472
Total debtors	13,971	7,046

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	6,660	—
Cash and bank balances	3,714	8,101
Total cash and bank balances	10,374	8,101

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(679)	(5,771)
Accrued expenses	(27)	(30)
Amounts payable to ACD	(579)	(876)
Corporation tax payable	(76)	(76)
Total other creditors	(1,361)	(6,753)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

Threadneedle European Fund

Notes to the financial statements

(continued)

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

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

13 SHAREHOLDER FUNDS

Threadneedle European Fund currently has seven share classes; Class 1, Class 2, Class D, Class L, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class D shares	0.90%
Class L shares	0.55%
Class X shares	N/A*
Class X2 shares	N/A**
Class Z shares	0.75%

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.150%
Class L shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 83 to 85. The distribution per share class is given in the distribution table on pages 81 to 82.

All classes have the same rights on winding up.

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

**X2 Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 – Accumulation shares	
Opening shares	140,189,774
Shares issued	4,461,174
Shares redeemed	(108,267,228)
Net conversions	(93,475)
Closing shares	36,290,245
Class 2 – Accumulation shares	
Opening shares	135,583,758
Shares issued	14,489,328
Shares redeemed	(23,221,158)
Net conversions	(4,864)
Closing shares	126,847,064
Class D – Accumulation shares	
Opening shares	223,169
Shares issued	1,446
Shares redeemed	(9,745)
Net conversions	–
Closing shares	214,870
Class L – Income shares	
Opening shares	111,918
Shares issued	350
Shares redeemed	(59,629)
Net conversions	–
Closing shares	52,639
Class L – Accumulation shares	
Opening shares	603,578
Shares issued	6,695
Shares redeemed	(90,489)
Net conversions	–
Closing shares	519,784

Class L GBP – Income shares	2020
Opening shares	234,420
Shares issued	12,125
Shares redeemed	(42,088)
Net conversions	–
Closing shares	204,457

Class X – Accumulation shares	
Opening shares	162,578,165
Shares issued	163,279,246
Shares redeemed	(112,556,893)
Net conversions	–
Closing shares	213,300,518

Class X2 – Accumulation shares	
Opening shares	34,889,972
Shares issued	7,018,654
Shares redeemed	(9,617,695)
Net conversions	(24,554,492)
Closing shares	7,736,439

Class X GBP Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	54,785,068
Shares redeemed	(17,152,472)
Net conversions	137,494,678
Closing shares	175,127,274

Class Z – Income shares	
Opening shares	417,059
Shares issued	240,985
Shares redeemed	(128,589)
Net conversions	156,669
Closing shares	686,124

Class Z – Accumulation shares	
Opening shares	10,831,823
Shares issued	1,581,081
Shares redeemed	(1,530,212)
Net conversions	4,636
Closing shares	10,887,328

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.08% and vice versa (2019: 4.67%).

Currency exposures

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

	Total £000
Currency 2020	
Danish Krone	48,766
Euro	481,852
Norwegian Krone	21,108
Swedish Krona	59,339
Swiss Franc	166,215
US Dollar	236
Currency 2019	£000
Danish Krone	103,266
Euro	847,836
Norwegian Krone	14,242
Swedish Krona	65,183
Swiss Franc	15,760
US Dollar	23,680

Threadneedle European Fund

Notes to the financial statements

(continued)

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2020	%	%
Euro	1.19	0.58
Swiss Franc	7.83	1.32
	Currency movement	Fund movement
Currency 2019	%	%
Euro	4.04	3.20

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts	Collateral Pledged
2020	£000	£000
Counterparty		
J.P. Morgan	–	6,660
Lloyds	1	–

As at the prior balance sheet date there was no derivative exposure or collateral to disclose.

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Danish Krone	–	–	48,766	48,766
Euro	170	–	695,179	695,349
Norwegian Krone	–	–	21,108	21,108
Swedish Krona	–	–	59,339	59,339
Swiss Franc	670	–	165,545	166,215
UK Sterling	9,534	11,207	210,864	231,605
US Dollar	–	–	236	236
Currency 2019	£000	£000	£000	£000
Danish Krone	1	–	103,265	103,266
Euro	30	–	847,806	847,836
Norwegian Krone	–	–	14,242	14,242
Swedish Krona	–	–	65,183	65,183
Swiss Franc	1	–	15,759	15,760
UK Sterling	8,069	–	202	8,271
US Dollar	–	–	23,680	23,680
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	–	–	(213,497)	(213,497)
UK Sterling	–	–	(22,182)	(22,182)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(7,389)	(7,389)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £525,000 (2019: £Nil) and a liability value of £7,625,000 (2019: £1,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	971,074	–	1,062,476	–
Level 2	525	(7,625)	–	(1)
	971,599	(7,625)	1,062,476	(1)

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	970,183	583	0.06	1,141	0.00
Collective investment schemes	102,517	–	–	–	–
Corporate actions	5,145	–	–	–	–
Total	1,077,845	583		1,141	
Gross purchases total:	1,079,569				
	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	1,158,835	625	0.05	1	0.00
Corporate actions	91,310	–	–	–	–
Total	1,250,145	625		1	
Total sales net of transaction costs:	1,249,519				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.12%				
Taxes:	0.11%				

Threadneedle European Fund

Notes to the financial statements

(continued)

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	623,826	389	0.06	566	0.09
Total	623,826	389		566	

Gross purchases total: **624,781**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	607,314	382	0.06	—	—
Corporate actions	3,484	—	—	—	—
Total	610,798	382		—	

Total sales net of transaction costs: **610,416**

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.05%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (7 March 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 11.07%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(14.57)
Class L – Income shares	(23.44)
Class X – Accumulation shares	(33.85)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle European Select Fund has risen from 288.49p to 320.52p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +11.39% as compared to a median return of +5.45% over the same period. (For information the FTSE World Europe ex UK Index returned +6.53% over the same period).

Market Overview and Portfolio Activity

European equity markets delivered strong gains through much of 2019, but retraced early in 2020 as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might tip economies into recession.

The review period started on an upbeat note, buoyed by some encouraging economic data and corporate results. Later in the year, signs of a global economic slowdown multiplied. Third-quarter GDP growth was subdued for the eurozone region, and Germany's economy only narrowly avoided recession. Data showed that eurozone GDP growth slowed to near zero in the fourth quarter of 2019 as the French and Italian economies contracted, although Spain's economy was more resilient.

The European Central Bank announced stimulus measures to spur growth. These included lowering interest rates further into negative territory, restarting its bond-purchase programme, and outlining more generous terms for long-term cheap financing for banks. In the US, the Federal Reserve cut rates three times. Eurozone inflation later strengthened, a sign that the region's economy may have been stabilising after a downturn, and December's widely watched Zentrum für Europäische Wirtschaftsforschung (ZEW) index of German economic sentiment was stronger than predicted.

A trade war between the US and China heavily influenced investor sentiment during the year, although markets were reassured when phase one of a Sino-American trade agreement was signed in January 2020.

In Italy, the Democratic Party and the Five Star Movement agreed to form a new coalition government, avoiding a snap election, while Spain's fourth general election in as many years resulted in a fragile left-wing coalition.

In other political news, the impeachment proceedings against President Trump ended with his acquittal, while Ireland's election resulted in a three-way split between the leading parties; coalition talks are underway. Germany's political outlook was clouded as the politician expected to succeed Chancellor Merkel stepped down as leader of the centre-right Christian Democratic Union (CDU) party. Early in 2020, a virulent coronavirus started spreading in China, where several cities were placed in quarantine. The virus later spread internationally, causing widespread economic disruption, and prompting sharp falls in equity markets; simultaneously, disagreement between Russia and Saudi Arabia resulted in an oil price fall as the Saudis increased production.

Italy was one of the first European countries to suffer an outbreak, and quarantined several areas in an effort to contain its spread. The government warned the EU that budget targets may be missed. The outbreak dampened sentiment among financial professionals in Europe's largest economy; Germany's ZEW index of economic sentiment dropped sharply in February.

The Federal Reserve said it would act as appropriate to support the US economy, widely viewed as a signal of its willingness to cut interest rates further, and expectations mounted that other central banks would launch their own support packages.

New positions included Nestlé, Roche and Lonza. Swiss food group Nestlé is under new management and its portfolio is being revamped, with a focus on areas with higher returns and margins. The firm's balance sheet is powerful and could enable attractive acquisitions. Roche is a leader in cancer treatment, with a strong portfolio of drugs. Lonza sells high-quality, value-added ingredients and is a key provider to the pharmaceutical and biotech industries.

We sold kidney disease specialist Fresenius Medical Care; the business from the public segment in the US (where margins are small) is increasing relative to the private segment (which is highly profitable), and revenue is difficult to predict. Other sales included telecom-mast business Cellnex Telecom; the stock's valuation was looking stretched following a period of strong performance.

Coronavirus and its effects continue to dominate sentiment; several European countries have shut their borders, Spain has declared a state of emergency, while France and Italy are now in lockdown and Germany has taken measures to limit social contact.

However, the disease appears to have peaked in China (factories are reopening) and incidences elsewhere are unevenly spread. The search for an effective vaccination is now in progress. Loose monetary policy aims to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability. Brexit is now underway, but the negotiations have prompted uncertainty amid renewed risks of a hard outcome. The Spanish and Italian coalitions are surviving but Merkel and her succession plans are under some pressure. The US is keen to avoid recession in the run-up to the 2020 elections.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	161,132	(102,423)
Revenue	3	33,469	64,180
Expenses	4	(15,517)	(27,898)
Interest payable and similar charges	5	(46)	(109)
Net revenue before taxation		17,906	36,173
Taxation	6	(4,793)	(3,620)
Net revenue after taxation		13,113	32,553
Total return before distributions		174,245	(69,870)
Distributions	7	(13,123)	(32,557)
Change in net assets attributable to shareholders from investment activities		161,122	(102,427)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		1,548,295	1,504,769
Current assets:			
Debtors	8	5,767	14,370
Cash and bank balances	9	320	12,021
Cash equivalents**		34,198	857
Total assets		1,588,580	1,532,017
Liabilities:			
Investment liabilities		(336)	–
Creditors:			
Distribution payable		(1,760)	(1,877)
Other creditors	10	(3,424)	(3,126)
Total liabilities		(5,520)	(5,003)
Net assets attributable to shareholders		1,583,060	1,527,014

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	1,527,014	3,138,329
Amounts receivable on the issue of shares	132,400	1,504,765
Amounts payable on the cancellation of shares	(248,220)	(1,861,123)
Amounts payable on in specie transfers	–	(1,179,921)
	(115,820)	(1,536,279)
Dilution adjustment	47	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	161,122	(102,427)
Retained distribution on accumulation shares	10,697	27,391
Closing net assets attributable to shareholders	1,583,060	1,527,014

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	0.1703	–	0.1703	0.6324
Group 2				
08/03/19 to 07/03/20	–	0.1703	0.1703	0.6324
Total distributions in the period			0.1703	0.6324

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.3937	–	0.3937	1.4709
Group 2				
08/03/19 to 07/03/20	–	0.3937	0.3937	1.4709
Total distributions in the period			0.3937	1.4709

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle European Select Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	1.3761	–	1.3761	1.9690
Group 2 08/03/19 to 07/03/20	0.7074	0.6687	1.3761	1.9690
Total distributions in the period			1.3761	1.9690

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.4728	–	2.4728	3.4676
Group 2 08/03/19 to 07/03/20	–	2.4728	2.4728	3.4676
Total distributions in the period			2.4728	3.4676

Class 2 USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	1.1135	–	1.1135	1.4536
Group 2 08/03/19 to 07/03/20	–	1.1135	1.1135	1.4536
Total distributions in the period			1.1135	1.4536

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.5741	–	2.5741	2.8003
Group 2 08/03/19 to 07/03/20	1.1202	1.4539	2.5741	2.8003
Total distributions in the period			2.5741	2.8003

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	1.4949	–	1.4949	1.9275
Group 2 08/03/19 to 07/03/20	0.0306	1.4643	1.4949	1.9275
Total distributions in the period			1.4949	1.9275

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	1.9319	–	1.9319	2.4587
Group 2 08/03/19 to 07/03/20	0.1728	1.7591	1.9319	2.4587
Total distributions in the period			1.9319	2.4587

Group 2: shares purchased during a distribution period.

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

Threadneedle European Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	123.25	126.83	115.44	132.95
Return before operating charges (p)	15.92	(0.88)	13.89	(9.75)
Operating charges (p)	(2.24)	(2.07)	(2.09)	(0.70)
Return after operating charges (p)*	13.68	(2.95)	11.80	(10.45)
Distributions (p)	(0.17)	(0.63)	(0.41)	(0.97)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	136.76	123.25	126.83	121.53
*after direct transaction costs of (p)	0.14	0.07	0.08	0.04
Performance				
Return after charges (%)	11.10	(2.33)	10.22	(7.86)
Other information				
Closing net asset value (€000)	433	347	4,032	–
Closing number of shares	316,472	281,501	3,179,272	–
Operating charges (%)**	1.60	1.62	1.63	–
Direct transaction costs (%)***	0.10	0.06	0.06	–
Prices				
Highest share price (p)	151.51	138.89	133.84	138.89
Lowest share price (p)	122.28	114.20	115.22	119.08
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	288.40	295.27	267.87	309.51
Return before operating charges (p)	37.24	(2.10)	32.22	(24.96)
Operating charges (p)	(5.22)	(4.77)	(4.82)	(1.64)
Return after operating charges (p)*	32.02	(6.87)	27.40	(26.60)
Distributions (p)	(0.39)	(1.47)	(0.96)	(2.26)
Retained distributions on accumulation shares (p)	0.39	1.47	0.96	2.26
Closing net asset value per share (p)	320.42	288.40	295.27	282.91
*after direct transaction costs of (p)	0.33	0.17	0.18	0.08
Performance				
Return after charges (%)	11.10	(2.33)	10.23	(8.59)
Other information				
Closing net asset value (€000)	247,767	266,743	1,072,075	–
Closing number of shares	77,326,044	92,488,996	363,087,509	–
Operating charges (%)**	1.60	1.61	1.63	–
Direct transaction costs (%)***	0.10	0.06	0.06	–
Prices				
Highest share price (p)	354.52	323.33	310.57	323.33
Lowest share price (p)	286.13	265.85	267.37	277.23

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares		Class 1 SGD Hedged – Accumulation shares	
	09/11/2018 ¹		09/11/2018 ²	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	309.51		165.60	162.05
Return before operating charges (p)	(24.96)		4.00	6.32
Operating charges (p)	(1.64)		(1.89)	(2.77)
Return after operating charges (p)*	(26.60)		2.11	3.55
Distributions (p)	(2.26)		(1.28)	(0.61)
Retained distributions on accumulation shares (p)	2.26		1.28	0.61
Closing net asset value per share (p)	282.91		167.71	165.60
*after direct transaction costs of (p)	0.08		0.09	0.10
Performance				
Return after charges (%)	(8.59)		1.27	2.19
Other information				
Closing net asset value (£000)	–		–	31,830
Closing number of shares	–		–	19,220,877
Operating charges (%)**	–		–	1.63
Direct transaction costs (%)***	–		–	0.06
Prices				
Highest share price (p)	323.33		187.16	178.31
Lowest share price (p)	277.23		161.68	161.52

	Class 1 USD Hedged – Accumulation shares		Class 2 – Income shares		
	09/11/2018 ²	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	136.89	142.82	183.54	188.89	171.92
Return before operating charges (p)	10.67	(3.56)	23.70	(1.37)	20.65
Operating charges (p)	(1.61)	(2.37)	(2.21)	(2.01)	(1.98)
Return after operating charges (p)*	9.06	(5.93)	21.49	(3.38)	18.67
Distributions (p)	(1.05)	(0.57)	(1.38)	(1.97)	(1.70)
Retained distributions on accumulation shares (p)	1.05	0.57	–	–	–
Closing net asset value per share (p)	145.95	136.89	203.65	183.54	188.89
*after direct transaction costs of (p)	0.08	0.09	0.21	0.11	0.11
Performance					
Return after charges (%)	6.62	(4.15)	11.71	(1.79)	10.86
Other information					
Closing net asset value (£000)	–	10,151	962	1,233	3,367
Closing number of shares	–	7,414,994	472,420	671,722	1,782,764
Operating charges (%)**	–	1.63	1.06	1.06	1.07
Direct transaction costs (%)***	–	0.06	0.10	0.06	0.06
Prices					
Highest share price (p)	160.91	153.65	226.68	207.38	200.18
Lowest share price (p)	133.26	135.42	182.10	170.82	171.60

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Income shares	Class 2 – Accumulation shares		
	09/11/2018 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	198.30	327.03	333.00	300.37
Return before operating charges (p)	(13.78)	42.26	(2.42)	36.15
Operating charges (p)	(0.70)	(3.94)	(3.55)	(3.52)
Return after operating charges (p)*	(14.48)	38.32	(5.97)	32.63
Distributions (p)	(2.16)	(2.47)	(3.47)	(2.97)
Retained distributions on accumulation shares (p)	–	2.47	3.47	2.97
Closing net asset value per share (p)	181.66	365.35	327.03	333.00
*after direct transaction costs of (p)	0.05	0.37	0.20	0.20
Performance				
Return after charges (%)	(7.30)	11.72	(1.79)	10.86
Other information				
Closing net asset value (£000)	–	193,003	195,428	556,027
Closing number of shares	–	52,827,073	59,757,401	166,976,283
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.10	0.06	0.06
Prices				
Highest share price (p)	207.38	403.90	365.60	349.75
Lowest share price (p)	177.97	324.46	301.13	299.82

	Class 2 EUR – Accumulation shares	Class 2 USD Hedged – Accumulation shares		
	09/11/2018 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	349.58	154.61	139.61	144.80
Return before operating charges (p)	(28.10)	24.22	16.60	(3.62)
Operating charges (p)	(1.23)	(1.91)	(1.60)	(1.57)
Return after operating charges (p)*	(29.33)	22.31	15.00	(5.19)
Distributions (p)	(3.81)	(1.11)	(1.45)	(1.42)
Retained distributions on accumulation shares (p)	3.81	1.11	1.45	1.42
Closing net asset value per share (p)	320.25	176.92	154.61	139.61
*after direct transaction costs of (p)	0.09	0.18	0.09	0.09
Performance				
Return after charges (%)	(8.39)	14.43	10.74	(3.58)
Other information				
Closing net asset value (£000)	–	6,287	15,308	19,050
Closing number of shares	–	3,554,014	9,901,087	13,645,147
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.10	0.06	0.06
Prices				
Highest share price (p)	365.60	204.57	164.57	156.02
Lowest share price (p)	313.74	154.67	135.99	138.05

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	135.59	136.69	122.07	147.71	152.02	138.36
Return before operating charges (p)	17.48	(1.02)	14.70	19.06	(1.11)	16.65
Operating charges (p)	(0.09)	(0.08)	(0.08)	(1.40)	(1.27)	(1.28)
Return after operating charges (p)*	17.39	(1.10)	14.62	17.66	(2.38)	15.37
Distributions (p)	(2.57)	(2.80)	(2.56)	(1.49)	(1.93)	(1.71)
Retained distributions on accumulation shares (p)	2.57	2.80	2.56	–	–	–
Closing net asset value per share (p)	152.98	135.59	136.69	163.88	147.71	152.02
*after direct transaction costs of (p)	0.15	0.08	0.08	0.17	0.09	0.09
Performance						
Return after charges (%)	12.83	(0.80)	11.98	11.96	(1.57)	11.11
Other information						
Closing net asset value (£000)	67,644	106,330	78,459	192,153	142,693	186,351
Closing number of shares	44,216,778	78,419,864	57,399,396	117,252,943	96,604,604	122,581,844
Operating charges (%)**	0.06	0.06	0.06	0.83	0.83	0.83
Direct transaction costs (%)***	0.10	0.06	0.06	0.10	0.06	0.06
Prices						
Highest share price (p)	168.91	150.79	143.38	182.78	167.08	161.42
Lowest share price (p)	134.53	124.60	121.85	146.55	137.72	138.11

	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	190.87	193.92	174.52	203.70
Return before operating charges (p)	24.63	(1.43)	21.01	(16.37)
Operating charges (p)	(1.80)	(1.62)	(1.61)	(0.56)
Return after operating charges (p)*	22.83	(3.05)	19.40	(16.93)
Distributions (p)	(1.93)	(2.46)	(2.16)	(2.53)
Retained distributions on accumulation shares (p)	1.93	2.46	2.16	2.53
Closing net asset value per share (p)	213.70	190.87	193.92	186.77
*after direct transaction costs of (p)	0.22	0.11	0.12	0.05
Performance				
Return after charges (%)	11.96	(1.57)	11.12	(8.31)
Other information				
Closing net asset value (£000)	874,811	798,932	1,176,987	–
Closing number of shares	409,368,215	418,570,008	606,959,394	–
Operating charges (%)**	0.83	0.83	0.83	–
Direct transaction costs (%)***	0.10	0.06	0.06	–
Prices				
Highest share price (p)	236.19	213.13	203.61	213.13
Lowest share price (p)	189.37	175.68	174.20	182.96

Threadneedle European Select Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares
	09/11/2018 ¹
Change in net assets per share	
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
Performance	
Return after charges (%)	(8.31)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
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.

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

Threadneedle European Select Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	162,133	(106,880)
Forward currency contracts	(871)	4,328
Other (losses)/gains	(127)	132
Transaction costs	(3)	(3)
Net capital gains/(losses)	161,132	(102,423)

3 REVENUE

	2020 £000	2019 £000
Overseas dividends	33,467	64,170
Bank interest	2	6
Management fee rebate on CIS	—	4
Total revenue	33,469	64,180

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(14,216)	(25,801)
Registration fees	(958)	(1,578)
	(15,174)	(27,379)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(195)	(306)
Safe custody fees	(88)	(136)
Revenue collection expenses	(46)	(60)
	(329)	(502)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(9)	(9)
	(14)	(17)
Total expenses*	(15,517)	(27,898)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(46)	(109)
Total interest payable and similar charges	(46)	(109)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(4,793)	(3,620)
Total current tax (note 6b)	(4,793)	(3,620)
Total tax charge for the period	(4,793)	(3,620)
b) Factors affecting taxation charge for period		
Net revenue before taxation	17,906	36,173
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,581)	(7,235)
Effects of:		
Revenue not subject to taxation	6,650	12,874
Overseas taxes	(4,793)	(3,620)
Excess expenses	(3,067)	(5,638)

Retail Distribution Review (RDR) conversion transfer from capital

(2) (1)

Current tax charge for period (note 6a)

(4,793) (3,620)

The fund has not recognised a deferred tax asset of £24,446,068 (2019: £21,379,128) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	—	11,370
Final	12,457	17,941
	12,457	29,311
Add: Revenue deducted on the cancellation of shares	1,842	20,170
Deduct: Revenue received on the creation of shares	(1,176)	(16,924)
Net distribution for the period	13,123	32,557
Net revenue after taxation	13,113	32,553
Equalisation on conversion	10	4
Total distributions	13,123	32,557

Details of the distribution per share are set out in the table on pages 90 to 91.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	1,017	479
Sales awaiting settlement	—	6,205
Accrued revenue	243	560
Foreign withholding tax recoverable	4,507	7,126
Total debtors	5,767	14,370

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	218	—
Cash and bank balances	102	12,021
Total cash and bank balances	320	12,021

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(1,837)	(1,741)
Accrued expenses	(35)	(35)
Amounts payable to ACD	(1,552)	(1,350)
Total other creditors	(3,424)	(3,126)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

Threadneedle European Select Fund

Notes to the financial statements

(continued)

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

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.080%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 92 to 96. The distribution per share class is given in the distribution table on pages 90 to 91.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	281,501
Shares issued	7,124
Shares redeemed	(8,302)
Net conversions	36,149
Closing shares	316,472
Class 1 – Accumulation shares	
Opening shares	92,488,996
Shares issued	819,975
Shares redeemed	(13,464,573)
Net conversions	(2,518,354)
Closing shares	77,326,044
Class 2 – Income shares	
Opening shares	671,722
Shares issued	8,009
Shares redeemed	(90,920)
Net conversions	(116,391)
Closing shares	472,420
Class 2 – Accumulation shares	
Opening shares	59,757,401
Shares issued	2,768,083
Shares redeemed	(9,601,643)
Net conversions	(96,768)
Closing shares	52,827,073
Class 2 USD Hedged – Accumulation shares	
Opening shares	9,901,087
Shares issued	149,647
Shares redeemed	(6,496,720)
Net conversions	–
Closing shares	3,554,014
Class X – Accumulation shares	
Opening shares	78,419,864
Shares issued	18,711,402
Shares redeemed	(52,914,488)
Net conversions	–
Closing shares	44,216,778

Class Z – Income shares	2020
Opening shares	96,604,604
Shares issued	23,873,833
Shares redeemed	(10,029,248)
Net conversions	6,803,754
Closing shares	117,252,943

Class Z – Accumulation shares	
Opening shares	418,570,008
Shares issued	23,417,242
Shares redeemed	(31,407,735)
Net conversions	(1,211,300)
Closing shares	409,368,215

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.88% and vice versa (2019: 4.53%).

Currency exposures

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

	Total £000
Currency 2020	
Danish Krone	107,291
Euro	1,142,865
Swedish Krona	83,478
Swiss Franc	211,826
US Dollar	41,424
Currency 2019	£000
Danish Krone	71,184
Euro	1,247,648
Swedish Krona	98,301
Swiss Franc	34,343
US Dollar	79,113

Currency sensitivity

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2020	%	%
Euro	1.19	0.86
Swiss Franc	7.83	1.05
Currency 2019	%	%
Euro	4.04	3.30

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2020		
Counterparty		
J.P. Morgan	–	218
Lloyds	1	–

Threadneedle European Select Fund

Notes to the financial statements

(continued)

2019	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	£000	£000
J.P. Morgan	51	–

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Danish Krone	–	–	107,291	107,291
Euro	250	–	1,150,830	1,151,080
Swedish Krona	–	–	83,478	83,478
Swiss Franc	–	–	211,826	211,826
UK Sterling	70	–	1,566	1,636
US Dollar	–	–	42,125	42,125
Currency 2019	£000	£000	£000	£000
Danish Krone	–	–	71,184	71,184
Euro	12,002	–	1,251,928	1,263,930
Swedish Krona	–	–	98,301	98,301
Swiss Franc	1	–	34,342	34,343
UK Sterling	14	–	1,414	1,428
US Dollar	4	–	79,109	79,113

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	–	–	(8,215)	(8,215)
UK Sterling	–	–	(5,460)	(5,460)
US Dollar	–	–	(701)	(701)
Currency 2019	£000	£000	£000	£000
Euro	–	–	(16,282)	(16,282)
UK Sterling	–	–	(5,003)	(5,003)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £29,000 (2019: £51,000) and a liability value of £336,000 (2019: £Nil).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	1,582,464	–	1,505,575	–
Level 2	29	(336)	51	–
	1,582,493	(336)	1,505,626	–

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	649,992	409	0.06	727	0.11
Collective investment schemes	170,732	–	–	–	–
Corporate actions	8,288	–	–	–	–
Total	829,012	409		727	

Gross purchases total:

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	779,386	495	0.06	1	0.00
Collective investment schemes	136,502	–	–	–	–
Total	915,888	495		1	

Total sales net of transaction costs:

915,392

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.04%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	448,811	255	0.06	411	0.09
Collective investment schemes	43,974	–	–	–	–
Total	492,785	255		411	

Gross purchases total:

493,451

Threadneedle European Select Fund

Notes to the financial statements

(continued)

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	795,840	490	0.02	1	0.00
Collective investment schemes	42,579	—	—	—	—
In specie transactions	1,167,599	—	—	—	—
Corporate actions	4,981	—	—	—	—
Total	2,010,999	490		1	

Total sales net of transaction costs: 2,010,508

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.05% (7 March 2019: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 0.59%.

The NAV was reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 22 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(27.24)
Class 1 – Accumulation shares	(16.93)
Class 2 – Income shares	(19.18)
Class 2 USD Hedged – Accumulation shares	(27.31)
Class X – Accumulation shares	(14.01)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle European Smaller Companies Fund has risen from 827.48p to 852.89p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +5.37% as compared to a median return of +4.43% over

the same period. (For information the EMIX Smaller European Companies Ex UK Index returned +6.17% over the same period).

Market Overview and Portfolio Activity

European equity markets delivered strong gains through much of 2019, but retraced early in 2020 as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might tip economies into recession.

The review period started on an upbeat note, buoyed by some encouraging economic data and corporate results. Later in the year, signs of a global economic slowdown multiplied. Third-quarter GDP growth was subdued for the eurozone region, and Germany's economy only narrowly avoided recession. Data showed that eurozone GDP growth slowed to near zero in the fourth quarter of 2019 as the French and Italian economies contracted, although Spain's economy was more resilient.

The European Central Bank announced stimulus measures to spur growth. These included lowering interest rates further into negative territory, restarting its bond-purchase programme, and outlining more generous terms for long-term cheap financing for banks. In the US, the Federal Reserve cut rates three times. Eurozone inflation later strengthened, a sign that the region's economy may have been stabilising after a downturn, and December's widely watched Zentrum für Europäische Wirtschaftsforschung (ZEW) index of German economic sentiment was stronger than predicted.

A trade war between the US and China heavily influenced investor sentiment during the year, although markets were reassured when phase one of a Sino-American trade agreement was signed in January 2020.

In Italy, the Democratic Party and the Five Star Movement agreed to form a new coalition government, avoiding a snap election, while Spain's fourth general election in as many years resulted in a fragile left-wing coalition.

In other political news, the impeachment proceedings against President Trump ended with his acquittal, while Ireland's election resulted in a three-way split between the leading parties; coalition talks are underway. Germany's political outlook was clouded as the politician expected to succeed Chancellor Merkel stepped down as leader of the centre-right Christian Democratic Union (CDU) party.

Early in 2020, a virulent coronavirus started spreading in China, where several cities were placed in quarantine. The virus later spread internationally, causing widespread economic disruption, and prompting sharp falls in equity markets; simultaneously, disagreement between Russia and Saudi Arabia resulted in a share oil price fall as the Saudis increased production.

Italy was one of the first European countries to suffer an outbreak, and quarantined several areas in an effort to contain its spread. The government warned the EU that budget targets may be missed. The outbreak dampened sentiment among financial professionals in Europe's largest economy; Germany's ZEW index of economic sentiment dropped sharply in February. The Federal Reserve said it would act as appropriate to support the US economy, widely viewed as a signal of its willingness to cut interest rates further, and expectations mounted that other central banks would launch their own support packages.

New positions included Fluidra and Nexi. Fluidra is a swimming-pool supplies business; the customer base and competition are fragmented, while vertical integration should improve returns and the sustainability of the business model. Nexi is a payment-systems business, which is uniquely positioned as the industry leader in one of the most under-penetrated, structurally growing markets. Providing both products and services throughout the payments value chain, Nexi generates the entirety of its revenues from the Italian payment market, benefiting from well-established relationships with banks, as well as barriers to entry due to the fragmented nature of the Italian payment distribution dynamic. The company is well placed, from both an industry and broader macroeconomic perspective.

Following a period of good returns, we sold several holdings including telecoms firm Cellnex Telecom. Interion was another sale; the technology firm had received a takeover bid.

Coronavirus and its effects continue to dominate sentiment; several European countries have shut their borders. Spain has declared a state of emergency, while France and Italy are now in lockdown and Germany has taken measures to limit social contact.

However, the disease appears to have peaked in China (factories are reopening) and incidences elsewhere are unevenly spread. The search for an effective vaccination is now in progress. Loose monetary policy aims to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability.

Brexit is now underway, but the negotiations have prompted uncertainty amid renewed risks of a hard outcome. The Spanish and Italian coalitions are surviving but Merkel and her succession plans are under some pressure. The US is keen to avoid recession in the run-up to the 2020 elections.

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 2019 to 7 March 2020

Notes	2020 £000	2019 £000
Income		
Net capital gains/(losses)	2 16,199	(192,816)
Revenue	3 8,693	42,175
Expenses	4 (4,546)	(24,846)
Interest payable and similar charges	5 (9)	(103)
Net revenue before taxation	4,138	17,226
Taxation	6 (1,170)	(2,096)
Net revenue after taxation	2,968	15,130
Total return before distributions	19,167	(177,686)
Distributions	7 (2,980)	(15,139)
Change in net assets attributable to shareholders from investment activities	16,187	(192,825)

BALANCE SHEET

as at 7 March 2020

Notes	2020 £000	2019 £000
Assets:		
Fixed assets:		
Investments	376,600	451,724
Current assets:		
Debtors	8 1,260	1,772
Cash and bank balances	469	102
Cash equivalents**	2,627	1,029
Total assets	380,956	454,627
Liabilities:		
Investment liabilities	—	(1)
Creditors:		
Distribution payable	(108)	(257)
Other creditors	9 (2,068)	(2,890)
Total liabilities	(2,176)	(3,148)
Net assets attributable to shareholders	378,780	451,479

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	451,479	1,717,667
Amounts receivable on the issue of shares	48,632	2,274,838
Amounts payable on the cancellation of shares	(139,863)	(2,447,181)
Amounts payable on inspecie transfers	—	(1,485,655)
	(91,231)	(1,657,998)
Dilution adjustment	15	173
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	16,187	(192,825)
Retained distribution on accumulation shares	2,330	12,934
Closing net assets attributable to shareholders	378,780	451,479

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 8 March 2019 to 7 March 2020, as expenses exceed revenue (2019: 1.1261).

Class 1 EUR – Income shares*

There is no distribution for the accounting period 8 March 2019 to 7 March 2020, as expenses exceed revenue (2019: 1.1249).

Class 1 – Accumulation shares

There is no distribution for the accounting period 8 March 2019 to 7 March 2020, as expenses exceed revenue (2019: 1.1532).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	6.1303	—	6.1303	7.2538
Group 2				
08/03/19 to 07/03/20	—	6.1303	6.1303	7.2538
Total distributions in the period			6.1303	7.2538

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle European Smaller Companies Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/03/20	1.1621	–	1.1621
Group 2			
08/03/19 to 07/03/20	0.4021	0.7600	1.1621
Total distributions in the period			1.1621

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	1.5091	–	1.5091	1.7199
Group 2				
08/03/19 to 07/03/20	0.0783	1.4308	1.5091	1.7199
Total distributions in the period			1.5091	1.7199

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.6774	–	1.6774	1.8918
Group 2				
08/03/19 to 07/03/20	–	1.6774	1.6774	1.8918
Total distributions in the period			1.6774	1.8918

Group 2: shares purchased during a distribution period.

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

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares	
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019 ¹
Change in net assets per share					
Opening net asset value per share (p)	803.52	846.11	710.70	803.52	892.73
Return before operating charges (p)	39.13	(27.05)	149.44	39.11	(77.99)
Operating charges (p)	(14.65)	(14.41)	(13.53)	(14.63)	(10.10)
Return after operating charges (p)*	24.48	(41.46)	135.91	24.48	(88.09)
Distributions (p)	–	(1.13)	(0.50)	–	(1.12)
Retained distributions on accumulation shares (p)	–	–	–	–	–
Closing net asset value per share (p)	828.00	803.52	846.11	828.00	803.52
* after direct transaction costs of (p)	0.26	0.71	0.48	0.26	0.70
Performance					
Return after charges (%)	3.05	(4.90)	19.12	3.05	(9.87)
Other information					
Closing net asset value (£000)	437	436	37,151	27,557	34,005
Closing number of shares	52,838	54,266	4,390,817	3,328,151	4,231,965
Operating charges (%)**	1.67	1.69	1.67	1.67	1.67 [†]
Direct transaction costs (%)***	0.03	0.08	0.06	0.03	0.08
Prices					
Highest share price (p)	939.93	921.17	871.49	939.93	921.17
Lowest share price (p)	795.58	726.80	711.50	795.57	726.80
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/03/2020	07/03/2019	07/03/2018	23/11/2018 ²	
Change in net assets per share					
Opening net asset value per share (p)	826.82	869.42	729.86	917.33	
Return before operating charges (p)	40.25	(27.84)	153.42	(97.91)	
Operating charges (p)	(15.06)	(14.76)	(13.86)	(5.66)	
Return after operating charges (p)*	25.19	(42.60)	139.56	(103.57)	
Distributions (p)	–	(1.15)	(0.51)	(4.07)	
Retained distributions on accumulation shares (p)	–	1.15	0.51	4.07	
Closing net asset value per share (p)	852.01	826.82	869.42	789.16	
* after direct transaction costs of (p)	0.27	0.73	0.49	0.27	
Performance					
Return after charges (%)	3.05	(4.90)	19.12	(11.60)	
Other information					
Closing net asset value (£000)	43,766	83,057	1,340,754	–	
Closing number of shares	5,136,755	10,045,388	154,211,766	–	
Operating charges (%)**	1.68	1.69	1.67	–	
Direct transaction costs (%)***	0.03	0.08	0.06	–	
Prices					
Highest share price (p)	967.19	946.55	894.98	946.55	
Lowest share price (p)	818.74	746.83	730.67	789.16	

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class 1 CHF Hedged – Accumulation shares		Class 2 – Accumulation shares		
	23/11/2018 ³	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	143.32	131.53	937.14	979.38	817.13
Return before operating charges (p)	(8.50)	14.16	45.39	(31.76)	172.11
Operating charges (p)	(1.26)	(2.37)	(10.87)	(10.48)	(9.86)
Return after operating charges (p)*	(9.76)	11.79	34.52	(42.24)	162.25
Distributions (p)	(0.64)	(0.18)	(6.13)	(7.25)	(6.26)
Retained distributions on accumulation shares (p)	0.64	0.18	6.13	7.25	6.26
Closing net asset value per share (p)	133.56	143.32	971.66	937.14	979.38
* after direct transaction costs of (p)	0.06	0.08	0.31	0.82	0.55
Performance					
Return after charges (%)	(6.81)	8.96	3.68	(4.31)	19.86
Other information					
Closing net asset value (£000)	–	374	93,939	108,819	385,333
Closing number of shares	–	260,891	9,667,973	11,611,884	39,344,529
Operating charges (%)**	–	1.67	1.06	1.07	1.06
Direct transaction costs (%)***	–	0.06	0.03	0.08	0.06
Prices					
Highest share price (p)	159.99	149.00	1,102.12	1,069.41	1,007.29
Lowest share price (p)	133.56	131.89	927.99	845.43	818.05
	Class 2 EUR – Accumulation shares		Class X – Gross accumulation shares ⁵		
	23/11/2018 ²		07/03/2020 ⁴		
Change in net assets per share					
Opening net asset value per share (p)	1,035.08		100.00		
Return before operating charges (p)	(138.13)		(0.12)		
Operating charges (p)	(4.07)		(0.05)		
Return after operating charges (p)*	(142.20)		(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		99.83		
* after direct transaction costs of (p)	0.31		0.03		
Performance					
Return after charges (%)	(13.74)		(0.17)		
Other information					
Closing net asset value (£000)	–		31,433		
Closing number of shares	–		31,487,779		
Operating charges (%)**	–		0.06 [†]		
Direct transaction costs (%)***	–		0.03		
Prices					
Highest share price (p)	1,069.41		113.08		
Lowest share price (p)	892.88		98.75		

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z EUR – Income shares
	07/03/2020	07/03/2019	07/03/2018	23/11/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	178.56	188.06	157.90	198.85
Return before operating charges (p)	8.62	(6.14)	33.27	(24.59)
Operating charges (p)	(1.71)	(1.64)	(1.59)	(0.62)
Return after operating charges (p)*	6.91	(7.78)	31.68	(25.21)
Distributions (p)	(1.51)	(1.72)	(1.52)	(1.97)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	183.96	178.56	188.06	171.67
* after direct transaction costs of (p)	0.06	0.16	0.11	0.06
Performance				
Return after charges (%)	3.87	(4.14)	20.06	(12.68)
Other information				
Closing net asset value (£000)	13,174	21,697	20,019	–
Closing number of shares	7,161,109	12,151,117	10,644,917	–
Operating charges (%)**	0.88	0.88	0.88	–
Direct transaction costs (%)***	0.03	0.08	0.06	–
Prices				
Highest share price (p)	210.32	205.52	194.94	205.52
Lowest share price (p)	176.80	162.57	158.08	171.67
	Class Z – Accumulation shares			Class Z EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	23/11/2018 ²
Change in net assets per share				
Opening net asset value per share (p)	198.32	206.89	172.32	218.76
Return before operating charges (p)	9.59	(6.75)	36.31	(29.19)
Operating charges (p)	(1.91)	(1.82)	(1.74)	(0.71)
Return after operating charges (p)*	7.68	(8.57)	34.57	(29.90)
Distributions (p)	(1.68)	(1.89)	(1.66)	(2.16)
Retained distributions on accumulation shares (p)	1.68	1.89	1.66	2.16
Closing net asset value per share (p)	206.00	198.32	206.89	188.86
* after direct transaction costs of (p)	0.06	0.17	0.12	0.06
Performance				
Return after charges (%)	3.87	(4.14)	20.06	(13.67)
Other information				
Closing net asset value (£000)	168,474	203,465	504,483	–
Closing number of shares	81,782,838	102,592,660	243,838,268	–
Operating charges (%)**	0.88	0.88	0.88	–
Direct transaction costs (%)***	0.03	0.08	0.06	–
Prices				
Highest share price (p)	233.59	226.10	212.74	226.10
Lowest share price (p)	196.39	178.85	172.51	188.86

Threadneedle European Smaller Companies Fund

Comparative Table Disclosure

(continued)

	Class Z CHF Hedged – Accumulation shares	
	23/11/2018 [§]	07/03/2018
Change in net assets per share		
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
Performance		
Return after charges (%)	(6.25)	9.85
Other information		
Closing net asset value (€000)	–	1,081
Closing number of shares	–	739,107
Operating charges (%)**	–	0.88
Direct transaction costs (%)***	–	0.06
Prices		
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.

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

[§]Only available to eligible investors.

¹Commenced 15 June 2018.

²Commenced 15 June 2018 and closed 23 November 2018.

³Closed 23 November 2018.

⁴Commenced 9 May 2019.

⁵The 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 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	16,312	(193,347)
Forward currency contracts	(44)	326
Other (losses)/gains	(66)	213
Transaction costs	(3)	(8)
Net capital gains/(losses)	16,199	(192,816)

3 REVENUE

	2020 £000	2019 £000
UK dividends	—	506
Overseas dividends	8,693	41,661
Subsidised expense rebate	—	8
Total revenue	8,693	42,175

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,029)	(22,301)
Registration fees	(417)	(2,198)
	(4,446)	(24,499)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(52)	(220)
Safe custody fees	(32)	(112)
	(84)	(332)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(8)	(8)
	(16)	(15)
Total expenses*	(4,546)	(24,846)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(9)	(103)
Total interest payable and similar charges	(9)	(103)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(1,170)	(2,096)
Total current tax (note 6b)	(1,170)	(2,096)
Total tax charge for the period	(1,170)	(2,096)
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,138	17,226
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(828)	(3,445)
Effects of:		
Revenue not subject to taxation	1,731	8,438
Overseas taxes	(1,170)	(2,096)
Excess expenses	(903)	(4,991)
Retail Distribution Review (RDR) conversion transfer from capital	—	(2)
Current tax charge for period (note 6a)	(1,170)	(2,096)

The fund has not recognised a deferred tax asset of £8,562,972 (2019: £7,659,893) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	—	10,329
Final	2,438	3,156
	2,438	13,485
Add: Revenue deducted on the cancellation of shares	891	21,406
Deduct: Revenue received on the creation of shares	(349)	(19,752)
Net distribution for the period	2,980	15,139
Net revenue after taxation	2,968	15,130
Equalisation on conversion	1	9
Shortfall transfer from capital to revenue	11	—
Total distributions	2,980	15,139

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 101 to 102.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	348	268
Sales awaiting settlement	—	134
Accrued revenue	—	8
Foreign withholding tax recoverable	912	1,362
Total debtors	1,260	1,772

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(1,269)	(2,391)
Purchases awaiting settlement	(380)	—
Accrued expenses	(14)	(18)
Amounts payable to ACD	(405)	(481)
Total other creditors	(2,068)	(2,890)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Threadneedle European Smaller Companies Fund

Notes to the financial statements

(continued)

Annual management charge

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

Registration fees

Class 1 shares	0.150%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 103 to 106. The distribution per share class is given in the distribution table on pages 101 to 102. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	54,266
Shares issued	177
Shares redeemed	(1,605)
Net conversions	–
Closing shares	52,838
Class 1 EUR – Income shares	
Opening shares	4,231,965
Shares issued	377,696
Shares redeemed	(1,281,510)
Net conversions	–
Closing shares	3,328,151
Class 1 – Accumulation shares	
Opening shares	10,045,388
Shares issued	84,349
Shares redeemed	(4,842,976)
Net conversions	(150,006)
Closing shares	5,136,755
Class 2 – Accumulation shares	
Opening shares	11,611,884
Shares issued	229,264
Shares redeemed	(2,180,699)
Net conversions	7,524
Closing shares	9,667,973
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	31,487,779
Shares redeemed	–
Net conversions	–
Closing shares	31,487,779
Class Z – Income shares	
Opening shares	12,151,117
Shares issued	2,065,058
Shares redeemed	(7,177,134)
Net conversions	122,068
Closing shares	7,161,109
Class Z – Accumulation shares	
Opening shares	102,592,660
Shares issued	2,185,361
Shares redeemed	(23,474,520)
Net conversions	479,337
Closing shares	81,782,838

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.16% and vice versa (2019: 5.06%).

Currency exposures

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

	Total £000
Currency 2020	
Danish Krone	14,628
Euro	293,051
Swedish Krona	24,203
Swiss Franc	48,295
US Dollar	25
Currency 2019	£000
Danish Krone	25,649
Euro	341,526
Norwegian Krone	4
Swedish Krona	30,410
Swiss Franc	45,966
US Dollar	9,327

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2020	%	%
Euro	1.19	0.92
Swiss Franc	7.83	1.00
Currency 2019	%	%
Euro	4.04	3.06
Swiss Franc	1.35	0.14

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose.

	Forward Foreign Exchange Contracts Exposure £000
2019	
Counterparty	
Bank of Scotland	1

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Danish Krone	–	–	14,628	14,628
Euro	419	2,627	290,385	293,431
Swedish Krona	–	–	24,203	24,203
Swiss Franc	–	–	48,295	48,295
UK Sterling	25	–	349	374
US Dollar	25	–	–	25
Currency 2019	£000	£000	£000	£000
Danish Krone	–	–	25,649	25,649
Euro	14	–	342,964	342,978
Norwegian Krone	–	–	4	4
Swedish Krona	36	–	30,374	30,410
Swiss Franc	1	–	45,965	45,966
UK Sterling	15	–	1,730	1,745
US Dollar	36	–	9,291	9,327

Threadneedle European Smaller Companies Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2020				
Euro	—	—	(380)	(380)
UK Sterling	—	—	(1,796)	(1,796)
Currency 2019	£000	£000	£000	£000
Euro	—	—	(1,452)	(1,452)
UK Sterling	—	—	(3,148)	(3,148)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of Nil (2019: £1,000) and a liability value of Nil (2019: £1,000).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	379,227	—	452,752	—
Level 2	—	—	1	—
	379,227	—	452,753	—

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	46,221	22	0.05	24	0.05
Collective investment schemes	21,929	—	—	—	—
Corporate actions	1,366	—	—	—	—
Total	69,516	22		24	
Gross purchases total:	69,562				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	139,073	83	0.06	—	—
Collective investment schemes	20,410	—	—	—	—
Total	159,483	83		—	

Total sales net of transaction costs: 159,400

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.01%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	460,476	271	0.06	245	0.05
Collective investment schemes	29,108	—	—	—	—
Total	489,584	271		245	

Gross purchases total: 490,100

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	563,593	330	0.02	—	—
Collective investment schemes	54,435	—	—	—	—
In specie transactions	1,481,035	—	—	—	—
Corporate actions	9,539	—	—	—	—
Total	2,108,602	330		—	

Total sales net of transaction costs: 2,108,272

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.19% (7 March 2019: 0.15%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 0.54%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(13.08)
Class X – Gross accumulation shares	(27.70)

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 BofAML 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 BofAML 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 Net Income Class 1 Shares*

Over the Twelve months to 7 March 2020, the published share price of the Threadneedle European Bond Fund has risen from 77.30p to 84.55p.

The sterling total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +7.95%. For information the ICE BofA Pan-Europe Broad Market Index returned +8.64% over the same period.

Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period in financial markets but a good one for core government debt.

For the first half of the period, three broadly overlapping factors led investors to favour the relative 'safety' of core government debt, and prices of these bonds rose while yields fell. These factors included the US-China

trade dispute, the accompanying deterioration in global economic data, and lastly and perhaps most importantly, looser monetary policy from key central banks.

Near the start of the period, the Federal Reserve as (Fed) signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally. Anticipation of rate cuts subsequently intensified, and the Fed duly followed through in July with its first reduction since 2008, followed by two more in September and October. Against soft economic data, the European Central Bank (ECB) eventually followed suit in September, cutting rates further below zero, while also restarting its bond-buying programme. The ECB's more accommodative stance benefited sovereign debt issued by countries in the eurozone's so-called periphery, outweighing concerns around the collapse of the populist coalition in Italy. Sentiment towards peripheral bonds was further buoyed as a new, less extreme, coalition was formed in Italy, removing the risk of a fresh election.

In the fourth quarter of 2019, yields on core bonds and riskier debt rose. Core bonds were pressured as trade tensions eased between China and the US, with the two countries reaching a phase-one agreement, and as global manufacturing data indicated that the worst may have been over for the sector. UK and German government bonds were also pressured by receding Brexit worries. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory. The result paved the way for his Brexit deal to pass through Parliament in late December and the UK to formally leave the EU at the end of January 2020. The rise in core yields prompted investors to take some profits in peripheral debt as did renewed concerns about the stability of Italy's government, and an election in Spain, which resulted in a fragile left-wing coalition.

In the first quarter of 2020, all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of a novel coronavirus from China to the rest of the world. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted. The Fed made an emergency rate cut in early March, and expectations rose that other central banks could unveil their own stimulus, as indeed transpired after the end of the review period. Core government bond yields plunged to record lows in this environment while yields on peripheral eurozone debt rose as investors deserted risk assets in search of safer havens. The yield

premium offered by Italian bonds over German bunds jumped sharply; the Mediterranean country has been worst hit by the virus outbreak.

Over the year as a whole, yields on UK and German government bonds fell steeply. The yield premium offered by peripheral eurozone government bonds over 'safer' German government debt tightened over the period, despite the recent spike.

In terms of activity, within sovereigns, we initiated positions in Ireland, Slovenia, Belgium and we topped up holdings in Italy and France. We reduced exposure to Spain, and sold out of Austria and Hungary.

In terms of agency/quasi-sovereign debt, new additions to the portfolio included a 'sustainability bond' issued by the Basque government (Spain). We also initiated positions in the European Investment Bank and SNCF Réseau, the manager of the French rail network.

Within corporate bonds, we participated in a range of new issues in the primary market, including three tranches of a bond sale launched by Fidelity National Information Services to fund its purchase of Worldpay. In the secondary market, we added to some holdings, such as DS Smith and AT&T. We sold out of Anheuser-Busch InBev after strong spread performance, and as the company reported poor results in its Asian business. We also closed our positions in the Wellcome Trust and Vesteda Finance, among others.

Looking ahead, the economic impact on developed markets of the coronavirus will be significant, and we are sceptical that a recovery in global activity will be as early as the authorities hope.

The Fed and other central banks are determined to support governments' efforts to soften the hit to global growth through massive fiscal and monetary stimulus. Demand will be severely hit, unemployment will rise and inflation will fall.

Under these extraordinary conditions, we continue to favour duration. An extended period of the federal funds rate at zero, and the collapse of the growth gap between the US and other developed markets should give Treasuries greater room to rally. Meanwhile, ongoing structural issues and ever mounting debt levels should cap the upside in inflation over the medium to long term.

In the eurozone, the virus outbreak has the potential to derail the embryonic recovery in industrial activity and inflation expectations. With the ECB's policy options so limited, the burden must be borne by fiscal policy.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	10,560	(1,609)
Revenue	3	1,306	1,644
Expenses	4	(1,069)	(1,090)
Interest payable and similar charges	5	(661)	(488)
Net (expense)/revenue before taxation		(424)	66
Taxation	6	—	—
Net (expense)/revenue after taxation		(424)	66
Total return before distributions		10,136	(1,543)
Distributions	7	(498)	(1,008)
Change in net assets attributable to shareholders from investment activities		9,638	(2,551)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		119,532	90,807
Current assets:			
Debtors	8	13,406	2,121
Cash and bank balances	9	6,037	2,874
Cash equivalents**		5,341	1,635
Total assets		144,316	97,437
Liabilities:			
Investment liabilities		(1,380)	(879)
Creditors:			
Distribution payable		(24)	(100)
Other creditors	10	(8,977)	(956)
Total liabilities		(10,381)	(1,935)
Net assets attributable to shareholders		133,935	95,502

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	95,502	89,871
Amounts receivable on the issue of shares	56,990	40,139
Amounts payable on the cancellation of shares	(28,707)	(32,784)
	28,283	7,355
Dilution adjustment	41	46
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,638	(2,551)
Retained distribution on accumulation shares	471	781
Closing net assets attributable to shareholders	133,935	95,502

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.2793	—	0.2793	0.4111
08/09/19 to 07/03/20	0.1289	—	0.1289	0.3882
Group 2				
08/03/19 to 07/09/19	0.1349	0.1444	0.2793	0.4111
08/09/19 to 07/03/20	0.0511	0.0778	0.1289	0.3882
Total distributions in the period			0.4082	0.7993

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

**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 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.5560	–	0.5560	0.8100
08/09/19 to 07/03/20	0.2574	–	0.2574	0.7685
Group 2				
08/03/19 to 07/09/19	0.2830	0.2730	0.5560	0.8100
08/09/19 to 07/03/20	0.0220	0.2354	0.2574	0.7685
Total distributions in the period			0.8134	1.5785

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.5720	–	0.5720	0.8005
08/09/19 to 07/03/20	0.2956	–	0.2956	0.7635
Group 2				
08/03/18 to 07/09/18	0.0536	0.5184	0.5720	0.8005
08/09/18 to 07/03/19	0.0447	0.2509	0.2956	0.7635
Total distributions in the period			0.8676	1.5640

Class X - Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/09/19	0.2512	–	0.2512
08/09/19 to 07/03/20	0.2059	–	0.2059
Group 2			
08/03/19 to 07/09/19	0.2512	–	0.2512
08/09/19 to 07/03/20	0.0881	0.1178	0.2059
Total distributions in the period			0.4571

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.4082	–	0.4082	0.5979
08/09/19 to 07/03/20	0.1888	–	0.1888	0.5656
Group 2				
08/03/19 to 07/09/19	0.1359	0.2723	0.4082	0.5979
08/09/19 to 07/03/20	0.0545	0.1343	0.1888	0.5656
Total distributions in the period			0.5970	1.1635

Class Z - Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1			
08/09/19 to 07/03/20	0.0060	–	0.0060
Group 2			
08/09/19 to 07/03/20	0.0060	–	0.0060
Total distributions in the period			0.0060

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 [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	76.83	78.88	77.17	152.91	155.38	151.44
Return before operating charges (p)	8.82	(0.35)	2.94	17.58	(0.70)	5.77
Operating charges (p)	(0.93)	(0.90)	(0.93)	(1.87)	(1.77)	(1.83)
Return after operating charges (p)*	7.89	(1.25)	2.01	15.71	(2.47)	3.94
Distributions (p)	(0.41)	(0.80)	(0.30)	(0.81)	(1.58)	(0.60)
Retained distributions on accumulation shares (p)	–	–	–	0.81	1.58	0.60
Closing net asset value per share (p)	84.31	76.83	78.88	168.62	152.91	155.38
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	10.27	(1.58)	2.60	10.27	(1.59)	2.60
Other information						
Closing net asset value (£000)	11,379	15,474	17,872	109,637	71,593	66,997
Closing number of shares	13,497,535	20,141,055	22,657,687	65,020,428	46,821,469	43,117,742
Operating charges (%)**	1.15	1.15	1.19	1.15	1.15	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	88.25	79.74	82.47	175.64	157.90	161.85
Lowest share price (p)	76.58	75.76	75.05	152.41	150.04	147.29
	Class 2 – Gross accumulation shares [§]			Class X – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020 [†]		
Change in net assets per share						
Opening net asset value per share (p)	141.57	143.04	138.57	100.00		
Return before operating charges (p)	16.29	(0.62)	5.39	9.62		
Operating charges (p)	(0.86)	(0.85)	(0.92)	(0.07)		
Return after operating charges (p)*	15.43	(1.47)	4.47	9.55		
Distributions (p)	(0.87)	(1.56)	(0.70)	(0.46)		
Retained distributions on accumulation shares (p)	0.87	1.56	0.70	0.46		
Closing net asset value per share (p)	157.00	141.57	143.04	109.55		
*after direct transaction costs of (p)	–	–	–	–		
Performance						
Return after charges (%)	10.90	(1.03)	3.23	9.55		
Other information						
Closing net asset value (£000)	596	4,011	281	7,900		
Closing number of shares	379,409	2,833,571	196,630	7,210,639		
Operating charges (%)**	0.56	0.60	0.65	0.08 [†]		
Direct transaction costs (%)***	–	–	–	–		
Prices						
Highest share price (p)	163.03	146.04	148.54	113.44		
Lowest share price (p)	141.13	138.58	134.92	100.00		

Threadneedle European Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Gross accumulation shares ⁵
	07/03/2020	07/03/2019	07/03/2018	07/03/2020 ²
Change in net assets per share				
Opening net asset value per share (p)	112.12	114.54	111.50	100.00
Return before operating charges (p)	12.93	(0.52)	4.26	6.11
Operating charges (p)	(0.78)	(0.74)	(0.74)	(0.02)
Return after operating charges (p)*	12.15	(1.26)	3.52	6.09
Distributions (p)	(0.60)	(1.16)	(0.48)	(0.01)
Retained distributions on accumulation shares (p)	–	–	–	0.01
Closing net asset value per share (p)	123.67	112.12	114.54	106.09
*after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	10.84	(1.10)	3.16	6.09
Other information				
Closing net asset value (£000)	4,422	4,424	4,721	1
Closing number of shares	3,575,833	3,945,786	4,121,096	1,000
Operating charges (%)**	0.65	0.65	0.65	0.45 ¹
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	129.08	116.27	119.47	106.22
Lowest share price (p)	111.77	110.35	108.54	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.

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

⁵Only available to eligible investors.

¹Commenced 9 May 2019.

²Commenced 18 February 2020.

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

Threadneedle European Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	9,561	(1,427)
Derivative contracts	868	108
Forward currency contracts	(27)	(346)
Other gains	159	58
Transaction costs	(1)	(2)
Net capital gains/(losses)	10,560	(1,609)

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	1,301	1,637
Bank interest	5	7
Total revenue	1,306	1,644

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(922)	(942)
Registration fees	(105)	(106)
	(1,027)	(1,048)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(12)	(12)
Safe custody fees	(13)	(13)
	(25)	(25)
Other expenses:		
Regulatory fees	(8)	(7)
Audit fees	(9)	(10)
	(17)	(17)
Total expenses*	(1,069)	(1,090)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(20)	(24)
Derivative expense	(641)	(464)
Total interest payable & similar charges	(661)	(488)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net (expense)/revenue before taxation	(424)	66
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	85	(13)
Effects of:		
Excess expenses	(85)	13
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £2,432,609 (2019: £2,347,749) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

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

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	338	522
Final	208	482
	546	1,004
Add: Revenue deducted on the cancellation of shares	40	69
Deduct: Revenue received on the creation of shares	(88)	(65)
Net distribution for the period	498	1,008
Net (expense)/revenue after taxation	(424)	66
Annual management charge to capital	922	942
Total distributions	498	1,008

Details of the distribution per share are set out in the table on pages 110 to 111.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	10,477	204
Sales awaiting settlement	2,225	1,279
Accrued revenue	704	638
Total debtors	13,406	2,121

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	2,164	964
Cash and bank balances	3,873	1,910
Total cash and bank balances	6,037	2,874

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(173)	(154)
Purchases awaiting settlement	(8,683)	(692)
Accrued expenses	(9)	(12)
Amounts payable to ACD	(112)	(98)
Total other creditors	(8,977)	(956)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.00%
Class 2 shares	0.50%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 112 to 113. The distribution per share class is given in the distribution table on pages 110 to 111. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	20,141,055
Shares issued	4,010,499
Shares redeemed	(10,650,293)
Net conversions	(3,726)
Closing shares	13,497,535
Class 1 – Gross accumulation shares	
Opening shares	46,821,469
Shares issued	24,780,432
Shares redeemed	(6,581,473)
Net conversions	–
Closing shares	65,020,428
Class 2 – Gross accumulation shares	
Opening shares	2,833,571
Shares issued	3,255,295
Shares redeemed	(5,709,457)
Net conversions	–
Closing shares	379,409
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	7,201,639
Shares redeemed	–
Net conversions	–
Closing shares	7,210,639
Class Z – Income shares	
Opening shares	3,945,786
Shares issued	471,872
Shares redeemed	(844,378)
Net conversions	2,553
Closing shares	3,575,833
Class Z – Gross accumulation shares*	
Opening shares	–
Shares issued	1,000
Shares redeemed	–
Net conversions	–
Closing shares	1,000

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 9.19% and vice versa (2019: 7.56%).

Currency exposures

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

	Total £000
Currency 2020	
Euro	101,483
Swedish Krona	489
US Dollar	11
Currency 2019	£000
Euro	78,607
Swedish Krona	486

Currency sensitivity analysis

The only material currency exposure of the fund is to the Euro. A movement of 1.19% (2019: 4.04%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.90% (2019: 3.30%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts £000	Collateral Pledged £000
2020		
Counterparty		
Barclays	335	–
Lloyds	11	–
2019		
Counterparty	£000	£000
HSBC	–	138
J.P. Morgan	–	826

The fund held £340,000 (2019: £Nil) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	4,114	3.33	2,640	2.88
Aaa	–	–	222	0.24
Aaa	632	0.51	505	0.55
AA+	135	0.11	1,186	1.30
Aa1	930	0.75	516	0.56
AA	2,513	2.04	2,261	2.47
Aa2	865	0.70	–	–
Aa2u	30,932	25.05	16,435	17.95
AA-	5,794	4.69	89	0.10
Aa3	721	0.58	195	0.21
A+	4,052	3.28	3,830	4.18
A	1,710	1.38	862	0.94
A2	–	–	136	0.15
A-	6,428	5.21	5,680	6.20
A3	493	0.40	–	–

Threadneedle European Bond Fund

Notes to the financial statements

(continued)

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
BBB+	4,557	3.69	4,570	4.99
Baa1	4,404	3.57	3,323	3.63
Baa1u	286	0.23	—	—
BBB	9,170	7.43	8,880	9.70
Baa2	4,100	3.32	683	0.75
BBB-	3,085	2.50	4,661	5.09
Baa3	536	0.43	357	0.39
Baa3u	14,186	11.49	14,866	16.24
BB+	1,012	0.82	865	0.94
BB	510	0.41	184	0.20
BB-	86	0.07	135	0.15
Not Rated*	17,853	14.46	17,726	19.36
Collective investment schemes	5,341	4.32	1,635	1.79
Derivatives**	(952)	(0.77)	(879)	(0.96)
	123,493	100.00	91,563	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	6,039	95,409	12,802	114,250
Swedish Krona	489	—	—	489
UK Sterling	2,232	26,302	14,354	42,888
US Dollar	11	—	—	11
Currency 2019	£000	£000	£000	£000
Euro	3,995	69,423	6,640	80,058
Swedish Krona	486	—	—	486
UK Sterling	1,481	19,931	230	21,642
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	—	(1,284)	(11,483)	(12,767)
UK Sterling	—	—	(10,936)	(10,936)
Currency 2019	£000	£000	£000	£000
Euro	—	—	(1,451)	(1,451)
UK Sterling	—	—	(5,233)	(5,233)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps and forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various credit default swaps and forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets

and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 7 March 2020, the fund had outstanding credit default swaps and forward foreign exchange contracts with an asset value of £428,000 (2019: £Nil) and a liability value of £1,380,000 (2019: £879,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	62,057	(2)	43,791	—
Level 2	62,750	(1,378)	48,581	(879)
Level 3	66	—	70	—
	124,873	(1,380)	92,442	(879)

Included within Level 1, are debt securities of £62,057,000 (2019 £43,791,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £133,420,134 (2019: £172,021,450) and £113,999,765 (2019: £163,855,217) respectively. Collective investment schemes purchases and sales amounted to £17,885,967 (2019: £2,535,801) and £14,132,610 (2019: £871,980) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £14,360 (2019: £12,694) respectively. The purchases and sales are not subject to portfolio transaction costs.

The commissions incurred by the fund when buying and selling futures and options in the current year was £249 (2019: £284).

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

At the balance sheet date, the portfolio dealing spread was 0.27% (7 March 2019: 0.23%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 7.21%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Strategic Bond Fund has risen from 45.46p to 46.96p. The total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +6.23% as compared to a median return of +8.04% over the same period. This compares against a return of +6.09% 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 12 months under review constituted a volatile period in financial markets but a good one for both investment grade (IG) and high yield (HY) corporate bonds. Both markets delivered positive total returns. This was driven by a sharp decline in the yields available on underlying government debt. Credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) were subject to large moves during the period. Nevertheless, in the context of these swings, spreads ended the year little changed from where they had been at the start.

For much of the review period – the first half, roughly speaking – three broadly overlapping factors combined to push core bond yields down. One of these drivers was the ongoing US-China trade dispute. Tensions waxed and waned but escalated markedly in August as both sides announced fresh tariffs, sparking a rally in core bonds. Another was the accompanying deterioration in the global economy, which was especially evident in manufacturing data. German GDP, which is highly geared to both manufacturing and global trade, shrank in the second quarter (Q2). The UK economy also contracted in Q2, though this was largely due to Brexit-related developments.

The last and perhaps most important of these factors was looser monetary policy from key central banks. Near the start of the period, the Federal Reserve as (Fed) signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally and, in the summer, the first of a series of rate cuts by the Fed itself. Against soft economic data, the European Central Bank eventually followed suit in September, cutting rates further below zero and restarting its bond-buying programme. UK policymakers appeared hawkish in comparison, insisting that rate hikes were still a possibility if a disorderly Brexit did not derail the economy.

In Q4 of 2019, yields retraced some of their earlier decline and credit spreads tightened. This came as trade tensions between China and the US eased and the economic backdrop appeared to improve. The world's two largest economies brokered a phase-one agreement, while global manufacturing data indicated that the worst may have been over for the sector. In the UK specifically, receding Brexit worries sharpened investors' appetite for risk. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory. The election

result paved the way for his Brexit deal to pass through Parliament in late December and the UK to formally leave the EU at the end of January 2020.

In Q1 of 2020, however, all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of a novel coronavirus from China to the rest of the world. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly, investors deserted riskier assets in search of safer havens. Core government bond yields plunged to record lows in this environment, and credit spreads widened. In early March, the Fed made the first of two emergency rate cuts (the second arriving after the review period), which further supported government debt.

Over the year as a whole, the 10-year gilt yield fell by around 94 basis points (bps) to 0.23%, while the German equivalent fell 70 bps to -0.73%. Credit spreads in the sterling IG market were little changed, moving from 134 bps to 129 bps, while spreads in the HY market widened by 43 bps to 470 bps over the same period.

With regard to portfolio activity, we participated in new deals from a wide variety of issuers during the period. The largest of these additions included new bonds from DS Smith, Altice, Fiserv, Netflix and Fidelity National Information Services. We were also active in the secondary market, adding new exposure to Kraft Heinz Foods, Bharti Airtel and Northumbrian Water, for example, and increasing a range of existing holdings, including Bupa, EnQuest and Hyderabad International Airport. On the other side, we reduced exposure to a number of issuers, such as Telefónica Europe, GKN, and Bunzl; and exited others, including Bayer, SELP, Unimymedia, and Co-operative Group.

With so much still unknown about the scale and duration of the ongoing coronavirus pandemic, and given that the situation is changing so quickly, it is hard to give a meaningful outlook for corporate bond markets. One thing we can say is that valuations are now well below long-term averages, and pricing in default rates that far exceed the maximums so far recorded at any time over the last century.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	12,150	(3,643)
Revenue	3	8,832	10,334
Expenses	4	(1,995)	(2,143)
Interest payable and similar charges	5	(2,691)	(2,396)
Net revenue before taxation		4,146	5,795
Taxation	6	—	—
Net revenue after taxation		4,146	5,795
Total return before distributions		16,296	2,152
Distributions	7	(5,868)	(7,658)
Change in net assets attributable to shareholders from investment activities		10,428	(5,506)

BALANCE SHEET

as at 7 March 2020

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		228,853	236,999
Current assets:			
Debtors	8	3,156	4,569
Cash and bank balances	9	16,638	6,991
Cash equivalents**		14	—
Total assets		248,661	248,559
Liabilities:			
Investment liabilities		(9,875)	(4,040)
Creditors:			
Bank overdrafts	9	(3,614)	(376)
Distribution payable		(383)	(433)
Other creditors	10	(1,949)	(4,293)
Total liabilities		(15,821)	(9,142)
Net assets attributable to shareholders		232,840	239,417

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	239,417	242,384
Amounts receivable on the issue of shares	14,258	33,932
Amounts payable on the cancellation of shares	(33,066)	(34,105)
	(18,808)	(173)
Dilution adjustment	—	34
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	10,428	(5,506)
Retained distribution on accumulation shares	1,797	2,672
Unclaimed distributions	6	6
Closing net assets attributable to shareholders	232,840	239,417

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1051	—	0.1051	0.1218
08/04/19 to 07/05/19	0.1005	—	0.1005	0.1445
08/05/19 to 07/06/19	0.0995	—	0.0995	0.1117
08/06/19 to 07/07/19	0.0974	—	0.0974	0.1167
08/07/19 to 07/08/19	0.0932	—	0.0932	0.1160
08/08/19 to 07/09/19	0.0901	—	0.0901	0.1125
08/09/19 to 07/10/19	0.0929	—	0.0929	0.1174
08/10/19 to 07/11/19	0.0876	—	0.0876	0.1182
08/11/19 to 07/12/19	0.0799	—	0.0799	0.1138
08/12/19 to 07/01/20	0.0753	—	0.0753	0.1226
08/01/20 to 07/02/20	0.0811	—	0.0811	0.0965
08/02/20 to 07/03/20	0.1096	—	0.1096	0.1131

**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 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 2				
08/03/19 to 07/04/19	0.0228	0.0823	0.1051	0.1218
08/04/19 to 07/05/19	0.0433	0.0572	0.1005	0.1445
08/05/19 to 07/06/19	0.0175	0.0820	0.0995	0.1117
08/06/19 to 07/07/19	0.0507	0.0467	0.0974	0.1167
08/07/19 to 07/08/19	0.0333	0.0599	0.0932	0.1160
08/08/19 to 07/09/19	0.0198	0.0703	0.0901	0.1125
08/09/19 to 07/10/19	0.0374	0.0555	0.0929	0.1174
08/10/19 to 07/11/19	0.0117	0.0759	0.0876	0.1182
08/11/19 to 07/12/19	0.0347	0.0452	0.0799	0.1138
08/12/19 to 07/01/20	0.0423	0.0330	0.0753	0.1226
08/01/20 to 07/02/20	0.0418	0.0393	0.0811	0.0965
08/02/20 to 07/03/20	0.0301	0.0795	0.1096	0.1131
Total distributions in the period			1.1122	1.4048

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1053	–	0.1053	0.1220
08/04/19 to 07/05/19	0.1006	–	0.1006	0.1448
08/05/19 to 07/06/19	0.0997	–	0.0997	0.1119
08/06/19 to 07/07/19	0.0978	–	0.0978	0.1168
08/07/19 to 07/08/19	0.0934	–	0.0934	0.1163
08/08/19 to 07/09/19	0.0902	–	0.0902	0.1127
08/09/19 to 07/10/19	0.0932	–	0.0932	0.1176
08/10/19 to 07/11/19	0.0876	–	0.0876	0.1185
08/11/19 to 07/12/19	0.0801	–	0.0801	0.1139
08/12/19 to 07/01/20	0.0755	–	0.0755	0.1228
08/01/20 to 07/02/20	0.0812	–	0.0812	0.0967
08/02/20 to 07/03/20	0.1098	–	0.1098	0.1134
Group 2				
08/03/19 to 07/04/19	0.0849	0.0204	0.1053	0.1220
08/04/19 to 07/05/19	0.1006	–	0.1006	0.1448
08/05/19 to 07/06/19	0.0697	0.0300	0.0997	0.1119
08/06/19 to 07/07/19	0.0184	0.0794	0.0978	0.1168
08/07/19 to 07/08/19	0.0434	0.0500	0.0934	0.1163
08/08/19 to 07/09/19	0.0902	–	0.0902	0.1127
08/09/19 to 07/10/19	0.0310	0.0622	0.0932	0.1176
08/10/19 to 07/11/19	0.0077	0.0799	0.0876	0.1185
08/11/19 to 07/12/19	0.0101	0.0700	0.0801	0.1139
08/12/19 to 07/01/20	0.0233	0.0522	0.0755	0.1228
08/01/20 to 07/02/20	0.0113	0.0699	0.0812	0.0967
08/02/20 to 07/03/20	0.0100	0.0998	0.1098	0.1134
Total distributions in the period			1.1144	1.4074

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1195	–	0.1195	0.1371
08/04/19 to 07/05/19	0.1143	–	0.1143	0.1616
08/05/19 to 07/06/19	0.1134	–	0.1134	0.1262
08/06/19 to 07/07/19	0.1112	–	0.1112	0.1314
08/07/19 to 07/08/19	0.1068	–	0.1068	0.1310
08/08/19 to 07/09/19	0.1034	–	0.1034	0.1272
08/09/19 to 07/10/19	0.1064	–	0.1064	0.1324
08/10/19 to 07/11/19	0.1007	–	0.1007	0.1335
08/11/19 to 07/12/19	0.0921	–	0.0921	0.1284
08/12/19 to 07/01/20	0.0876	–	0.0876	0.1383
08/01/20 to 07/02/20	0.0938	–	0.0938	0.1100
08/02/20 to 07/03/20	0.1248	–	0.1248	0.1277
Group 2				
08/03/19 to 07/04/19	0.0180	0.1015	0.1195	0.1371
08/04/19 to 07/05/19	0.0689	0.0454	0.1143	0.1616
08/05/19 to 07/06/19	0.0479	0.0655	0.1134	0.1262
08/06/19 to 07/07/19	0.0136	0.0976	0.1112	0.1314
08/07/19 to 07/08/19	0.0190	0.0878	0.1068	0.1310
08/08/19 to 07/09/19	0.0133	0.0901	0.1034	0.1272
08/09/19 to 07/10/19	0.0169	0.0895	0.1064	0.1324
08/10/19 to 07/11/19	0.0138	0.0869	0.1007	0.1335
08/11/19 to 07/12/19	0.0124	0.0797	0.0921	0.1284
08/12/19 to 07/01/20	0.0173	0.0703	0.0876	0.1383
08/01/20 to 07/02/20	0.0171	0.0767	0.0938	0.1100
08/02/20 to 07/03/20	0.0193	0.1055	0.1248	0.1277
Total distributions in the period			1.2740	1.5848

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1262	–	0.1262	0.1448
08/04/19 to 07/05/19	0.1207	–	0.1207	0.1707
08/05/19 to 07/06/19	0.1199	–	0.1199	0.1333
08/06/19 to 07/07/19	0.1173	–	0.1173	0.1388
08/07/19 to 07/08/19	0.1128	–	0.1128	0.1384
08/08/19 to 07/09/19	0.1093	–	0.1093	0.1343
08/09/19 to 07/10/19	0.1124	–	0.1124	0.1399
08/10/19 to 07/11/19	0.1063	–	0.1063	0.1410
08/11/19 to 07/12/19	0.0973	–	0.0973	0.1357
08/12/19 to 07/01/20	0.0925	–	0.0925	0.1460
08/01/20 to 07/02/20	0.0991	–	0.0991	0.1161
08/02/20 to 07/03/20	0.1318	–	0.1318	0.1349
Group 2				
08/03/19 to 07/04/19	0.0062	0.1200	0.1262	0.1448
08/04/19 to 07/05/19	0.0107	0.1100	0.1207	0.1707
08/05/19 to 07/06/19	0.0099	0.1100	0.1199	0.1333
08/06/19 to 07/07/19	0.0173	0.1000	0.1173	0.1388
08/07/19 to 07/08/19	0.1128	–	0.1128	0.1384
08/08/19 to 07/09/19	0.1093	–	0.1093	0.1343
08/09/19 to 07/10/19	0.1124	–	0.1124	0.1399
08/10/19 to 07/11/19	0.1063	–	0.1063	0.1410
08/11/19 to 07/12/19	0.0973	–	0.0973	0.1357
08/12/19 to 07/01/20	0.0925	–	0.0925	0.1460
08/01/20 to 07/02/20	0.0991	–	0.0991	0.1161
08/02/20 to 07/03/20	0.1318	–	0.1318	0.1349
Total distributions in the period			1.3456	1.6739

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2891	–	0.2891	0.3212
08/04/19 to 07/05/19	0.2769	–	0.2769	0.3795
08/05/19 to 07/06/19	0.2756	–	0.2756	0.2974
08/06/19 to 07/07/19	0.2706	–	0.2706	0.3103
08/07/19 to 07/08/19	0.2607	–	0.2607	0.3103
08/08/19 to 07/09/19	0.2528	–	0.2528	0.3019
08/09/19 to 07/10/19	0.2607	–	0.2607	0.3152
08/10/19 to 07/11/19	0.2473	–	0.2473	0.3186
08/11/19 to 07/12/19	0.2285	–	0.2285	0.3074
08/12/19 to 07/01/20	0.2160	–	0.2160	0.3318
08/01/20 to 07/02/20	0.2315	–	0.2315	0.2646
08/02/20 to 07/03/20	0.3084	–	0.3084	0.3080
Group 2				
08/03/19 to 07/04/19	0.1359	0.1532	0.2891	0.3212
08/04/19 to 07/05/19	0.1623	0.1146	0.2769	0.3795
08/05/19 to 07/06/19	0.2032	0.0724	0.2756	0.2974
08/06/19 to 07/07/19	0.1748	0.0958	0.2706	0.3103
08/07/19 to 07/08/19	0.1746	0.0861	0.2607	0.3103
08/08/19 to 07/09/19	0.0986	0.1542	0.2528	0.3019
08/09/19 to 07/10/19	0.1211	0.1396	0.2607	0.3152
08/10/19 to 07/11/19	0.1643	0.0830	0.2473	0.3186
08/11/19 to 07/12/19	0.1465	0.0800	0.2285	0.3074
08/12/19 to 07/01/20	0.1115	0.1045	0.2160	0.3318
08/01/20 to 07/02/20	0.1029	0.1286	0.2315	0.2646
08/02/20 to 07/03/20	0.1587	0.1497	0.3084	0.3080
Total distributions in the period			3.1161	3.7662

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020
Group 1			
08/05/19 to 07/06/19	0.2080	–	0.2080
08/06/19 to 07/07/19	0.2218	–	0.2218
08/07/19 to 07/08/19	0.2148	–	0.2148
08/08/19 to 07/09/19	0.2085	–	0.2085
08/09/19 to 07/10/19	0.2152	–	0.2152
08/10/19 to 07/11/19	0.2042	–	0.2042
08/11/19 to 07/12/19	0.1871	–	0.1871
08/12/19 to 07/01/20	0.1786	–	0.1786
08/01/20 to 07/02/20	0.1915	–	0.1915
08/02/20 to 07/03/20	0.2553	–	0.2553
Group 2			
08/05/19 to 07/06/19	0.2080	–	0.2080
08/06/19 to 07/07/19	0.2218	–	0.2218
08/07/19 to 07/08/19	0.2148	–	0.2148
08/08/19 to 07/09/19	0.2085	–	0.2085
08/09/19 to 07/10/19	0.2152	–	0.2152
08/10/19 to 07/11/19	0.2042	–	0.2042
08/11/19 to 07/12/19	0.1871	–	0.1871
08/12/19 to 07/01/20	0.1786	–	0.1786
08/01/20 to 07/02/20	0.1915	–	0.1915
08/02/20 to 07/03/20	0.2553	–	0.2553
Total distributions in the period			2.0850

Threadneedle Strategic Bond Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2328	–	0.2328	0.2675
08/04/19 to 07/05/19	0.2224	–	0.2224	0.3165
08/05/19 to 07/06/19	0.2206	–	0.2206	0.2458
08/06/19 to 07/07/19	0.2161	–	0.2161	0.2563
08/07/19 to 07/08/19	0.2073	–	0.2073	0.2555
08/08/19 to 07/09/19	0.2005	–	0.2005	0.2477
08/09/19 to 07/10/19	0.2067	–	0.2067	0.2585
08/10/19 to 07/11/19	0.1951	–	0.1951	0.2606
08/11/19 to 07/12/19	0.1783	–	0.1783	0.2507
08/12/19 to 07/01/20	0.1687	–	0.1687	0.2702
08/01/20 to 07/02/20	0.1812	–	0.1812	0.2137
08/02/20 to 07/03/20	0.2439	–	0.2439	0.2497
Group 2				
08/03/19 to 07/04/19	0.0832	0.1496	0.2328	0.2675
08/04/19 to 07/05/19	0.0999	0.1225	0.2224	0.3165
08/05/19 to 07/06/19	0.0936	0.1270	0.2206	0.2458
08/06/19 to 07/07/19	0.1077	0.1084	0.2161	0.2563
08/07/19 to 07/08/19	0.0935	0.1138	0.2073	0.2555
08/08/19 to 07/09/19	0.0636	0.1369	0.2005	0.2477
08/09/19 to 07/10/19	0.1274	0.0793	0.2067	0.2585
08/10/19 to 07/11/19	0.1166	0.0785	0.1951	0.2606
08/11/19 to 07/12/19	0.0677	0.1106	0.1783	0.2507
08/12/19 to 07/01/20	0.0531	0.1156	0.1687	0.2702
08/01/20 to 07/02/20	0.1093	0.0719	0.1812	0.2137
08/02/20 to 07/03/20	0.1010	0.1429	0.2439	0.2497
Total distributions in the period			2.4736	3.0927

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2328	–	0.2328	0.2675
08/04/19 to 07/05/19	0.2224	–	0.2224	0.3165
08/05/19 to 07/06/19	0.2206	–	0.2206	0.2458
08/06/19 to 07/07/19	0.2161	–	0.2161	0.2563
08/07/19 to 07/08/19	0.2073	–	0.2073	0.2554
08/08/19 to 07/09/19	0.2005	–	0.2005	0.2478
08/09/19 to 07/10/19	0.2067	–	0.2067	0.2586
08/10/19 to 07/11/19	0.1951	–	0.1951	0.2605
08/11/19 to 07/12/19	0.1783	–	0.1783	0.2507
08/12/19 to 07/01/20	0.1687	–	0.1687	0.2703
08/01/20 to 07/02/20	0.1813	–	0.1813	0.2136
08/02/20 to 07/03/20	0.2438	–	0.2438	0.2497
Group 2				
08/03/19 to 07/04/19	0.1719	0.0609	0.2328	0.2675
08/04/19 to 07/05/19	0.0983	0.1241	0.2224	0.3165
08/05/19 to 07/06/19	0.0403	0.1803	0.2206	0.2458
08/06/19 to 07/07/19	0.0913	0.1248	0.2161	0.2563
08/07/19 to 07/08/19	0.0679	0.1394	0.2073	0.2554
08/08/19 to 07/09/19	0.0840	0.1165	0.2005	0.2478
08/09/19 to 07/10/19	0.1376	0.0691	0.2067	0.2586
08/10/19 to 07/11/19	0.1231	0.0720	0.1951	0.2605
08/11/19 to 07/12/19	0.1338	0.0445	0.1783	0.2507
08/12/19 to 07/01/20	0.0460	0.1227	0.1687	0.2703
08/01/20 to 07/02/20	0.1048	0.0765	0.1813	0.2136
08/02/20 to 07/03/20	0.0724	0.1714	0.2438	0.2497
Total distributions in the period			2.4736	3.0927

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.3085	–	0.3085	0.3436
08/04/19 to 07/05/19	0.2954	–	0.2954	0.4076
08/05/19 to 07/06/19	0.2937	–	0.2937	0.3176
08/06/19 to 07/07/19	0.2883	–	0.2883	0.3320
08/07/19 to 07/08/19	0.2772	–	0.2772	0.3316
08/08/19 to 07/09/19	0.2685	–	0.2685	0.3226
08/09/19 to 07/10/19	0.2775	–	0.2775	0.3374
08/10/19 to 07/11/19	0.2625	–	0.2625	0.3409
08/11/19 to 07/12/19	0.2403	–	0.2403	0.3288
08/12/19 to 07/01/20	0.2276	–	0.2276	0.3555
08/01/20 to 07/02/20	0.2451	–	0.2451	0.2818
08/02/20 to 07/03/20	0.3299	–	0.3299	0.3300
Group 2				
08/03/19 to 07/04/19	0.1476	0.1609	0.3085	0.3436
08/04/19 to 07/05/19	0.0201	0.2753	0.2954	0.4076
08/05/19 to 07/06/19	0.1048	0.1889	0.2937	0.3176
08/06/19 to 07/07/19	0.1722	0.1161	0.2883	0.3320
08/07/19 to 07/08/19	0.1141	0.1631	0.2772	0.3316
08/08/19 to 07/09/19	0.0587	0.2098	0.2685	0.3226
08/09/19 to 07/10/19	0.0893	0.1882	0.2775	0.3374
08/10/19 to 07/11/19	0.0884	0.1741	0.2625	0.3409
08/11/19 to 07/12/19	0.1288	0.1115	0.2403	0.3288
08/12/19 to 07/01/20	0.0704	0.1572	0.2276	0.3555
08/01/20 to 07/02/20	0.1854	0.0597	0.2451	0.2818
08/02/20 to 07/03/20	0.3003	0.0296	0.3299	0.3300
Total distributions in the period			3.3145	4.0294

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 ⁵		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	45.20	46.43	47.31	45.29	46.51	47.39
Return before operating charges (p)	3.53	0.82	1.41	3.54	0.84	(1.41)
Operating charges (p)	(0.66)	(0.65)	(0.68)	(0.67)	(0.65)	(0.68)
Return after operating charges (p)*	2.87	0.17	0.73	2.87	0.19	0.73
Distributions (p)	(1.11)	(1.40)	(1.61)	(1.11)	(1.41)	(1.61)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	46.96	45.20	46.43	47.05	45.29	46.51
* after direct transaction costs of (p)	—	—	—	—	—	—
Performance						
Return after charges (%)	6.35	0.37	1.54	6.34	0.41	1.54
Other information						
Closing net asset value (£000)	25,314	28,976	33,385	309	7,836	8,838
Closing number of shares	53,902,519	64,100,246	71,906,636	656,906	17,303,800	19,002,136
Operating charges (%)**	1.43	1.43	1.43	1.45	1.43	1.43
Direct transaction costs (%)***	—	—	—	—	—	—
Prices						
Highest share price (p)	47.39	46.60	47.88	47.48	46.69	47.97
Lowest share price (p)	45.36	44.44	46.62	45.44	44.52	46.71
	Class 2 – Income shares			Class 2 – Gross income shares ⁵		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	49.28	50.36	51.06	52.05	53.20	53.94
Return before operating charges (p)	3.87	0.91	1.52	4.09	0.95	1.60
Operating charges (p)	(0.42)	(0.41)	(0.42)	(0.44)	(0.43)	(0.44)
Return after operating charges (p)*	3.45	0.50	1.10	3.65	0.52	1.16
Distributions (p)	(1.27)	(1.58)	(1.80)	(1.35)	(1.67)	(1.90)
Retained distributions on accumulation shares (p)	—	—	—	—	—	—
Closing net asset value per share (p)	51.46	49.28	50.36	54.35	52.05	53.20
* after direct transaction costs of (p)	—	—	—	—	—	—
Performance						
Return after charges (%)	7.00	0.99	2.15	7.01	0.98	2.15
Other information						
Closing net asset value (£000)	6,413	6,892	7,114	15,682	14,939	4,259
Closing number of shares	12,462,447	13,984,353	14,125,014	28,853,385	28,700,737	8,007,233
Operating charges (%)**	0.82	0.82	0.82	0.82	0.82	0.82
Direct transaction costs (%)***	—	—	—	—	—	—
Prices						
Highest share price (p)	51.92	50.56	51.75	54.84	53.40	54.67
Lowest share price (p)	49.45	48.41	50.58	52.23	51.13	53.42

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares ⁵			Class X – Gross accumulation shares ⁵
	07/03/2020	07/03/2019	07/03/2018	07/03/2020 ¹
Change in net assets per share				
Opening net asset value per share (p)	119.17	117.95	115.46	100.00
Return before operating charges (p)	9.43	2.19	3.46	5.70
Operating charges (p)	(1.02)	(0.97)	(0.97)	(0.06)
Return after operating charges (p)*	8.41	1.22	2.49	5.64
Distributions (p)	(3.12)	(3.77)	(4.14)	(2.09)
Retained distributions on accumulation shares (p)	3.12	3.77	4.14	2.09
Closing net asset value per share (p)	127.58	119.17	117.95	105.64
* after direct transaction costs of (p)	–	–	–	–
Performance				
Return after charges (%)	7.06	1.03	2.16	5.64
Other information				
Closing net asset value (£000)	60,090	65,104	89,609	7,614
Closing number of shares	47,098,550	54,632,514	75,969,699	7,207,402
Operating charges (%)**	0.82	0.82	0.82	0.07 ⁷
Direct transaction costs (%)***	–	–	–	–
Prices				
Highest share price (p)	128.42	119.54	119.67	106.31
Lowest share price (p)	119.58	116.16	115.55	100.00

	Class Z – Income shares			Class Z – Gross income shares ⁵		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	98.57	100.58	101.82	98.57	100.58	101.82
Return before operating charges (p)	7.72	1.81	3.04	7.72	1.81	3.04
Operating charges (p)	(0.75)	(0.73)	(0.76)	(0.75)	(0.73)	(0.76)
Return after operating charges (p)*	6.97	1.08	2.28	6.97	1.08	2.28
Distributions (p)	(2.47)	(3.09)	(3.52)	(2.47)	(3.09)	(3.52)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	103.07	98.57	100.58	103.07	98.57	100.58
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.07	1.07	2.24	7.07	1.07	2.24
Other information						
Closing net asset value (£000)	43,021	46,651	54,494	71,050	65,639	41,356
Closing number of shares	41,739,489	47,330,205	54,181,845	68,932,271	66,592,997	41,118,844
Operating charges (%)**	0.74	0.74	0.74	0.74	0.74	0.74
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	103.99	100.97	103.23	103.99	100.97	103.23
Lowest share price (p)	98.91	96.80	100.99	98.91	96.80	100.99

Threadneedle Strategic Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares ⁵		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	130.62	129.19	126.37
Return before operating charges (p)	10.34	2.39	3.78
Operating charges (p)	(1.01)	(0.96)	(0.96)
Return after operating charges (p)*	9.33	1.43	2.82
Distributions (p)	(3.31)	(4.03)	(4.44)
Retained distributions on accumulation shares (p)	3.31	4.03	4.44
Closing net asset value per share (p)	139.95	130.62	129.19
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	7.14	1.11	2.23
Other information			
Closing net asset value (£000)	3,347	3,380	3,329
Closing number of shares	2,391,960	2,587,617	2,576,480
Operating charges (%)**	0.74	0.74	0.74
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	140.86	131.03	131.06
Lowest share price (p)	131.07	127.30	126.46

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

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

⁵Only available to eligible investors.

¹Commenced 9 May 2019.

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	(17,934)	(4,548)
Derivative contracts	(4,116)	(85)
Forward currency contracts	(3,294)	1,738
Other losses	(1,628)	(746)
Transaction costs	(2)	(2)
Net capital gains/(losses)	12,150	(3,643)

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	8,766	10,292
Interest on short term investments	3	7
Bank interest	63	35
Total revenue	8,832	10,334

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,723)	(1,863)
Registration fees	(206)	(212)
	(1,929)	(2,075)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(28)	(29)
Safe custody fees	(21)	(22)
	(49)	(51)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(10)
Professional fees	—	—
	(17)	(17)
Total expenses*	(1,995)	(2,143)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(5)	(10)
Derivative expense	(2,686)	(2,386)
Total interest payable & similar charges	(2,691)	(2,396)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,146	5,795
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(829)	(1,159)
Effects of:		
Excess expenses	829	1,000
Distributions treated as tax deductible	—	159
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £307,211 (2019: £1,136,273) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

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

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	5,293	7,035
Final	555	610
	5,848	7,645
Add: Revenue deducted on the cancellation of shares	33	44
Deduct: Revenue received on the creation of shares	(13)	(31)
Net distribution for the period	5,868	7,658
Net revenue after taxation	4,146	5,795
Annual management charge to capital	1,723	1,863
Undistributed revenue carried forward	(1)	—
Total distributions	5,868	7,658

Details of the distribution per share are set out in the table on pages 117 to 119.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	198	44
Sales awaiting settlement	207	1,191
Accrued revenue	2,751	3,334
Total debtors	3,156	4,569

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	14,347	4,206
Cash and bank balances	2,291	2,785
	16,638	6,991
Cash overdrafts at broker	(3,614)	(376)
Total cash and bank balances	13,024	6,615

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(278)	(466)
Purchases awaiting settlement	(1,476)	(3,617)
Accrued expenses	(12)	(15)
Amounts payable to ACD	(183)	(195)
Total other creditors	(1,949)	(4,293)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

Class 1 shares	0.150%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 120 to 122. The distribution per share class is given in the distribution table on pages 117 to 119. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	64,100,246
Shares issued	975,866
Shares redeemed	(10,236,021)
Net conversions	(937,572)
Closing shares	53,902,519
Class 1 – Gross income shares	
Opening shares	17,303,800
Shares issued	48,898
Shares redeemed	(16,561,707)
Net conversions	(134,085)
Closing shares	656,906
Class 2 – Income shares	
Opening shares	13,984,353
Shares issued	59,464
Shares redeemed	(529,640)
Net conversions	(1,051,730)
Closing shares	12,462,447
Class 2 – Gross income shares	
Opening shares	28,700,737
Shares issued	232,500
Shares redeemed	(62,805)
Net conversions	(17,047)
Closing shares	28,853,385
Class 2 – Gross accumulation shares	
Opening shares	54,632,514
Shares issued	2,020,562
Shares redeemed	(9,493,936)
Net conversions	(60,590)
Closing shares	47,098,550
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	7,207,402
Shares redeemed	–
Net conversions	–
Closing shares	7,207,402
Class Z – Income shares	
Opening shares	47,330,205
Shares issued	1,088,011
Shares redeemed	(7,336,075)
Net conversions	657,348
Closing shares	41,739,489

2020

Class Z – Gross income shares

Opening shares	66,592,997
Shares issued	2,655,411
Shares redeemed	(683,434)
Net conversions	367,297
Closing shares	68,932,271

Class Z – Gross accumulation shares

Opening shares	2,587,617
Shares issued	55,291
Shares redeemed	(306,346)
Net conversions	55,398
Closing shares	2,391,960

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Value at Risk (VaR) disclosure

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

The fund's VaR limit is 1.8% x benchmark VAR¹ and is measured using the Covariance model based on a 99% confidence limit over a 1 month holding period, using the previous 180 weeks of data.

As at year end the fund's VaR was 1.6% (2019: 1.6%). This means that there is estimated to be a 1% chance that the fund could lose more than 1.6% (2018: 1.6%) of its value in a month.

At 7 March, 2020 the VaR utilisation was 56% (2019: 73%) (actual VaR/VaR limit). During the year ended 7 March, 2020 the lowest VaR utilisation was 54% (2019: 61%), the highest VaR utilisation was 94% (2018: 92%) and the average utilisation was 70% (2019: 78%).

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

¹The benchmark of fund is shown on page 312.

Currency exposures

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

	Total £000
Currency 2020	
Australian Dollar	1
Euro	(1,441)
Japanese Yen	(239)
US Dollar	307
Currency 2019	£000
Australian Dollar	–
Euro	335
Japanese Yen	(183)
US Dollar	114

Currency sensitivity

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

Credit/Counterparty exposure

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

2020	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts	Collateral Pledged
Counterparty	£000	£000	£000
Barclays	—	—	4,560
Citigroup	450	—	290
Credit Suisse	—	1	—
Goldman Sachs	—	—	310
HSBC	—	—	10
J.P. Morgan	—	—	710
UBS	—	22	—

2019	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts	Collateral Pledged
Counterparty	£000	£000	£000
Bank of Scotland	—	1,773	—
Barclays	—	—	900
Citigroup	—	—	1,660
Goldman Sachs	—	—	240
HSBC	—	10	—
J.P. Morgan	—	966	—
Lloyds	—	2	—

The fund held £290,000 (2019: £2,120,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	443	0.20	—	—
AA+	370	0.17	350	0.15
AA	2,041	0.93	1,615	0.69
Aa2u	4,157	1.90	3,379	1.45
AA-	—	—	3,545	1.52
A+	3,834	1.75	790	0.34
A	1,692	0.77	8,262	3.55
A-	12,136	5.54	—	—
A3	1,821	0.83	29,554	12.69
BBB+	26,386	12.05	2,443	1.05
Baa1	3,543	1.62	37,857	16.25
BBB	41,476	18.94	7,082	3.04
Baa2	4,870	2.22	36,017	15.46
BBB-	33,380	15.24	4,901	2.10
Baa3	3,384	1.55	19,878	8.53
BB+	20,409	9.32	2,381	1.02
BB	8,009	3.66	14,932	6.41
Ba2	4,938	2.25	3,625	1.56
(P)Ba2	—	—	941	0.40
BB-	13,817	6.31	11,849	5.09
B+	9,744	4.45	10,062	4.32
B1	—	—	811	0.35
B	12,359	5.64	14,125	6.06
Ba3	2,068	0.94	734	0.32
B2	646	0.30	1,229	0.53
B-	3,596	1.64	4,848	2.08
B3	500	0.23	1,153	0.50
CCC+	3,077	1.41	2,054	0.88
CCC	406	0.19	—	—
Not Rated*	7,517	3.43	9,234	3.96
Liquidity Funds	14	0.01	—	—
Derivatives**	(7,641)	(3.49)	(692)	(0.30)
	218,992	100.00	232,959	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Australian Dollar	218	—	—	218
Euro	7,767	60,788	4,695	73,250
UK Sterling	32,979	93,863	113,302	240,144
US Dollar	2,874	44,782	2,655	50,311
Currency 2019	£000	£000	£000	£000
Australian Dollar	228	—	—	228
Euro	14,474	64,357	3,722	82,553
UK Sterling	30,674	94,302	122,598	247,574
US Dollar	4,298	32,308	5,200	41,806

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Australian Dollar	—	—	(217)	(217)
Euro	(2,814)	—	(71,877)	(74,691)
Japanese Yen	(239)	—	—	(239)
UK Sterling	—	—	(5,932)	(5,932)
US Dollar	(561)	—	(49,443)	(50,004)
Currency 2019	£000	£000	£000	£000
Australian Dollar	—	—	(228)	(228)
Euro	(1)	—	(82,217)	(82,218)
Japanese Yen	(133)	—	(50)	(183)
UK Sterling	—	—	(8,423)	(8,423)
US Dollar	(242)	—	(41,450)	(41,692)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding credit default swaps, forward foreign exchange contracts, futures and options and interest rate swaps with an asset value of £2,234,000 (2019: £3,348,000) and a liability value of £9,875,000 (2019: £4,040,000).

15 FAIR VALUE DISCLOSURE

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

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

Threadneedle Strategic Bond Fund

Notes to the financial statements

(continued)

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	4,362	(1,924)	3,634	(696)
Level 2	223,464	(7,951)	232,748	(3,344)
Level 3	1,041	–	617	–
	228,867	(9,875)	236,999	(4,040)

Included within Level 1, are debt securities of £4,170,000 (2019: £3,379,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £145,624,016 (2019: £155,915,020) and £168,459,191 (2019: £152,652,559) respectively. Collective investment schemes purchases and sales amounted to £22,513,599 (2019: £Nil) and £22,500,000 (2019: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £1,401,834 (2019: £313,598) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £10,621 (2019: £21,360).

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

At the balance sheet date, the portfolio dealing spread was 0.74% (7 March 2019: 0.71%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 4.87%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(11.51)
Class 1 – Gross income shares	(11.25)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle American Fund has risen from 305.08p to 331.29p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +9.97% as compared to a median return of +9.38% over the same period. (For information the S&P 500 Index returned +12.67% over the same period).

Market Overview and Portfolio Activity

US equities recorded a solid positive return during the term under review.

That said, the period fell into two distinct parts, as gains accrued during a strong bull run in 2019 were eroded in the new year by sharp declines. The Federal Reserve's (Fed) dovish policy shift and hopes for a resolution of the trade war with China supported the market's initial rise, but stocks slumped in 2020 as the worsening Covid-19 coronavirus outbreak threatened to derail global economic growth.

Early in the review term, the Fed indicated that interest rates were unlikely to rise in 2019, contrasting with expectations at the start of the year for further increases. Anticipation of rate cuts subsequently intensified, and the central bank duly followed through in July with its first reduction since 2008, followed by two more in September and October. Meanwhile, the trade-war outlook fluctuated throughout the period. While stocks declined in May as the US and China levied import tariffs on each other's products, the narrative improved later in the year, and optimism was in the ascendant in December as the two governments announced a preliminary trade agreement.

The US economic backdrop was generally positive over the period as a whole, broadly characterised by some weakness in manufacturing as global exports slowed and relative strength in consumer spending. GDP weakened after the first quarter but remained well ahead of the euro zone and Japan, and corporate profits were generally robust. On the domestic political scene, the Democrats' impeachment of President Trump generated many headlines, but had little impact on markets. The general expectation was that Trump would likely remain in office, as indeed he did.

However, that counted for little as the Covid-19 virus erupted in China and proceeded to spread to other countries, prompting governments to impose measures such as quarantines and border closings that disrupted economic activity. US equities recorded a flat return in January, snapping a four-month string of gains, and plunged in February as the rising tally of infections outside of China undermined optimism that the outbreak might be contained. After reaching all-time highs up to mid-February, the broad US stock market had its biggest weekly fall since the global financial crisis in the month's final week. Shares continued to retreat in early March, even as the Fed announced an emergency rate cut.

We opened positions including insurer Allstate, construction and earthmoving equipment manufacturer Caterpillar, beverage and snack-foods company PepsiCo, and healthcare firm Eli Lilly.

Allstate is benefiting from stronger top-line growth, positive price dynamics in homeowners' insurance, and falling accident-frequency

trends in auto. The company is likely to build on its track record of repurchasing stock and should generate a solid return on equity while trading at a meaningful discount to Progressive Corp., its nearest competitor, in terms of book value.

Caterpillar shares lagged the broader market in 2019 due to concerns about a cyclical downturn in the mining industry. We feel that earnings should be more resilient than the market anticipates. The dividend yield is attractive and free cashflow dynamics are excellent, reinforcing the company's quality position.

PepsiCo's management is successfully de-emphasising the carbonated drinks business in favour of the snack-foods market. Return on invested capital is typically around 20%, and earnings should continue to rise at a high-single-digit pace. The dividend yield is attractive, and the stock's valuation is in line with the broader peer group based on historic averages.

Eli Lilly enjoys a compelling advantage in the form of its growing Trulicity once-a-week franchise for type 2 diabetes. Though the shares trade at a premium to peers, we expect sales to rise steadily by around 6-8% with annual earnings-per-share growth in the mid-teens, which is well above peers and justifies the premium valuation.

To help finance these purchases, we sold holdings including defence contractor Northrop Grumman, oil and gas producer Chevron, professional-services firm Marsh & McLennan and financial company JPMorgan Chase.

The Covid-19 coronavirus and its harmful impact on economic activity had become the dominant narrative in financial markets by the end of the review period, against a backdrop of profit warnings, lockdowns of entire cities and regions, and dramatic market volatility. This makes the outlook for US equities unclear and policy dependent. In addition, 2020 is a US presidential election year, introducing further uncertainty.

Entering 2020, we anticipated a resumption of positive earnings growth and a return to trend GDP growth during the year, helped by the lagged effect of monetary stimulus from 2019. The path ahead is difficult to forecast, depending on the response to Covid-19 by central banks and governments, as well as the outbreak's scale.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	190,170	177,517
Revenue	3	34,297	35,980
Expenses	4	(18,109)	(23,522)
Interest payable and similar charges	5	(2)	(7)
Net revenue before taxation		16,186	12,451
Taxation	6	(4,974)	(4,931)
Net revenue after taxation		11,212	7,520
Total return before distributions		201,382	185,037
Distributions	7	(10,605)	(8,973)
Change in net assets attributable to shareholders from investment activities		190,777	176,064

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		2,087,899	1,977,313
Current assets:			
Debtors	8	37,043	33,449
Cash and bank balances	9	17,436	9,509
Cash equivalents**		20,283	41
Total assets		2,162,661	2,020,312
Liabilities:			
Investment liabilities		(299)	–
Creditors:			
Distribution payable		(177)	(133)
Other creditors	10	(45,062)	(31,823)
Total liabilities		(45,538)	(31,956)
Net assets attributable to shareholders		2,117,123	1,988,356

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	1,988,356	2,377,446
Amounts receivable on the issue of shares	515,281	922,904
Amounts payable on the cancellation of shares	(588,378)	(997,712)
Amounts payable on in specie transfers	–	(499,510)
	(73,097)	(574,318)
Dilution adjustment	–	25
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	190,777	176,064
Retained distribution on accumulation shares	11,087	9,139
Closing net assets attributable to shareholders	2,117,123	1,988,356

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

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

Class 1 – Accumulation shares

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

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

Threadneedle American Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.1459	–	1.1459	1.0025
Group 2				
08/03/19 to 07/03/20	0.4562	0.6897	1.1459	1.0025
Total distributions in the period			1.1459	1.0025

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	5.5230	–	5.5230	4.7563
Group 2				
08/03/19 to 07/03/20	2.8860	2.6370	5.5230	4.7563
Total distributions in the period			5.5230	4.7563

Class X GBP Hedged – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/03/20	0.5008	–	0.5008
Group 2			
08/03/19 to 07/03/20	0.4237	0.0771	0.5008
Total distributions in the period			0.5008

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	1.5096	–	1.5096	1.3202
Group 2				
08/03/19 to 07/03/20	0.6082	0.9014	1.5096	1.3202
Total distributions in the period			1.5096	1.3202

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.5708	–	1.5708	1.3668
Group 2				
08/03/19 to 07/03/20	0.7864	0.7844	1.5708	1.3668
Total distributions in the period			1.5708	1.3668

Group 2: shares purchased during a distribution period.

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

Threadneedle American Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	304.98	285.17	270.62	304.69
Return before operating charges (p)	33.49	24.63	19.00	9.98
Operating charges (p)	(5.60)	(4.82)	(4.45)	(5.65)
Return after operating charges (p)*	27.89	19.81	14.55	4.33
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	332.87	304.98	285.17	309.02
*after direct transaction costs of (p)	0.04	0.14	0.21	0.17
Performance				
Return after charges (%)	9.14	6.95	5.38	1.42
Other information				
Closing net asset value (£000)	991	1,161	4,803	–
Closing number of shares	297,579	380,807	1,684,411	–
Operating charges (%)**	1.63	1.64	1.63	–
Direct transaction costs (%)***	0.01	0.05	0.08	–
Prices				
Highest share price (p)	387.64	331.24	295.25	331.24
Lowest share price (p)	303.73	264.90	254.18	297.04
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	305.07	285.25	270.69	304.78
Return before operating charges (p)	33.43	24.71	19.02	9.98
Operating charges (p)	(5.54)	(4.89)	(4.46)	(5.65)
Return after operating charges (p)*	27.89	19.82	14.56	4.33
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	332.96	305.07	285.25	309.11
*after direct transaction costs of (p)	0.04	0.14	0.21	0.17
Performance				
Return after charges (%)	9.14	6.95	5.38	1.42
Other information				
Closing net asset value (£000)	142,687	342,266	485,728	–
Closing number of shares	42,853,644	112,193,586	170,279,598	–
Operating charges (%)**	1.64	1.63	1.63	–
Direct transaction costs (%)***	0.01	0.05	0.08	–
Prices				
Highest share price (p)	387.75	331.33	295.32	331.33
Lowest share price (p)	303.82	264.98	254.24	297.13

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares		Class 1 EUR Hedged – Accumulation shares	
	09/11/2018 ¹		09/11/2018 ²	07/03/2018
Change in net assets per share				
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
Performance				
Return after charges (%)	1.42		(2.85)	20.69
Other information				
Closing net asset value (£000)	–		–	4,750
Closing number of shares	–		–	1,522,027
Operating charges (%)**	–		–	1.63
Direct transaction costs (%)***	–		–	0.08
Prices				
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
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	346.32	321.97	303.79	344.55
Return before operating charges (p)	37.95	27.95	21.45	9.87
Operating charges (p)	(4.16)	(3.60)	(3.27)	(4.16)
Return after operating charges (p)*	33.79	24.35	18.18	5.71
Distributions (p)	(1.15)	(1.00)	(0.85)	(0.46)
Retained distributions on accumulation shares (p)	1.15	1.00	0.85	0.46
Closing net asset value per share (p)	380.11	346.32	321.97	350.26
*after direct transaction costs of (p)	0.05	0.16	0.24	0.20
Performance				
Return after charges (%)	9.76	7.56	5.98	1.66
Other information				
Closing net asset value (£000)	1,011,788	943,486	1,235,583	–
Closing number of shares	266,186,093	272,430,969	383,761,073	–
Operating charges (%)**	1.06	1.06	1.06	–
Direct transaction costs (%)***	0.01	0.05	0.08	–
Prices				
Highest share price (p)	442.61	375.20	333.15	375.20
Lowest share price (p)	344.91	299.22	285.52	336.63

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	09/11/2018 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	344.55	375.48	345.57	322.85
Return before operating charges (p)	9.88	41.10	30.13	22.92
Operating charges (p)	(4.17)	(0.26)	(0.22)	(0.20)
Return after operating charges (p)*	5.71	40.84	29.91	22.72
Distributions (p)	(0.46)	(5.52)	(4.76)	(4.20)
Retained distributions on accumulation shares (p)	0.46	5.52	4.76	4.20
Closing net asset value per share (p)	350.26	416.32	375.48	345.57
*after direct transaction costs of (p)	0.20	0.05	0.18	0.26
Performance				
Return after charges (%)	1.66	10.88	8.66	7.04
Other information				
Closing net asset value (£000)	–	398,072	319,657	247,116
Closing number of shares	–	95,617,966	85,132,032	71,508,964
Operating charges (%)**	–	0.06	0.06	0.06
Direct transaction costs (%)***	–	0.01	0.05	0.08
Prices				
Highest share price (p)	375.20	484.49	405.06	357.25
Lowest share price (p)	336.63	373.96	321.44	303.80

	Class X GBP Hedged – Gross accumulation shares	Class Z – Income shares		
	07/03/2020 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	100.00	257.47	240.05	227.09
Return before operating charges (p)	2.10	28.22	20.86	16.04
Operating charges (p)	(0.03)	(2.43)	(2.12)	(1.92)
Return after operating charges (p)*	2.07	25.79	18.74	14.12
Distributions (p)	(0.50)	(1.51)	(1.32)	(1.16)
Retained distributions on accumulation shares (p)	0.50	–	–	–
Closing net asset value per share (p)	102.07	281.75	257.47	240.05
*after direct transaction costs of (p)	0.01	0.04	0.12	0.18
Performance				
Return after charges (%)	2.07	10.02	7.81	6.22
Other information				
Closing net asset value (£000)	169,636	33,025	25,907	22,354
Closing number of shares	166,203,073	11,721,411	10,061,816	9,312,193
Operating charges (%)**	0.06 ¹	0.83	0.83	0.83
Direct transaction costs (%)***	0.01	0.01	0.05	0.08
Prices				
Highest share price (p)	117.63	329.77	280.10	249.54
Lowest share price (p)	99.75	256.42	223.13	213.49

Threadneedle American Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	267.92	248.51	233.96	266.11
Return before operating charges (p)	29.36	21.59	16.52	7.17
Operating charges (p)	(2.52)	(2.18)	(1.97)	(2.52)
Return after operating charges (p)*	26.84	19.41	14.55	4.65
Distributions (p)	(1.57)	(1.37)	(1.19)	(0.76)
Retained distributions on accumulation shares (p)	1.57	1.37	1.19	0.76
Closing net asset value per share (p)	294.76	267.92	248.51	270.76
*after direct transaction costs of (p)	0.04	0.13	0.19	0.15
Performance				
Return after charges (%)	10.02	7.81	6.22	1.75
Other information				
Closing net asset value (£000)	360,924	355,879	376,544	—
Closing number of shares	122,445,251	132,832,174	151,521,910	—
Operating charges (%)**	0.83	0.83	0.83	—
Direct transaction costs (%)***	0.01	0.05	0.08	—
Prices				
Highest share price (p)	343.14	289.98	257.09	289.98
Lowest share price (p)	266.82	231.00	219.95	260.21
	Class Z EUR Hedged – Accumulation shares			
	09/11/2018 ²	07/03/2018		
Change in net assets per share				
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		
Performance				
Return after charges (%)	(2.31)	21.71		
Other information				
Closing net asset value (£000)	—	568		
Closing number of shares	—	322,276		
Operating charges (%)**	—	0.83		
Direct transaction costs (%)***	—	0.08		
Prices				
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.

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

³Commenced 8 October 2019.

⁴The 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 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	188,794	178,176
Forward currency contracts	1,760	72
Other losses	(381)	(728)
Transaction costs	(3)	(3)
Net capital gains	190,170	177,517

3 REVENUE

	2020 £000	2019 £000
Overseas dividends	33,962	35,628
Interest on short term investments	41	151
Bank interest	294	199
Subsidised expense rebate	—	2
Total revenue	34,297	35,980

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(16,748)	(21,889)
Registration fees	(1,031)	(1,278)
	(17,779)	(23,167)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(261)	(280)
Safe custody fees	(55)	(59)
	(316)	(339)
Other expenses:		
Regulatory fees	(5)	(7)
Audit fees	(9)	(9)
	(14)	(16)
Total expenses*	(18,109)	(23,522)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(2)	(7)
Total interest payable & similar charges	(2)	(7)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(4,974)	(4,931)
Total current tax (note 6b)	(4,974)	(4,931)
Total tax charge for the period	(4,974)	(4,931)
b) Factors affecting taxation charge for period		
Net revenue before taxation	16,186	12,451

	2020 £000	2019 £000
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3,237)	(2,490)
Effects of:		
Revenue not subject to taxation	6,699	7,065
Overseas taxes	(4,974)	(4,931)
Overseas tax expensed	15	8
Excess expenses	(3,475)	(4,582)
Retail Distribution Review (RDR) conversion transfer from capital	(2)	(1)
Current tax charge for period (note 6a)	(4,974)	(4,931)

The fund has not recognised a deferred tax asset of £37,157,703 (2019: £33,682,906) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	—	542
Final	11,264	8,729
	11,264	9,271
Add: Revenue deducted on the cancellation of shares	1,060	1,082
Deduct: Revenue received on the creation of shares	(1,719)	(1,380)
Net distribution for the period	10,605	8,973
Net revenue after taxation	11,212	7,520
Equalisation on conversion	(1,165)	6
Shortfall transfer from capital to revenue	557	1,447
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	—	(1)
Total distributions	10,605	8,973

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 127 to 128.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	10,217	4,055
Sales awaiting settlement	24,683	27,667
Accrued revenue	2,127	1,725
Foreign withholding tax recoverable	16	2
Total debtors	37,043	33,449

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	1,260	—
Cash and bank balances	16,176	9,509
Total cash and bank balances	17,436	9,509

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(6,686)	(4,138)
Purchases awaiting settlement	(36,592)	(25,838)
Accrued expenses	(38)	(37)
Amounts payable to ACD	(1,746)	(1,810)
Total other creditors	(45,062)	(31,823)

11 DILUTION ADJUSTMENT

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

Threadneedle American Fund

Notes to the financial statements

(continued)

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 129 to 132. The distribution per share class is given in the distribution table on pages 127 to 128. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	380,807
Shares issued	23,673
Shares redeemed	(70,398)
Net conversions	(36,503)
Closing shares	297,579
Class 1 – Accumulation shares	
Opening shares	112,193,586
Shares issued	7,628,380
Shares redeemed	(76,249,490)
Net conversions	(718,832)
Closing shares	42,853,644
Class 2 – Accumulation shares	
Opening shares	272,430,969
Shares issued	33,978,180
Shares redeemed	(38,142,228)
Net conversions	(2,080,828)
Closing shares	266,186,093
Class X – Accumulation shares	
Opening shares	85,132,032
Shares issued	65,705,989
Shares redeemed	(21,553,340)
Net conversions	(33,666,715)
Closing shares	95,617,966
Class X GBP Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	49,926,003
Shares redeemed	(23,091,292)
Net conversions	139,368,362
Closing shares	166,203,073

2020

Class Z – Income shares

Opening shares	10,061,816
Shares issued	2,511,075
Shares redeemed	(974,150)
Net conversions	122,670
Closing shares	11,721,411

Class Z – Accumulation shares

Opening shares	132,832,174
Shares issued	6,664,779
Shares redeemed	(20,480,092)
Net conversions	3,428,390
Closing shares	122,445,251

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.12% and vice versa (2019: 5.33%).

Currency exposures

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

	Total £000
Currency 2020	
US Dollar	1,946,672
Currency 2019	£000
Euro	4
US Dollar	1,990,322

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 0.97% (2019: 5.18%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.89% (2019: 5.18%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2020		
Counterparty		
Barclays	37	–
J.P. Morgan	1,385	1,260

As at the prior balance sheet date there was no derivative exposure or collateral to disclose. The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
UK Sterling	47	–	237,502	237,549
US Dollar	17,389	20,283	2,112,638	2,150,310
Currency 2019	£000	£000	£000	£000
Euro	4	–	–	4
UK Sterling	91	–	4,057	4,148
US Dollar	9,414	–	2,006,746	2,016,160

Threadneedle American Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2020				
UK Sterling	—	—	(67,098)	(67,098)
US Dollar	—	—	(203,638)	(203,638)
Currency 2019	£000	£000	£000	£000
UK Sterling	—	—	(6,118)	(6,118)
US Dollar	—	—	(25,838)	(25,838)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £1,693,000 (2019: £Nil) and a liability value of £299,000 (2019: £Nil).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	2,106,489	—	1,977,354	—
Level 2	1,693	(299)	—	—
	<u>2,108,182</u>	<u>(299)</u>	<u>1,977,354</u>	<u>—</u>

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	842,914	128	0.02	—	—
Collective investment schemes	<u>139,782</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>982,696</u>	<u>128</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross purchases total:	<u>982,824</u>				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	924,680	124	0.01	18	—
Collective investment schemes	<u>126,444</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,051,124</u>	<u>124</u>	<u>—</u>	<u>18</u>	<u>—</u>

Total sales net of transaction costs: 1,050,982

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.00%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	1,181,724	474	0.04	—	—
Collective investment schemes	<u>48,322</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,230,046</u>	<u>474</u>	<u>—</u>	<u>—</u>	<u>—</u>

Gross purchases total: 1,230,520

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	1,701,313	521	0.03	19	0.00
Collective investment schemes	<u>52,230</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,753,543</u>	<u>521</u>	<u>—</u>	<u>19</u>	<u>—</u>

Total sales net of transaction costs: 1,753,003

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.02% (7 March 2019: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 20.73%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(15.82)

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 helpful benchmark against which Fund performance can be evaluated over time.

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

The Fund may also hold money market instruments, both directly and indirectly (through other collective investment schemes), 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle American Select Fund has risen from 317.62p to 345.19p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +11.32% as compared to a median return

of +9.38% over the same period. (For information the S&P 500 Index returned +12.67%).

Market Overview and Portfolio Activity

US equities recorded a solid positive return during the term under review. That said, the period fell into two distinct parts, as gains accrued during a strong bull run over 2019 were eroded in the new year by sharp declines. The Federal Reserve's (Fed) dovish policy shift and hopes for a resolution of the trade war with China supported the market's initial rise, but stocks slumped in 2020 as the worsening Covid-19 coronavirus outbreak threatened to derail global economic growth.

Early in the review term, the Fed indicated that interest rates were unlikely to rise in 2019, contrasting with expectations at the start of the year for further increases. Anticipation of rate cuts subsequently intensified, and the central bank duly followed through in July with its first reduction since 2008, followed by two more in September and October. Meanwhile, the trade-war outlook fluctuated throughout the period. While stocks declined in May as the US and China levied import tariffs on each other's products, the narrative improved later in the year, and optimism was in the ascendant in December as the two governments announced a preliminary trade agreement.

The US economic backdrop was generally positive over the period as a whole, broadly characterised by some weakness in manufacturing as global exports slowed and relative strength in consumer spending. GDP weakened after the first quarter but remained well ahead of the euro zone and Japan, and corporate profits were generally robust. On the domestic political scene, the Democrats' impeachment of President Trump generated many headlines, but had little impact on markets. The general expectation was that Trump would likely remain in office, as indeed he did.

However, that counted for little as the Covid-19 virus erupted in China and proceeded to spread to other countries, prompting governments to impose measures such as quarantines and border closings that disrupted economic activity. US equities recorded a flat return in January, snapping a four-month string of gains, and plunged in February as the rising tally of infections outside of China undermined optimism that the outbreak might be contained. After hitting record highs up to mid-February, the broad US stock market had its biggest weekly fall since the global financial crisis in the month's final week. Shares continued to retreat in early March, even as the Fed announced an emergency rate cut.

We opened positions including ride-hailing and food-delivery business Uber Technologies, software company VMware, apparel manufacturer VF Corp. and semiconductor firm Microchip Technology.

Uber is reaching an inflection point in its trajectory since IPO; profitability now looks more likely by 2021, with expanding gross and operating margins. The company has excellent business momentum as the leading 'rides' and 'eats' platform globally, with a No. 1 or No. 2 share in all markets where it operates, and is moving towards duopoly status.

VMware, a leading provider of enterprise virtualisation software, maintained its full-year outlook, a positive development considering some of the headwinds in infrastructure IT. Two acquisitions and the company's partnership with Amazon Web Services to create a jointly developed cloud offering should provide support for the stock.

VF Corp., which encompasses brands such as The North Face and Timberland, has good prospects for revenue gains, margin expansion and capital returns to shareholders in the form of a solid dividend. The stock is also supported by an attractive valuation versus peers, especially given the outlook for sales and earnings per share to rise at respective high-single-digit and high-teens rates.

Microchip Technology was left with elevated debt of \$11.2bn and a debt/EBITDA ratio of 4.8x, against target leverage of 2.5x, following the takeover of Microsemi in 2018. As the company's business stabilises, year-on-year revenue growth should turn positive in 2020, in which case we would expect the stock price to have more upside.

To help finance these purchases, the fund sold holdings including chemicals producer DuPont de Nemours, video-games business Activision Blizzard, aerospace firm Boeing and fashion company Tapestry.

The Covid-19 coronavirus and its harmful impact on economic activity had become the dominant narrative in financial markets by the end of the review period, against a backdrop of profit warnings, lockdowns of entire cities and regions, and dramatic market volatility. This makes the outlook for US equities unclear and policy dependent. In addition, 2020 is a US presidential election year, introducing further uncertainty.

Entering 2020, we anticipated a resumption of positive earnings growth and a return to trend GDP growth during the year, helped by the lagged effect of monetary stimulus from 2019. The path ahead is difficult to forecast, depending on the response to Covid-19 by central banks and governments, as well as the outbreak's scale.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	83,209	81,021
Revenue	3	8,733	11,967
Expenses	4	(9,557)	(13,276)
Interest payable and similar charges	5	—	(7)
Net expense before taxation		(824)	(1,316)
Taxation	6	(1,123)	(1,530)
Net expense after taxation		(1,947)	(2,846)
Total return before distributions		81,262	78,175
Distributions	7	(567)	(670)
Change in net assets attributable to shareholders from investment activities		80,695	77,505

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		805,778	776,290
Current assets:			
Debtors	8	6,271	918
Cash and bank balances	9	1,846	54,814
Total assets		813,895	832,022
Liabilities:			
Investment liabilities		(13)	(1)
Creditors:			
Distribution payable		(4)	(17)
Other creditors	10	(4,814)	(2,040)
Total liabilities		(4,831)	(2,058)
Net assets attributable to shareholders		809,064	829,964

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	829,964	1,163,462
Amounts receivable on the issue of shares	66,677	559,168
Amounts payable on the cancellation of shares	(168,905)	(697,135)
Amounts payable on in specie transfers	—	(273,743)
	(102,228)	(411,710)
Dilution adjustment	—	71
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	80,695	77,505
Retained distribution on accumulation shares	633	636
Closing net assets attributable to shareholders	809,064	829,964

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

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

Class 1 – Accumulation shares

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

Class 2 – Accumulation shares

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

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.4848	—	1.4848	1.4772
Group 2				
08/03/19 to 07/03/20	1.2663	0.2185	1.4848	1.4772
Total distributions in the period			1.4848	1.4772

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

Threadneedle American Select Fund

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	0.0888	—	0.0888	0.3505
Group 2				
08/03/19 to 07/03/20	—	0.0888	0.0888	0.3505
Total distributions in the period			0.0888	0.3505

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.0876	—	0.0876	0.3590
Group 2				
08/03/19 to 07/03/20	—	0.0876	0.0876	0.3590
Total distributions in the period			0.0876	0.3590

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.0424	—	0.0424	0.2233
Group 2				
08/03/19 to 07/03/20	0.0424	—	0.0424	0.2233
Total distributions in the period			0.0424	0.2233

Class Z GBP Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.0484	—	0.0484	0.2034
Group 2				
08/03/19 to 07/03/20	—	0.0484	0.0484	0.2034
Total distributions in the period			0.0484	0.2034

Group 2: shares purchased during a distribution period.

Threadneedle American Select Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	317.42	296.95	284.56	314.33
Return before operating charges (p)	33.66	25.47	17.03	6.78
Operating charges (p)	(5.80)	(5.00)	(4.64)	(5.80)
Return after operating charges (p)*	27.86	20.47	12.39	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	345.28	317.42	296.95	315.31
*after direct transaction costs of (p)	0.05	0.21	0.29	0.25
Performance				
Return after charges (%)	8.78	6.89	4.35	0.31
Other information				
Closing net asset value (£000)	781	755	2,691	–
Closing number of shares	226,328	237,827	906,216	–
Operating charges (%)**	1.63	1.64	1.63	–
Direct transaction costs (%)***	0.01	0.07	0.10	–
Prices				
Highest share price (p)	412.17	340.40	304.86	340.40
Lowest share price (p)	316.21	274.23	265.57	299.77
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	317.60	297.12	284.72	314.51
Return before operating charges (p)	33.65	25.50	17.04	6.79
Operating charges (p)	(5.78)	(5.02)	(4.64)	(5.81)
Return after operating charges (p)*	27.87	20.48	12.40	0.98
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	345.47	317.60	297.12	315.49
*after direct transaction costs of (p)	0.05	0.22	0.29	0.25
Performance				
Return after charges (%)	8.78	6.89	4.36	0.31
Other information				
Closing net asset value (£000)	243,286	288,681	515,779	–
Closing number of shares	70,421,025	90,893,642	173,594,227	–
Operating charges (%)**	1.63	1.63	1.63	–
Direct transaction costs (%)***	0.01	0.07	0.10	–
Prices				
Highest share price (p)	412.40	340.59	305.03	340.59
Lowest share price (p)	316.38	274.38	265.71	299.93

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 1 USD – Accumulation shares		Class 1 EUR Hedged – Accumulation shares	
	09/11/2018 ¹		09/11/2018 ²	07/03/2018
Change in net assets per share				
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
Performance				
Return after charges (%)	0.31		(4.84)	19.52
Other information				
Closing net asset value (£000)	–		–	1,341
Closing number of shares	–		–	498,703
Operating charges (%)**	–		–	1.63
Direct transaction costs (%)***	–		–	0.10
Prices				
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
	07/03/2020	07/03/2019	07/03/2018	09/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	360.83	335.62	319.78	355.83
Return before operating charges (p)	38.20	28.93	19.25	6.27
Operating charges (p)	(4.30)	(3.72)	(3.41)	(4.34)
Return after operating charges (p)*	33.90	25.21	15.84	1.93
Distributions (p)	–	–	(0.33)	–
Retained distributions on accumulation shares (p)	–	–	0.33	–
Closing net asset value per share (p)	394.73	360.83	335.62	357.76
*after direct transaction costs of (p)	0.06	0.25	0.32	0.28
Performance				
Return after charges (%)	9.40	7.51	4.95	0.54
Other information				
Closing net asset value (£000)	200,844	215,952	281,257	–
Closing number of shares	50,881,757	59,848,373	83,802,021	–
Operating charges (%)**	1.06	1.06	1.06	–
Direct transaction costs (%)***	0.01	0.07	0.10	–
Prices				
Highest share price (p)	471.11	385.83	344.36	385.83
Lowest share price (p)	359.45	310.08	298.63	340.07

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Accumulation shares		Class X – Accumulation shares		
	09/11/2018 ²	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	231.04	192.12	165.55	152.44	143.81
Return before operating charges (p)	(8.17)	41.14	17.48	13.21	8.72
Operating charges (p)	(1.68)	(2.22)	(0.11)	(0.10)	(0.09)
Return after operating charges (p)*	(9.85)	38.92	17.37	13.11	8.63
Distributions (p)	–	(0.21)	(1.48)	(1.48)	(1.60)
Retained distributions on accumulation shares (p)	–	0.21	1.48	1.48	1.60
Closing net asset value per share (p)	221.19	231.04	182.92	165.55	152.44
*after direct transaction costs of (p)	0.11	0.21	0.03	0.11	0.15
Performance					
Return after charges (%)	(4.26)	20.26	10.49	8.60	6.00
Other information					
Closing net asset value (£000)	–	255	66,992	24,771	20,889
Closing number of shares	–	110,361	36,623,863	14,962,715	13,703,331
Operating charges (%)**	–	1.06	0.06	0.06	0.06
Direct transaction costs (%)***	–	0.10	0.01	0.07	0.10
Prices					
Highest share price (p)	245.24	237.55	218.20	176.13	156.27
Lowest share price (p)	210.39	181.71	164.93	140.96	134.46

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	247.57	230.08	219.41	254.34	236.03	224.39
Return before operating charges (p)	26.20	19.85	13.23	26.92	20.36	13.51
Operating charges (p)	(2.31)	(2.01)	(1.83)	(2.38)	(2.05)	(1.87)
Return after operating charges (p)*	23.89	17.84	11.40	24.54	18.31	11.64
Distributions (p)	(0.09)	(0.35)	(0.73)	(0.09)	(0.36)	(0.74)
Retained distributions on accumulation shares (p)	–	–	–	0.09	0.36	0.74
Closing net asset value per share (p)	271.37	247.57	230.08	278.88	254.34	236.03
*after direct transaction costs of (p)	0.04	0.17	0.22	0.04	0.17	0.23
Performance						
Return after charges (%)	9.65	7.75	5.20	9.65	7.76	5.19
Other information						
Closing net asset value (£000)	12,556	12,192	12,205	284,231	287,330	328,751
Closing number of shares	4,626,694	4,924,811	5,304,581	101,917,018	112,971,009	139,282,738
Operating charges (%)**	0.83	0.83	0.83	0.83	0.83	0.83
Direct transaction costs (%)***	0.01	0.07	0.10	0.01	0.07	0.10
Prices						
Highest share price (p)	323.93	264.79	236.76	332.78	271.65	242.13
Lowest share price (p)	246.62	212.61	204.96	253.37	218.11	209.61

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class Z EUR – Accumulation shares		Class Z USD – Accumulation shares	
	09/11/2018 ¹		09/11/2018 ¹	
Change in net assets per share				
Opening net asset value per share (p)	250.40		250.40	
Return before operating charges (p)	4.80		3.31	
Operating charges (p)	(3.21)		(1.72)	
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		0.15	
Performance				
Return after charges (%)	0.63		0.63	
Other information				
Closing net asset value (£000)	–		–	
Closing number of shares	–		–	
Operating charges (%)**	–		–	
Direct transaction costs (%)***	–		–	
Prices				
Highest share price (p)	271.65		271.65	
Lowest share price (p)	239.52		239.52	
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	23/11/2017 ³
Change in net assets per share				
Opening net asset value per share (p)	152.66	156.88	141.82	178.36
Return before operating charges (p)	23.35	(2.96)	16.26	24.83
Operating charges (p)	(1.43)	(1.26)	(1.20)	(1.11)
Return after operating charges (p)*	21.92	(4.22)	15.06	23.72
Distributions (p)	(0.04)	(0.22)	(0.50)	–
Retained distributions on accumulation shares (p)	0.04	0.22	0.50	–
Closing net asset value per share (p)	174.58	152.66	156.88	202.08
*after direct transaction costs of (p)	0.03	0.11	0.15	0.19
Performance				
Return after charges (%)	14.36	(2.69)	10.62	13.30
Other information				
Closing net asset value (£000)	17	15	16	–
Closing number of shares	10,000	10,000	10,000	–
Operating charges (%)**	0.83	0.82	0.82	–
Direct transaction costs (%)***	0.01	0.07	0.10	–
Prices				
Highest share price (p)	198.13	171.37	161.98	203.30
Lowest share price (p)	151.25	135.60	134.62	168.74

Threadneedle American Select Fund

Comparative Table Disclosure

(continued)

	Class Z GBP Hedged – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	145.23	144.82	123.09
Return before operating charges (p)	11.06	1.60	22.82
Operating charges (p)	(1.32)	(1.19)	(1.09)
Return after operating charges (p)*	9.74	0.41	21.73
Distributions (p)	(0.05)	(0.20)	(0.43)
Retained distributions on accumulation shares (p)	0.05	0.20	0.43
Closing net asset value per share (p)	154.97	145.23	144.82
*after direct transaction costs of (p)	0.02	0.10	0.13
Performance			
Return after charges (%)	6.71	0.28	17.65
Other information			
Closing net asset value (£000)	357	268	278
Closing number of shares	230,250	184,308	192,079
Operating charges (%)**	0.83	0.83	0.83
Direct transaction costs (%)***	0.01	0.07	0.10
Prices			
Highest share price (p)	183.09	153.72	151.19
Lowest share price (p)	141.73	122.40	119.91

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

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

¹Commenced 15 June 2018 and closed 9 November 2018.

²Closed 9 November 2018.

³Closed 23 November 2017.

Threadneedle American Select Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	80,199	80,535
Forward currency contracts	(15)	(1,291)
Other gains	3,026	1,778
Transaction costs	(1)	(1)
Net capital gains	83,209	81,021

3 REVENUE

	2020 £000	2019 £000
Overseas dividends	7,608	11,272
Interest on short term investments	1,057	605
Bank interest	68	88
Subsidised expense rebate	—	2
Total revenue	8,733	11,967

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(8,816)	(12,276)
Registration fees	(595)	(820)
	(9,411)	(13,096)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(106)	(132)
Safe custody fees	(26)	(31)
	(132)	(163)
Other expenses:		
Regulatory fees	(5)	(7)
Audit fees	(9)	(10)
	(14)	(17)
Total expenses*	(9,557)	(13,276)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	—	(7)
Total interest payable and similar charges	—	(7)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(1,123)	(1,530)
Total current tax (note 6b)	(1,123)	(1,530)
Total tax charge for the period	(1,123)	(1,530)
b) Factors affecting taxation charge for period		
Net expense before taxation	(824)	(1,316)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	165	263
Effects of:		
Revenue not subject to taxation	1,522	2,253
Overseas taxes	(1,123)	(1,530)
Excess expenses	(1,687)	(2,516)
Current tax charge for period (note 6a)	(1,123)	(1,530)

The fund has not recognised a deferred tax asset of £28,239,995 (2019: £26,553,100) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	—	9
Final	637	644
	637	653
Add: Revenue deducted on the cancellation of shares	42	(400)
Deduct: Revenue received on the creation of shares	(112)	417
Net distribution for the period	567	670
Net expense after taxation	(1,947)	(2,846)
Equalisation on conversion	1	1
Shortfall transfer from capital to revenue	2,513	3,515
Total distributions	567	670

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 136 to 137.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	1,713	83
Sales awaiting settlement	4,026	—
Accrued revenue	521	831
Foreign withholding tax recoverable	11	4
Total debtors	6,271	918

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	15	15
Cash and bank balances	1,831	54,799
Total cash and bank balances	1,846	54,814

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(1,870)	(1,116)
Purchases awaiting settlement	(1,983)	—
Accrued expenses	(19)	(22)
Amounts payable to ACD	(942)	(902)
Total other creditors	(4,814)	(2,040)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

Threadneedle American Select Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.060%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 138 to 142. The distribution per share class is given in the distribution table on pages 136 to 137. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	237,827
Shares issued	19,132
Shares redeemed	(25,608)
Net conversions	(5,023)
Closing shares	226,328
Class 1 – Accumulation shares	
Opening shares	90,893,642
Shares issued	1,730,737
Shares redeemed	(21,849,021)
Net conversions	(354,333)
Closing shares	70,421,025
Class 2 – Accumulation shares	
Opening shares	59,848,373
Shares issued	3,635,679
Shares redeemed	(12,403,651)
Net conversions	(198,644)
Closing shares	50,881,757
Class X – Accumulation shares	
Opening shares	14,962,715
Shares issued	24,205,820
Shares redeemed	(2,544,672)
Net conversions	–
Closing shares	36,623,863
Class Z – Income shares	
Opening shares	4,924,811
Shares issued	291,973
Shares redeemed	(680,461)
Net conversions	90,371
Closing shares	4,626,694
Class Z – Accumulation shares	
Opening shares	112,971,009
Shares issued	410,142
Shares redeemed	(12,105,257)
Net conversions	641,124
Closing shares	101,917,018
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,000

2020

Class Z GBP Hedged – Accumulation shares

Opening shares	184,308
Shares issued	77,036
Shares redeemed	(31,094)
Net conversions	–
Closing shares	230,250

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.47% and vice versa (2019: 5.55%).

Currency exposures

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

	Total £000
Currency 2020	
Swiss Franc	18
US Dollar	807,365
Currency 2019	£000
Euro	11
Swiss Franc	15
US Dollar	831,013

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 0.97% (2019: 5.18%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.97% (2019: 5.19%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts £000	Collateral Pledged £000
2020		
Counterparty		
Barclays	15	–
J.P. Morgan	4	15
2019		
Counterparty		
J.P. Morgan	3	15

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Swiss Franc	–	–	21	21
UK Sterling	108	–	7,242	7,350
US Dollar	1,738	–	807,131	808,869
Currency 2019	£000	£000	£000	£000
Euro	11	–	–	11
Swiss Franc	–	–	15	15
UK Sterling	158	–	824	982
US Dollar	54,645	–	777,120	831,765

Threadneedle American Select Fund

Notes to the financial statements

(continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Swiss Franc	–	–	(3)	(3)
UK Sterling	–	–	(5,669)	(5,669)
US Dollar	–	–	(1,504)	(1,504)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(2,057)	(2,057)
US Dollar	–	–	(752)	(752)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £19,000 (2019: £3,000) and a liability value of £13,000 (2019: £1,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	805,759	–	776,287	–
Level 2	19	(13)	3	(1)
	805,778	(13)	776,290	(1)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	233,912	61	0.03	–	–
Total	233,912	61		–	
Gross purchases total:	233,973				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	282,648	70	0.02	6	0.00
Total	282,648	70		6	

Total sales net of transaction costs: 282,572

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.00%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	553,596	287	0.05	–	–
Total	553,596	287		–	

Gross purchases total: 553,883

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	732,507	368	0.04	11	0.00
Inspecie transactions	269,248	–	–	–	–
Total	1,001,755	368		11	

Total sales net of transaction costs: 1,001,376

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.03% (7 March 2019: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 22.65%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Share class			
Class X – Accumulation shares	182.76	201.34	10.17
Class Z – Income shares	271.14	298.24	10.00
Class Z – Accumulation shares	278.65	306.50	10.00

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(16.14)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle American Smaller Companies Fund (US) has risen from 322.10p to 323.11p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +2.80% as compared to a median return of +4.85%

over the same period. (For information the Russell 2500 returned +2.26% over the same period).

Market Overview and Portfolio Activity

US small- and mid-cap equities showed a broadly flat return during the term under review. The period fell into two distinct parts, as gains accrued during a strong bull run in 2019 were erased in the new year by sharp declines. The Federal Reserve's dovish policy shift and hopes for a resolution of the trade war with China supported the market's initial rise, but stocks slumped in 2020 as the worsening Covid-19 coronavirus outbreak threatened to derail global economic growth.

Early in the review term, the Fed indicated that interest rates were unlikely to rise in 2019, contrasting with expectations at the start of the year for further increases. Anticipation of rate cuts subsequently intensified, and the central bank duly followed through in July with its first reduction since 2008, followed by two more in September and October. Meanwhile, the trade-war outlook fluctuated throughout the period. While stocks declined in May as the US and China levied import tariffs on each other's products, the narrative improved later in the year, and optimism was in the ascendant in December as the two governments announced a preliminary trade agreement.

The US economic backdrop was generally positive over the period as a whole, broadly characterised by some weakness in manufacturing as global exports slowed and relative strength in consumer spending. GDP weakened after the first quarter but remained well ahead of the euro zone and Japan, and corporate profits were generally robust. On the domestic political scene, the Democrats' impeachment of President Trump generated many headlines, but had little impact on markets. The general expectation was that Trump would likely remain in office, as indeed he did.

However, that counted for little as the Covid-19 virus erupted in China and proceeded to spread to other countries, prompting governments to impose measures such as quarantines and border closings that disrupted economic activity. US small- and mid-cap shares fell in January, snapping a four-month string of gains, and plunged in February with the wider market as the rising tally of infections outside of China undermined optimism that the outbreak might be contained. After hitting all-time highs up to mid-February, the broad US equities market had its biggest weekly fall since the global financial crisis in the month's final week. Shares continued to retreat in early March, even as the Fed announced an emergency rate cut.

We opened positions including apparel manufacturer Canada Goose, financial firm Sandy Spring Bancorp, storage business Mobile Mini and healthcare company Kindred Biosciences.

Canada Goose stands alone among global brands with favourable exposure to the outerwear and luxury segments, demonstrating extremely strong growth. In our view, revenue is poised to more than double over the next three years as the company diversifies across channel, geography and category. We anticipate substantial margin expansion over the same period.

Sandy Spring Bancorp is a regional bank headquartered in Maryland, with \$7.8bn of assets and excellent credit quality. Net interest margin is both above average and historically more stable compared with competitors. The dividend yield is attractive, and the company has the advantage of being levered to Washington, DC's fast-growing metropolitan area.

Mobile Mini's customer base is well diversified across industries, unlike traditional equipment players, giving some degree of revenue stability. Revenue growth has historically exceeded GDP by about 2-2.5%, mostly due to pricing and better utilisation. Margin improvement, combined with asset disposals, should result in strong free-cashflow generation.

Kindred Biosciences focuses on developing drugs for pets by repurposing pharmaceutical compounds that have been cleared for human use, a far higher hurdle than winning approval for animals. Therefore, its attractive pipeline is significantly de-risked versus other, more speculative, biopharma companies. We believe that Kindred has much potential to lead in this space.

To help finance these purchases, we sold holdings including retailer Ollie's Bargain Outlet, utility Edison International, real-estate investment trust American Homes 4 Rent and consumer-credit reporting company TransUnion.

The Covid-19 coronavirus and its harmful impact on economic activity had become the dominant narrative in financial markets by the end of the review period, against a backdrop of profit warnings, lockdowns of entire cities and regions, and dramatic market volatility. This makes the outlook for US equities unclear and policy dependent. In addition, 2020 is a US presidential election year, introducing further uncertainty.

Entering 2020, we anticipated a resumption of positive earnings growth and a return to trend GDP growth during the year, helped by the lagged effect of monetary stimulus from 2019. The path ahead is difficult to forecast, depending on the response to Covid-19 by central banks and governments, as well as the outbreak's scale.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	15,371	26,204
Revenue	3	4,807	7,062
Expenses	4	(3,792)	(6,672)
Interest payable and similar charges	5	—	(18)
Net revenue before taxation		1,015	372
Taxation	6	(553)	(952)
Net revenue/(expense) after taxation		462	(580)
Total return before distributions		15,833	25,624
Distributions	7	(686)	(424)
Change in net assets attributable to shareholders from investment activities		15,147	25,200

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		318,426	369,782
Current assets:			
Debtors	8	669	981
Cash and bank balances		534	3,713
Cash equivalents**		2,637	385
Total assets		322,266	374,861
Liabilities:			
Creditors:			
Distribution payable		(24)	(24)
Other creditors	9	(1,064)	(2,372)
Total liabilities		(1,088)	(2,396)
Net assets attributable to shareholders		321,178	372,465

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	372,465	693,807
Amounts receivable on the issue of shares	10,393	390,097
Amounts payable on the cancellation of shares	(77,464)	(494,995)
Amounts payable on in specie transfers	—	(242,053)
	(67,071)	(346,951)
Dilution adjustment	—	26
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	15,147	25,200
Retained distribution on accumulation shares	637	383
Closing net assets attributable to shareholders	321,178	372,465

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Income shares

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

Class 1 – Accumulation shares

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

Class 1 EUR – Accumulation shares*

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

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle American Smaller Companies Fund (US)

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	0.4216	–	0.4216	–
Group 2 08/03/19 to 07/03/20	0.3419	0.0797	0.4216	–
Total distributions in the period			0.4216	–

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	3.6970	–	3.6970	2.9167
Group 2 08/03/19 to 07/03/20	2.6370	1.0600	3.6970	2.9167
Total distributions in the period			3.6970	2.9167

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1 08/03/19 to 07/03/20	0.6062	–	0.6062	0.2993
Group 2 08/03/19 to 07/03/20	0.4587	0.1475	0.6062	0.2993
Total distributions in the period			0.6062	0.2993

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	0.7987	–	0.7987	0.3917
Group 2 08/03/19 to 07/03/20	0.5847	0.2140	0.7987	0.3917
Total distributions in the period			0.7987	0.3917

Group 2: shares purchased during a distribution period.

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

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares	
	07/03/2020	07/03/2019	07/03/2018	23/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	321.91	307.15	317.83	340.43	
Return before operating charges (p)	14.52	19.95	(5.56)	(29.54)	
Operating charges (p)	(5.76)	(5.19)	(5.12)	(2.09)	
Return after operating charges (p)*	8.76	14.76	(10.68)	(31.63)	
Distributions (p)	–	–	–	–	
Retained distributions on accumulation shares (p)	–	–	–	–	
Closing net asset value per share (p)	330.67	321.91	307.15	308.8	
* after direct transaction costs of (p)	0.38	0.43	0.53	0.17	
Performance					
Return after charges (%)	2.72	4.81	(3.36)	(9.29)	
Other information					
Closing net asset value (£000)	1,420	1,628	15,936	–	
Closing number of shares	429,524	505,796	5,188,424	–	
Operating charges (%)**	1.63	1.65	1.67	–	
Direct transaction costs (%)***	0.11	0.13	0.17	–	
Prices					
Highest share price (p)	384.74	361.13	319.72	361.13	
Lowest share price (p)	321.59	273.33	290.72	305.73	
	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019 ²
Change in net assets per share					
Opening net asset value per share (p)	322.07	307.28	317.96	322.05	340.58
Return before operating charges (p)	14.53	19.97	(5.55)	14.52	(14.66)
Operating charges (p)	(5.76)	(5.18)	(5.13)	(5.76)	(3.87)
Return after operating charges (p)*	8.77	14.79	(10.68)	8.76	(18.53)
Distributions (p)	–	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–
Closing net asset value per share (p)	330.84	322.07	307.28	330.81	322.05
* after direct transaction costs of (p)	0.39	0.43	0.53	0.39	0.45
Performance					
Return after charges (%)	2.72	4.81	(3.36)	2.72	(5.44)
Other information					
Closing net asset value (£000)	22,862	26,766	179,438	14,457	18,743
Closing number of shares	6,910,365	8,310,513	58,395,304	4,370,056	5,819,946
Operating charges (%)**	1.63	1.64	1.67	1.63	1.63 [†]
Direct transaction costs (%)***	0.11	0.13	0.17	0.11	0.13
Prices					
Highest share price (p)	384.94	361.28	319.86	384.91	361.28
Lowest share price (p)	321.76	273.44	290.84	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 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	340.58	366.85	348.03	357.93
Return before operating charges (p)	(29.55)	16.44	22.69	(6.23)
Operating charges (p)	(2.10)	(4.28)	(3.87)	(3.67)
Return after operating charges (p)*	(31.65)	12.16	18.82	(9.90)
Distributions (p)	–	(0.42)	–	–
Retained distributions on accumulation shares (p)	–	0.42	–	–
Closing net asset value per share (p)	308.93	379.01	366.85	348.03
* after direct transaction costs of (p)	0.17	0.44	0.50	0.59
Performance				
Return after charges (%)	(9.29)	3.31	5.41	(2.77)
Other information				
Closing net asset value (£000)	–	154,344	160,580	227,095
Closing number of shares	–	40,722,996	43,772,116	65,252,001
Operating charges (%)**	–	1.06	1.06	1.06
Direct transaction costs (%)***	–	0.11	0.13	0.17
Prices				
Highest share price (p)	361.28	439.46	410.35	361.95
Lowest share price (p)	305.86	366.52	311.13	328.46
	Class 2 USD – Accumulation shares	Class X – Accumulation shares		
	23/11/2018 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	386.35	306.42	287.83	293.18
Return before operating charges (p)	(33.47)	13.47	18.77	(5.18)
Operating charges (p)	(1.55)	(0.20)	(0.18)	(0.17)
Return after operating charges (p)*	(35.02)	13.27	18.59	(5.35)
Distributions (p)	–	(3.70)	(2.92)	(2.74)
Retained distributions on accumulation shares (p)	–	3.70	2.92	2.74
Closing net asset value per share (p)	351.33	319.69	306.42	287.83
* after direct transaction costs of (p)	0.19	0.37	0.42	0.49
Performance				
Return after charges (%)	(9.06)	4.33	6.46	(1.82)
Other information				
Closing net asset value (£000)	–	12,303	11,033	9,278
Closing number of shares	–	3,848,281	3,600,793	3,223,328
Operating charges (%)**	–	0.06	0.06	0.06
Direct transaction costs (%)***	–	0.11	0.13	0.17
Prices				
Highest share price (p)	410.35	368.49	341.05	298.91
Lowest share price (p)	347.69	306.15	259.36	270.41

Threadneedle American Smaller Companies Fund (US)

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	195.39	185.31	190.56	257.42	243.78	250.28
Return before operating charges (p)	8.71	12.10	(3.32)	11.50	15.89	(4.37)
Operating charges (p)	(1.89)	(1.72)	(1.63)	(2.49)	(2.25)	(2.13)
Return after operating charges (p)*	6.82	10.38	(4.95)	9.01	13.64	(6.50)
Distributions (p)	(0.61)	(0.30)	(0.30)	(0.80)	(0.39)	(0.39)
Retained distributions on accumulation shares (p)	–	–	–	0.80	0.39	0.39
Closing net asset value per share (p)	201.60	195.39	185.31	266.43	257.42	243.78
* after direct transaction costs of (p)	0.23	0.27	0.32	0.31	0.35	0.42
Performance						
Return after charges (%)	3.49	5.60	(2.60)	3.50	5.60	(2.60)
Other information						
Closing net asset value (£000)	7,947	15,805	14,835	107,845	137,910	247,225
Closing number of shares	3,941,811	8,088,859	8,005,588	40,478,383	53,573,430	101,413,510
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Direct transaction costs (%)***	0.11	0.13	0.17	0.11	0.13	0.17
Prices						
Highest share price (p)	234.23	218.69	192.98	308.59	287.69	253.47
Lowest share price (p)	195.21	165.90	175.03	257.19	218.24	229.89
Class Z USD – Accumulation shares				Class Z EUR Hedged – Gross accumulation shares[§]		
23/11/2018¹				23/11/2018³		
Change in net assets per share						
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		
Performance						
Return after charges (%)	(8.99)			(8.78)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
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 – Gross accumulation shares ¹ 05/11/2018 ⁴
Change in net assets per share	
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
Performance	
Return after charges (%)	(5.57)
Other information	
Closing net asset value (£000)	–
Closing number of shares	–
Operating charges (%)**	–
Direct transaction costs (%)***	–
Prices	
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.

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

¹Commenced 15 June 2018 and closed 23 November 2018.

²Commenced 15 June 2018.

³Commenced 30 May 2018 and closed 23 November 2018.

⁴Commenced 30 May 2018 and closed 5 November 2018.

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

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020	2019
	£000	£000
Non-derivative securities	15,274	25,553
Forward currency contracts	(31)	(97)
Other gains	132	754
Transaction costs	(4)	(6)
Net capital gains	15,371	26,204

3 REVENUE

	2020	2019
	£000	£000
Overseas dividends	4,745	6,925
Interest on short term investments	1	42
Bank interest	61	92
Subsidised expense rebate	—	3
Total revenue	4,807	7,062

4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,446)	(6,057)
Registration fees	(270)	(501)
	(3,716)	(6,558)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(44)	(72)
Safe custody fees	(16)	(26)
	(60)	(98)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(9)
	(16)	(16)
Total expenses*	(3,792)	(6,672)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	—	(18)
Total interest payable and similar charges	—	(18)

6 TAXATION

	2020	2019
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(553)	(952)
Total current tax (note 6b)	(553)	(952)
Total tax charge for the period	(553)	(952)
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,015	372
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(203)	(74)

Effects of:

Revenue not subject to taxation	836	1,188
Overseas taxes	(553)	(952)
Overseas tax expensed	18	25
Excess expenses	(651)	(1,139)
Current tax charge for period (note 6a)	(553)	(952)

The fund has not recognised a deferred tax asset of £6,939,213 (2019: £6,299,464) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020	2019
	£000	£000
Interim	—	68
Final	661	339
	661	407
Add: Revenue deducted on the cancellation of shares	29	(237)
Deduct: Revenue received on the creation of shares	(4)	254
Net distribution for the period	686	424
Net revenue/(expense) after taxation	462	(580)
Shortfall transfer from capital to revenue	224	1,004
Total distributions	686	424

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 146 to 147.

8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	31	300
Accrued revenue	638	678
Foreign withholding tax recoverable	—	3
Total debtors	669	981

9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(701)	(1,990)
Accrued expenses	(12)	(16)
Amounts payable to ACD	(351)	(366)
Total other creditors	(1,064)	(2,372)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

Threadneedle American Smaller Companies Fund (US) currently has four share classes; Class 1, Class 2, Class X and Class Z shares. The charges on each share class are as follows:

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

(continued)

Annual management charge

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

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 148 to 151. The distribution per share class is given in the distribution table on pages 146 to 147. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	505,796
Shares issued	11,285
Shares redeemed	(87,557)
Net conversions	–
Closing shares	429,524
Class 1 – Accumulation shares	
Opening shares	8,310,513
Shares issued	348,549
Shares redeemed	(1,514,350)
Net conversions	(234,347)
Closing shares	6,910,365
Class 1 EUR – Accumulation shares	
Opening shares	5,819,946
Shares issued	905,242
Shares redeemed	(2,355,132)
Net conversions	–
Closing shares	4,370,056
Class 2 – Accumulation shares	
Opening shares	43,772,116
Shares issued	803,541
Shares redeemed	(3,849,931)
Net conversions	(2,730)
Closing shares	40,722,996
Class X – Accumulation shares	
Opening shares	3,600,793
Shares issued	247,488
Shares redeemed	–
Net conversions	–
Closing shares	3,848,281
Class Z – Income shares	
Opening shares	8,088,859
Shares issued	258,557
Shares redeemed	(4,412,119)
Net conversions	6,514
Closing shares	3,941,811
Class Z – Accumulation shares	
Opening shares	53,573,430
Shares issued	448,728
Shares redeemed	(13,835,616)
Net conversions	291,841
Closing shares	40,478,383

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.16% and vice versa (2019: 4.91%).

Currency exposures

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

	Total £000
Currency 2020	
US Dollar	321,791
Currency 2019	£000
Euro	2
US Dollar	374,109

Currency sensitivity

The only material currency exposure of the fund is to the US Dollar. A movement of 0.97% (2019: 5.18%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.97% (2019: 5.20%).

Credit/Counterparty exposure

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	37	–	439	476
US Dollar	497	2,637	319,060	322,194
Currency 2019	£000	£000	£000	£000
Euro	2	–	–	2
UK Sterling	42	–	708	750
US Dollar	3,669	–	370,844	374,513
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	(1,089)	(1,089)
US Dollar	–	–	(403)	(403)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(2,396)	(2,396)
US Dollar	–	–	(404)	(404)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility.

Threadneedle American Smaller Companies Fund (US)

Notes to the financial statements

(continued)

All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £4,000 (2019: £Nil) and a liability value of £Nil (2019: £Nil).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 1*	321,059	–	370,167	–
Level 2	4	–	–	–
	<u>321,063</u>	<u>–</u>	<u>370,167</u>	<u>–</u>

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value	Commissions	Taxes	
Purchases	£000	£000	%	£000
Equities	418,120	225	0.05	–
Collective investment schemes	28,937	–	–	–
Total	447,057	225		–
Gross purchases total:	447,282			
	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	484,272	168	0.03	10
Collective investment schemes	26,652	–	–	–
Corporate actions	71	–	–	–
Total	510,995	168		10
Total sales net of transaction costs:	510,817			
Transaction costs as a percentage of average Net Assets				
Commissions:	0.11%			
Taxes:	0.00%			

7 March 2019

	Value	Commissions	Taxes	
Purchases	£000	£000	%	£000
Equities	636,762	305	0.05	–
Collective investment schemes	7,920	–	–	–
Total	644,682	305		–
Gross purchases total:	644,987			
	Value	Commissions	Taxes	
	£000	£000	%	£000
Sales				
Equities	734,485	338	0.03	11
Collective investment schemes	11,244	–	–	–
In specie transactions	241,535	–	–	–
Corporate actions	381	–	–	–
Total	987,645	338		11
Total sales net of transaction costs:	987,296			
Transaction costs as a percentage of average Net Assets				
Commissions:	0.13%			
Taxes:	0.00%			

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.11% (7 March 2019: 0.04%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 0.35%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(12.57)

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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Dollar Bond Fund has risen from 59.97p to 66.43p.

The sterling total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +14.48% as compared to a median return of +15.67% over the same period. (For information the 50% ICE BofA US Treasury Master + 50% ICE BofA Eurodollar Global Index gave a total return of +18.05% in sterling terms for the same period).

Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period in financial markets but a good one for fixed income returns. US Treasury yields

(which move inversely to price) fell sharply, helping corporate bonds to deliver positive returns, though these were eroded somewhat by widening credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity). Returns for sterling-based investors in US assets were amplified as the dollar strengthened against the pound.

For much of the review period – the first half, roughly speaking – three broadly overlapping factors combined to push core Treasury yields down. These were the ongoing US-China trade dispute, the accompanying slowdown in the global economy, and the reaction to both by central banks. Trade tensions waxed and waned but escalated in August as the US and China hit each other with fresh tariffs. This sparked a rally in core bonds and an inversion of the US Treasury yield curve, often seen as a harbinger of recession. The impact of the dispute was increasingly seen in weaker global economic data, not least of which was German GDP, which contracted in the second quarter. The US economy held up relatively well, buoyed by strong consumer spending, but US manufacturers were not immune from the global downturn, as evidenced by falling purchasing managers' indices.

The last and perhaps most significant driver was looser monetary policy from key central banks. Near the start of the period, the Federal Reserve (Fed) signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally and, in the summer, the first of a series of rate cuts by the Fed itself.

In the fourth quarter of 2019, yields retraced some of their earlier declines and credit spreads tightened. This came as trade tensions between China and the US eased and the economic backdrop appeared to improve. The world's two largest economies brokered a phase-one agreement, while global manufacturing data indicated that the worst may have been over for the sector.

In the first quarter of 2020, however, all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of a novel coronavirus from China to the rest of the world. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted.

Unsurprisingly, investors deserted riskier assets in search of safer havens. Treasury yields plunged to record lows in this environment, and credit spreads widened. In early March, the Fed made the first of two emergency rate cuts (the second arriving after the review period), which further supported government debt.

Over the year as a whole, the 10-year Treasury yield fell by around 190 basis points (bps) to 0.76%. For a brief period in February, it was trading below the three month yield in another inversion of the yield curve. Credit spreads in the US investment grade (IG) and high yield (HY) markets widened by 20 bps and 150 bps respectively. Both had tightened to levels well inside their long-term averages before the coronavirus triggered a sell-off.

We participated in new issues from a wide variety of companies. The largest of these (in terms of their weighting in the portfolio) included new bonds from Apple, Credit Agricole, Duke Energy Florida (later sold), Bristol-Myers Squibb (later sold), and Bank of America. We were also active in the secondary market, adding new exposure to Oncor Electric Delivery, Connecticut Light & Power, Bharti Airtel, Cardinal Health, and San Diego Gas & Electric, as well as increasing a range of existing holdings including those in NiSource, Ausgrid, Bacardi, Plains All American Pipeline, and AbbVie. We reduced exposure to several issuers, such as UBS, Siemens, Royal Bank of Scotland, Verizon Communications, and SGSP (Australia) Assets, while exiting others, including British American Tobacco, Semptra Energy, Barclays, HSBC, and Japan Tobacco.

With so much still unknown about the scale and duration of the ongoing coronavirus pandemic, and given that the situation is changing so quickly, it is hard to give a meaningful outlook for corporate bond markets. One thing we can say is that valuations are now well below long-term averages, and pricing in default rates that far exceed the maximums so far recorded at any time over the last century.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	5,258	3,838
Revenue	3	1,557	2,087
Expenses	4	(351)	(712)
Interest payable and similar charges	5	(46)	(160)
Net revenue before taxation		1,160	1,215
Taxation	6	–	–
Net revenue after taxation		1,160	1,215
Total return before distributions		6,418	5,053
Distributions	7	(1,438)	(1,821)
Change in net assets attributable to shareholders from investment activities		4,980	3,232

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		55,284	42,672
Current assets:			
Debtors	8	863	319
Cash and bank balances	9	651	464
Cash equivalents**		2,727	–
Total assets		59,525	43,455
Liabilities:			
Investment liabilities		(732)	(129)
Creditors:			
Bank overdrafts	9	(138)	–
Distribution payable		(119)	(496)
Other creditors	10	(354)	(394)
Total liabilities		(1,343)	(1,019)
Net assets attributable to shareholders		58,182	42,436

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	42,436	115,732
Amounts receivable on the issue of shares	58,174	11,215
Amounts payable on the cancellation of shares	(48,561)	(88,047)
	9,613	(76,832)
Dilution adjustment	13	47
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,980	3,232
Retained distribution on accumulation shares	1,140	257
Closing net assets attributable to shareholders	58,182	42,436

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.9283	–	0.9283	0.8149
08/09/19 to 07/03/20	0.7946	–	0.7946	0.8723
Group 2				
08/03/19 to 07/09/19	0.4884	0.4399	0.9283	0.8149
08/09/19 to 07/03/20	0.6871	0.1075	0.7946	0.8723
Total distributions in the period			1.7229	1.6872

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.1082	–	2.1082	1.7979
08/09/19 to 07/03/20	1.8283	–	1.8283	1.9524
Group 2				
08/03/19 to 07/09/19	0.8846	1.2236	2.1082	1.7979
08/09/19 to 07/03/20	0.4605	1.3678	1.8283	1.9524
Total distributions in the period			3.9365	3.7503

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

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

Threadneedle Dollar Bond Fund

DISTRIBUTION TABLE

(continued)

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.6633	–	1.6633	1.4128
08/09/19 to 07/03/20	1.4477	–	1.4477	1.5398
Group 2				
08/03/19 to 07/09/19	0.2449	1.4184	1.6633	1.4128
08/09/19 to 07/03/20	0.5108	0.9369	1.4477	1.5398
Total distributions in the period			3.1110	2.9526

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.7794	–	1.7794	1.5532
08/09/19 to 07/03/20	1.5246	–	1.5246	1.6681
Group 2				
08/03/19 to 07/09/19	0.8504	0.9290	1.7794	1.5532
08/09/19 to 07/03/20	0.4947	1.0299	1.5246	1.6681
Total distributions in the period			3.3040	3.2213

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.2028	–	2.2028	1.8692
08/09/19 to 07/03/20	1.9132	–	1.9132	2.0348
Group 2				
08/03/19 to 07/09/19	0.7234	1.4794	2.2028	1.8692
08/09/19 to 07/03/20	1.0575	0.8557	1.9132	2.0348
Total distributions in the period			4.1160	3.9040

Group 2: shares purchased during a distribution period.

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	59.04	56.45	65.29	134.10	124.62	140.84
Return before operating charges (p)	8.99	4.97	(6.74)	20.42	11.02	(14.63)
Operating charges (p)	(0.73)	(0.69)	(0.73)	(1.71)	(1.54)	(1.59)
Return after operating charges (p)*	8.26	4.28	(7.47)	18.71	9.48	(16.22)
Distributions (p)	(1.72)	(1.69)	(1.37)	(3.94)	(3.75)	(2.98)
Retained distributions on accumulation shares (p)	–	–	–	3.94	3.75	2.98
Closing net asset value per share (p)	65.58	59.04	56.45	152.81	134.10	124.62
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	13.99	7.58	(11.44)	13.95	7.61	(11.52)
Other information						
Closing net asset value (£000)	1,456	27,539	101,110	6,711	8,452	7,908
Closing number of shares	2,219,859	46,643,711	179,107,797	4,391,911	6,302,985	6,345,373
Operating charges (%)**	1.17	1.17	1.19	1.17	1.17	1.19
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	69.68	61.99	65.45	158.26	138.40	141.18
Lowest share price (p)	58.72	54.79	56.18	133.37	120.94	122.51
	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018 [†]	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	102.10	93.83	100.00	113.05	107.53	123.75
Return before operating charges (p)	15.62	8.32	(6.17)	17.24	9.50	(12.81)
Operating charges (p)	(0.10)	(0.05)	–	(0.82)	(0.76)	(0.76)
Return after operating charges (p)*	15.52	8.27	(6.17)	16.42	8.74	(13.57)
Distributions (p)	(3.11)	(2.95)	(1.00)	(3.30)	(3.22)	(2.65)
Retained distributions on accumulation shares (p)	3.11	2.95	1.00	–	–	–
Closing net asset value per share (p)	117.62	102.10	93.83	126.17	113.05	107.53
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	15.20	8.81	(6.17)	14.52	8.13	(10.97)
Other information						
Closing net asset value (£000)	40,312	3	3	8,397	6,044	5,562
Closing number of shares	34,273,155	3,001	3,001	6,655,174	5,346,131	5,172,505
Operating charges (%)**	0.09	0.05	0.02 [†]	0.67	0.67	0.65
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	121.16	105.17	101.00	133.75	118.34	124.05
Lowest share price (p)	101.57	91.18	92.15	112.45	104.42	106.97

Threadneedle Dollar Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	139.94	129.40	145.47
Return before operating charges (p)	21.36	11.45	(15.18)
Operating charges (p)	(1.03)	(0.91)	(0.89)
Return after operating charges (p)*	20.33	10.54	(16.07)
Distributions (p)	(4.12)	(3.90)	(3.14)
Retained distributions on accumulation shares (p)	4.12	3.90	3.14
Closing net asset value per share (p)	160.27	139.94	129.40
* after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	14.53	8.15	(11.05)
Other information			
Closing net asset value (£000)	1,306	398	1,149
Closing number of shares	814,926	284,362	887,801
Operating charges (%)**	0.67	0.67	0.65
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	165.57	144.31	145.82
Lowest share price (p)	139.20	125.65	127.15

**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.

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

[§]Only available to eligible investors.

[†]Commenced 5 October 2017.

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

Threadneedle Dollar Bond Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	6,551	3,841
Derivative contracts	(1,461)	(28)
Forward currency contracts	75	115
Other gains/(losses)	94	(88)
Transaction costs	(1)	(2)
Net capital gains	5,258	3,838

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	1,472	2,051
Interest on short term investments	23	17
Bank interest	62	19
Total revenue	1,557	2,087

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(279)	(606)
Registration fees	(43)	(70)
	(322)	(676)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(6)	(8)
Safe custody fees	(10)	(10)
	(16)	(18)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(11)
Expenses cap	3	—
	(13)	(18)
Total expenses*	(351)	(712)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	—	(2)
Derivative expense	(46)	(158)
Total interest payable and similar charges	(46)	(160)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,160	1,215
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(232)	(243)
Effects of:		
Excess expenses	232	243
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £561,127 (2019: £793,116) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years. Interest distributions were made in respect of all distributions during the prior period.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	758	845
Final	711	625
	1,469	1,470
Add: Revenue deducted on the cancellation of shares	410	436
Deduct: Revenue received on the creation of shares	(441)	(85)
Net distribution for the period	1,438	1,821
Net revenue after taxation	1,160	1,215
Annual management charge to capital	278	606
Total distributions	1,438	1,821

Details of the distribution per share are set out in the table on pages 155 and 156.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	517	21
Accrued revenue	346	298
Total debtors	863	319

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	646	236
Cash and bank balances	5	228
	651	464
Bank overdrafts	(138)	—
Total cash and bank balances	513	464

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(287)	(99)
Purchases awaiting settlement	(41)	(240)
Accrued expenses	(7)	(11)
Amounts payable to ACD	(19)	(44)
Total other creditors	(354)	(394)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Dollar Bond Fund currently has three share classes; Class 1, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.00%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 157 to 158. The distribution per share class is given in the distribution table on pages 155 to 156. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	46,643,711
Shares issued	15,939,799
Shares redeemed	(60,343,872)
Net conversions	(19,779)
Closing shares	2,219,859
Class 1 – Gross accumulation shares	
Opening shares	6,302,985
Shares issued	1,646,672
Shares redeemed	(3,557,746)
Net conversions	–
Closing shares	4,391,911
Class X – Gross accumulation shares	
Opening shares	3,001
Shares issued	34,486,463
Shares redeemed	(216,309)
Net conversions	–
Closing shares	34,273,155
Class Z – Income shares	
Opening shares	5,346,131
Shares issued	5,075,864
Shares redeemed	(3,749,307)
Net conversions	(17,514)
Closing shares	6,655,174
Class Z – Gross accumulation shares	
Opening shares	284,362
Shares issued	662,055
Shares redeemed	(153,674)
Net conversions	22,183
Closing shares	814,926

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 5.93% and vice versa (2019: 5.72%).

Currency exposures

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

Currency 2020	Total
US Dollar	£000
	58,159

Currency 2019	£000
US Dollar	42,915

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 0.97% (2019: 5.18%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.97% (2019: 5.24%).

Credit/Counterparty exposure

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

2020 Counterparty	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Barclays	–	1	–
2019 Counterparty	Futures and Options Exposure £000	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
Barclays	–	–	160
UBS	40	–	–

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

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

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
AAA	897	1.57	613	1.44
Aaa	29,040	50.70	20,525	48.25
AA+	803	1.40	–	–
AA	133	0.23	99	0.23
AA–	574	1.00	954	2.24
A+	2,191	3.83	953	2.24
A	–	–	119	0.28
A–	2,040	3.56	1,632	3.84
A3	3,874	6.76	2,593	6.09
BBB+	301	0.53	–	–
BBB	4,634	8.09	5,771	13.56
Baa2	5,525	9.65	5,381	12.65
BBB–	–	–	300	0.71
BB+	3,695	6.45	2,825	6.64
BB	690	1.20	181	0.43
Ba2	165	0.29	153	0.36
BB–	167	0.29	–	–
B	484	0.85	163	0.38
CCC+	–	–	164	0.39
D	18	0.03	–	–
Liquidity Funds	–	–	206	0.48
Derivatives**	2,727	4.76	–	–
	(679)	(1.19)	(89)	(0.21)
	57,279	100.00	42,543	100.00

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

Interest rate risk

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

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

Threadneedle Dollar Bond Fund

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	5	—	625	630
US Dollar	1,972	56,631	585	59,188
Currency 2019	£000	£000	£000	£000
UK Sterling	166	—	15	181
US Dollar	2,181	40,749	364	43,294
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	—	—	(607)	(607)
US Dollar	(138)	—	(891)	(1,029)
Currency 2019	£000	£000	£000	£000
UK Sterling	—	—	(660)	(660)
US Dollar	—	—	(379)	(379)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including credit default swaps, forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various credit default swaps, forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2020, the fund had outstanding credit default swaps, forward foreign exchange contracts and futures and options with an asset value of £53,000 (2019: £40,000) and a liability value of £732,000 (2019: £129,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	31,785	(678)	20,565	—
Level 2	26,226	(54)	22,107	(129)
	58,011	(732)	42,672	(129)

Included within Level 1, are debt securities of £31,767,000 (2019: £20,525,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £40,199,179 (2019: £49,503,019) and £34,135,500 (2019: £121,097,369) respectively. Collective investment schemes purchases and sales amounted to £8,289,977 (2019: £Nil) and £5,510,092 (2019: £Nil) respectively.

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

The commissions incurred by the fund when buying and selling futures and options in the current year was £871 (2019: £1,809).

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

At the balance sheet date, the portfolio dealing spread was 0.17% (7 March 2019: 0.18%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 29.57%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(24.07)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Japan Fund has risen from 56.40p to 60.27p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +7.37% as compared to a median return of +1.94% over the same period. (For information the MSCI Japan Index returned +5.65% over the same period).

Market Overview and Portfolio Activity

Japanese equities endured a volatile 12-month period. While markets were supported by the Federal Reserve's dovish stance on monetary policy and selective stimulus by Japanese policymakers, there were notable bouts of volatility when US-China trade tensions flared. The outbreak of the coronavirus towards the end of the period also caused a sell-off in both global and Japanese markets.

There was mixed sentiment around the ongoing US-China trade negotiations before both sides agreed to a new phase-one deal, which buoyed the outlook for global economic growth. Furthermore, the US and Japan agreed an initial trade deal in September which eliminated or lowered tariffs on products. Tokyo made agricultural concessions in exchange for lower US industrial tariffs.

The Bank of Japan kept monetary policy steady but indicated a clear willingness to cut interest rates further against a backdrop of overseas risk and weak inflation. The economy was buffeted in October by the consumption-tax hike, while there was further disruption caused by Typhoon Hagibis. While Japan's manufacturing sentiment remained weak, the mood was lifted by additional fiscal support measures by the government. This move was designed to help sustain economic activity and combat offshore uncertainties.

As the virus continued to spread beyond China towards the end of the reporting period, the government's stimulus commitment strengthened, with Prime Minister Shinzo Abe vowing to take whatever policy measures were needed to soften the blow to the economy. Global calls to cancel the 2020 Olympics also grew louder, dampening market sentiment.

New positions over the reporting period included Shin-Etsu, Murata, Rohm and Tokio Marine. Shin-Etsu is Japan's leading specialty chemicals company. We are positive on its ability to deliver stable sales and profit

growth given its leading position in all its major business areas, from PVC to semiconductor wafers. We feel that electronic component manufacturer Murata's technological capabilities and market position should ensure that it capitalises on the durable growth in areas such as 5G and automotive electrification, helped by its differentiated product offering. Rohm manufactures customised semiconductor circuits which control electricity flow in a reliable and energy-efficient way. Our long-term conviction in the company is based on its exposure to the growth in vehicle electrification, an area where product quality and reliability are paramount, and lead times and product cycles are long. We feel this will both stabilise and increase the company's top-line growth and return on capital. Tokio Marine is one of Japan's largest insurance companies, and, we feel, its best managed. We believe stable returns in the domestic nonlife business and acquisitions of overseas businesses will serve as key long-term drivers.

Over the 12 months, we sold pharmaceutical company Astellas Pharma. The prospects for sustainable medium-term growth are unclear due to patent expirations and uncertainties around whether pipeline drugs will become major sellers.

Concerns surrounding COVID-19 have materially clouded the outlook for Japan, given the country's sensitivity to the global economy. We don't expect the virus to derail long-term drivers, but believe that there will be a transitory economic impact with a rebound in growth once the virus is contained. Following the announcement to postpone the 2020 Olympics, it remains to be seen how much the government's stimulus efforts will help cushion the blow.

At the same time, the indiscriminate sell-off means that many quality companies are now trading at very attractive valuations. Stepping back from the near-term headwinds, there are still supportive structural trends, such as the push to improve corporate governance and reform the country's labour market. Japanese companies are increasingly distributing their vast cash hoards to shareholders through dividends and buybacks, and institutional investors are becoming more assertive than has historically been the case.

As always, selectivity is key, and our focus remains on well-run companies with wide competitive moats and, therefore, sustainable return profiles.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	52,693	(44,679)
Revenue	3	14,079	11,829
Expenses	4	(3,454)	(4,828)
Interest payable and similar charges	5	(68)	(71)
Net revenue before taxation		10,557	6,930
Taxation	6	(1,393)	(1,159)
Net revenue after taxation		9,164	5,771
Total return before distributions		61,857	(38,908)
Distributions	7	(7,687)	(5,948)
Change in net assets attributable to shareholders from investment activities		54,170	(44,856)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		742,397	672,078
Current assets:			
Debtors	8	2,382	7,444
Cash and bank balances	9	51,476	27,291
Total assets		796,255	706,813
Liabilities:			
Investment liabilities		(8,954)	(3)
Creditors:			
Distribution payable		(27)	(31)
Other creditors	10	(4,335)	(5,281)
Total liabilities		(13,316)	(5,315)
Net assets attributable to shareholders		782,939	701,498

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	701,498	693,751
Amounts receivable on the issue of shares	304,856	133,319
Amounts payable on the cancellation of shares	(285,408)	(87,063)
	19,448	46,256
Dilution adjustment	216	27
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	54,170	(44,856)
Retained distribution on accumulation shares	7,607	6,320
Closing net assets attributable to shareholders	782,939	701,498

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.0212	—	0.0212	—
Group 2				
08/03/19 to 07/03/20	—	0.0212	0.0212	—
Total distributions in the period			0.0212	—

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.4277	—	0.4277	0.2969
Group 2				
08/03/19 to 07/03/20	—	0.4277	0.4277	0.2969
Total distributions in the period			0.4277	0.2969

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

Threadneedle Japan Fund

DISTRIBUTION TABLE

(continued)

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	2.6652	–	2.6652	2.2833
Group 2				
08/03/19 to 07/03/20	2.6652	–	2.6652	2.2833
Total distributions in the period			2.6652	2.2833

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	2.4481	–	2.4481	2.0657
Group 2				
08/03/19 to 07/03/20	1.0522	1.3959	2.4481	2.0657
Total distributions in the period			2.4481	2.0657

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	4.3107	–	4.3107	3.6375
Group 2				
08/03/19 to 07/03/20	2.0565	2.2542	4.3107	3.6375
Total distributions in the period			4.3107	3.6375

Class X GBP Hedged - Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/03/20	0.0656	–	0.0656
Group 2			
08/03/19 to 07/03/20	0.0632	0.0024	0.0656
Total distributions in the period			0.0656

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.6889	–	1.6889	1.2658
Group 2				
08/03/19 to 07/03/20	–	1.6889	1.6889	1.2658
Total distributions in the period			1.6889	1.2658

Group 2: shares purchased during a distribution period.

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

Threadneedle Japan Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	56.35	60.29	55.99	64.15	68.23	62.98
Return before operating charges (p)	5.86	(2.97)	5.28	6.69	(3.36)	5.95
Operating charges (p)	(0.98)	(0.97)	(0.98)	(0.76)	(0.72)	(0.70)
Return after operating charges (p)*	4.88	(3.94)	4.30	5.93	(4.08)	5.25
Distributions (p)	(0.02)	–	–	(0.43)	(0.30)	(0.29)
Retained distributions on accumulation shares (p)	0.02	–	–	0.43	0.30	0.29
Closing net asset value per share (p)	61.23	56.35	60.29	70.08	64.15	68.23
* after direct transaction costs of (p)	0.04	0.06	0.08	0.05	0.07	0.09
Performance						
Return after charges (%)	8.66	(6.54)	7.68	9.24	(5.98)	8.34
Other information						
Closing net asset value (£000)	3,881	120,505	121,061	234,125	229,529	231,075
Closing number of shares	6,339,266	213,843,169	200,799,874	334,062,691	357,825,938	338,658,021
Operating charges (%)**	1.66	1.63	1.67	1.06	1.06	1.06
Direct transaction costs (%)***	0.07	0.10	0.14	0.07	0.10	0.14
Prices						
Highest share price (p)	67.63	65.69	65.14	77.38	74.59	73.66
Lowest share price (p)	55.72	53.12	52.59	63.43	60.40	59.20

	Class X – Income shares		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	148.99	159.31	147.62
Return before operating charges (p)	15.50	(7.95)	14.00
Operating charges (p)	(0.10)	(0.09)	(0.09)
Return after operating charges (p)*	15.40	(8.04)	13.91
Distributions (p)	(2.67)	(2.28)	(2.22)
Retained distributions on accumulation shares (p)	–	–	–
Closing net asset value per share (p)	161.72	148.99	159.31
*after direct transaction costs of (p)	0.12	0.16	0.22
Performance			
Return after charges (%)	10.34	(5.05)	9.42
Other information			
Closing net asset value (£000)	1,643	2,054	1,221
Closing number of shares	1,015,841	1,378,268	766,577
Operating charges (%)**	0.06	0.06	0.06
Direct transaction costs (%)***	0.07	0.10	0.14
Prices			
Highest share price (p)	181.39	175.16	174.11
Lowest share price (p)	147.36	142.15	138.91

Threadneedle Japan Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018¹
Change in net assets per share						
Opening net asset value per share (p)	136.85	144.13	131.71	240.97	253.78	226.05
Return before operating charges (p)	14.28	(7.19)	12.50	25.15	(12.66)	27.83
Operating charges (p)	(0.09)	(0.09)	(0.08)	(0.16)	(0.15)	(0.10)
Return after operating charges (p)*	14.19	(7.28)	12.42	24.99	(12.81)	27.73
Distributions (p)	(2.45)	(2.07)	(1.98)	(4.31)	(3.64)	(1.80)
Retained distributions on accumulation shares (p)	2.45	2.07	1.98	4.31	3.64	1.80
Closing net asset value per share (p)	151.04	136.85	144.13	265.96	240.97	253.78
*after direct transaction costs of (p)	0.11	0.15	0.20	0.19	0.26	0.29
Performance						
Return after charges (%)	10.37	(5.05)	9.43	10.37	(5.05)	12.27
Other information						
Closing net asset value (£000)	343,057	238,570	240,272	28,679	108,924	98,336
Closing number of shares	227,134,722	174,323,739	166,709,740	10,783,532	45,201,527	38,748,938
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06¹
Direct transaction costs (%)***	0.07	0.10	0.14	0.07	0.10	0.14
Prices						
Highest share price (p)	166.62	158.46	155.35	293.39	279.02	273.54
Lowest share price (p)	135.36	128.60	123.94	238.34	226.44	223.38

	Class X GBP Hedged - Gross accumulation shares ⁵		Class Z – Accumulation shares		
	07/03/2020²		07/03/2020	07/03/2019	07/03/2018
Change in net assets per share					
Opening net asset value per share (p)	100.00		195.91	208.03	191.68
Return before operating charges (p)	(0.90)		20.41	(10.30)	18.13
Operating charges (p)	(0.03)		(1.92)	(1.82)	(1.78)
Return after operating charges (p)*	(0.93)		18.49	(12.12)	16.35
Distributions (p)	(0.07)		(1.69)	(1.27)	(1.22)
Retained distributions on accumulation shares (p)	0.07		1.69	1.27	1.22
Closing net asset value per share (p)	99.07		214.40	195.91	208.03
*after direct transaction costs of (p)	0.08		0.16	0.22	0.29
Performance					
Return after charges (%)	(0.93)		9.44	(5.83)	8.53
Other information					
Closing net asset value (£000)	166,235		5,319	1,916	1,786
Closing number of shares	167,795,591		2,480,686	978,092	858,327
Operating charges (%)**	0.06†		0.88	0.88	0.88
Direct transaction costs (%)***	0.07		0.07	0.10	0.14
Prices					
Highest share price (p)	114.89		236.72	227.65	224.50
Lowest share price (p)	97.52		193.74	184.40	180.19

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

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

¹Only available to eligible investors.

²Commenced 12 May 2017.

³Commenced 8 October 2019.

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

Threadneedle Japan Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	51,929	(43,737)
Forward currency contracts	(2,709)	(138)
Other gains/(losses)	3,476	(799)
Transaction costs	(3)	(5)
Net capital gains/(losses)	52,693	(44,679)

3 REVENUE

	2020 £000	2019 £000
Overseas dividends	14,073	11,828
Bank interest	6	1
Total revenue	14,079	11,829

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,983)	(4,317)
Registration fees	(299)	(347)
	(3,282)	(4,664)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(92)	(86)
Safe custody fees	(63)	(60)
	(155)	(146)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(10)	(11)
	(17)	(18)
Total expenses*	(3,454)	(4,828)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(68)	(71)
Total interest payable and similar charges	(68)	(71)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(1,393)	(1,159)
Total current tax (note 6b)	(1,393)	(1,159)
Total tax charge for the period	(1,393)	(1,159)
b) Factors affecting taxation charge for period		
Net revenue before taxation	10,557	6,930
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,111)	(1,386)
Effects of:		
Revenue not subject to taxation	2,718	2,282
Overseas taxes	(1,393)	(1,159)
Overseas tax expensed	7	4
Excess expenses	(614)	(900)
Current tax charge for period (note 6a)	(1,393)	(1,159)

The fund has not recognised a deferred tax asset of £8,751,527 (2019: (8,125,110)) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Final	7,635	6,351
	7,635	6,351
Add: Revenue deducted on the cancellation of shares	1,591	519
Deduct: Revenue received on the creation of shares	(1,539)	(922)
Net distribution for the period	7,687	5,948
Net revenue after taxation	9,164	5,771
Equalisation on conversion	(1,477)	–
Shortfall transfer from capital to revenue	–	177
Total distributions	7,687	5,948

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 162 to 163.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	1,731	1
Sales awaiting settlement	–	6,721
Accrued revenue	651	722
Total debtors	2,382	7,444

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	7,950	–
Cash and bank balances	43,526	27,291
Total cash and bank balances	51,476	27,291

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(15)	(3,829)
Purchases awaiting settlement	(4,010)	(988)
Accrued expenses	(23)	(24)
Amounts payable to ACD	(287)	(440)
Total other creditors	(4,335)	(5,281)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle Japan Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Japan Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class X2 shares	N/A**
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 164 to 165. The distribution per share class is given in the distribution table on pages 162 to 163.

All classes have the same rights on winding up.

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

**X2 Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 - Accumulation shares	
Opening shares	213,843,169
Shares issued	46,919,764
Shares redeemed	(254,401,526)
Net conversions	(22,141)
Closing shares	6,339,266
Class 2 - Accumulation shares	
Opening shares	357,825,938
Shares issued	51,630,882
Shares redeemed	(75,391,394)
Net conversions	(2,735)
Closing shares	334,062,691
Class X - Income shares	
Opening shares	1,378,268
Shares issued	—
Shares redeemed	(362,427)
Net conversions	—
Closing shares	1,015,841
Class X - Accumulation shares	
Opening shares	174,323,739
Shares issued	75,330,376
Shares redeemed	(22,519,393)
Net conversions	—
Closing shares	227,134,722
Class X2 - Accumulation shares	
Opening shares	45,201,527
Shares issued	12,592,226
Shares redeemed	(11,380,749)
Net conversions	(35,629,472)
Closing shares	10,783,532
Class X GBP Hedged - Gross accumulation shares*	
Opening shares	—
Shares issued	83,683,798
Shares redeemed	(10,227,945)
Net conversions	94,339,738
Closing shares	167,795,591
Class Z - Accumulation shares	
Opening shares	978,092
Shares issued	1,921,944
Shares redeemed	(426,602)
Net conversions	7,252
Closing shares	2,480,686

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

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.72% and vice versa (2019: 4.80%).

Currency exposures

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

	Total £000
Currency 2020	
Japanese Yen	606,723
Currency 2019	£000
Japanese Yen	703,195

Currency sensitivity analysis

The only material currency exposure of the fund is to the Japanese Yen. A movement of 6.66% (2019: 0.19%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.16% (2019: 0.19%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Collateral Pledged £000
2020		
Counterparty		
Barclays	1	—
J.P. Morgan	—	7,950
Royal Bank of Scotland	2	—

As at the prior balance sheet date there was no derivative exposure or collateral to disclose.

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	"Floating rate financial assets" £000	"Fixed rate financial assets" £000	"Financial assets not carrying interest" £000	Total £000
Currency 2020				
Japanese Yen	43,515	—	759,351	802,866
UK Sterling	7,961	—	184,910	192,871
Currency 2019	£000	£000	£000	£000
Japanese Yen	27,257	—	679,521	706,778
UK Sterling	34	—	2,593	2,627
	"Floating rate financial liabilities" £000	"Fixed rate financial liabilities" £000	"Financial liabilities not carrying interest" £000	Total £000
Currency 2020				
Japanese Yen	—	—	(196,143)	(196,143)
UK Sterling	—	—	(16,655)	(16,655)
Currency 2019	£000	£000	£000	£000
Japanese Yen	—	—	(3,583)	(3,583)
UK Sterling	—	—	(4,324)	(4,324)

Threadneedle Japan Fund

Notes to the financial statements

(continued)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £297,000 (2019: £Nil) and a liability value of £8,954,000 (2019: £Nil).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	742,100	–	672,078	–
Level 2	297	(8,954)	–	(3)
	742,397	(8,954)	672,078	(3)

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000		£000	
Equities	459,824	266	0.06	–	–
Total	459,824	266		–	
Gross purchases total:	460,090				

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000		£000	
Equities	442,063	287	0.06	–	–
Total	442,063	287		–	

Total sales net of transaction costs: **441,776**

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.00%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000		£000	
Equities	566,873	381	0.07	–	–
Total	566,873	381		–	

Gross purchases total: **567,254**

Sales	Value £000	Commissions £000	%	Taxes £000	%
	£000	£000		£000	
Equities	518,478	367	0.07	–	–
Total	518,478	367		–	

Total sales net of transaction costs: **518,111**

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.00%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.16% (7 March 2019: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 4.71%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Accumulation shares	60.27	66.64	10.57
Class 2 – Accumulation shares	68.99	76.37	10.70
Class X – Income shares	159.19	176.57	10.92
Class X – Accumulation shares	148.67	164.90	10.92
Class X2 – Accumulation shares	261.79	290.37	10.92
Class Z – Accumulation shares	211.04	233.70	10.74

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(268.18)
Class 2 – Accumulation shares	(9.99)
Class X – Income shares	(46.29)
Class X – Accumulation shares	(20.33)
Class X2 – Accumulation shares	(18.01)

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 – Gross Return 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 – Gross Return index.

The MSCI AC Asia Pacific ex Japan – Gross Return 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Asia Fund has risen from 216.85p to 233.09p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +8.34% as compared to a median return of +2.80% over the same period. (For information the MSCI AC Asia Pacific ex Japan – Gross Return Index returned +4.54% over the same period).

Market Overview and Portfolio Activity

Asian equity markets proved volatile over the period. While markets were supported by the Federal Reserve's dovish stance on monetary policy and selective stimulus by

Chinese policymakers, there were notable bouts of volatility when US-China trade tensions flared. The outbreak of the coronavirus towards the end of the period also caused a sell-off in both global and Asian markets, while central-bank easing across the region attempted to cushion the blow.

In China, the period started with progress in the US-China trade discussions. Investor sentiment was boosted by stimulus measures to complement the trade developments. Soon after, Chinese equities endured volatility amid a breakdown in negotiations, before both sides agreed to a new phase-one deal which included an agreement by the US not to proceed with the planned escalation of existing levies, while cutting the tariffs on Chinese goods. Sentiment was further supported by the prospect of further stimulus, with the People's Bank of China cutting a key lending rate (RRR). China's market sold off later in the period given the outbreak of coronavirus, and concerns surrounding the impact this would have on China's economic growth and global supply chains.

Indian equities experienced volatility amid weaker economic data and political uncertainty in the run-up to the general election, which returned the ruling party to power. To support the economy, the Indian central bank lowered interest rates and the government introduced policies to boost growth. It also announced substantial cuts to corporate and long-term capital gains taxes, which boosted market sentiment. Later, equities were hampered by political tensions and concerns surrounding the spread of the coronavirus.

Taiwan's market continued to grind higher over most of the period given the improving outlook for the technology sector, which was driven by progress on the US-China trade deal and optimism surrounding the outlook for 5G network capabilities. Towards the end of the period, the market sold off as the coronavirus spread outside China. Similarly, in South Korea, the supportive US-China trade backdrop proved helpful over the year before equities sold off on coronavirus concerns.

In terms of activity, the fund started a position in Singapore's CapitalLand a property development company looking to unlock value through the sale of non-core assets and by consolidating its industrial and logistics businesses. We also bought Indian natural gas supplier Petronet, as we believe the company should benefit from capacity additions and rising domestic demand. Other purchases included Australia's Aristocrat Leisure, a manufacturer of gaming machines and systems. The company is successfully transitioning from land-based slot games to a more digitally driven strategy, buoyed by an attractive portfolio of new games.

We also purchased ASM Pacific Technology, a Hong Kong-based producer of equipment used for the packaging and assembly of semiconductors, as we believe the company is well positioned to benefit from the continued positive outlook for semiconductor capex. Another purchase in the technology sector included Taiwan's

Hon Hai Precision, which is a key manufacturing partner of Apple. We hold a constructive outlook given margin improvements driven by tighter cost control, together with improvements in operational efficiency.

To fund these purchases, we sold our position in Singapore Bank DBS and consolidated our holding in United Overseas Bank, as the valuation looked more attractive and there is a greater focus on the domestic market. Australian technology company Computershare was also sold, as the company's management change and weaker performance in the UK market raised concerns around future earnings. Elsewhere in Australia, we exited infrastructure company Transurban, as bond-proxy stocks outperformed on expectations of lower interest rates, and Treasury Wine, to reflect unexpected weakness in the company's key US business. We also closed our position in Infosys, due to a slowdown in new-order wins and potential disruption from changes in the management team.

Asian equities have been supported by the Fed's dovish stance and selective stimulus by Chinese policymakers, while global coronavirus concerns and uncertainty surrounding US-China trade negotiations have been the key risk to markets.

In China, we expect the government to implement stimulus where necessary in order to stabilise the economy. In addition, we have noticed an increase in support for the private sector and an improvement in the regulatory environment. We believe real activity growth will remain under pressure, with headwinds related to exports. More recently, concerns surrounding the outbreak of the coronavirus have hurt both global and Asian markets. We can anticipate a sharp hit to growth forecasts with offsetting policy support if the coronavirus takes another couple of months to peak – which could potentially drive a rebound in global growth momentum into the second half of the year.

The China-US trade war has been another risk, with markets reacting positively to the phase-one deal. While this is clearly a constructive step, we anticipate both positive and negative surprises, given the intermingling of issues such as deficit reduction, market access, intellectual property and industrial policy, as well as the surfacing of long-term simmering issues, particularly around technology and national security.

Reforms in Asian markets can be transformational in unlocking growth potential. Following national elections over the last 18 months, reform momentum may increase in countries such as India, Indonesia, Malaysia and Philippines, paving the way for greater macro stability and stronger structural growth.

The valuation case remains compelling, with valuation metrics below their respective historical means.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	33,875	(34,411)
Revenue	3	14,791	15,626
Expenses	4	(2,450)	(5,203)
Interest payable and similar charges	5	(18)	(18)
Net revenue before taxation		12,323	10,405
Taxation	6	(756)	(790)
Net revenue after taxation		11,567	9,615
Total return before distributions		45,442	(24,796)
Distributions	7	(10,906)	(9,241)
Change in net assets attributable to shareholders from investment activities		34,536	(34,037)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		634,896	445,351
Current assets:			
Debtors	8	8,678	1,993
Cash and bank balances		2,508	4,271
Cash equivalents**		11,556	4
Total assets		657,638	451,619
Liabilities:			
Investment liabilities		(48)	–
Creditors:			
Bank overdrafts		(1,006)	–
Other creditors	9	(3,705)	(2,883)
Total liabilities		(4,759)	(2,883)
Net assets attributable to shareholders		652,879	448,736

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	448,736	624,995
Amounts receivable on the issue of shares	364,193	409,920
Amounts payable on the cancellation of shares	(208,732)	(396,309)
Amounts payable on in specie transfers	–	(164,032)
	155,461	(150,421)
Dilution adjustment	311	128
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	34,536	(34,037)
Retained distribution on accumulation shares	13,835	8,071
Closing net assets attributable to shareholders	652,879	448,736

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share					
Class 1 – Accumulation shares					
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019	
Group 1					
08/03/19 to 07/03/20	1.9736	–	1.9736	1.7393	
Group 2					
08/03/19 to 07/03/20	0.7354	1.2382	1.9736	1.7393	
Total distributions in the period			1.9736	1.7393	
Class 2 – Accumulation shares					
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019	
Group 1					
08/03/19 to 07/03/20	3.7290	–	3.7290	3.3456	
Group 2					
08/03/19 to 07/03/20	1.3788	2.3502	3.7290	3.3456	
Total distributions in the period			3.7290	3.3456	

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle Asia Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	4.2751	—	4.2751	3.8225
Group 2 08/03/19 to 07/03/20	1.6825	2.5926	4.2751	3.8225
Total distributions in the period			4.2751	3.8225

Class X2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	16.5690	—	16.5690	14.6992
Group 2 08/03/19 to 07/03/20	5.0867	11.4823	16.5690	14.6992
Total distributions in the period			16.5690	14.6992

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	3.2869	—	3.2869	2.9455
Group 2 08/03/19 to 07/03/20	1.3787	1.9082	3.2869	2.9455
Total distributions in the period			3.2869	2.9455

Group 2: shares purchased during a distribution period.

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

Threadneedle Asia Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	216.54	223.94	192.05	233.55
Return before operating charges (p)	21.84	(3.76)	35.56	(24.27)
Operating charges (p)	(3.81)	(3.64)	(3.67)	(1.92)
Return after operating charges (p)*	18.03	(7.40)	31.89	(26.19)
Distributions (p)	(1.97)	(1.74)	(0.65)	(1.60)
Retained distributions on accumulation shares (p)	1.97	1.74	0.65	1.60
Closing net asset value per share (p)	234.57	216.54	223.94	207.36
* after direct transaction costs of (p)	0.26	0.53	0.49	0.15
Performance				
Return after charges (%)	8.33	(3.30)	16.61	(11.21)
Other information				
Closing net asset value (£000)	13,094	65,180	148,098	–
Closing number of shares	5,582,102	30,101,025	66,133,496	–
Operating charges (%)**	1.67	1.66	1.72	–
Direct transaction costs (%)***	0.11	0.24	0.23	–
Prices				
Highest share price (p)	259.86	237.99	237.58	232.75
Lowest share price (p)	213.81	194.10	186.44	194.10

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	25/01/2019 ¹	07/03/2020	07/03/2019	07/03/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	233.55	243.60	250.48	213.50
Return before operating charges (p)	185.73	24.68	(4.23)	39.62
Operating charges (p)	(1.92)	(2.86)	(2.65)	(2.64)
Return after operating charges (p)*	183.81	21.82	(6.88)	36.98
Distributions (p)	(1.60)	(3.73)	(3.35)	(2.17)
Retained distributions on accumulation shares (p)	1.60	3.73	3.35	2.17
Closing net asset value per share (p)	207.36	265.42	243.60	250.48
* after direct transaction costs of (p)	0.15	0.30	0.59	0.54
Performance				
Return after charges (%)	(11.21)	8.96	(2.75)	17.32
Other information				
Closing net asset value (£000)	–	140,910	133,075	289,302
Closing number of shares	–	53,088,843	54,629,187	115,499,365
Operating charges (%)**	–	1.08	1.08	1.11 ¹
Direct transaction costs (%)***	–	0.11	0.24	0.23
Prices				
Highest share price (p)	232.75	293.78	266.58	265.55
Lowest share price (p)	194.10	240.53	217.85	207.41

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	25/01/2019 ¹			25/01/2019 ¹		
Change in net assets per share						
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		
Performance						
Return after charges (%)	(10.90)			(10.90)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	260.75			260.75		
Lowest share price (p)	217.85			217.85		

	Class X – Accumulation shares			Class X2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	162.75	165.70	139.83	630.61	642.14	555.71
Return before operating charges (p)	16.47	(2.82)	26.03	63.84	(11.03)	86.89
Operating charges (p)	(0.14)	(0.13)	(0.16)	(0.56)	(0.50)	(0.46)
Return after operating charges (p)*	16.33	(2.95)	25.87	63.28	(11.53)	86.43
Distributions (p)	(4.28)	(3.82)	(2.99)	(16.57)	(14.70)	(9.77)
Retained distributions on accumulation shares (p)	4.28	3.82	2.99	16.57	14.70	9.77
Closing net asset value per share (p)	179.08	162.75	165.70	693.89	630.61	642.14
* after direct transaction costs of (p)	0.20	0.39	0.36	0.80	1.51	1.17
Performance						
Return after charges (%)	10.03	(1.78)	18.50	10.03	(1.80)	15.55
Other information						
Closing net asset value (£000)	229,517	122,597	66,298	248,873	110,093	87,516
Closing number of shares	128,166,472	75,329,668	40,011,829	35,866,422	17,458,287	13,628,740
Operating charges (%)**	0.08	0.08	0.10	0.08	0.08	0.11
Direct transaction costs (%)***	0.11	0.24	0.23	0.11	0.24	0.23
Prices						
Highest share price (p)	197.95	176.79	175.46	767.02	685.12	680.02
Lowest share price (p)	160.70	144.97	136.00	622.67	561.72	547.25

Threadneedle Asia Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	190.87	195.92	166.70	204.75
Return before operating charges (p)	19.30	(3.32)	30.96	(21.02)
Operating charges (p)	(1.87)	(1.73)	(1.74)	(1.11)
Return after operating charges (p)*	17.43	(5.05)	29.22	(22.13)
Distributions (p)	(3.29)	(2.95)	(2.02)	(2.67)
Retained distributions on accumulation shares (p)	3.29	2.95	2.02	2.67
Closing net asset value per share (p)	208.30	190.87	195.92	182.62
* after direct transaction costs of (p)	0.24	0.46	0.43	0.16
Performance				
Return after charges (%)	9.13	(2.58)	17.53	(10.81)
Other information				
Closing net asset value (£000)	20,485	17,791	33,781	–
Closing number of shares	9,834,053	9,321,029	17,241,993	–
Operating charges (%)**	0.90	0.90	0.93	–
Direct transaction costs (%)***	0.11	0.24	0.23	–
Prices				
Highest share price (p)	230.53	208.61	207.66	204.06
Lowest share price (p)	188.46	170.57	161.98	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.

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

¹Commenced 15 June 2018 and closed 25 January 2019.

²Commenced 12 May 2017

³The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle Asia Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020	2019
	£000	£000
Non-derivative securities	33,919	(34,811)
Forward currency contracts	35	41
Other (losses)/gains	(71)	362
Transaction costs	(8)	(3)
Net capital gains/(losses)	33,875	(34,411)

3 REVENUE

	2020	2019
	£000	£000
Overseas dividends	14,632	15,036
Franked dividend distributions	29	223
Interest on short term investments	13	80
Bank interest	107	69
Management fee rebate on collective investment scheme holdings	10	217
Subsidised expense rebate	–	1
Total revenue	14,791	15,626

4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,994)	(4,652)
Registration fees	(232)	(326)
	(2,226)	(4,978)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(67)	(71)
Safe custody fees	(131)	(133)
	(198)	(204)
Other expenses:		
Regulatory fees	(12)	(7)
Audit fees	(8)	(9)
Audit fees – non-audit services	(6)	(5)
	(26)	(21)
Total expenses*	(2,450)	(5,203)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(18)	(18)
Total interest payable and similar charges	(18)	(18)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(1,417)	(1,165)
Total current tax (note 6b)	(1,417)	(1,165)
Capital gains tax (note 6c)	661	375
Total tax charge for the period	(756)	(790)

b) Factors affecting taxation charge for period

	2020	2019
Net revenue before taxation	12,323	10,405
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(2,465)	(2,081)
Effects of:		
Revenue not subject to taxation	2,861	2,895
Overseas taxes	(1,417)	(1,165)
Overseas tax expensed	8	6
Excess expenses	(404)	(820)
Current tax charge for period (note 6a)	(1,417)	(1,165)

c) Capital gains tax

Capital gains tax charge in the statement of total return for the period (note 6a)	661	375
Provision at the end of the period	661	375

The fund has not recognised a deferred tax asset of £8,428,799 (2019: £8,024,347) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020	2019
	£000	£000
Final	13,835	8,071
	13,835	8,071
Add: Revenue deducted on the cancellation of shares	1,826	4,467
Deduct: Revenue received on the creation of shares	(4,755)	(3,297)
Net distribution for the period	10,906	9,241
Net revenue after taxation	11,567	9,615
Capital gains tax	(661)	(375)
Equalisation on conversion	–	2
Undistributed revenue brought forward	1	–
Undistributed revenue carried forward	(1)	(1)
Total distributions	10,906	9,241

Details of the distribution per share are set out in the table on pages 169 to 170.

8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	6,807	275
Accrued revenue	1,870	1,717
Foreign withholding tax recoverable	1	1
Total debtors	8,678	1,993

9 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(741)	(756)
Purchases awaiting settlement	(1,555)	–
Accrued expenses	(29)	(26)
Amounts payable to ACD	(201)	(261)
Corporation tax payable	(1,179)	(1,179)
Capital gains tax provision	–	(661)
Total other creditors	(3,705)	(2,883)

Threadneedle Asia Fund

Notes to the financial statements

(continued)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

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

A balance of £Nil (2019: £7,000), in respect of annual management rebates is receivable at the end of the accounting period.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement. The fund has received £29,000 (2019: £223,000) franked dividend distributions and £10,000 (2019: £217,000) management fee rebate on collective investment scheme holdings.

In addition this investment has produced a non-derivative security loss of £3,383,000 (2019: £-14,913,000).

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

12 SHAREHOLDER FUNDS

Threadneedle Asia Fund currently has five share classes; Class 1, Class 2, Class X, Class X2 and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class X2 shares	N/A**
Class Z shares	0.75%

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class X2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 171 to 173. The distribution per share class is given in the distribution table on pages 169 to 170. All classes have the same rights on winding up.

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

**X2 Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 – Accumulation shares	
Opening shares	30,101,025
Shares issued	10,417,144
Shares redeemed	(34,892,089)
Net conversions	(43,978)
Closing shares	5,582,102
Class 2 – Accumulation shares	
Opening shares	54,629,187
Shares issued	28,500,480
Shares redeemed	(30,039,447)
Net conversions	(1,377)
Closing shares	53,088,843

2020

Class X – Accumulation shares

Opening shares	75,329,668
Shares issued	56,939,780
Shares redeemed	(4,102,976)
Net conversions	–
Closing shares	128,166,472

Class X2 – Accumulation shares

Opening shares	17,458,287
Shares issued	24,219,137
Shares redeemed	(5,811,002)
Net conversions	–
Closing shares	35,866,422

Class Z – Accumulation shares

Opening shares	9,321,029
Shares issued	1,654,938
Shares redeemed	(1,193,381)
Net conversions	51,467
Closing shares	9,834,053

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

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.16% and vice versa (2019: 5.42%).

Currency exposures

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

	Total £000
Currency 2020	
Australian Dollar	84,640
China Renminbi	15,586
Hong Kong Dollar	212,761
Indian Rupee	43,625
Indonesian Rupiah	18,068
Philippines Peso	13,066
Singapore Dollar	18,507
South Korean Won	85,333
Taiwan Dollar	88,229
US Dollar	71,568
Currency 2019	£000
Australian Dollar	70,637
China Renminbi	12,970
Hong Kong Dollar	146,351
Indian Rupee	33,039
Indonesian Rupiah	16,699
Malaysian Ringgit	1,448
Philippines Peso	15,959
Singapore Dollar	17,231
South Korean Won	43,094
Taiwan Dollar	45,465
Thai Baht	4,353
US Dollar	37,569

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Threadneedle Asia Fund

Notes to the financial statements

(continued)

	Currency movement	Fund movement
Currency 2020	%	%
Australian Dollar	4.98	0.65
Hong Kong Dollar	1.95	0.64
South Korean Won	4.60	0.60
Taiwan Dollar	3.82	0.52
US Dollar	0.97	0.11
Currency 2019	%	%
Australian Dollar	5.07	0.80
Hong Kong Dollar	5.00	1.63
Taiwan Dollar	0.05	0.00

Credit/Counterparty exposure

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Australian Dollar	—	—	84,640	84,640
China Renminbi	—	—	15,586	15,586
Hong Kong Dollar	—	—	214,316	214,316
Indian Rupee	—	—	43,625	43,625
Indonesian Rupiah	—	—	18,068	18,068
Philippines Peso	—	—	13,066	13,066
Singapore Dollar	—	—	18,507	18,507
South Korean Won	—	—	85,333	85,333
Taiwan Dollar	2,508	—	85,721	88,229
UK Sterling	—	—	6,851	6,851
US Dollar	—	11,556	61,024	72,580
Currency 2019	£000	£000	£000	£000
Australian Dollar	—	—	70,637	70,637
China Renminbi	—	—	12,970	12,970
Hong Kong Dollar	—	—	146,351	146,351
Indian Rupee	—	—	33,039	33,039
Indonesian Rupiah	—	—	16,699	16,699
Malaysian Ringgit	—	—	1,448	1,448
Philippines Peso	—	—	15,959	15,959
Singapore Dollar	—	—	17,231	17,231
South Korean Won	—	—	43,094	43,094
Taiwan Dollar	2,412	—	43,053	45,465
Thai Baht	—	—	4,353	4,353
UK Sterling	74	—	6,730	6,804
US Dollar	1,785	—	36,306	38,091

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Hong Kong Dollar	—	—	(1,555)	(1,555)
UK Sterling	(38)	—	(5,317)	(5,355)
US Dollar	(968)	—	(44)	(1,012)
Currency 2019	£000	£000	£000	£000
UK Sterling	—	—	(2,883)	(2,883)
US Dollar	—	—	(522)	(522)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2019: £Nil) and a liability value of £48,000 (2019: £Nil).

14 FAIR VALUE DISCLOSURE

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

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

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	646,452	—	439,430	—
Level 2	—	(48)	5,925	—
	646,452	(48)	445,355	—

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

Threadneedle Asia Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	311,288	167	0.05	152	0.05
Collective investment schemes	92,809	—	—	—	—
Corporate actions	176	—	—	—	—
Total	404,273	167		152	

Gross purchases total:

404,592

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	151,013	136	0.09	183	0.12
Collective investment schemes	86,807	—	—	—	—
Total	237,820	136		183	

Total sales net of transaction costs:

237,501

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.06%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	331,982	290	0.09	159	0.05
Collective investment schemes	12,399	—	—	—	—
Corporate actions	1,202	—	—	—	—
Total	345,583	290		159	

Gross purchases total:

346,032

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	448,661	212	0.05	468	0.10
Collective investment schemes	32,683	—	—	—	—
Corporate actions	879	—	—	—	—
Total	482,223	212		468	

Total sales net of transaction costs:

481,543

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.13%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.22% (7 March 2019: 0.20%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 2.13%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(25.30)

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 American 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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Latin America Fund has fallen from 243.56p to 218.10p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested

income, is -8.56% as compared to a median return of -7.84% over the same period. (For information the MSCI EM Latin America 10/40 Index returned -7.89% over the same period).

Market Overview and Portfolio Activity

Latin American equities ended the period lower in sterling terms, while enduring bouts of volatility. Market sentiment was mixed owing to US-China trade relations, the passage of the Brazilian pension reform bill, and later in the period, the outbreak of a novel coronavirus in China and beyond.

In Brazil, the government's high-profile pension-reform plan obtained final approval from the legislature's lower house as well as the Senate. The passage was seen as critical to national growth and fiscal stability. Subsequently, the government also proposed constitutional amendments aimed at paring public spending. The central bank delivered a series of rate cuts, with the rate ending the period at a record low of 4.25%.

Mexico's market outperformed the broader index, as the US House of Representatives approved the USMCA (United States-Mexico-Canada Agreement) trade deal, while the central bank maintained a modest easing cycle and cut rates by 25 basis points.

Argentine equities benefited from MSCI's announcement to include the country's stocks into the emerging market index in May. Later in the period, the market sold off given political uncertainty and a deterioration in the economic outlook. Chilean equities were hindered by falling prices of copper, the country's chief export, while anti-government protests and social unrest in October also hurt market sentiment. In Colombia, equities were supported by the announcement of new reforms by the government, including a proposal targeted at capital markets, to support the country's fragile economic recovery. However, the market sold off towards the end of the period given the spread of coronavirus globally.

Over the period, we established a position in Arezzo, a market leader in the Brazilian retail sector, with the expectation of strong performance in the company's multi-brand, franchise and web-commerce channels. We participated in the initial public offering of Brazilian digital brokerage firm XP, as we expect the company to continue to gain market share owing to its broader product offering and increasing awareness of its brand. Given our constructive view of Brazil's consumer environment, we also opened positions in retailers Companhia Brasileira de Distribuicao, which runs supermarkets and hypermarkets in the food and non-food sectors; and Magazine Luiza, which operates a multi-channel

retail platform of mobile, online and physical stores. Outside Brazil, we took advantage of the attractive valuation to purchase Chilean shopping-mall company Parque Arauco, given its high-asset quality and strong project pipeline. To fund these purchases, we sold Brazilian insurer BB Seguridade, as the company reached our target price. We also exited our positions in Brazilian retailer Lojas Americanas, and Mexico's Grupo Aeroportuario de Sureste among others.

Latin American countries face diverse outlooks, with concerns around COVID-19 posing a key risk to markets globally. Despite this, we must still consider each economy exclusively, assessing where it is in the political, monetary and GDP growth cycles, as well as the varying exposures to commodities.

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 so are less exposed to tariffs.

The economies dependent on commodity exports are vulnerable to a decline in demand arising from the impact of the coronavirus. However, we do not expect the virus to derail long-term drivers but believe there will be a transitory economic impact with a rebound in growth once the virus is contained.

The outlook for the Brazilian economy has been impacted by global virus concerns in the short term. We still remain constructive on the long-term secular drivers given the government's focus on greater efficiency and market-friendly reforms. We also continue to identify opportunities in the consumer and technology sectors amid a low interest-rate regime and benign inflation environment. We believe consumer finance has significant growth potential in Brazil over the long term, while technology is democratising banking, and hence steadily reducing the unbanked section of the population. Growth is especially strong in this area because it is coming from an untapped market.

Mexico has recently suffered from political uncertainty, resulting in heightened investor concern. Regarding the future of US-Mexico trade relations, we hold a constructive outlook following the signing of the USMCA deal, and we continue to monitor recent developments on the possibility of new tariffs.

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. In portfolios, we currently have limited exposure to domestic names given macro uncertainties due to concerns surrounding the country's deficit, inflation and currency devaluation.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(38,719)	(39,160)
Revenue	3	10,713	14,259
Expenses	4	(4,547)	(4,958)
Interest payable and similar charges	5	(4)	(9)
Net revenue before taxation		6,162	9,292
Taxation	6	(755)	(1,109)
Net revenue after taxation		5,407	8,183
Total return before distributions		(33,312)	(30,977)
Distributions	7	(5,407)	(8,183)
Change in net assets attributable to shareholders from investment activities		(38,719)	(39,160)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		276,846	407,665
Current assets:			
Debtors	8	5,106	3,233
Cash and bank balances		8,095	15,442
Cash equivalents**		18,102	1,674
Total assets		308,149	428,014
Liabilities:			
Creditors:			
Bank overdrafts		(270)	—
Other creditors	9	(8,745)	(15,507)
Total liabilities		(9,015)	(15,507)
Net assets attributable to shareholders		299,134	412,507

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	412,507	486,932
Amounts receivable on the issue of shares	165,359	183,494
Amounts payable on the cancellation of shares	(244,986)	(226,604)
	(79,627)	(43,110)
Dilution adjustment	122	73
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(38,719)	(39,160)
Retained distribution on accumulation shares	4,851	7,772
Closing net assets attributable to shareholders	299,134	412,507

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	2.0193	—	2.0193	3.2926
Group 2 08/03/19 to 07/03/20	1.2028	0.8165	2.0193	3.2926
Total distributions in the period			2.0193	3.2926

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	4.0503	—	4.0503	5.2955
Group 2 08/03/19 to 07/03/20	2.2511	1.7992	4.0503	5.2955
Total distributions in the period			4.0503	5.2955

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle Latin America Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	2.7135	–	2.7135	3.0872
Group 2				
08/03/19 to 07/03/20	2.7135	–	2.7135	3.0872
Total distributions in the period			2.7135	3.0872

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	1.5668	–	1.5668	1.9760
Group 2				
08/03/19 to 07/03/20	0.9580	0.6088	1.5668	1.9760
Total distributions in the period			1.5668	1.9760

Group 2: shares purchased during a distribution period.

Threadneedle Latin America Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	243.25	261.20	249.87	271.71	289.96	275.70
Return before operating charges (p)	(24.85)	(13.93)	15.53	(28.03)	(15.38)	17.24
Operating charges (p)	(4.41)	(4.02)	(4.20)	(3.18)	(2.87)	(2.98)
Return after operating charges (p)*	(29.26)	(17.95)	11.33	(31.21)	(18.25)	14.26
Distributions (p)	(2.02)	(3.29)	(2.67)	(4.05)	(5.30)	(4.68)
Retained distributions on accumulation shares (p)	2.02	3.29	2.67	4.05	5.30	4.68
Closing net asset value per share (p)	213.99	243.25	261.20	240.50	271.71	289.96
*after direct transaction costs of (p)	0.47	0.52	0.36	0.53	0.58	0.40
Performance						
Return after charges (%)	(12.03)	(6.87)	4.53	(11.49)	(6.29)	5.17
Other information						
Closing net asset value (£000)	39,303	56,823	70,691	226,061	314,532	363,530
Closing number of shares	18,366,754	23,360,248	27,064,208	93,996,899	115,759,137	125,373,778
Operating charges (%)**	1.70	1.69	1.70	1.09	1.08	1.09
Direct transaction costs (%)***	0.18	0.21	0.14	0.18	0.21	0.14
Prices						
Highest share price (p)	282.98	263.19	264.89	316.86	293.64	293.32
Lowest share price (p)	218.10	211.51	220.51	245.11	235.19	243.60

	Class X – Accumulation shares			Class Z – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	112.98	119.53	112.77	93.27	99.35	94.30
Return before operating charges (p)	(12.02)	(6.46)	6.85	(9.66)	(5.26)	5.90
Operating charges (p)	(0.11)	(0.09)	(0.09)	(0.91)	(0.82)	(0.85)
Return after operating charges (p)*	(12.13)	(6.55)	6.76	(10.57)	(6.08)	5.05
Distributions (p)	(2.71)	(3.09)	(2.81)	(1.57)	(1.98)	(1.76)
Retained distributions on accumulation shares (p)	2.71	3.09	2.81	1.57	1.98	1.76
Closing net asset value per share (p)	100.85	112.98	119.53	82.70	93.27	99.35
*after direct transaction costs of (p)	0.23	0.24	0.16	0.18	0.20	0.14
Performance						
Return after charges (%)	(10.74)	(5.48)	5.99	(11.33)	(6.12)	5.36
Other information						
Closing net asset value (£000)	4,236	223	261	29,534	40,929	52,450
Closing number of shares	4,200,888	197,394	218,070	35,712,206	43,884,360	52,791,368
Operating charges (%)**	0.09	0.08	0.08	0.91	0.90	0.91
Direct transaction costs (%)***	0.18	0.21	0.14	0.18	0.21	0.14
Prices						
Highest share price (p)	132.24	122.03	120.66	108.84	100.78	100.43
Lowest share price (p)	102.78	97.25	99.83	84.28	80.62	83.35

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

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

Threadneedle Latin America Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(38,510)	(39,276)
Forward currency contracts	204	(163)
Other (losses)/gains	(406)	292
Transaction costs	(7)	(13)
Net capital losses	(38,719)	(39,160)

3 REVENUE

	2020 £000	2019 £000
Overseas dividends	10,472	13,947
Interest on short term investments	37	113
Bank interest	204	199
Total revenue	10,713	14,259

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(4,136)	(4,520)
Registration fees	(232)	(258)
	(4,368)	(4,778)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(48)	(52)
Safe custody fees	(115)	(111)
	(163)	(163)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(9)	(10)
	(16)	(17)
Total expenses*	(4,547)	(4,958)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(4)	(9)
Total interest payable and similar charges	(4)	(9)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(755)	(1,109)
Total current tax (note 6b)	(755)	(1,109)
Total tax charge for the period	(755)	(1,109)
b) Factors affecting taxation charge for period		
Net revenue before taxation	6,162	9,292
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,232)	(1,858)
Effects of:		
Revenue not subject to taxation	1,343	1,815
Overseas taxes	(755)	(1,109)
Overseas tax expensed	121	167
Excess expenses	(232)	(124)
Current tax charge for period (note 6a)	(755)	(1,109)

The fund has not recognised a deferred tax asset of £12,055,142 (2019: £11,823,627) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Final	4,852	7,772
	4,852	7,772
Add: Revenue deducted on the cancellation of shares	1,385	1,583
Deduct: Revenue received on the creation of shares	(830)	(1,172)
Net distribution for the period	5,407	8,183

Details of the distribution per share are set out in the table on pages 178 to 179.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	316	1,229
Sales awaiting settlement	3,968	669
Accrued revenue	822	1,335
Total debtors	5,106	3,233

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(360)	(6,569)
Purchases awaiting settlement	(6,064)	(6,545)
Accrued expenses	(21)	(25)
Amounts payable to ACD	(390)	(458)
Corporation tax payable	(1,910)	(1,910)
Total other creditors	(8,745)	(15,507)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

12 SHAREHOLDER FUNDS

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

Annual management charge	
Class 1 shares	1.50%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.75%
Registration fees	
Class 1 shares	0.150%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.110%

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 180. The distribution per share class is given in the distribution table on pages 178 to 179. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Accumulation shares	
Opening shares	23,360,248
Shares issued	27,559,218
Shares redeemed	(32,458,744)
Net conversions	(93,968)
Closing shares	18,366,754
Class 2 – Accumulation shares	
Opening shares	115,759,137
Shares issued	29,782,663
Shares redeemed	(51,544,901)
Net conversions	–
Closing shares	93,996,899
Class X – Accumulation shares	
Opening shares	197,394
Shares issued	5,722,496
Shares redeemed	(1,719,002)
Net conversions	–
Closing shares	4,200,888
Class Z – Accumulation shares	
Opening shares	43,884,360
Shares issued	1,337,455
Shares redeemed	(9,754,241)
Net conversions	244,632
Closing shares	35,712,206

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.44% and vice versa (2019: 4.77%).

Currency exposures

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

	Total £000
Currency 2020	
Brazilian Real	167,876
Canadian Dollar	1,670
Chilean Peso	8,472
Euro	1
Mexican Peso	31,658
US Dollar	94,084
Currency 2019	
Brazilian Real	231,855
Canadian Dollar	3,109
Chilean Peso	5,839
Mexican Peso	45,099
US Dollar	133,058

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement %	Fund movement %
Currency 2020		
Brazilian Real	19.05	10.81
Mexican Peso	3.02	0.31
US Dollar	0.97	0.29
Currency 2019		
Brazilian Real	12.93	7.27
Mexican Peso	2.60	0.28
US Dollar	5.18	1.67

Credit/Counterparty exposure

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2020				
Brazilian Real	6,595	–	162,228	168,823
Canadian Dollar	–	–	1,670	1,670
Chilean Peso	–	–	8,472	8,472
Euro	1	–	–	1
Mexican Peso	–	–	31,658	31,658
UK Sterling	–	–	1,996	1,996
US Dollar	1,499	18,102	75,928	95,529
Currency 2019				
Brazilian Real	1,957	–	234,724	236,681
Canadian Dollar	–	–	3,109	3,109
Chilean Peso	–	–	5,839	5,839
Mexican Peso	–	–	46,818	46,818
UK Sterling	152	–	2,357	2,509
US Dollar	13,333	–	120,852	134,185
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2020				
Brazilian Real	–	–	(947)	(947)
UK Sterling	(270)	–	(6,353)	(6,623)
US Dollar	–	–	(1,445)	(1,445)
Currency 2019				
Brazilian Real	–	–	(4,826)	(4,826)
Mexican Peso	–	–	(1,719)	(1,719)
UK Sterling	–	–	(8,962)	(8,962)
US Dollar	–	–	(1,127)	(1,127)

Interest rate risk sensitivity

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

14 FAIR VALUE DISCLOSURE

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

Threadneedle Latin America Fund

Notes to the financial statements

(continued)

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

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	294,948	–	409,339	–
	294,948	–	409,339	–

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	248,910	223	0.09	52	0.02
Collective investment schemes	86,722	–	–	–	–
Total	335,632	223		52	

Gross purchases total:

335,907

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	340,308	379	0.11	77	0.02
Collective investment schemes	73,052	–	–	–	–
Corporate actions	866	–	–	–	–
Total	414,226	379		77	

Total sales net of transaction costs:

413,770

Transaction costs as a percentage of average Net Assets

Commissions:	0.15%
Taxes:	0.03%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	395,421	357	0.09	81	0.02
Collective investment schemes	24,348	–	–	–	–
Corporate actions	298	–	–	–	–
Total	420,067	357		81	

Gross purchases total:

420,505

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	420,854	438	0.10	67	0.02
Collective investment schemes	26,383	–	–	–	–
Total	447,237	438		67	

Total sales net of transaction costs: 446,732

Transaction costs as a percentage of average Net Assets

Commissions:	0.18%
Taxes:	0.03%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.19% (7 March 2019: 0.21%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 22.72%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Accumulation shares	218.09	173.62	(20.39)
Class 2 – Accumulation shares	245.10	195.37	(20.29)
Class X – Accumulation shares	102.78	82.09	(20.14)
Class Z – Accumulation shares	84.28	67.20	(20.26)

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(10.91)
Class Z – Accumulation shares	(10.56)

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 quasigovernment entities. It provides a suitable target benchmark against which Fund performance will be measured and evaluated over time.

Performance of Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Emerging Market Bond Fund has risen from 60.04p to 62.37p.

The sterling total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +11.60% as compared to a median return of +11.85% over the same period. (For information the J.P. Morgan Emerging Market Bond Index Global (EMBI Global) gave a total return of +14.44% for the same period).

Market Overview and Portfolio Activity

Emerging-market (EM) bonds registered a solid positive gain during the period under review in US dollar terms, after weathering a number of headwinds.

The asset class was supported by the Federal Reserve's increasingly dovish policy stance, as this undermined the case for further US dollar strength, a hurdle for EM assets. However, having weakened in anticipation of the Fed's July rate cut, the dollar resumed an upward path after Chairman Powell described the move as a 'mid-cycle adjustment'. The Fed subsequently delivered additional cuts in September and October. In January, concerns about the spread of a newly discovered coronavirus in

China and the possible repercussions on the world economy also encouraged wider central-bank dovishness, providing further support to EM bonds. On a less positive note, the worsening virus outbreak also triggered a sharp fall in commodities prices, a negative for EM assets, as many EM countries are exporters of raw materials.

Trade tensions were a feature over the period. President Trump targeted Mexico in May, proposing incrementally rising tariffs on the country's exports to the US. Mexico escaped tariffs and EMs benefited from a resurgence of trade optimism in June. Tensions then escalated as the US and China imposed further tariffs on each other, although both sides adopted a more conciliatory tone ahead of talks in September. Towards the end of 2019, the two countries reached a preliminary trade agreement, and signed the deal in January. Political risk was also a focus elsewhere: elections took place in Turkey, South Africa and Argentina.

In Brazil, the government's high-profile pension-reform plan obtained final approval from the legislature's lower house as well as the Senate, which was seen as critical to national growth and financial stability. The government also proposed constitutional amendments aimed at reducing the size of the state and paring public spending, while the central bank delivered a series of rate cuts.

Mexico's economy fell into recession in the first half of 2019 and contracted by 0.1% for the full year. The IMF issued a downbeat report on the country's economic outlook, criticising the policies of leftist President Lopez Obrador and suggesting that the government allow heavily indebted state oil company Pemex (Petróleos Mexicanos) to work with the private sector to resolve its debt burden. Rating agency Fitch cut Mexico's sovereign rating to one notch above investment grade. In August, the Bank of Mexico made its first rate cut since 2014, and followed with another four reductions.

Argentine assets were volatile on concerns that populists might return to power in October's ballot, as they indeed did. The peso fell to a record low versus the US dollar early in the review period amid doubts about the then-incumbent government's market-friendly economic policies, prompting the central bank to hike rates. Argentine bonds crashed in August as Alberto Fernandez, the populist presidential candidate, unexpectedly won a primary election, and rating agencies S&P, Fitch and Moody's downgraded Argentina's sovereign rating. Fernandez won the national election in October, and following his inauguration set a deadline of 31 March for reaching agreement with creditors and the IMF on restructuring about \$100bn of the country's public debt. Since the new government took over, the central bank has cut the key rate floor several times.

In Turkey, President Erdogan fired the central bank governor in July following a disagreement over interest rates. The new governor then made the deepest cut in rates since 2002, and falling inflation prompted further reductions. Geopolitical worries escalated as Turkey deployed troops in northern Syria to support anti-government rebels, raising tensions with Russia, which backs the Syrian president. Fitch and Moody's lowered Turkey's sovereign credit rating further into 'junk' territory. In South Africa, the period started with optimism on expectations that President Ramaphosa would focus on economic and land reforms after he was re-elected in May. In October, however, the finance minister forecast an increased budget

deficit and debt-to-GDP ratio; the rand posted its greatest intraday fall in more than a year. The fragile finances of unprofitable state-owned companies remained a theme, as electric utility Eskom continued to rely on government bailouts, while flag airline South African Airways was forced to apply for a local form of bankruptcy protection. Moody's and S&P cut South Africa's rating outlook to 'negative'. The central bank lowered its benchmark interest rate twice in an effort to fight the economic slowdown.

The US imposed fresh sanctions against Russia, prohibiting US institutions from taking part in new sovereign issues. Russia subsequently announced plans to establish a new exchange where companies subject to US sanctions can list their bonds, and unveiled a plan to lower the dollar share of its National Wealth Fund in favour of the euro and renminbi; the finance ministry is no longer issuing dollar-denominated sovereign bonds. The central bank cut rates several times, citing weak inflation and risks to global growth. Russia's credit rating was upgraded by Fitch in August.

In terms of activity, we opened positions within sovereign bonds including China, Ghana, Mexico, the Philippines and Russia. The allocations to Indonesia, Qatar and Saudi Arabia were increased; Brazil, Egypt, Nigeria and Turkey were among exposures that we reduced. The fund sold out of Bahrain and South Africa.

Within quasi-sovereigns, the fund initiated an exposure to Russia's Ministry of Finance and sold the holdings of Oman sovereign sukuk and the Argentine provinces of Buenos Aires and Cordoba.

In the corporate-debt portfolio, new allocations included Export-Import Bank of India, Brazilian petrochemical firm Braskem and Indian Railway Finance. Within the oil industry, we opened a position in CNOOC and increased the holdings of Sinopec and Pemex, while selling out of Petrotrin (Petroleum Co. of Trinidad and Tobago), Petrobras (Petróleos Brasileiros) and Gran Tierra Energy. In mining, we initiated allocations to Codelco (Corporación Nacional del Cobre de Chile), Gold Fields and Metinvest. Among electric utilities, we entered a position in Indonesia's PLN (Perusahaan Listrik Negara), added to the exposure to Eskom, and sold the holdings of China Southern Power Grid and Brazil's Light SA. Elsewhere, we trimmed the allocations to Syngenta and Inalum (Indonesia Asahan Aluminium), and exited the position in Kazakhstan's national railway company.

Valuations look fair relative to longer-term averages, adjusted for the underlying changes to the benchmark composition over 2019.

National governments have already begun to respond economically to the impact of the coronavirus, and this will mean lower rates for longer in many EM countries. Perceptions over a growth slowdown will likely prompt developed markets' central banks to refrain from raising rates as well. This will be supportive of US dollar funding conditions.

EM credit fundamentals are reasonable and technical conditions (lower net supply, strong inflows into the asset class) remain very supportive, so we would expect this to offset some of the natural widening pressure from the coronavirus-related uncertainties. However, we will retain a selective approach to country and security selection.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	17,162	(8,082)
Revenue	3	11,025	14,365
Expenses	4	(2,225)	(2,486)
Interest payable and similar charges	5	(1)	(5)
Net revenue before taxation		8,799	11,874
Taxation	6	—	—
Net revenue after taxation		8,799	11,874
Total return before distributions		25,961	3,792
Distributions	7	(10,749)	(14,043)
Change in net assets attributable to shareholders from investment activities		15,212	(10,251)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		167,848	166,948
Current assets:			
Debtors	8	4,999	3,415
Cash and bank balances	9	167	9,092
Cash equivalents**		8,319	6,124
Total assets		181,333	185,579
Liabilities:			
Investment liabilities		(199)	(63)
Creditors:			
Bank overdrafts	9	(1,557)	—
Distribution payable		(2,709)	(4,325)
Other creditors	10	(1,665)	(2,675)
Total liabilities		(6,130)	(7,063)
Net assets attributable to shareholders		175,203	178,516

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	178,516	229,117
Amounts receivable on the issue of shares	35,460	18,157
Amounts payable on the cancellation of shares	(58,153)	(62,795)
	(22,693)	(44,638)
Dilution adjustment	21	72
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	15,212	(10,251)
Retained distribution on accumulation shares	4,147	4,216
Closing net assets attributable to shareholders	175,203	178,516

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.9297	—	1.9297	1.9335
08/09/19 to 07/03/20	1.5836	—	1.5836	2.0599
Group 2				
08/03/19 to 07/09/19	0.8564	1.0733	1.9297	1.9335
08/09/19 to 07/03/20	0.8217	0.7619	1.5836	2.0599
Total distributions in the period			3.5133	3.9934

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

**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 income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.2802	–	3.2802	3.2866
08/09/19 to 07/03/20	2.6919	–	2.6919	3.5015
Group 2				
08/03/19 to 07/09/19	1.8476	1.4326	3.2802	3.2866
08/09/19 to 07/03/20	1.6348	1.0571	2.6919	3.5015
Total distributions in the period			5.9721	6.7881

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	8.8498	–	8.8498	8.2846
08/09/19 to 07/03/20	7.4732	–	7.4732	9.1225
Group 2				
08/03/19 to 07/09/19	3.9278	4.9220	8.8498	8.2846
08/09/19 to 07/03/20	3.9272	3.5460	7.4732	9.1225
Total distributions in the period			16.3230	17.4071

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.5153	–	3.5153	3.5045
08/09/19 to 07/03/20	2.8980	–	2.8980	3.7383
Group 2				
08/03/19 to 07/09/19	1.5909	1.9244	3.5153	3.5045
08/09/19 to 07/03/20	0.9989	1.8991	2.8980	3.7383
Total distributions in the period			6.4133	7.2428

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	9.1298	–	9.1298	8.4980
08/09/19 to 07/03/20	7.7472	–	7.7472	9.3726
Group 2				
08/03/19 to 07/09/19	3.9558	5.1740	9.1298	8.4980
08/09/19 to 07/03/20	3.2824	4.4648	7.7472	9.3726
Total distributions in the period			16.8770	17.8706

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.8132	–	3.8132	3.7630
08/09/19 to 07/03/20	3.1594	–	3.1594	4.0344
Group 2				
08/03/19 to 07/09/19	3.8132	–	3.8132	3.7630
08/09/19 to 07/03/20	3.1594	–	3.1594	4.0344
Total distributions in the period			6.9726	7.7974

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	4.0539	–	4.0539	3.7359
08/09/19 to 07/03/20	3.4572	–	3.4572	4.1410
Group 2				
08/03/19 to 07/09/19	4.0539	–	4.0539	3.7359
08/09/19 to 07/03/20	1.6672	1.7900	3.4572	4.1410
Total distributions in the period			7.5111	7.8769

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.2859	–	3.2859	3.2641
08/09/19 to 07/03/20	2.7082	–	2.7082	3.4925
Group 2				
08/03/19 to 07/09/19	1.5445	1.7414	3.2859	3.2641
08/09/19 to 07/03/20	1.4074	1.3008	2.7082	3.4925
Total distributions in the period			5.9941	6.7566

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	3.0776	–	3.0776	3.0571
08/09/19 to 07/03/20	2.5364	–	2.5364	3.2710
Group 2				
08/03/19 to 07/09/19	1.9053	1.1723	3.0776	3.0571
08/09/19 to 07/03/20	0.9932	1.5432	2.5364	3.2710
Total distributions in the period			5.6140	6.3281

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	4.9652	–	4.9652	4.6089
08/09/19 to 07/03/20	4.2106	–	4.2106	5.0967
Group 2				
08/03/19 to 07/09/19	1.8886	3.0766	4.9652	4.6089
08/09/19 to 07/03/20	2.3418	1.8688	4.2106	5.0967
Total distributions in the period			9.1758	9.7056

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 ⁵		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	56.01	59.25	68.47	95.21	100.72	116.39
Return before operating charges (p)	9.15	1.70	(4.42)	15.56	2.90	(7.52)
Operating charges (p)	(0.99)	(0.95)	(1.10)	(1.69)	(1.62)	(1.86)
Return after operating charges (p)*	8.16	0.75	(5.52)	13.87	1.28	(9.38)
Distributions (p)	(3.51)	(3.99)	(3.70)	(5.97)	(6.79)	(6.29)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	60.66	56.01	59.25	103.11	95.21	100.72
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	14.57	1.27	(8.06)	14.57	1.27	(8.06)
Other information						
Closing net asset value (£000)	5,974	6,452	7,369	57,116	66,994	79,146
Closing number of shares	9,849,009	11,519,472	12,436,437	55,393,856	70,365,338	78,578,002
Operating charges (%)**	1.61	1.61	1.68	1.61	1.61	1.68
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	67.22	61.74	68.93	114.27	104.95	117.18
Lowest share price (p)	57.87	57.07	59.50	98.37	97.01	101.14
	Class 1 – Gross accumulation shares ⁵			Class 2 – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	257.18	253.91	276.83	100.68	106.02	121.90
Return before operating charges (p)	41.52	7.42	(18.43)	16.48	3.06	(7.91)
Operating charges (p)	(4.62)	(4.15)	(4.49)	(1.21)	(1.16)	(1.24)
Return after operating charges (p)*	36.90	3.27	(22.92)	15.27	1.90	(9.15)
Distributions (p)	(16.32)	(17.41)	(15.16)	(6.41)	(7.24)	(6.73)
Retained distributions on accumulation shares (p)	16.32	17.41	15.16	–	–	–
Closing net asset value per share (p)	294.08	257.18	253.91	109.54	100.68	106.02
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	14.35	1.29	(8.28)	15.17	1.79	(7.51)
Other information						
Closing net asset value (£000)	31,259	30,844	33,097	411	1,477	1,508
Closing number of shares	10,629,550	11,993,171	13,034,914	374,983	1,466,898	1,422,592
Operating charges (%)**	1.61	1.61	1.68	1.09	1.09	1.07
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	308.28	272.53	278.68	121.10	110.72	122.73
Lowest share price (p)	265.40	246.41	248.01	104.03	102.40	106.49

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	261.79	257.11	278.62	108.93	113.56	129.24
Return before operating charges (p)	42.32	7.53	(18.62)	17.87	3.28	(8.42)
Operating charges (p)	(3.19)	(2.85)	(2.89)	(0.11)	(0.11)	(0.09)
Return after operating charges (p)*	39.13	4.68	(21.51)	17.76	3.17	(8.51)
Distributions (p)	(16.88)	(17.87)	(15.60)	(6.97)	(7.80)	(7.17)
Retained distributions on accumulation shares (p)	16.88	17.87	15.60	–	–	–
Closing net asset value per share (p)	300.92	261.79	257.11	119.72	108.93	113.56
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	14.95	1.82	(7.72)	16.30	2.79	(6.58)
Other information						
Closing net asset value (£000)	7,233	9,451	7,922	508	462	135
Closing number of shares	2,403,634	3,610,315	3,081,086	424,476	424,476	118,448
Operating charges (%)**	1.09	1.09	1.07	0.09	0.10	0.07
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	314.52	277.33	280.49	131.60	119.61	130.12
Lowest share price (p)	270.19	249.59	251.06	112.59	110.30	113.99
	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	115.95	112.75	120.96	95.17	99.82	114.30
Return before operating charges (p)	18.80	3.30	(8.13)	15.58	2.87	(7.43)
Operating charges (p)	(0.12)	(0.10)	(0.08)	(0.80)	(0.76)	(0.81)
Return after operating charges (p)*	18.68	3.20	(8.21)	14.78	2.11	(8.24)
Distributions (p)	(7.51)	(7.88)	(6.80)	(5.99)	(6.76)	(6.24)
Retained distributions on accumulation shares (p)	7.51	7.88	6.80	–	–	–
Closing net asset value per share (p)	134.63	115.95	112.75	103.96	95.17	99.82
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	16.11	2.84	(6.79)	15.53	2.11	(7.21)
Other information						
Closing net asset value (£000)	20,851	11,115	20,732	37,969	40,558	68,420
Closing number of shares	15,487,680	9,585,709	18,387,977	36,522,812	42,615,065	68,545,013
Operating charges (%)**	0.09	0.09	0.07	0.76	0.76	0.74
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	139.91	122.76	121.78	114.64	104.50	115.08
Lowest share price (p)	119.70	109.50	110.04	98.35	96.63	100.20

Threadneedle Emerging Market Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	89.14	93.49	107.05	143.98	140.95	152.25
Return before operating charges (p)	14.59	2.69	(6.96)	23.30	4.12	(10.21)
Operating charges (p)	(0.75)	(0.71)	(0.76)	(1.23)	(1.09)	(1.09)
Return after operating charges (p)*	13.84	1.98	(7.72)	22.07	3.03	(11.30)
Distributions (p)	(5.61)	(6.33)	(5.84)	(9.18)	(9.71)	(8.43)
Retained distributions on accumulation shares (p)	–	–	–	9.18	9.71	8.43
Closing net asset value per share (p)	97.37	89.14	93.49	166.05	143.98	140.95
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	15.53	2.12	(7.21)	15.33	2.15	(7.42)
Other information						
Closing net asset value (£000)	1,867	1,743	1,848	12,015	9,420	8,940
Closing number of shares	1,918,013	1,955,506	1,976,918	7,235,839	6,542,098	6,342,926
Operating charges (%)**	0.76	0.76	0.74	0.76	0.76	0.74
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	107.37	97.88	107.78	173.23	152.50	153.27
Lowest share price (p)	92.12	90.50	93.84	148.62	136.85	137.61

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

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

[§]Only available to eligible investors.

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	16,752	(10,169)
Forward currency contracts	475	1,950
Other (losses)/gains	(62)	139
Transaction costs	(3)	(2)
Net capital gains/(losses)	17,162	(8,082)

3 REVENUE

	2020 £000	2019 £000
Interest on debt securities	10,703	14,177
Interest on short term investments	50	96
Bank interest	272	92
Total revenue	11,025	14,365

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,951)	(2,169)
Registration fees	(186)	(210)
	(2,137)	(2,379)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(23)	(25)
Safe custody fees	(23)	(35)
Revenue collection expenses	(18)	(24)
	(64)	(84)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(16)	(15)
Audit fees – non-audit services	(1)	(1)
	(24)	(23)
Total expenses*	(2,225)	(2,486)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(1)	(5)
Total interest payable and similar charges	(1)	(5)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	8,799	11,874
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,760)	(2,375)
Effects of:		
Overseas tax expensed	29	–
Excess expenses	1,000	1,000
Distributions treated as tax deductible	731	1,375
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £1,093,719 (2019: £2,093,719) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

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

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	5,837	6,649
Final	4,530	6,488
	10,367	13,137
Add: Revenue deducted on the cancellation of shares	944	1,208
Deduct: Revenue received on the creation of shares	(562)	(302)
Net distribution for the period	10,749	14,043
Net revenue after taxation	8,799	11,874
Annual management charge to capital	1,951	2,169
Undistributed revenue carried forward	(1)	–
Total distributions	10,749	14,043

Details of the distribution per share are set out in the table on pages 184 to 185.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	160	288
Sales awaiting settlement	2,734	815
Accrued revenue	2,105	2,312
Total debtors	4,999	3,415

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	123	110
Cash and bank balances	44	8,982
	167	9,092
Bank overdrafts	(1,557)	–
Total cash and bank balances	(1,390)	9,092

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(135)	(284)
Purchases awaiting settlement	(1,314)	(2,154)
Accrued expenses	(15)	(22)
Amounts payable to ACD	(201)	(215)
Total other creditors	(1,665)	(2,675)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.45%
Class 2 shares	1.00%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 186 to 188. The distribution per share class is given in the distribution table on pages 184 to 185.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	11,519,472
Shares issued	2,948,236
Shares redeemed	(5,385,126)
Net conversions	766,427
Closing shares	9,849,009
Class 1 – Gross income shares	
Opening shares	70,365,338
Shares issued	1,723,952
Shares redeemed	(16,526,113)
Net conversions	(169,321)
Closing shares	55,393,856
Class 1 – Gross accumulation shares	
Opening shares	11,993,171
Shares issued	2,645,286
Shares redeemed	(3,776,134)
Net conversions	(232,773)
Closing shares	10,629,550
Class 2 – Income shares	
Opening shares	1,466,898
Shares issued	269,339
Shares redeemed	(1,408,444)
Net conversions	47,190
Closing shares	374,983
Class 2 – Gross accumulation shares	
Opening shares	3,610,315
Shares issued	2,395,753
Shares redeemed	(3,600,520)
Net conversions	(1,914)
Closing shares	2,403,634
Class X – Gross income shares	
Opening shares	424,476
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	424,476

2020

Class X – Gross accumulation shares

Opening shares	9,585,709
Shares issued	8,914,496
Shares redeemed	(3,012,525)
Net conversions	–
Closing shares	15,487,680

Class Z – Income shares

Opening shares	42,615,065
Shares issued	3,617,444
Shares redeemed	(9,776,496)
Net conversions	66,799
Closing shares	36,522,812

Class Z – Gross income shares

Opening shares	1,955,506
Shares issued	443,968
Shares redeemed	(494,602)
Net conversions	13,141
Closing shares	1,918,013

Class Z – Gross accumulation shares

Opening shares	6,542,098
Shares issued	960,155
Shares redeemed	(421,124)
Net conversions	154,710
Closing shares	7,235,839

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 8.19% and vice versa (2019: 6.20%).

Currency exposures

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

	Total £000
Currency 2020	
Brazilian Real	142
Dominican Republic Peso	3,568
Egyptian Pound	2,765
Euro	(123)
Mexican Peso	104
Russian Ruble	1,292
US Dollar	170,245
Currency 2019	£000
Argentina Peso	1,246
Brazilian Real	(5,910)
Dominican Republic Peso	5,931
Egyptian Pound	3,909
Nigeria Naira	2,846
Peruvian New Sol	2,322
South Africa Rand	114
US Dollar	172,631

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 0.97% (2019: 5.08%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 0.94% (2019: 5.01%).

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

	Forward	
	Foreign Exchange	Collateral
	Contracts Exposure	Pledged
	£000	£000
2020		
Counterparty		
HSBC	396	—
J.P. Morgan	—	123
	Forward	
	Foreign Exchange	Collateral
	Contracts Exposure	Pledged
	£000	£000
2019		
Counterparty		
Barclays	—	110
Goldman Sachs	45	—
HSBC	403	—

The fund held £208,000 (2019: £376,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2020		2019	
	Value	% of	Value	% of
	£000	Investment	£000	Investment
AA	3,681	2.09	1,110	0.64
Aa2	1,480	0.84	—	—
AA-	7,908	4.49	1,484	0.86
Aa3	—	—	2,154	1.24
A+	10,057	5.71	7,193	4.16
A1	4,626	2.63	2,288	1.32
A	1,577	0.90	—	—
A-	2,751	1.56	2,313	1.34
BBB+	20,669	11.75	7,229	4.18
BBB	6,146	3.49	—	—
Baa2	8,122	4.62	3,656	2.11
BBB-	19,429	11.04	17,738	10.25
Baa3	2,623	1.49	2,443	1.41
BB+	1,056	0.60	6,271	3.62
Ba1	942	0.54	4,493	2.60
BB	7,926	4.50	8,069	4.66
Ba2	2,560	1.45	729	0.42
BB-	14,135	8.03	18,253	10.55
B+	1,851	1.05	7,547	4.36
B1	7,999	4.55	—	—
B	14,384	8.17	24,048	13.90
Ba3	2,757	1.57	16,342	9.45
B2	322	0.18	—	—
B-	6,503	3.70	6,977	4.03
B3	1,578	0.90	1,880	1.09
CCC+	3,216	1.83	1,883	1.09
CCC-	1,830	1.04	—	—
D	984	0.56	3,571	2.06
Not Rated*	10,340	5.88	18,769	10.85
Liquidity Funds	8,319	4.73	6,124	3.55
Derivatives**	197	0.11	445	0.26
	175,968	100.00	173,009	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate	Fixed rate	Financial	
	financial	financial	assets	
	assets	assets	not carrying	Total
	£000	£000	interest	£000
Currency 2020				
Brazilian Real	—	2,840	—	2,840
Dominican Republic				
Peso	—	2,833	735	3,568
Egyptian Pound	—	1,781	984	2,765
Euro	4	4,371	150	4,525
Mexican Peso	—	2,751	49	2,800
Russian Ruble	—	1,281	11	1,292
UK Sterling	39	—	231	270
US Dollar	1,545	158,492	13,125	173,162
Currency 2019	£000	£000	£000	£000
Argentina Peso	—	1,246	—	1,246
Brazilian Real	—	59	—	59
Dominican Republic				
Peso	—	5,837	94	5,931
Egyptian Pound	1	3,908	—	3,909
Nigeria Naira	—	2,846	—	2,846
Peruvian New Sol	—	2,313	9	2,322
South Africa Rand	—	—	4,170	4,170
UK Sterling	199	—	302	501
US Dollar	11,087	154,160	13,781	179,028
	Floating rate	Fixed rate	Financial	
	financial	financial	liabilities	
	liabilities	liabilities	not carrying	Total
	£000	£000	interest	£000
Currency 2020				
Brazilian Real	—	—	(2,698)	(2,698)
Euro	—	—	(4,648)	(4,648)
Mexican Peso	—	—	(2,696)	(2,696)
UK Sterling	—	—	(3,060)	(3,060)
US Dollar	(1,557)	—	(1,360)	(2,917)
Currency 2019	£000	£000	£000	£000
Brazilian Real	—	—	(5,969)	(5,969)
South Africa Rand	—	—	(4,056)	(4,056)
UK Sterling	—	—	(5,074)	(5,074)
US Dollar	—	—	(6,397)	(6,397)

Interest rate risk sensitivity

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

Derivative risks

Derivatives including forward foreign exchange contracts are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk. At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £396,000 (2019: £508,000) and a liability value of £199,000 (2019: £63,000).

15 FAIR VALUE DISCLOSURE

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

Threadneedle Emerging Market Bond Fund

Notes to the financial statements

(continued)

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

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

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

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	8,319	–	6,124	–
Level 2	166,213	(199)	166,948	(63)
Level 3	1,635	–	–	–
	176,167	(199)	173,072	(63)

Included within Level 1, are debt securities of £8,319,000 (2019: £6,124,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £302,778,893 (2019: £169,800,139) and £321,752,272 (2019: £216,155,342) respectively. Collective investment schemes purchases and sales amounted to £24,837,397 (2019: £6,319,795) and £22,343,515 (2019: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2019: £Nil) and £94,978 (2019: £133,671) respectively.

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

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

At the balance sheet date, the portfolio dealing spread was 0.45% (7 March 2019: 0.44%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 3.41%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(17.17)
Class 2 – Gross accumulation shares	(24.05)
Class X – Gross income shares	(33.52)

Threadneedle High Yield Bond Fund

Investment Report

Investment Objective and Policy

The Fund aims to provide income. It looks to outperform the ICE BofAML 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 BofAML 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle High Yield Bond Fund has fallen from 41.83p to 41.74p.

The total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +4.97% as compared to a median return of +5.51% 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 +5.92% for the same period).

Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period in financial markets but a good one for both investment grade (IG) and high yield (HY) corporate

bonds. Both markets delivered positive total returns, driven by a sharp decline in the yields available on underlying government debt. Credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity) were subject to large moves but were relatively little changed, compared with these swings over the year as a whole.

For much of the review period the first half, roughly speaking, three broadly overlapping factors combined to push core bond yields down. One of these was the ongoing US-China trade dispute. Tensions waxed and waned but escalated markedly in August as both sides announced fresh tariffs, sparking a rally in core bonds.

Another was an accompanying deterioration in global economic indicators, and in manufacturing data specifically. German GDP, which is highly geared to both manufacturing and global trade, shrank in the second quarter of 2019. The UK economy also shrank in Q2, though this was largely due to Brexit-related developments.

The last and perhaps most important of these factors was looser monetary policy from key central banks. Near the start of the period, the Federal Reserve signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally and, in the summer, the first of a series of rate cuts by the Fed itself. Against soft economic data, the European Central Bank (ECB) eventually followed suit in September, cutting rates further below zero, while also restarting its bond-buying programme. UK policymakers appeared hawkish in comparison, insisting that rate hikes were still a possibility, assuming a disorderly Brexit did not derail the economy.

In the fourth quarter of 2019, yields retraced some of their earlier declines and credit spreads tightened. This came as trade tensions eased between China and the US, as the world's two largest economies announced a phase-one agreement, and global manufacturing data indicated that the worst may have been over for the sector. In the UK specifically, receding Brexit worries sharpened investors' appetite for risk. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory. The election result paved the way for his Brexit deal to pass through Parliament in late December and the UK to formally leave the EU at the end of January 2020.

In Q1 2020, however, all other market preoccupations were overshadowed by a new and unexpected threat the rapid spread of a novel coronavirus. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted. Unsurprisingly,

investors deserted riskier assets in search of safer havens. The Fed made an emergency rate cut in early March, and expectations rose that other central banks could unveil their own stimulus, as indeed transpired after the end of the review period. Core government bond yields plunged to record lows in this environment, and credit spreads widened.

For majority of the year, activity levels in the primary market lagged those of previous years, and only in the fourth quarter did we see a significant number of new deals coming to market. By the end of the period, the primary market abruptly stopped as the coronavirus was found to have spread into Europe and deals still outstanding in the market were pulled.

One of the most significant new issues was a deal from Eircom, a strategically well-positioned Irish telecommunications company, from which we expect a continuation of steady operating performance.

French telecom firm Altice, a frequent issuer in the high yield space, refinanced one of its existing bonds. We participated in the new issues due to our long-standing conviction in the company.

We entered a new position in British telecom firm Vodafone, which, as of September, saw some of its bonds enter the high yield index following its acquisition of Unity, a German business.

We reduced our position in Schaeffler, a supplier to the auto industry, due to continuing weakness in the automotive space.

Macro fundamentals have started to deteriorate with the impact from the coronavirus. The outlook has become uncertain and the impact on corporate earnings remains to be seen, but is clearly negative. Cyclical companies are particularly exposed to the challenges, but other names will not be fully immune. European HY corporates were in reasonably good fundamental shape going into this slowdown.

Technical factors have turned negative on the back of outflows. Central banks continue to be dovish and have lowered interest rates in order to support the economy. Large fiscal stimulus measures were introduced across the board. The fall in government yields supports the IG market and should also provide some support for HY, especially for BB-rated companies.

HY spreads have widened, offering compensation for current default expectations, and are starting to look cheap in some sectors. Many companies have used the recent low interest-rate environment to refinance their debt and extend their maturity profiles, which makes them less vulnerable. However, we expect a sharp increase in the default rate in 2020 as interruptions to business and a weaker economy put pressure on corporates.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	9,053	(9,812)
Revenue	3	33,377	32,999
Expenses	4	(6,005)	(5,898)
Interest payable and similar charges	5	(16)	(26)
Net revenue before taxation		27,356	27,075
Taxation	6	—	—
Net revenue after taxation		27,356	27,075
Total return before distributions		36,409	17,263
Distributions	7	(32,555)	(32,198)
Change in net assets attributable to shareholders from investment activities		3,854	(14,935)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		811,436	686,141
Current assets:			
Debtors	8	11,489	13,605
Cash and bank balances	9	40,513	7,675
Cash equivalents***		33,308	47,975
Total assets		896,746	755,396
Liabilities:			
Investment liabilities		(32,930)	(66)
Creditors:			
Bank overdrafts	9	—	(143)
Distribution payable		(1,260)	(1,632)
Other creditors	10	(3,483)	(9,618)
Total liabilities		(37,673)	(11,459)
Net assets attributable to shareholders		859,073	743,937

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	743,937	758,600
Amounts receivable on the issue of shares	240,773	135,500
Amounts payable on the cancellation of shares	(146,247)	(147,522)
	94,526	(12,022)
Dilution adjustment	510	66
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,854	(14,935)
Retained distribution on accumulation shares	16,234	12,215
Unclaimed distributions	12	13
Closing net assets attributable to shareholders	859,073	743,937

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1457	—	0.1457	0.1436
08/04/19 to 07/05/19	0.1556	—	0.1556	0.1660
08/05/19 to 07/06/19	0.1559	—	0.1559	0.1506
08/06/19 to 07/07/19	0.1513	—	0.1513	0.1518
08/07/19 to 07/08/19	0.1533	—	0.1533	0.1533
08/08/19 to 07/09/19	0.1326	—	0.1326	0.1492
08/09/19 to 07/10/19	0.1497	—	0.1497	0.1443
08/10/19 to 07/11/19	0.1257	—	0.1257	0.1532
08/11/19 to 07/12/19	0.1129	—	0.1129	0.1556
08/12/19 to 07/01/20	0.1333	—	0.1333	0.1542
08/01/20 to 07/02/20	0.1240	—	0.1240	0.1373
08/02/20 to 07/03/20	0.1348	—	0.1348	0.1535

***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 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 2				
08/03/19 to 07/04/19	0.0704	0.0753	0.1457	0.1436
08/04/19 to 07/05/19	0.0872	0.0684	0.1556	0.1660
08/05/19 to 07/06/19	0.0742	0.0817	0.1559	0.1506
08/06/19 to 07/07/19	0.0466	0.1047	0.1513	0.1518
08/07/19 to 07/08/19	0.0958	0.0575	0.1533	0.1533
08/08/19 to 07/09/19	0.0768	0.0558	0.1326	0.1492
08/09/19 to 07/10/19	0.0464	0.1033	0.1497	0.1443
08/10/19 to 07/11/19	0.0597	0.0660	0.1257	0.1532
08/11/19 to 07/12/19	0.0370	0.0759	0.1129	0.1556
08/12/19 to 07/01/20	0.0516	0.0817	0.1333	0.1542
08/01/20 to 07/02/20	0.0500	0.0740	0.1240	0.1373
08/02/20 to 07/03/20	0.0645	0.0703	0.1348	0.1535
Total distributions in the period			1.6748	1.8126

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1458	–	0.1458	0.1437
08/04/19 to 07/05/19	0.1558	–	0.1558	0.1662
08/05/19 to 07/06/19	0.1560	–	0.1560	0.1507
08/06/19 to 07/07/19	0.1514	–	0.1514	0.1520
08/07/19 to 07/08/19	0.1534	–	0.1534	0.1535
08/08/19 to 07/09/19	0.1328	–	0.1328	0.1493
08/09/19 to 07/10/19	0.1498	–	0.1498	0.1444
08/10/19 to 07/11/19	0.1259	–	0.1259	0.1534
08/11/19 to 07/12/19	0.1129	–	0.1129	0.1557
08/12/19 to 07/01/20	0.1335	–	0.1335	0.1544
08/01/20 to 07/02/20	0.1241	–	0.1241	0.1374
08/02/20 to 07/03/20	0.1350	–	0.1350	0.1537
Group 2				
08/03/19 to 07/04/19	0.0259	0.1199	0.1458	0.1437
08/04/19 to 07/05/19	0.0896	0.0662	0.1558	0.1662
08/05/19 to 07/06/19	0.1018	0.0542	0.1580	0.1507
08/06/19 to 07/07/19	0.0333	0.1181	0.1514	0.1520
08/07/19 to 07/08/19	0.0748	0.0786	0.1534	0.1535
08/08/19 to 07/09/19	0.0321	0.1007	0.1328	0.1493
08/09/19 to 07/10/19	0.0290	0.1208	0.1498	0.1444
08/10/19 to 07/11/19	0.0682	0.0577	0.1259	0.1534
08/11/19 to 07/12/19	0.0459	0.0670	0.1129	0.1557
08/12/19 to 07/01/20	0.0299	0.1036	0.1335	0.1544
08/01/20 to 07/02/20	0.0567	0.0674	0.1241	0.1374
08/02/20 to 07/03/20	0.0446	0.0904	0.1350	0.1537
Total distributions in the period			1.6764	1.8144

Class 1 USD Hedged – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2577	–	0.2577	0.2346
08/04/19 to 07/05/19	0.2785	–	0.2785	0.2721
08/05/19 to 07/06/19	0.2849	–	0.2849	0.2574
08/06/19 to 07/07/19	0.2795	–	0.2795	0.2631
08/07/19 to 07/08/19	0.2894	–	0.2894	0.2690
08/08/19 to 07/09/19	0.2557	–	0.2557	0.2678
08/09/19 to 07/10/19	0.2842	–	0.2842	0.2547
08/10/19 to 07/11/19	0.2314	–	0.2314	0.2715
08/11/19 to 07/12/19	0.2058	–	0.2058	0.2800
08/12/19 to 07/01/20	0.2391	–	0.2391	0.2820
08/01/20 to 07/02/20	0.2237	–	0.2237	0.2460
08/02/20 to 07/03/20	0.2468	–	0.2468	0.2733
Group 2				
08/03/19 to 07/04/19	–	0.2577	0.2577	0.2346
08/04/19 to 07/05/19	–	0.2785	0.2785	0.2721
08/05/19 to 07/06/19	–	0.2849	0.2849	0.2574
08/06/19 to 07/07/19	–	0.2795	0.2795	0.2631
08/07/19 to 07/08/19	–	0.2894	0.2894	0.2690
08/08/19 to 07/09/19	–	0.2557	0.2557	0.2678
08/09/19 to 07/10/19	–	0.2842	0.2842	0.2547
08/10/19 to 07/11/19	–	0.2314	0.2314	0.2715
08/11/19 to 07/12/19	–	0.2058	0.2058	0.2800
08/12/19 to 07/01/20	0.0402	0.1989	0.2391	0.2820
08/01/20 to 07/02/20	0.0975	0.1262	0.2237	0.2460
08/02/20 to 07/03/20	–	0.2468	0.2468	0.2733
Total distributions in the period			3.0767	3.1715

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/18 to 07/04/18	0.4025	–	0.4025	0.3803
08/04/18 to 07/05/18	0.4314	–	0.4314	0.4411
08/05/18 to 07/06/18	0.4338	–	0.4338	0.4015
08/06/18 to 07/07/18	0.4227	–	0.4227	0.4121
08/07/18 to 07/08/18	0.4295	–	0.4295	0.4119
08/08/18 to 07/09/18	0.3731	–	0.3731	0.4022
08/09/18 to 07/10/18	0.4224	–	0.4224	0.3903
08/10/18 to 07/11/18	0.3560	–	0.3560	0.4158
08/11/18 to 07/12/18	0.3204	–	0.3204	0.4240
08/12/18 to 07/01/19	0.3798	–	0.3798	0.4214
08/01/19 to 07/02/19	0.3541	–	0.3541	0.3767
08/02/19 to 07/03/19	0.3856	–	0.3856	0.4226

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 2				
08/03/19 to 07/04/19	0.0616	0.3409	0.4025	0.3803
08/04/19 to 07/05/19	0.1928	0.2386	0.4314	0.4411
08/05/19 to 07/06/19	0.4338	–	0.4338	0.4015
08/06/19 to 07/07/19	0.4227	–	0.4227	0.4121
08/07/19 to 07/08/19	0.4194	0.0101	0.4295	0.4119
08/08/19 to 07/09/19	0.1731	0.2000	0.3731	0.4022
08/09/19 to 07/10/19	0.2624	0.1600	0.4224	0.3903
08/10/19 to 07/11/19	0.2560	0.1000	0.3560	0.4158
08/11/19 to 07/12/19	0.3204	–	0.3204	0.4240
08/12/19 to 07/01/20	0.3798	–	0.3798	0.4214
08/01/20 to 07/02/20	0.1848	0.1693	0.3541	0.3767
08/02/20 to 07/03/20	0.3856	–	0.3856	0.4226
Total distributions in the period			4.7113	4.8999

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.2154	–	0.2154	0.2115
08/04/19 to 07/05/19	0.2297	–	0.2297	0.2439
08/05/19 to 07/06/19	0.2304	–	0.2304	0.2217
08/06/19 to 07/07/19	0.2238	–	0.2238	0.2234
08/07/19 to 07/08/19	0.2268	–	0.2268	0.2257
08/08/19 to 07/09/19	0.1969	–	0.1969	0.2199
08/09/19 to 07/10/19	0.2216	–	0.2216	0.2129
08/10/19 to 07/11/19	0.1870	–	0.1870	0.2259
08/11/19 to 07/12/19	0.1679	–	0.1679	0.2292
08/12/19 to 07/01/20	0.1984	–	0.1984	0.2274
08/01/20 to 07/02/20	0.1846	–	0.1846	0.2030
08/02/20 to 07/03/20	0.2003	–	0.2003	0.2263
Group 2				
08/03/19 to 07/04/19	0.0612	0.1542	0.2154	0.2115
08/04/19 to 07/05/19	0.0823	0.1474	0.2297	0.2439
08/05/19 to 07/06/19	0.1288	0.1016	0.2304	0.2217
08/06/19 to 07/07/19	0.0899	0.1349	0.2238	0.2234
08/07/19 to 07/08/19	0.0683	0.1585	0.2268	0.2257
08/08/19 to 07/09/19	0.0473	0.1496	0.1969	0.2199
08/09/19 to 07/10/19	0.0554	0.1662	0.2216	0.2129
08/10/19 to 07/11/19	0.0551	0.1319	0.1870	0.2259
08/11/19 to 07/12/19	0.0113	0.1566	0.1679	0.2292
08/12/19 to 07/01/20	0.0881	0.1103	0.1984	0.2274
08/01/20 to 07/02/20	0.0589	0.1257	0.1846	0.2030
08/02/20 to 07/03/20	0.1427	0.0576	0.2003	0.2263
Total distributions in the period			2.4828	2.6708

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/04/19	0.1854	–	0.1854	0.1820
08/04/19 to 07/05/19	0.1978	–	0.1978	0.2099
08/05/19 to 07/06/19	0.1963	–	0.1963	0.1908
08/06/19 to 07/07/19	0.1926	–	0.1926	0.1923
08/07/19 to 07/08/19	0.1952	–	0.1952	0.1943
08/08/19 to 07/09/19	0.1695	–	0.1695	0.1891
08/09/19 to 07/10/19	0.1908	–	0.1908	0.1833
08/10/19 to 07/11/19	0.1609	–	0.1609	0.1944
08/11/19 to 07/12/19	0.1446	–	0.1446	0.1970
08/12/19 to 07/01/20	0.1707	–	0.1707	0.1957
08/01/20 to 07/02/20	0.1590	–	0.1590	0.1748
08/02/20 to 07/03/20	0.1724	–	0.1724	0.1948
Group 2				
08/03/19 to 07/04/19	0.0671	0.1183	0.1854	0.1820
08/04/19 to 07/05/19	0.1217	0.0761	0.1978	0.2099
08/05/19 to 07/06/19	0.0682	0.1301	0.1963	0.1908
08/06/19 to 07/07/19	0.1624	0.0302	0.1926	0.1923
08/07/19 to 07/08/19	0.1350	0.0602	0.1952	0.1943
08/08/19 to 07/09/19	0.0992	0.0703	0.1695	0.1891
08/09/19 to 07/10/19	0.0485	0.1423	0.1908	0.1833
08/10/19 to 07/11/19	0.0317	0.1292	0.1609	0.1944
08/11/19 to 07/12/19	0.1239	0.0207	0.1446	0.1970
08/12/19 to 07/01/20	0.0207	0.1500	0.1707	0.1957
08/01/20 to 07/02/20	0.1136	0.0454	0.1590	0.1748
08/02/20 to 07/03/20	0.1218	0.0506	0.1724	0.1948
Total distributions in the period			2.1372	2.2984

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/04/19	0.6526	–	0.6526	0.6131
08/04/19 to 07/05/19	0.6984	–	0.6984	0.7090
08/05/19 to 07/06/19	0.7029	–	0.7029	0.6473
08/06/19 to 07/07/19	0.6853	–	0.6853	0.6546
08/07/19 to 07/08/19	0.6971	–	0.6971	0.6642
08/08/19 to 07/09/19	0.6073	–	0.6073	0.6492
08/09/19 to 07/10/19	0.6859	–	0.6859	0.6306
08/10/19 to 07/11/19	0.5807	–	0.5807	0.6715
08/11/19 to 07/12/19	0.5232	–	0.5232	0.6841
08/12/19 to 07/01/20	0.6197	–	0.6197	0.6812
08/01/20 to 07/02/20	0.5785	–	0.5785	0.6105
08/02/20 to 07/03/20	0.6284	–	0.6284	0.6829

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 2					Group 2				
08/03/19 to 07/04/19	0.0946	0.5580	0.6526	0.6131	08/03/19 to 07/04/19	0.1730	0.1804	0.3534	0.3463
08/04/19 to 07/05/19	0.2397	0.4587	0.6984	0.7090	08/04/19 to 07/05/19	0.1875	0.1902	0.3777	0.4006
08/05/19 to 07/06/19	0.5788	0.1241	0.7029	0.6473	08/05/19 to 07/06/19	0.2133	0.1652	0.3785	0.3633
08/06/19 to 07/07/19	0.0591	0.6262	0.6853	0.6546	08/06/19 to 07/07/19	0.1480	0.2197	0.3677	0.3666
08/07/19 to 07/08/19	0.1602	0.5369	0.6971	0.6642	08/07/19 to 07/08/19	0.1790	0.1936	0.3726	0.3704
08/08/19 to 07/09/19	0.0709	0.5364	0.6073	0.6492	08/08/19 to 07/09/19	0.1510	0.1715	0.3225	0.3605
08/09/19 to 07/10/19	0.4136	0.2723	0.6859	0.6306	08/09/19 to 07/10/19	0.1611	0.2032	0.3643	0.3491
08/10/19 to 07/11/19	0.3063	0.2744	0.5807	0.6715	08/10/19 to 07/11/19	0.1519	0.1542	0.3061	0.3707
08/11/19 to 07/12/19	0.2831	0.2401	0.5232	0.6841	08/11/19 to 07/12/19	0.1448	0.1299	0.2747	0.3766
08/12/19 to 07/01/20	0.5493	0.0704	0.6197	0.6812	08/12/19 to 07/01/20	0.1899	0.1351	0.3250	0.3735
08/01/20 to 07/02/20	0.3874	0.1911	0.5785	0.6105	08/01/20 to 07/02/20	0.1258	0.1764	0.3022	0.3328
08/02/20 to 07/03/20	0.4262	0.2022	0.6284	0.6829	08/02/20 to 07/03/20	0.1801	0.1487	0.3288	0.3722
Total distributions in the period			7.6600	7.8982	Total distributions in the period			4.0735	4.3826
Class X – Gross income shares					Class Z – Accumulation shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1					Group 1				
08/03/19 to 07/04/19	0.3534	–	0.3534	0.3445	08/03/19 to 07/04/19	0.4148	–	0.4148	0.3892
08/04/19 to 07/05/19	0.3773	–	0.3773	0.3974	08/04/19 to 07/05/19	0.4450	–	0.4450	0.4517
08/05/19 to 07/06/19	0.3786	–	0.3786	0.3615	08/05/19 to 07/06/19	0.4474	–	0.4474	0.4114
08/06/19 to 07/07/19	0.3678	–	0.3678	0.3667	08/06/19 to 07/07/19	0.4362	–	0.4362	0.4165
08/07/19 to 07/08/19	0.3732	–	0.3732	0.3687	08/07/19 to 07/08/19	0.4436	–	0.4436	0.4223
08/08/19 to 07/09/19	0.3240	–	0.3240	0.3592	08/08/19 to 07/09/19	0.3853	–	0.3853	0.4126
08/09/19 to 07/10/19	0.3651	–	0.3651	0.3480	08/09/19 to 07/10/19	0.4364	–	0.4364	0.4009
08/10/19 to 07/11/19	0.3081	–	0.3081	0.3703	08/10/19 to 07/11/19	0.3681	–	0.3681	0.4271
08/11/19 to 07/12/19	0.2771	–	0.2771	0.3752	08/11/19 to 07/12/19	0.3314	–	0.3314	0.4357
08/12/19 to 07/01/20	0.3274	–	0.3274	0.3724	08/12/19 to 07/01/20	0.3931	–	0.3931	0.4335
08/01/20 to 07/02/20	0.3049	–	0.3049	0.3327	08/01/20 to 07/02/20	0.3666	–	0.3666	0.3879
08/02/20 to 07/03/20	0.3309	–	0.3309	0.3712	08/02/20 to 07/03/20	0.3995	–	0.3995	0.4353
Total distributions in the period			4.0878	4.3678	Total distributions in the period			4.8674	5.0241
Group 2					Group 2				
08/03/19 to 07/04/19	0.3534	–	0.3534	0.3445	08/03/19 to 07/04/19	0.2253	0.1895	0.4148	0.3892
08/04/19 to 07/05/19	0.2741	0.1032	0.3773	0.3974	08/04/19 to 07/05/19	0.2160	0.2290	0.4450	0.4517
08/05/19 to 07/06/19	0.1086	0.2700	0.3786	0.3615	08/05/19 to 07/06/19	0.3052	0.1422	0.4474	0.4114
08/06/19 to 07/07/19	0.3678	–	0.3678	0.3667	08/06/19 to 07/07/19	0.2178	0.2184	0.4362	0.4165
08/07/19 to 07/08/19	0.3732	–	0.3732	0.3687	08/07/19 to 07/08/19	0.2395	0.2041	0.4436	0.4223
08/08/19 to 07/09/19	0.2940	0.0300	0.3240	0.3592	08/08/19 to 07/09/19	0.2109	0.1744	0.3853	0.4126
08/09/19 to 07/10/19	0.3651	–	0.3651	0.3480	08/09/19 to 07/10/19	0.2304	0.2060	0.4364	0.4009
08/10/19 to 07/11/19	0.0781	0.2300	0.3081	0.3703	08/10/19 to 07/11/19	0.1427	0.2254	0.3681	0.4271
08/11/19 to 07/12/19	0.2771	–	0.2771	0.3752	08/11/19 to 07/12/19	0.1454	0.1860	0.3314	0.4357
08/12/19 to 07/01/20	0.3274	–	0.3274	0.3724	08/12/19 to 07/01/20	0.2522	0.1409	0.3931	0.4335
08/01/20 to 07/02/20	0.3049	–	0.3049	0.3327	08/01/20 to 07/02/20	0.2079	0.1587	0.3666	0.3879
08/02/20 to 07/03/20	0.3309	–	0.3309	0.3712	08/02/20 to 07/03/20	0.1513	0.2482	0.3995	0.4353
Total distributions in the period			4.0878	4.3678	Total distributions in the period			4.8674	5.0241
Class X – Gross accumulation shares					Class Z – Gross income shares				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1					Group 1				
08/03/19 to 07/04/19	0.4281	–	0.4281	0.3993	08/03/19 to 07/04/19	0.3442	–	0.3442	0.3373
08/04/19 to 07/05/19	0.4587	–	0.4587	0.4623	08/04/19 to 07/05/19	0.3678	–	0.3678	0.3901
08/05/19 to 07/06/19	0.4618	–	0.4618	0.4221	08/05/19 to 07/06/19	0.3686	–	0.3686	0.3540
08/06/19 to 07/07/19	0.4506	–	0.4506	0.4272	08/06/19 to 07/07/19	0.3581	–	0.3581	0.3570
08/07/19 to 07/08/19	0.4586	–	0.4586	0.4337	08/07/19 to 07/08/19	0.3629	–	0.3629	0.3608
08/08/19 to 07/09/19	0.3998	–	0.3998	0.4241	08/08/19 to 07/09/19	0.3141	–	0.3141	0.3512
08/09/19 to 07/10/19	0.4518	–	0.4518	0.4124	08/09/19 to 07/10/19	0.3548	–	0.3548	0.3400
08/10/19 to 07/11/19	0.3827	–	0.3827	0.4427	08/10/19 to 07/11/19	0.2981	–	0.2981	0.3610
08/11/19 to 07/12/19	0.3451	–	0.3451	0.4478	08/11/19 to 07/12/19	0.2676	–	0.2676	0.3669
08/12/19 to 07/01/20	0.4089	–	0.4089	0.4462	08/12/19 to 07/01/20	0.3165	–	0.3165	0.3638
08/01/20 to 07/02/20	0.3821	–	0.3821	0.4001	08/01/20 to 07/02/20	0.2944	–	0.2944	0.3241
08/02/20 to 07/03/20	0.4152	–	0.4152	0.4479	08/02/20 to 07/03/20	0.3203	–	0.3203	0.3625
Total distributions in the period			5.0434	5.1658	Total distributions in the period			3.9674	4.2687
Group 2					Group 2				
08/03/19 to 07/04/19	0.3681	0.0600	0.4281	0.3993	08/03/19 to 07/04/19	0.1548	0.1894	0.3442	0.3373
08/04/19 to 07/05/19	0.1627	0.2960	0.4587	0.4623	08/04/19 to 07/05/19	0.2259	0.1419	0.3678	0.3901
08/05/19 to 07/06/19	0.4618	–	0.4618	0.4221	08/05/19 to 07/06/19	0.0999	0.2687	0.3686	0.3540
08/06/19 to 07/07/19	0.4506	–	0.4506	0.4272	08/06/19 to 07/07/19	0.1391	0.2190	0.3581	0.3570
08/07/19 to 07/08/19	0.0786	0.3800	0.4586	0.4337	08/07/19 to 07/08/19	0.1940	0.1689	0.3629	0.3608
08/08/19 to 07/09/19	0.3998	–	0.3998	0.4241	08/08/19 to 07/09/19	0.1262	0.1879	0.3141	0.3512
08/09/19 to 07/10/19	0.4518	–	0.4518	0.4124	08/09/19 to 07/10/19	0.1687	0.1861	0.3548	0.3400
08/10/19 to 07/11/19	0.2452	0.1375	0.3827	0.4427	08/10/19 to 07/11/19	0.1629	0.1352	0.2981	0.3610
08/11/19 to 07/12/19	0.3451	–	0.3451	0.4478	08/11/19 to 07/12/19	0.1551	0.1125	0.2676	0.3669
08/12/19 to 07/01/20	0.4089	–	0.4089	0.4462	08/12/19 to 07/01/20	0.1639	0.1526	0.3165	0.3638
08/01/20 to 07/02/20	0.0321	0.3500	0.3821	0.4001	08/01/20 to 07/02/20	0.1341	0.1603	0.2944	0.3241
08/02/20 to 07/03/20	0.4152	–	0.4152	0.4479	08/02/20 to 07/03/20	0.2111	0.1092	0.3203	0.3625
Total distributions in the period			5.0434	5.1658	Total distributions in the period			3.9674	4.2687
Class Z – Income shares					Class Z – Gross accumulation shares				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1					Group 1				
08/03/19 to 07/04/19	0.3534	–	0.3534	0.3463	08/03/19 to 07/04/19	0.5117	–	0.5117	0.4801
08/04/19 to 07/05/19	0.3777	–	0.3777	0.4006	08/04/19 to 07/05/19	0.5486	–	0.5486	0.5572
08/05/19 to 07/06/19	0.3785	–	0.3785	0.3633	08/05/19 to 07/06/19	0.5519	–	0.5519	0.5074
08/06/19 to 07/07/19	0.3677	–	0.3677	0.3666	08/06/19 to 07/07/19	0.5382	–	0.5382	0.5137
08/07/19 to 07/08/19	0.3726	–	0.3726	0.3704	08/07/19 to 07/08/19	0.5471	–	0.5471	0.5210
08/08/19 to 07/09/19	0.3225	–	0.3225	0.3605	08/08/19 to 07/09/19	0.4754	–	0.4754	0.5089
08/09/19 to 07/10/19	0.3643	–	0.3643	0.3491	08/09/19 to 07/10/19	0.5388	–	0.5388	0.4944
08/10/19 to 07/11/19	0.3061	–	0.3061	0.3707	08/10/19 to 07/11/19	0.4541	–	0.4541	0.5269
08/11/19 to 07/12/19	0.2747	–	0.2747	0.3766	08/11/19 to 07/12/19	0.4089	–	0.4089	0.5374
08/12/19 to 07/01/20	0.3250	–	0.3250	0.3735	08/12/19 to 07/01/20	0.4849	–	0.4849	0.5349
08/01/20 to 07/02/20	0.3022	–	0.3022	0.3328	08/01/20 to 07/02/20	0.4524	–	0.4524	0.4784
08/02/20 to 07/03/20	0.3288	–	0.3288	0.3722	08/02/20 to 07/03/20	0.4927	–	0.4927	0.5369

Threadneedle High Yield Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 2				
08/03/19 to 07/04/19	0.2911	0.2206	0.5117	0.4801
08/04/19 to 07/05/19	0.3324	0.2162	0.5486	0.5572
08/05/19 to 07/06/19	0.3253	0.2266	0.5519	0.5074
08/06/19 to 07/07/19	0.2860	0.2522	0.5382	0.5137
08/07/19 to 07/08/19	0.2766	0.2705	0.5471	0.5210
08/08/19 to 07/09/19	0.2104	0.2650	0.4754	0.5089
08/09/19 to 07/10/19	0.2097	0.3291	0.5388	0.4944
08/10/19 to 07/11/19	0.2432	0.2109	0.4541	0.5269
08/11/19 to 07/12/19	0.2058	0.2031	0.4089	0.5374
08/12/19 to 07/01/20	0.2461	0.2388	0.4849	0.5349
08/01/20 to 07/02/20	0.2225	0.2299	0.4524	0.4784
08/02/20 to 07/03/20	0.2510	0.2417	0.4927	0.5369
Total distributions in the period			6.0047	6.1972

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 [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	41.53	42.59	43.03	41.57	42.63	43.07
Return before operating charges (p)	2.36	1.31	2.19	2.36	1.31	2.19
Operating charges (p)	(0.57)	(0.56)	(0.62)	(0.57)	(0.56)	(0.62)
Return after operating charges (p)*	1.79	0.75	1.57	1.79	0.75	1.57
Distributions (p)	(1.67)	(1.81)	(2.01)	(1.68)	(1.81)	(2.01)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	41.65	41.53	42.59	41.68	41.57	42.63
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.31	1.76	3.65	4.31	1.76	3.65
Other information						
Closing net asset value (£000)	65,253	74,794	87,344	7,869	31,262	41,092
Closing number of shares	156,682,843	180,080,571	205,095,991	18,880,847	75,196,806	96,396,972
Operating charges (%)**	1.33	1.33	1.42	1.34	1.33	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	43.18	42.85	43.90	43.22	42.89	43.95
Lowest share price (p)	41.60	40.37	42.70	41.64	40.41	42.74
	Class 1 USD Hedged – Gross income shares [§]			Class 1 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	73.54	70.35	79.90	114.75	112.67	108.70
Return before operating charges (p)	6.17	7.34	(5.01)	6.53	3.59	5.52
Operating charges (p)	(1.04)	(0.98)	(1.07)	(1.59)	(1.51)	(1.55)
Return after operating charges (p)*	5.13	6.36	(6.08)	4.94	2.08	3.97
Distributions (p)	(3.08)	(3.17)	(3.47)	(4.71)	(4.90)	(5.18)
Retained distributions on accumulation shares (p)	–	–	–	4.71	4.90	5.18
Closing net asset value per share (p)	75.59	73.54	70.35	119.69	114.75	112.67
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	6.98	9.04	(7.61)	4.31	1.85	3.65
Other information						
Closing net asset value (£000)	6,116	5,312	3,927	844	776	37
Closing number of shares	8,091,370	7,223,373	5,582,725	704,496	675,945	32,987
Operating charges (%)**	1.33	1.33	1.42	1.33	1.34	1.38
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	83.96	76.62	80.40	123.70	115.30	114.19
Lowest share price (p)	73.40	68.51	69.60	114.93	110.32	108.45

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross income shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	60.29	61.54	61.86	51.89	52.96	53.25
Return before operating charges (p)	3.42	1.91	3.15	2.95	1.65	2.70
Operating charges (p)	(0.50)	(0.49)	(0.51)	(0.43)	(0.42)	(0.44)
Return after operating charges (p)*	2.92	1.42	2.64	2.52	1.23	2.26
Distributions (p)	(2.48)	(2.67)	(2.96)	(2.14)	(2.30)	(2.55)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	60.73	60.29	61.54	52.27	51.89	52.96
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.84	2.31	4.27	4.86	2.32	4.24
Other information						
Closing net asset value (£000)	6,606	9,527	17,050	1,107	2,122	3,741
Closing number of shares	10,878,864	15,801,121	27,706,416	2,117,240	4,089,792	7,063,089
Operating charges (%)**	0.81	0.81	0.81	0.81	0.81	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	62.95	61.95	63.34	54.19	53.32	54.52
Lowest share price (p)	60.39	58.55	61.68	51.98	50.40	53.09
	Class 2 – Gross accumulation shares [§]			Class X – Gross income shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	182.61	178.37	171.04	98.90	100.19	99.98
Return before operating charges (p)	10.41	5.70	8.76	5.62	3.14	5.07
Operating charges (p)	(1.55)	(1.46)	(1.43)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	8.86	4.24	7.33	5.56	3.08	5.01
Distributions (p)	(7.66)	(7.90)	(8.36)	(4.09)	(4.37)	(4.80)
Retained distributions on accumulation shares (p)	7.66	7.90	8.36	–	–	–
Closing net asset value per share (p)	191.47	182.61	178.37	100.37	98.90	100.19
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.85	2.38	4.29	5.62	3.07	5.01
Other information						
Closing net asset value (£000)	296,173	184,313	195,709	2,948	8,042	2,130
Closing number of shares	154,682,281	100,931,916	109,722,377	2,936,664	8,131,106	2,125,776
Operating charges (%)**	0.81	0.81	0.81	0.06	0.06	0.06
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	197.84	183.49	180.66	104.02	100.95	102.89
Lowest share price (p)	182.90	175.41	170.70	99.07	95.93	99.80

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	119.80	116.14	110.53	100.72	102.66	103.06
Return before operating charges (p)	6.84	3.73	5.68	5.71	3.18	5.22
Operating charges (p)	(0.08)	(0.07)	(0.07)	(0.75)	(0.74)	(0.76)
Return after operating charges (p)*	6.76	3.66	5.61	4.96	2.44	4.46
Distributions (p)	(5.04)	(5.17)	(5.42)	(4.07)	(4.38)	(4.86)
Retained distributions on accumulation shares (p)	5.04	5.17	5.42	–	–	–
Closing net asset value per share (p)	126.56	119.80	116.14	101.61	100.72	102.66
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	5.64	3.15	5.08	4.92	2.38	4.33
Other information						
Closing net asset value (£000)	115,450	76,912	49,498	266,458	272,757	285,789
Closing number of shares	91,223,235	64,200,212	42,618,521	262,241,834	270,795,387	278,392,263
Operating charges (%)**	0.06	0.06	0.06	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	130.73	120.37	117.54	105.32	103.36	105.62
Lowest share price (p)	120.00	114.93	110.33	100.89	97.79	102.86
	Class Z – Accumulation shares			Class Z – Gross income shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	118.21	115.38	110.55	98.11	99.99	100.38
Return before operating charges (p)	6.72	3.68	5.67	5.57	3.11	5.08
Operating charges (p)	(0.90)	(0.85)	(0.84)	(0.74)	(0.72)	(0.74)
Return after operating charges (p)*	5.82	2.83	4.83	4.83	2.39	4.34
Distributions (p)	(4.87)	(5.02)	(5.32)	(3.97)	(4.27)	(4.73)
Retained distributions on accumulation shares (p)	4.87	5.02	5.32	–	–	–
Closing net asset value per share (p)	124.03	118.21	115.38	98.97	98.11	99.99
* after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	4.92	2.45	4.37	4.92	2.39	4.32
Other information						
Closing net asset value (£000)	24,074	21,275	13,756	32,842	37,501	42,593
Closing number of shares	19,409,718	17,998,360	11,922,607	33,185,019	38,225,545	42,597,550
Operating charges (%)**	0.73	0.73	0.73	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	128.16	118.77	116.85	102.58	100.67	102.87
Lowest share price (p)	118.40	113.53	110.33	98.26	95.25	100.19

Threadneedle High Yield Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	145.82	142.32	136.37
Return before operating charges (p)	8.31	4.55	6.98
Operating charges (p)	(1.12)	(1.05)	(1.03)
Return after operating charges (p)*	7.19	3.50	5.95
Distributions (p)	(6.00)	(6.20)	(6.56)
Retained distributions on accumulation shares (p)	6.00	6.20	6.56
Closing net asset value per share (p)	153.01	145.82	142.32
* after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	4.93	2.46	4.36
Other information			
Closing net asset value (£000)	33,333	19,344	15,934
Closing number of shares	21,785,459	13,266,056	11,195,946
Operating charges (%)**	0.73	0.73	0.73
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	158.09	146.51	144.14
Lowest share price (p)	146.05	140.05	136.11

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

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

[§]Only available to eligible investors.

Threadneedle High Yield Bond Fund

Notes to the financial statements

for the accounting period 8 March 2018 to 7 March 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS/(LOSSES)

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

	2020 £000	2019 £000
Non-derivative securities	9,351	(32,513)
Derivative contracts	(204)	(693)
Forward currency contracts	(11,533)	29,896
Other gains/(losses)	11,442	(6,500)
Transaction costs	(3)	(2)
Net capital gains/(losses)	9,053	(9,812)

3 REVENUE

	2020 £000	2019 £000
Unfranked dividend distributions	481	—
Interest on debt securities	31,794	32,401
Interest on short term investments	80	134
Derivative revenue	746	344
Bank interest	276	120
Total revenue	33,377	32,999

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(5,199)	(5,123)
Registration fees	(633)	(616)
	(5,832)	(5,739)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(99)	(89)
Safe custody fees	(51)	(48)
	(150)	(137)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(16)	(15)
	(23)	(22)
Total expenses*	(6,005)	(5,898)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(16)	(26)
Total interest payable and similar charges	(16)	(26)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	27,356	27,075
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,471)	(5,415)
Effects of:		
Distributions treated as tax deductible	5,471	5,415
Current tax charge for period (note 6a)	—	—
Interest distributions were made in respect of all distributions during the prior period.		

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Interim	29,982	29,410
Final	2,799	2,761
	32,781	32,171
Add: Revenue deducted on the cancellation of shares	251	310
Deduct: Revenue received on the creation of shares	(477)	(283)
Net distribution for the period	32,555	32,198
Net revenue after taxation	27,356	27,075
Annual management charge to capital	5,199	5,123
Total distributions	32,555	32,198

Details of the distribution per share are set out in the table on pages 193 to 196.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	381	3,457
Sales awaiting settlement	400	294
Accrued revenue	10,708	9,854
Total debtors	11,489	13,605

9 CASH AND BANK BALANCES

	2020 £000	2019 £000
Amounts held at futures clearing houses and brokers	31,535	143
Cash and bank balances	8,978	7,532
	40,513	7,675
Cash overdrafts at broker	—	(143)
Total cash and bank balances	40,513	7,532

10 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(1,463)	(1,568)
Purchases awaiting settlement	(1,382)	(7,495)
Accrued expenses	(27)	(30)
Amounts payable to ACD	(611)	(525)
Total other creditors	(3,483)	(9,618)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.20%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.60%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 197 to 200. The distribution per share class is given in the distribution table on pages 193 to 196. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	180,080,571
Shares issued	4,417,752
Shares redeemed	(25,808,951)
Net conversions	(2,006,529)
Closing shares	156,682,843
Class 1 – Gross income shares	
Opening shares	75,196,806
Shares issued	2,413,494
Shares redeemed	(58,522,600)
Net conversions	(206,853)
Closing shares	18,880,847
Class 1 USD Hedged – Gross income shares	
Opening shares	7,223,373
Shares issued	881,643
Shares redeemed	(13,646)
Net conversions	–
Closing shares	8,091,370
Class 1 – Gross accumulation shares	
Opening shares	675,945
Shares issued	53,975
Shares redeemed	(25,424)
Net conversions	–
Closing shares	704,496
Class 2 – Income shares	
Opening shares	15,801,121
Shares issued	1,194,936
Shares redeemed	(6,037,302)
Net conversions	(79,891)
Closing shares	10,878,864
Class 2 – Gross income shares	
Opening shares	4,089,792
Shares issued	197,572
Shares redeemed	(2,162,224)
Net conversions	(7,900)
Closing shares	2,117,240
Class 2 – Gross accumulation shares	
Opening shares	100,931,916
Shares issued	80,060,554
Shares redeemed	(26,306,310)
Net conversions	(3,879)
Closing shares	154,682,281

	2020
Class X – Gross income shares	
Opening shares	8,131,106
Shares issued	1,142,556
Shares redeemed	(6,336,998)
Net conversions	–
Closing shares	2,936,664
Class X – Gross accumulation shares	
Opening shares	64,200,212
Shares issued	28,002,999
Shares redeemed	(979,976)
Net conversions	–
Closing shares	91,223,235
Class Z – Income shares	
Opening shares	270,795,387
Shares issued	18,931,728
Shares redeemed	(27,914,297)
Net conversions	429,016
Closing shares	262,241,834
Class Z – Accumulation shares	
Opening shares	17,998,360
Shares issued	8,432,133
Shares redeemed	(7,022,750)
Net conversions	1,975
Closing shares	19,409,718
Class Z – Gross income shares	
Opening shares	38,225,545
Shares issued	2,352,803
Shares redeemed	(7,932,976)
Net conversions	539,647
Closing shares	33,185,019
Class Z – Gross accumulation shares	
Opening shares	13,266,056
Shares issued	9,976,682
Shares redeemed	(1,466,293)
Net conversions	9,014
Closing shares	21,785,459

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 3.78% and vice versa (2019: 2.93%).

Currency exposures

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

	Total
Currency 2020	£000
Euro	(7,582)
US Dollar	6,119
Currency 2019	£000
Euro	(1,068)
US Dollar	6,250

Currency sensitivity

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2020	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	£000	£000	£000
Barclays	—	—	10,350
Citigroup	—	244	260
Credit Suisse	—	21	—
Goldman Sachs	—	101	120
J.P. Morgan	—	—	640
Lloyds	—	46	20
RBS	—	—	10,260
UBS	—	—	10,370

2019	Credit Default Swaps Exposure	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
Counterparty	£000	£000	£000
Barclays	—	4,655	—
Citigroup	986	—	—
Goldman Sachs	—	4,618	—
HSBC	—	43	—
J.P. Morgan	246	392	—
Lloyds	—	4,769	—

The fund held £490,000 (2019: £15,970,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance.

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

Analysis of investments by credit ratings

	2020		2019	
	Value £000	% of Investment	Value £000	% of Investment
BBB+	516	0.06	1,291	0.19
BBB	4,136	0.51	5,833	0.85
Baa2	4,196	0.52	4,074	0.59
BBB-	48,023	5.92	33,697	4.91
BB+	252,545	31.11	194,122	28.30
Ba1	3,007	0.37	2,609	0.38
BB	117,393	14.46	121,592	17.72
Ba2	10,145	1.25	8,380	1.22
(P)Ba2	—	—	4,528	0.66
BB-	112,284	13.83	89,476	13.04
B+	67,413	8.30	43,152	6.29
B1	—	—	4,718	0.69
B	109,146	13.45	80,387	11.72
Ba3	2,288	0.28	—	—
B2	3,462	0.43	5,629	0.82
B-	39,232	4.83	45,420	6.62
(P)B-	730	0.09	—	—
B3	6,641	0.82	4,959	0.72
CCC+	14,556	1.79	10,758	1.57
CCC	3,633	0.45	1,571	0.23
Caa2	766	0.09	—	—
CC	1,303	0.16	—	—
Not Rated*	9,269	1.14	8,171	1.19
Liquidity Funds	33,308	4.10	—	—
Derivatives**	(32,178)	(3.96)	15,708	2.29
	811,814	100.00	686,075	100.00

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

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

Interest rate risk

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

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	47,950	634,458	61,786	744,194
UK Sterling	40,556	135,099	747,639	923,294
US Dollar	706	25,737	7,354	33,797

Currency 2019	£000	£000	£000	£000
Euro	79,850	455,347	7,964	543,161
UK Sterling	41,831	129,333	576,847	748,011
US Dollar	1,544	18,111	6,589	26,244

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	—	—	(751,776)	(751,776)
UK Sterling	—	—	(62,758)	(62,758)
US Dollar	—	—	(27,678)	(27,678)

Currency 2019	£000	£000	£000	£000
Euro	—	—	(544,229)	(544,229)
UK Sterling	(143)	—	(9,113)	(9,256)
US Dollar	—	—	(19,994)	(19,994)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £752,000 (2019: £15,774,000) and a liability value of £32,930,000 (2019: £66,000).

15 FAIR VALUE DISCLOSURE

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

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

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

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

Threadneedle High Yield Bond Fund

Notes to the financial statements

(continued)

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	33,308	—	47,975	—
Level 2	802,970	(32,930)	682,628	(66)
Level 3	8,466	—	3,513	—
	<u>844,744</u>	<u>(32,930)</u>	<u>734,116</u>	<u>(66)</u>

Included within Level 1, are debt securities of £33,308,000 (2019: £47,975,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

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

16 CONTINGENT LIABILITIES AND COMMITMENTS

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

17 PORTFOLIO TRANSACTION COSTS

7 March 2020

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Bonds	452,754	—	—	—	—
Collective investment schemes	168,532	4	—	—	—
Total	<u>621,286</u>	<u>4</u>		<u>—</u>	
Gross purchases total:	<u>621,290</u>				

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Bonds	310,685	—	—	—	—
Collective investment schemes	182,123	18	0.01	—	—
Corporate actions	12,127	—	—	—	—
Total	<u>504,935</u>	<u>18</u>		<u>—</u>	
Gross purchases total:	<u>504,917</u>				

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.00%

7 March 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Bonds	237,380	—	—	—	—
Collective investment schemes	52,649	—	—	—	—
Total	<u>290,029</u>	<u>—</u>		<u>—</u>	
Gross purchases total:	<u>290,029</u>				

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Bonds	245,956	—	—	—	—
Collective investment schemes	4,014	—	—	—	—
Corporate actions	457	—	—	—	—
Total	<u>250,427</u>	<u>—</u>		<u>—</u>	
Gross purchases total:	<u>250,427</u>				

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.00%

Futures and Options	<u>Commissions £000</u>
	<u>1</u>

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.98% (7 March 2019: 0.82%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 3.62%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Income shares	(19.52)
Class 1 – Gross income shares	(10.17)
Class 2 – Income shares	(17.32)
Class Z – Gross income shares	(15.99)

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Global Select Fund has risen from 223.02p to 250.71p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +12.93% as compared to a median return of +7.41% over the same period. (For information the MSCI AC World Index – Gross Return returned +8.77% over the same period).

Market Overview and Portfolio Activity

Global equities rose over the review period. Supportive factors included the dovish policy shift by the Federal Reserve (Fed), generally strong corporate results, and reduced concern about world trade tensions as the US and China signalled, and subsequently inked an interim deal. Risk appetite was broadly strong during the first 10 months under review, although trade tensions caused marked volatility in May and August. Stocks ended the period on a weak note, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might derail the world economy.

North America was the best-performing region, helped by the Fed's volte-face and the US-China phase-one trade deal. The US economic backdrop remained strong, with corporate profits generally robust. After reaching all-time highs up to mid-February, the US market had its biggest weekly fall since the global financial crisis in the month's final week driven by the coronavirus outbreak. Shares continued to retreat in early March, even as the Fed announced an emergency rate cut.

Europe ex UK equities underperformed over the period, although they were modestly up in absolute terms. Regional economic data remained uninspiring, with the manufacturing slump intensifying in Germany and the French economy suffering from the longest strike in more than 30 years. The European Central Bank followed in the Fed's footsteps, cutting its benchmark rate to a record low and restarting quantitative easing. Brexit-related uncertainty caused UK equities to underperform global averages. Nevertheless, political developments in the final months of 2019, notably the new UK prime minister's renegotiation of the EU withdrawal agreement and his subsequent general election victory brought some clarity. Sterling rallied in response, as did domestically focused equities.

Emerging markets (EM) lagged the index, with worries over global trade friction and China's slowing economy holding back sentiment. The Fed's dovish pivot set off a wave of interest-rate cuts across EM. Chinese economic data remained weak, prompting Beijing to launch new stimulus, including liquidity-boosting interventions by the central bank. Elsewhere, in Brazil, the government's high-profile pension-reform plan obtained final approval from the legislature's lower house as well as the Senate, which sparked a local-market rally.

Japanese stocks underperformed, impacted by trade concerns and the virus related panic selling at the end of the period given the market's sensitivity to global risk sentiment. The economy was buffeted in October by the consumption tax hike, with further disruption caused by Typhoon Hagibis. While Japan's manufacturing sentiment remained weak, the mood was lifted by additional fiscal support measures by the government.

Technology was the strongest performing sector against a backdrop of healthy results from key players. Defensive sectors such as utilities and healthcare also fared well, though the latter was buffeted by political rhetoric from Democratic presidential candidates. Investors favoured these sectors' more stable growth profiles in the risk-off environment later on in the review period. Economically sensitive areas such as industrials, energy and materials lagged as concerns around the pace of global economic growth persisted. These were substantiated late on, as markets priced in the impact of the coronavirus outbreak on supply chains and consumer demand. Geopolitical tensions also applied pressure to commodity prices at various points in the review period.

New purchases over the period included Samsung Electronics, UnitedHealth and UPM. We believe that the quality of Samsung's already stable earnings profile is improving as the company introduces products with compelling growth prospects. Samsung offers high returns with a dominant position in key markets, including memory, OLED and consumer electronics. For managed-care company UnitedHealth, while there is some political risk linked to the sector, we are attracted by the firm's scale and diversification. The company boasts the largest medical membership in the US. A beneficiary of an ageing population, UnitedHealth is winning share by managing costs and investing in technology initiatives which competitors lack the expertise or resources to replicate. Forest-based bioindustry company UPM is using the cashflow from its mature graphic-paper business to fund growth projects in the pulp, labels, biofuel and plywood segments. The company should benefit from the replacement of fossil based products such as plastic with renewable and sustainable solutions within urbanisation, e-commerce and consumer brands. UPM's opportunity in biofuels and biochemicals derives from its access to sustainable feedstock, which makes it vertically integrated across the value chain.

Sales included Bank Rakyat Indonesia, Rio Tinto and Becton Dickinson. We sold Bank Rakyat as we became concerned about the impact of lower lending rates in Indonesia's guaranteed microfinance programme on the company's net-interest margins and operating expenditure. We exited Rio Tinto as the company's valuation had become rich relative to other opportunities on the back of higher iron-ore prices. Meanwhile, Becton Dickinson was sold as the emergence of FDA-filing requirements for its pump-software upgrades has clouded the outlook for the company. We felt that the limited visibility around timing of the approval may create a longer-term overhang.

Global equity markets have been providing evidence of the value to be found in secular winners that can sustainably outgrow their peers, illustrated by the fund's continued outperformance of its benchmark. With scope for these types of businesses to positively re-rate and expectations that volatility will remain somewhat elevated, we feel that the current backdrop is ideal for investors with the ability to identify undervalued, long-term opportunities. While factors such as trade and the coronavirus outbreak will likely remain in focus in the short term, we believe that structural factors driving a world which is 'lower for longer' will shape markets further into the future. These drivers include debt, demographics and technological disruption, and they should ensure that firms sustaining above average growth remain attractive. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to sustain high returns on capital and earnings growth through the market cycle.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains	2	129,347	35,559
Revenue	3	12,508	18,137
Expenses	4	(7,658)	(12,448)
Interest payable and similar charges	5	(1)	(9)
Net revenue before taxation		4,849	5,680
Taxation	6	(1,258)	(1,504)
Net revenue after taxation		3,591	4,176
Total return before distributions		132,938	39,735
Distributions	7	(5,048)	(5,521)
Change in net assets attributable to shareholders from investment activities		127,890	34,214

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		939,172	855,427
Current assets:			
Debtors	8	3,147	2,843
Cash and bank balances		3,812	15,244
Cash equivalents**		43,630	9,144
Total assets		989,761	882,658
Liabilities:			
Investment liabilities		(18)	(1)
Creditors:			
Distribution payable		(5)	(8)
Other creditors	9	(2,025)	(10,271)
Total liabilities		(2,048)	(10,280)
Net assets attributable to shareholders		987,713	872,378

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	872,378	1,204,359
Amounts receivable on the issue of shares	304,631	649,467
Amounts payable on the cancellation of shares	(322,920)	(727,121)
Amounts payable on inspecie transfers	—	(293,406)
	(18,289)	(371,060)
Dilution adjustment	—	90
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	127,890	34,214
Retained distribution on accumulation shares	5,734	4,775
Closing net assets attributable to shareholders	987,713	872,378

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Accumulation shares

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

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1 08/03/19 to 07/03/20	0.3260	—	0.3260	1.1836
Group 2 08/03/19 to 07/03/20	—	0.3260	0.3260	1.1836
Total distributions in the period			0.3260	1.1836

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

Threadneedle Global Select Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	2.1221	–	2.1221	2.2947
Group 2				
08/03/19 to 07/03/20	1.0304	1.0917	2.1221	2.2947
Total distributions in the period			2.1221	2.2947

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/03/20	0.6130	–	0.6130	1.0475
Group 2				
08/03/19 to 07/03/20	0.0143	0.5987	0.6130	1.0475
Total distributions in the period			0.6130	1.0475

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/03/20	0.7792	–	0.7792	1.3239
Group 2				
08/03/19 to 07/03/20	0.1626	0.6166	0.7792	1.3239
Total distributions in the period			0.7792	1.3239

Group 2: shares purchased during a distribution period.

Threadneedle Global Select Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	223.00	214.97	194.22	228.14
Return before operating charges (p)	36.13	11.63	24.18	(12.22)
Operating charges (p)	(4.10)	(3.60)	(3.43)	(1.94)
Return after operating charges (p)*	32.03	8.03	20.75	(14.16)
Distributions (p)	–	–	–	–
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	255.03	223.00	214.97	213.98
*after direct transaction costs of (p)	0.13	0.16	0.17	0.19
Performance				
Return after charges (%)	14.36	3.74	10.68	(6.21)
Other information				
Closing net asset value (£000)	296,819	394,056	560,883	–
Closing number of shares	116,385,509	176,705,657	260,918,033	–
Operating charges (%)**	1.63	1.63	1.67	–
Direct transaction costs (%)***	0.06	0.07	0.09	–
Prices				
Highest share price (p)	283.30	238.91	225.26	238.91
Lowest share price (p)	221.19	198.87	186.69	198.87

	Class 1 USD – Accumulation shares	Class 2 – Accumulation shares		
	25/01/2019 ¹	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share				
Opening net asset value per share (p)	228.14	321.74	308.39	276.95
Return before operating charges (p)	(12.15)	52.23	16.71	34.57
Operating charges (p)	(2.01)	(3.89)	(3.36)	(3.13)
Return after operating charges (p)*	(14.16)	48.34	13.35	31.44
Distributions (p)	–	(0.33)	(1.18)	(0.97)
Retained distributions on accumulation shares (p)	–	0.33	1.18	0.97
Closing net asset value per share (p)	213.98	370.08	321.74	308.39
*after direct transaction costs of (p)	0.29	0.19	0.23	0.25
Performance				
Return after charges (%)	(6.21)	15.02	4.33	11.35
Other information				
Closing net asset value (£000)	–	38,481	32,258	137,407
Closing number of shares	–	10,398,051	10,026,116	44,556,195
Operating charges (%)**	–	1.06	1.07	1.06
Direct transaction costs (%)***	–	0.06	0.07	0.09
Prices				
Highest share price (p)	238.91	411.00	343.60	322.97
Lowest share price (p)	198.87	319.13	286.62	266.42

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares	Class 2 USD – Accumulation shares
	25/01/2019 ¹	25/01/2019 ¹
Change in net assets per share		
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
Performance		
Return after charges (%)	(5.88)	(5.88)
Other information		
Closing net asset value (£000)	–	–
Closing number of shares	–	–
Operating charges (%)**	–	–
Direct transaction costs (%)***	–	–
Prices		
Highest share price (p)	343.60	343.60
Lowest share price (p)	286.62	286.62

	Class X – Accumulation shares			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	170.11	161.42	143.52	182.77	175.83	158.39
Return before operating charges (p)	27.63	8.79	17.99	29.65	9.53	19.78
Operating charges (p)	(0.12)	(0.10)	(0.09)	(1.78)	(1.54)	(1.49)
Return after operating charges (p)*	27.51	8.69	17.90	27.87	7.99	18.29
Distributions (p)	(2.12)	(2.29)	(2.04)	(0.61)	(1.05)	(0.85)
Retained distributions on accumulation shares (p)	2.12	2.29	2.04	–	–	–
Closing net asset value per share (p)	197.62	170.11	161.42	210.03	182.77	175.83
*after direct transaction costs of (p)	0.10	0.12	0.13	0.11	0.13	0.14
Performance						
Return after charges (%)	16.17	5.38	12.47	15.25	4.54	11.55
Other information						
Closing net asset value (£000)	486,283	272,362	288,261	1,635	1,421	1,320
Closing number of shares	246,064,523	160,111,848	178,581,526	778,688	777,506	751,020
Operating charges (%)**	0.06	0.06	0.06	0.85	0.85	0.88
Direct transaction costs (%)***	0.06	0.07	0.09	0.06	0.07	0.09
Prices						
Highest share price (p)	219.38	180.63	168.85	233.93	196.07	184.99
Lowest share price (p)	168.73	151.24	138.23	181.29	163.68	152.39

Threadneedle Global Select Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	07/03/2020	07/03/2019	07/03/2018	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	232.35	222.25	199.23	236.38
Return before operating charges (p)	37.73	12.05	24.89	(12.52)
Operating charges (p)	(2.25)	(1.95)	(1.87)	(1.09)
Return after operating charges (p)*	35.48	10.10	23.02	(13.61)
Distributions (p)	(0.78)	(1.32)	(1.07)	(0.94)
Retained distributions on accumulation shares (p)	0.78	1.32	1.07	0.94
Closing net asset value per share (p)	267.83	232.35	222.25	222.77
*after direct transaction costs of (p)	0.14	0.17	0.18	0.21
Performance				
Return after charges (%)	15.27	4.54	11.55	(5.76)
Other information				
Closing net asset value (£000)	164,495	172,281	216,488	–
Closing number of shares	61,417,341	74,146,666	97,407,726	–
Operating charges (%)**	0.85	0.85	0.88	–
Direct transaction costs (%)***	0.06	0.07	0.09	–
Prices				
Highest share price (p)	297.39	247.84	232.69	247.84
Lowest share price (p)	230.47	206.90	191.69	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.

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

¹Commenced 15 June 2018 and closed 25 January 2019.

Threadneedle Global Select Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	128,418	33,637
Forward currency contracts	66	(255)
Other gains	865	2,178
Transaction costs	(2)	(1)
Net capital gains	129,347	35,559

3 REVENUE

	2020 £000	2019 £000
UK dividends	988	3,747
Overseas dividends	11,036	14,034
Interest on short term investments	66	144
Bank interest	418	211
Subsidised expense rebate	—	1
Total revenue	12,508	18,137

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(6,793)	(11,295)
Registration fees	(678)	(926)
	(7,471)	(12,221)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(117)	(143)
Safe custody fees	(53)	(66)
	(170)	(209)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(8)	(10)
Non audit service fees payable to auditors	(2)	(1)
	(17)	(18)
Total expenses*	(7,658)	(12,448)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	(1)	(9)
Total interest payable & similar charges	(1)	(9)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Overseas taxes	(1,258)	(1,504)
Total current tax (note 6b)	(1,258)	(1,504)
Total tax charge for the period	(1,258)	(1,504)
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,849	5,680
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(970)	(1,136)

Effects of:

Revenue not subject to taxation	2,346	3,502
Overseas taxes	(1,258)	(1,504)
Overseas tax expensed	9	9
Excess expenses	(1,385)	(2,366)
Retail Distribution Review (RDR) conversion transfer from capital	—	(9)
Current tax charge for period (note 6a)	(1,258)	(1,504)

The fund has not recognised a deferred tax asset of £16,029,428 (2019: £14,644,915) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

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

	2020 £000	2019 £000
Final	5,739	4,782
Add: Revenue deducted on the cancellation of shares	171	1,792
Deduct: Revenue received on the creation of shares	(862)	(1,053)
Net distribution for the period	5,048	5,521
Net revenue after taxation	3,591	4,176
Equalisation on conversion	3	43
Shortfall transfer from capital to revenue	1,454	1,302
Total distributions	5,048	5,521

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 205 to 206.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	1,708	294
Accrued revenue	952	1,946
Foreign withholding tax recoverable	487	603
Total debtors	3,147	2,843

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(1,300)	(9,458)
Accrued expenses	(22)	(24)
Amounts payable to ACD	(703)	(789)
Total other creditors	(2,025)	(10,271)

10 DILUTION ADJUSTMENT

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

11 RELATED PARTY TRANSACTIONS

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

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

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

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

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

Threadneedle Global Select Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

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

Annual management charge

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

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Z shares	0.080%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 207 to 209. The distribution per share class is given in the distribution table on pages 205 to 206. All classes have the same rights on winding up.

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

Reconciliation of shares

	2020
Class 1 – Accumulation shares	
Opening shares	176,705,657
Shares issued	47,420,061
Shares redeemed	(107,147,036)
Net conversions	(593,173)
Closing shares	116,385,509
Class 2 – Accumulation shares	
Opening shares	10,026,116
Shares issued	2,014,880
Shares redeemed	(1,642,945)
Net conversions	–
Closing shares	10,398,051
Class X – Accumulation shares	
Opening shares	160,111,848
Shares issued	89,107,930
Shares redeemed	(3,155,255)
Net conversions	–
Closing shares	246,064,523
Class Z – Income shares	
Opening shares	777,506
Shares issued	151,122
Shares redeemed	(184,425)
Net conversions	34,485
Closing shares	778,688
Class Z – Accumulation shares	
Opening shares	74,146,666
Shares issued	2,799,330
Shares redeemed	(16,068,971)
Net conversions	540,316
Closing shares	61,417,341

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.99% and vice versa (2019: 5.41%).

Currency exposures

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

	Total
Currency 2020	£000
Canadian Dollar	109
Danish Krone	12,954
Euro	109,555
Hong Kong Dollar	37,743
Indian Rupee	17,454
Japanese Yen	47,165
Singapore Dollar	1
South Korean Won	25,270
Taiwan Dollar	76
US Dollar	695,148

Currency 2019

	Total
Currency 2019	£000
Canadian Dollar	104
Danish Krone	8,625
Euro	100,042
Hong Kong Dollar	60,346
Indian Rupee	16,584
Indonesian Rupiah	19,259
Japanese Yen	16,541
Singapore Dollar	1
Swiss Franc	93
Taiwan Dollar	73
US Dollar	610,007

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

	Currency movement	Fund movement
Currency 2020	%	%
Euro	1.19	0.13
US Dollar	0.97	0.68
Currency 2019	%	%
Euro	4.04	0.46
US Dollar	5.18	3.62

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure
2020	£000
Counterparty	
Barclays	9
2019	£000
Counterparty	
Bank of Scotland	1

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

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

Interest rate risk

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

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Canadian Dollar	–	–	109	109
Danish Krone	–	–	12,954	12,954
Euro	–	–	109,555	109,555
Hong Kong Dollar	–	–	37,743	37,743
Indian Rupee	–	–	17,454	17,454
Japanese Yen	–	–	47,165	47,165
Singapore Dollar	1	–	–	1
South Korean Won	–	–	25,270	25,270
Taiwan Dollar	76	–	–	76
UK Sterling	73	–	45,400	45,473
US Dollar	3,662	43,630	648,472	695,764

Threadneedle Global Select Fund

Notes to the financial statements

(continued)

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Canadian Dollar	–	–	104	104
Danish Krone	1	–	8,624	8,625
Euro	–	–	100,042	100,042
Hong Kong Dollar	2	–	60,344	60,346
Indian Rupee	–	–	16,584	16,584
Indonesian Rupiah	–	–	19,259	19,259
Japanese Yen	–	–	16,541	16,541
Singapore Dollar	1	–	–	1
Swiss Franc	3	–	90	93
Taiwan Dollar	73	–	–	73
UK Sterling	149	–	50,833	50,982
US Dollar	15,015	–	600,136	615,151

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2020				
UK Sterling	–	–	(3,235)	(3,235)
US Dollar	–	–	(616)	(616)
Currency 2019				
UK Sterling	–	–	(10,279)	(10,279)
US Dollar	–	–	(5,144)	(5,144)

Interest rate risk sensitivity

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

Derivative risks

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

At 7 March 2020, the fund had outstanding forward foreign exchange contracts with an asset value of £9,000 (2019: £1,000) and a liability value of £18,000 (2019: £1,000).

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels: **Level 1** – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

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

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

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	982,793	–	864,570	–
Level 2	9	(18)	1	(1)
	982,802	(18)	864,571	(1)

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

15 CONTINGENT LIABILITIES AND COMMITMENTS

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

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	339,894	116	0.03	180	0.05
Collective investment schemes	146,984	–	–	–	–
Total	486,878	116		180	

Gross purchases total:

487,174

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	385,580	139	0.04	70	0.02
Collective investment schemes	111,963	–	–	–	–
Total	497,543	139		70	

Total sales net of transaction costs:

497,334

Transaction costs as a percentage of average Net Assets

Commissions:	0.03%
Taxes:	0.03%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	368,739	206	0.06	222	0.06
Collective investment schemes	74,872	–	–	–	–
Total	443,611	206		222	

Gross purchases total:

444,039

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	455,949	255	0.03	20	0.00
Collective investment schemes	65,714	–	–	–	–
In specie transactions	285,862	–	–	–	–
Corporate actions	865	–	–	–	–
Total	808,390	255		20	

Total sales net of transaction costs:

808,115

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
Taxes:	0.02%

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

At the balance sheet date, the portfolio dealing spread was 0.04% (7 March 2019: 0.03%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 7.81%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

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 quasigovernment 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 Net Income Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle Global Bond Fund has risen from 62.06p to 69.77p.

Looking at the sterling performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is +12.99% as compared to a median return of +10.94% over the same period. (For information the JPM GBI Global Index gave a total return of +13.24% for the same period).

Market Overview and Portfolio Activity

The 12 months under review constituted a volatile period in financial markets but a good one for core government debt.

For the first half of the period, three broadly overlapping factors led investors to favour the relative 'safety' of core government debt, and prices of these bonds rose while yields fell. These factors included the US-China trade dispute, the accompanying deterioration in global economic data, and lastly and perhaps most importantly, looser monetary policy from key central banks.

Near the start of the period, the Federal Reserve signalled that its tightening cycle was on hold indefinitely. This set the scene for a dovish pivot among central banks globally. Anticipation of rate cuts subsequently intensified, and the Fed duly followed through in July with its first reduction since 2008, followed by two more in September and October. Against soft economic data, the European Central Bank (ECB) eventually followed suit in September, cutting rates further below zero, while also restarting its bond-buying programme. The ECB's more accommodative stance benefited sovereign debt issued by countries in the eurozone's so-called periphery, outweighing concerns around the collapse of the populist coalition in Italy. Sentiment towards peripheral bonds was further buoyed as a new, less extreme, coalition was formed in Italy, removing the risk of a fresh election.

In the fourth quarter of 2019, yields on core bonds and riskier debt rose. Core bonds were pressured as trade tensions eased between China and the US, with the two countries reaching a phase-one agreement, and as global manufacturing data indicated that the worst may have been over for the sector. UK and German government bonds were also pressured by receding Brexit worries. Prime Minister Boris Johnson negotiated a new withdrawal agreement with the EU and then won a decisive general election victory. The result paved the way for his Brexit deal to pass through Parliament in late December and the UK to formally leave the EU at the end of January 2020. The rise in core yields prompted investors to take some profits in peripheral debt, as did renewed concerns about the stability of Italy's government and an election in Spain, which resulted in a fragile left-wing coalition.

In the first quarter of 2020, all other market preoccupations were overshadowed by a new and unexpected threat – the rapid spread of a novel coronavirus from China to the rest of the world. As the outbreak approached pandemic status, governments took ever more drastic measures to contain it, and economic forecasts plummeted. The Fed made an emergency rate cut in early March, and expectations rose that other central banks could unveil their own stimulus, as

indeed transpired after the end of the review period. Core government bond yields plunged to record lows in this environment while yields on peripheral eurozone debt rose as investors deserted risk assets in search of safer havens. The yield premium offered by Italian bonds over German bonds jumped sharply; the Mediterranean country has been worst hit by the virus outbreak.

Over the year as a whole, yields on US, UK and German government bonds fell steeply. The yield premium offered by peripheral eurozone government bonds over 'safer' German government debt tightened over the period, despite the recent spike.

In terms of activity, we substantially increased our allocation to US Treasuries. We also increased exposure to sovereign debt issued by Japan, the UK, and France, and initiated a position in Ireland. We realised some gains on our holdings in Italy and Spain at the end of 2019, following the strong spread performance over the year. The position in Germany was sold.

Within agency debt/quasi-sovereigns, new additions included the Tennessee Valley Authority, Private Export Funding Corporation, the Asian Development Bank and French state-owned railway company SNCF. We also added a 'sustainability bond' issued by the Basque government (Spain), and topped up our holding in the Federal Home Loan Bank. We sold out of Export Development Canada, the African Development Bank and Swedish local-government funding agency Kommuninvest.

Looking ahead, the economic impact on developed markets of the coronavirus will be significant, and we are sceptical that a recovery in global activity will be as early as the authorities hope.

The Fed and other central banks are determined to support governments' efforts to soften the hit to global growth through massive fiscal and monetary stimulus. Demand will be severely hit, unemployment will rise and inflation will fall.

Under these extraordinary conditions, we continue to favour duration. An extended period of the federal funds rate at zero, and the collapse of the growth gap between the US and other developed markets should give Treasuries greater room to rally. Meanwhile, ongoing structural issues and ever-mounting debt levels should cap the upside in inflation over the medium to long term.

In the eurozone, the virus outbreak has the potential to derail the embryonic recovery in industrial activity and inflation expectations. With the ECB's policy options so limited, the burden must be borne by fiscal policy.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	58,730	4,106
Revenue	3	9,497	9,780
Expenses	4	(2,539)	(5,087)
Interest payable and similar charges	5	(20)	(51)
Net revenue before taxation		6,938	4,642
Taxation	6	(5)	–
Net revenue after taxation		6,933	4,642
Total return before distributions		65,663	8,748
Distributions	7	(9,122)	(9,240)
Change in net assets attributable to shareholders from investment activities		56,541	(492)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		459,842	373,121
Current assets:			
Debtors	8	37,932	7,618
Cash and bank balances	9	12,040	8,852
Cash equivalents**		12,134	749
Total assets		521,948	390,340
Liabilities:			
Investment liabilities		(1,443)	(1,855)
Creditors:			
Bank overdrafts	9	(1,654)	(222)
Distribution payable		(133)	(3,118)
Other creditors	10	(50,255)	(6,701)
Total liabilities		(53,485)	(11,896)
Net assets attributable to shareholders		468,463	378,444

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	378,444	415,895
Amounts receivable on the issue of shares	463,059	163,500
Amounts payable on the cancellation of shares	(438,628)	(203,489)
	24,431	(39,989)
Dilution adjustment	45	76
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	56,541	(492)
Retained distribution on accumulation shares	9,002	2,954
Closing net assets attributable to shareholders	468,463	378,444

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.7206	–	0.7206	0.6412
08/09/19 to 07/03/20	0.5912	–	0.5912	0.6786
Group 2				
08/03/19 to 07/09/19	0.2036	0.5170	0.7206	0.6412
08/09/19 to 07/03/20	0.3317	0.2595	0.5912	0.6786
Total distributions in the period			1.3118	1.3198

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	0.7066	–	0.7066	0.6156
08/09/19 to 07/03/20	0.5854	–	0.5854	0.6581
Group 2				
08/03/19 to 07/09/19	0.1156	0.5910	0.7066	0.6156
08/09/19 to 07/03/20	0.2339	0.3515	0.5854	0.6581
Total distributions in the period			1.2920	1.2737

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

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

**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 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.9853	–	0.9853	0.8758
08/09/19 to 07/03/20	0.8086	–	0.8086	0.9269
Group 2				
08/03/19 to 07/09/19	0.5074	0.4779	0.9853	0.8758
08/09/19 to 07/03/20	0.5089	0.2997	0.8086	0.9269
Total distributions in the period			1.7939	1.8027

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.4902	–	1.4902	1.2981
08/09/19 to 07/03/20	1.2344	–	1.2344	1.3879
Group 2				
08/03/19 to 07/09/19	0.9944	0.4958	1.4902	1.2981
08/09/19 to 07/03/20	0.6405	0.5939	1.2344	1.3879
Total distributions in the period			2.7246	2.6860

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	0.8345	–	0.8345	0.7402
08/09/19 to 07/03/20	0.6910	–	0.6910	0.7834
Group 2				
08/03/19 to 07/09/19	0.3823	0.4522	0.8345	0.7402
08/09/19 to 07/03/20	0.5284	0.1626	0.6910	0.7834
Total distributions in the period			1.5255	1.5236

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.2697	–	1.2697	1.1018
08/09/19 to 07/03/20	1.0622	–	1.0622	1.1786
Group 2				
08/03/19 to 07/09/19	0.6585	0.6112	1.2697	1.1018
08/09/19 to 07/03/20	0.1638	0.8984	1.0622	1.1786
Total distributions in the period			2.3319	2.2804

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.3417	–	1.3417	1.1556
08/09/19 to 07/03/20	1.1266	–	1.1266	1.2407
Group 2				
08/03/19 to 07/09/19	0.5203	0.8214	1.3417	1.1556
08/09/19 to 07/03/20	0.4473	0.6793	1.1266	1.2407
Total distributions in the period			2.4683	2.3963

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.2423	–	1.2423	1.0972
08/09/19 to 07/03/20	1.0230	–	1.0230	1.1654
Group 2				
08/03/19 to 07/09/19	0.2772	0.9651	1.2423	1.0972
08/09/19 to 07/03/20	0.4568	0.5662	1.0230	1.1654
Total distributions in the period			2.2653	2.2626

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.2421	–	1.2421	1.0971
08/09/19 to 07/03/20	1.0228	–	1.0228	1.1652
Group 2				
08/03/19 to 07/09/19	0.2193	1.0228	1.2421	1.0971
08/09/19 to 07/03/20	0.7794	0.2434	1.0228	1.1652
Total distributions in the period			2.2649	2.2623

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2019/2020	Gross Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.4730	–	1.4730	1.2738
08/09/19 to 07/03/20	1.2254	–	1.2254	1.3670
Group 2				
08/03/19 to 07/09/19	0.5698	0.9032	1.4730	1.2738
08/09/19 to 07/03/20	0.5009	0.7245	1.2254	1.3670
Total distributions in the period			2.6984	2.6408

Group 2: shares purchased during a distribution period.

Threadneedle Global Bond Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	61.35	61.41	66.37	60.16	58.96	62.68
Return before operating charges (p)	10.02	2.12	(3.01)	9.85	2.03	(2.86)
Operating charges (p)	(0.92)	(0.86)	(0.91)	(0.90)	(0.83)	(0.86)
Return after operating charges (p)*	9.10	1.26	(3.92)	8.95	1.20	(3.72)
Distributions (p)	(1.31)	(1.32)	(1.04)	(1.29)	(1.27)	(0.99)
Retained distributions on accumulation shares (p)**	–	–	–	1.29	1.27	0.99
Closing net asset value per share (p)	69.14	61.35	61.41	69.11	60.16	58.96
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	14.83	2.05	(5.91)	14.88	2.04	(5.93)
Other information						
Closing net asset value (£000)	2,377	2,084	2,414	2,386	1,609	1,212
Closing number of shares	3,437,869	3,396,893	3,930,410	3,453,192	2,674,651	2,056,094
Operating charges (%)**	1.38	1.38	1.42	1.38	1.38	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	73.31	64.91	66.87	71.88	62.95	63.16
Lowest share price (p)	61.10	59.65	60.24	59.92	57.27	57.31

	Class 1 – Gross income shares [§]			Class 1 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	83.79	83.88	90.65	126.86	124.33	132.17
Return before operating charges (p)	13.66	2.88	(4.10)	20.71	4.27	(6.02)
Operating charges (p)	(1.22)	(1.17)	(1.24)	(1.90)	(1.74)	(1.82)
Return after operating charges (p)*	12.44	1.71	(5.34)	18.81	2.53	(7.84)
Distributions (p)	(1.79)	(1.80)	(1.43)	(2.72)	(2.69)	(2.09)
Retained distributions on accumulation shares (p)**	–	–	–	2.72	2.69	2.09
Closing net asset value per share (p)	94.44	83.79	83.88	145.67	126.86	124.33
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	14.85	2.04	(5.89)	14.83	2.03	(5.93)
Other information						
Closing net asset value (£000)	30	247,003	286,222	30,664	32,591	36,390
Closing number of shares	32,165	294,771,253	341,215,581	21,049,695	25,689,992	29,269,187
Operating charges (%)**	1.40	1.38	1.42	1.38	1.38	1.42
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	100.13	88.66	91.34	151.59	132.75	133.18
Lowest share price (p)	83.46	81.48	82.28	126.36	120.76	120.85

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	68.57	68.30	73.44	104.33	101.66	107.42
Return before operating charges (p)	11.23	2.35	(3.33)	17.08	3.51	(4.91)
Operating charges (p)	(0.60)	(0.56)	(0.57)	(0.92)	(0.84)	(0.85)
Return after operating charges (p)*	10.63	1.79	(3.90)	16.16	2.67	(5.76)
Distributions (p)	(1.53)	(1.52)	(1.24)	(2.33)	(2.28)	(1.82)
Retained distributions on accumulation shares (p)**	–	–	–	2.33	2.28	1.82
Closing net asset value per share (p)	77.67	68.57	68.30	120.49	104.33	101.66
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	15.50	2.62	(5.31)	15.49	2.63	(5.36)
Other information						
Closing net asset value (£000)	264	20,610	14,717	99,497	44,395	37,337
Closing number of shares	340,401	30,057,613	21,548,284	82,574,940	42,550,857	36,726,257
Operating charges (%)**	0.81	0.81	0.81	0.80	0.81	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	82.16	72.50	74.21	125.02	109.07	108.56
Lowest share price (p)	68.30	66.38	66.99	103.93	98.81	98.77
	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018 [†]	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	110.04	106.42	111.61	105.57	104.89	112.50
Return before operating charges (p)	18.06	3.69	(5.12)	17.30	3.61	(5.10)
Operating charges (p)	(0.07)	(0.07)	(0.07)	(0.72)	(0.67)	(0.69)
Return after operating charges (p)*	17.99	3.62	(5.19)	16.58	2.94	(5.79)
Distributions (p)	(2.47)	(2.40)	(1.90)	(2.27)	(2.26)	(1.82)
Retained distributions on accumulation shares (p)**	2.47	2.40	1.90	–	–	–
Closing net asset value per share (p)	128.03	110.04	106.42	119.88	105.57	104.89
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	16.35	3.40	(4.65)	15.71	2.80	(5.15)
Other information						
Closing net asset value (£000)	319,493	18,494	23,025	12,502	11,282	14,038
Closing number of shares	249,536,544	16,806,511	21,635,279	10,428,908	10,686,980	13,384,306
Operating charges (%)**	0.06	0.06	0.06 [†]	0.63	0.63	0.63
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	132.35	114.89	113.20	126.61	111.55	113.78
Lowest share price (p)	109.63	103.53	103.32	105.16	101.96	102.82

Threadneedle Global Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Gross income shares [§]			Class Z – Gross accumulation shares [§]		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	105.55	104.87	112.48	125.24	121.82	128.49
Return before operating charges (p)	17.30	3.61	(5.10)	20.52	4.20	(5.88)
Operating charges (p)	(0.72)	(0.67)	(0.69)	(0.86)	(0.78)	(0.79)
Return after operating charges (p)*	16.58	2.94	(5.79)	19.66	3.42	(6.67)
Distributions (p)	(2.26)	(2.26)	(1.82)	(2.70)	(2.64)	(2.08)
Retained distributions on accumulation shares (p)**	–	–	–	2.70	2.64	2.08
Closing net asset value per share (p)	119.87	105.55	104.87	144.90	125.24	121.82
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	15.71	2.80	(5.15)	15.70	2.81	(5.19)
Other information						
Closing net asset value (£000)	366	263	442	884	113	98
Closing number of shares	305,729	249,599	421,836	609,932	89,859	80,448
Operating charges (%)**	0.63	0.63	0.63	0.63	0.63	0.63
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	126.59	111.53	113.77	150.19	130.88	129.96
Lowest share price (p)	105.15	101.95	102.81	124.76	118.42	118.33

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

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

[§]Only available to eligible investors.

Threadneedle Global Bond Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL GAINS

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

	2020	2019
	£000	£000
Non-derivative securities	59,987	14,517
Derivative contracts	(267)	(844)
Forward currency contracts	(1,886)	(10,938)
Other gains	897	1,372
Transaction costs	(1)	(1)
Net capital gains	58,730	4,106

3 REVENUE

	2020	2019
	£000	£000
Interest on debt securities	9,337	9,608
Interest on short term investments	30	87
Bank interest	130	85
Total revenue	9,497	9,780

4 EXPENSES

	2020	2019
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,190)	(4,598)
Registration fees	(252)	(395)
	(2,442)	(4,993)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(54)	(52)
Safe custody fees	(25)	(24)
	(79)	(76)
Other expenses:		
Regulatory fees	(7)	(7)
Audit fees	(11)	(11)
	(18)	(18)
Total expenses*	(2,539)	(5,087)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£000	£000
Interest payable	(19)	(34)
Derivative expense	(1)	(17)
Total interest payable & similar charges	(20)	(51)

6 TAXATION

	2020	2019
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(5)	—
Total current tax (note 6b)	(5)	—
Total tax charge for the period	(5)	—

b) Factors affecting taxation charge for period

	2020	2019
	£000	£000
Net revenue before taxation	6,938	4,642
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,388)	(928)
Effects of:		
Overseas taxes	(5)	—
Overseas tax expensed	1	—
Excess expenses	1,000	928
Distributions treated as tax deductible	387	—
Current tax charge for period (note 6a)	(5)	—

The fund has not recognised a deferred tax asset of £4,439,802 (2019: £5,439,802) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

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

7 DISTRIBUTIONS

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

	2020	2019
	£000	£000
Interim	5,490	4,882
Final	4,109	4,204
	9,599	9,086
Add: Revenue deducted on the cancellation of shares	2,438	1,130
Deduct: Revenue received on the creation of shares	(2,915)	(976)
Net distribution for the period	9,122	9,240
Net revenue after taxation	6,933	4,642
Undistributed revenue carried forward	2,190	4,598
Annual management charge to capital	(1)	—
Total distributions	9,122	9,240

Details of the distribution per share are set out in the table on pages 213 to 214.

8 DEBTORS

	2020	2019
	£000	£000
Amounts receivable for the issue of shares	20,052	132
Sales awaiting settlement	15,917	5,415
Accrued revenue	1,963	2,052
Foreign withholding tax recoverable	—	19
Total debtors	37,932	7,618

9 CASH AND BANK BALANCES

	2020	2019
	£000	£000
Amounts held at futures clearing houses and brokers	962	1,715
Cash and bank balances	11,078	7,137
	12,040	8,852
Bank overdrafts	(615)	(150)
Cash overdrafts at broker	(1,039)	(72)
Total cash and bank balances	10,386	8,630

10 OTHER CREDITORS

	2020	2019
	£000	£000
Amounts payable for the cancellation of shares	(12,587)	(2,526)
Purchases awaiting settlement	(37,526)	(3,717)
Accrued expenses	(16)	(18)
Amounts payable to ACD	(126)	(440)
Total other creditors	(50,255)	(6,701)

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

11 DILUTION ADJUSTMENT

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

12 RELATED PARTY TRANSACTIONS

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

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

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

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

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

13 SHAREHOLDER FUNDS

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

Annual management charge

Class 1 shares	1.25%
Class 2 shares	0.75%
Class X shares	N/A*
Class Z shares	0.50%

Registration fees

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

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 215 to 217. The distribution per share class is given in the distribution table on pages 213 to 214. All classes have the same rights on winding up.

*X Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 – Income shares	
Opening shares	3,396,893
Shares issued	1,159,868
Shares redeemed	(1,069,167)
Net conversions	(49,725)
Closing shares	3,437,869
Class 1 – Accumulation shares	
Opening shares	2,674,651
Shares issued	1,646,362
Shares redeemed	(867,821)
Net conversions	–
Closing shares	3,453,192
Class 1 – Gross income shares	
Opening shares	294,771,253
Shares issued	14,490,616
Shares redeemed	(309,229,704)
Net conversions	–
Closing shares	32,165
Class 1 – Gross accumulation shares	
Opening shares	25,689,992
Shares issued	5,883,513
Shares redeemed	(10,523,810)
Net conversions	–
Closing shares	21,049,695

2020

Class 2 – Income shares

Opening shares	30,057,613
Shares issued	8,901,263
Shares redeemed	(38,618,475)
Net conversions	–
Closing shares	340,401

Class 2 – Gross accumulation shares

Opening shares	42,550,857
Shares issued	106,377,551
Shares redeemed	(66,353,468)
Net conversions	–
Closing shares	82,574,940

Class X – Gross accumulation shares

Opening shares	16,806,511
Shares issued	256,543,304
Shares redeemed	(23,813,271)
Net conversions	–
Closing shares	249,536,544

Class Z – Income shares

Opening shares	10,686,980
Shares issued	4,366,301
Shares redeemed	(4,653,257)
Net conversions	28,884
Closing shares	10,428,908

Class Z – Gross income shares

Opening shares	249,599
Shares issued	211,929
Shares redeemed	(155,799)
Net conversions	–
Closing shares	305,729

Class Z – Gross accumulation shares

Opening shares	89,859
Shares issued	524,362
Shares redeemed	(4,289)
Net conversions	–
Closing shares	609,932

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income of the fund would result in an increase on the net asset value of the fund by 10.57% and vice versa (2019: 8.80%).

Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
Currency 2020	
Australian Dollar	6,475
Canadian Dollar	5,646
Euro	124,338
Japanese Yen	105,341
Mexican Peso	953
New Zealand Dollar	76
Polish Zloty	153
Swedish Krona	998
US Dollar	183,391

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

Currency 2019	£000
Australian Dollar	6,307
Canadian Dollar	5,346
Euro	122,427
Japanese Yen	73,779
Mexican Peso	59
New Zealand Dollar	80
Polish Zloty	151
Swedish Krona	1,526
US Dollar	142,261

Currency sensitivity analysis

The fund has a material exposure to the following currencies. The table shows how the fund value will increase or decrease based on the movement in the currency (equivalent to the currency movement in the year).

Currency 2020	Currency movement	Fund movement
	%	%
Euro	1.19	0.31
Japanese Yen	6.66	1.50
US Dollar	0.97	0.38

Currency 2019	Currency movement	Fund movement
	%	%
Euro	4.04	1.31
Japanese Yen	0.19	0.04
US Dollar	5.18	1.95

Credit/Counterparty exposure

The following details exposure to counterparties obtained through the use of derivatives:

2020	Futures and Options Exposure	Forward Foreign Exchange Contracts	Collateral Pledged
Counterparty	£000	£000	£000
Barclays	—	496	346
Citigroup	—	2,056	1,170
HSBC	—	1,034	1,137
Lloyds	—	314	18
Royal Bank of Scotland	—	13	—
UBS	—	2,182	1,314
2019	Futures and Options Exposure	Forward Foreign Exchange Contracts	Collateral Pledged
Counterparty	£000	£000	£000
Citigroup	—	48	—
HSBC	—	—	15
J.P. Morgan	—	—	1,294
Lloyds	—	—	34
RBS	—	—	137
UBS	45	42	—

The fund held £4,072,000 (2019: £99,000) of collateral received from the fund's counterparties. The collateral held was in the form of cash. Collateral received is not owned by the fund and therefore is not included in the fund's cash balance. Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

Analysis of investments by credit ratings

	2020		2019	
	Value	% of Investment	Value	% of Investment
	£000		£000	
AAA	18,685	3.97	27,897	7.50
Aaa	212,731	45.21	151,552	40.74
Aaa+	—	—	3,749	1.01
AA+	18,783	3.99	15,797	4.25
AA	6,375	1.35	9,935	2.67
Aa2	4,450	0.95	—	—
Aa2u	49,657	10.55	21,090	5.67
AA-	9,126	1.94	6,856	1.84
A+	15,819	3.36	13,051	3.51

	2020		2019	
	Value	% of Investment	Value	% of Investment
	£000		£000	
A1	46,718	9.93	25,583	6.88
A	2,853	0.61	3,581	0.96
A-	4,031	0.86	5,026	1.35
A3	2,019	0.43	1,889	0.51
BBB+	6,071	1.29	6,327	1.70
Baa1	12,096	2.57	14,597	3.92
BBB	2,576	0.55	3,685	0.99
BBB-	3,960	0.84	3,646	0.98
Baa3u	9,724	2.07	12,893	3.46
Not Rated*	26,630	5.66	45,448	12.22
Liquidity Funds	12,134	2.58	749	0.20
Derivatives**	6,095	1.29	(1,336)	(0.36)
	470,533	100.00	372,015	100.00

*S&P and Moody's are used for credit ratings, 'non-rated' stocks may be rated by other agencies.

**The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

The fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2020				
Australian Dollar	77	6,908	97	7,082
Canadian Dollar	92	4,365	1,509	5,966
Euro	—	69,483	79,886	149,369
Japanese Yen	456	46,718	67,243	114,417
Mexican Peso	43	—	22,688	22,731
New Zealand Dollar	76	—	—	76
Polish Zloty	153	—	—	153
Swedish Krona	33	—	965	998
UK Sterling	2,190	32,451	44,633	79,274
US Dollar	11,148	302,284	74,025	387,457
Currency 2019	£000	£000	£000	£000
Australian Dollar	101	7,959	114	8,174
Canadian Dollar	117	6,764	61	6,942
Euro	—	62,430	68,953	131,383
Japanese Yen	611	31,909	56,539	89,059
Mexican Peso	59	—	—	59
New Zealand Dollar	80	—	—	80
Polish Zloty	151	—	—	151
Swedish Krona	1,526	—	—	1,526
UK Sterling	3,613	21,886	30,118	55,617
US Dollar	4,709	240,287	35,052	280,048

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2020				
Australian Dollar	—	—	(607)	(607)
Canadian Dollar	—	—	(320)	(320)
Euro	(938)	—	(24,093)	(25,031)
Japanese Yen	—	—	(9,076)	(9,076)
Mexican Peso	—	—	(21,778)	(21,778)
UK Sterling	—	—	(38,182)	(38,182)
US Dollar	(716)	—	(203,350)	(204,066)

Threadneedle Global Bond Fund

Notes to the financial statements

(continued)

Currency 2019	£000	£000	£000	£000
Australian Dollar	–	–	(1,867)	(1,867)
Canadian Dollar	–	–	(1,596)	(1,596)
Euro	(222)	–	(8,734)	(8,956)
Japanese Yen	–	–	(15,280)	(15,280)
UK Sterling	–	–	(29,109)	(29,109)
US Dollar	–	–	(137,787)	(137,787)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances.

Derivative risks

Derivatives including forward foreign exchange contracts and futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various forward foreign exchange contracts and futures and options during this accounting period. Such contracts commit the fund to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 7 March 2020, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £7,538,000 (2019: £518,000) and a liability value of £1,443,000 (2019: £1,855,000).

15 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1*	343,521	–	250,894	(49)
Level 2	128,455	(1,443)	122,976	(1,806)
	471,976	(1,443)	373,870	(1,855)

Included within Level 1, are debt securities of £343,521,000 (2019: £250,800,000). The valuation of some highly liquid exchange-traded debt securities (G7 sovereign debt, supranational debt or certain corporate bonds) is sufficiently close to a binding quoted price to categorise at this level.

*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £885,011,552 (2019: £755,357,629) and £864,872,340 (2019: £799,936,888) respectively. Collective investment schemes purchases and sales amounted to £126,931,588 (2019: £29,918,402) and £115,482,471 (2019: £28,932,891) respectively.

The purchases and sales are not subject to portfolio transaction costs.

The commissions incurred by the fund when buying and selling futures and options in the current year was £112 (2019: £10,421).

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

At the balance sheet date, the portfolio dealing spread was 0.12% (7 March 2019: 0.09%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund increased by 16.19%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

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 Net Accumulation Class 1 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Institutional Fund has fallen from 159.61p to 150.25p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is -2.54% as compared to a median return of -0.16% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

The FTSE All-Share posted a slight negative return over the review period. Strong gains over much of 2019 were erased by a sharp global sell-off in 2020. Small-caps underperformed, owing to jitters around Brexit and as investors periodically eschewed risk assets.

Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced

concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

New additions to the portfolio over the review period included Reckitt Benckiser, Tate & Lyle, BAE Systems and Aggreko.

Consumer-goods company Reckitt Benckiser is exposed to some of the faster-growing categories in the household personal-care sector and boasts strong brands with robust market positions. Following the company's significant reinvestments, we feel that operational performance can improve. We also believe that growth and margins could rebound faster than expected. A new management team also brings prospects of a more clearly delineated strategy.

Tate & Lyle supplies food and beverage ingredients to industrial markets around the world. 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.

The growth prospects of defence-manufacturer BAE appear to be improving in several key areas, notably in the electronic and US land segments. We expect free cashflow to improve, which should pave the way for dividends to go up and for net debt to come down.

Power-generation equipment provider Aggreko still has significant issues to tackle in its turnaround. However, in our view, the business is now on track to enhance both earnings and returns on capital.

We received shares in M&G following its demerger from Prudential. We then scaled up the position in M&G to a more meaningful holding due to its extremely attractive valuation proposition.

Over the year, we also added to some existing holdings, such as Royal Mail, BT and Weir.

We profitably closed our position in Cobham ahead of the completion of its takeover. We also sold AVEVA and St. James's Place and realised some gains in London Stock Exchange, following these stocks' strong runs.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum.

Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

Turning to the small- and mid-cap market, there are areas of significant value, both in domestic and international names. We feel that these gaps will close over the coming months. Our focus is on businesses with strong franchises and significant self-help opportunities.

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 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital losses	2	(97,533)	(12,101)
Revenue	3	45,625	41,827
Expenses	4	(10,106)	(9,204)
Interest payable and similar charges	5	—	(8)
Net revenue before taxation		35,519	32,615
Taxation	6	—	—
Net revenue after taxation		35,519	32,615
Total return before distributions		(62,014)	20,514
Distributions	7	35,519	(32,615)
Change in net assets attributable to shareholders from investment activities		(97,533)	(12,101)

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		1,080,563	1,157,362
Current assets:			
Debtors	8	12,908	12,457
Cash and bank balances		1	1,062
Cash equivalents**		15,526	—
Total assets		1,108,998	1,170,881
Liabilities:			
Creditors:			
Bank overdrafts		(4,967)	—
Other creditors	9	(2,669)	(1,476)
Total liabilities		(7,636)	(1,476)
Net assets attributable to shareholders		1,101,362	1,169,405

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	1,169,405	1,062,155
Amounts receivable on the issue of shares	138,162	249,613
Amounts payable on the cancellation of shares	(144,139)	(164,748)
	(5,977)	84,865
Dilution adjustment	—	824
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(97,533)	(12,101)
Retained distribution on accumulation shares	35,467	33,662
Closing net assets attributable to shareholders	1,101,362	1,169,405

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	2.3582	—	2.3582	2.1670
08/09/19 to 07/03/20	1.0218	—	1.0218	1.3467
Group 2				
08/03/19 to 07/09/19	1.2499	1.1083	2.3582	2.1670
08/09/19 to 07/03/20	0.5628	0.4590	1.0218	1.3467
Total distributions in the period			3.3800	3.5137

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

** 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 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	3.4425	–	3.4425	3.2274
08/09/19 to 07/03/20	1.9506	–	1.9506	2.2537
Group 2				
08/03/19 to 07/09/19	2.0314	1.4111	3.4425	3.2274
08/09/19 to 07/03/20	0.8767	1.0739	1.9506	2.2537
Total distributions in the period			5.3931	5.4811

Class X – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2019/2020
Group 1			
08/03/19 to 07/09/19	1.4553	–	1.4553
08/09/19 to 07/03/20	1.4670	–	1.4670
Group 2			
08/03/19 to 07/09/19	1.4553	–	1.4553
08/09/19 to 07/03/20	1.4670	–	1.4670
Total distributions in the period			2.9223

Group 2: shares purchased during a distribution period.

*For launch dates, refer to the footnotes after the comparative tables.

Threadneedle UK Institutional Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	159.50	157.79	155.68	180.88	177.49	173.61
Return before operating charges (p)	(7.01)	4.38	4.79	(8.08)	4.88	5.34
Operating charges (p)	(2.69)	(2.67)	(2.68)	(1.52)	(1.49)	(1.46)
Return after operating charges (p)*	(9.70)	1.71	2.11	(9.60)	3.39	3.88
Distributions (p)	(3.38)	(3.51)	(2.75)	(5.39)	(5.48)	(4.63)
Retained distributions on accumulation shares (p)	3.38	3.51	2.75	5.39	5.48	4.63
Closing net asset value per share (p)	149.80	159.50	157.79	171.28	180.88	177.49
*after direct transaction costs of (p)	0.16	–	0.13	0.18	–	0.15
Performance						
Return after charges (%)	(6.08)	1.08	1.36	(5.31)	1.91	2.23
Other information						
Closing net asset value (£000)	18,431	40,772	52,596	1,073,709	1,128,633	1,009,559
Closing number of shares	12,303,689	25,561,786	33,333,758	626,860,113	623,973,751	568,798,273
Operating charges (%)**	1.64	1.63	1.67	0.81	0.81	0.81
Direct transaction costs (%)***	0.09	0.13	0.08	0.09	0.13	0.08
Prices						
Highest share price (p)	177.28	173.78	167.50	202.38	196.16	188.20
Lowest share price (p)	150.25	145.20	154.20	171.79	164.40	172.15

	Class X – Gross accumulation shares
	07/03/2020 ¹
Change in net assets per share	
Opening net asset value per share (p)	100.00
Return before operating charges (p)	(5.52)
Operating charges (p)	(0.05)
Return after operating charges (p)*	(5.57)
Distributions (p)	(2.92)
Retained distributions on accumulation shares (p)	2.92
Closing net asset value per share (p)	94.43
*after direct transaction costs of (p)	0.10
Performance	
Return after charges (%)	(5.57)
Other information	
Closing net asset value (£000)	9,222
Closing number of shares	9,765,765
Operating charges (%)**	0.06 ¹
Direct transaction costs (%)***	0.09
Prices	
Highest share price (p)	111.41
Lowest share price (p)	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.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

¹Commenced 9 May 2019.

¹The Ongoing Charges Figure is annualised based on the fees incurred since commencement date.

Threadneedle UK Institutional Fund

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(97,545)	(12,078)
Other gains/(losses)	17	(19)
Transaction costs	(5)	(4)
Net capital losses	(97,533)	(12,101)

3 REVENUE

	2020 £000	2019 £000
UK dividends	45,493	41,504
Overseas dividends	41	—
Franked dividend distributions	—	162
Interest on short term investments	30	13
Bank interest	45	19
Underwriting commission	16	20
Management fee rebate on collective investment scheme holdings	—	109
Total revenue	45,625	41,827

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(9,452)	(8,604)
Registration fees	(456)	(422)
	(9,908)	(9,026)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary's fees	(149)	(131)
Safe custody fees	(35)	(32)
	(184)	(163)
Other expenses:		
Regulatory fees	(6)	(7)
Audit fees	(8)	(8)
	(14)	(15)
Total expenses*	(10,106)	(9,204)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable	—	(8)
Total interest payable & similar charges	—	(8)

6 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 6b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	35,519	32,615
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(7,104)	(6,523)

Effects of:

Revenue not subject to taxation	9,038	8,252
Excess expenses	(1,934)	(1,729)
Current tax charge for period (note 6a)	—	—

The fund has not recognised a deferred tax asset of £60,973,921 (2019: £59,040,035) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

7 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	22,970	19,254
Final	12,497	14,407
	35,467	33,661
Add: Revenue deducted on the cancellation of shares	978	887
Deduct: Revenue received on the creation of shares	(926)	(1,933)
Net distribution for the period	35,519	32,615

Details of the distribution per share are set out in the table on pages 222 to 223.

8 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	7,110	4,597
Sales awaiting settlement	49	422
Accrued revenue	5,749	7,438
Total debtors	12,908	12,457

9 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(1,594)	(219)
Purchases awaiting settlement	(84)	(335)
Accrued expenses	(23)	(25)
Amounts payable to ACD	(968)	(897)
Total other creditors	(2,669)	(1,476)

10 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to charge a dilution adjustment on the purchase and/or redemption of shares. If charged, the dilution adjustment will be paid into the fund. Full details of the operation of the scheme can be found in the Prospectus.

11 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9.

The fund invests in other sub-funds managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

The fund has received £Nil (2019: £162,000) franked dividend distributions and £Nil (2019: £109,000) management fee rebate on collective investment scheme holdings. All transactions have been entered into in the ordinary course of business on normal commercial terms.

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Institutional Fund currently has three share classes; Class 1, Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.50%
Class 2 shares	0.75%
Class X shares	N/A*

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 224. The distribution per share class is given in the distribution table on pages 222 to 223. All classes have the same rights on winding up.

*X Shares are not subject to an Annual Management Charge.

Reconciliation of shares

	2020
Class 1 – Accumulation shares	
Opening shares	25,561,786
Shares issued	7,917,600
Shares redeemed	(21,175,697)
Net conversions	–
Closing shares	12,303,689
Class 2 – Accumulation shares	
Opening shares	623,973,751
Shares issued	60,053,496
Shares redeemed	(57,167,134)
Net conversions	–
Closing shares	626,860,113
Class X – Gross accumulation shares*	
Opening shares	–
Shares issued	14,461,967
Shares redeemed	(4,696,202)
Net conversions	–
Closing shares	9,765,765

*For launch dates, refer to the footnotes after the comparative tables.

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 4.98% and vice versa (2019: 4.55%).

Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
Currency 2020	
Euro	1
US Dollar	2,053
Currency 2019	£000
Euro	70
US Dollar	1,889

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
Euro	1	–	–	1
UK Sterling	–	15,526	1,091,418	1,106,944
US Dollar	–	–	2,053	2,053
Currency 2019	£000	£000	£000	£000
Euro	70	–	–	70
UK Sterling	992	–	1,167,930	1,168,922
US Dollar	–	–	1,889	1,889
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	(4,967)	–	(2,669)	(7,636)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(1,476)	(1,476)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

14 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Valuation technique				
Level 1*	1,096,089	–	1,157,362	–
	1,096,089	–	1,157,362	–

*The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

Threadneedle UK Institutional Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	214,616	101	0.05	1,033	0.48
Collective investment schemes	57,526	—	—	—	—
Corporate actions	2,048	—	—	—	—
Total	274,190	101		1,033	

Gross purchases total: **275,324**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	191,973	77	0.04	1	0.00
Collective investment schemes	42,000	—	—	—	—
Corporate actions	5,120	—	—	—	—
Total	239,093	77		1	

Total sales net of transaction costs: **239,015**

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.08%

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	264,348	91	0.03	1,261	0.48
Corporate actions	4,066	—	—	—	—
Total	268,414	91		1,261	

Gross purchases total: **269,766**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	113,526	38	0.03	1	0.00
Collective investment schemes	22,172	—	—	—	—
Corporate actions	13,692	—	—	—	—
Total	149,390	38		1	

Total sales net of transaction costs: **149,351**

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.12%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' - the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.16% (7 March 2019: 0.13%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 13.39%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 1 – Accumulation shares	150.23	132.94	(11.51)
Class 2 – Accumulation shares	171.78	152.25	(11.37)
Class X – Gross accumulation shares	94.71	84.07	(11.24)

The table below provides the net subscriptions and redemptions of shares between the year-ended 7 March 2020 and 19 May 2020 as a percentage of that share class NAV. This change is reflective of conditions that arose after the year-end and hence is considered a non-adjusting event.

Share class	% Movement
Class 1 – Accumulation shares	(41.28)
Class X – Gross accumulation shares	(75.02)

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings 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 Net Income Class 2 Shares*

Over the twelve months to 7 March 2020, the published share price of the Threadneedle UK Equity Opportunities Fund has fallen from 124.06p to 110.23p.

Looking at performance within its peer group, the total return on the fund for the twelve months ending 29 February 2020, including net reinvested income, is -5.04% as compared to a median return of -0.16% over the same period. (For information the FTSE All-Share Total Return Index returned -1.43% over the same period).

Market Overview and Portfolio Activity

UK equities posted a small negative return over the 12 months under review. The period fell into two distinct parts, as gains accrued during 2019 were erased in the new year by sharp declines amid a global sell-off.

Over 2019, UK equities benefited from optimism over Chinese economic stimulus measures, the dovish policy shift by the Federal Reserve, and reduced concern about world trade tensions as the US and China signed an interim deal. UK equities were further buoyed by several overseas takeover bids for firms such as Merlin Entertainments, Cobham, London Stock Exchange and Greene King. That said, sentiment was periodically buffeted by concerns about global growth and Brexit.

In terms of politics, following a series of ill-fated attempts to pass her EU withdrawal agreement, Theresa May resigned as prime minister and was succeeded by Boris Johnson. Given his stronger commitment to a hard Brexit, UK stocks suffered, particularly of firms with close links to the domestic economy. Equities recovered later in the year, following the Conservatives' decisive victory in December's snap general election. This significantly improved the political backdrop, as the result removed the tail risk of a hard left Labour government and was also seen to pave the way for an orderly Brexit. The UK finally exited the EU on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing.

Markets in the UK and elsewhere sold off in 2020, as a newly discovered coronavirus spread throughout China and beyond, sparking concern that the outbreak might further derail the already slowing global economy. In late February, the sell-off deepened with the FTSE All-Share and other key global indices falling into correction territory as worries about the virus escalated amid news of a surge in cases in Italy. Central banks and governments across the world promised to implement supportive measures, which have subsequently materialised.

On the economic front, the UK's GDP growth for the whole of 2019 was 1.4% on an annualised basis. The UK's labour market and consumer spending remained resilient, but business investment was hurt by the political noise. However, purchasing managers' indices rose in January and February, reflecting optimism among businesses following the recent general election. That said, these cover the period before the spread of the virus, the full economic toll of which remains to be seen.

New additions to the portfolio over the review period included consumer staples giant Reckitt Benckiser, recruitment firm Hays and power-generation equipment provider Aggreko.

Reckitt Benckiser is exposed to some of the faster-growing categories in the household personal-care sector and boasts strong brands with robust market positions. Following the company's significant reinvestments, we feel that operational performance can improve. We also believe that growth and margins could rebound faster than expected. A new management team also brings prospects of a more clearly delineated strategy.

While Aggreko still has significant issues to tackle in its turnaround, in our view, the business is now on track to enhance both earnings and returns on capital.

Hays' shares have been somewhat pressured, owing to the business's sensitivity to the European labour market. Nevertheless, the firm is more diversified by business line and geography than ever before, and is making progress implementing its five-year strategic plan.

We received shares in M&G following its demerger from Prudential. We then scaled up the position in M&G to a more meaningful holding due to its extremely attractive valuation proposition.

Over the review period, we also added to some existing holdings, such as Royal Mail and Rank Group.

We profitably closed our position in Cobham ahead of the completion of the company's takeover. We also sold British American Tobacco, Diageo and Britvic following these stocks' strong runs.

The coronavirus has delivered a clear jolt to the world economy. The UK market has underperformed during the ensuing global sell-off, which in our view, is a function of the heavy commodity weighting in our index as well as the absence thus far of any rotation away from quality stocks (characterised by steady earnings growth, high profitability and low debt) or technology names globally. While the situation is rapidly evolving, the dislocation should create opportunities for us to find clear water and capture value through robust process and active management.

We expect a wave of refinancing to sweep the market as companies seek to shore up liquidity and, just as in 2009, this can be a fantastic opportunity for long-term, bottom-up investors. The key is to identify decent businesses unduly caught up in the crunch – and, of course, to avoid throwing 'good' money after 'bad'. Elsewhere, we think the prospects for selected domestic cyclical appear interesting, noting that prior to the emergence of Covid-19 they had already suffered from a 'Brexit malaise' since the EU referendum.

Economically, we feel it is unlikely there will be a sharp recovery, and that the 'whatever it takes' fiscal stimulus packages will not prevent a sharp GDP contraction for most developed economies. That said, there can be no doubt that to some degree, the speed and magnitude of stock market falls are factoring this in already.

As patient, conviction investors, we will continue to avoid whipsaw momentum trades and instead remain agile and concentrate on company fundamentals to target strong risk-adjusted returns.

STATEMENT OF TOTAL RETURN

for the accounting period 8 March 2019 to 7 March 2020

	Notes	2020 £000	2019 £000
Income			
Net capital gains/(losses)	2	(9,651)	34
Revenue	3	3,665	3,771
Expenses	4	(1,467)	(1,588)
Net revenue before taxation		2,198	2,183
Taxation	5	–	–
Net revenue after taxation		2,198	2,183
Total return before distributions		(7,453)	2,217
Distributions	6	(2,198)	(2,183)
Change in net assets attributable to shareholders from investment activities		(9,651)	34

BALANCE SHEET

as at 7 March 2020

	Notes	2020 £000	2019 £000
Assets:			
Fixed assets:			
Investments		77,760	97,232
Current assets:			
Debtors	7	3,255	1,830
Cash and bank balances		–	49
Total assets		81,015	99,111
Liabilities:			
Creditors:			
Bank overdrafts		(288)	–
Distribution payable		(653)	(810)
Other creditors	8	(2,443)	(446)
Total liabilities		(3,384)	(1,256)
Net assets attributable to shareholders		77,631	97,855

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 8 March 2019 to 7 March 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	97,855	101,950
Amounts receivable on the issue of shares	3,165	10,279
Amounts payable on the cancellation of shares	(13,743)	(14,447)
	(10,578)	(4,168)
Dilution adjustment	3	35
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(9,651)	34
Unclaimed distributions	2	4
Closing net assets attributable to shareholders	77,631	97,855

DISTRIBUTION TABLE

for the accounting period 8 March 2019 to 7 March 2020

Dividend distribution in pence per share

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	1.9115	–	1.9115	1.6913
08/09/19 to 07/03/20	0.9121	–	0.9121	0.9958
Group 2				
08/03/19 to 07/09/19	1.3509	0.5606	1.9115	1.6913
08/09/19 to 07/03/20	0.6273	0.2848	0.9121	0.9958
Total distributions in the period			2.8236	2.6871

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2019/2020	Revenue Accumulated 2018/2019
Group 1				
08/03/19 to 07/09/19	1.6934	–	1.6934	1.4855
08/09/19 to 07/03/20	0.8246	–	0.8246	0.8970
Group 2				
08/03/19 to 07/09/19	1.4934	0.2000	1.6934	1.4855
08/09/19 to 07/03/20	0.8246	–	0.8246	0.8970
Total distributions in the period			2.5180	2.3825

*In pound Sterling and against UK peer group (See Performance summary on pages 312 to 313).

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

DISTRIBUTION TABLE

(continued)

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2019/2020	Distribution Paid 2018/2019
Group 1				
08/03/19 to 07/09/19	2.3327	–	2.3327	2.1405
08/09/19 to 07/03/20	1.3370	–	1.3370	1.4090
Group 2				
08/03/19 to 07/09/19	0.7835	1.5492	2.3327	2.1405
08/09/19 to 07/03/20	0.9336	0.4034	1.3370	1.4090
Total distributions in the period			3.6697	3.5495

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	07/03/2020	07/03/2019	07/03/2018	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share						
Opening net asset value per share (p)	122.98	123.29	125.40	107.98	105.94	105.63
Return before operating charges (p)	(9.13)	4.39	2.36	(8.18)	3.70	1.96
Operating charges (p)	(1.97)	(2.01)	(2.01)	(1.72)	(1.66)	(1.65)
Return after operating charges (p)*	(11.10)	2.38	0.35	(9.90)	2.04	0.31
Distributions (p)	(2.82)	(2.69)	(2.46)	(2.61)	(2.38)	(2.13)
Retained distributions on accumulation shares (p)	—	—	—	2.61	2.38	2.13
Closing net asset value per share (p)	109.06	122.98	123.29	98.08	107.98	105.94
* after direct transaction costs of (p)	0.09	0.08	0.07	0.08	0.07	0.06
Performance						
Return after charges (%)	(9.03)	1.93	0.28	(9.17)	1.93	0.29
Other information						
Closing net asset value (£000)	76,629	92,626	99,927	12	3	3
Closing number of shares	70,260,257	75,318,113	81,051,072	12,138	3,001	3,001
Operating charges (%)**	1.58	1.58	1.57	1.56	1.51	1.52
Direct transaction costs (%)***	0.07	0.06	0.06	0.07	0.06	0.06
Prices						
Highest share price (p)	133.69	137.49	133.44	119.23	118.16	112.41
Lowest share price (p)	110.23	113.67	121.76	98.31	98.99	104.05

	Class Z – Income shares		
	07/03/2020	07/03/2019	07/03/2018
Change in net assets per share			
Opening net asset value per share (p)	122.86	123.18	125.32
Return before operating charges (p)	(9.17)	4.37	2.34
Operating charges (p)	(1.12)	(1.14)	(1.15)
Return after operating charges (p)*	(10.29)	3.23	1.19
Distributions (p)	(3.77)	(3.55)	(3.33)
Retained distributions on accumulation shares (p)	—	—	—
Closing net asset value per share (p)	108.90	122.86	123.18
* after direct transaction costs of (p)	0.09	0.08	0.07
Performance			
Return after charges (%)	(8.38)	2.62	0.95
Other information			
Closing net asset value (£000)	990	5,226	2,020
Closing number of shares	908,841	4,253,130	1,640,001
Operating charges (%)**	0.90	0.90	0.90
Direct transaction costs (%)***	0.07	0.06	0.06
Prices			
Highest share price (p)	133.83	137.57	133.56
Lowest share price (p)	110.49	113.79	122.02

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***Transaction costs have not been reduced by any amounts collected from dilution levies/adjustments.

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

Notes to the financial statements

for the accounting period 8 March 2019 to 7 March 2020

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 5 and 6.

2 NET CAPITAL (LOSSES)/GAINS

Net capital (losses)/gains during the period comprise:

	2020 £000	2019 £000
Non-derivative securities	(9,652)	37
Other gains/(losses)	2	(2)
Transaction costs	(1)	(1)
Net capital (losses)/gains	(9,651)	34

3 REVENUE

	2020 £000	2019 £000
UK dividends	3,659	3,768
Bank interest	3	3
Underwriting commission	3	—
Total revenue	3,665	3,771

4 EXPENSES

	2020 £000	2019 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,397)	(1,515)
Registration fees	(36)	(38)
	(1,433)	(1,553)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(11)	(12)
Safe custody fees	(11)	(11)
	(22)	(23)
Other expenses:		
Regulatory fees	(3)	(3)
Audit fees	(9)	(9)
	(12)	(12)
Total expenses*	(1,467)	(1,588)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2020 £000	2019 £000
a) Analysis of charge in period		
Total current tax (note 5b)	—	—
Total tax charge for the period	—	—
b) Factors affecting taxation charge for period		
Net revenue before taxation	2,198	2,183
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(440)	(437)
Effects of:		
Revenue not subject to taxation	733	753
Excess expenses	(293)	(316)
Current tax charge for period (note 5a)	—	—

The fund has not recognised a deferred tax asset of £11,221,193 (2019: £10,928,137) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments. It is unlikely that these expenses will be utilised in future years.

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2020 £000	2019 £000
Interim	1,484	1,360
Final	653	810
	2,137	2,170
Add: Revenue deducted on the cancellation of shares	73	71
Deduct: Revenue received on the creation of shares	(12)	(58)
Net distribution for the period	2,198	2,183

Details of the distribution per share are set out in the table on pages 228 to 229.

7 DEBTORS

	2020 £000	2019 £000
Amounts receivable for the issue of shares	—	14
Sales awaiting settlement	2,817	1,237
Accrued revenue	438	579
Total debtors	3,255	1,830

8 OTHER CREDITORS

	2020 £000	2019 £000
Amounts payable for the cancellation of shares	(63)	(293)
Purchases awaiting settlement	(2,239)	—
Accrued expenses	(8)	(11)
Amounts payable to ACD	(133)	(142)
Total other creditors	(2,443)	(446)

9 DILUTION ADJUSTMENT

Under certain circumstances the ACD has the power to charge a dilution adjustment on the purchase and/or redemption of shares. If charged, the dilution adjustment will be paid into the fund. Full details of the operation of the scheme can be found in the Prospectus.

10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 8.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

11 SHAREHOLDER FUNDS

Threadneedle UK Equity Opportunities Fund currently has two share classes; Class 2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 2 shares	1.50%
Class Z shares	0.75%
Registration fees	
Class 2 shares	0.035%
Class Z shares	0.110%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on page 230.

The distribution per share class is given in the distribution table on pages 228 to 229.

All classes have the same rights on winding up.

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

Notes to the financial statements

(continued)

Reconciliation of shares

	2020
Class 2 – Income shares	
Opening shares	75,318,113
Shares issued	2,149,805
Shares redeemed	(7,191,204)
Net conversions	(16,457)
Closing shares	70,260,257
Class 2 – Accumulation shares	
Opening shares	3,001
Shares issued	9,137
Shares redeemed	–
Net conversions	–
Closing shares	12,138
Class Z – Income shares	
Opening shares	4,253,130
Shares issued	373,071
Shares redeemed	(3,733,802)
Net conversions	16,442
Closing shares	908,841

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 6.

Market price risk sensitivity

A 5% market increase applied to the fund would result in an increase on net asset value of the fund by 5.17% and vice versa (2019: 4.41%).

Currency exposures

A portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total £000
Currency 2020	
US Dollar	95
Currency 2019	£000
US Dollar	88

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2019: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2019: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

There are no material amounts of non-interest-bearing financial assets, other than equities, which do not have maturity dates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 7 March was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	–	–	80,920	80,920
US Dollar	–	–	95	95
Currency 2019	£000	£000	£000	£000
UK Sterling	49	–	98,974	99,023
US Dollar	–	–	88	88

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2020	£000	£000	£000	£000
UK Sterling	(288)	–	(3,096)	(3,384)
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(1,256)	(1,256)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2019: same).

13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2020		2019	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	77,760	–	97,232	–
	77,760	–	97,232	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2019: Nil).

15 PORTFOLIO TRANSACTION COSTS

7 March 2020

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	10,614	5	0.05	53	0.50
Corporate actions	329	–	–	–	–
Total	10,943	5		53	
Gross purchases total:	11,001				

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	20,696	9	0.04	–	–
Corporate actions	135	–	–	–	–
Total	20,831	9		–	

Total sales net of transaction costs: 20,822

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.06%

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

Notes to the financial statements

(continued)

7 March 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	10,896	4	0.04	54	0.50
Corporate actions	1,016	—	—	—	—
Total	11,912	4		54	

Gross purchases total: **11,970**

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	15,974	4	0.03	—	—
Corporate actions	705	—	—	—	—
Total	16,679	4			

Total sales net of transaction costs: **16,675**

Transaction costs as a percentage of average Net Assets

Commissions:	0.01%
Taxes:	0.05%

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.15% (7 March 2019: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

16 POST BALANCE SHEET EVENT

Following the COVID-19 (Coronavirus) outbreak there has been an on-going period of high volatility in Global financial markets. As a result, we have witnessed significant movements in the net asset value of the Fund since the balance sheet date. During the period from the balance sheet date to 19 May 2020, the net asset value of the Fund decreased by 15.84%.

The NAV and net redemptions of shares were reviewed again on 22 May with no material movements noted since 19 May.

The table below shows the net asset values per share as at the balance sheet date, compared against values as at 19 May and the percentage movement in that period:

Share class	Net asset value per share (p)		
	6 March 2020	19 May 2020	% Movement
Class 2 – Income shares	109.15	93.25	(14.57)
Class 2 – Accumulation shares	98.31	83.83	(14.72)
Class Z – Income shares	108.98	93.23	(14.45)

**Statement of Authorised Corporate Director's (ACD)
Responsibilities in relation to the Financial
Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of each sub-fund and its net revenue/(expenses) and the net gains/(losses) on the property of each sub-fund for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of the Depositary's Responsibilities in Respect of the
Scheme and Report of the Depositary to the Shareholders of the
Threadneedle Investment Funds ICVC (the Company)
for the Period ended 7 March 2020**

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank Europe plc,
UK Branch

26 May 2020

Independent auditors' report to the Shareholders of Threadneedle Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Threadneedle Investment Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 7 March 2020 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Threadneedle Investment Funds ICVC is an Open Ended Investment Company ('OEIC') with 28 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 07 March 2020; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities Statement set out on page 234, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Edinburgh
27 May 2020

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle UK Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.85% (6.90%)				Tobacco 5.83% (7.27%)			
	Oil & Gas Producers 3.27% (4.57%)			2,408,084	British American Tobacco	75,927	4.12
3,688,080	Royal Dutch Shell 'B' Shares	60,249	3.27	1,910,377	Imperial Brands	31,433	1.71
	Oil Equipment, Services & Distribution 1.58% (2.33%)			Total Consumer Goods			
3,570,177	Hunting	10,032	0.54			383,010	20.79
5,816,093	John Wood Group	19,094	1.04	HEALTH CARE 7.05% (6.26%)			
	Total Oil & Gas	89,375	4.85	1,962,787	Health Care Equipment & Services 1.78% (1.82%)		
					Smith & Nephew	32,788	1.78
BASIC MATERIALS 5.85% (5.95%)					Pharmaceuticals & Biotechnology 5.27% (4.44%)		
	Chemicals 2.23% (2.23%)			6,051,124	GlaxoSmithKline	97,145	5.27
6,457,708	Elementis	5,818	0.32		Total Health Care	129,933	7.05
1,474,934	Johnson Matthey	35,163	1.91	CONSUMER SERVICES 18.73% (19.78%)			
	Mining 3.62% (3.72%)				Food & Drug Retailers 2.47% (2.20%)		
1,896,779	Rio Tinto	66,729	3.62	18,778,671	Tesco	45,557	2.47
	Total Basic Materials	107,710	5.85		General Retailers 0.78% (0.56%)		
INDUSTRIALS 15.29% (16.11%)				2,480,171	Inchcape	14,323	0.78
	Construction & Materials 3.21% (4.19%)				Media 6.69% (7.27%)		
29,124,898	¹ Breedon Aggregates	25,047	1.36	5,564,930	Informa	32,243	1.75
1,279,195	CRH (London Listing)	33,988	1.85	28,474,206	ITV	28,574	1.55
	Aerospace & Defence 0.77% (2.48%)			3,413,622	RELX (London Listing)	62,435	3.39
2,447,930	Rolls-Royce Holdings	14,120	0.77		Travel & Leisure 8.79% (9.75%)		
	General Industrials 2.62% (2.47%)			534,202	Carnival	10,716	0.58
6,854,480	DS Smith	21,516	1.17	2,084,587	Compass Group	32,332	1.76
1,831,767	Smiths Group	26,735	1.45	2,017,764	easyJet	19,435	1.05
	Electronic & Electrical Equipment 0.56% (0.00%)			928,914	Intercontinental Hotels Group	35,508	1.93
395,607	Spectris	10,258	0.56	4,369,748	SSP Group	19,161	1.04
	Industrial Engineering 2.79% (2.43%)			9,595,039	Stagecoach Group	10,842	0.59
6,119,348	Rotork	17,000	0.92	998,075	Whitbread	33,985	1.84
2,760,649	Weir Group	34,522	1.87		Total Consumer Services	345,111	18.73
	Industrial Transportation 0.40% (0.60%)			TELECOMMUNICATIONS 2.02% (2.50%)			
4,535,135	Royal Mail	7,383	0.40		Fixed Line Telecommunications 2.02% (2.50%)		
	Support Services 4.94% (3.94%)			28,608,134	BT Group	37,139	2.02
1,610,574	Aggreko	10,630	0.58		Total Telecommunications	37,139	2.02
468,583	Ferguson	31,751	1.72	FINANCIALS 22.22% (19.23%)			
3,798,520	Howden Joinery Group	23,558	1.28		Banks 3.54% (4.08%)		
5,015,552	Rentokil Initial	25,088	1.36	26,360,318	Barclays	34,321	1.86
	Total Industrials	281,596	15.29	5,888,495	Standard Chartered	30,962	1.68
CONSUMER GOODS 20.79% (20.30%)					Nonlife Insurance 0.91% (0.96%)		
	Beverages 3.67% (3.77%)			3,370,721	RSA Insurance Group	16,662	0.91
2,472,737	Diageo	67,654	3.67		Life Insurance 6.91% (7.03%)		
	Food Producers 1.91% (1.36%)			13,693,355	Legal & General Group	32,713	1.78
1,658,570	Associated British Foods	35,212	1.91	5,332,671	Prudential	63,192	3.43
	Household Goods & Home Construction 5.34% (4.08%)			3,330,426	St James's Place	31,246	1.70
364,628	Berkeley Group Holdings	16,769	0.91		Real Estate Investment & Services 1.68% (1.24%)		
3,995,771	Crest Nicholson Holdings	16,990	0.92	10,526,796	Grainger	30,865	1.68
1,066,541	Reckitt Benckiser Group	64,558	3.51		Real Estate Investment Trusts 1.89% (1.92%)		
	Personal Goods 4.04% (3.82%)			519,867	Derwent London	20,961	1.14
985,813	Burberry Group	15,625	0.85	1,758,508	Land Securities Group REIT	13,892	0.75
1,328,571	Unilever	58,842	3.19		Financial Services 7.29% (4.00%)		
				2,354,267	Intermediate Capital Group	36,373	1.97

Threadneedle UK Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 22.22% (19.23%) (continued)			
580,412	London Stock Exchange Group	44,471	2.41
10,777,431	M&G Prudential	20,499	1.11
9,182,458	Melrose Industries	16,955	0.92
783,182	Schroders Non-voting	16,212	0.88
	Total Financials	409,324	22.22
TECHNOLOGY 2.69% (2.92%)			
	Software & Computer Services 2.69% (2.92%)		
1,704,397	FDM Group Holdings IPO	14,539	0.79
5,282,008	Sage Group	35,094	1.90
	Total Technology	49,633	2.69
COLLECTIVE INVESTMENT SCHEMES 0.48% (0.01%)			
	Liquidity Funds 0.48% (0.01%)¹		
2,752,558	BlackRock Institutional Cash Series Sterling Liquidity Platinum	2,753	0.15
6,049,407	Insight Liquidity Funds - ILF GBP Liquidity Class 3	6,049	0.33
	Total Collective Investment Schemes	8,802	0.48
Total value of investments²		1,841,633	99.97
Net other assets (0.04%)		495	0.03
Net assets		1,842,128	100.00

March 2019 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle UK Select Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 5.55% (11.56%)				TELECOMMUNICATIONS 6.94% (3.99%)			
	Oil & Gas Producers 5.55% (11.56%)				Fixed Line Telecommunications 3.15% (3.99%)		
1,523,026	BP	6,106	2.11	7,044,279	BT Group	9,145	3.15
611,288	Royal Dutch Shell 'B' Shares	9,986	3.44				
	Total Oil & Gas	16,092	5.55		Mobile Telecommunications 3.79% (0.00%)		
				7,955,153	Vodafone Group	11,002	3.79
BASIC MATERIALS 3.29% (7.02%)					Total Telecommunications	20,147	6.94
	Chemicals 0.00% (3.66%)						
	Mining 3.29% (3.36%)						
271,764	Rio Tinto	9,561	3.29				
	Total Basic Materials	9,561	3.29				
INDUSTRIALS 4.88% (6.55%)							
	Construction & Materials 3.36% (2.84%)						
11,347,660	Breedon Aggregates	9,759	3.36				
	General Industrials 0.00% (3.71%)						
	Industrial Engineering 1.52% (0.00%)						
351,586	Weir Group	4,397	1.52				
	Total Industrials	14,156	4.88				
CONSUMER GOODS 18.35% (16.98%)							
	Beverages 3.33% (4.69%)						
353,417	Diageo	9,669	3.33				
	Food Producers 2.01% (1.43%)						
819,125	Tate & Lyle	5,826	2.01				
	Household Goods & Home Construction 3.13% (0.00%)						
149,971	Reckitt Benckiser Group	9,078	3.13				
	Personal Goods 3.07% (2.48%)						
201,018	Unilever	8,903	3.07				
	Tobacco 6.81% (8.38%)						
433,107	British American Tobacco	13,656	4.71				
371,020	Imperial Brands	6,105	2.10				
	Total Consumer Goods	53,237	18.35				
HEALTH CARE 12.88% (6.32%)							
	Pharmaceuticals & Biotechnology 12.88% (6.32%)						
270,892	AstraZeneca	19,946	6.88				
1,084,625	GlaxoSmithKline	17,412	6.00				
	Total Health Care	37,358	12.88				
CONSUMER SERVICES 16.33% (15.09%)							
	Food & Drug Retailers 6.23% (5.42%)						
4,518,350	Tesco	10,961	3.78				
3,859,917	WM Morrison Supermarkets	7,125	2.45				
	Media 5.31% (5.74%)						
3,666,761	ITV	3,680	1.27				
641,323	RELX (London Listing)	11,730	4.04				
	Travel & Leisure 4.79% (3.93%)						
521,165	Compass Group	8,083	2.79				
170,209	Whitbread	5,796	2.00				
	Total Consumer Services	47,375	16.33				

TELECOMMUNICATIONS 6.94% (3.99%)

	Fixed Line Telecommunications 3.15% (3.99%)		
7,044,279	BT Group	9,145	3.15
	Mobile Telecommunications 3.79% (0.00%)		
7,955,153	Vodafone Group	11,002	3.79
	Total Telecommunications	20,147	6.94

FINANCIALS 27.53% (21.40%)

	Life Insurance 10.17% (10.72%)		
3,559,259	Legal & General Group	8,503	2.93
894,813	Prudential	10,603	3.66
1,106,252	St James's Place	10,379	3.58
	Real Estate Investment Trusts 3.29% (3.14%)		
236,887	Derwent London	9,551	3.29
	Financial Services 14.07% (7.54%)		
895,380	Intermediate Capital Group	13,834	4.77
133,381	London Stock Exchange Group	10,220	3.52
2,963,468	M&G Prudential	5,636	1.94
538,276	Schroders Non-voting	11,142	3.84
	Total Financials	79,868	27.53

TECHNOLOGY 0.00% (7.44%)

	Software & Computer Services 0.00% (7.44%)		
	Total Technology	-	-

COLLECTIVE INVESTMENT SCHEMES 3.31% (1.04%)

	Liquidity Funds 3.31% (1.04%)¹		
9,092,430	BlackRock Institutional Cash Series		
	Sterling Liquidity Platinum	9,092	3.14
501,731	Insight Liquidity Funds - ILF GBP		
	Liquidity Class 3	502	0.17
	Total Collective Investment Schemes	9,594	3.31

Total value of investments² **287,388** **99.06**

Net other assets (2.61%) **2,729** **0.94**

Net assets **290,117** **100.00**

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

³Alternative Investment Market.

Threadneedle UK Smaller Companies Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.07% (1.27%)				HEALTH CARE 6.41% (9.70%)			
	Oil Equipment, Services & Distribution 1.07% (1.27%)				Health Care Equipment & Services 0.71% (0.25%)		
2,008,642	¹ Enteq Upstream	382	0.22	10,109,501	¹ Totally (Suspended)	1,213	0.71
1,261,789	¹ Tekmar Group	1,451	0.85				
	Total Oil & Gas	1,833	1.07				
BASIC MATERIALS 0.00% (1.10%)					Pharmaceuticals & Biotechnology 5.70% (9.45%)		
	Chemicals 0.00% (1.10%)			673,802	¹ Clinigen Group	4,471	2.60
	Total Basic Materials	—	—	96,061	Genus	3,429	2.00
				2,111,361	Vectura Group	1,890	1.10
					Total Health Care	11,003	6.41
INDUSTRIALS 28.55% (24.09%)				CONSUMER SERVICES 22.18% (21.33%)			
	Construction & Materials 4.31% (6.10%)				Food & Drug Retailers 0.00%		
4,667,674	¹ Breedon Aggregates	4,014	2.34	1,975,582	Conviviality Retail (Delisted)	—	—
397,301	Costain Group	637	0.37				
821,096	Eurocell Group	1,872	1.09		General Retailers 2.59% (2.64%)		
605,684	Galliford Try	867	0.51	660,959	¹ Applegreen	2,703	1.58
	Aerospace & Defence 3.79% (2.70%)			922,091	¹ Joules Group	1,236	0.72
176,804	Avon Rubber	4,305	2.51	1,039,960	N Brown Group	499	0.29
923,704	Chemring Group	2,194	1.28				
	General Industrials 0.74% (1.47%)				Media 12.52% (10.28%)		
2,294,601	Coats Group	1,264	0.74	669,392	Ascential	2,011	1.17
	Electronic & Electrical Equipment 4.55% (2.46%)			141,857	Euromoney Institutional Investor	1,526	0.89
659,580	Discoverie Group	3,093	1.80	511,092	Future	5,458	3.18
255,878	Oxford Instruments	3,485	2.03	265,774	¹ GlobalData	3,136	1.83
600,346	TT electronics	1,237	0.72	2,567,591	ITE Group	1,548	0.90
	Industrial Engineering 1.60% (1.06%)			3,017,943	¹ Mirriad Advertising	272	0.16
999,969	¹ Avingtrans	2,750	1.60	1,666,666	Mirriad Advertising (Placing)	250	0.15
	Support Services 13.56% (10.30%)			1,390,069	S4 Capital	2,474	1.44
454,901	Essentra	1,487	0.87	667,447	STV Group	2,450	1.43
1,404,261	¹ Knights Group Holdings	6,066	3.54	350,843	¹ YouGov	2,351	1.37
1,349,665	¹ Marlowe	5,939	3.46		Travel & Leisure 7.07% (8.41%)		
491,403	Mears Group	1,327	0.77	1,108,804	Cineworld Group	1,237	0.72
469,152	PayPoint	3,828	2.23	1,262,788	Gym Group	2,892	1.69
262,441	Ricardo	1,743	1.02	1,124,543	Hollywood Bowl Group	2,440	1.42
4,147,461	Speedy Hire	2,862	1.67	425,371	Jackpotjoy	2,850	1.66
	Total Industrials	48,970	28.55	839,928	Rank Group	1,995	1.16
				876,849	Restaurant Group	722	0.42
					Total Consumer Services	38,050	22.18
CONSUMER GOODS 11.32% (13.31%)				UTILITIES 0.00% (0.30%)			
	Beverages 2.06% (2.71%)				Electricity 0.00% (0.30%)		
1,902,267	Stock Spirits Group	3,542	2.06		Total Utilities	—	—
	Food Producers 1.20% (2.33%)						
520,045	¹ Hotel Chocolat Group	2,054	1.20		FINANCIALS 8.79% (12.30%)		
	Household Goods & Home Construction 2.13% (1.27%)				Life Insurance 1.80% (3.78%)		
354,760	Crest Nicholson Holdings	1,508	0.88	4,730,129	Just Group	3,098	1.81
580,567	¹ Victoria	2,148	1.25				
	Leisure Goods 5.68% (4.89%)				Financial Services 6.99% (8.44%)		
1,278,818	¹ Codemasters Group Holdings	3,581	2.09	476,282	¹ AFH Financial Group	1,657	0.97
46,967	Games Workshop Group	2,874	1.68	1,927,880	¹ Argentex Group	2,901	1.69
625,692	¹ Team17 Group	3,279	1.91	3,473,144	¹ Fairfx Group	1,493	0.87
	Personal Goods 0.25% (2.11%)			610,670	JTC	2,565	1.49
184,653	Ted Baker	424	0.25	934,694	OneSavings Bank	3,369	1.96
	Total Consumer Goods	19,410	11.32		Nonequity Investment Instruments 0.00% (0.08%)		
				125,470	Wilmcote Holdings	3	—
					Total Financials	15,086	8.79

Threadneedle UK Smaller Companies Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 16.88% (16.84%)			
Software & Computer Services 14.58% (13.28%)			
18,941,878	¹ Spatial	4,736	2.76
1,869,944	¹ Blanco Technology	4,151	2.42
370,009	¹ Blue Prism Group	5,080	2.96
167,838	¹ First Derivatives	4,658	2.72
1,575,494	¹ Ideagen	2,726	1.59
4,044,679	¹ IQDEO Group	2,386	1.39
568,681	Shearwater Group	1,274	0.74
Technology Hardware & Equipment 2.30% (3.56%)			
1,693,453	Spirent Communications	3,946	2.30
Total Technology		28,957	16.88
COLLECTIVE INVESTMENT SCHEMES 2.33% (0.00%)			
Liquidity Funds 2.33% (0.00%)¹			
4,000,391	BlackRock Institutional Cash Series		
	Sterling Liquidity Platinum	4,000	2.33
Total Collective Investment Schemes		4,000	2.33
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell GBP 1,148		
	Buy CHF 1,450 J.P. Morgan ²	—	—
	Sell GBP 29		
	Buy CHF 35 J.P. Morgan ²	—	—
	Sell CHF 32		
	Buy GBP 26 J.P. Morgan ²	—	—
	Sell CHF 67		
	Buy GBP 53 J.P. Morgan ²	—	—
	Sell CHF 68		
	Buy GBP 55 J.P. Morgan ²	—	—
Total Derivatives		—	—
Total value of investments³		167,309	97.53
Net other assets/(liabilities) (-0.24)		4,234	2.47
Net assets		171,543	100.00

March 2019 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle UK Growth & Income Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.62% (3.70%)				Media 6.80% (7.84%)			
	Oil & Gas Producers 2.62% (3.70%)			4,290,808	ITV	4,306	1.71
404,838	Royal Dutch Shell 'B' Shares	6,614	2.62	971,461	Pearson	5,335	2.12
	Total Oil & Gas	6,614	2.62	408,814	RELX (London Listing)	7,477	2.97
BASIC MATERIALS 1.88% (2.40%)				Travel & Leisure 10.74% (10.31%)			
	Chemicals 1.88% (2.40%)			356,820	Compass Group	5,534	2.20
199,121	Johnson Matthey	4,747	1.88	4,073,750	Firstgroup	4,139	1.64
	Total Basic Materials	4,747	1.88	437,450	J D Wetherspoon	5,630	2.23
INDUSTRIALS 25.33% (27.34%)				2,374,370	Rank Group	5,639	2.24
	Construction & Materials 0.00% (2.29%)			5,508,777	Restaurant Group	4,534	1.80
	Aerospace & Defence 3.31% (5.16%)			1,411,843	Stagecoach Group	1,595	0.63
1,010,608	BAE Systems	6,027	2.39		Total Consumer Services	64,404	25.56
400,899	Rolls-Royce Holdings	2,312	0.92	TELECOMMUNICATIONS 1.52% (2.26%)			
	General Industrials 4.25% (4.27%)				Fixed Line Telecommunications 1.52% (2.26%)		
1,490,023	DS Smith	4,677	1.86	2,946,501	BT Group	3,825	1.52
412,256	Smiths Group	6,017	2.39		Total Telecommunications	3,825	1.52
	Electronic & Electrical Equipment 0.70% (0.68%)			UTILITIES 3.61% (3.30%)			
663,778	Morgan Advanced Materials	1,772	0.70		Gas, Water & Multiutilities 3.61% (3.30%)		
	Industrial Engineering 0.88% (0.76%)			4,993,014	Centrica	3,636	1.44
234,642	IMI	2,229	0.88	266,222	Pennon Group	3,056	1.21
	Industrial Transportation 1.83% (1.45%)			245,231	United Utilities Group	2,411	0.96
1,813,988	Wincanton	4,608	1.83		Total Utilities	9,103	3.61
	Support Services 14.36% (12.73%)			FINANCIALS 13.38% (10.95%)			
2,006,175	Electrocomponents	11,752	4.66		Banks 0.96% (0.87%)		
106,865	Ferguson	7,241	2.87	186,279	Secure Trust Bank	2,422	0.96
2,461,050	Hays	3,042	1.21		Nonlife Insurance 4.01% (2.62%)		
2,830,986	Rentokil Initial	14,161	5.62	298,543	Hiscox	3,559	1.41
	Total Industrials	63,838	25.33	1,324,047	RSA Insurance Group	6,545	2.60
CONSUMER GOODS 8.85% (9.18%)					Life Insurance 2.24% (2.86%)		
	Food Producers 2.03% (1.91%)			2,365,993	Legal & General Group	5,652	2.24
720,446	Tate & Lyle	5,124	2.03		Financial Services 6.17% (4.60%)		
	Personal Goods 4.02% (3.77%)			888,923	3i Group	8,187	3.25
228,476	Unilever	10,119	4.02	3,005,228	Melrose Industries	5,549	2.20
	Tobacco 2.80% (3.50%)			3,790,366	Sherborne Investors Guernsey	1,819	0.72
428,400	Imperial Brands	7,049	2.80		Total Financials	33,733	13.38
	Total Consumer Goods	22,292	8.85	TECHNOLOGY 4.13% (2.91%)			
HEALTH CARE 13.58% (11.53%)					Technology Hardware & Equipment 4.13% (2.91%)		
	Pharmaceuticals & Biotechnology 13.58% (11.53%)			4,471,066	Spirent Communications	10,418	4.13
279,155	AstraZeneca	20,554	8.16		Total Technology	10,418	4.13
850,730	GlaxoSmithKline	13,658	5.42	COLLECTIVE INVESTMENT SCHEMES 0.40% (0.00%)			
	Total Health Care	34,212	13.58		Liquidity Funds 0.40% (0.00%)¹		
CONSUMER SERVICES 25.56% (27.51%)				1,006,274	BlackRock Institutional Cash Series	1,006	0.40
	Food & Drug Retailers 6.22% (6.77%)				Sterling Liquidity Platinum		
2,827,822	Tesco	6,860	2.72		Total Collective Investment Schemes	1,006	0.40
4,783,204	WM Morrison Supermarkets	8,830	3.50	Total value of investments²			
	General Retailers 1.80% (2.59%)				254,192	100.86	
2,963,334	Marks & Spencer Group	4,525	1.80	Net other liabilities (-1.08%)			
					(2,196)	(0.86)	
				Net assets			
					251,996	100.00	

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle UK Equity Income Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.64% (3.65%)				General Retailers 1.90% (2.69%)			
	Oil & Gas Producers 2.64% (3.65%)			47,812,743	Marks & Spencer Group	73,010	1.90
6,206,053	Royal Dutch Shell 'B' Shares	101,382	2.64		Media 6.46% (7.38%)		
	Total Oil & Gas	101,382	2.64	66,653,596	ITV	66,887	1.74
BASIC MATERIALS 2.01% (2.69%)				14,481,215	Pearson	79,531	2.06
	Chemicals 2.01% (2.69%)			5,592,493	RELX (London Listing)	102,287	2.66
18,146,506	Elementis	16,350	0.44		Travel & Leisure 6.39% (6.38%)		
2,538,289	Johnson Matthey	60,513	1.57	5,455,782	Compass Group	84,619	2.20
	Total Basic Materials	76,863	2.01	2,043,685	Go-Ahead Group	35,826	0.93
INDUSTRIALS 25.16% (24.73%)				4,072,639	J D Wetherspoon	52,415	1.36
	Construction & Materials 1.15% (2.21%)			18,824,471	Rank Group	44,708	1.16
2,580,843	Morgan Sindall Group	44,184	1.15	25,287,885	Stagecoach Group	28,575	0.74
	Aerospace & Defence 2.92% (4.62%)				Total Consumer Services	780,581	20.28
18,820,963	BAE Systems	112,248	2.92	TELECOMMUNICATIONS 2.03% (2.46%)			
	General Industrials 3.86% (3.84%)				Fixed Line Telecommunications 2.03% (2.46%)		
21,953,736	DS Smith	68,913	1.79	60,119,064	BT Group	78,047	2.03
5,460,699	Smiths Group	79,699	2.07		Total Telecommunications	78,047	2.03
	Electronic & Electrical Equipment 2.12% (1.68%)			UTILITIES 3.82% (3.65%)			
8,272,287	Morgan Advanced Materials	22,087	0.57		Gas, Water & Multiutilities 3.82% (3.65%)		
4,365,264	Oxford Instruments	59,455	1.55	78,004,464	Centrica	56,803	1.48
	Industrial Engineering 0.83% (0.56%)			4,465,938	Pennon Group	51,269	1.33
3,358,813	IMI	31,909	0.83	3,955,627	United Utilities Group	38,884	1.01
	Industrial Transportation 0.97% (0.84%)				Total Utilities	146,956	3.82
14,638,789	Wincanton	37,183	0.97	FINANCIALS 16.32% (15.02%)			
	Support Services 13.31% (10.98%)				Nonlife Insurance 4.10% (3.66%)		
30,145,249	Electrocomponents	176,591	4.59	31,917,885	RSA Insurance Group	157,770	4.10
1,226,852	Ferguson	83,131	2.16		Life Insurance 7.07% (7.45%)		
44,986,103	Hays	55,603	1.45	10,873,805	Chesnara	29,359	0.76
39,331,753	Rentokil Initial	196,737	5.11	39,986,340	Legal & General Group	95,527	2.48
	Total Industrials	967,740	25.16	22,028,513	Phoenix Group Holdings	147,415	3.83
CONSUMER GOODS 10.81% (10.66%)					Financial Services 5.15% (3.91%)		
	Food Producers 2.24% (2.06%)			12,980,548	3i Group	119,551	3.11
12,089,712	Tate & Lyle	85,982	2.24	29,982,960	Melrose Industries	55,364	1.44
	Personal Goods 3.78% (3.32%)			41,004,280	Sherborne Investors Guernsey	19,682	0.51
3,284,188	Unilever	145,457	3.78	40,797,560	Sherborne Investors Guernsey B	3,468	0.09
	Tobacco 4.79% (5.28%)				Total Financials	628,136	16.32
11,192,994	Imperial Brands	184,170	4.79	COLLECTIVE INVESTMENT SCHEMES 0.26% (0.61%)			
	Total Consumer Goods	415,609	10.81		Liquidity Funds 0.26% (0.61%)¹		
HEALTH CARE 16.51% (14.19%)				10,027,437	BlackRock Institutional Cash Series		
	Pharmaceuticals & Biotechnology 16.51% (14.19%)				Sterling Liquidity Platinum	10,027	0.26
5,201,691	AstraZeneca	383,000	9.96		Total Collective Investment Schemes	10,027	0.26
15,690,449	GlaxoSmithKline	251,894	6.55	Total value of investments²			
	Total Health Care	634,894	16.51			3,840,235	99.84
CONSUMER SERVICES 20.28% (22.43%)					Net other assets/(liabilities) (-0.09%)	6,109	0.16
	Food & Drug Retailers 5.53% (5.98%)				Net assets	3,846,344	100.00
29,799,827	Tesco	72,294	1.88	<i>March 2019 comparatives in brackets.</i>			
76,072,215	WM Morrison Supermarkets	140,429	3.65	¹ Cash equivalents.			
				² Includes Cash equivalents.			

Threadneedle UK Monthly Income Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.06% (9.34%)				HEALTH CARE 12.84% (11.21%)			
	Oil & Gas Producers 4.05% (9.34%)				Pharmaceuticals & Biotechnology 12.84% (11.21%)		
400,000	BP	1,604	0.42	280,000	AstraZeneca	20,616	5.35
860,000	Royal Dutch Shell 'B' Shares	14,049	3.64	1,800,000	GlaxoSmithKline	28,897	7.49
	Total Oil & Gas	15,653	4.06		Total Health Care	49,513	12.84
BASIC MATERIALS 4.68% (3.66%)				CONSUMER SERVICES 12.25% (14.40%)			
	Chemicals 2.04% (1.11%)				General Retailers 1.09% (1.50%)		
145,000	Johnson Matthey	3,457	0.90	1,475,000	Marks & Spencer Group	2,252	0.58
1,690,000	Synthomer	4,408	1.14	875,000	ScS Group	1,951	0.51
	Mining 2.64% (2.55%)				Media 5.04% (4.95%)		
765,000	BHP Group	10,194	2.64	6,355,000	ITV	6,377	1.65
	Total Basic Materials	18,059	4.68	715,000	RELX (London Listing)	13,077	3.39
INDUSTRIALS 10.36% (12.00%)					Travel & Leisure 6.12% (7.95%)		
	Construction & Materials 0.00% (0.79%)			220,000	Compass Group	3,412	0.89
	Aerospace & Defence 2.42% (3.41%)			715,000	Fuller Smith & Turner	5,863	1.52
1,565,000	BAE Systems	9,334	2.42	205,000	Go-Ahead Group	3,594	0.93
	General Industrials 0.94% (1.92%)			1,109,390	Marston's	910	0.24
1,160,000	DS Smith	3,641	0.94	1,200,000	Rank Group	2,850	0.74
	Electronic & Electrical Equipment 2.50% (1.31%)			3,415,000	Stagecoach Group	3,859	1.00
160,000	Halma	3,256	0.85	90,000	Whitbread	3,065	0.80
220,000	Oxford Instruments	2,996	0.78		Total Consumer Services	47,210	12.25
130,000	Spectris	3,371	0.87	TELECOMMUNICATIONS 1.72% (3.72%)			
	Industrial Engineering 1.79% (0.83%)				Fixed Line Telecommunications 1.72% (3.72%)		
8,800,000	Severfield	6,899	1.79	5,100,000	BT Group	6,621	1.72
	Industrial Transportation 0.47% (0.47%)				Total Telecommunications	6,621	1.72
100,000	James Fisher & Sons	1,810	0.47	UTILITIES 7.39% (5.05%)			
	Support Services 2.24% (3.27%)				Electricity 2.99% (1.17%)		
725,000	Electrocomponents	4,247	1.10	720,000	SSE	11,527	2.99
65,000	Ferguson	4,404	1.14		Gas, Water & Multiutilities 4.40% (3.88%)		
	Total Industrials	39,958	10.36	2,100,000	Centrica	1,529	0.40
CONSUMER GOODS 14.82% (12.36%)				975,000	Pennon Group	11,193	2.90
	Beverages 2.09% (2.13%)			165,000	Severn Trent	4,255	1.10
240,000	Diageo	6,566	1.70		Total Utilities	28,504	7.39
800,000	Stock Spirits Group	1,490	0.39	FINANCIALS 31.11% (27.48%)			
	Household Goods & Home Construction 1.98% (0.25%)				Banks 8.23% (5.09%)		
1,580,000	Crest Nicholson Holdings	6,718	1.74	440,000	Close Brothers Group	5,293	1.37
15,000	Reckitt Benckiser Group	908	0.24	3,665,000	HSBC Holdings	18,142	4.71
	Personal Goods 3.04% (4.07%)			5,360,000	Royal Bank of Scotland Group	8,276	2.15
110,000	Burberry Group	1,744	0.45		Nonlife Insurance 0.98% (1.45%)		
225,000	Unilever	9,965	2.59	600,000	Direct Line Insurance Group	1,880	0.49
	Tobacco 7.71% (5.91%)			265,000	Lancashire Holdings	1,879	0.49
335,000	British American Tobacco	10,563	2.74		Life Insurance 11.59% (13.69%)		
1,165,000	Imperial Brands	19,169	4.97	4,250,000	Chesnara	11,475	2.98
	Total Consumer Goods	57,123	14.82	3,975,000	Legal & General Group	9,496	2.46
				1,945,000	Phoenix Group Holdings	13,016	3.38
				495,000	Prudential	5,866	1.52
				515,000	St James's Place	4,832	1.25

Threadneedle UK Monthly Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
FINANCIALS 31.11% (27.48%) (continued)			
Real Estate Investment & Services 0.94% (0.00%)			
1,240,000	Grainger	3,636	0.94
Real Estate Investment Trusts 6.02% (4.16%)			
185,000	Derwent London	7,459	1.93
5,200,000	Empiric Student Property REIT	4,758	1.23
475,000	Land Securities Group REIT	3,753	0.97
2,460,000	Londonmetric Property REIT	5,235	1.36
1,835,000	¹ Warehouse REIT	2,037	0.53
Financial Services 3.35% (3.09%)			
530,000	3i Group	4,881	1.27
625,337	AJ Bell	2,157	0.56
550,000	M&G Prudential	1,046	0.27
1,305,000	Melrose Industries	2,410	0.62
4,302,702	Sherborne Investors Guernsey	2,065	0.54
4,275,000	Sherborne Investors Guernsey B	363	0.09
Total Financials		119,955	31.11
COLLECTIVE INVESTMENT SCHEMES 0.00% (1.13%)			
Liquidity Funds 0.00% (1.13%)¹			
7,571	BlackRock Institutional Cash Series		
	Sterling Liquidity Platinum	8	-
Total Collective Investment Schemes		8	-
Total value of investments²		382,604	99.23
Net other assets/(liabilities) (-0.35%)		2,979	0.77
Net assets		385,583	100.00

March 2019 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Monthly Extra Income Fund

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.80% (0.81%)					GBP	100,000	Total Capital International 1.405% 03/09/2031	100	0.04
Corporate Bonds 0.80% (0.81%)					GBP	400,000	Total Capital International 1.66% 22/07/2026	414	0.15
GBP	786,000	APT Pipelines 3.5% 22/03/2030	890	0.33	Total France				
GBP	395,000	Asciano Finance 5% 19/09/2023	443	0.16				4,720	1.72
GBP	472,000	*BHP Billiton Finance 6.5% 22/10/2077	526	0.19	GERMANY 0.13% (0.17%)				
USD	400,000	SGSP Australia Assets 3.25% 29/07/2026	336	0.12	EUR	400,000	Corporate Bonds 0.13% (0.17%) ADLER Real Estate 3% 27/04/2026	358	0.13
Total Australia							Total Germany	358	0.13
			2,195	0.80	GUERNSEY 0.52% (0.67%)				
BELGIUM 0.00% (0.41%)						2,636,089	Financial Services 0.52% (0.67%) Sherborne Investors Guernsey	1,265	0.46
Corporate Bonds 0.00% (0.41%)						2,054,692	Sherborne Investors Guernsey B	175	0.06
Total Belgium							Total Guernsey	1,440	0.52
			—	—	JERSEY 0.53% (0.45%)				
BERMUDA 1.56% (1.90%)					GBP	134,000	Corporate Bonds 0.53% (0.45%) Glencore Finance Europe 3.125% 26/03/2026	140	0.05
Corporate Bonds 0.18% (0.13%)					GBP	160,000	Hastings Group Finance 3% 24/05/2025	163	0.06
USD	550,000	Bacardi 4.7% 15/05/2028	492	0.18	GBP	170,000	Heathrow Funding 2.75% 09/08/2049	184	0.07
					GBP	185,000	Heathrow Funding 4.625% 31/10/2046	266	0.10
					GBP	215,000	Heathrow Funding 6.45% 10/12/2031	318	0.11
					GBP	311,000	Porterbrook Rail Finance 4.625% 04/04/2029	375	0.14
							Total Jersey	1,446	0.53
					LUXEMBOURG 0.26% (0.10%)				
					GBP	299,000	Corporate Bonds 0.26% (0.10%) Aroundtown 3% 16/10/2029	321	0.11
					GBP	275,000	Aroundtown 3.25% 18/07/2027	300	0.11
					GBP	100,000	CPI Property Group 2.75% 22/01/2028	102	0.04
							Total Luxembourg	723	0.26
BRITISH VIRGIN ISLANDS 0.19% (0.22%)					MEXICO 0.27% (0.25%)				
Corporate Bonds 0.19% (0.22%)					GBP	259,000	Corporate Bonds 0.19% (0.19%) *America Movil 6.375% 06/09/2073	264	0.10
GBP	477,000	Global Switch Holdings 4.375% 13/12/2022	518	0.19	GBP	248,000	Petroleos Mexicanos 3.75% 16/11/2025	242	0.09
Total British Virgin Islands							Government Bonds 0.08% (0.06%) United Mexican States 5.625% 19/03/2114	236	0.08
			518	0.19			Total Mexico	742	0.27
CANADA 0.00% (0.10%)					NETHERLANDS 1.39% (1.33%)				
Corporate Bonds 0.00% (0.10%)					GBP	435,000	Corporate Bonds 1.39% (1.33%) Deutsche Telekom International Finance 2.5% 10/10/2025	463	0.17
Total Canada					GBP	300,000	E.ON International Finance 6.375% 07/06/2032	444	0.16
			—	—	GBP	913,000	Innogy Finance 6.25% 03/06/2030	1,291	0.47
CAYMAN ISLANDS 0.38% (0.44%)					GBP	283,000	LafargeHolcim Sterling Finance 3% 12/05/2032	306	0.11
Corporate Bonds 0.38% (0.44%)					EUR	285,000	RELX Finance 0.875% 10/03/2032	250	0.09
GBP	115,000	Dwr Cymru Financing 6.015% 31/03/2028	159	0.06	USD	525,000	Syngenta Finance 5.182% 24/04/2028	464	0.17
USD	190,000	Noble Holding International 6.95% 01/04/2045	47	0.02	EUR	300,000	*Telefonica Europe Variable 14/03/2168	285	0.10
GBP	325,000	Thames Water Utilities 2.375% 03/05/2023	332	0.12					
GBP	388,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	419	0.15					
GBP	100,000	*Trafford Centre Finance FRN 28/07/2035 A3	92	0.03					
Total Cayman Islands									
			1,049	0.38					
FRANCE 1.72% (1.02%)									
Corporate Bonds 1.72% (1.02%)									
GBP	150,000	*AXA FRN 16/01/2054	185	0.07					
GBP	400,000	Banque Fédérative du Crédit Mutuel 1.5% 07/10/2026	402	0.15					
GBP	400,000	BNP Paribas 1.875% 14/12/2027	396	0.14					
GBP	200,000	BPCE 1.375% 23/12/2026	200	0.07					
GBP	300,000	BPCE 5.25% 16/04/2029	379	0.14					
GBP	300,000	Credit Agricole 1.25% 02/10/2024	301	0.11					
GBP	450,000	Electricite de France 5.125% 22/09/2050	697	0.25					
GBP	400,000	Electricite de France 5.5% 17/10/2041	604	0.22					
GBP	400,000	LVMH Moët Hennessy Vuitton 1.125% 11/02/2027	400	0.14					
GBP	400,000	Orange 3.25% 15/01/2032	458	0.17					
GBP	120,000	Orange 8.125% 20/11/2028	184	0.07					

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
NETHERLANDS 1.39% (1.33%) (continued)									
GBP	300,000	Volkswagen International Finance 3.375% 16/11/2026	324	0.12	GBP	150,000	Eversholt Funding 6.359% 02/12/2025	187	0.07
		Total Netherlands	3,827	1.39	GBP	260,000	Experian Finance 2.125% 27/09/2024	273	0.10
					GBP	480,000	First Hydro Finance 9% 31/07/2021	531	0.19
NORWAY 0.14% (0.00%)									
		Corporate Bonds 0.14% (0.00%)			EUR	355,000	G4S International Finance 1.5% 02/06/2024	318	0.12
GBP	390,000	DNB Bank 1.375% 12/06/2023	395	0.14	EUR	195,000	G4S International Finance 1.875% 24/05/2025	178	0.06
		Total Norway	395	0.14	GBP	531,000	GKN Holdings 4.625% 15/05/2032	559	0.20
REPUBLIC OF IRELAND 0.48% (0.50%)									
		Corporate Bonds 0.48% (0.50%)			GBP	427,000	GKN Holdings 5.375% 19/09/2022	465	0.17
EUR	340,000	*Bank of Ireland 7.375% 29/12/2049	299	0.11	GBP	205,000	Home Group 3.125% 27/03/2043	240	0.09
GBP	744,000	GE Capital UK Funding 5.875% 18/01/2033	1,009	0.37	GBP	140,000	HSBC Bank 4.75% 24/03/2046	181	0.07
		Total Republic of Ireland	1,308	0.48	GBP	679,000	HSBC Bank 5.375% 22/08/2033	899	0.33
SWEDEN 0.27% (0.25%)									
		Corporate Bonds 0.27% (0.25%)			GBP	280,000	Imperial Brand Finance 8.125% 15/03/2024	349	0.13
EUR	325,000	Akeli Residential 1.75% 07/02/2025	300	0.11	GBP	260,000	Imperial Brands Finance 4.875% 07/06/2032	316	0.12
GBP	430,000	Akeli Residential 2.375% 15/08/2025	447	0.16	GBP	484,000	Imperial Brands Finance 5.5% 28/09/2026	584	0.21
		Total Sweden	747	0.27	GBP	485,000	Land Securities Capital Markets 2.375% 29/03/2029	522	0.19
SWITZERLAND 0.22% (1.57%)									
		Corporate Bonds 0.22% (0.27%)			GBP	211,000	*Legal & General Group 10% 23/07/2041	236	0.09
USD	700,000	*UBS Group 7% 29/12/2049	602	0.22	GBP	325,000	*Legal & General Group 5.5% 27/06/2064	383	0.14
		Support Services 0.00% (1.30%)			GBP	100,000	*Legal & General Group Variable 14/11/2048	115	0.04
		Total Switzerland	602	0.22	GBP	279,000	*Legal & General Group Variable 27/10/2045	319	0.12
UNITED KINGDOM 84.27% (86.05%)									
		Corporate Bonds 10.76% (11.00%)			GBP	490,000	Lloyds Bank 6.5% 17/09/2040	853	0.31
GBP	180,000	Anglian Water Services Financing 2.625% 15/06/2027	186	0.07	GBP	277,000	Lloyds Bank 7.625% 22/04/2025	355	0.13
GBP	267,000	Anglian Water Services Financing 2.75% 26/10/2029	297	0.11	GBP	250,000	London Power Networks 2.625% 01/03/2029	273	0.10
GBP	140,000	Annington Funding 3.935% 12/07/2047	177	0.06	GBP	810,000	Longstone Finance 4.791% 19/04/2030	519	0.19
GBP	281,000	*Aviva 4.375% 12/09/2049	308	0.11	GBP	212,000	Marks & Spencer 4.75% 12/06/2025	237	0.09
GBP	307,000	*Aviva 6.625% 03/06/2041	327	0.12	GBP	104,000	*Marstons Issuer 5.1576% 15/10/2027	97	0.04
GBP	203,000	Barclays Bank 5.75% 14/09/2026	250	0.09	GBP	361,000	Mitchells & Butlers Finance 5.574% 15/12/2030	163	0.06
GBP	145,000	BAT International Finance 6% 24/11/2034	197	0.07	GBP	292,000	Motability Operations 2.375% 03/07/2039	320	0.12
GBP	272,000	BP Capital Markets 1.827% 08/09/2025	282	0.10	GBP	156,000	National Grid Electricity Transmission 2.75% 06/02/2035	181	0.07
GBP	380,000	British Telecommunications 3.125% 21/11/2031	413	0.15	GBP	400,000	Newriver REIT 3.5% 07/03/2028	412	0.15
GBP	220,000	Broadgate Finance 5.098% 05/04/2033	253	0.09	GBP	743,000	*NGG Finance 5.625% 18/06/2073	844	0.31
GBP	220,000	Broadgate Financing 4.821% 05/07/2033	310	0.11	GBP	170,000	NIE Finance 2.5% 27/10/2025 (London Listing)	181	0.07
GBP	790,000	Bunzl Finance 2.25% 11/06/2025	817	0.30	GBP	266,000	Northern Gas Networks Finance 4.875% 30/06/2027	333	0.12
GBP	630,000	Bupa Finance 5% 08/12/2026	731	0.27	GBP	298,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	319	0.12
GBP	370,000	Cadent Finance 2.125% 22/09/2028	387	0.14	GBP	250,000	Northumbrian Water Finance 2.375% 05/10/2027	267	0.10
GBP	200,000	Cadent Finance 2.25% 10/10/2035	208	0.08	GBP	265,000	*Pennon Group Perpetual Variable 22/05/2166	265	0.10
GBP	310,000	Cadent Finance 2.625% 22/09/2038	334	0.12	GBP	282,000	Pension Insurance 5.625% 20/09/2030	329	0.12
GBP	260,000	Cadent Finance 2.75% 22/09/2046	285	0.10	GBP	300,000	Rolls-Royce 3.375% 18/06/2026	327	0.12
GBP	450,000	Cattles 7.125% 05/07/2017 (Defaulted)	—	—	GBP	725,000	*Royal Bank of Scotland 2.875% 19/09/2026	762	0.28
GBP	360,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	379	0.14	GBP	451,000	*Royal Bank of Scotland Group Variable 28/03/2027	482	0.18
GBP	155,000	*CYBG 4% 22/06/2025	158	0.06	GBP	130,000	Santander UK 10.0625% 29/10/2049	212	0.08
EUR	388,000	DS Smith 0.875% 12/09/2026	338	0.12	GBP	200,000	Scotland Gas Network 3.25% 08/03/2027	225	0.08
GBP	240,000	DS Smith 2.875% 26/07/2029	255	0.09	GBP	200,000	Scottish Hydro Electric 2.25% 27/09/2035	211	0.08
GBP	370,000	Eversholt Funding 3.529% 07/08/2042	423	0.15					

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

			Value	% of			Value	% of
	Holding	Investment	£000	Net Asset Value		Holding	Investment	Net Asset Value
UNITED KINGDOM 84.27% (86.05%) (continued)								
GBP	100,000	Scottish Widows 7% 16/06/2043	136	0.05	1,426,102	Electrocomponents	8,354	3.04
GBP	577,000	Severn Trent Utilities Finance 3.625% 16/01/2026	653	0.24	64,713	Ferguson	4,385	1.60
GBP	120,000	Southern Gas Networks 3.1% 15/09/2036	142	0.05	2,190,810	Hays	2,708	0.99
GBP	100,000	Sovereign Housing Capital 2.375% 04/11/2048	114	0.04	1,958,099	Rentokil Initial	9,794	3.57
GBP	112,000	SP Transmission 2% 13/11/2031	117	0.04	Food Producers 1.45% (1.49%)			
GBP	624,000	*Telereal Securitisation 4.0902% 10/12/2033	645	0.23	560,868	Tate & Lyle	3,989	1.45
GBP	287,000	Telereal Securitisation 4.9741% 10/09/2027	196	0.07	Personal Goods 2.74% (2.64%)			
GBP	338,000	Telereal Securitisation 5.9478% 10/12/2031	311	0.11	170,156	Unilever	7,536	2.74
GBP	370,000	Tesco Property Finance 5.5% 13/10/2041	491	0.18	Tobacco 3.13% (3.48%)			
GBP	597,000	Tesco Property Finance 6 5.4111% 13/07/2044	751	0.27	522,837	Imperial Brands	8,603	3.13
GBP	320,000	*TSB Banking Group 5.75% 06/05/2026	330	0.12	Pharmaceuticals & Biotechnology 11.89% (11.14%)			
GBP	385,000	Unilever 1.5% 22/07/2026	397	0.14	269,538	AstraZeneca	19,846	7.23
GBP	267,000	Unite Group 3.5% 15/10/2028	300	0.11	797,524	GlaxoSmithKline	12,803	4.66
GBP	445,000	UNITE USAF II 3.921% 30/06/2025	501	0.18	Food & Drug Retailers 3.73% (4.31%)			
GBP	134,000	United Utilities Water Finance 1.75% 10/02/2038	135	0.05	1,508,175	Tesco	3,659	1.33
GBP	100,000	University of Oxford 2.544% 08/12/2117 (London Listing)	137	0.05	3,570,756	WM Morrison Supermarkets	6,592	2.40
GBP	250,000	Vodafone Group 3% 12/08/2056	257	0.09	General Retailers 1.15% (1.83%)			
GBP	124,000	Wales & West Utilities Finance 1.875% 28/05/2041	123	0.04	2,073,607	Marks & Spencer Group	3,166	1.15
GBP	200,000	Western Power Distribution 1.75% 09/09/2031	203	0.07	Media 4.53% (5.48%)			
GBP	360,000	Western Power Distribution 3.5% 16/10/2026	395	0.14	3,105,528	ITV	3,116	1.13
GBP	389,000	Western Power Distribution West Midlands 5.75% 16/04/2032	554	0.20	683,794	Pearson	3,755	1.37
GBP	495,000	Yorkshire Water Finance 1.75% 26/11/2026	507	0.18	304,743	RELX (London Listing)	5,574	2.03
Government Bonds 0.18% (0.05%)					Travel & Leisure 5.05% (5.32%)			
GBP	379,686	United Kingdom Gilt 1.75% 22/01/2049	481	0.18	257,608	Compass Group	3,996	1.45
Oil & Gas Producers 1.78% (2.73%)					2,924,123	Firstgroup	2,971	1.08
	299,584	Royal Dutch Shell 'B' Shares	4,894	1.78	193,697	J D Wetherspoon	2,493	0.91
Chemicals 0.95% (1.34%)					925,850	Rank Group	2,199	0.80
	108,901	Johnson Matthey	2,596	0.95	1,965,145	Stagecoach Group	2,221	0.81
Construction & Materials 0.00% (1.02%)					Fixed Line Telecommunications 1.24% (1.79%)			
Aerospace & Defence 1.91% (3.22%)					2,632,795	BT Group	3,418	1.24
	877,723	BAE Systems	5,235	1.91	Gas, Water & Multiutilities 3.22% (3.04%)			
General Industrials 2.63% (2.89%)					4,022,797	Centrica	2,929	1.07
	1,088,969	DS Smith	3,418	1.24	361,664	Pennon Group	4,152	1.51
	261,383	Smiths Group	3,815	1.39	179,153	United Utilities Group	1,761	0.64
Electronic & Electrical Equipment 0.39% (0.42%)					Banks 0.93% (0.68%)			
	402,660	Morgan Advanced Materials	1,075	0.39	195,973	Secure Trust Bank	2,548	0.93
Industrial Engineering 0.87% (0.45%)					Nonlife Insurance 2.26% (2.48%)			
	252,192	IMI	2,396	0.87	1,254,081	RSA Insurance Group	6,199	2.26
Industrial Transportation 0.62% (0.64%)					Life Insurance 5.50% (5.83%)			
	675,169	Wincanton	1,715	0.62	824,965	Chesnara	2,227	0.81
					1,914,497	Legal & General Group	4,574	1.67
					1,240,508	Phoenix Group Holdings	8,301	3.02
					Real Estate Investment Trusts 1.32% (1.11%)			
					1,697,697	Londonmetric Property REIT	3,613	1.32
					Financial Services 3.34% (2.58%)			
					708,930	3i Group	6,529	2.38
					1,424,828	Melrose Industries	2,631	0.96

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
Holding	Investment			Holding	Investment		
UNITED KINGDOM 84.27% (86.05%) (continued)				DERIVATIVES 0.00% (0.05%)			
	Technology Hardware & Equipment 3.50% (2.40%)				Forward Foreign Exchange Contracts 0.00% (0.05%)		
4,130,501	Spirent Communications	9,624	3.50		Sell GBP 1,472		
	Total United Kingdom	231,423	84.27		Buy EUR 1,759 J.P. Morgan ¹	—	—
					Sell GBP 10,081		
UNITED STATES OF AMERICA 5.31% (3.48%)					Buy EUR 12,010 J.P. Morgan ¹	—	—
	Corporate Bonds 5.31% (3.48%)				Sell GBP 13,855		
USD	224,000 AbbVie 2.95% 21/11/2026	184	0.07		Buy EUR 16,507 J.P. Morgan	1	—
USD	150,000 AbbVie 3.2% 21/11/2029	125	0.04		Sell GBP 16,012		
USD	150,000 AbbVie 4.25% 21/11/2049	139	0.05		Buy EUR 18,434 Lloyds ¹	—	—
GBP	300,000 Amgen 5.5% 07/12/2026	378	0.14		Sell GBP 227		
USD	655,000 Anheuser-Busch InBev 4.7% 01/02/2036	629	0.23		Buy EUR 260 J.P. Morgan ¹	—	—
GBP	395,000 AT&T 4.25% 01/06/2043	474	0.17		Sell GBP 313		
GBP	304,000 AT&T 4.375% 14/09/2029	363	0.13		Buy EUR 358 J.P. Morgan ¹	—	—
GBP	250,000 AT&T 5.5% 15/03/2027	311	0.11		Sell GBP 3,807,134		
GBP	505,000 BAT Capital 2.125% 15/08/2025	514	0.19		Buy EUR 4,535,742 J.P. Morgan	148	0.05
GBP	899,000 Becton Dickinson 3.02% 24/05/2025	966	0.35		Sell GBP 430		
GBP	151,000 Berkshire Hathaway Finance 2.625% 19/06/2059	184	0.07		Buy EUR 497 J.P. Morgan ¹	—	—
GBP	249,000 Citigroup 1.75% 23/10/2026	252	0.09		Sell GBP 459		
GBP	100,000 Comcast Corporation 1.875% 20/02/2036	102	0.04		Buy EUR 544 J.P. Morgan ¹	—	—
GBP	370,000 Digital Stout 3.3% 19/07/2029	410	0.15		Sell GBP 83,552		
GBP	211,000 Digital Stout Holding 3.75% 17/10/2030	244	0.09		Buy EUR 95,715 J.P. Morgan ¹	—	—
GBP	274,000 Discovery 2.5% 20/09/2024	284	0.10		Sell EUR 14,509		
EUR	120,000 Equinix 2.875% 01/02/2026	108	0.04		Buy GBP 12,629 J.P. Morgan ¹	—	—
GBP	195,000 Fidelity National Information Services 2.25% 03/12/2029	203	0.07		Sell EUR 168,807		
GBP	254,000 Fidelity National Information Services 2.602% 21/05/2025	270	0.10		Buy GBP 145,345 J.P. Morgan	(2)	—
GBP	690,000 Fidelity National Information Services 3.36% 21/05/2031	789	0.29		Sell EUR 21,359		
GBP	133,000 Fiserv 2.25% 01/07/2025	139	0.05		Buy GBP 18,620 J.P. Morgan ¹	—	—
GBP	667,000 Fiserv 3% 01/07/2031	736	0.27		Sell EUR 22,080		
GBP	212,000 Ford Motor Credit 4.535% 06/03/2025	224	0.08		Buy GBP 18,796 J.P. Morgan ¹	—	—
EUR	210,000 General Electric 0.875% 17/05/2025	200	0.07		Sell EUR 3,355,669		
EUR	183,000 Honeywell International 0.75% 10/03/2032	161	0.06		Buy GBP 2,797,571 Barclays	(127)	(0.05)
EUR	430,000 IQVIA 3.25% 15/03/2025	377	0.14		Sell USD 26,796		
GBP	219,000 Massmutual Global Funding 1.375% 15/12/2026	223	0.08		Buy GBP 20,546 Royal Bank of Scotland ¹	—	—
GBP	200,000 McDonald's 2.95% 15/03/2034	226	0.08		Sell USD 30,890		
GBP	285,000 Metropolitan Life Global Funding 1.625% 21/09/2029	293	0.11		Buy GBP 23,912 Citigroup ¹	—	—
GBP	230,000 New York Life Global Funding 1.25% 17/12/2026	233	0.08		Sell USD 4,510,823		
USD	116,000 Plains All American Pipeline 3.55% 15/12/2029	88	0.03		Buy GBP 3,457,970 Barclays	(8)	—
USD	356,000 Plains All American Pipeline 4.65% 15/10/2025	301	0.11		Sell EUR 386		
GBP	969,000 The Kraft Heinz 4.125% 01/07/2027	1,056	0.38		Buy GBP 325 J.P. Morgan ¹	—	—
GBP	125,000 Time Warner Cable 5.25% 15/07/2042	158	0.06		Sell EUR 455		
GBP	390,000 Time Warner Cable 5.75% 02/06/2031	490	0.18		Buy GBP 392 J.P. Morgan ¹	—	—
GBP	379,000 Verizon Communications 1.875% 19/09/2030	385	0.14		Sell EUR 465,000		
GBP	210,000 Verizon Communications 3.375% 27/10/2036	250	0.09		Buy GBP 404,592 Lloyds	(1)	—
GBP	585,000 Wells Fargo 2% 28/07/2025	603	0.22		Sell EUR 523		
GBP	230,000 Wells Fargo 2.125% 24/09/2031	238	0.09		Buy GBP 440 J.P. Morgan ¹	—	—
GBP	509,000 Wells Fargo 2.5% 02/05/2029	542	0.20		Sell EUR 625		
GBP	609,000 Welltower 4.8% 20/11/2028	745	0.27		Buy GBP 538 J.P. Morgan ¹	—	—
	Total United States of America	14,597	5.31		Sell EUR 94,918		
					Buy GBP 79,806 J.P. Morgan	(3)	—
					Sell EUR 11,246		
					Buy GBP 9,604 J.P. Morgan ¹	—	—
					Sell EUR 11,099		
					Buy GBP 9,654 J.P. Morgan ¹	—	—
					Sell EUR 111,584		
					Buy GBP 93,878 J.P. Morgan	(3)	—
					Sell GBP 116,230		
					Buy USD 150,000 Lloyds	(1)	—
					Total Derivatives	4	—

Threadneedle Monthly Extra Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
Total value of investments		270,390	98.44
Net other assets (0.23%)		4,272	1.56
Net assets		274,662	100.00

March 2019 comparatives in brackets.

*Variable rate bonds.

¹Less than £500, rounded to nil.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	56,208	20.79
Floating rate notes	7,524	2.78
Derivatives	4	—
Equity	206,654	76.43
Total value of investments	270,390	100.00

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 88.78% (81.36%)									
		AAA 1.05% (1.20%)			GBP	4,612,000	Motability Operations 2.375% 03/07/2039	5,059	0.53
GBP	2,700,000	Broadgate Financing 4.821% 05/07/2033	3,809	0.40	GBP	3,803,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	4,070	0.42
GBP	3,000,000	European Investment Bank 4.625% 12/10/2054	6,270	0.65	GBP	6,958,000	UNITE USAF II 3.921% 30/06/2025	7,837	0.82
		Aaa 0.60% (0.26%)					A- 13.87% (12.83%)		
GBP	1,862,000	Lloyds Bank 6% 08/02/2029	2,670	0.28	USD	3,389,000	AbbVie 2.95% 21/11/2026	2,788	0.29
GBP	2,269,000	University of Oxford 2.544% 08/12/2117 (London Listing)	3,112	0.32	USD	2,264,000	AbbVie 3.2% 21/11/2029	1,895	0.20
		AA+ 0.75% (0.00%)			USD	2,270,000	AbbVie 4.25% 21/11/2049	2,099	0.22
GBP	3,422,000	Massmutual Global Funding 1.375% 15/12/2026	3,490	0.36	GBP	3,610,000	Amgen 5.5% 07/12/2026	4,552	0.47
GBP	3,686,000	New York Life Global Funding 1.25% 17/12/2026	3,739	0.39	GBP	3,614,000	Anglian Water Services Financing 2.75% 26/10/2029	4,022	0.42
		AA 2.14% (2.75%)			USD	10,609,000	Anheuser-Busch InBev 4.7% 01/02/2036	10,182	1.06
GBP	2,108,000	Berkshire Hathaway Finance 2.625% 19/06/2059	2,564	0.27	EUR	2,215,000	AusNet Services Holdings 0.625% 25/08/2030	1,976	0.21
GBP	2,069,000	Dwr Cymru Financing 6.015% 31/03/2028	2,864	0.30	GBP	5,600,000	BNP Paribas 1.875% 14/12/2027	5,550	0.58
GBP	1,775,000	Land Securities Capital Markets 1.974% 08/02/2026	1,837	0.19	GBP	3,997,000	BP Capital Markets 1.827% 08/09/2025	4,144	0.43
GBP	6,195,000	Land Securities Capital Markets 2.375% 29/03/2029	6,668	0.69	GBP	1,033,000	Comcast Corporation 1.875% 20/02/2036	1,055	0.11
GBP	1,684,000	Telereal Securitisation 4.9741% 10/09/2027	1,150	0.12	GBP	1,450,000	Electricite de France 5.125% 22/09/2050	2,245	0.23
GBP	5,995,000	Telereal Securitisation 5.9478% 10/12/2031	5,513	0.57	GBP	10,800,000	Electricite de France 5.5% 17/10/2041	16,307	1.70
		Aa2u 4.02% (3.88%)			GBP	1,480,000	Heathrow Funding 4.625% 31/10/2046	2,130	0.22
GBP	22,645,000	United Kingdom Gilt 1.75% 22/01/2049	28,693	2.99	GBP	1,469,000	Heathrow Funding 5.875% 13/05/2041	2,337	0.24
GBP	5,726,700	United Kingdom Gilt 2.5% 22/07/2065	9,918	1.03	GBP	1,750,000	Heathrow Funding 6.45% 10/12/2031	2,591	0.27
		AA- 0.91% (0.79%)			GBP	2,332,000	Home Group 3.125% 27/03/2043	2,734	0.28
GBP	3,933,000	DNB Bank 1.625% 15/12/2023	4,032	0.42	GBP	2,385,000	HSBC Bank 4.75% 24/03/2046	3,088	0.32
GBP	4,565,000	Metropolitan Life Global Funding 1.625% 21/09/2029	4,695	0.49	GBP	6,251,000	HSBC Bank 5.375% 22/08/2033	8,278	0.86
		A+ 3.36% (1.29%)			GBP	2,960,000	London Power Networks 2.625% 01/03/2029	3,228	0.34
GBP	3,600,000	BPCE 1.375% 23/12/2026	3,594	0.37	GBP	2,570,000	London Power Networks 6.125% 07/06/2027	3,394	0.35
GBP	3,320,000	Broadgate Finance 5.098% 05/04/2033	3,818	0.40	GBP	3,358,000	National Grid Electricity Transmission 2% 16/09/2038	3,533	0.37
GBP	3,900,000	Credit Agricole 1.25% 02/10/2024	3,909	0.41	GBP	2,799,000	National Grid Electricity Transmission 2.75% 06/02/2035	3,248	0.34
GBP	3,270,000	Lloyds Bank 6.5% 17/09/2040	5,692	0.59	GBP	2,000,000	Places For People Homes 2.875% 17/08/2026	2,132	0.22
GBP	6,000,000	LVMH Moet Hennessy Vuitton 1.125% 11/02/2027	5,999	0.62	USD	4,008,000	SGSP Australia Assets 3.25% 29/07/2026	3,370	0.35
GBP	1,310,000	Sovereign Housing Capital 2.375% 04/11/2048	1,492	0.16	GBP	1,871,000	Wales & West Utilities Finance 1.875% 28/05/2041	1,853	0.19
GBP	3,000,000	Total Capital International 1.405% 03/09/2031	3,010	0.31	GBP	2,725,000	Wells Fargo 2% 28/07/2025	2,807	0.29
GBP	3,200,000	Total Capital International 1.66% 22/07/2026	3,311	0.34	GBP	3,618,000	Wells Fargo 2.125% 24/09/2031	3,750	0.39
GBP	1,520,000	Unilever 1.5% 22/07/2026	1,566	0.16	GBP	7,512,000	Wells Fargo 2.5% 02/05/2029	8,005	0.83
		A 3.49% (1.43%)			GBP	2,481,000	Western Power Distribution 1.75% 09/09/2031	2,513	0.26
GBP	5,000,000	Banque Fédérative du Crédit Mutuel 1.5% 07/10/2026	5,027	0.52	GBP	1,835,000	Western Power Distribution South West 5.875% 25/03/2027	2,369	0.25
GBP	1,283,000	Catalyst Housing 3.125% 31/10/2047	1,591	0.17	GBP	2,373,000	Western Power Distribution West Midlands 5.75% 16/04/2032	3,377	0.35
EUR	2,753,000	Honeywell International 0.75% 10/03/2032	2,420	0.25	GBP	3,570,000	Western Power Distribution West Midlands 6% 09/05/2025	4,412	0.46
GBP	7,411,000	Lloyds Bank Corporate Markets 1.75% 11/07/2024	7,519	0.78	GBP	7,254,000	Yorkshire Water Finance 1.75% 26/11/2026	7,426	0.77
							A3 0.31% (0.68%)		
					GBP	2,835,000	Co-operative Bank United Kingdom 4.75% 11/11/2021	2,982	0.31

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 88.78% (81.36%) (continued)									
		BBB+ 19.92% (18.83%)			GBP	8,745,000	Welltower 4.8% 20/11/2028	10,703	1.11
GBP	6,176,000	Aroundtown 3% 16/10/2029	6,636	0.69	GBP	4,920,000	Western Power Distribution 3.5% 16/10/2026	5,392	0.56
GBP	1,971,000	Aroundtown 3.25% 18/07/2027	2,152	0.22					
GBP	5,685,000	BAT Capital 2.125% 15/08/2025	5,783	0.60			Baa1 1.54% (1.61%)		
GBP	1,800,000	BAT International Finance 4% EMTN 04/09/2026	2,017	0.21	GBP	12,740,000	Bupa Finance 5% 08/12/2026	14,774	1.54
GBP	1,575,000	BAT International Finance 7.25% 12/03/2024	1,928	0.20			BBB 18.49% (16.38%)		
GBP	3,500,000	BPCE 5.25% 16/04/2029	4,427	0.46	EUR	2,442,000	Akelius Residential 1.75% 07/02/2025	2,253	0.23
GBP	11,031,000	Bunzl Finance 2.25% 11/06/2025	11,411	1.19	GBP	6,470,000	Akelius Residential 2.375% 15/08/2025	6,725	0.70
GBP	5,274,000	Cadent Finance 2.125% 22/09/2028	5,513	0.57	GBP	4,220,000	APT Pipelines 3.5% 22/03/2030	4,778	0.50
GBP	5,760,000	Cadent Finance 2.625% 22/09/2038	6,208	0.65	GBP	5,884,000	AT&T 4.25% 01/06/2043	7,057	0.73
GBP	4,330,000	Cadent Finance 2.75% 22/09/2046	4,745	0.49	GBP	7,528,000	AT&T 4.375% 14/09/2029	8,987	0.94
GBP	3,914,000	Citigroup 1.75% 23/10/2026	3,960	0.41	GBP	750,000	AT&T 5.5% 15/03/2027	934	0.10
GBP	5,798,000	Deutsche Telekom International Finance 2.5% 10/10/2025	6,173	0.64	GBP	15,162,000	Becton Dickinson 3.02% 24/05/2025	16,299	1.70
GBP	11,149,000	GE Capital UK Funding 5.875% 18/01/2033	15,113	1.57	GBP	4,355,000	British Telecommunications 3.125% 21/11/2031	4,734	0.49
GBP	1,959,000	Glencore Finance Europe 3.125% 26/03/2026	2,041	0.21	GBP	1,415,000	CPI Property Group 2.75% 22/01/2028	1,438	0.15
EUR	5,000,000	Grand City Properties 1.375% 03/08/2026	4,580	0.48	GBP	6,038,000	Digital Stout 3.3% 19/07/2029	6,699	0.70
GBP	2,400,000	McDonald's 2.95% 15/03/2034	2,718	0.28	GBP	5,145,000	Digital Stout Holding 3.75% 17/10/2030	5,941	0.62
GBP	3,949,000	Mitchells & Butlers Finance 5.574% 15/12/2030	1,788	0.19	GBP	7,825,000	E.ON International Finance 6.375% 07/06/2032	11,591	1.21
GBP	5,475,000	NIE Finance 2.5% 27/10/2025 (BSE)	5,822	0.61	GBP	2,676,000	Fidelity National Information Services 2.602% 21/05/2025	2,847	0.30
GBP	2,295,000	NIE Finance 6.375% 02/06/2026	2,981	0.31	GBP	10,009,000	Fidelity National Information Services 3.36% 21/05/2031	11,443	1.19
GBP	6,100,000	Northumbrian Water Finance 1.625% 11/10/2026	6,215	0.65	GBP	2,960,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	3,384	0.35
GBP	3,849,000	Northumbrian Water Finance 2.375% 05/10/2027	4,118	0.43	GBP	10,464,000	Fiserv 3% 01/07/2031	11,548	1.20
GBP	4,600,000	Orange 3.25% 15/01/2032	5,262	0.55	GBP	6,902,000	Global Switch Holdings 4.375% 13/12/2022	7,495	0.78
GBP	1,230,000	Orange 8.125% 20/11/2028	1,884	0.20	GBP	9,720,000	Imperial Brand Finance 5.5% 28/09/2026	11,725	1.22
GBP	3,062,000	Petroleos Mexicanos 3.75% 16/11/2025	2,982	0.31	GBP	3,581,000	Imperial Brand Finance 8.125% 15/03/2024	4,465	0.46
EUR	4,248,000	RELX Finance 0.875% 10/03/2032	3,723	0.39	GBP	14,990,000	Innogy Finance 6.25% 03/06/2030	21,194	2.21
GBP	1,950,000	Scotland Gas Network 3.25% 08/03/2027	2,193	0.23	GBP	4,109,000	LafargeHolcim Sterling Finance 3% 12/05/2032	4,440	0.46
GBP	2,503,000	Scottish Hydro Electric 2.25% 27/09/2035	2,643	0.28	GBP	9,377,000	Lloyds Bank 7.625% 22/04/2025	12,014	1.25
GBP	6,323,000	Severn Trent Utilities Finance 3.625% 16/01/2026	7,153	0.74	GBP	1,525,000	Longstone Finance 4.896% 19/04/2031	1,864	0.19
GBP	5,500,000	Severn Trent Utilities Finance 6.125% 26/02/2024	6,546	0.68	GBP	1,300,000	Telereal Securitisation 5.4252% 10/12/2031	1,445	0.15
GBP	1,127,000	Southern Gas Networks 3.1% 15/09/2036	1,338	0.14	GBP	3,621,000	Unite Group 3.5% 15/10/2028	4,062	0.42
GBP	1,733,000	SP Transmission 2% 13/11/2031	1,811	0.19	GBP	2,200,000	Vodafone Group 3% 12/08/2056	2,261	0.24
GBP	1,275,000	SPD Finance UK 5.875% 17/07/2026	1,617	0.17			Baa2 1.69% (1.86%)		
GBP	3,950,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	4,266	0.44	GBP	3,265,000	Eversholt Funding 3.529% 07/08/2042	3,736	0.39
EUR	1,550,000	Thermo Fisher Scientific 1.875% 01/10/2049	1,344	0.14	GBP	2,585,000	Eversholt Funding 6.359% 02/12/2025	3,219	0.34
USD	7,472,000	UBS 5.125% 15/05/2024	6,220	0.65	GBP	920,000	Eversholt Funding 6.697% 22/02/2035	1,238	0.13
GBP	2,754,000	United Mexican States 5.625% 19/03/2114	3,220	0.34	GBP	4,272,000	Porterbrook Rail Finance 4.625% 04/04/2029	5,147	0.54
GBP	2,010,000	United Utilities Water Finance 1.75% 10/02/2038	2,028	0.21	GBP	1,720,000	Santander UK 10.0625% 29/10/2049	2,804	0.29
GBP	9,442,000	Verizon Communications 1.875% 19/09/2030	9,593	1.00			BBB- 11.89% (10.50%)		
GBP	4,700,000	Volkswagen International Finance 3.375% 16/11/2026	5,084	0.53	GBP	1,365,000	Asciano Finance 5% 19/09/2023	1,533	0.16
					USD	23,860,000	Bacardi 4.7% 15/05/2028	21,337	2.22
					GBP	1,550,000	Barclays Bank 5.75% 14/09/2026	1,905	0.20
					EUR	5,904,000	DS Smith 0.875% 12/09/2026	5,140	0.53
					GBP	2,115,000	DS Smith 2.875% 26/07/2029	2,246	0.23
					GBP	3,044,000	Ford Motor Credit 4.535% 06/03/2025	3,217	0.33
					EUR	3,275,000	G4S International Finance 1.5% 02/06/2024	2,934	0.31

Threadneedle Sterling Corporate Bond Fund (formerly UK Corporate Bond Fund)

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
EUR	2,495,000	G4S International Finance 1.875% 24/05/2025	2,272	0.24	FLOATING RATE NOTES 9.53% (15.33%)				
GBP	4,832,000	GKN Holdings 4.625% 15/05/2032	5,085	0.53	GBP	1,800,000	AA+ 0.17% (0.16%) *Trafford Centre Finance FRN 28/07/2035 A3	1,665	0.17
GBP	8,301,000	GKN Holdings 5.375% 19/09/2022	9,042	0.94					
GBP	1,745,000	Marks & Spencer 4.75% 12/06/2025	1,953	0.20			A 0.00% (0.34%)		
USD	2,022,000	Plains All American Pipeline 3.55% 15/12/2029	1,543	0.16			BBB+ 2.33% (3.46%)		
USD	5,228,000	Plains All American Pipeline 4.65% 15/10/2025	4,419	0.46	GBP	3,368,000	*Aviva 4.375% 12/09/2049	3,694	0.38
GBP	4,390,000	Rolls-Royce 3.375% 18/06/2026	4,781	0.50	GBP	3,370,000	*Aviva 6.125% 29/09/2049	3,656	0.38
USD	6,605,000	Syngenta Finance 5.182% 24/04/2028	5,832	0.61	GBP	1,534,000	*AXA FRN 16/01/2054	1,886	0.20
GBP	6,830,000	Tesco Property Finance 1 7.6227% 13/07/2039	8,863	0.92	GBP	2,150,000	*Legal & General Group 5.5% 27/06/2064	2,531	0.26
GBP	5,511,000	Tesco Property Finance 3 5.744% 13/04/2040	7,171	0.75	GBP	6,856,000	*Legal & General Group Variable 27/10/2045	7,827	0.81
GBP	4,520,000	Tesco Property Finance 5.5% 13/10/2041	5,999	0.62	GBP	1,050,000	*Legal & General Group Variable 14/11/2048	1,204	0.13
GBP	1,025,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,290	0.13	GBP	1,628,000	*Legal & General Group Variable 26/11/2049	1,667	0.17
GBP	3,270,000	Thames Water Utilities 2.375% 03/05/2023	3,339	0.35			BBB 3.71% (4.00%)		
GBP	4,559,000	Thames Water Utilities 2.875% 03/05/2027	4,712	0.49	GBP	1,336,000	*America Movil 6.375% 06/09/2073	1,363	0.14
GBP	1,647,000	Time Warner Cable 5.25% 15/07/2042	2,079	0.22	GBP	8,990,000	*NGG Finance 5.625% 18/06/2073	10,212	1.06
GBP	4,470,000	Time Warner Cable 5.75% 02/06/2031	5,621	0.58	GBP	2,330,000	*Prudential 6.34% 19/12/2063	2,850	0.30
USD	2,756,000	Western Midstream Operating 5.25% 01/02/2050	1,991	0.21	GBP	8,840,000	*Royal Bank of Scotland 2.875% 19/09/2026	9,296	0.97
		BB+ 1.99% (2.30%)			GBP	6,499,000	*Royal Bank of Scotland Group Variable 28/03/2027	6,952	0.72
EUR	4,100,000	ADLER Real Estate 3% 27/04/2026	3,670	0.38	GBP	4,850,000	*Telereal Securitisation 4.0902% 10/12/2033	5,014	0.52
GBP	670,000	Mitchells & Butlers Finance 5.965% 15/12/2023	162	0.02			BBB- 0.00% (2.25%)		
GBP	14,036,000	The Kraft Heinz 4.125% 01/07/2027	15,298	1.59	GBP	4,714,000	Baa3 0.51% (0.65%) *TSB Banking Group 5.75% 06/05/2026	4,862	0.51
		BB 0.50% (0.70%)					BB+ 1.38% (1.96%)		
EUR	5,470,000	IQVIA 3.25% 15/03/2025	4,793	0.50	GBP	1,629,000	*Marstons Issuer 5.1576% 15/10/2027	1,513	0.16
		BB- 0.27% (0.40%)			EUR	3,900,000	*Telefonica Europe Variable 14/03/2168	3,707	0.39
EUR	2,800,000	Netflix 3.875% 15/11/2029	2,581	0.27	EUR	3,500,000	*Tennet Holding Variable 2.995% 01/06/2167	3,204	0.33
		B 0.00% (0.15%)			USD	5,591,000	*UBS Group 7% 29/12/2049	4,810	0.50
		CCC+ 0.06% (0.00%)					BB 0.14% (0.92%)		
USD	2,364,000	Noble Holding International 6.95% 01/04/2045	590	0.06	EUR	1,543,000	*AIB Group Variable 19/11/2029	1,343	0.14
		Not Rated 1.68% (2.49%)			EUR	3,340,000	BB- 0.31% (0.31%) *Bank of Ireland 7.375% 29/12/2049	2,941	0.31
GBP	4,453,000	Cattles 6.875% 17/01/2014 (Defaulted)	2	—			B+ 0.00% (0.32%)		
GBP	3,660,000	First Hydro Finance 9% 31/07/2021	4,049	0.42			Not Rated 0.98% (0.96%)		
GBP	1,985,000	Hastings Group Finance 3% 24/05/2025	2,025	0.21	GBP	1,540,000	*Credit Agricole 7.5% 31/12/2049	1,784	0.19
GBP	100,000	Lehman Brothers 7.875% 08/05/2018 GBP (Defaulted)	2	—	GBP	7,645,000	*Pennon Group Perpetual Variable 22/05/2166	7,637	0.79
GBP	5,900,000	Newriver REIT 3.5% 07/03/2028	6,079	0.63			Total Floating Rate Notes	91,618	9.53
GBP	3,426,000	Pension Insurance 5.625% 20/09/2030	3,993	0.42					
		Liquidity Funds 0.25% (1.03%)¹							
GBP	2,350,438	BlackRock Institutional Cash Series Sterling Liquidity Platinum	2,350	0.24					
GBP	51,979	Insight Liquidity Funds – ILF GBP Liquidity Class 3	52	0.01					
		Total Fixed Interest	853,132	88.78					

Threadneedle Sterling Bond Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 98.04% (98.66%)				FLOATING RATES NOTES 0.61% (0.00%)			
	AAA 3.01% (1.37%)				AAA 0.61% (0.00%)		
2,235,000	European Investment Bank 1% 21/09/2026	2,302	0.43	3,255,000	*Export Development Canada FRN 29/05/2024	3,254	0.61
3,085,000	Export Development Canada 0.875% 07/12/2021	3,105	0.58		Total Floating Rate Notes	3,254	0.61
2,480,000	International Bank for Reconstruction and Development 0.875% 13/12/2024	2,527	0.47		Total value of investments³	530,047	98.65
2,600,000	International Bank for Reconstruction and Development 1% 21/12/2029	2,690	0.50		Net other assets (1.34%)	7,267	1.35
2,400,000	KFW 1% 15/12/2022	2,440	0.45		Net assets	537,314	100.00
3,075,000	KFW 1.375% 01/02/2021	3,101	0.58				
	Aaa 0.88% (1.50%)						
2,000,000	European Investment Bank 1.125% 07/09/2021	2,023	0.38				
2,650,000	Royal Bank of Canada 1.125% 22/12/2021	2,674	0.50				
	AA+ 1.27% (1.42%)						
2,190,000	Municipality Finance 1.25% 07/12/2022	2,233	0.41				
1,235,000	Oesterreichische Kontrollbank 1.125% 15/12/2022	1,257	0.23				
3,300,000	Oesterreichische Kontrollbank 1.25% 15/12/2023	3,392	0.63				
	AA 0.31% (1.39%)						
1,250,000	LCR Finance 4.5% 07/12/2028	1,673	0.31				
	Aa2u 72.90% (75.76%)						
39,143,000	United Kingdom Gilt 0.875% 22/10/2029	41,512	7.73				
15,168,000	United Kingdom Gilt 1.25% 22/07/2027	16,412	3.05				
31,493,000	United Kingdom Gilt 1.5% 22/01/2021	31,838	5.93				
15,115,000	United Kingdom Gilt 1.5% 22/07/2047	18,041	3.36				
7,103,400	United Kingdom Gilt 1.625% 22/10/2071	10,341	1.92				
38,706,000	United Kingdom Gilt 1.75% 07/09/2037	46,029	8.57				
50,522,000	United Kingdom Gilt 1.75% 22/01/2049	64,016	11.91				
10,995,000	United Kingdom Gilt 1.75% 22/07/2057	15,010	2.79				
25,760,000	United Kingdom Gilt 2% 22/07/2020	25,924	4.82				
8,491,000	United Kingdom Gilt 2.5% 22/07/2065	14,706	2.74				
20,548,000	United Kingdom Gilt 3.25% 22/01/2044	31,925	5.94				
36,953,000	United Kingdom Gilt 3.75% 07/09/2020	37,587	7.00				
4,705,000	United Kingdom Gilt 4.25% 07/03/2036	7,396	1.38				
19,744,000	United Kingdom Gilt 4.5% 07/09/2034	30,961	5.76				
	AA- 0.45% (0.52%)						
2,280,000	Transport for London 2.125% 24/04/2025	2,422	0.45				
	Not Rated 18.86% (16.70%)						
51,595,000	United Kingdom Gilt 0.625% 07/06/2025	52,846	9.83				
26,730,000	United Kingdom Gilt 1.25% 22/10/2041	29,659	5.52				
14,703,000	United Kingdom Gilt 1.625% 22/10/2054	18,838	3.51				
	Liquidity Funds 0.36% (0.00%)¹						
1,912,732	BlackRock Institutional Cash Series Sterling Liquidity Platinum	1,913	0.36				
	Total Fixed Interest	526,793	98.04				

March 2019 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

*Variable rate bonds.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

Fixed interest	526,793	99.39
Floating rate notes	3,254	0.61
Total value of investments²	530,047	100.00

Threadneedle Sterling Short-Term Money Market Fund (formerly Sterling Fund)

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 86.41% (82.03%)				
Government Bonds 17.75% (11.96%)				
GBP	19,619,000	United Kingdom Gilt 0% 06/04/2020	19,609	4.56
GBP	16,000,000	United Kingdom Gilt 0% 09/03/2020	15,999	3.72
GBP	9,941,000	United Kingdom Gilt 0% 11/05/2020	9,929	2.31
GBP	2,805,000	United Kingdom Gilt 0% 14/04/2020	2,803	0.65
GBP	15,000,000	United Kingdom Gilt 0% 16/03/2020	14,997	3.49
GBP	5,000,000	United Kingdom Gilt 0% 23/03/2020	4,998	1.16
GBP	8,000,000	United Kingdom Gilt 0% 27/04/2020	7,993	1.86
Certificate of Deposit 54.40% (65.31%)				
GBP	10,000,000	BNP Paribas 0.73% 21/05/2020	10,000	2.33
GBP	11,000,000	BNP Paribas 0.78% 20/03/2020	11,000	2.56
GBP	22,000,000	Credit Agricole 0.74% 11/05/2020	22,000	5.11
GBP	5,000,000	DZ Bank 0% 20/03/2020	5,000	1.16
GBP	4,000,000	DZ Bank 0.78% 16/03/2020	4,000	0.93
GBP	10,000,000	First Abu Dhabi Bank 0.73% 23/06/2020	10,000	2.33
GBP	22,000,000	Landesbank Baden-Württemberg 0.77% 12/06/2020	22,000	5.11
GBP	9,000,000	Lloyds Bank 0.73% 25/06/2020	9,000	2.09
GBP	13,000,000	Lloyds Bank 0.75% 18/06/2020	13,000	3.02
GBP	7,000,000	Nationwide Building Society 0.7% 20/05/2020	7,000	1.63
GBP	20,000,000	Nationwide Building Society 0.84% 07/05/2020	20,000	4.65
GBP	6,000,000	Nordea Bank 0.52% 08/06/2020	6,000	1.40
GBP	13,000,000	Nordea Bank 0.76% 16/03/2020	13,000	3.02
GBP	17,500,000	Oversea-Chinese Banking 0.65% 29/04/2020	17,500	4.07
GBP	24,000,000	Santander UK 0.74% 09/03/2020	24,000	5.58
GBP	17,000,000	Svenska Handelsbanken 0.73% 28/05/2020	17,000	3.95
GBP	5,500,000	Toronto-Dominion Bank 0.77% 06/04/2020	5,500	1.28
GBP	18,000,000	Toronto-Dominion Bank 0.79% 20/03/2020	18,000	4.18
Euro commercial paper 6.27% (0.00%)				
GBP	4,000,000	Agence Cen Org Sec 0.73% 31/03/2020	3,999	0.93
GBP	8,000,000	Banque Federative du Credit Mutuel 0% 03/08/2020	7,983	1.86
GBP	15,000,000	Commonwealth Bank of Australia 0% 14/04/2020	14,991	3.48
Liquidity Funds 7.99% (4.76%)¹				
GBP	19,837,576	BlackRock Institutional Cash Series Sterling Liquidity Platinum	19,838	4.61
GBP	14,548,428	Insight Liquidity Funds - ILF GBP Liquidity Class 3	14,548	3.38
Total Fixed Interest			371,687	86.41
Total value of investments²			371,687	86.41
Net other assets (17.97)%			58,451	13.59
Net assets			430,138	100.00

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle European Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 2.51% (1.46%)				Pharmaceuticals & Biotechnology 0.81% (0.00%)			
	Banks 2.51% (1.46%)			105,694	Sanofi	7,977	0.81
487,918	KBC Groep	24,804	2.51		Banks 1.54% (0.00%)		
	Total Belgium	24,804	2.51	457,259	BNP Paribas	15,197	1.54
DENMARK 4.86% (9.56%)					Nonlife Insurance 0.92% (0.00%)		
	Industrial Transportation 1.50% (2.25%)			519,880	AXA	9,030	0.92
186,003	DSV Panalpina	14,759	1.50		Financial Services 2.10% (0.00%)		
	Pharmaceuticals & Biotechnology 3.36% (4.74%)			388,312	Amundi	20,768	2.10
690,044	Novo Nordisk	33,199	3.36		Software & Computer Services 0.54% (2.98%)		
	Nonlife Insurance 0.00% (2.57%)			44,345	Dassault Systems	5,336	0.54
	Total Denmark	47,958	4.86		Total France	266,646	27.02
FINLAND 4.65% (3.19%)				GERMANY 11.38% (15.34%)			
	Oil & Gas Producers 0.59% (0.00%)				Chemicals 0.97% (1.67%)		
193,989	Neste	5,804	0.59	262,431	Brenntag	9,610	0.97
	Forestry & Paper 1.27% (0.00%)				Industrial Engineering 1.08% (0.00%)		
545,048	UPM	12,525	1.27	147,778	Knorr-Bremse	10,696	1.08
	Industrial Engineering 0.49% (0.00%)				Automobiles & Parts 0.00% (1.21%)		
113,229	Kone	4,824	0.49		Personal Goods 1.29% (5.13%)		
	Banks 0.00% (0.93%)			61,032	Adidas	12,751	1.29
	Nonlife Insurance 2.30% (2.26%)				Health Care Equipment & Services 0.00% (1.62%)		
729,031	Sampo	22,747	2.30		Nonlife Insurance 3.17% (2.99%)		
	Total Finland	45,900	4.65	190,796	Allianz	31,282	3.17
FRANCE 27.02% (28.28%)					Financial Services 2.19% (0.00%)		
	Oil & Gas Producers 2.54% (4.22%)			141,053	Deutsche Boerse	18,006	1.82
767,218	Total	25,068	2.54	135,121	DWS Group	3,621	0.37
	Chemicals 2.77% (2.85%)				Software & Computer Services 1.79% (2.72%)		
251,773	Air Liquide	27,315	2.77	191,716	SAP	17,645	1.79
	Construction & Materials 1.25% (1.85%)				Technology Hardware & Equipment 0.89% (0.00%)		
157,817	Vinci	12,312	1.25	592,462	Infineon Technologies	8,747	0.89
	Electronic & Electrical Equipment 3.57% (0.80%)				Total Germany	112,358	11.38
125,747	Legrand	7,100	0.72				
356,779	Schneider Electric	28,163	2.85	ITALY 4.25% (5.99%)			
	Support Services 3.98% (2.27%)				Support Services 0.36% (0.00%)		
268,356	Edenred	10,538	1.07	292,386	Nexi	3,510	0.36
128,852	Teleperformance	25,344	2.57		Automobiles & Parts 1.37% (0.00%)		
59,258	Worldline	3,350	0.34	4,165,355	Pirelli & C. SPA	13,534	1.37
	Beverages 1.01% (2.89%)				Beverages 0.00% (1.97%)		
76,949	Pernod Ricard	9,957	1.01		Personal Goods 0.48% (1.27%)		
	Leisure Goods 1.80% (0.53%)			164,573	Moncler	4,774	0.48
306,969	Ubisoft Entertainment	17,814	1.80		Mobile Telecommunications 0.00% (2.75%)		
	Personal Goods 2.84% (6.75%)				Banks 2.04% (0.00%)		
46,811	L'Oreal	10,259	1.04	569,121	FincoBank	4,371	0.44
57,058	LVMH Moet Hennessy Vuitton	17,806	1.80	1,856,000	Unicredit	15,779	1.60
	Health Care Equipment & Services 1.35% (3.14%)				Total Italy	41,968	4.25
134,054	Orpea	13,312	1.35				

Threadneedle European Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 10.10% (11.29%)				Industrial Engineering 4.70% (3.39%)			
	Chemicals 0.00% (1.78%)			639,007	Atlas Copco 'A' Shares	16,903	1.72
	Aerospace & Defence 1.20% (0.00%)			858,672	Epiroc A	7,227	0.73
133,478	Airbus	11,792	1.20	1,793,533	Sandvik	22,211	2.25
	Personal Goods 0.00% (3.10%)			Financial Services 0.32% (0.00%)			
	Health Care Equipment & Services 0.00% (2.60%)			259,524	EQT	3,181	0.32
	Media 0.55% (0.51%)			Software & Computer Services 0.00% (1.75%)			
91,854	Wolters Kluwer	5,460	0.55	Total Sweden			
	Banks 2.11% (0.71%)					53,563	5.43
3,188,913	ING Groep	20,761	2.11	SWITZERLAND 16.73% (1.31%)			
	Software & Computer Services 2.53% (0.00%)			Construction & Materials 2.39% (1.31%)			
449,696	Prosus	25,003	2.53	169,451	Sika	23,582	2.39
	Technology Hardware & Equipment 3.71% (2.59%)			Food Producers 4.94% (0.00%)			
166,464	ASML	36,627	3.71	580,987	Nestle	48,732	4.94
	Total Netherlands	99,643	10.10	Pharmaceuticals & Biotechnology 6.91% (0.00%)			
NORWAY 2.12% (1.33%)				16,280	Lonza	5,206	0.53
	Banks 2.12% (1.33%)			425,018	Novartis	27,757	2.81
1,788,584	DNB Bank	20,920	2.12	135,426	Roche	35,222	3.57
	Total Norway	20,920	2.12	Financial Services 2.49% (0.00%)			
REPUBLIC OF IRELAND 6.34% (4.50%)				36,120	Partners Group Holdings	24,566	2.49
	Chemicals 1.15% (0.00%)			Total Switzerland			
76,688	Linde	11,346	1.15			165,065	16.73
	Construction & Materials 3.04% (3.29%)			UNITED KINGDOM 2.47% (4.20%)			
736,819	CRH (Dublin Listing)	19,575	1.98	Oil & Gas Producers 0.54% (2.00%)			
214,398	Kingspan Group (EUR)	10,458	1.06	322,357	Royal Dutch Shell 'A' Shares (Amsterdam Listing)	5,304	0.54
	General Industrials 0.48% (0.00%)			Media 1.93% (2.20%)			
186,106	Smurfit Kappa Group (EUR)	4,769	0.48	1,043,691	RELX (UK Listing)	19,073	1.93
	Food Producers 0.53% (0.00%)			Total United Kingdom			
50,932	Kerry Group	5,240	0.53			24,377	2.47
	Travel & Leisure 0.00% (1.21%)			UNITED STATES OF AMERICA 0.00% (2.17%)			
	Liquidity Funds 1.14% (0.00%)¹			Software & Computer Services 0.00% (2.17%)			
11,207,158	BlackRock Institutional Cash Series Sterling Liquidity Platinum	11,207	1.14	Total United States of America			
	Total Republic of Ireland	62,595	6.34			—	—
SPAIN 0.53% (5.46%)				DERIVATIVES -0.72% (0.00%)			
	Pharmaceuticals & Biotechnology 0.53% (1.05%)			Forward Foreign Exchange Contracts -0.72% (0.00%)			
208,200	Grifols	5,277	0.53	Sell GBP 9,885,026			
	Mobile Telecommunications 0.00% (2.42%)			Buy EUR 11,480,760 J.P. Morgan			
	Software & Computer Services 0.00% (1.99%)			Sell GBP 156,758			
	Total Spain	5,277	0.53	Buy EUR 181,000 Lloyds			
SWEDEN 5.43% (5.14%)				Sell GBP 4,752,069			
	Construction & Materials 0.41% (0.00%)			Buy EUR 5,651,943 J.P. Morgan			
237,766	Assa Abloy 'B' Shares	4,041	0.41	Sell GBP 6,007,957			
				Buy EUR 7,141,074 J.P. Morgan			
				Sell EUR 232,060,719			
				Buy GBP 194,783,181 J.P. Morgan			
				Sell EUR 3,004,247			
				Buy GBP 2,531,244 J.P. Morgan			
				Sell EUR 248,000			
				Buy GBP 215,020 Royal Bank of Scotland			
				Sell EUR 3,787,826			
				Buy GBP 3,302,079 J.P. Morgan ²			

Threadneedle European Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –0.72% (0.00%) (continued)			
	Sell EUR 392,000		
	Buy GBP 341,348 Royal Bank of Scotland ²	–	–
	Sell EUR 5,389,172		
	Buy GBP 4,704,338 J.P. Morgan	6	–
	Total Derivatives	(7,100)	(0.72)
Total value of investments³			
		963,974	97.67
Net other assets (0.78%)			
		22,965	2.33
Net assets			
		986,939	100.00

March 2019 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle European Select Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 0.00% (2.55%)				Personal Goods 2.93% (4.84%)			
	Beverages 0.00% (1.08%)			222,068	Adidas	46,396	2.93
	Banks 0.00% (1.47%)			Health Care Equipment & Services 0.00% (2.76%)			
	Total Belgium	—	—	Software & Computer Services 2.91% (0.23%)			
DENMARK 6.74% (4.63%)				500,377	SAP	46,053	2.91
	Industrial Transportation 2.02% (2.15%)			Total Germany		174,643	11.03
402,924	DSV Panalpina	31,971	2.02	ITALY 4.25% (5.20%)			
	Pharmaceuticals & Biotechnology 4.72% (2.48%)			Support Services 1.14% (0.00%)			
1,552,665	Novo Nordisk	74,700	4.72	1,495,232	Nexi	17,948	1.14
	Total Denmark	106,671	6.74	Beverages 1.98% (3.37%)			
FINLAND 4.75% (6.92%)				4,899,599	Davide Campari-Milano	31,390	1.98
	Industrial Engineering 1.77% (0.99%)			Mobile Telecommunications 1.13% (1.83%)			
657,385	Kone	28,007	1.77	2,059,140	Infrastructure Wireless Italia	17,883	1.13
	Banks 0.00% (1.43%)			Total Italy		67,221	4.25
	Nonlife Insurance 2.98% (4.50%)			NETHERLANDS 12.73% (13.75%)			
1,511,318	Sampo	47,156	2.98	Chemicals 4.16% (4.28%)			
	Total Finland	75,163	4.75	587,655	IMCD Group	36,549	2.31
FRANCE 27.19% (24.88%)				313,960	Koninklijke DSM	29,290	1.85
	Chemicals 2.30% (1.03%)			Personal Goods 2.10% (5.30%)			
335,122	Air Liquide	36,358	2.30	763,383	Unilever (EUR)	33,152	2.10
	Electronic & Electrical Equipment 0.95% (3.20%)			Health Care Equipment & Services 2.44% (1.80%)			
267,436	Legrand	15,100	0.95	1,201,855	Koninklijke Philips	38,688	2.44
	Support Services 6.41% (2.30%)			Technology Hardware & Equipment 4.03% (2.37%)			
857,972	Bureau Veritas	15,358	0.97	253,462	ASML	55,770	3.52
600,851	Edenred	23,594	1.49	91,206	NXP Semiconductors	8,080	0.51
3,307,087	Elis	41,453	2.62	Total Netherlands		201,529	12.73
372,973	Worldline	21,085	1.33	REPUBLIC OF IRELAND 3.74% (3.43%)			
	Beverages 4.06% (5.32%)			Construction & Materials 0.00% (1.94%)			
496,187	Pernod Ricard	64,205	4.06	Food Producers 1.58% (0.00%)			
	Leisure Goods 1.09% (0.53%)			243,424	Kerry Group	25,042	1.58
298,077	Ubisoft Entertainment	17,298	1.09	Travel & Leisure 0.00% (1.43%)			
	Personal Goods 7.20% (5.31%)			Liquidity Funds 2.16% (0.06%)¹			
265,734	L'Oreal	58,239	3.68	394,522	BlackRock Institutional Cash Series		
178,684	LVMH Moet Hennessy Vuitton	55,760	3.52		Euro Liquidity Platinum	34,198	2.16
	Health Care Equipment & Services 1.78% (2.62%)			Total Republic of Ireland		59,240	3.74
262,843	Essilor International	28,104	1.78	SPAIN 7.14% (10.67%)			
	Software & Computer Services 3.40% (4.57%)			Pharmaceuticals & Biotechnology 1.69% (2.78%)			
447,417	Dassault Systems	53,841	3.40	1,558,587	Grifols ADR	26,773	1.69
	Total France	430,395	27.19	General Retailers 2.19% (2.30%)			
GERMANY 11.03% (13.42%)				1,479,359	Inditex	34,651	2.19
	Chemicals 3.44% (3.65%)			Mobile Telecommunications 0.00% (2.69%)			
1,489,288	Brenntag	54,537	3.44	Software & Computer Services 3.26% (2.90%)			
	Industrial Engineering 1.75% (0.00%)			1,052,681	Amadeus IT Group	51,643	3.26
382,128	Knorr-Bremse	27,657	1.75	Total Spain		113,067	7.14
	Automobiles & Parts 0.00% (1.94%)						

Threadneedle European Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
SWEDEN 5.27% (5.01%)							
	Construction & Materials 0.00% (1.00%)				Sell EUR 179,019		
					Buy USD 200,168 J.P. Morgan	(2)	—
	Industrial Engineering 5.27% (4.01%)				Sell EUR 8,537,514		
1,419,242	Atlas Copco 'A' Shares	37,541	2.37		Buy USD 9,255,237 J.P. Morgan	(334)	(0.02)
1,830,754	Epiroc A	15,408	0.97		Total Derivatives	(307)	(0.02)
2,465,310	Sandvik	30,530	1.93				
	Total Sweden	83,479	5.27		Total value of investments³	1,582,157	99.94
					Net other assets (1.40%)	903	0.06
					Net assets	1,583,060	100.00
SWITZERLAND 13.38% (2.05%)							
	Construction & Materials 2.28% (2.05%)						
259,522	Sika	36,117	2.28				
	Industrial Engineering 2.01% (0.00%)						
186,848	Schindler Holding	31,840	2.01				
	Food Producers 4.41% (0.00%)						
831,526	Nestle	69,747	4.41				
	Pharmaceuticals & Biotechnology 4.68% (0.00%)						
127,434	Lonza	40,749	2.57				
128,320	Roche	33,374	2.11				
	Total Switzerland	211,827	13.38				
UNITED KINGDOM 3.74% (4.69%)							
	Media 3.74% (4.69%)						
3,240,977	RELX (UK Listing)	59,229	3.74				
	Total United Kingdom	59,229	3.74				
UNITED STATES OF AMERICA 0.00% (1.40%)							
	Software & Computer Services 0.00% (1.40%)						
	Total United States of America	—	—				
DERIVATIVES -0.02% (0.00%)							
	Forward Foreign Exchange Contracts -0.02% (0.00%)						
	Sell GBP 192,267						
	Buy EUR 222,000 Lloyds	1	—				
	Sell USD 261,907						
	Buy EUR 240,677 J.P. Morgan	9	—				
	Sell USD 282,950						
	Buy EUR 260,242 J.P. Morgan	9	—				
	Sell USD 397,496						
	Buy EUR 361,207 J.P. Morgan	10	—				
	Sell GBP 84,101						
	Buy EUR 97,000 Royal Bank of Scotland ²	—	—				
	Sell EUR 631,000						
	Buy GBP 549,466 Royal Bank of Scotland ²	—	—				

March 2019 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle European Smaller Companies Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRIA 0.81% (0.58%)				Support Services 6.24% (5.18%)			
Oil Equipment, Services & Distribution 0.33% (0.58%)				417,041	Bureau Veritas	7,465	1.97
43,508	Schoeller-Bleckmann Oilfield Equipment	1,251	0.33	154,295	Edenred	6,059	1.60
Travel & Leisure 0.48% (0.00%)				528,488	Elis	6,624	1.75
30,579	Do & Co	1,833	0.48	17,656	Teleperformance	3,473	0.92
Total Austria				Beverages 1.16% (1.26%)			
		3,084	0.81	51,456	Remy Cointreau	4,395	1.16
BELGIUM 5.15% (6.48%)				Household Goods & Home Construction 1.24% (1.81%)			
Chemicals 1.73% (1.89%)				47,519	SEB Group	4,690	1.24
200,787	Umicore	6,547	1.73	Leisure Goods 1.04% (0.00%)			
Electronic & Electrical Equipment 0.47% (0.00%)				67,822	Ubisoft Entertainment	3,936	1.04
11,609	Barco	1,762	0.47	Health Care Equipment & Services 3.18% (2.60%)			
Health Care Equipment & Services 0.11% (0.22%)				73,953	Korian	2,530	0.67
100,940	Biocartis Group	402	0.11	95,645	Orpea	9,498	2.51
Media 0.00% (0.99%)				Real Estate Investment & Services 1.56% (1.87%)			
Travel & Leisure 0.00% (0.46%)				167,471	Nexity	5,923	1.56
Technology Hardware & Equipment 2.84% (2.92%)				Total France			
153,757	Melexis	7,708	2.03			56,777	15.00
884,234	X-Fab Silicon Foundries	3,085	0.81	GERMANY 20.54% (16.63%)			
Total Belgium				Chemicals 1.81% (2.12%)			
		19,504	5.15	187,252	Brenntag	6,857	1.81
DENMARK 3.77% (5.62%)				Industrial Engineering 6.00% (4.25%)			
Industrial Transportation 0.00% (0.00%)				88,087	Knorr-Bremse	6,376	1.68
88,321	OW Bunker (Delisted)	—	—	227,546	Norma Group	5,138	1.36
Pharmaceuticals & Biotechnology 0.00% (1.08%)				61,172	Sartorius	11,222	2.96
Nonlife Insurance 1.34% (2.21%)				Automobiles & Parts 0.00% (1.54%)			
232,700	Tryg	5,091	1.34	Household Goods & Home Construction 0.42% (0.62%)			
Software & Computer Services 2.43% (2.33%)				26,241	Varta	1,593	0.42
122,531	SimCorp	9,217	2.43	Personal Goods 0.20% (0.00%)			
Total Denmark				14,070	Puma	772	0.20
		14,308	3.77	Health Care Equipment & Services 3.28% (2.15%)			
FINLAND 6.07% (6.25%)				21,164	Carl Zeiss Meditec	1,740	0.46
Construction & Materials 0.88% (0.87%)				88,377	Gerresheimer	5,104	1.35
287,380	Tikkurila	3,329	0.88	99,858	Stratec	5,584	1.47
General Industrials 1.92% (1.40%)				Media 2.15% (2.20%)			
226,341	Huhtamaki	7,255	1.92	222,856	CTS Eventim	8,134	2.15
Electronic & Electrical Equipment 0.90% (0.50%)				Financial Services 2.51% (1.75%)			
128,327	Vaisala	3,398	0.90	96,359	Grenkeleasing	6,727	1.78
Industrial Engineering 2.37% (2.68%)				10,285	Hypoport	2,768	0.73
198,763	Cargotec	4,200	1.11	Software & Computer Services 4.17% (2.00%)			
234,004	Konecranes	4,790	1.26	154,625	CompuGroup Medical	7,597	2.01
Software & Computer Services 0.00% (0.80%)				80,692	Nemetschek	3,845	1.01
Total Finland				153,029	TeamViewer	4,351	1.15
		22,972	6.07	Total Germany			
FRANCE 15.00% (12.72%)						77,808	20.54
General Industrials 0.58% (0.00%)				ICELAND 0.80% (0.00%)			
83,883	Verallia	2,184	0.58	Industrial Engineering 0.80% (0.00%)			
				952,800	Marel	3,029	0.80
				Total Iceland			
						3,029	0.80

Threadneedle European Smaller Companies Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
ITALY 11.33% (14.40%)				Mobile Telecommunications 0.00% (1.53%)			
37,357	Industrial Engineering 0.45% (0.37%) Industria Macchine Automatic	1,691	0.45	Real Estate Investment Trusts 0.00% (0.57%)			
369,019	Support Services 1.17% (0.00%) Nexi	4,429	1.17	Total Spain		8,988	2.37
561,889	Automobiles & Parts 0.48% (2.12%) Pirelli & C. SPA	1,826	0.48	SWEDEN 5.61% (5.69%)			
529,861	Beverages 0.90% (2.04%) Davide Campari–Milano	3,395	0.90	639,459	Chemicals 0.94% (1.05%) Hexpol	3,562	0.94
104,779	Health Care Equipment & Services 2.49% (2.40%) DiaSorin	9,428	2.49	966,791	Food Producers 0.00% (0.18%) Dometic Group	5,772	1.52
350,887	Food & Drug Retailers 1.27% (2.07%) MARR	4,811	1.27	156,936	Leisure Goods 2.17% (2.11%) Thule Group	2,478	0.65
1,100,629	Mobile Telecommunications 2.52% (2.58%) Infrastructure Wireless Italia	9,559	2.52	580,714	Health Care Equipment & Services 1.23% (1.27%) Elekta 'B' Shares	4,654	1.23
1,011,621	Banks 2.05% (2.82%) FinecoBank	7,770	2.05	609,539	Financial Services 1.27% (1.08%) Avanza Bank Holding	4,792	1.27
	Total Italy	42,909	11.33	Total Sweden		21,258	5.61
LUXEMBOURG 4.06% (4.18%)				SWITZERLAND 12.75% (10.07%)			
155,319	Industrial Engineering 1.52% (1.72%) Stabilus	5,747	1.52	1,790	Construction & Materials 5.20% (4.60%) Belimo	8,828	2.33
24,735	Health Care Equipment & Services 2.54% (2.46%) Eurofins Scientific	9,622	2.54	78,096	Sika	10,868	2.87
	Total Luxembourg	15,369	4.06	798,278	General Industrials 2.47% (1.34%) SIG Combibloc Group	9,370	2.47
NETHERLANDS 4.86% (5.04%)				4,559	Electronic & Electrical Equipment 1.25% (1.52%) LEM Holding	4,744	1.25
147,931	Chemicals 2.43% (2.17%) IMCD Group	9,201	2.43	23,920	Industrial Engineering 3.83% (2.51%) Burckhardt Compression	4,119	1.09
	Food & Drug Retailers 0.00% (1.03%) General Retailers 2.43% (1.84%)			3,819	INFICON Holding	2,028	0.54
136,706	Takeaway.com	9,205	2.43	77,120	VAT Group	8,336	2.20
	Total Netherlands	18,406	4.86	Financial Services 0.00% (0.10%)			
REPUBLIC OF IRELAND 6.22% (6.03%)				Total Switzerland		48,293	12.75
217,393	Construction & Materials 2.80% (2.35%) Kingspan Group (EUR)	10,604	2.80	UNITED STATES OF AMERICA 0.78% (3.07%)			
1,444,156	Travel & Leisure 2.73% (3.45%) Dalata Hotel Group	4,629	1.22	61,068	Automobiles & Parts 0.78% (1.01%) Autoliv (SDR)	2,946	0.78
1,743,008	Irish Continental Group	5,716	1.51	Software & Computer Services 0.00% (2.06%)			
30,304	Liquidity Funds 0.69% (0.23%) ¹ BlackRock Institutional Cash Series Euro Liquidity Platinum	2,627	0.69	Total United States of America		2,946	0.78
	Total Republic of Ireland	23,576	6.22	Total value of investments²		379,227	100.12
SPAIN 2.37% (3.51%)				Net other liabilities (–0.28%)		(447)	(0.12)
462,820	Construction & Materials 1.18% (0.00%) Fluidra	4,483	1.18	Net assets		378,780	100.00
554,945	Support Services 1.19% (1.41%) Applus Services	4,505	1.19	<i>March 2019 comparatives in brackets.</i>			
				¹ Cash equivalents.			
				² Includes Cash equivalents.			

Threadneedle European Bond Fund

Portfolio Statement

as at 7 March 2020

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
AUSTRALIA 1.32% (1.61%)					FRANCE 12.34% (13.37%)				
	A- 0.64% (0.63%)					AA 0.68% (1.00%)			
EUR	289,000	AusNet Services Holdings 0.625% 25/08/2030	258	0.19	EUR	800,000	Agence Française de Développement 0.5% 31/10/2025	731	0.55
EUR	200,000	AusNet Services Holdings 2.375% 24/07/2020	176	0.13	EUR	200,000	Sanofi 0% 21/03/2022	175	0.13
EUR	474,000	SGSP Australia Assets 2% 30/06/2022	432	0.32		Aa2 0.65% (0.00%)			
	BBB+ 0.29% (0.48%)				EUR	700,000	SNCF Réseau 2.25% 20/12/2047	865	0.65
EUR	230,000	Aurizon Network 3.125% 01/06/2026	232	0.18		Aa2u 9.30% (6.97%)			
EUR	164,000	Goodman Australia Finance 1.375% 27/09/2025	149	0.11	EUR	4,530,000	France Government Bond 1.25% 25/05/2034	4,722	3.52
	BBB 0.39% (0.50%)				EUR	2,330,000	France Government Bond 1.5% 25/05/2050	2,699	2.01
EUR	195,000	APT Pipelines 2% 22/03/2027	187	0.14	EUR	4,375,000	France Government Bond 1.75% 25/06/2039	5,052	3.77
EUR	365,000	Ausgrid Finance 1.25% 30/07/2025	332	0.25		AA- 0.07% (0.09%)			
	Total Australia		1,766	1.32	EUR	100,000	HSBC France 1.375% 04/09/2028	95	0.07
AUSTRIA 0.00% (1.24%)						Aa3 0.21% (0.00%)			
	AA+ 0.00% (1.24%)				EUR	300,000	Crédit Mutuel Arkéa 1.125% 23/05/2029	278	0.21
	Total Austria		—	—		A+ 0.48% (0.63%)			
BELGIUM 1.47% (0.86%)					EUR	300,000	BPCE 0.625% 26/09/2023	268	0.20
	A- 0.27% (0.77%)				EUR	200,000	BPCE 1% 15/07/2024	182	0.14
EUR	200,000	Argenta Spaarbank 1% 06/02/2024	180	0.14	EUR	200,000	Credit Agricole 1% 03/07/2029	186	0.14
EUR	200,000	Belfius Bank 0% 28/08/2026	172	0.13		A 0.34% (0.64%)			
	BBB+ 0.00% (0.09%)				EUR	500,000	Banque Fédérative du Crédit Mutuel 0.75% 08/06/2026	452	0.34
	Not Rated 1.20% (0.00%)					A- 0.24% (0.79%)			
EUR	1,340,000	Belgium Government Bond 1.7% 22/06/2050	1,609	1.20	EUR	150,000	Autorout 4.125% 13/04/2020	131	0.10
	Total Belgium		1,961	1.47	EUR	200,000	Electricite de France 2% 09/12/2049	186	0.14
BERMUDA 0.24% (0.32%)						BBB+ 0.14% (0.36%)			
	BBB- 0.24% (0.32%)				EUR	200,000	*AXA 3.25% 28/05/2049	194	0.14
EUR	340,000	Bacardi 2.75% 03/07/2023	320	0.24		BBB 0.09% (0.13%)			
	Total Bermuda		320	0.24	EUR	140,000	RCI Banque 2% 11/07/2024	126	0.09
BRITISH VIRGIN ISLANDS 0.00% (0.27%)						BBB- 0.14% (0.00%)			
	A+ 0.00% (0.27%)				EUR	200,000	Sanef 1.875% 16/03/2026	189	0.14
	Total British Virgin Islands		—	—		Not Rated 0.00% (2.76%)			
CHILE 1.74% (2.38%)						Total France	16,531	12.34	
	A+ 1.74% (2.38%)				GERMANY 5.28% (2.46%)				
EUR	2,500,000	Chile Government International Bond 1.625% 30/01/2025	2,332	1.74		Aaa 0.47% (0.53%)			
	Total Chile		2,332	1.74	EUR	450,000	Bundesrepublik Deutschland 1.25% 15/08/2048	574	0.43
DENMARK 0.21% (0.00%)					EUR	37,200	Bundesrepublik Deutschland 2.5% 15/08/2046	58	0.04
	A 0.21% (0.00%)					A- 0.48% (0.79%)			
EUR	320,000	Danske Bank 0.75% 02/06/2023	286	0.21	EUR	522,000	Commerzbank 1% 04/03/2026	473	0.35
	Total Denmark		286	0.21	EUR	200,000	Vier Gas Transport 0.5% 10/09/2034	173	0.13
FINLAND 0.00% (0.34%)						BBB+ 0.24% (0.32%)			
	A- 0.00% (0.34%)				EUR	351,000	Deutsche Bank 1.125% 30/08/2023	316	0.24
	Total Finland		—	—					

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GERMANY 5.28% (2.46%) (continued)					BB- 0.07% (0.00%)				
		Baa1 0.00% (0.29%)			EUR	105,000	Autostrade per l'Italia 1.75% EMTN 01/02/2027	86	0.07
		Baa1u 0.21% (0.00%)							
EUR	300,000	Eurogrid 1.875% 10/06/2025	286	0.21					
		BBB 0.44% (0.13%)							
EUR	200,000	Alstria Office REIT 0.5% 26/09/2025	175	0.13	EUR	3,000,000	Buoni Poliennali Del Tesoro 0.05% 15/04/2021	2,617	1.95
EUR	187,000	E.On 0% 29/09/2022	163	0.12	EUR	1,810,000	Buoni Poliennali Del Tesoro 1.45% 01/03/2036	1,559	1.16
EUR	125,000	E.On 0.625% 07/11/2031	108	0.08			Total Italy	19,231	14.36
EUR	100,000	Innogy Finance II 5.75% 14/02/2033	143	0.11					
		BB+ 0.07% (0.00%)			JAPAN 0.00% (0.23%)				
EUR	100,000	*Bayer Variable 12/11/2079	89	0.07			Aaa 0.00% (0.23%)		
		BB- 0.00% (0.14%)					Total Japan	222	0.23
		Not Rated 3.37% (0.26%)			JERSEY 0.65% (0.82%)				
EUR	4,730,000	Bundesrepublik Deutschland 0.25% 15/02/2029	4,513	3.37	EUR	322,000	A- 0.65% (0.54%) Heathrow Funding 1.875% 14/03/2034	299	0.22
		Total Germany	7,071	5.28	GBP	400,000	Heathrow Funding 4.625% 31/10/2046	576	0.43
							Not Rated 0.00% (0.28%)		
HONG KONG 0.00% (0.28%)							Total Jersey	875	0.65
		BBB 0.00% (0.28%)			LUXEMBOURG 1.17% (1.59%)				
		Total Hong Kong	-	-	EUR	270,000	A- 0.18% (0.00%) CK Hutchison Group 0.75% 17/04/2026	237	0.18
HUNGARY 0.00% (3.51%)							BBB+ 0.20% (0.45%)		
		BBB 0.00% (3.51%)			EUR	300,000	Aroundtown 1.45% 09/07/2028	270	0.20
		Total Hungary	-	-			BBB 0.68% (0.46%)		
INDONESIA 1.79% (2.52%)					EUR	230,000	Allegran Funding 0.5% 01/06/2021	202	0.15
		BBB 1.79% (0.00%)			EUR	476,000	Becton Dickinson Euro Finance 1.208% 04/06/2026	430	0.32
EUR	2,650,000	Indonesia Government International Bond 2.875% 08/07/2021	2,393	1.79	EUR	165,000	Bevco 1.75% 09/02/2023	150	0.11
		BBB- 0.00% (2.52%)			EUR	150,000	CPI Property Group 1.625% 23/04/2027	132	0.10
		Total Indonesia	2,393	1.79			Baa2 0.11% (0.54%)		
ITALY 14.36% (16.52%)					EUR	167,000	SELP Finance 1.25% 25/10/2023	151	0.11
		BBB 0.27% (0.56%)					BB+ 0.00% (0.14%)		
EUR	190,000	FCA Capital Ireland 0.5% 13/09/2024	165	0.12			Total Luxembourg	1,572	1.17
EUR	126,000	FCA Capital Ireland 0.625% 24/11/2022	111	0.08	MEXICO 0.00% (0.09%)				
EUR	100,000	Intesa Sanpaolo 1.75% 04/07/2029	91	0.07			BBB+ 0.00% (0.09%)		
		Baa2 0.00% (0.09%)					Total Mexico	-	-
		Baa3 0.15% (0.18%)			NETHERLANDS 4.75% (5.65%)				
EUR	190,000	*Assicurazioni 5% 08/06/2048	193	0.15			AA 0.13% (0.19%)		
		Baa3u 10.59% (15.55%)			EUR	200,000	Allianz Finance 0.5% 14/01/2031	179	0.13
EUR	725,000	Buoni Poliennali Del Tesoro 4.75% 01/09/2044	973	0.73			Aa3 0.18% (0.00%)		
EUR	4,849,000	Buoni Poliennali Del Tesoro 5.5% 01/11/2022	4,810	3.59	EUR	265,000	Enexis Holding 0.75% 02/07/2031	245	0.18
EUR	5,703,000	Italy Government Bond 1.2% 01/04/2022	5,078	3.79			A+ 0.67% (0.72%)		
EUR	2,579,000	Italy Government Bond 2.7% 01/03/2047	2,583	1.93	EUR	200,000	Co-operative Rabobank 1.375% 03/02/2027	190	0.14
EUR	634,000	Italy Government Bond 4% 01/02/2037	742	0.55	EUR	300,000	Enexis Holding 0.875% 28/04/2026	277	0.21
		BB+ 0.17% (0.00%)			EUR	272,000	Enexis Holding 1.5% 20/10/2023	251	0.19
EUR	248,000	Aeroporti Di Roma 1.625% 08/06/2027	223	0.17					

Threadneedle European Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 4.75% (5.65%) (continued)					EUR	168,000	*Bank of Ireland Group Variable 14/10/2029	152	0.11
EUR	200,000	Siemens Financieringsmaatschappij 0% 20/02/2023	175	0.13					
		A 0.23% (0.27%)			EUR	61,617	Liquidity Funds 3.99% (1.71%)' BlackRock Institutional Cash Series Euro Liquidity Platinum	5,341	3.99
EUR	346,000	ABN AMRO Bank 0.5% 15/04/2026	310	0.23			Total Republic of Ireland	8,867	6.62
		A- 0.31% (0.23%)							
EUR	198,000	Stedin Holding 0.5% 14/11/2029	178	0.13	SLOVENIA 1.60% (0.00%)				
EUR	255,000	Stedin Holding 1.375% 19/09/2028	247	0.18			AA- 1.60% (0.00%)		
		BBB+ 0.87% (1.31%)			EUR	2,216,000	Republika Slovenija 1.1875% 14/03/2029	2,145	1.60
EUR	500,000	*Deutsche Telekom FRN 03/04/2020	436	0.33			Total Slovenia	2,145	1.60
EUR	422,000	Relx Finance 0.5% 10/03/2028	368	0.28					
EUR	300,000	Volkswagen International Finance 4.125% 16/11/2038	346	0.26	SPAIN 7.88% (9.61%)				
		BBB 0.83% (1.45%)					A3 0.37% (0.00%)		
EUR	100,000	Digital Dutch Finco 1.5% 15/03/2030	90	0.07	EUR	525,000	Basque Government 1.125% 30/04/2029	493	0.37
EUR	325,000	*Eneco Holding 3.25% 29/12/2049	295	0.22			BBB+ 0.39% (0.18%)		
GBP	350,000	Innogy Finance 6.125% 06/07/2039	563	0.42	EUR	500,000	Caixabank 0.375% 03/02/2025	436	0.32
EUR	173,000	NE Property 1.875% 09/10/2026	154	0.12	EUR	100,000	CaixaBank 1.125% 17/05/2024	90	0.07
		BBB- 0.13% (0.09%)					Baa1 3.28% (3.19%)		
EUR	200,000	Syngenta Finance 1.25% 10/09/2027	176	0.13	EUR	400,000	Spain Government Bond 2.35% 30/07/2033	435	0.32
		BB+ 0.31% (0.27%)			EUR	1,180,000	Spain Government Bond 2.7% 31/10/2048	1,464	1.09
EUR	300,000	*Telefonica Europe Variable 14/03/2168	285	0.21	EUR	540,000	Spain Government Bond 2.9% 31/10/2046	686	0.51
EUR	153,000	*Tennet Holding Variable 2.995% 01/06/2167	140	0.10	EUR	1,178,000	Spain Government Bond 4.7% 30/07/2041	1,819	1.36
		Not Rated 1.09% (1.12%)					Baa2 2.88% (0.00%)		
EUR	915,000	Netherlands Government 2.75% 15/01/2047	1,455	1.09	EUR	4,300,000	Adif Alta Velocidad 0.8% 05/07/2023	3,860	2.88
		Total Netherlands	6,360	4.75			BBB- 0.34% (0.41%)		
NORWAY 1.83% (2.27%)					EUR	200,000	Abertis Infraestructuras 3% 27/03/2031	196	0.15
		AAA 1.60% (2.27%)			EUR	264,000	Nortegas Energia 2.065% 28/09/2027	252	0.19
EUR	2,320,000	DNB Boligkreditt 2.75% 21/03/2022	2,152	1.60			Not Rated 0.62% (5.83%)		
		AA- 0.23% (0.00%)			EUR	850,000	Spain Government Bond 1.45% 30/04/2029	827	0.62
EUR	345,000	DNB Bank 0.25% 09/04/2024	304	0.23			Total Spain	10,558	7.88
		Total Norway	2,456	1.83					
PORTUGAL 0.05% (0.07%)					SUPRANATIONAL 3.10% (1.56%)				
		Not Rated 0.05% (0.07%)			EUR	2,189,000	AAA 1.47% (0.00%) European Investment Bank 0.05% 13/10/2034	1,962	1.47
EUR	300,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	66	0.05			Aa1 0.69% (0.54%)		
		Total Portugal	66	0.05	EUR	685,000	Euro Stability Mechanism 1.85% 01/12/2055	930	0.69
REPUBLIC OF IRELAND 6.62% (1.87%)							AA 0.94% (1.02%)		
		AA- 2.31% (0.00%)			EUR	1,055,000	European Financial Stability Facility 1.7% 13/02/2043	1,257	0.94
EUR	3,395,000	Irish Treasury 0.4% 15/05/2035	3,096	2.31			Total Supranational	4,149	3.10
		A+ 0.14% (0.00%)							
EUR	195,000	Zurich Finance Ireland 1.625% 17/06/2039	191	0.14					
		BBB- 0.00% (0.16%)							
		BB 0.18% (0.00%)							
EUR	100,000	*AIB Group Variable 19/11/2029	87	0.07					

(continued)

266

Threadneedle European Bond Fund

Portfolio Statement

(continued)

					ANALYSIS OF INVESTMENTS BY ASSET CLASS		
	Holding	Investment	Value £000	% of Net Asset Value		Value £000	% of Investment
UNITED STATES OF AMERICA 3.26% (2.41%) (continued)					Fixed interest	121,711	98.56
EUR	169,000	Fiserv 1.625% 01/07/2030	157	0.12	Floating rate notes	2,734	2.21
		BBB– 0.22% (0.38%)			Derivatives	(952)	(0.77)
EUR	100,000	Equinix 2.875% 01/02/2026	90	0.07	Total value of investments ³	123,493	100.00
EUR	220,000	Equinix 2.875% 01/10/2025	196	0.15			
		BB+ 0.20% (0.00%)			ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS		
EUR	308,000	Kraft Heinz Foods 2.25% 25/05/2028	275	0.20	UBS EURO Bond Future Expiring June 2020	(307)	
		BB 0.20% (0.19%)			Total net exposure	(307)	
EUR	100,000	IQVIA 2.875% 15/09/2025	87	0.06			
EUR	210,000	IQVIA 3.25% 15/03/2025	184	0.14			
		Total United States of America	4,367	3.26			
DERIVATIVES –0.71% (–0.92%)							
		Credit Default Swaps –0.96% (–0.79%)					
EUR	(19,000,000)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2024 Spread 500	(1,284)	(0.96)			
		Futures and Options 0.00% (0.00%)					
EUR	(2)	UBS EURO Bond Future Expiring June 2020	(2)	–			
		Forward Foreign Exchange Contracts 0.25% (–0.13%)					
		Sell GBP 901,155					
		Buy EUR 1,076,505 Lloyds	38	0.03			
		Sell GBP 1,341,768					
		Buy EUR 1,599,922 Lloyds	54	0.04			
		Sell GBP 25,116					
		Buy EUR 29,000 Lloyds ²	–	–			
		Sell GBP 7,229,436					
		Buy EUR 8,670,513 Barclays	335	0.25			
		Sell EUR 2,369,611					
		Buy GBP 1,984,755 Lloyds	(82)	(0.06)			
		Sell EUR 251,487					
		Buy GBP 210,004 Royal Bank of Scotland	(10)	(0.01)			
		Sell EUR 798,069					
		Buy GBP 693,967 Royal Bank of Scotland	(2)	–			
		Sell EUR 869,167					
		Buy GBP 759,255 Lloyds	1	–			
		Total Derivatives	(952)	(0.71)			
Total value of investments ³			123,493	92.20			
Net other assets (4.12%)			10,442	7.80			
Net assets			133,935	100.00			

March 2019 comparatives in brackets.

*Variable rate bonds.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle Strategic Bond Fund

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ARGENTINA 0.00% (0.56%)					BBB+ 0.00% (0.42%)				
		B 0.00% (0.56%)					Baa2 0.00% (0.12%)		
		Total Argentina	—	—			BBB– 0.85% (1.10%)		
AUSTRALIA 1.68% (3.04%)					GBP	753,000	Thames Water Utilities 2.375% 03/05/2023	769	0.33
		A– 0.66% (0.21%)			GBP	1,175,000	Thames Water Utilities 2.875% 03/05/2027	1,214	0.52
EUR	1,082,000	AusNet Services Holdings 0.625% 25/08/2030	965	0.41			B 0.00% (0.14%)		
USD	689,000	SGSP Australia Assets 3.25% 29/07/2026	579	0.25			CCC+ 0.06% (0.00%)		
		BBB+ 0.00% (0.51%)			USD	557,000	Noble Holding International 6.95% 01/04/2045	139	0.06
		BBB 1.02% (1.54%)					Total Cayman Islands	3,834	1.65
USD	2,780,000	APT Pipelines 4.2% 23/03/2025 (Berlin Exchange)	2,366	1.02			DENMARK 0.00% (0.29%)		
		BBB– 0.00% (0.60%)					A 0.00% (0.06%)		
		BB 0.00% (0.18%)					BB+ 0.00% (0.23%)		
		Total Australia	3,910	1.68			Total Denmark	—	—
BELGIUM 0.40% (1.97%)					DOMINICAN REPUBLIC 1.13% (0.74%)				
		A– 0.00% (1.75%)					BB– 1.13% (0.74%)		
		BB+ 0.15% (0.22%)			USD	3,100,000	Dominican Republic International Bond 5.95% 25/01/2027	2,632	1.13
EUR	400,000	*KBC Group Variable 24/10/2166	353	0.15			Total Dominican Republic	2,632	1.13
		B+ 0.25% (0.00%)			EGYPT 0.41% (0.46%)				
EUR	695,000	The House of Finance 4.375% 31/07/2036	584	0.25			B 0.41% (0.46%)		
		Total Belgium	937	0.40	EUR	1,070,000	Arab Republic of Egypt 4.75% 16/04/2026	964	0.41
BERMUDA 3.21% (2.68%)							Total Egypt	964	0.41
		BBB– 3.21% (2.68%)			FRANCE 6.22% (3.29%)				
USD	6,900,000	Bacardi 4.45% 15/05/2025	5,997	2.57			Aa2u 1.78% (1.41%)		
USD	1,660,000	Bacardi 4.7% 15/05/2028	1,484	0.64	EUR	3,600,000	France Government Bond 1.75% 25/06/2039	4,157	1.78
		Total Bermuda	7,481	3.21			A+ 0.78% (0.00%)		
BRITISH VIRGIN ISLANDS 0.54% (0.47%)					USD	2,200,000	BPCE 2.7% 01/10/2029	1,811	0.78
		A+ 0.00% (0.47%)					A 0.47% (0.00%)		
		BB+ 0.54% (0.00%)			GBP	1,100,000	Banque Fédérative du Crédit Mutuel 1.5% 07/10/2026	1,106	0.47
USD	1,378,000	Gold Fields Orogen Holdings 6.125% 15/05/2029	1,265	0.54			A– 0.78% (0.34%)		
		Total British Virgin Islands	1,265	0.54	GBP	800,000	BNP Paribas 1.875% 14/12/2027	793	0.34
CANADA 0.37% (0.86%)					EUR	1,100,000	Electricite de France 2% 09/12/2049	1,024	0.44
		BBB 0.00% (0.50%)					BB+ 0.40% (0.14%)		
		B 0.37% (0.36%)			EUR	800,000	Elis 1% 03/04/2025	678	0.29
EUR	955,000	Cott Finance 5.5% 01/07/2024	858	0.37	EUR	300,000	Elis 1.625% 03/04/2028	258	0.11
		Total Canada	858	0.37			BB– 0.13% (0.12%)		
CAYMAN ISLANDS 1.65% (2.94%)					EUR	350,000	Louvre Bidco SAS 4.25% 30/09/2024	308	0.13
		AA+ 0.16% (0.15%)					B+ 0.09% (0.00%)		
GBP	400,000	*Trafford Centre Finance FRN 28/07/2035 A3	370	0.16	EUR	243,000	Kapla Holding 3.375% 15/12/2026	205	0.09
		A+ 0.58% (1.01%)					B+ 0.09% (0.00%)		
USD	1,487,000	Alibaba Group 4% 06/12/2037	1,342	0.58	EUR	243,000	Kapla Holding 3.375% 15/12/2026	205	0.09

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FRANCE 6.22% (3.29%) (continued)					USD	1,645,000	GMR Hyderabad International 5.375% 10/04/2024	1,320	0.57
		B 1.26% (0.95%)					Total India	4,814	2.07
EUR	160,000	Altice France 2.5% 15/01/2025	133	0.06					
EUR	390,000	Altice France 3.375% 15/01/2028	325	0.14					
EUR	853,000	Altice France 5.875% 01/02/2027	793	0.34					
EUR	400,000	Casino Guichard 4.498% 07/03/2024	293	0.13					
EUR	1,000,000	Casino Guichard–Perrachon 3.311% 25/01/2023	797	0.34					
EUR	740,000	Paprec Holding 4% 31/03/2025	582	0.25					
		CCC+ 0.17% (0.00%)							
EUR	445,000	Banijay Group 6.5% 01/03/2026	388	0.17					
		Not Rated 0.36% (0.33%)							
GBP	720,000	*Credit Agricole 7.5% 31/12/2049	834	0.36					
		Total France	14,485	6.22					
GERMANY 2.20% (3.98%)									
		BB+ 1.08% (1.37%)							
EUR	1,600,000	ADLER Real Estate 3% 27/04/2026	1,432	0.62					
EUR	800,000	Demire Deutsche Mittelstand Real Estate 1.875% 15/10/2024	691	0.30					
EUR	404,000	*Lanxess Finance 4.5% 06/12/2076	378	0.16					
		Ba2 0.00% (0.46%)							
		BB– 0.14% (1.18%)							
EUR	368,000	Wepa Hygieneprodukte 2.875% 15/12/2027	322	0.14					
		B+ 0.13% (0.00%)							
EUR	343,000	Techem Verwaltungsgesellschaft 2% 15/07/2025	294	0.13					
		B 0.23% (0.55%)							
EUR	672,000	SGL Carbon 4.625% 30/09/2024	534	0.23					
		B– 0.45% (0.42%)							
EUR	1,145,000	Blitz 6% 30/07/2026	1,054	0.45					
		CCC 0.17% (0.00%)							
EUR	575,000	Safari Holdings 5.375% 30/11/2022	406	0.17					
		Total Germany	5,111	2.20					
GUERNSEY 0.00% (0.43%)									
		BBB+ 0.00% (0.43%)							
		Total Guernsey	–	–					
HONG KONG 0.78% (0.00%)									
		A3 0.78% (0.00%)							
USD	2,237,000	Swire Pacific MTN Financing 2.875% 30/01/2030	1,821	0.78					
		Total Hong Kong	1,821	0.78					
INDIA 2.07% (0.36%)									
		BBB– 0.69% (0.00%)							
USD	1,955,000	Bharti Airtel 4.375% 10/06/2025	1,604	0.69					
		BB+ 1.38% (0.36%)							
USD	2,549,000	GMR Hyderabad 4.25% 27/10/2027	1,890	0.81					
		BBB– 0.37% (0.36%)			GBP	810,000	*Enel 6.625% 15/09/2076	864	0.37
		Baa3 0.29% (0.25%)			EUR	665,000	*Assicurazioni 5% 08/06/2048	675	0.29
		BB 0.00% (0.20%)							
		Total Isle of Man	–	–					
ITALY 2.04% (2.55%)									
		BBB– 0.37% (0.36%)							
		Baa3 0.29% (0.25%)							
		Ba2 0.64% (1.05%)			EUR	555,000	Banco BPM 1.75% 24/04/2023	490	0.21
		BB– 0.53% (0.00%)			EUR	1,121,000	Banco BPM 2% 08/03/2022	990	0.43
		B+ 0.00% (0.49%)							
		B 0.21% (0.40%)							
		BB– 0.14% (1.18%)			EUR	730,000	Autostrade per L'Italia 1.875% 26/09/2029	582	0.25
		B+ 0.13% (0.00%)			EUR	764,000	Nexi 1.75% 31/10/2024	659	0.28
		B 0.23% (0.55%)							
		B– 0.45% (0.42%)							
		CCC 0.17% (0.00%)			EUR	595,000	International Design Group 6.5% 15/11/2025	500	0.21
		Total Italy						4,760	2.04
IVORY COAST 0.34% (0.31%)									
		Ba3 0.34% (0.31%)			EUR	900,000	Ivory Coast 5.25% 22/03/2030	791	0.34
		Total Ivory Coast						791	0.34
JAPAN 0.00% (0.44%)									
		BB+ 0.00% (0.44%)							
		Total Japan	–	–					
JERSEY 1.47% (1.52%)									
		BBB+ 0.21% (0.00%)			GBP	477,000	Glencore Finance Europe 3.125% 26/03/2026	497	0.21
		Baa2 0.43% (0.38%)			GBP	824,000	Porterbrook Rail Finance 4.625% 04/04/2029	993	0.43
		BB 0.00% (0.17%)							
		Ba2 0.41% (0.00%)							
		(P)Ba2 0.00% (0.39%)			EUR	1,085,000	LHC Three PIK 4.125% 15/08/2024	956	0.41
		B 0.25% (0.25%)							
		BBB– 0.69% (0.00%)			GBP	380,000	CPUK Finance 4.25% 28/08/2022	372	0.16
		BB+ 1.38% (0.36%)			GBP	220,000	CPUK Finance 4.875% 28/08/2025	217	0.09

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
JERSEY 1.47% (1.52%) (continued)					EUR	1,030,000	RELX Finance 0.875% 10/03/2032	903	0.39
		B- 0.00% (0.18%)			USD	1,654,000	Vonovia Finance 5% 02/10/2023	1,406	0.60
		Not Rated 0.17% (0.15%)					BBB 2.24% (1.48%)		
GBP	375,000	Hastings Group Finance 3% 24/05/2025	383	0.17	EUR	183,000	Digital Dutch Finco 1.5% 15/03/2030	165	0.07
		Total Jersey	3,418	1.47	GBP	2,814,000	Innogy Finance 6.25% 03/06/2030	3,979	1.71
					GBP	993,000	LafargeHolcim Sterling Finance 3% 12/05/2032	1,073	0.46
LUXEMBOURG 3.78% (6.07%)							BBB- 1.24% (1.51%)		
		BBB+ 0.65% (0.24%)			USD	3,367,000	Syngenta Finance 4.892% 24/04/2025	2,882	1.24
GBP	1,417,000	Aroundtown 3% 16/10/2029	1,523	0.65			BB+ 1.89% (2.54%)		
		BBB 0.15% (0.69%)			EUR	1,520,000	Darling Global Finance 3.625% 15/05/2026	1,359	0.58
GBP	352,000	CPI Property Group 2.75% 22/01/2028	358	0.15	EUR	3,200,000	*Telefonica Europe Variable 14/03/2168	3,042	1.31
		Baa2 0.00% (0.92%)					BB 0.00% (1.25%)		
		BBB- 0.00% (0.17%)					BB- 0.79% (0.44%)		
		BB+ 0.00% (0.41%)			GBP	668,000	Petrobras Global Finance 6.625% 16/01/2034	810	0.35
		BB 0.00% (0.33%)			EUR	324,000	Q-Park Holding 1.5% 01/03/2025	280	0.12
		Ba2 0.37% (0.00%)			EUR	851,000	Q-Park Holding 2% 01/03/2027	737	0.32
USD	1,020,000	Millicom International Cellular 6.25% 25/03/2029	850	0.37			Ba3 0.40% (0.00%)		
		BB- 0.12% (0.15%)			USD	1,166,000	Mong Duong Finance Holdings 5.125% 07/05/2029	925	0.40
EUR	300,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	271	0.12			B+ 0.57% (0.59%)		
		B+ 0.57% (0.77%)			GBP	950,000	InterGen 7.5% 30/06/2021	934	0.40
GBP	1,000,000	Garfunkelux 8.5% 01/11/2022	966	0.42	EUR	464,000	Trivium Packaging Finance 3.75% 15/08/2026	410	0.17
EUR	400,000	Matterhorn Telecom 3.125% 15/09/2026	347	0.15			B 0.68% (0.00%)		
		B 0.89% (0.64%)			EUR	513,000	United Group 4.875% SNR 01/07/2024	455	0.19
EUR	205,000	Altice Financing 2.25% 15/01/2025	171	0.07			B- 0.27% (0.08%)		
EUR	1,289,000	Altice Financing 3% 15/01/2028	1,034	0.44	EUR	690,000	Summer BidCo 9% PIK 16/11/2025	626	0.27
EUR	450,000	*Group Ecore Holdings SAS FRN 15/11/2023	314	0.13			Not Rated 0.18% (0.10%)		
EUR	653,000	LSF 10 Wolverine Investments 5% 15/03/2024	573	0.25	USD	40,269	OSX 3 Leasing (2003/15) Perpetual	—	—
		B- 0.00% (0.96%)			USD	40,269	OSX 3 Leasing (2012/14) Perpetual	—	—
		CCC+ 1.03% (0.79%)			USD	1,239,044	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	420	0.18
EUR	558,000	Ypso Finance Bis 4% 15/02/2028	440	0.19			Total Netherlands	22,568	9.69
EUR	2,073,000	Ypso Finance Bis 8% 15/05/2027	1,960	0.84			OMAN 0.71% (0.60%)		
		Total Luxembourg	8,807	3.78			Ba1 0.00% (0.60%)		
							Ba2 0.71% (0.00%)		
					USD	2,100,000	Oman Government International Bond 6% 01/08/2029	1,652	0.71
MEXICO 0.48% (0.63%)							Total Oman	1,652	0.71
		BBB+ 0.48% (0.63%)					PORTUGAL 0.27% (0.29%)		
EUR	525,000	Petroleos Mexicanos 3.75% 16/04/2026	456	0.19			Not Rated 0.27% (0.29%)		
GBP	686,000	Petroleos Mexicanos 3.75% 16/11/2025	668	0.29	EUR	300,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	46	0.02
		Total Mexico	1,124	0.48	EUR	1,800,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	396	0.17
					EUR	800,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	178	0.08
NETHERLANDS 9.69% (9.46%)							Total Portugal	620	0.27
		BBB+ 1.43% (1.47%)							
GBP	957,000	Deutsche Telekom International Finance 2.5% 10/10/2025	1,019	0.44					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 3.03% (2.21%)					BBB 0.00% (0.48%)				
		A+ 0.29% (0.00%)					BB+ 0.41% (0.37%)		
EUR	696,000	Zurich Finance Ireland 1.625% 17/06/2039	681	0.29	USD	1,100,000	*UBS Group 7% 29/12/2049	946	0.41
		BBB+ 0.72% (0.45%)					BB 0.34% (0.50%)		
GBP	1,242,000	GE Capital UK Funding 5.875% 18/01/2033	1,684	0.72	USD	940,000	*Credit Suisse 7.5% 11/12/2049	802	0.34
		BBB- 0.00% (0.40%)					Total Switzerland	2,795	1.20
		BB+ 0.18% (0.17%)			UNITED KINGDOM 30.84% (35.32%)				
EUR	380,000	Bank of Ireland 10% 19/12/2022	416	0.18			Aaa 0.19% (0.00%)		
		BB 0.54% (0.33%)			GBP	323,000	University of Oxford 2.544% 08/12/2117 (London Listing)	443	0.19
EUR	666,000	*AIB Group Variable 19/11/2029	580	0.25			AA 0.67% (0.67%)		
EUR	734,000	*Bank of Ireland Group Variable 14/10/2029	664	0.29	GBP	574,000	Telereal Securitisation 4.9741% 10/09/2027	392	0.17
		BB- 0.37% (0.37%)			GBP	1,261,000	Telereal Securitisation 5.9478% 10/12/2031	1,160	0.50
EUR	980,000	*Bank of Ireland 7.375% 29/12/2049	863	0.37			A 0.00% (0.27%)		
		B+ 0.74% (0.00%)					A- 1.47% (1.15%)		
EUR	650,000	Eircom Finance 2.625% 15/02/2027	556	0.24	GBP	601,000	HSBC Bank 5.375% 22/08/2033	796	0.34
EUR	1,317,000	Eircom Finance 3.5% 15/05/2026	1,177	0.50	GBP	453,000	Wales & West Utilities Finance 1.875% 28/05/2041	449	0.19
		B 0.18% (0.17%)			GBP	525,000	Western Power Distribution 1.75% 09/09/2031	532	0.23
GBP	404,000	Virgin Media 5.5% 15/09/2024	412	0.18	GBP	560,000	Western Power Distribution West Midlands 6% 09/05/2025	692	0.30
		Not Rated 0.00% (0.32%)			GBP	923,000	Yorkshire Water Finance 1.75% 26/11/2026	945	0.41
		Liquidity Funds 0.01% (0.00%)¹					BBB+ 5.06% (6.03%)		
GBP	13,599	BlackRock Institutional Cash Series Sterling Liquidity Platinum	14	0.01			Bunzl Finance 2.25% 11/06/2025	759	0.33
		Total Republic of Ireland	7,047	3.03			Cadent Finance 2.125% 22/09/2028	1,156	0.50
SENEGAL 0.35% (0.69%)							Cadent Finance 2.25% 10/10/2035	623	0.27
		B+ 0.35% (0.69%)			GBP	734,000	Cadent Finance 2.75% 22/09/2046	632	0.27
EUR	900,000	Senegal Government International Bond 4.75% 13/03/2028	811	0.35	GBP	577,000	*Legal & General Group Variable 27/10/2045	876	0.38
		Total Senegal	811	0.35	GBP	767,000	*Legal & General Group Variable 14/11/2048	625	0.27
SINGAPORE 0.2% (0.00%)					GBP	545,000	*Legal & General Group Variable 26/11/2049	489	0.21
		B- 0.20% (0.00%)			GBP	478,000	*Legal & General Group Variable 11/10/2026	548	0.24
USD	1,010,000	Geo Coal International 8% 04/10/2022	472	0.20	GBP	515,000	NIE Finance 2.5% 27/10/2025 (BSE)		
		Total Singapore	472	0.20	GBP	1,208,000	Northumbrian Water Finance 1.625% 16/01/2026	1,231	0.53
SPAIN 0.00% (1.04%)					GBP	2,282,000	Severn Trent Utilities Finance 3.625% 16/01/2026	2,581	1.11
		BBB+ 0.00% (0.50%)			GBP	414,000	SP Transmission 2% 13/11/2031	433	0.19
		BBB- 0.00% (0.54%)			GBP	1,610,000	Western Power Distribution 3.5% 16/10/2026	1,765	0.76
		Total Spain	-	-			Baa1 1.52% (1.02%)		
SWEDEN 1.36% (1.52%)					GBP	3,055,000	Bupa Finance 5% 08/12/2026	3,543	1.52
		BBB 0.88% (0.91%)					BBB 6.92% (5.89%)		
EUR	515,000	Akelius Residential 1.75% 07/02/2025	475	0.21	GBP	550,000	Anglian Water Services Financing 2.625% 15/06/2027	569	0.24
GBP	1,505,000	Akelius Residential 2.375% 15/08/2025	1,564	0.67	GBP	1,816,000	Imperial Brands Finance 5.5% 28/09/2026	2,191	0.94
		Baa3 0.48% (0.61%)			GBP	2,751,000	Lloyds Bank 7.625% 22/04/2025	3,525	1.51
EUR	1,285,000	Sagax 1.125% 30/01/2027	1,126	0.48	GBP	540,000	Longstone Finance 4.896% 19/04/2031	660	0.28
		Total Sweden	3,165	1.36					
SWITZERLAND 1.20% (1.97%)									
		BBB+ 0.45% (0.62%)							
USD	1,258,000	UBS 5.125% 15/05/2024	1,047	0.45					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 30.84% (35.32%) (continued)						B+ 0.16% (1.17%)			
GBP	3,100,000	*NGG Finance 5.625% 18/06/2073	3,521	1.51	GBP	385,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	379	0.16
GBP	507,000	*Prudential Variable 20/07/2049	522	0.22					
GBP	2,195,000	*Royal Bank of Scotland 2.875% 19/09/2026	2,308	0.99			B1 0.00% (0.34%)		
GBP	1,603,000	*Royal Bank of Scotland Group Variable 28/03/2027	1,715	0.74			B 0.51% (0.67%)		
GBP	1,100,000	*Telereal Securitisation 4.0902% 10/12/2033	1,137	0.49	GBP	881,000	Pinnacle Bidco 6.375% 15/02/2025	881	0.38
					USD	611,000	Tullow Oil 7% 01/03/2025	310	0.13
		Baa2 1.66% (1.53%)					B2 0.28% (0.51%)		
GBP	810,000	Eversholt Funding 3.529% 07/08/2042	927	0.40	GBP	615,000	Arqiva Broadcast Finance 6.75% 30/09/2023	646	0.28
GBP	1,780,000	Eversholt Funding 6.359% 02/12/2025	2,216	0.95					
GBP	450,000	Santander UK 10.0625% 29/10/2049	734	0.31			B- 0.62% (0.38%)		
					USD	1,747,675	EnQuest PIK 7% 15/04/2022	1,101	0.47
		BBB- 5.62% (6.04%)			EUR	380,000	Synlab 8.25% 01/07/2023	343	0.15
GBP	570,000	Barclays Bank 5.75% 14/09/2026	701	0.30			B3 0.21% (0.48%)		
EUR	3,453,000	DS Smith 0.875% 12/09/2026	3,006	1.29					
GBP	540,000	Firstgroup 6.875% 18/09/2024	641	0.27	GBP	500,000	KIRS Midco 3 8.375% 15/07/2023	500	0.21
EUR	1,280,000	G4S International Finance 1.875% 24/05/2025	1,166	0.50			CCC+ 0.06% (0.07%)		
GBP	1,454,000	GKN Holdings 4.625% 15/05/2032	1,530	0.66	GBP	225,000	Boparan Finance 5.5% 15/07/2021	150	0.06
GBP	1,730,000	GKN Holdings 5.375% 19/09/2022	1,884	0.81			Not Rated 2.26% (2.67%)		
GBP	1,022,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,326	0.57	GBP	2,293,000	Cattles 6.875% 17/01/2014 (Defaulted)	1	—
GBP	695,000	Tesco Property Finance 3 5.744% 13/04/2040	904	0.39	GBP	1,790,000	First Hydro Finance 9% 31/07/2021	1,980	0.85
GBP	890,000	Tesco Property Finance 5.5% 13/10/2041	1,181	0.51	GBP	750,000	Newriver REIT 3.5% 07/03/2028	773	0.33
GBP	590,000	Tesco Property Finance 6 5.4111% 13/07/2044	743	0.32	GBP	1,770,000	*Pennon Group Perpetual Variable 22/05/2166	1,768	0.76
					GBP	633,000	Pension Insurance 5.625% 20/09/2030	738	0.32
							Total United Kingdom	71,805	30.84
		Baa3 0.68% (1.19%)			UNITED STATES OF AMERICA 20.91% (10.70%)				
GBP	1,535,000	*TSB Banking Group 5.75% 06/05/2026	1,583	0.68			AA 0.21% (0.00%)		
		BB+ 0.87% (2.06%)			GBP	402,000	Berkshire Hathaway Finance 2.625% 19/06/2059	489	0.21
GBP	412,000	*Marstons Issuer 5.1576% 15/10/2027	383	0.16			A 0.25% (0.00%)		
GBP	320,000	Mitchells & Butlers Finance 5.965% 15/12/2023	77	0.03	EUR	667,000	Honeywell International 0.75% 10/03/2032	586	0.25
EUR	507,000	*Vodafone Group Variable 4.2% 03/10/2078	492	0.21			A- 2.31% (0.00%)		
USD	1,307,000	*Vodafone Group Variable 6.25% 03/10/2078	1,096	0.47	USD	872,000	AbbVie 2.95% 21/11/2026	717	0.31
					USD	1,083,000	AbbVie 3.2% 21/11/2029	907	0.39
		BB 0.83% (1.61%)			USD	1,086,000	AbbVie 4.25% 21/11/2049	1,004	0.43
EUR	381,000	Ardagh Packaging Finance 2.125% 15/08/2026	332	0.14	USD	1,935,000	Anheuser-Busch InBev 4.7% 01/02/2036	1,857	0.80
GBP	785,000	Arrow Global Finance 5.125% 15/09/2024 Callable	782	0.34	GBP	845,000	Wells Fargo 2.125% 24/09/2031	876	0.38
GBP	798,000	Pinewood 3.25% 30/09/2025	805	0.35			BBB+ 2.35% (1.01%)		
		BB- 1.10% (1.57%)			EUR	458,000	General Electric 0.875% 17/05/2025	437	0.19
GBP	1,277,000	Iron Mountain UK 3.875% 15/11/2025	1,294	0.56	EUR	1,877,000	Thermo Fisher Scientific 1.875% 01/10/2049	1,627	0.70
GBP	430,000	Virgin Media 4.875% 15/01/2027	434	0.19	GBP	1,251,000	Verizon Communications 1.875% 19/09/2030	1,271	0.55
GBP	448,000	Virgin Media Secured Finance 4.25% 15/01/2030	447	0.19	GBP	1,740,000	Welltower 4.8% 20/11/2028	2,130	0.91
GBP	361,000	Virgin Media Secured Finance 5.25% 15/05/2029	381	0.16			BBB 6.59% (4.33%)		
		Ba3 0.15% (0.00%)			GBP	290,000	AT&T 4.25% 01/06/2043	348	0.15
GBP	355,000	Heathrow Finance 4.125% 01/09/2029	352	0.15	GBP	1,348,000	AT&T 4.375% 14/09/2029	1,609	0.69
					GBP	3,256,000	Becton Dickinson 3.02% 24/05/2025	3,500	1.50
					USD	1,425,000	Carrier Global 2.722% 15/02/2030	1,151	0.49

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 20.91% (10.70%) (continued)					EUR	(2,800,000)	Barclays Banca Popolare di Milano Credit Default Swap Buy Protection 20/06/2022 Spread 500	(59)	(0.03)
EUR	987,000	Digital Euro Finco 1.125% 09/04/2028	866	0.37					
GBP	1,294,000	Digital Stout 3.3% 19/07/2029	1,436	0.62					
GBP	1,300,000	Fidelity National Information Services 2.25% 03/12/2029	1,354	0.58	USD	(16,040,000)	Barclays Itraxx Asia ex-Japan IG Credit Default Swap Index Buy Protection 20/12/2024 Spread 100	(204)	(0.09)
GBP	1,285,000	Fidelity National Information Services 3.36% 21/05/2031	1,469	0.63	EUR	(1,075,000)	Barclays Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(8)	—
GBP	500,000	Fidelity National Information Services 3.36% 21/05/2031 (Berlin Exchange)	572	0.25					
GBP	2,269,000	Fiserv 3% 01/07/2031	2,504	1.08	EUR	(1,100,000)	Barclays PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(7)	—
USD	600,000	Kinder Morgan Energy Partners 5% 01/03/2043	539	0.23	EUR	(4,360,000)	Barclays RWE Credit Default Swap Buy Protection 20/03/2020 Spread 100	(2)	—
		BBB- 2.34% (1.65%)			EUR	(2,400,000)	Barclays SSE Credit Default Swap Buy Protection 20/12/2024 Spread 100	(47)	(0.02)
EUR	324,000	Equinix 2.875% 01/10/2025	288	0.12	EUR	(2,600,000)	Barclays Veolia Environnement Credit Default Swap Buy Protection 20/12/2024 Spread 100	(72)	(0.03)
EUR	348,000	Equinix 2.875% 01/02/2026	312	0.13					
USD	290,000	Equinix 5.375% 15/05/2027	241	0.10					
GBP	207,000	MPT Operating Partnership 2.55% 05/12/2023	213	0.09	EUR	(2,000,000)	Citigroup Barclays Credit Default Swap Buy Protection 20/12/2024 Spread 100	37	0.02
USD	265,000	Plains All American Pipeline 3.55% 15/12/2029	202	0.09	EUR	(1,320,000)	Citigroup Daimler AG Credit Default Swap Buy Protection 20/12/2024 Spread 100	(6)	—
USD	1,671,000	Plains All American Pipeline 4.65% 15/10/2025	1,412	0.61					
GBP	1,100,000	Time Warner Cable 5.75% 02/06/2031	1,383	0.59	EUR	(4,500,000)	Citigroup Deutsche Bank Credit Default Swap Buy Protection 20/12/2024 Spread 100	339	0.15
USD	1,537,000	Western Midstream Operating 4.05% 01/02/2030	1,191	0.51	EUR	(1,000,000)	Citigroup Iceland Bond Credit Default Swap Buy Protection 20/12/2024 Spread 500	154	0.07
USD	335,000	Western Midstream Operating 5.25% 01/02/2050	242	0.10					
		BB+ 1.86% (0.00%)			EUR	(850,000)	Citigroup Lloyds Banking Group Credit Default Swap Buy Protection 20/12/2024 Spread 100	9	—
GBP	3,975,000	The Kraft Heinz 4.125% 01/07/2027	4,333	1.86	EUR	(3,155,000)	Citigroup Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(22)	(0.01)
		Ba1 0.00% (0.40%)							
		BB 1.74% (1.68%)			EUR	(3,400,000)	Citigroup Pearson Credit Default Swap Buy Protection 20/09/2020 Spread 100	(14)	(0.01)
EUR	1,460,000	IQVIA 2.25% 15/01/2028	1,262	0.54	EUR	(1,680,000)	Citigroup PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(10)	—
EUR	2,332,000	IQVIA 3.25% 15/03/2025	2,043	0.88	EUR	(2,700,000)	Citigroup Standard Chartered Credit Default Swap Buy Protection 20/12/2024 Spread 100	(37)	(0.02)
EUR	350,000	Silgan Holdings 2.25% 01/06/2028	301	0.13					
EUR	500,000	Silgan Holdings 3.25% 15/03/2025	438	0.19	EUR	(1,420,000)	Goldman Sachs Barclays Credit Default Swap Buy Protection 20/12/2024 Spread 100	26	0.01
		BB- 1.63% (0.38%)			USD	(21,060,000)	Goldman Sachs Itraxx Asia ex-Japan IG Credit Default Swap Index Buy Protection 20/12/2024 Spread 100	(268)	(0.12)
EUR	550,000	Iron Mountain 3% 15/01/2025	483	0.21	EUR	(1,160,000)	Goldman Sachs PostNL Credit Default Swap Buy Protection 20/12/2020 Spread 100	(7)	—
EUR	1,642,000	Netflix 3.625% 15/05/2027	1,516	0.65	EUR	(3,700,000)	Goldman Sachs Tesco Credit Default Swap Buy Protection 20/06/2021 Spread 100	(33)	(0.01)
EUR	680,000	Netflix 3.625% 15/06/2030	616	0.26					
EUR	1,282,000	Netflix 3.875% 15/11/2029	1,182	0.51					
		B+ 1.33% (0.49%)			EUR	(1,600,000)	Goldman Sachs Vattenfall Credit Default Swap Buy Protection 20/06/2021 Spread 100	(16)	(0.01)
EUR	1,322,000	Avantor 4.75% 01/10/2024	1,201	0.52	EUR	(1,400,000)	J.P. Morgan Banco Bilbao Credit Default Swap Buy Protection 20/12/2024 Spread 100	(1)	—
EUR	1,019,000	Catalent Pharma Solutions 2.375% 01/03/2028	873	0.38					
EUR	1,125,000	Spectrum Brands 4% 01/10/2026	1,007	0.43					
		B 0.30% (0.76%)							
EUR	754,000	Financial & Risk US Holdings 4.5% 15/05/2026	698	0.30					
		Total United States of America	48,686	20.91					
DERIVATIVES -3.28% (-0.29%)									
		Credit Default Swaps -0.99% (-1.01%)							
EUR	(1,300,000)	Barclays Auchan Holding Credit Default Swap Buy Protection 20/12/2024 Spread 100	48	0.02					

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –3.28% (–0.29%) (continued)									
EUR	(2,720,000)	J.P. Morgan BCO Comercial Portugues Credit Default Swap Buy Protection 20/06/2022 Spread 500	(149)	(0.06)	USD	(10)	UBS US 5 Year Note Future Expiring June 2020	(30)	(0.01)
EUR	2,700,000)	J.P. Morgan BT Group Credit Default Swap Sell Protection 20/12/2024 Spread 100	19	0.01	USD	(22)	UBS US 10 Year Note Future Expiring June 2020	(107)	(0.05)
EUR	(3,700,000)	J.P. Morgan Électricité de France Credit Default Swap Buy Protection 20/12/2024 Spread 100	(81)	(0.03)	USD	(66)	UBS US 10 Year Ultra Fut Future Expiring June 2020	(493)	(0.21)
USD	(2,700,000)	J.P. Morgan General Motors Credit Default Swap Buy Protection 20/06/2023 Spread 500	(265)	(0.11)	USD	(6)	UBS US Long Bond Future Expiring June 2020	(68)	(0.03)
EUR	(2,250,000)	J.P. Morgan Metro Group Credit Default Swap Buy Protection 20/06/2021 Spread 100	(16)	(0.01)	USD	11	UBS US Ultra Bond Future Expiring June 2020	191	0.08
EUR	(1,400,000)	J.P. Morgan Novafives Credit Default Swap Buy Protection 20/12/2024 Spread 500	220	0.09	Forward Foreign Exchange Contracts –1.24% (1.12%)				
EUR	(2,600,000)	J.P. Morgan Swedbank Credit Default Swap Buy Protection 20/12/2024 Spread 100	(74)	(0.03)			Sell GBP 176,337		
EUR	(2,700,000)	J.P. Morgan Telia Company Credit Default Swap Buy Protection 20/12/2024 Spread 100	(79)	(0.03)			Buy EUR 202,998 Credit Suisse	1	–
EUR	(3,100,000)	J.P. Morgan United Utilities Credit Default Swap Buy Protection 20/03/2020 Spread 100	(1)	–			Sell GBP 298,654		
USD	(4,900,000)	J.P. Morgan Westpac Banking Credit Default Swap Buy Protection 20/12/2024 Spread 100	(106)	(0.05)			Buy EUR 352,415 Citigroup	8	–
EUR	(37,000,000)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Buy Protection 20/12/2024 Spread 500	(2,500)	(1.07)			Sell GBP 485,495		
EUR	16,900,000)	Morgan Stanley Itraxx Crossover Credit Default Swap Index Sell Protection 20/12/2024 Spread 500	1,142	0.49			Buy EUR 567,000 HSBC	9	–
EUR	(13,000,000)	Morgan Stanley Itraxx–European Credit Default Swap Index Buy Protection 20/12/2024 Spread 100	(171)	(0.07)			Sell GBP 613,815		
EUR	(8,550,000)	Morgan Stanley Itraxx–Finance Credit Default Swap Index Buy Protection 20/06/2021 Spread 100	(64)	(0.03)			Buy EUR 730,000 UBS	22	0.01
EUR	(8,000,000)	Morgan Stanley Itraxx–Finance Credit Default Swap Index Buy Protection 20/12/2021 Spread 100	(19)	(0.01)			Sell EUR 1,682,730		
Interest Rate Swaps –0.30% (–0.24%)							Buy GBP 1,455,233 Lloyds	(11)	–
GBP	8,400,000	Barclays Interest Rate Swap Receive GBP Libor Pay 2.705% 26/11/2023	(697)	(0.30)			Sell USD 166,909		
Futures and Options –0.75% (–0.16%)							Buy GBP 129,205 Citigroup	1	–
EUR	(359)	UBS EURO–Bobl Future Expiring June 2020	(219)	(0.09)			Sell EUR 198,617		
EUR	(37)	UBS EURO Bond Future Expiring June 2020	(67)	(0.03)			Buy GBP 165,347 Royal Bank of Scotland	(8)	–
EUR	(6)	UBS EURO Buxl 30 Year Future Expiring June 2020	(42)	(0.02)			Sell USD 213,092		
GBP	(211)	UBS Long Gilt Future Expiring June 2020	(898)	(0.39)			Buy GBP 166,544 Citigroup	3	–
							Sell EUR 253,470		
							Buy GBP 219,257 Royal Bank of Scotland	(2)	–
							Sell AUD 425,177		
							Buy GBP 219,663 Lloyds	3	–
							Sell USD 351,466		
							Buy GBP 272,272 Royal Bank of Scotland	2	–
							Sell USD 375,507		
							Buy GBP 287,910 HSBC	(1)	–
							Sell EUR 350,000		
							Buy GBP 292,969 Citigroup	(12)	(0.01)
							Sell USD 400,000		
							Buy GBP 307,583 Citigroup2	–	–
							Sell EUR 377,883		
							Buy GBP 317,285 Citigroup	(12)	(0.01)
							Sell EUR 529,089		
							Buy GBP 452,839 Goldman Sachs	(8)	–
							Sell USD 60,831,295		
							Buy GBP 46,632,904 Barclays	(110)	(0.05)
							Sell EUR 70,936,953		
							Buy GBP 59,139,074 Barclays	(2,677)	(1.15)
							Sell EUR 1,015,000		
							Buy GBP 860,501 Lloyds	(24)	(0.01)
							Sell EUR 1,070,000		
							Buy GBP 895,834 Barclays	(37)	(0.02)
							Sell GBP 991,139		
							Buy USD 1,280,000 HSBC	(8)	–
							Sell GBP 117,360		
							Buy USD 151,593 Lloyds	(1)	–
							Sell GBP 164,846		
							Buy USD 212,961 Royal Bank of Scotland	(1)	–
							Sell GBP 622,499		

Threadneedle Strategic Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –3.28% (–0.29%) (continued)			
	Buy USD 804,300 Lloyds	(4)	–
	Total Derivatives	(7,641)	(3.28)
Total value of investments³		218,992	94.05
Net other assets (2.70%)		13,848	5.95
Net assets		232,840	100.00

March 2019 comparatives in brackets.

* Variable rate bonds

(P) refers to provisional rating

¹ Cash equivalents.

² Less than £500, rounded to nil.

³ Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	199,433	91.07
Floating rate notes	27,200	12.42
Derivatives	(7,641)	(3.49)
Total value of investments³	218,992	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO–Bobl Future Expiring June 2020	(42,721)
UBS EURO Bond Future Expiring June 2020	(5,686)
UBS EURO Buxl 30 Year Future Expiring June 2020	(1,173)
UBS Long Gilt Future Expiring June 2020	(29,059)
UBS US 5 Year Note Future Expiring June 2020	(955)
UBS US 10 Year Note Future Expiring June 2020	(2,325)
UBS US 10 Year Ultra Fut Future Expiring June 2020	(7,853)
UBS US Long Bond Future Expiring June 2020	(818)
UBS US Ultra Bond Future Expiring June 2020	1,846
Total net exposure	(88,744)

Threadneedle American Fund

Portfolio Statement

as at 7 March 2020

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value	
OIL & GAS 2.78% (5.19%)					USD	803,168	Bristol-Myrs Squibb	37,159	1.76	
Oil & Gas Producers 2.78% (5.19%)					USD	449,302	Eli Lilly and Company	48,765	2.30	
USD	552,069	ConocoPhillips	19,205	0.91	USD	180,331	Guardant Health	10,811	0.51	
USD	269,723	Diamondback Energy	10,047	0.48	USD	134,307	Sage Therapeutics	4,956	0.23	
USD	504,759	Occidental Petroleum	10,398	0.49	USD	197,638	Vertex Pharmaceuticals	35,405	1.67	
USD	395,032	Valero Energy	19,122	0.90	Total HEALTH CARE				352,786	16.66
Total OIL & GAS			58,772	2.78						
BASIC MATERIALS 1.28% (2.91%)					CONSUMER SERVICES 10.55% (10.02%)					
Chemicals 1.28% (1.93%)					General Retailers 8.20% (7.00%)					
USD	464,588	Dow	13,895	0.66	USD	67,509	Amazon.com	98,462	4.65	
USD	421,755	DuPont de Nemours	13,109	0.62	USD	354,126	Home Depot	62,062	2.93	
Industrial Metals & Mining 0.00% (0.98%)					USD	540,548	Uber Technologies	13,139	0.62	
Total BASIC MATERIALS			27,004	1.28	Media 2.35% (2.39%)					
					USD	1,608,971	Comcast Corporation	49,836	2.35	
INDUSTRIALS 8.68% (13.98%)					Travel & Leisure 0.00% (0.63%)					
Aerospace & Defence 0.60% (6.49%)					Total CONSUMER SERVICES					
USD	351,919	Spirit Aerosystems Class A	12,788	0.60					223,499	10.55
Electronic & Electrical Equipment 0.00% (0.65%)										
Industrial Engineering 4.14% (2.39%)					UTILITIES 1.89% (1.88%)					
USD	311,586	Caterpillar	29,027	1.37	USD	340,633	American Electric Power	25,534	1.21	
USD	986,140	Ingersoll-Rand	21,019	0.99	USD	278,641	Edison International	14,448	0.68	
USD	436,240	Trane Technologies	37,665	1.78	Total UTILITIES				39,982	1.89
Industrial Transportation 2.11% (2.67%)					FINANCIALS 15.70% (20.08%)					
USD	373,406	Union Pacific	44,711	2.11	USD	2,554,816	Bank of America	50,377	2.38	
Support Services 1.83% (1.78%)					USD	891,367	Citigroup	41,917	1.98	
USD	527,251	Republic Services	38,637	1.83	USD	1,346,825	Citizens Finance Group	28,913	1.37	
Total INDUSTRIALS			183,847	8.68	Nonlife Insurance 1.84% (1.79%)					
					USD	472,834	Allstate	38,865	1.84	
CONSUMER GOODS 9.82% (4.34%)					Life Insurance 0.00% (1.64%)					
Beverages 2.24% (0.00%)					Real Estate Investment Trusts 1.06% (2.13%)					
USD	450,285	PepsiCo	47,421	2.24	USD	102,793	SBA Communications	22,507	1.06	
Food Producers 2.00% (1.86%)					Financial Services 7.07% (7.01%)					
USD	988,629	Mondelez International	42,220	2.00	USD	278,162	MasterCard Class A	61,284	2.89	
Household Goods & Home Construction 3.02% (2.48%)					USD	429,103	Visa 'A' Shares	60,710	2.87	
USD	685,837	Procter & Gamble	64,029	3.02	USD	695,714	Voya Financial	27,805	1.31	
Leisure Goods 1.55% (0.00%)					Total FINANCIALS				332,378	15.70
USD	363,329	Take-Two Interactive	32,813	1.55						
Personal Goods 1.01% (0.00%)					TECHNOLOGY 31.17% (25.97%)					
USD	399,088	VF	21,471	1.01	Software & Computer Services 17.42% (16.04%)					
Total CONSUMER GOODS			207,954	9.82	USD	205,176	Adobe Systems	53,015	2.50	
					USD	99,840	Alphabet Class A	99,249	4.69	
HEALTH CARE 16.66% (15.07%)					USD	491,153	Facebook	68,261	3.22	
Health Care Equipment & Services 5.67% (6.59%)					USD	1,198,260	Microsoft	148,515	7.01	
USD	674,971	Baxter International	44,164	2.09	Technology Hardware & Equipment 13.75% (9.93%)					
USD	674,904	Centene	30,318	1.43	USD	423,340	Apple	93,834	4.43	
USD	191,115	Thermo Fisher Scientific	45,594	2.15	USD	164,414	Broadcom	33,990	1.61	
Pharmaceuticals & Biotechnology 10.99% (8.48%)					USD	1,278,230	Cisco Systems	38,876	1.84	
USD	734,859	Abbott Laboratories	46,093	2.18	USD	283,986	L3Harris Technologies	43,565	2.06	
USD	261,501	Alexion Pharmaceuticals	18,455	0.87	USD	186,910	Lam Research	42,221	1.99	
USD	358,811	Biomarin Pharmaceutical	25,952	1.23	USD	275,527	Microchip Technology	18,381	0.87	
USD	97,957	Bluebird Bio	5,114	0.24	USD	234,287	NXP Semiconductors	20,077	0.95	
					Total TECHNOLOGY				659,984	31.17

Threadneedle American Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.96% (0.00%)				
		Liquidity Funds 0.96% (0.00%)¹		
USD	26,435,674	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	20,283	0.96
		Total COLLECTIVE INVESTMENT SCHEMES	20,283	0.96
DERIVATIVES 0.07% (0.00%)				
		Forward Foreign Exchange Contracts 0.07% (0.00%)		
		Sell USD 1,597,000		
		Buy GBP 1,236,166 Barclays	9	0.00
		Sell USD 2,563,000		
		Buy GBP 1,997,575 Barclays	28	0.00
		Sell USD 230,244,839		
		Buy GBP 178,275,002 J.P. Morgan	1,401	0.07
		Sell USD 6,028,734		
		Buy GBP 4,709,415 J.P. Morgan	78	0.00
		Sell USD 10,286,749		
		Buy GBP 8,030,763 J.P. Morgan	128	0.01
		Sell USD 10,810,097		
		Buy GBP 8,353,041 J.P. Morgan	49	0.00
		Sell GBP 7,928,180		
		Buy USD 10,255,037 J.P. Morgan	(50)	0.00
		Sell GBP 10,643,770		
		Buy USD 13,603,451 J.P. Morgan	(193)	-0.01
		Sell GBP 1,859,365		
		Buy USD 2,383,000 Royal Bank of Scotland	(28)	0.00
		Sell GBP 4,156,748		
		Buy USD 5,374,971 J.P. Morgan	(28)	0.00
		Total Derivatives	1,394	0.07
Total value of investments²			2,107,883	99.56
Net other assets (0.56%)			9,240	0.44
Net assets			2,117,123	100.00

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle American Select Fund

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.94% (3.73%)					Travel & Leisure 3.35% (1.96%)				
		Oil & Gas Producers 1.94% (3.73%)			USD	21,888	Booking Holdings	27,073	3.35
USD	139,130	Phillips 66	7,398	0.91	Total Consumer Services				
USD	1,676,470	WPX Energy	8,335	1.03				147,113	18.18
		Total Oil & Gas	15,733	1.94	FINANCIALS 24.31% (21.07%)				
BASIC MATERIALS 0.00% (4.16%)							Banks 7.74% (8.52%)		
		Chemicals 0.00% (4.16%)			USD	1,208,262	Bank of America	23,825	2.94
		Total Basic Materials	—	—	USD	324,565	JPMorgan Chase	26,922	3.33
INDUSTRIALS 2.26% (5.97%)					USD	136,226	PNC Financials	11,938	1.47
		Aerospace & Defence 0.51% (3.54%)					Nonlife Insurance 8.51% (7.53%)		
USD	22,913	Curtiss-Wright Corporation	2,141	0.27	USD	435,478	Berkshire Hathaway	68,839	8.51
USD	20,356	United Technologies	1,976	0.24			Financial Services 8.06% (5.02%)		
		Electronic & Electrical Equipment 0.00% (0.04%)			USD	123,254	MasterCard Class A	27,155	3.36
		Industrial Engineering 0.00% (0.65%)			USD	268,758	Visa 'A' Shares	38,024	4.70
		Industrial Transportation 1.75% (1.74%)					Total Financials	196,703	24.31
USD	105,794	Norfolk Southern	14,159	1.75	TECHNOLOGY 40.36% (32.98%)				
		Total Industrials	18,276	2.26			Software & Computer Services 29.52% (23.88%)		
CONSUMER GOODS 3.83% (4.01%)					USD	84,556	Adobe Systems	21,848	2.70
		Beverages 1.43% (1.17%)			USD	79,059	Alphabet Class A	78,591	9.71
USD	109,781	PepsiCo	11,561	1.43	USD	43,120	ANSYS	7,867	0.97
		Food Producers 1.65% (1.35%)			USD	305,632	Facebook	42,477	5.25
USD	312,752	Mondelez International	13,356	1.65	USD	618,793	Microsoft	76,694	9.48
		Leisure Goods 0.00% (0.70%)			USD	523,803	Nutanix	8,110	1.00
		Personal Goods 0.75% (0.79%)			USD	36,734	Vmware Class A	3,301	0.41
USD	46,383	Colgate-Palmolive	2,582	0.32			Technology Hardware & Equipment 10.84% (9.10%)		
USD	64,794	VF	3,486	0.43	USD	65,848	Analog Devices	5,406	0.67
		Total Consumer Goods	30,985	3.83	USD	85,774	Apple	19,012	2.35
HEALTH CARE 8.71% (10.47%)					USD	79,510	L3Harris Technologies	12,197	1.51
		Health Care Equipment & Services 3.88% (4.13%)			USD	165,778	Lam Research	37,447	4.63
USD	73,786	Edwards Lifesciences	11,654	1.44	USD	172,842	Microchip Technology	11,531	1.43
USD	90,784	UnitedHealth Group	19,774	2.44	USD	9,868	Nvidia	2,014	0.25
		Pharmaceuticals & Biotechnology 4.83% (6.34%)					Total Technology	326,495	40.36
USD	134,807	Alexion Pharmaceuticals	9,514	1.18	DERIVATIVES 0.00% (0.00%)				
USD	155,899	Biomarin Pharmaceutical	11,276	1.39			Forward Foreign Exchange Contracts 0.00% (0.00%)		
USD	23,531	Bluebird Bio	1,229	0.15			Sell USD 1,227		
USD	18,778	Illumina	3,952	0.49			Buy CHF 1,171 J.P. Morgan ¹	—	—
USD	113,237	Moderna	2,570	0.32			Sell USD 25,450		
USD	58,530	Vertex Pharmaceuticals	10,485	1.30			Buy CHF 24,894 J.P. Morgan	1	—
		Total Health Care	70,454	8.71			Sell USD 1,335,000		
CONSUMER SERVICES 18.18% (11.14%)							Buy GBP 1,040,485 Barclays	15	—
		General Retailers 9.15% (5.63%)					Sell USD 129		
USD	36,301	Amazon.com	52,945	6.54			Buy GBP 100 J.P. Morgan ¹	—	—
USD	867,115	Uber Technologies	21,077	2.61			Sell USD 24,994		
		Media 5.68% (3.55%)					Buy GBP 19,513 J.P. Morgan ¹	—	—
USD	23,018	Charter Communications	8,768	1.08			Sell USD 31,000		
USD	1,006,800	Comcast Corporation	31,185	3.85			Buy GBP 23,996 Barclays ¹	—	—
USD	68,583	Walt Disney	6,065	0.75			Sell USD 540,478		
							Buy GBP 418,483 J.P. Morgan	3	—
							Sell USD 56		
							Buy GBP 44 J.P. Morgan ¹	—	—
							Sell GBP 791,186		
							Buy USD 1,014,000 Royal Bank of Scotland	(12)	—
							Sell CHF 1,121		
							Buy USD 1,149 J.P. Morgan ¹	—	—

Threadneedle American Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%) (continued)			
	Sell CHF 1,455		
	Buy USD 1,506 J.P. Morgan ¹	—	—
	Sell GBP 15,633		
	Buy USD 20,214 J.P. Morgan ¹	—	—
	Sell GBP 18,974		
	Buy USD 24,543 J.P. Morgan ¹	—	—
	Sell GBP 24,550		
	Buy USD 31,376 J.P. Morgan	(1)	—
	Sell GBP 33		
	Buy USD 43 J.P. Morgan ¹	—	—
	Sell CHF 938		
	Buy USD 961 J.P. Morgan ¹	—	—
	Total Derivatives	6	—
Total value of investments		805,765	99.59
Net other assets (6.47%)		3,299	0.41
Net assets		809,064	100.00

March 2019 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.32% (3.03%)				HEALTH CARE 13.53% (13.04%)			
	Oil & Gas Producers 0.19% (0.00%)				Health Care Equipment & Services 0.00% (0.82%)		
363,493	W&T Offshore	623	0.19		Pharmaceuticals & Biotechnology 13.53% (12.22%)		
	Oil Equipment, Services & Distribution 1.13% (3.03%)			269,425	Aerie Pharmaceuticals	3,495	1.09
1,397,808	Newpark Resources	3,610	1.13	58,873	Catalent	2,338	0.73
	Total Oil & Gas	4,233	1.32	27,622	Guardant Health	1,765	0.55
				342,192	Immunomedics	4,358	1.36
BASIC MATERIALS 5.33% (7.27%)				742,893	Kindred Biosciences	5,721	1.78
	Chemicals 3.22% (7.27%)			219,899	Luminex	4,629	1.44
115,283	Albemarle	7,512	2.34	130,257	Medpace Holdings	9,641	3.00
153,141	Axalta Coating Systems	2,826	0.88	83,196	Mirati Therapeutics	5,687	1.77
	Industrial Metals & Mining 2.11% (0.00%)			250,786	Quanterix	4,194	1.30
549,858	Schnitzer Steel Industries Class A	6,766	2.11	42,114	Sage Therapeutics	1,638	0.51
	Total Basic Materials	17,104	5.33		Total Health Care	43,466	13.53
INDUSTRIALS 18.70% (20.37%)				CONSUMER SERVICES 11.24% (8.94%)			
	Construction & Materials 4.28% (2.32%)				General Retailers 5.12% (4.68%)		
490,357	KBR	9,158	2.85	197,646	Carriage Services	3,172	0.99
183,271	Quanex Building Products	2,344	0.73	276,367	Matthews International	6,351	1.98
27,101	Trex Company	2,255	0.70	221,341	Ritchie Bros Auctioneers	6,914	2.15
	Aerospace & Defence 1.64% (3.81%)				Media 2.12% (0.00%)		
113,987	AeroVironment	5,274	1.64	1,631,855	Qurate Retail	6,810	2.12
	Electronic & Electrical Equipment 4.63% (4.05%)				Travel & Leisure 4.00% (4.26%)		
332,544	Livent	2,264	0.71	635,105	OneSpaWorld Holdings	5,355	1.67
94,210	MTS Systems	2,554	0.79	506,774	Wendy's	7,506	2.33
713,194	Vishay Intertechnology	10,048	3.13		Total Consumer Services	36,108	11.24
	Industrial Engineering 2.33% (4.64%)						
75,295	MSA Safety	7,475	2.33	UTILITIES 3.66% (3.90%)			
	Industrial Transportation 3.86% (0.00%)				Electricity 3.66% (3.90%)		
224,699	Cubic Corporation	9,612	2.99	260,613	Portland General Electric Company	11,750	3.66
52,713	XPO Logistics	2,787	0.87		Total Utilities	11,750	3.66
	Support Services 1.96% (5.55%)						
219,446	Mobile Mini	6,306	1.96	FINANCIALS 26.16% (24.59%)			
	Total Industrials	60,077	18.70		Banks 8.13% (6.61%)		
				516,974	First Hawaiian	9,083	2.83
CONSUMER GOODS 7.64% (8.71%)				326,731	Houlihan Lokey	12,767	3.98
	Automobiles & Parts 0.00% (1.12%)			177,266	Sandy Springs Bank	4,249	1.32
	Food Producers 2.12% (1.08%)				Nonlife Insurance 0.00% (3.29%)		
39,108	Freshpet	2,214	0.69		Real Estate Investment Trusts 11.18% (8.65%)		
75,230	Medifast	4,600	1.43	305,298	First Industrial Realty	9,527	2.97
	Personal Goods 5.52% (6.51%)			167,517	Life Storage	15,240	4.74
273,803	Canada Goose Holdings	5,337	1.66	250,331	QTS Realty Trust	11,130	3.47
254,951	ELF Beauty	3,143	0.98		Financial Services 6.85% (6.04%)		
326,812	Gildan Activewear	5,933	1.85	355,164	Moelis & Company	8,031	2.50
240,679	Levi Strauss & Co	3,307	1.03	778,517	Virtu Financial	13,983	4.35
	Total Consumer Goods	24,534	7.64		Total Financials	84,010	26.16

Threadneedle American Smaller Companies Fund (US)

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 11.56% (9.43%)			
Software & Computer Services 6.63% (5.43%)			
325,371	Altair Engineering Class A	7,820	2.43
114,811	Clarivate Analytics	1,983	0.62
532,120	Teradata Corporation	8,437	2.63
642,336	The Meet Group	3,066	0.95
Technology Hardware & Equipment 4.93% (4.00%)			
623,149	COHU	9,526	2.97
372,721	Impinj	6,308	1.96
	Total Technology	37,140	11.56
COLLECTIVE INVESTMENT SCHEMES 0.82% (0.10%)			
Liquidity Funds 0.82% (0.10%)¹			
3,430,978	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	2,637	0.82
	Total Collective Investment Schemes	2,637	0.82
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 252,000		
	Buy GBP 195,062 Barclays	1	—
	Sell USD 273,000		
	Buy GBP 212,773 Barclays	3	—
	Total Derivatives	4	—
Total value of investments²		321,063	99.96
Net other assets (0.62%)		115	0.04
Net assets		321,178	100.00

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Dollar Bond Fund

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 97.34% (96.03%)					A1 0.00% (0.28%)				
		AAA 1.54% (1.45%)					A 3.51% (2.94%)		
USD	280,000	Johnson & Johnson 3.4% 15/01/2038	256	0.44	USD	300,000	Danske Bank 2.7% 02/03/2022	237	0.41
USD	540,000	Microsoft 2.875% 06/02/2024	443	0.76	USD	146,000	DTE Electric 2.25% 01/03/2030	119	0.20
USD	200,000	Microsoft 4.1% 06/02/2037	198	0.34	USD	260,000	Duke Energy Carolinas 3.2% 15/08/2049	231	0.40
		Aaa 49.91% (48.36%)			USD	635,000	Five Corners Funding Trust 4.419% 15/11/2023	541	0.93
USD	2,500,000	United States Treasury Note/Bond 1.5% 15/06/2020	1,926	3.31	USD	525,000	Loews 3.75% 01/04/2026	453	0.78
USD	1,941,000	United States Treasury Note/Bond 1.625% 15/05/2026	1,579	2.71	USD	150,000	PPL Electric Utilities 4.15% 15/06/2048	151	0.26
USD	6,169,000	United States Treasury Note/Bond 1.875% 30/04/2022	4,877	8.38	USD	100,000	San Diego Gas & Electric 4.15% 15/05/2048	101	0.17
USD	3,105,600	United States Treasury Note/Bond 2% 15/11/2021	2,447	4.21	USD	255,000	Santander UK 2.875% 18/06/2024	207	0.36
USD	4,210,000	United States Treasury Note/Bond 2% 31/05/2024	3,427	5.89	USD	274,000	AbbVie 2.95% 21/11/2026	225	0.39
USD	2,988,000	United States Treasury Note/Bond 2.250% 15/08/2027	2,554	4.39	USD	240,000	AbbVie 3.2% 06/11/2022	193	0.33
USD	3,055,000	United States Treasury Note/Bond 2.75% 15/02/2028	2,718	4.67	USD	171,000	AbbVie 3.2% 21/11/2029	143	0.25
USD	3,625,000	United States Treasury Note/Bond 2.75% 15/08/2047	3,637	6.25	USD	165,000	AbbVie 4.25% 21/11/2049	153	0.26
USD	150,000	United States Treasury Note/Bond 3.625% 15/02/2044	168	0.29	USD	135,000	AbbVie 4.875% 14/11/2048	135	0.23
USD	2,171,300	United States Treasury Note/Bond 4.25% 15/05/2039	2,561	4.40	USD	110,000	Amgen 3.15% 21/02/2040	91	0.16
USD	2,700,000	United States Treasury Note/Bond 4.5% 15/02/2036	3,146	5.41	USD	420,000	Anheuser-Busch InBev 4.7% 01/02/2036	403	0.69
		AA+ 1.38% (0.00%)			USD	200,000	Anheuser-Busch InBev 5.45% 23/01/2039	207	0.36
USD	1,000,000	Apple 2.05% 11/09/2026	803	1.38	USD	350,000	BP Cap Markets America 4.234% 06/11/2028	319	0.55
		AA 0.23% (0.23%)			USD	130,000	Cigna 4.9% 15/12/2048	131	0.22
USD	130,000	Berkshire Hathaway Finance 4.25% 15/01/2049	133	0.23	USD	220,000	Comcast Corporation 4.6% 15/10/2038	221	0.38
		AA- 0.98% (2.26%)			USD	90,000	Electricite de France 4.875% 22/01/2044	91	0.16
USD	80,000	New York Life Insurance 4.45% 04/04/2069	82	0.14	USD	100,000	Georgia Power 3.7% 30/01/2050	90	0.15
USD	160,000	Northwestern 3.85% 30/09/2047	150	0.26	USD	275,000	Indiana Michigan Power 3.75% 01/07/2047	250	0.43
USD	160,000	Port Authority of New York & New Jersey 4.458% 01/10/2062	171	0.29	USD	300,000	SGSP Australia Assets 3.3% 09/04/2023	244	0.42
USD	163,000	Teachers Insurance & Annuity Association of America 4.9% 15/09/2044	171	0.29	USD	275,000	SGSP Australia Assets 3.5% 07/07/2027	234	0.40
		A+ 3.75% (2.24%)			USD	50,000	Southern California Edison 3.65% 01/02/2050	43	0.07
USD	400,000	Alibaba Group 3.4% 06/12/2027	339	0.58	USD	185,000	Southern California Edison 4.125% 01/03/2048	170	0.29
USD	300,000	BPCE 2.7% 01/10/2029	247	0.42			A3 0.52% (0.00%)		
USD	400,000	Connecticut Light & Power 3.2% 15/03/2027	340	0.58	USD	370,000	Swire Pacific MTN Financing 2.875% 30/01/2030	301	0.52
USD	750,000	Credit Agricole London 2.375% 22/01/2025	600	1.03			BBB+ 7.97% (13.61%)		
USD	510,000	Oncor Electric Delivery 3.7% 15/11/2028	459	0.79	USD	250,000	Deutsche Telekom International Finance 2.485% 19/09/2023	200	0.34
USD	250,000	Siemens Financieringsmaatschappij 3.125% 16/03/2024	206	0.35	USD	135,000	Enterprise Products Operating 3.7% 31/01/2051	109	0.19
					USD	440,000	GE Capital International Funding Company 4.418% 15/11/2035	401	0.69
					USD	340,000	Goodman US Finance 3.7% 15/03/2028	286	0.49
					USD	647,000	Nisource 3.49% 15/05/2027	553	0.95
					USD	234,000	NiSource Finance 4.8% 15/02/2044	231	0.40
					USD	400,000	Petroleos Mexicanos 6.5% 13/03/2027	321	0.55
					USD	310,000	PPL Capital Funding 4.2% 15/06/2022	252	0.43

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 97.34% (96.03%) (continued)					BB+ 1.18% (0.43%)				
USD	105,000	Southern Copper 4.4% 01/07/2046	100	0.17	USD	270,000	GMR Hyderabad 4.25% 27/10/2027	200	0.34
USD	500,000	Sydney Airport 3.625% 28/04/2026	422	0.73	USD	200,000	GMR Hyderabad International 5.375% 10/04/2024	160	0.28
USD	130,000	Verizon Communications 4.4% 01/11/2034	125	0.22	USD	317,000	Kraft Heinz Foods 4.375% 01/06/2046	247	0.42
USD	120,000	Virginia Electric and Power Company 4.6% 01/12/2048	126	0.22	USD	100,000	Kraft Heinz Foods 4.875% 01/10/2049	83	0.14
USD	960,000	Vonovia Finance 5% 02/10/2023	816	1.40	Ba2 0.29% (0.00%)				
USD	530,000	Voya Financial 3.125% 15/07/2024	436	0.75	USD	200,000	Millicom International Cellular 6.25% 25/03/2029	167	0.29
USD	290,000	Woodside Finance 4.5% 04/03/2029	256	0.44	BB- 0.51% (0.00%)				
USD	155,000	APT Pipelines 4.2% 23/03/2025	132	0.23	USD	200,000	Brazil Government International Bond 5% 27/01/2045	175	0.30
USD	230,000	APT Pipelines 5% 23/03/2035	219	0.38	USD	150,000	Dominican Republic International Bond 6.4% 05/06/2049	125	0.21
USD	220,000	AT&T 4.85% 01/03/2039	211	0.36	B 0.00% (0.38%)				
USD	449,000	AT&T 4.9% 15/08/2037	425	0.73	CCC+ 0.03% (0.00%)				
USD	605,000	Ausgrid Finance 3.85% 01/05/2023	495	0.85	USD	71,000	Noble Holding International 6.95% 01/04/2045	18	0.03
USD	375,000	Ausgrid Finance 4.35% 01/08/2028	332	0.57	D 0.00% (0.49%)				
USD	325,000	Bayer US Finance II 4.25% 15/12/2025	282	0.49	Liquidity Funds 4.69% (0.00%)¹				
USD	226,000	Becton Dickinson 3.7% 06/06/2027	196	0.34	USD	3,548,009	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	2,727	4.69
USD	225,000	Cardinal Health 4.368% 15/06/2047	196	0.34	Total Fixed Interest				
USD	255,000	Carrier Global 2.722% 15/02/2030	206	0.35				56,631	97.34
USD	317,000	CPI Property Group 4.75% 08/03/2023	258	0.44	FLOATING RATE NOTES 2.28% (4.43%)				
USD	175,000	CVS Health 5.05% 25/03/2048	176	0.30	A 0.00% (0.90%)				
USD	120,000	E.ON International Finance 6.65% 30/04/2038	139	0.24	A- 0.91% (1.11%)				
USD	289,000	HKT Capital No. 5 3.25% 30/09/2029	239	0.41	USD	329,000	Bank of America Variable 13/02/2031	264	0.45
USD	200,000	Imperial Brands Finance 3.5% 26/07/2026	165	0.28	USD	290,000	JPMorgan Chase Variable 3.882% 24/07/2038	267	0.46
USD	500,000	Imperial Tobacco Finance 3.5% 11/02/2023	402	0.69	BBB 0.48% (0.39%)				
USD	230,000	Kinder Morgan Energy Partners 5% 01/03/2043	207	0.36	USD	300,000	Royal Bank of Scotland Group Variable 27/01/2030	281	0.48
USD	130,000	Kroger 4.65% 15/01/2048	120	0.21	BBB- 0.29% (1.29%)				
USD	83,000	Metropolitan Edison 4.3% 15/01/2029	76	0.13	USD	200,000	Credit Agricole Variable 23/03/2167	166	0.29
USD	397,000	Thomson Reuters 4.3% 23/11/2023	335	0.58	USD	200,000	UBS Group Funding Switzerland Variable 31/07/2167	165	0.28
USD	97,000	Williams 4.85% 01/03/2048	81	0.14	BB 0.28% (0.36%)				
USD	420,000	Williams Partners 4.3% 04/03/2024	352	0.61	USD	215,000	Credit Suisse Group Variable 12/03/2167	184	0.32
Baa2 0.00% (0.71%)					Total Floating Rate Notes				
USD	345,000	Asciano Finance 4.75% 22/03/2028	300	0.52				1,327	2.28
USD	810,000	Bacardi 4.45% 15/05/2025	704	1.21	DERIVATIVES -1.17% (-0.21%)				
USD	250,000	Bacardi 5.3% 15/05/2048	252	0.43	Credit Default Swaps -0.03% (-0.31%)				
USD	310,000	Bank Of Ireland Group 4.5% 25/11/2023	261	0.45	USD	(5,800,000)	Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Buy Protection 20/12/2024 Spread 100	(52)	(0.09)
USD	380,000	Bharti Airtel 4.375% 10/06/2025	312	0.54	USD	3,800,000	Morgan Stanley CDX-NAIGS33V1-5Y Credit Default Swap Index Sell Protection 20/12/2024 Spread 100	34	0.06
USD	380,000	Charter Communications Operating 4.5% 01/02/2024	321	0.55					
USD	125,000	Charter Communications Operating 4.8% 01/03/2050	111	0.19					
USD	200,000	Ford Motor Credit 5.113% 03/05/2029	157	0.27					
USD	78,000	Plains All American Pipeline 3.55% 15/12/2029	59	0.10					
USD	122,000	Plains All American Pipeline 4.65% 15/10/2025	103	0.18					
USD	352,000	Plains All American Pipeline 4.7% 15/06/2044	260	0.45					
USD	664,000	Syngenta Finance 4.892% 24/04/2025	568	0.98					
USD	167,000	Western Midstream Operating 5.25% 01/02/2050	121	0.21					

Threadneedle Dollar Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –1.17% (–0.21%)			
Futures and Options –1.14% (0.10%)			
USD	(4) UBS US 2 Year Note Future Expiring June 2020	(10)	(0.02)
USD	4 UBS US 10 Year Note Future Expiring June 2020	18	0.03
USD	(7) UBS US 10 Year Ultra Future Expiring June 2020	(52)	(0.09)
USD	(55) UBS US Long Bond Future Expiring June 2020	(616)	(1.06)
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 126,000		
	Buy GBP 97,531 Barclays	1	–
	Sell GBP 165,416		
	Buy USD 212,000 Royal Bank of Scotland	(2)	–
	Total Derivatives	(679)	(1.17)
Total value of investments²		57,279	98.45
Net other assets/(liabilities) (–0.25%)		903	1.55
Net assets		58,182	100.00

March 2019 comparatives in brackets.

*Variable rate bonds.

¹Cash equivalents.

²Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	56,631	98.87
Floating rate notes	1,327	2.32
Derivatives	(679)	(1.19)
Total value of investments²	57,279	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS US 2 Year Note Future Expiring June 2020	(675)
UBS US 10 Year Note Future Expiring June 2020	423
UBS US 10 Year Ultra Future Expiring June 2020	(833)
UBS US Long Bond Future Expiring June 2020	(7,497)
Total net exposure	(8,582)

Threadneedle Japan Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BASIC MATERIALS 4.40% (0.00%)				CONSUMER SERVICES 1.96% (1.72%)			
	Chemicals 4.40% (0.00%)				Food & Drug Retailers 0.00% (1.30%)		
365,800	JCU	6,382	0.81		General Retailers 0.87% (0.00%)		
326,700	Shin-Etsu Chemical	28,082	3.59	405,100	Kakaku.com	6,781	0.87
	Total Basic Materials	34,464	4.40		Media 1.09% (0.00%)		
				569,000	ValueCommerce	8,557	1.09
INDUSTRIALS 29.34% (27.67%)					Travel & Leisure 0.00% (0.42%)		
	Construction & Materials 8.83% (9.50%)				Total Consumer Services	15,338	1.96
344,700	Daikin Industries	35,140	4.49				
1,215,200	Kinden	13,803	1.76	TELECOMMUNICATIONS 5.87% (6.29%)			
2,293,800	Takuma	20,194	2.58		Fixed Line Telecommunications 4.23% (3.95%)		
	General Industrials 4.92% (3.33%)			1 819 400	Nippon Telegraph & Telephone	33,104	4.23
2,221,600	Itochu	38,517	4.92		Mobile Telecommunications 1.64% (2.34%)		
	Electronic & Electrical Equipment 9.74% (7.82%)			368 000	SoftBank Group	12,846	1.64
348,800	Amano Corporation	6,452	0.82		Total Telecommunications	45,950	5.87
168,000	Keyence	41,281	5.27				
432,600	Murata Manufacturing	17,827	2.28	FINANCIALS 10.73% (9.88%)			
113,100	Nidec	10,754	1.37		Banks 1.46% (2.30%)		
	Industrial Engineering 0.00% (0.19%)			3,212,800	Mitsubishi UFJ Financial Group	11,429	1.46
	Support Services 5.85% (6.83%)				Life Insurance 1.95% (2.04%)		
162,700	Meitec	5,826	0.75	1,564,700	Dai-ichi Life Insurance	15,266	1.95
765,700	Mitsubishi	14,527	1.86		Nonlife Insurance 2.26% (0.00%)		
925,800	Recruit Holdings	25,391	3.24	452,600	Tokio Marine Holdings	17,670	2.26
	Total Industrials	229,712	29.34		Real Estate Investment Trusts 0.93% (1.38%)		
				4,681	ORIX JREIT	7,244	0.93
CONSUMER GOODS 21.42% (25.94%)					Financial Services 4.13% (4.16%)		
	Automobiles & Parts 5.75% (6.27%)			606,700	Nihon M&A Center	15,280	1.95
155,200	Koito Manufacturing	4,328	0.55	1,387,900	Orix	17,092	2.18
821,100	Toyota Motor	40,723	5.20		Total Financials	83,981	10.73
	Beverages 0.00% (2.62%)						
	Household Goods & Home Construction 1.05% (2.35%)			TECHNOLOGY 10.94% (6.37%)			
261,800	Shoei	8,180	1.05		Software & Computer Services 4.44% (3.82%)		
	Leisure Goods 8.63% (6.54%)			366,100	Comture	5 968	0.76
339,100	Bandai Namco Holdings	14,501	1.85	230,600	Freee KK	5 951	0.76
68,100	Nintendo	18,593	2.37	309,400	Justsystems	11 632	1.49
705,400	Sony	34,517	4.41	108,100	OBIC	11 198	1.43
	Personal Goods 5.99% (8.16%)				Technology Hardware & Equipment 6.50% (2.55%)		
655,400	Kao	39,046	4.99	737,000	Elecom	19 610	2.50
203,100	Milbon	7,828	1.00	217,400	Lasertec	8 300	1.06
	Total Consumer Goods	167,716	21.42	1,539,200	Ricoh	11 023	1.41
				177,800	Rohm	8 891	1.14
HEALTH CARE 10.13% (17.94%)				366,300	Shinko Electric Industries	3 070	0.39
	Health Care Equipment & Services 4.14% (8.36%)				Total Technology	85 643	10.94
319,400	ASAHI INTECC	6,568	0.84				
361,200	Hoya	25,798	3.30				
	Pharmaceuticals & Biotechnology 5.99% (9.58%)						
418,600	Daiichi Sankyo	20,379	2.60				
291,700	Peptidream	9,369	1.20				
616,800	Takeda Pharmaceutical	17,182	2.19				
	Total Health Care	79,296	10.13				

Threadneedle Japan Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -1.11% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell JPY 25,924,057,372		
	Buy GBP 180,550,760 J.P. Morgan	(8,841)	(1.13)
	Sell JPY 374,314,100		
	Buy GBP 2,621,983 J.P. Morgan	(113)	(0.02)
	Sell JPY 876,471		
	Buy GBP 6,375 J.P. Morgan ¹	-	-
	Sell GBP 10,556,946		
	Buy JPY 1,453,015,647 J.P. Morgan	59	0.01
	Sell GBP 185,940		
	Buy JPY 25,642,000 Barclays	1	-
	Sell GBP 249,296		
	Buy JPY 34,380,000 Royal Bank of Scotland	2	-
	Sell GBP 5,310,580		
	Buy JPY 759,089,129 J.P. Morgan	235	0.03
	Total Derivatives	(8,657)	(1.11)
Total value of investments		733,443	93.68
Net other assets (4.19%)		49,496	6.32
Net assets		782,939	100.00

March 2019 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle Asia Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 12.86% (15.65%)				Banks 3.44% (4.14%)			
	Mining 2.38% (4.26%)			16,930,524	China Construction Bank	10,632	1.63
945,242	BHP Group (AUD)	15,530	2.38	3,164,500	China Merchants Bank	11,798	1.81
	Construction & Materials 1.50% (0.95%)			Life Insurance 2.84% (2.64%)			
1,115,446	Lend Lease Group	9,801	1.5	2,138,772	Ping An Insurance Group	18,550	2.84
	General Industrials 0.85% (0.98%)			Total China			
769,580	Amcor	5,528	0.85			79,575	12.19
	Industrial Transportation 0.00% (0.92%)			HONG KONG 13.90% (15.50%)			
	Beverages 0.00% (0.87%)			9,600,760	Oil & Gas Producers 1.54% (2.29%)		
	Pharmaceuticals & Biotechnology 2.38% (1.50%)				CNOOC	10,083	1.54
135,974	CSL	21,822	3.34	1,087,500	Household Goods & Home Construction 1.03% (0.54%)		
	Travel & Leisure 1.36% (0.00%)				Techtronic Industries	6,722	1.03
545,203	Aristocrat Leisure	8,871	1.36	3,826,000	Pharmaceuticals & Biotechnology 1.09% (0.80%)		
	Banks 1.48% (1.97%)				CSPC Pharmaceutical Group	7,083	1.09
854,496	Australia & New Zealand Banking Group	9,661	1.48	2,153,000	Travel & Leisure 1.66% (1.61%)		
	Financial Services 1.95% (3.32%)				Galaxy Entertainment Group	10,848	1.66
189,260	Macquarie Group	12,744	1.95	880,500	Mobile Telecommunications 0.81% (1.39%)		
	Total Australia	83,957	12.86		China Mobile	5,268	0.81
				3,452,116	Life Insurance 3.97% (4.42%)		
					AIA Group	25,946	3.97
				1,129,000	Real Estate Investment & Services 1.90% (2.29%)		
					Sun Hung Kai Properties	12,405	1.90
				491,135	Financial Services 1.90% (2.16%)		
					Hong Kong Exchanges and Clearing	12,405	1.90
					Total Hong Kong	90,760	13.90
CAYMAN ISLANDS 17.99% (14.83%)				INDIA 6.68% (7.36%)			
	General Retailers 7.53% (6.66%)			408,115	Oil & Gas Producers 0.83% (1.69%)		
302,572	Alibaba Group ADR	49,166	7.53		Reliance Industries	5,400	0.83
	Travel & Leisure 1.54% (1.29%)				Industrial Engineering 0.00% (0.75%)		
2,921,200	Sands China	10,025	1.54	704,956	Personal Goods 0.72% (0.58%)		
	Real Estate Investment & Services 1.62% (1.13%)				Godrej Consumer Products	4,701	0.72
2,915,184	China Resources Land	10,595	1.62		Mobile Telecommunications 1.03% (0.00%)		
	Software & Computer Services 6.48% (5.75%)			1,244,774	Gas, Water & Multiutilities 1.01% (0.00%)		
1,080,780	Tencent Holdings	42,305	6.48		Petronet LNG	6,618	1.01
	Technology Hardware & Equipment 0.82% (0.00%)			1,154,309	Banks 3.09% (3.39%)		
616,200	Asm Pacific Technology	5,378	0.82	1,294,384	HDFC Bank	13,630	2.09
	Total Cayman Islands	117,469	17.99		ICICI Bank	6,547	1.00
					Software & Computer Services 0.00% (0.95%)		
					Total India	43,626	6.68
CHINA 12.19% (13.19%)				INDONESIA 2.72% (3.72%)			
	Industrial Metals & Mining 0.00% (1.04%)				Fixed Line Telecommunications 1.26% (1.45%)		
	Construction & Materials 1.38% (0.57%)			40,412,100	Telekomunikasi Indonesia	8,185	1.26
1,693,500	Anhui Conch Cement	9,622	1.47		Banks 1.46% (2.27%)		
	Industrial Engineering 0.71% (0.78%)				Bank Rakyat Indonesia	9,543	1.46
9,182,000	CRRC Corporation 'H' Shares	4,649	0.71		Total Indonesia	17,728	2.72
	Industrial Transportation 0.81% (0.51%)			44,063,600			
666,960	Shanghai International Airport-A	5,310	0.81				
	Beverages 1.58% (1.34%)						
712,330	Wuliangye Yibin	10,276	1.58				
	General Retailers 1.34% (1.36%)						
84,705	New Oriental Education & Technology Group ADR	8,738	1.34				

Threadneedle Asia Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
MALAYSIA 0.00% (0.32%)				THAILAND 0.00% (0.97%)			
	Banks 0.00% (0.32%)			5,202,408	Taiwan Semiconductor Manufacturing	42,019	6.44
	Total Malaysia	—	—		Total Taiwan	85,722	13.13
PHILIPPINES 3.54% (1.97%)				UNITED KINGDOM 0.00% (1.32%)			
	Gas, Water & Multiutilities 0.00% (0.77%)				Banks 0.00% (0.97%)	—	—
	Banks 0.91% (1.26%)				Total Thailand	—	—
7,438,283	Metropolitan Bank & Trust	5,983	0.91				
	Real Estate Investment & Services 1.07% (1.51%)			DERIVATIVES -0.01% (0.00%)			
115,987,600	Ayala Land	6,971	1.07		Forward Foreign Exchange Contracts -0.01% (0.00%)		
	Total Philippines	12,954	1.98		Sell USD 57,000		
					Buy GBP 44,121 Barclays ²	—	—
REPUBLIC OF IRELAND 1.77% (0.00%)					Sell GBP 3,167,085		
	Liquidity Funds 1.77% (0.00%)¹				Buy USD 4,059,000 Royal Bank of Scotland	(48)	(0.91)
15,035,053	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	11,556	1.77		Total Derivatives	(48)	(0.91)
	Total Republic of Ireland	11,556	1.77				
SINGAPORE 2.84% (3.84%)				Total value of investments³			
	Banks 1.28% (3.84%)					646,404	99.01
642,100	United Overseas Bank	8,311	1.28		Net other assets (0.75%)	6,475	0.99
	Real Estate Investment & Services 0.00% (1.10%)				Net assets	652,879	100.00
5,177,300	Capitaland	10,196	1.56				
	Total Singapore	18,507	2.84				
SOUTH KOREA 12.96% (9.41%)				<i>March 2019 comparatives in brackets.</i>			
	Chemicals 0.00% (0.99%)			<i>¹Cash equivalents.</i>			
	Electronic & Electrical Equipment 3.37% (2.34%)			<i>²Less than £500, rounded to nil.</i>			
163,177	Samsung Elec Mech Krw5000	13,780	2.11	<i>³Includes Cash equivalents.</i>			
40,408	Samsung SDI	8,231	1.26				
	General Retailers 0.00% (0.64%)						
	Banks 0.78% (0.97%)						
210,205	KB Financial Group	5,075	0.78				
	Software & Computer Services 0.95% (0.00%)						
54,882	Kakao	6,191	0.95				
	Technology Hardware & Equipment 7.86% (4.47%)						
KRW	1,409,035	Samsung Electronics	51,321	7.86			
	Total South Korea	84,598	12.96				
TAIWAN 13.13% (9.60%)							
	Electronic & Electrical Equipment 2.02% (0.48%)						
1,733,000	Chroma Ate	6,221	0.95				
3,383,000	Hon Hai Precision Industry	7,000	1.07				
	Leisure Goods 0.91% (1.18%)						
51,000	Largan Precision	5,963	0.91				
	Banks 1.50% (1.10%)						
13,099,797	E.Sun Financial	9,758	1.50				
	Technology Hardware & Equipment 8.70% (6.84%)						
1,523,000	MediaTek	14,761	2.26				

Threadneedle Latin America Fund

Portfolio Statement

as at 7 March 2020

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
ARGENTINA 0.00% (0.62%)					Nonlife Insurance 2.45% (4.54%)				
	Electricity 0.00% (0.62%)				BRL	899,236	Sul America	7,323	2.45
BERMUDA 2.82% (4.14%)					Real Estate Investment & Services 0.00% (1.30%)				
	Banks 2.82% (4.14%)				Financial Services 10.00% (1.60%)				
USD	58,965	Credicorp	8,441	2.82	BRL	477,197	B3 SA Brasil Bolsa Balcao	3,684	1.23
	Total Bermuda		8,441	2.82	BRL	811,700	Bradespar	4,364	1.46
BRAZIL 59.39% (61.77%)					BRL	8,747,703	Itausa - Investimentos Itau	16,791	5.61
	Oil & Gas Producers 7.39% (9.36%)				USD	213,863	XP Inc - Class A	5,080	1.70
BRL	2,392,871	Petrol Brasileiros Preference share	9,079	3.04	Software & Computer Services 1.82% (0.00%)				
BRL	2,971,483	Petroleo Brasileiro	11,881	3.97	BRL	400,000	Locaweb Serviços de Internet	1,323	0.44
USD	151,369	Petroleo Brasileiro ADR	1,147	0.38	BRL	382,910	Totvs	4,132	1.38
	Forestry & Paper 0.89% (1.84%)				Total Brazil				
BRL	398,916	Suzano Papel e Celulose	2,654	0.89				177,657	59.39
	Industrial Metals & Mining 4.10% (6.04%)				BRITISH VIRGIN ISLANDS 0.77% (0.22%)				
BRL	1,652,425	Vale	12,251	4.10	USD	278,002	Despegar.Com	2,316	0.77
	Industrial Transportation 2.30% (0.00%)				Total British Virgin Islands				
BRL	2,147,375	Rumo	6,888	2.30				2,316	0.77
	Support Services 1.12% (0.32%)				CANADA 0.56% (0.75%)				
USD	109,496	StoneCo	3,360	1.12	CAD	167,672	Parex Resources	1,670	0.56
	Beverages 0.00% (1.45%)				Industrial Metals & Mining 0.00% (0.25%)				
	Personal Goods 3.74% (0.00%)				Total Canada				
BRL	678,817	Arezzo Industria E Comercio	6,374	2.13				1,670	0.56
BRL	955,757	C&A Modas	2,120	0.71	CAYMAN ISLANDS 1.33% (0.70%)				
BRL	659,770	Vivara Participacoes	2,681	0.90	USD	188,133	PagSeguro Digital	3,968	1.33
	Health Care Equipment & Services 3.94% (1.88%)				Total Cayman Islands				
USD	91,544	Afya Class A	1,620	0.54				3,968	1.33
	425,330	Hapvida Participacoes E			CHILE 2.83% (2.98%)				
BRL		Investimentos	3,535	1.18	CLP	1,822,529	Embotelladora Andina	3,490	1.17
BRL	676,553	Notredame Intermedica	6,634	2.22					
	Pharmaceuticals & Biotechnology 0.00% (1.31%)				CLP	3,193,193	Parque Arauco	4,982	1.66
	Food & Drug Retailers 0.97% (0.00%)				Total Chile				
BRL	251,580	Companhia Brasileira de Distribuicao	2,898	0.97				8,472	2.83
	General Retailers 10.85% (7.78%)				COLOMBIA 1.21% (1.91%)				
USD	185,522	Arco Platform 'A' Shares	7,313	2.44	USD	110,484	Bancolombia ADR	3,614	1.21
BRL	165,360	B2W Digital	1,544	0.52	Total Colombia				
BRL	1,111,617	Localiza Rent a Car	8,319	2.78				3,614	1.21
BRL	1,285,396	Lojas Renner	10,809	3.61	ISRAEL 0.83% (0.00%)				
BRL	597,022	Magazine Luiza	4,490	1.50					
	Travel & Leisure 1.12% (0.78%)				USD	164,533	Ituran Location and Control	2,469	0.83
BRL	185,706	Azul	1,194	0.40	Total Israel				
BRL	997,191	BK Brasil Operacao e Assessoria	2,151	0.72				2,469	0.83
	Mobile Telecommunications 1.64% (0.76%)				LUXEMBOURG 3.16% (0.54%)				
BRL	1,055,093	Linx	4,901	1.64	USD	157,511	Ternium S.A. Sponsored	1,963	0.66
	Electricity 0.00% (3.50%)								
	Banks 7.06% (19.31%)				USD	88,407	Globant	7,496	2.50
BRL	2,339,768	Banco Bradesco	11,125	3.72	Total Luxembourg				
BRL	1,425,100	Banco do Brasil	9,992	3.34				9,459	3.16

Threadneedle Latin America Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
MEXICO 17.68% (18.30%)				
		Chemicals 0.00% (0.90%)		
		Industrial Metals & Mining 2.21% (1.15%)		
MXN	3,599,861	Grupo Mexico	6,608	2.21
		General Industrials 0.00% (1.10%)		
		Industrial Transportation 0.00% (1.90%)		
		Beverages 4.70% (4.28%)		
USD	220,753	Fomento Economico Mexicano ADR	14,068	4.70
		General Retailers 3.82% (3.22%)		
MXN	5,221,412	Wal-Mart de Mexico	11,438	3.82
		Travel & Leisure 0.72% (0.67%)		
MXN	1,368,897	Alsea Sab de CV	2,135	0.72
		Mobile Telecommunications 2.39% (2.67%)		
USD	584,882	America Movil ADR	7,158	2.39
		Banks 3.84% (2.41%)		
MXN	2,938,099	Grupo Financiero Banorte	11,477	3.84
		Total Mexico	52,884	17.68
PANAMA 0.49% (0.78%)				
		Travel & Leisure 0.49% (0.78%)		
USD	24,488	Copa Holdings	1,461	0.49
		Total Panama	1,461	0.49
REPUBLIC OF IRELAND 6.05% (0.41%)				
		Liquidity Funds 6.05% (0.41%)¹		
	23,592,963	BlackRock Institutional Cash Series		
USD		US Dollar Liquidity Platinum	18,102	6.05
		Total Republic of Ireland	18,102	6.05
UNITED STATES OF AMERICA 1.48% (6.11%)				
		General Retailers 1.48% (0.54%)		
USD	9,406	Mercadolibre	4,435	1.48
		Banks 0.00% (2.75%)		
		Technology Hardware & Equipment 0.00% (2.82%)		
		Total United States of America	4,435	1.48
Total value of investments²			294,948	98.60
Net other assets (0.77%)			4,186	1.40
Net assets			299,134	100.00

March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Emerging Market Bond Fund

Portfolio Statement

as at 7 March 2020

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
ANGOLA 1.69% (0.61%)					CAYMAN ISLANDS 2.28% (2.11%)				
	B- 0.79% (0.00%)					A 0.90% (0.00%)			
USD	1,803,000	Republic of Angola 8% 26/11/2029	1,387	0.79	USD	2,000,000	QNB Finance 2.75% 12/02/2027	1,577	0.90
	B3 0.90% (0.61%)					BBB- 0.74% (0.71%)			
USD	2 000 000	Republic of Angola 9.375% 08/05/2048	1,578	0.90	USD	1,250,000	Vale Overseas 6.875% 21/11/36	1,292	0.74
	Total Angola		2,965	1.69		Ba2 0.32% (0.41%)			
					USD	700,000	Energuate Trust 5.875% 03/05/2027	563	0.32
ARGENTINA 1.04% (6.61%)						B+ 0.00% (0.55%)			
	B 0.00% (5.91%)					Not Rated 0.32% (0.44%)			
USD	1,050,000	Republic of Argentina 7.125% 06/07/2036	327	0.18	USD	740 000	*Lenovo Group Perpetual Variable 16/09/2167	570	0.32
USD	3,300,000	Republic of Argentina International Bond 5.875% 11/01/2028	1,017	0.58		Total Cayman Islands		4,002	2.28
USD	1,615,000	Republic of Argentina International Bond 6.875% 11/01/2048	486	0.28	CHILE 1.23% (0.00%)				
	Not Rated 0.00% (0.70%)					A+ 1.23% (0.00%)			
	Total Argentina		1 830	1.04	USD	900,000	Chile Government International Bond 3.5% 25/01/2050	779	0.44
					USD	1,710,000	Codelco 3% 30/09/2029	1,379	0.79
BAHRAIN 0.79% (1.26%)						Total Chile		2,158	1.23
	B+ 0.79% (1.26%)				CHINA 0.28% (0.00%)				
USD	1,750,000	CBB International Sukuk Six 4.5% 30/03/2027	1,394	0.79		Not Rated 0.28% (0.00%)			
	Total Bahrain		1,394	0.79	USD	606 000	China Government International Bond 1.95% 03/12/2024	489	0.28
						Total China		489	0.28
BELARUS 0.43% (1.21%)					COLOMBIA 2.22% (0.00%)				
	B 0.43% (1.21%)					BBB- 2.22% (0.00%)			
USD	920,000	Republic of Belarus 6.2% 28/02/2030	762	0.43	USD	4 900 000	Colombia Government International Bond 3% 30/01/2030	3,893	2.22
	Total Belarus		762	0.43		Total Colombia		3 893	2.22
					CROATIA 1.21% (1.52%)				
BRAZIL 3.77% (5.57%)						BBB- 1.30% (0.00%)			
	BB- 3.77% (4.40%)				USD	2,560,000	Croatia Government International Bond 6% 26/01/2024	2,278	1.30
USD	4,300,000	Brazil Government International Bond 5% 27/01/2045	3,760	2.15		BB+ 0.00% (1.21%)			
BRL	13,900	Brazil Government International Bond 10% 01/01/2029	2,840	1.62		Total Croatia		2,278	1.30
	Ba3 0.00% (1.17%)				DOMINICAN REPUBLIC 4.46% (5.76%)				
	Total Brazil		6,600	3.77		BB- 3.53% (2.49%)			
					USD	1,895,000	Dominican Republic International Bond 4.5% 30/01/2030	1,476	0.84
BRITISH VIRGIN ISLANDS 5.11% (5.15%)					USD	980,000	Dominican Republic International Bond 5.5% 27/01/2025	811	0.46
	A+ 4.51% (4.03%)				USD	868,000	Dominican Republic International Bond 6.4% 05/06/2049	722	0.41
USD	1,300,000	CNOOC Finance 2013 2.875% 30/09/2029	1,080	0.62	USD	1,030,000	Dominican Republic International Bond 6.85% 27/01/2045	910	0.52
					USD	1,145,000	Dominican Republic International Bond 7.45% 30/04/2044	1,062	0.61
USD	1,090,000	Sinopec Group Overseas Development (2018) 2.95% 12/11/2029	907	0.52	DOP	84,600,000	Dominican Republic International Bond 9.75% 05/06/2026	1,215	0.69
USD	2,250,000	Sinopec Group Overseas Development (2018) 4.125% 12/09/2025	1,947	1.11		Not Rated 0.93% (3.27%)			
USD	3,500,000	Sinopec Group Overseas Development 3.25% 13/09/2027	2,938	1.68	DOP	108,900,000	Dominican Republic International Bond 11.25% 05/02/2027	1,618	0.93
USD	1,200,000	State Grid 3.5% 04/05/2027	1,027	0.58		Total Dominican Republic		7,814	4.46
	BB+ 0.60% (0.00%)								
USD	1,150,000	Gold Fields Orogen Holdings 6.125% 15/05/2029	1,056	0.60					
	Ba3 0.00% (1.12%)								
	Total British Virgin Islands		8,955	5.11					

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
ECUADOR 0.54% (2.03%)					INDIA 0.90% (0.00%)				
	B- 0.54% (1.41%)					BBB- 0.90% (0.00%)			
USD	850,000	Republic of Ecuador 7.875%			USD	660,000	Adani Electricity Mumbai 3.949%		
		23/01/2028	415	0.24			12/02/2030	534	0.31
USD	1,050,000	Republic of Ecuador 8.875%			USD	750,000	Export-Import Bank of India 3.25%		
		23/10/2027	527	0.30			15/01/2030	603	0.34
	Not Rated 0.00% (0.62%)				USD	550,000	Indian Railway Finance 3.249%		
							13/02/2030	441	0.25
	Total Ecuador		942	0.54		Total India		1,578	0.90
EGYPT 3.77% (4.45%)					INDONESIA 8.70% (8.31%)				
	B 1.82% (0.00%)					BBB 2.78% (0.00%)			
EUR	1,800,000	Arab Republic of Egypt 5.625%			USD	3,275,000	Indonesia Government International		
		16/04/2030	1,581	0.90			Bond 3.7% 30/10/2049	2,720	1.55
USD	1,050,000	Arab Republic of Egypt 7.6003%			USD	650,000	Indonesia Government International		
		01/03/2029	884	0.50			Bond 4.1% 24/04/2028	563	0.32
USD	1,294,000	Arab Republic of Egypt 7.903%			USD	515,000	Perusahaan Listrik Negara 3.375%		
		21/02/2048	1,032	0.59			05/02/2030	414	0.24
USD	1,175,000	Arab Republic Of Egypt 8.7002%			USD	700,000	Perusahaan Listrik Negara 3.875%		
		01/03/2049	1,011	0.58			17/07/2029	580	0.33
	B2 0.18% (0.00%)				USD	715,000	Perusahaan Listrik Negara 4.375%		
USD	375,000	Arab Republic of Egypt 8.5%					05/02/2050	588	0.34
		31/01/2047	322	0.18			Baa2 4.64% (2.05%)		
	B3 0.00% (0.44%)				USD	400,000	Indonesia Asahan Aluminium 5.23%		
							15/11/2021	322	0.18
	Not Rated 1.02% (2.19%)				USD	400,000	Indonesia Asahan Aluminium 6.757%		
EGP	0	Egypt Government Bond 14.35%					15/11/2048	414	0.24
		10/09/2024	—	—	USD	3,500,000	Indonesia Government International		
EGP	35,000,000	Egypt Government Bond 15.9%					Bond 4.75% 18/07/2047	3,357	1.92
		02/07/2024	1,781	1.02	USD	1,945,000	PT Pertamina 3.1% 25/08/2030	1,526	0.87
	Total Egypt		6,611	3.77	USD	3,150,000	PT Pertamina 4.175% 21/01/2050	2,503	1.43
EL SALVADOR 0.94% (0.00%)						BBB- 0.00% (3.95%)			
	B- 0.94% (0.00%)					BB+ 0.00% (2.31%)			
USD	900,000	El Salvador Government International				BB 1.28% (0.00%)			
		Bond 5.88% 30/01/2025	729	0.42	USD	2,900,000	Saka Energi Indonesia 4.45%		
USD	1,100,000	El Salvador Government International					05/05/2024	2,250	1.28
		Bond 6.375% 18/01/2027	910	0.52		Total Indonesia		15,237	8.70
	Total El Salvador		1 639	0.94					
GHANA 0.57% (0.00%)					IVORY COAST 1.07% (1.38%)				
	B 0.57% (0.00%)					Ba3 1.07% (0.60%)			
USD	1,295,000	Republic Of Ghana 6.375% 11/02/2027			EUR	2,083,000	Ivory Coast 5.875% 17/10/2031		
			991	0.57				1,871	1.07
	Total Ghana		991	0.57		Not Rated 0.00% (0.78%)			
GUATEMALA 0.54% (0.00%)						Total Ivory Coast		1,871	1.07
	Ba1 0.54% (0.00%)					KAZAKHSTAN 1.84% (1.37%)			
USD	1,000,000	Guatemala Government Bond 6.125%				Baa3 1.50% (1.37%)			
		01/06/2050	942	0.54	USD	2,880,000	KazMunayGas 5.375% 24/04/2030		
	Total Guatemala		942	0.54				2,623	1.50
HONDURAS 0.76% (1.38%)						BB 0.34% (0.00%)			
	BB- 0.76% (1.38%)				USD	700,000	KazMunayGas 4.75% 19/04/2027		
USD	1,550,000	Republic of Honduras 6.25%						607	0.34
		19/01/2027	1,339	0.76		Total Kazakhstan		3,230	1.84
	Total Honduras		1,339	0.76					
HONG KONG 0.00% (0.91%)					LUXEMBOURG 0.43% (1.10%)				
	Not Rated 0.00% (0.91%)					BBB- 0.00% (1.10%)			
	Total Hong Kong		—	—		Ba2 0.43% (0.00%)			
					USD	895,000	Millicom International Cellular 6.25%		
							25/03/2029	746	0.43
						Total Luxembourg		746	0.43

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
MAURITIUS 0.35% (0.00%)					USD	400,000	Nigeria Government International Bond 7.625% 28/11/2047	288	0.16	
		BB 0.35% (0.00%)								
USD	800,000	*Network i2i Variable 15/04/2168	608	0.35				Not Rated 0.00% (1.59%)		
		Total Mauritius	608	0.35				Total Nigeria	826	0.47
MEXICO 10.25% (4.05%)					OMAN 1.54% (2.52%)					
		A– 1.57% (0.00%)					Ba1 0.00% (2.52%)			
MXN	63,000,000	Mexican Bonos 8.5% 31/05/2029	2,751	1.57						
		BBB+ 8.16% (4.05%)					BB 0.83% (0.00%)			
USD	865,000	Petroleos Mexicanos 5.35% 12/02/2028	650	0.37	USD	1,900,000	Oman Government International Bond 6.5% 08/03/2047	1,447	0.83	
USD	1,349,000	Petroleos Mexicanos 5.95% 28/01/2031	1,014	0.58			Ba2 0.71% (0.00%)			
USD	2,100,000	Petroleos Mexicanos 6.375% 23/01/2045	1,521	0.87	USD	1,669,000	Oman Government International 6.75% 17/01/2048	1,251	0.71	
USD	2,600,000	Petroleos Mexicanos 6.5% 23/01/2029	2,056	1.17			Total Oman	2,698	1.54	
USD	1,092,000	Petroleos Mexicanos 6.625% 15/06/2035	843	0.48	PAKISTAN 1.05% (0.58%)					
USD	6,851,000	Petroleos Mexicanos 6.84% 23/01/2030	5,519	3.15			B– 1.05% (0.58%)			
USD	3,337,000	Petroleos Mexicanos 7.69% 23/01/2050	2,696	1.54	USD	2,100,000	Islamic Republic of Pakistan 8.25% 15/04/2024	1,832	1.05	
		BB 0.52% (0.00%)					Total Pakistan	1,832	1.05	
USD	1,140,000	Cemex 5.45% 19/11/2029	900	0.52	PARAGUAY 1.21% (1.24%)					
		Total Mexico	17,950	10.25			BB 1.21% (1.24%)			
MONGOLIA 0.45% (0.00%)					USD	1,040,000	Republic of Paraguay 5.6% 13/03/2048	1,007	0.58	
		B 0.45% (0.00%)			USD	1,100,000	Republic of Paraguay 6.1% 11/08/2044	1,107	0.63	
USD	1,000,000	Mongolia Government Bond 4% 01/05/2023	780	0.45			Total Paraguay	2,114	1.21	
		Total Mongolia	780	0.45	PERU 1.84% (1.30%)					
MOROCCO 0.67% (1.11%)							A– 0.00% (1.30%)			
		BBB– 0.67% (1.11%)					BBB+ 1.84% (0.00%)			
USD	1,150,000	OCP Group 6.875% 25/04/2044	1,178	0.67	USD	3,850,000	Peruvian Government International Bond 2.844% 20/06/2030	3,223	1.84	
		Total Morocco	1,178	0.67			Total Peru	3,223	1.84	
NETHERLANDS 4.19% (5.01%)					PHILIPPINES 1.94% (0.00%)					
		Aa2 0.85% (0.00%)					BBB+ 1.80% (0.00%)			
USD	1,830,000	MDGH 2.875% 07/11/2029	1,480	0.85	USD	3,750,000	Philippine Government International Bond 3% 01/02/2028	3,147	1.80	
		BBB– 2.34% (3.06%)					Not Rated 0.14% (0.00%)			
USD	1,000,000	Braskem Netherlands Finance 5.875% 31/01/2050	792	0.45	USD	315,000	*SMC Global Power Holdings Variable 05/05/2168	244	0.14	
USD	2,480,000	Syngenta Finance 5.182% 24/04/2028	2,190	1.25			Total Philippines	3,391	1.94	
USD	1,250,000	Syngenta Finance 5.676% 24/04/2048	1,122	0.64	QATAR 4.51% (2.04%)					
		BB– 0.00% (1.95%)					AA– 4.51% (0.83%)			
		Ba3 0.51% (0.00%)			USD	6,348,000	Qatar Government International Bond 4% 14/03/2029	5,688	3.24	
USD	1,117,000	Mong Duong Finance Holdings 5.125% 07/05/2029	886	0.51	USD	2,132,000	Qatar Government International Bond 4.817% 14/03/2049	2,220	1.27	
		B 0.49% (0.00%)					Aa3 0.00% (1.21%)			
USD	1,100,000	Metinvest 8.5% 23/04/2026	866	0.49			Total Qatar	7,908	4.51	
		Total Netherlands	7,336	4.19	REPUBLIC OF IRELAND 4.75% (3.43%)					
NIGERIA 0.47% (3.35%)							Liquidity Funds 4.75% (3.43%) ¹			
		B 0.47% (1.76%)					BlackRock Institutional Cash Series US Dollar Liquidity Platinum	8,319	4.75	
USD	700,000	Federal Republic of Nigeria 5% 23/02/2030	538	0.31	USD	10,823,230		8,319	4.75	
							Total Republic of Ireland	8,319	4.75	

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
ROMANIA 0.52% (0.00%)					TURKEY 3.65% (4.92%)				
		BBB- 0.52% (0.00%)					Ba3 0.00% (4.92%)		
EUR	830,000	Romania Government International Bond 4.625% 03/04/2049	919	0.52	USD	2,000,000	B1 3.65% (0.00%) Turkey Government International Bond 5.125% 17/02/2028	1,484	0.85
		Total Romania	919	0.52	USD	3,360,000	Turkey Government International Bond 6% 25/03/2027	2,636	1.50
RUSSIA 3.49% (0.00%)					USD	1,000,000	Turkey Government International Bond 6% 14/01/2041	722	0.41
		BBB 0.73% (0.00%)			USD	1,900,000	Turkey Government International Bond 6.875% 17/03/2036	1,558	0.89
RUB	109,000,000	Russian Federal Bond 7.6% 20/07/22	1,281	0.73			Total Turkey	6,400	3.65
		Not Rated 2.76% (0.00%)			UKRAINE 2.17% (1.92%)				
USD	4,400,000	Russian Federal Bond 4.375% 21/03/2029	3,869	2.21	USD	1,400,000	B 2.17% (0.00%) Ukraine Government 7.375% 25/09/2032	1,102	0.63
USD	1,000,000	Russian Federal Bond 5.1% 28/03/2035	959	0.55	USD	3,280,000	Ukraine Government 7.75% 01/09/2026	2,708	1.54
		Total Russia	6,109	3.49			B- 0.00% (1.92%)		
SAUDI ARABIA 2.64% (1.28%)							Total Ukraine	3,810	2.17
		A1 2.64% (1.28%)			UNITED ARAB EMIRATES 2.10% (0.62%)				
USD	550,000	Kingdom of Saudi Arabia 4% 04/10/2047	518	0.30	USD	550,000	AA 2.10% (0.62%) Abu Dhabi Government International 3.125% 03/05/2026	458	0.26
USD	4,240,000	Saudi International Bond 3.75% 21/01/2055	3,510	2.00	USD	500,000	Abu Dhabi Government International 3.125% 11/10/2027	421	0.24
USD	600,000	Saudi International Bond 5% 17/04/2049	598	0.34	USD	2,250,000	Abu Dhabi Government International 3.125% 30/09/2049	1,838	1.05
		Total Saudi Arabia	4,626	2.64	USD	1,000,000	Abu Dhabi Government International 4.125% 11/10/2047	964	0.55
SENEGAL 0.26% (1.35%)							Total United Arab Emirates	3,681	2.10
		B+ 0.26% (1.35%)			UNITED KINGDOM 3.38% (2.42%)				
USD	575,000	Senegal Government International Bond 6.75% 13/03/2048	457	0.26	USD	5,000,000	BBB- 2.18% (0.00%) Gaz Finance 3.25% 25/02/2030	3,823	2.18
		Total Senegal	457	0.26			Ba3 0.00% (1.35%)		
SINGAPORE 0.40% (1.20%)							B+ 0.00% (1.07%)		
		B 0.00% (1.20%)					B1 0.91% (0.00%)		
USD	1,505,000	Geo Coal International 8% 04/10/2022	703	0.40	USD	2,025,000	Liquid Telecom 8.5% 13/07/2022	1,599	0.91
		Total Singapore	703	0.40	USD	675,000	B 0.20% (0.00%) Tullow Oil 7% 01/03/2025	342	0.20
SOUTH AFRICA 1.84% (3.13%)							Not Rated 0.09% (0.00%)		
		BB 0.00% (2.07%)			USD	200,000	Kondor Finance 7.625% 08/11/2026	159	0.09
		CCC+ 1.84% (1.06%)					Total United Kingdom	5,923	3.38
USD	4,180,000	Eskom Holdings 5.75% 26/01/2021	3,216	1.84	UNITED STATES OF AMERICA 0.21% (0.00%)				
		Total South Africa	3,216	1.84	USD	400,000	BBB- 0.21% (0.00%) Braskem America 7.125% 22/07/2041	364	0.21
SRI LANKA 0.86% (1.56%)							Total United States of America	364	0.21
		B 0.86% (1.56%)			VENEZUELA 0.93% (2.00%)				
USD	260,000	Republic of Sri Lanka 6.75% 18/04/2028	189	0.11	USD	8,677,700	D 0.56% (2.00%) Venezuela Government International Bond 8.25% 13/10/2024 (Defaulted)	984	0.56
USD	1,700,000	Republic of Sri Lanka 6.85% 03/11/2025	1,310	0.75					
		Total Sri Lanka	1,499	0.86					
TRINIDAD AND TOBAGO 0.00% (1.21%)									
		BB 0.00% (1.21%)							
		Total Trinidad And Tobago	2,161	1.21					

Threadneedle Emerging Market Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value
VENEZUELA 0.93% (2.00%) (continued)				
		Not Rated 0.37% (0.00%)		
USD	8,692,931	Petroleos de Venezuela 6% 15/11/2026 (Defaulted)	651	0.37
		Total Venezuela	1,635	0.93
DERIVATIVES 0.11% (0.25%)				
		Forward Foreign Exchange Contracts 0.11% (0.25%)		
		Sell USD 60,000		
		Buy GBP 46,443 Barclays2	—	—
		Sell BRL 16,313,599		
		Buy USD 3,741,480 HSBC	172	0.10
		Sell MXN 71,581,018		
		Buy USD 3,798,309 HSBC	224	0.13
		Sell EUR 5,318,071		
		Buy USD 5,786,857 J.P. Morgan	(199)	(0.12)
		Total Derivatives	197	0.11
Total value of investments³			175,968	100.44
Net other (liabilities)/assets (3.09%)			(765)	(0.44)
Net assets			175,203	100.00

March 2019 comparatives in brackets.

*Variable rate bonds.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	174,349	99.08
Floating rate notes	1,422	0.81
Derivatives	197	0.11
Total value of investments³	175,968	100.00

Threadneedle High Yield Bond Fund

Portfolio Statement

as at 7 March 2020

			Value £000	% of Net Asset Value				Value £000	% of Net Asset Value
Holding	Investment				Holding	Investment			
AUSTRALIA 0.00% (0.76%)					EUR	2,089,000	Faurecia 2.375% 15/06/2027	1,772	0.21
	BB 0.00% (0.76%)				EUR	1,243,000	Faurecia 3.125% 15/06/2026	1,085	0.13
	Total Australia		—	—	EUR	1,600,000	Orano 3.125% 20/03/2023	1,444	0.17
BELGIUM 0.85% (0.77%)					EUR	1,300,000	Orano 3.375% 23/04/2026	1,184	0.14
	BB+ 0.12% (0.30%)				EUR	1,150,000	Orano 3.5% 22/03/2021	1,021	0.12
EUR	1,100,000	*Solvay Finance Variable 04/03/2167	1,040	0.12	EUR	2,717,000	*Solvay Finance 5.118% 29/06/2049	2,478	0.29
	B+ 0.32% (0.00%)				EUR	4,381,000	*Solvay Finance 5.869% 29/06/2049	4,393	0.51
EUR	3,230,000	The House of Finance 4.375% 31/07/2036	2,713	0.32	EUR	3,254,000	SPCM 2.875% 15/06/2023	2,797	0.32
	Not Rated 0.41% (0.47%)						BB 0.56% (1.98%)		
EUR	3,900,000	*Belfius Bank 4.609% 29/12/2165	3,521	0.41	EUR	1,311,000	Getlink 3.625% 01/10/2023	1,165	0.13
	Total Belgium		7,274	0.85	EUR	2,500,000	SPIE 2.625% 18/06/2026	2,216	0.26
CANADA 0.52% (0.90%)					EUR	1,600,000	SPIE 3.125% 22/03/2024	1,463	0.17
	B 0.52% (0.46%)						Ba2 0.46% (0.48%)		
EUR	1,818,000	Cott Finance 5.5% 01/07/2024	1,633	0.19	EUR	1,700,000	Elis 1.875% 15/02/2023	1,492	0.17
EUR	3,236,000	Valeant Pharmaceuticals 4.5% 15/05/2023	2,803	0.33	EUR	2,700,000	Elis 2.875% 15/02/2026	2,494	0.29
	B- 0.00% (0.44%)						BB- 1.53% (0.96%)		
	Total Canada		4,436	0.52	EUR	1,962,000	Louvre Bidco SAS 4.25% 30/09/2024	1,724	0.20
CAYMAN ISLANDS 0.27% (0.27%)					EUR	1,620,000	*Louvre Bidco SAS FRN 30/09/2024	1,435	0.17
	BB 0.27% (0.27%)				EUR	4,328,000	Loxam SAS 3.25% 14/01/2025	3,706	0.43
EUR	300,000	UPCB Finance IV 4% 15/01/2027	238	0.03	EUR	2,534,000	Loxam SAS 3.75% 15/07/2026	2,217	0.26
EUR	2,357,000	UPCB Finance VII 3.625% 15/06/2029	2,084	0.24	EUR	1,574,000	Rexel 2.125% 15/06/2025	1,361	0.16
	Total Cayman Islands		2,322	0.27	EUR	3,016,000	Rexel 2.75% 15/06/2026	2,653	0.31
FINLAND 0.19% (0.19%)							B+ 0.18% (0.00%)		
	BB+ 0.19% (0.19%)				EUR	1,075,000	Kapla Holding 3.375% 15/12/2026	909	0.10
EUR	1,627,000	Nokia 2% 11/03/2026	1,443	0.17	EUR	824,000	Quatrim 5.875% 15/01/2024	713	0.08
EUR	200,000	Nokia 2% 11/03/2026 (Frankfurt Exchange)	177	0.02			B 3.95% (2.17%)		
	Total Finland		1,620	0.19	EUR	1,976,000	Altice France 2.5% 15/01/2025	1,647	0.19
FRANCE 11.48% (9.17%)					EUR	3,698,000	Altice France 3.375% 15/01/2028	3,085	0.36
	BBB- 0.72% (0.63%)				EUR	7,100,000	Altice France 5.875% 01/02/2027	6,602	0.77
EUR	1,416,000	*Credit Agricole Perpetual 6.5% 23/12/2049	1,300	0.15	EUR	1,036,000	Banijay Entertainment 3.5% 01/03/2025	906	0.10
EUR	660,000	*Orange 4% 26/10/2049	604	0.07	EUR	2,400,000	Casino Guichard 2.798% 05/08/2026	1,631	0.19
EUR	1,330,000	*Orange 5% 29/10/2049	1,394	0.16	EUR	3,000,000	Casino Guichard 4.498% 07/03/2024	2,198	0.26
EUR	3,200,000	*Orange Variable 15/04/2168	2,903	0.34	EUR	10,200,000	Casino Guichard-Perrachon 3.311% 25/01/2023	8,134	0.95
	BB+ 3.62% (2.87%)				EUR	1,000,000	Casino Guichard-Perrachon 3.58% 07/02/2025	684	0.08
EUR	890,000	Crown European Holdings 0.75% 15/02/2023	764	0.09	EUR	3,626,000	La Financiere Atalian 4% 15/05/2024	2,314	0.27
EUR	288,000	Crown European Holdings 2.25% 01/02/2023	260	0.03	EUR	2,634,000	La Financiere Atalian 5.125% 15/05/2025	1,683	0.20
EUR	5,325,000	Crown European Holdings 2.625% 30/09/2024	4,855	0.56	EUR	1,035,000	Loxam SAS 5.75% 15/07/2027	865	0.10
EUR	1,735,000	Crown European Holdings 2.875% 01/02/2026	1,605	0.19	EUR	4,275,000	Paprec Holding 4% 31/03/2025	3,360	0.39
EUR	300,000	Crown European Holdings 3.375% 15/05/2025	284	0.03	EUR	915,000	*Picard Groupe FRN 30/11/2023	753	0.09
EUR	112,000	Crown European Holdings 4% 15/07/2022	104	0.01			B- 0.13% (0.00%)		
EUR	3,100,000	Elis 1% 03/04/2025	2,629	0.31	EUR	1,800,000	Vallourec 2.25% 30/09/2024	1,128	0.13
EUR	1,200,000	Elis 1.625% 03/04/2028	1,033	0.12			CCC+ 0.33% (0.08%)		
EUR	3,800,000	Elis 1.75% 11/04/2024	3,340	0.39	EUR	2,538,000	Banijay Group 6.5% 01/03/2026	2,210	0.26
					EUR	675,000	Newco Sab Midco 5.375% 15/04/2025	597	0.07
							Total France	98,594	11.48
GERMANY 6.57% (8.06%)							BB+ 2.32% (3.10%)		
					EUR	2,648,000	ADLER Real Estate 1.5% 06/12/2021	2,314	0.27
					EUR	3,200,000	ADLER Real Estate 1.875% 27/04/2023	2,778	0.32
					EUR	4,260,000	ADLER Real Estate 2.125% 06/02/2024	3,725	0.43
					EUR	2,800,000	ADLER Real Estate 3% 27/04/2026	2,506	0.29

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
GERMANY 6.57% (8.06%) (continued)					EUR	3,961,000	Leonardo 4.5% 19/01/2021	3,555	0.41
EUR	4,700,000	Demire Deutsche Mittelstand Real Estate 1.875% 15/10/2024	4,060	0.47	EUR	483,000	Telecom Italia 2.375% 12/10/2027	434	0.05
EUR	1,445,000	IHO Verwaltungs PIK 3.625% 15/05/2025	1,232	0.14	EUR	5,450,000	Telecom Italia 2.5% 19/07/2023	4,991	0.58
EUR	1,490,069	IHO Verwaltungs PIK 3.75% 15/09/2026	1,267	0.15	EUR	4,780,000	Telecom Italia 2.75% 15/04/2025	4,378	0.51
EUR	2,247,000	*Lanxess Finance 4.5% 06/12/2076	2,100	0.25	EUR	1,300,000	Telecom Italia 2.875% 28/01/2026	1,199	0.14
		BB 0.00% (0.99%)			EUR	3,370,000	Telecom Italia 3.625% 25/05/2026	3,254	0.38
		Ba2 0.00% (0.65%)			EUR	5,758,000	Telecom Italia 4.5% 25/01/2021	5,191	0.61
		BB- 1.93% (1.69%)			EUR	1,300,000	Telecom Italia 5.25% 17/03/2055	1,362	0.16
EUR	4,090,000	Progroup 3% 31/03/2026	3,431	0.40	EUR	2,104,000	TIM 4% 11/04/2024	1,988	0.23
EUR	3,261,000	Thyssenkrupp 1.875% 06/03/2023	2,800	0.33	EUR	4,334,000	LKQ Italia Bondco 3.875% 01/04/2024	4,021	0.47
EUR	3,256,000	Thyssenkrupp 2.75% 08/03/2021	2,859	0.33	EUR	1,438,000	BB- 0.95% (1.02%)	1,195	0.14
EUR	4,817,000	Thyssenkrupp 2.875% 22/02/2024	4,179	0.49	EUR	1,340,000	Atlantia 1.625% 03/02/2025	1,116	0.13
EUR	3,727,000	Wepa Hygieneprodukte 2.875% 15/12/2027	3,265	0.38	EUR	1,032,000	Autostrade per L'Italia 1.125% 04/11/2021	871	0.10
EUR	2,812,000	B+ 0.28% (0.00%)			EUR	1,130,000	Autostrade per L'Italia 1.625% 12/06/2023	936	0.11
		Techem Verwaltungsgesellschaft 2% 15/07/2025	2,412	0.28	EUR	824,000	Autostrade per L'Italia 1.875% 04/11/2025	690	0.08
EUR	2,840,000	B 0.92% (1.14%)			EUR	3,870,000	Nexi 1.75% 31/10/2024	3,339	0.39
EUR	2,471,000	Cheplapharm Arzneimittel 3.5% 11/02/2027	2,437	0.28			B+ 0.00% (0.67%)		
EUR	4,418,000	Platin 5.375% 15/06/2023	1,947	0.23	EUR	3,619,000	B 0.35% (0.39%)		
		SGL Carbon 4.625% 30/09/2024	3,511	0.41			International Design Group 6.5% 15/11/2025	3,041	0.35
EUR	1,176,000	B3 0.11% (0.00%)	950	0.11			Total Italy	48,184	5.61
EUR	3,935,000	B- 0.67% (0.41%)	3,622	0.42	JAPAN 1.25% (1.33%)				
EUR	1,423,000	Consus Real Estate 9.625% 15/05/2024	1,311	0.15	EUR	246,000	BB+ 1.25% (1.33%)	220	0.03
EUR	1,005,000	Kirk Beauty Zero 6.25% 15/07/2022	841	0.10	EUR	1,443,000	SoftBank Group 4% 19/09/2029	1,321	0.15
		CCC+ 0.00% (0.08%)			EUR	450,000	SoftBank Group 5% 15/04/2028	429	0.05
		CCC 0.34% (0.00%)			EUR	9,175,000	SoftBank Group 5% 15/04/2028 (Berlin Exchange)	8,743	1.02
EUR	1,069,000	Kirk Beauty One 8.75% 15/07/2023	784	0.09			Total Japan	10,713	1.25
EUR	3,050,000	Safari Holdings 5.375% 30/11/2022	2,152	0.25	JERSEY 1.49% (2.34%)				
		Total GERMANY	56,483	6.57			BB+ 0.00% (0.54%)		
ISLE OF MAN 0.47% (0.44%)					EUR	5,100,000	BB 0.51% (0.49%)	4,392	0.51
EUR	2,729,000	Playtech 3.75% 12/10/2023	2,322	0.27			Ba2 0.72% (0.00%)		
EUR	2,076,000	Playtech 4.25% 07/03/2026	1,743	0.20	EUR	6,987,904	LHC Three PIK 4.125% 15/08/2024	6,159	0.72
		Total Isle of Man	4,065	0.47			(P)Ba2 0.00% (0.61%)		
ITALY 5.61% (6.19%)							B 0.26% (0.30%)		
EUR	283,000	BBB- 0.49% (0.51%)	281	0.03	GBP	1,470,000	CPUK Finance 4.25% 28/08/2022	1,440	0.17
GBP	2,180,000	*Enel 5.451% 10/01/2074	2,326	0.27	GBP	790,000	CPUK Finance 4.875% 28/08/2025	778	0.09
EUR	1,436,000	*Enel 6.625% 15/09/2076	1,329	0.16			B- 0.00% (0.40%)		
EUR	300,000	*Enel Variable 24/05/2080					Total Jersey	12,769	1.49
		*Enel Variable 24/05/2080 (Berlin Exchange)	278	0.03	LUXEMBOURG 9.77% (10.52%)				
EUR	1,390,000	BB+ 3.35% (3.15%)					BBB- 0.45% (0.53%)		
EUR	1,106,000	Finmeccanica 4.875% 24/03/25	1,429	0.17	EUR	4,300,000	*Grand City Properties 3.75% 29/12/2049	3,886	0.45
		Eur1000	980	0.11					
		Leonardo 1.5% 07/06/2024							

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
LUXEMBOURG 9.77% (10.52%) (continued)					CCC 0.08% (0.00%)				
		BB+ 2.23% (1.60%)			EUR	811,000	Swissport Financing 9% 14/02/2025	697	0.08
EUR	1,700,000	*CPI Property Group Variable 09/05/2167	1,523	0.18	Caa2 0.09% (0.00%)				
EUR	2,094,000	*CPI Property Group Variable 16/10/2167	1,914	0.22	EUR	2,743,000	Intralot Capital 5.25% 15/09/2024	766	0.09
EUR	2,261,000	Fiat Chrysler Finance Europe 4.75% 15/07/2022	2,135	0.25	Total Luxembourg				
EUR	2,708,000	Fiat Finance & Trade 4.75% 22/03/2021	2,464	0.29				83,952	9.77
EUR	1,804,000	Gestamp Funding Luxembourg 3.5% 15/05/2023	1,559	0.18	MEXICO 0.29% (0.22%)				
EUR	3,227,000	*Holcim Finance Variable 05/07/2167	2,889	0.34	EUR	300,000	Cemex 3.125% 19/03/2026	266	0.03
EUR	4,054,000	Lincoln Finance 3.625% 01/04/2024	3,461	0.40	USD	1,304,000	Cemex 7.75% 16/04/2026	1,077	0.12
EUR	2,469,000	Telecom Italia Finance 7.75% 24/01/2033	3,213	0.37	EUR	1,360,000	Cemex S.A.B. De C.V. 2.75% 05/12/2024	1,195	0.14
		BB 0.79% (1.12%)			Total Mexico				
EUR	2,992,000	Aramark International Finance 3.125% 01/04/2025	2,606	0.30				2,538	0.29
EUR	4,575,000	Hanesbrands 3.5% 15/06/2024	4,232	0.49	NETHERLANDS 15.43% (14.44%)				
		BB- 0.40% (0.39%)			BBB- 0.00% (1.13%)				
EUR	3,800,000	Telenet Finance VI Luxembourg 3.5% 01/03/2028	3,435	0.40	EUR	3,170,000	Ashland Services 2% 30/01/2028	2,645	0.31
		B+ 1.24% (1.74%)			EUR	5,593,000	Darling Global Finance 3.625% 15/05/2026	5,001	0.58
EUR	4,050,000	Garfunkelux 7.5% 01/08/2022	3,423	0.40	EUR	2,000,000	Fiat Chrysler Auto 3.75% 29/03/2024	1,863	0.22
GBP	2,387,000	Garfunkelux 8.5% 01/11/2022	2,306	0.27	EUR	4,467,000	Intertrust Group 3.375% 15/11/2025	3,945	0.46
EUR	1,300,000	Ineos Group Holdings 5.375% 01/08/2024	1,131	0.13	EUR	2,900,000	*Koninklijke KPN 08/02/2168	2,511	0.29
EUR	850,000	Matterhorn Telecom 2.625% 15/09/2024	750	0.09	GBP	2,978,000	*Koninklijke KPN 6.875% 14/03/2073	2,977	0.35
EUR	3,428,000	Matterhorn Telecom 3.125% 15/09/2026	2,975	0.35	EUR	3,852,000	PPF Arena 1 2.125% 31/01/2025	3,375	0.39
		B 2.24% (1.72%)			EUR	3,195,000	*Repsol International Finance 4.5% 25/03/2075	3,073	0.36
EUR	1,606,000	Altice Financing 2.25% 15/01/2025	1,336	0.16	EUR	7,200,000	*Telefonica Europe 3.75% 31/12/2049	6,499	0.76
EUR	9,874,000	Altice Financing 3% 15/01/2028	7,920	0.92	EUR	1,900,000	*Telefonica Europe 5.875% 31/03/2049	1,871	0.22
EUR	1,401,000	Cirsa Finance International 4.75% 22/05/2025	1,229	0.14	EUR	1,100,000	*Telefonica Europe Perpetual 3% 04/12/2066	974	0.11
EUR	1,929,000	Cirsa Finance International 6.25% 20/12/2023	1,714	0.20	EUR	8,400,000	*Telefonica Europe Perpetual 3.875% 22/09/2066	7,856	0.91
EUR	1,866,000	*Group Ecore Holdings SAS FRN 15/11/2023	1,303	0.15	EUR	7,200,000	*Telefonica Europe Variable 14/03/2168	6,844	0.80
EUR	1,741,000	LSF 10 Wolverine Investments 5% 15/03/2024	1,529	0.18	EUR	1,800,000	*Telefonica Europe Variable 24/09/2168	1,591	0.18
EUR	1,105,000	*LSF 10 Wolverine Investments FRN 15/03/2024	723	0.08	EUR	6,421,000	*Tennet Holding Variable 2.995% 01/06/2167	5,877	0.68
EUR	3,794,000	Rossini 6.75% 30/10/2025	3,560	0.41					
		B- 1.02% (2.30%)			BB 3.53% (3.26%)				
EUR	2,630,000	Altice 6.25% 15/02/2025	785	0.09	EUR	1,623,000	Dufry One 2% 15/02/2027	1,280	0.15
EUR	4,475,000	*ARD Finance 5% PIK 30/06/2027	3,859	0.45	EUR	1,795,000	Dufry One 2.5% 15/10/2024	1,484	0.17
EUR	1,661,000	Codere Finance 2 (Luxembourg) 6.75% 01/11/2021	1,156	0.14	EUR	6,757,000	InterXion Holding 4.75% 15/06/2025	6,251	0.73
EUR	2,675,000	Swissport Financing 5.25% 14/08/2024	2,275	0.27	EUR	3,559,000	LKQ European Holdings 3.625% 01/04/2026	3,152	0.37
EUR	805,000	Takko Luxembourg 2 5.375% 15/11/2023	606	0.07	EUR	400,000	LKQ European Holdings 4.125% 01/04/2028	365	0.04
		CCC+ 1.23% (1.12%)			EUR	2,536,000	OCI 3.125% 01/11/2024	2,199	0.26
EUR	2,113,000	Ypso Finance Bis 4% 15/02/2028	1,667	0.19	EUR	9,375,000	Teva Pharmaceutical Finance 1.125% 15/10/2024	7,105	0.83
EUR	9,441,000	Ypso Finance Bis 8% 15/05/2027	8,925	1.04	EUR	4,122,000	Teva Pharmaceutical Finance 1.25% 31/03/2023	3,244	0.38
					EUR	1,515,000	Teva Pharmaceutical Finance 1.625% 15/10/2028	1,013	0.12
					EUR	1,400,000	Teva Pharmaceutical Finance 1.875% 31/03/2027	994	0.12
					EUR	1,775,000	Teva Pharmaceutical Finance Netherlands 3.25% 15/04/2022	1,502	0.17
					EUR	1,960,000	Teva Pharmaceutical Finance Netherlands 4.5% 01/03/2025	1,660	0.19

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 15.43% (14.44%) (continued)					REPUBLIC OF IRELAND 7.29% (9.49%)				
		BB– 1.69% (1.97%)					BB+ 0.87% (0.49%)		
EUR	2,275,000	Axalta Coating Systems 3.75% 15/01/2025	1,991	0.23	EUR	3,792,000	Smurfit Kappa Acquisitions 2.875% 15/01/2026 (Frankfurt Exchange)	3,542	0.41
EUR	100,000	OI European Group 3.125% 15/11/2024	91	0.01	EUR	4,555,000	Smurfit Kappa Treasury 1.5% 15/09/2027	3,935	0.46
EUR	2,483,000	Petrobras Global Finance 4.75% 14/01/2025	2,436	0.28			BB 0.72% (0.78%)		
GBP	1,688,000	Petrobras Global Finance 6.625% 16/01/2034	2,046	0.24	EUR	3,654,000	Ardagh Packaging Finance 2.75% 15/03/2024	3,167	0.37
GBP	1,921,000	Petrobras International Finance 6.25% 14/12/2026	2,270	0.26	EUR	3,310,000	James Hardie International Finance 3.625% 01/10/2026	3,006	0.35
EUR	1,834,000	Q–Park Holding 1.5% 01/03/2025	1,586	0.18			BB– 0.28% (0.33%)		
EUR	4,828,000	Q–Park Holding 2% 01/03/2027	4,179	0.49	EUR	2,722,000	*Bank of Ireland 7.375% 29/12/2049	2,397	0.28
		B+ 1.03% (0.86%)					B+ 1.17% (0.36%)		
GBP	3,989,000	InterGen 7.5% 30/06/2021	3,922	0.46	EUR	5,246,000	Eircom Finance 2.625% 15/02/2027	4,484	0.52
EUR	1,808,000	Trivium Packaging Finance 3.75% 15/08/2026	1,598	0.19	EUR	6,268,000	Eircom Finance 3.5% 15/05/2026	5,603	0.65
EUR	1,755,000	Ziggo 2.875% 15/01/2030	1,504	0.17			B 0.29% (1.08%)		
EUR	2,235,000	Ziggo Secured Finance 4.25% 15/01/2027	1,819	0.21	GBP	650,000	Ardagh Packaging Finance 4.75% 15/07/2027	665	0.08
		B 1.50% (0.28%)			GBP	1,782,000	Virgin Media 5.5% 15/09/2024	1,819	0.21
EUR	3,982,000	Constellium 4.25% 15/02/2026	3,483	0.41			(P)B– 0.08% (0.00%)		
EUR	3,515,000	United Group 3.125% 15/02/2026	2,942	0.34	EUR	927,000	Motion Bondco 4.5% 15/11/2027	730	0.08
EUR	3,435,000	United Group 3.625% 15/02/2028	2,869	0.33			Liquidity Funds 3.88% (6.45%)¹		
EUR	290,000	United Group 4.875% GTD 01/07/2024	258	0.03	EUR	40,262	BlackRock Institutional Cash Series Euro Liquidity Platinum	3,490	0.41
EUR	1,737,000	United Group 4.875% SNR 01/07/2024	1,541	0.18	GBP	18,247,161	BlackRock Institutional Cash Series Sterling Liquidity Platinum	18,247	2.12
EUR	2,095,000	UPC Holding 3.875% 15/06/2029	1,833	0.21	USD	2,027,819	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	1,559	0.18
		B– 0.76% (1.12%)			GBP	10,012,085	Insight Liquidity Funds – ILF GBP Liquidity Class 3	10,012	1.17
EUR	2,590,000	*Summer BidCo 9% PIK 16/11/2025	2,349	0.27			Total Republic of Ireland	62,656	7.29
EUR	2,183,120	Summer BidCo 9% PIK 17/11/2025	1,989	0.23	ROMANIA 0.29% (0.00%)				
EUR	2,557,000	VZ Vendor Financing 2.5% 31/01/2024	2,193	0.26			BB– 0.29% (0.00%)		
		Not Rated 0.30% (0.27%)			EUR	3,000,000	RCS & RDS 3.25% 05/02/2028	2,492	0.29
EUR	1,590,000	Boats Investments Netherlands PIK 11% 31/03/2017 (Defaulted)	923	0.11			Total Romania	2,492	0.29
USD	153,626	OSX 3 Leasing (2003/15) Perpetual	–	–	SPAIN 2.19% (1.10%)				
USD	153,626	OSX 3 Leasing (2012/14) Perpetual	–	–			BB+ 1.42% (0.56%)		
USD	4,726,969	OSX 3 Leasing 13% 20/03/2015 (Defaulted)	1,603	0.19	EUR	700,000	Cellnex Telecom 1% 20/04/2027	600	0.07
		Total Netherlands	132,576	15.43	EUR	5,200,000	Cellnex Telecom 2.375% 16/01/2024	4,805	0.56
PORTUGAL 0.79% (0.36%)					EUR	1,700,000	Cellnex Telecom 2.875% 18/04/2025	1,623	0.19
		BB 0.51% (0.00%)			EUR	2,500,000	Grifols 1.625% 15/02/2025	2,187	0.25
EUR	5,000,000	*Energias de Portugal Variable 20/07/2080	4,252	0.50	EUR	3,361,000	Grifols 2.25% 15/11/2027	2,987	0.35
EUR	100,000	*Energias de Portugal Variable 30/04/2079	96	0.01			B+ 0.34% 0.33%)		
		Not Rated 0.28% (0.36%)			EUR	3,311,000	Grifols 3.2% 01/05/2025	2,910	0.34
EUR	1,100,000	Banco Espirito 2.625% 08/05/2017 (Defaulted)	170	0.02			B 0.28% (0.00%)		
EUR	8,600,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	1,893	0.22	EUR	2,776,000	Tasty Bondco 1 6.25% 15/05/2026	2,366	0.28
EUR	1,600,000	Banco Espirito Santo 4.75% 15/01/2018 (Defaulted)	356	0.04			CCC 0.00% (0.21%)		
		Total Portugal	6,767	0.79					

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
SPAIN 2.19% (1.10%) (continued)					GBP	1,500,000	*Lloyds Bank 13% 29/01/2049	2,694	0.31
CC 0.15% (0.00%)					GBP	1,820,000	Travis Perkins 4.5% 07/09/2023	1,894	0.22
EUR	1,800,000	Distribuidora Internacional de Alimentación 1% 28/04/2021	1,303	0.15	EUR	6,474,000	*Vodafone Group Variable 03/01/2079	5,832	0.68
Total Spain					USD	2,491,000	*Vodafone Group Variable 04/04/2079	2,218	0.26
SWEDEN 1.57% (0.84%)					EUR	2,645,000	*Vodafone Group Variable 4.2% 03/10/2078	2,567	0.30
BB+ 1.57% (0.84%)					GBP	1,983,000	*Vodafone Group Variable 4.875% 03/10/2078	2,128	0.25
EUR	6,217,000	*Akelius Residential FRN 05/10/2078	5,633	0.66	USD	3,984,000	*Vodafone Group Variable 6.25% 03/10/2078	3,341	0.39
EUR	4,723,000	Intrum 3.5% 15/07/2026	3,960	0.46	BB 2.70% (2.84%)				
EUR	1,745,000	Volvo Car 2% 24/01/2025	1,537	0.18	EUR	2,861,000	Ardagh Packaging Finance 2.125% 15/08/2026	2,490	0.29
EUR	2,648,000	Volvo Car 2.125% 02/04/2024	2,367	0.27	GBP	5,338,000	Arrow Global Finance 5.125% 15/09/2024 Callable	5,317	0.62
Total Sweden					GBP	1,690,000	Co-operative Group 5.125% 17/05/2024	1,773	0.21
SWITZERLAND 0.95% (1.66%)					GBP	1,968,000	*Co-operative Group 6.25% 08/07/2026	2,199	0.26
BBB+ 0.06% (0.17%)					EUR	2,489,000	EC Finance 2.375% 15/11/2022 (FWB)	2,119	0.25
USD	620,000	UBS 5.125% 15/05/2024	516	0.06	EUR	762,000	EC Finance 2.375% 15/11/2022 (Lux)	649	0.08
BBB 0.48% (0.79%)					GBP	3,142,000	Pinewood 3.25% 30/09/2025	3,171	0.37
EUR	1,053,000	*Credit Suisse 5.75% 18/09/2025	944	0.11	GBP	1,755,000	William Hill 4.75% 01/05/2026	1,806	0.21
USD	3,700,000	Credit Suisse 6.5% 08/08/2023	3,192	0.37	GBP	3,399,000	William Hill 4.875% 07/09/2023	3,553	0.41
BB+ 0.41% (0.67%)					BB- 3.17% (3.72%)				
EUR	3,760,000	*UBS Group 5.75% 29/12/2049	3,490	0.41	GBP	1,570,000	El Group 6.875% 15/02/2021	1,561	0.18
BB 0.00% (0.03%)					GBP	8,626,000	Iron Mountain UK 3.875% 15/11/2025	8,741	1.02
Total Switzerland					GBP	1,520,000	Miller Homes Group Holdings 5.5% 15/10/2024	1,565	0.18
UNITED KINGDOM 17.29% (17.19%)					USD	1,159,000	Neptune Energy Bondco 6.625% 15/05/2025	824	0.10
Baa2 0.49% (0.55%)					GBP	2,158,000	TalkTalk Telecom Group 3.875% 20/02/2025	2,140	0.25
GBP	2,574,000	Santander UK 10.0625% 29/10/2049	4,196	0.49	EUR	2,965,000	Victoria 5.25% 15/07/2024 (London Listing)	2,565	0.30
BBB- 1.41% (0.00%)					GBP	1,665,000	Virgin Media 4.875% 15/01/2027	1,682	0.20
GBP	2,100,000	GKN Holdings 4.625% 15/05/2032	2,210	0.26	GBP	1,325,000	Virgin Media Secured Finance 4.25% 15/01/2030	1,322	0.15
EUR	741,000	OTE 0.875% 24/09/2026	639	0.07	GBP	5,377,000	Virgin Media Secured Finance 5% 15/04/2027	5,568	0.65
EUR	1,420,000	OTE 3.5% 09/07/2020	1,236	0.14	GBP	1,107,000	Virgin Media Secured Finance 5.25% 15/05/2029	1,169	0.14
GBP	64,000	Tesco 6.125% 24/02/2022	70	0.01	Ba3 0.27% (0.00%)				
EUR	2,000,000	Tesco Corporate Treasury Services 1.375% 24/10/2023	1,815	0.21	GBP	940,000	Heathrow Finance 3.875% 01/03/2027	930	0.11
EUR	700,000	Tesco Corporate Treasury Services 2.5% 01/07/2024	663	0.08	GBP	1,370,000	Heathrow Finance 4.125% 01/09/2029	1,358	0.16
GBP	1,279,000	Tesco Corporate Treasury Services 2.5% 02/05/2025	1,333	0.16	B+ 0.81% (0.70%)				
GBP	1,223,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,587	0.18	EUR	130,000	Jaguar Land Rover Automotive 2.2% 15/01/2024	92	0.01
GBP	1,039,000	Tesco Property Finance 3 5.744% 13/04/2040	1,352	0.16	GBP	1,465,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	1,441	0.17
GBP	916,000	Tesco Property Finance 5.5% 13/10/2041	1,216	0.14	GBP	4,376,000	Jaguar Land Rover Automotive 3.875% 01/03/2023	3,985	0.46
BB+ 3.93% (3.94%)					EUR	1,522,000	Jaguar Land Rover Automotive 5.875% 15/11/2024	1,256	0.15
GBP	882,000	Drax Finco 4.25% 01/05/2022	883	0.10	EUR	197,000	Jaguar Land Rover Automotive 6.875% 15/11/2026	163	0.02
EUR	4,034,000	Ineos Finance 2.875% 01/05/2026	3,387	0.39	B1 0.00% (0.63%)				
EUR	5,874,000	International Game Technology 2.375% 15/04/2028	4,734	0.55					
EUR	2,278,000	International Game Technology 3.5% 15/06/2026	2,004	0.23					
EUR	1,145,000	International Game Technology 3.5% 15/07/2024	1,021	0.12					
EUR	1,180,000	International Game Technology 4.75% 15/02/2023	1,079	0.13					

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value					
UNITED KINGDOM 17.29% (17.19%) (continued)					EUR	5,215,000	Silgan Holdings 3.25% 15/03/2025	4,565	0.53
B 1.67% (1.98%)									
EUR	1,525,000	EG Global Finance 3.625% 07/02/2024	1,212	0.14					
EUR	1,679,000	EG Global Finance 4.375% 07/02/2025	1,329	0.15	EUR	2,070,000	Axalta Coating Systems 4.25% 15/08/2024	1,823	0.21
EUR	5,084,000	EG Global Finance 6.25% 30/10/2025	4,246	0.49					
GBP	2,207,000	Ei Group 7.5% 15/03/2024	2,339	0.27	EUR	200,000	Iron Mountain 3% 15/01/2025	176	0.02
GBP	4,742,000	Pinnacle Bidco 6.375% 15/02/2025	4,742	0.55	EUR	7,588,000	Netflix 3.625% 15/05/2027	7,007	0.82
EUR	700,000	Virgin Media Finance 4.5% 15/01/2025	615	0.07	EUR	3,847,000	Netflix 3.625% 15/06/2030	3,486	0.41
					EUR	6,636,000	Netflix 3.875% 15/11/2029	6,116	0.71
					EUR	5,985,000	Netflix 4.625% 15/05/2029	5,839	0.68
B2 0.40% (0.76%)									
GBP	3,297,000	Arqiva Broadcast Finance 6.75% 30/09/2023	3,462	0.40					
					EUR	8,472,000	Avantor 4.75% 01/10/2024	7,696	0.90
B- 1.56% (1.23%)					USD	705,000	Catalent Pharma Solution 5% 15/07/2027	566	0.07
EUR	3,199,000	Algeco Scotsman 6.5% 15/02/2023	2,655	0.31					
USD	6,949,001	EnQuest PIK 7% 15/04/2022	4,380	0.51	EUR	6,547,000	Catalent Pharma Solutions 2.375% 01/03/2028	5,610	0.65
GBP	3,561,000	*Stonegate Pub Company Financing FRN 15/03/2022	3,552	0.41	EUR	2,909,000	Chemours 4% 15/05/2026	2,193	0.26
EUR	3,140,000	Synlab 8.25% 01/07/2023	2,835	0.33	EUR	5,851,000	Spectrum Brands 4% 01/10/2026	5,239	0.61
B3 0.66% (0.67%)									
GBP	3,007,000	KIRS Midco 3 8.375% 15/07/2023	3,008	0.35	USD	1,000,000	Cott Holdings 5.5% 01/04/2025	796	0.09
GBP	2,965,000	Shop Direct Funding 7.75% 15/11/2022	2,683	0.31	EUR	5,750,000	Financial & Risk US Holdings 4.5% 15/05/2026	5,325	0.62
CCC+ 0.13% (0.17%)									
GBP	1,736,000	Boparan Finance 5.5% 15/07/2021	1,157	0.13					
Not rated 0.09% (0.00%)					EUR	3,782,000	Financial & Risk US Holdings 6.875% 15/11/2026	3,696	0.43
EUR	926,000	Victoria 5.25% 15/07/2024	803	0.09					
USD	651	NV Profit Share Preference Share	—	—					
Total United Kingdom			148,556	17.29	DERIVATIVES -3.75% (2.11%)				
UNITED STATES OF AMERICA 13.69% (10.32%)					Credit Default Swaps 0.00% (0.16%)				
BBB- 2.51% (1.72%)					Forward Foreign Exchange Contracts -3.75% (1.95%)				
EUR	3,200,000	Berry Global 1% 15/01/2025	2,718	0.32			Sell GBP 8,683,460		
EUR	1,376,000	Berry Global 1.5% 15/01/2027	1,177	0.14			Buy EUR 10,000,000 UBS	31	—
EUR	6,825,000	Equinix 2.875% 01/02/2026	6,117	0.71			Sell GBP 17,410,754		
EUR	6,405,000	Equinix 2.875% 01/10/2025	5,702	0.66			Buy EUR 20,000,000 Barclays	18	—
USD	1,375,000	Equinix 5.375% 15/05/2027	1,142	0.13			Sell GBP 3,020,677		
GBP	867,000	MPT Operating Partnership 2.55% 05/12/2023	890	0.10			Buy EUR 3,612,263 Citigroup	127	0.01
EUR	1,781,000	MPT Operating Partnership 3.325% 24/03/2025	1,710	0.20			Sell GBP 3,059,031		
GBP	2,005,000	MPT Operating Partnership 3.692% 05/06/2028	2,145	0.25			Buy EUR 3,672,156 Lloyds	141	0.02
							Sell GBP 3,916,185		
							Buy EUR 4,621,147 Citigroup	111	0.01
							Sell GBP 4,185,510		
							Buy EUR 5,000,000 Lloyds	172	0.02
							Sell GBP 5,538,342		
EUR	1,574,000	Ball Corporation 0.875% 15/03/2024	1,352	0.16			Buy EUR 6,470,895 Goldman Sachs	101	0.01
EUR	2,727,000	Ball Corporation 1.5% 15/03/2027	2,352	0.27			Sell GBP 6,466,907		
EUR	1,900,000	Ball Corporation 4.375% 15/12/2023	1,849	0.21			Buy EUR 7,444,667 Credit Suisse	21	—
EUR	2,528,000	Colfax 3.25% 15/05/2025	2,216	0.26			Sell EUR 2,000,000		
EUR	650,000	Kraft Heinz Foods 2.25% 25/05/2028	581	0.07			Buy GBP 1,679,036 Lloyds	(64)	(0.01)
USD	5,230,000	Kraft Heinz Foods 4.625% 30/01/2029	4,523	0.53			Sell USD 132,265		
							Buy GBP 102,414 Lloyds	1	—
							Sell USD 155,541		
EUR	3,338,000	UGI International 3.25% 01/11/2025	3,007	0.35			Buy GBP 121,700 J.P. Morgan	2	—
							Sell USD 3,000,000		
							Buy GBP 2,326,542 Barclays	21	—
EUR	3,895,000	Cemex Finance 4.625% 15/06/2024	3,454	0.40			Sell USD 31,316,638		
EUR	5,852,000	IQVIA 2.25% 15/01/2028	5,057	0.59			Buy GBP 23,985,993 J.P. Morgan	(78)	(0.01)
EUR	10,430,000	IQVIA 3.25% 15/03/2025	9,139	1.06			Sell EUR 280,000,000		
EUR	1,337,000	Quintiles IMS 3.5% 15/10/2024	1,168	0.14			Buy GBP 233,216,760 UBS	(10,781)	(1.25)
EUR	1,327,000	Silgan Holdings 2.25% 01/06/2028	1,143	0.13			Sell EUR 280,000,000		

Threadneedle High Yield Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES –3.75% (2.11%) (continued)			
	Buy GBP 233,261,000 Royal Bank of Scotland	(10,737)	(1.25)
	Sell EUR 283,296,168		
	Buy GBP 236,010,157 Barclays	(10,860)	(1.26)
	Sell EUR 4,672,182		
	Buy GBP 3,876,496 Lloyds	(195)	(0.02)
	Sell USD 488,996		
	Buy GBP 382,178 Citigroup	6	–
	Sell EUR 5,000,000		
	Buy GBP 4,204,215 UBS	(153)	(0.02)
	Sell EUR 6,147,250		
	Buy GBP 5,352,761 Lloyds	(4)	–
	Sell USD 927,251		
	Buy GBP 710,938 Royal Bank of Scotland	(2)	–
	Sell GBP 143,943		
	Buy USD 186,657 Lloyds	(1)	–
	Sell GBP 149,192		
	Buy USD 193,707 Lloyds2	–	–
	Sell GBP 18,161		
	Buy USD 23,248 J.P. Morgan2	–	–
	Sell GBP 190,899		
	Buy USD 246,618 Royal Bank of Scotland	(1)	–
	Sell GBP 205,190		
	Buy USD 262,001 Lloyds	(4)	–
	Sell GBP 6,339,318		
	Buy USD 8,187,325 J.P. Morgan	(50)	–
	Sell GBP 67,705		
	Buy USD 87,453 Lloyds2	–	–
	Total Derivatives	(32,178)	(3.75)
Total value of investments³		811,814	94.50
Net other assets (1.33%)		47,259	5.50
Net assets		859,073	100.00

March 2019 comparatives in brackets.

*Variable rate bonds.

(P) refers to provisional rating.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	717,995	88.44
Floating rate notes	125,997	15.52
Derivatives	(32,178)	(3.96)
Total value of investments³	811,814	100.00

Threadneedle Global Select Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BELGIUM 0.00% (0.79%)				GERMANY 1.38% (2.47%)			
	Beverages 0.00% (0.79%)				Electronic & Electrical Equipment 0.00% (0.54%)		
	Total Belgium	–	–		Personal Goods 1.38% (1.93%)		
BERMUDA 0.00% (1.04%)				65,017	Adidas	13,584	1.38
	Financial Services 0.00% (1.04%)				Total Germany	13,584	1.38
	Total Bermuda	–	–				
CANADA 0.97% (1.51%)				HONG KONG 0.91% (1.99%)			
	Oil & Gas Producers 0.97% (1.51%)				Life Insurance 0.91% (1.99%)		
481,390	Suncor Energy (USD)	9,601	0.97	1,200,200	AIA Group	9,021	0.91
	Total Canada	9,601	0.97		Total Hong Kong	9,021	0.91
CAYMAN ISLANDS 3.32% (6.59%)				INDIA 1.77% (1.90%)			
	Support Services 0.00% (0.85%)				Banks 1.77% (1.90%)		
	General Retailers 1.81% (3.41%)			1,478,208	HDFC Bank	17,454	1.77
110,061	Alibaba Group ADR	17,884	1.81		Total India	17,454	1.77
	Software & Computer Services 1.51% (2.33%)			INDONESIA 0.00% (2.21%)			
379,700	Tencent Holdings	14,863	1.51		Banks 0.00% (2.21%)		
	Total Cayman Islands	32,747	3.32		Total Indonesia	–	–
CHINA 1.87% (2.60%)				JAPAN 4.77% (1.90%)			
	Travel & Leisure 0.47% (0.00%)				Electronic & Electrical Equipment 1.12% (0.93%)		
145,335	Luckin Coffee	4,592	0.47	45,200	Keyence	11,106	1.12
	Life Insurance 1.40% (2.60%)				Leisure Goods 3.00% (0.97%)		
1,598,000	Ping An Insurance Group	13,860	1.40	47,800	Nintendo	13,050	1.32
	Total China	18,452	1.87	339,200	Sony	16,598	1.68
DENMARK 1.29% (0.97%)					Technology Hardware & Equipment 0.65% (0.00%)		
	Pharmaceuticals & Biotechnology 1.29% (0.97%)			128,200	Rohm	6,411	0.65
265,677	Novo Nordisk	12,782	1.29		Total Japan	47,165	4.77
	Total Denmark	12,782	1.29	NETHERLANDS 3.78% (0.00%)			
FINLAND 1.12% (0.00%)					Chemicals 1.19% (0.00%)		
	Forestry & Paper 1.12% (0.00%)			206,484	LyondellBasell Industries	11,729	1.19
482,885	UPM	11,096	1.12		Aerospace & Defence 0.80% (0.00%)		
	Total Finland	11,096	1.12	89,308	Airbus	7,890	0.80
FRANCE 3.24% (3.25%)					Banks 1.11% (0.00%)		
	Beverages 1.19% (1.03%)			1,679,446	ING Groep	10,934	1.11
90,841	Pernod Ricard	11,755	1.19		Technology Hardware & Equipment 0.68% (0.00%)		
	Personal Goods 0.94% (1.02%)			76,132	NXP Semiconductors	6,745	0.68
29,778	LVMH Moet Hennessy Vuitton	9,293	0.94		Total Netherlands	37,298	3.78
	Health Care Equipment & Services 1.11% (1.20%)			REPUBLIC OF IRELAND 8.21% (4.17%)			
102,684	Essilor International	10,979	1.11		Construction & Materials 1.38% (1.56%)		
	Total France	32,027	3.24	513,056	CRH (Dublin Listing)	13,631	1.38
					Industrial Engineering 1.20% (1.56%)		
				136,644	Trane Technologies	11,808	1.20
					Liquidity Funds 4.42% (1.05%) ¹		
				56,767,444	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	43,630	4.42
					Health Care Equipment & Services 1.21% (0.00%)		
				155,968	Medtronic	12,004	1.21
					Total Republic of Ireland	81,073	8.21

(continued)

				% of					
	Holding	Investment	Value £000	Net Asset Value		Holding	Investment	Value £000	Net Asset Value
SOUTH KOREA	2.54% (0.00%)					Industrial Transportation 1.39% (2.18%)			
		Technology Hardware & Equipment	2.54% (0.00%)		115,341	Union Pacific	13,735	1.39	
	690,126	Samsung Electronics	25,136	2.54					
		Total South Korea	25,136	2.54	93,678	Fidelity National Information Services	10,279	1.04	
SPAIN	0.56% (1.13%)					Support Services 1.92% (0.58%)			
		General Retailers	0.56% (1.13%)		122,046	TransUnion	8,682	0.88	
	235,648	Inditex	5,520	0.56					
		Total Spain	5,520	0.56	360,721	Activision Blizzard	17,056	1.73	
SWITZERLAND	0.86% (2.18%)					Leisure Goods 2.84% (0.67%)			
		Electronic & Electrical Equipment	0.86% (0.99%)		129,276	Electronic Arts	10,949	1.11	
	136,052	TE Connectivity	8,509	0.86					
		Total Switzerland	8,509	0.86	65,678	Estee Lauder Companies Class A	9,572	0.97	
UNITED KINGDOM	6.92% (7.51%)					Personal Goods 0.97% (1.60%)			
		Mining	0.00% (1.72%)						
		Support Services	0.95% (0.00%)		155,259	Baxter International	10,458	1.06	
	137,901	Ferguson	9,344	0.95	428,562	Centene	19,664	1.99	
	0.96% (0.00%)					Health Care Equipment & Services 6.82% (7.86%)			
	346,136	Diageo	9,470	0.96	50,874	Cooper Cos	12,717	1.29	
		Household Goods & Home Construction	1.05% (0.00%)		69,570	Stryker	10,133	1.03	
	171,187	Reckitt Benckiser Group	10,362	1.05	65,960	UnitedHealth Group	14,349	1.45	
	1.39% (2.14%)					Pharmaceuticals & Biotechnology 4.63% (4.81%)			
	309,051	Unilever	13,688	1.39	229,594	Gilead Sciences	13,434	1.36	
		Media	1.47% (2.22%)		58,029	Illumina	12,312	1.25	
	797,350	RELX (UK Listing)	14,572	1.47	109,582	Vertex Pharmaceuticals	19,987	2.02	
	1.10% (1.43%)					General Retailers 5.07% (3.45%)			
	65,035	Aon	10,829	1.10	24,098	Amazon.com	35,635	3.61	
		Total United Kingdom	68,265	6.92	356,898	Service Corporate International	14,450	1.46	
UNITED STATES OF AMERICA	55.99% (56.89%)					Media 1.45% (1.14%)			
		Oil & Gas Producers	0.74% (2.64%)		456,581	Comcast Corporation	14,307	1.45	
	153,960	EOG Resources	7,320	0.74					
		Oil Equipment, Services & Distribution	0.00% (2.25%)		39,822	FPL Group	8,453	0.86	
	1.15% (1.82%)					Electricity 0.86% (0.00%)			
	74,520	ECOLAB	11,397	1.15					
		Construction & Materials	0.80% (0.00%)		150,499	JPMorgan Chase	13,186	1.34	
	95,534	Trex Company	7,950	0.80	261,515	Wells Fargo	7,821	0.79	
	0.96% (1.11%)					Banks 2.13% (2.41%)			
	132,156	Amphenol	9,490	0.96	32,699	Equinix	15,498	1.57	
		Industrial Engineering	0.25% (0.00%)						
	120,574	Ingersoll-Rand	2,486	0.25					
	2.38% (2.44%)					Financial Services 7.24% (8.40%)			
					85,991	CME Group	14,661	1.48	
					110,719	MasterCard Class A	24,721	2.50	
					33,334	S&P Global	7,132	0.72	
	2.38% (2.44%)					Software & Computer Services 12.82% (11.80%)			
					174,506	Visa 'A' Shares	25,058	2.54	
					66,705	Adobe Systems	17,995	1.82	
					42,815	Alphabet Class A	43,264	4.38	
	2.38% (2.44%)					Technology Hardware & Equipment 2.38% (2.44%)			
					3,159	Alphabet Class C	3,200	0.32	
					143,830	Facebook	20,452	2.07	
					326,860	Microsoft	41,760	4.23	
	2.38% (2.44%)					Technology Hardware & Equipment 2.38% (2.44%)			
					35,885	Lam Research	8,250	0.84	
					72,607	Nvidia	15,250	1.54	
						Total United States of America	553,063	55.99	

Threadneedle Global Select Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (0.00%)			
	Forward Foreign Exchange Contracts 0.00% (0.00%)		
	Sell USD 802,000		
	Buy GBP 625,070 Barclays	9	—
	Sell GBP 1,205,506		
	Buy USD 1,545,000 Royal Bank of Scotland	(18)	—
	Total Derivatives	(9)	—
<hr/>			
Total value of investments²		982,784	99.50
<hr/>			
Net other assets (0.90%)		4,929	0.50
<hr/>			
Net assets		987,713	100.00
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March 2019 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalent.

Threadneedle Global Bond Fund

Portfolio Statement

as at 7 March 2020

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.10% (1.62%)					GERMANY 0.00% (0.99%)				
		Aaa 0.48% (0.71%)					Aaa 0.00% (0.99%)		
AUD	2,200,000	Australia Government Bond 2.25% 21/11/2022	1,181	0.25			Total Germany	—	—
AUD	1,500,000	Australia Government Bond 3% 21/03/2047	1,059	0.23					
		AA+ 0.62% (0.91%)			ITALY 3.73% (4.44%)				
AUD	3,550,000	Queensland Treasury 6.5% 14/03/2033	2,919	0.62	EUR	950,000	Buoni Poliennali Del Tesoro 4.75% 01/09/2044	1,275	0.27
		Total Australia	5,159	1.10	EUR	8,435,000	Italy Government Bond 2.7% 01/03/2047	8,449	1.81
BELGIUM 0.74% (0.71%)							Not Rated 1.65% (1.03%)		
		Not Rated 0.74% (0.71%)			EUR	6,075,000	Buoni Poliennali Del Tesoro 1.45% 01/03/2036	5,231	1.12
EUR	2,875,000	Belgium Government Bond 1.7% 22/06/2050	3,453	0.74	EUR	2,900,000	Buoni Poliennali Del Tesoro 1.45% 01/03/2036 (Frankfurt Exchange)	2,497	0.53
		Total Belgium	3,453	0.74			Total Italy	17,452	3.73
BRITISH VIRGIN ISLANDS 0.50% (0.58%)					JAPAN 10.23% (8.74%)				
		A+ 0.50% (0.58%)					AA- 0.26% (0.30%)		
USD	3,000,000	Sinopec Group 2% 29/09/2021	2,329	0.50	USD	1,550,000	Japan Tobacco 2% 13/04/2021	1,201	0.26
		Total British Virgin Islands	2,329	0.50			A1 9.97% (6.77%)		
CANADA 3.45% (6.92%)					JPY	2,490,650,000	Japan Government 0.2% 20/06/2036	18,458	3.94
		AAA 2.06% (5.48%)			JPY	1,158,000,000	Japan Government 0.4% 20/03/2056	8,672	1.85
USD	3,020,000	Canada Government 2.625% 25/01/2022	2,409	0.51	JPY	530,200,000	Japan Government 0.5% 20/03/2059	4,105	0.87
CAD	1,925,000	Canada Housing Trust 1.75% 15/06/2030	1,156	0.25	JPY	1,283,250,000	Japan Government 0.7% 20/12/2048	10,388	2.22
USD	3,000,000	CDP Financial 3.15% 24/07/2024	2,525	0.54	JPY	594,950,000	Japan Government 2.1% 20/03/2027	5,095	1.09
USD	4,500,000	CPPIB Capital 2.25% 25/01/2022	3,559	0.76			Not Rated 0.00% (1.67%)		
		AA 0.35% (0.00%)					Total Japan	47,919	10.23
CAD	2,700,000	City of Toronto Canada 2.6% 24/09/2039	1,620	0.35	NETHERLANDS 2.11% (2.53%)				
		A+ 1.04% (1.21%)			AUD	3,400,000	BMW Finance 2.5% 24/08/2020	1,750	0.37
USD	3,425,000	Province of Ontario Canada 2.5% 10/09/2021	2,701	0.58	USD	6,000,000	Siemens Financieringsmaatschappij 1.7% 15/09/2021	4,659	0.99
USD	2,575,000	Province of Ontario Canada 3.2% 16/05/2024	2,171	0.46			BBB+ 0.75% (0.88%)		
		A 0.00% (0.23%)			USD	4,500,000	Deutsche Telekom 1.95% 19/09/2021	3,496	0.75
		Total Canada	16,141	3.45			Total Netherlands	9,905	2.11
FRANCE 6.12% (4.20%)					REPUBLIC OF IRELAND 3.26% (0.20%)				
		Aa2 0.95% (0.00%)					AA- 0.67% (0.00%)		
EUR	3,600,000	SNCF Réseau 2.25% 20/12/2047	4,450	0.95	EUR	3,450,000	Irish Treasury 0.4% 15/05/2035	3,146	0.67
		Aa2u 5.17% (1.74%)					Liquidity Funds 2.59% (0.20%)¹		
EUR	5,145,000	France Government Bond 1.25% 25/05/2034	5,363	1.14	EUR	30,322	BlackRock Institutional Cash Series Euro Liquidity Platinum	2,628	0.56
EUR	4,515,000	France Government Bond 1.5% 25/05/2050	5,230	1.12	GBP	212,832	BlackRock Institutional Cash Series Sterling Liquidity Platinum	213	0.05
EUR	11,815,000	France Government Bond 1.75% 25/06/2039	13,644	2.91	USD	12,091,187	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	9,293	1.98
		Not Rated 0.00% (2.46%)					Total Republic of Ireland	15,280	3.26
		Total France	28,687	6.12	SOUTH KOREA 1.01% (2.05%)				
							AA 1.01% (2.05%)		
					USD	6,000,000	Export-Import Bank of Korea 2.75% 25/01/2022	4,755	1.01
							Total South Korea	4,755	1.01

Threadneedle Global Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
SPAIN 3.01% (5.97%)					USD	1,025,000	Microsoft 2.875% 06/02/2024	841	0.18
		A3 0.43% (0.00%)							
EUR	2,150,000	Basque Government 1.125% 30/04/2029	2,019	0.43	USD	8,250,000	Aaa 44.92% (39.33%) Private Export Funding 2.3% 15/09/2020	6,393	1.36
		Baa1 2.58% (3.85%)			USD	6,650,000	Tennessee Valley Authority 5.88% 01/04/2036	8,167	1.74
EUR	1,400,000	Spain Government Bond 2.35% 30/07/2033	1,522	0.32	USD	20,000,000	United States Treasury Note/Bond 1.5% 15/07/2020	15,423	3.29
EUR	200,000	Spain Government Bond 2.7% 31/10/2048	248	0.05	USD	11,425,000	United States Treasury Note/Bond 1.5% 30/09/2024	9,143	1.95
EUR	5,300,000	Spain Government Bond 2.9% 31/10/2046	6,729	1.44	USD	56,000,000	United States Treasury Note/Bond 1.5% 15/08/2026	45,267	9.66
EUR	2,330,000	Spain Government Bond 4.7% 30/07/2041	3,597	0.77	USD	3,425,000	United States Treasury Note/Bond 1.625% 15/05/2026	2,786	0.59
		Not Rated 0.00% (2.12%)			USD	9,750,000	United States Treasury Note/Bond 1.625% 15/08/2029	8,085	1.73
		Total Spain	14,115	3.01	USD	21,500,000	United States Treasury Note/Bond 1.75% 15/11/2029	18,043	3.85
SUPRANATIONAL 1.87% (2.14%)					USD	41,000,000	United States Treasury Note/Bond 1.875% 30/06/2020	31,635	6.75
		AAA 1.46% (0.59%)			USD	9,300,000	United States Treasury Note/Bond 2% 30/06/2024	7,579	1.62
USD	6,825,000	Asian Development Bank 1.75% 19/09/2029	5,672	1.21	USD	1,000,000	United States Treasury Note/Bond 2.250% 15/08/2027	855	0.18
CAD	2,000,000	International Bank for Reconstruction and Development 1.9% 16/01/2025	1,181	0.25	USD	12,475,000	United States Treasury Note/Bond 2.375% 15/08/2024	10,341	2.21
		AA+ 0.00% (1.55%)			USD	970,000	United States Treasury Note/Bond 2.5% 15/02/2045	914	0.20
		Not Rated 0.41% (0.00%)			USD	875,000	United States Treasury Note/Bond 2.5% 15/02/2046	829	0.18
USD	2,380,000	European Bank for Reconstruction and Development 1.5% 13/02/2025	1,899	0.41	USD	7,150,000	United States Treasury Note/Bond 2.5% 15/05/2046	6,794	1.45
		Total Supranational	8,752	1.87	USD	4,375,000	United States Treasury Note/Bond 2.75% 15/08/2047	4,390	0.94
SWEDEN 0.00% (0.76%)					USD	1,000,000	United States Treasury Note/Bond 2.75% 15/11/2047	1,005	0.21
		AAA 0.00% (0.76%)							
		Total Sweden	—	—	USD	4,575,000	United States Treasury Note/Bond 2.875% 15/08/2028	4,133	0.88
UNITED ARAB EMIRATES 0.00% (0.50%)					USD	5,850,000	United States Treasury Note/Bond 2.875% 15/08/2045	5,892	1.26
		A3 0.00% (0.50%)			USD	10,950,000	United States Treasury Note/Bond 3.125% 15/11/2028	10,102	2.16
		Total United Arab Emirates	—	—	USD	4,950,000	United States Treasury Note/Bond 3.125% 15/08/2044	5,159	1.10
UNITED KINGDOM 7.82% (6.33%)					USD	6,750,000	United States Treasury Note/Bond 3.625% 15/02/2044	7,556	1.61
		Aa2u 5.43% (3.83%)							
GBP	3,050,000	United Kingdom Gilt 0.875% 22/10/2029	3,235	0.69					
GBP	5,145,000	United Kingdom Gilt 1.75% 07/09/2037	6,118	1.31					
GBP	12,680,000	United Kingdom Gilt 1.75% 22/01/2049	16,067	3.43					
		A 0.48% (0.56%)							
USD	2,800,000	*HSBC Holdings 3.262% 13/03/2023	2,228	0.48	USD	13,150,000	AA+ 3.39% (1.71%) Federal Home Loan Bank 5.5% 15/07/2036	15,864	3.39
		BBB 0.46% (0.00%)							
USD	2,688,000	Imperial Brands Finance PI 3.125% 26/07/2024	2,168	0.46					
		Not Rated 1.45% (1.94%)							
GBP	6,145,000	United Kingdom Gilt 1.25% 22/10/2041	6,818	1.45	USD	4,475,000	AA- 1.02% (1.51%) Port Authority of New York & New Jersey 4.458% 01/10/2062	4,779	1.02
		Total United Kingdom	36,634	7.82					
UNITED STATES OF AMERICA 54.19% (49.97%)					USD	2,750,000	A+ 0.47% (0.00%) Oracle 2.625% 15/02/2023	2,209	0.47
		AAA 0.47% (0.55%)							
USD	1,730,000	Microsoft 1.55% 08/08/2021	1,342	0.29	USD	800,000	A 0.13% (0.16%) Gilead Sciences 0% 01/03/2022	625	0.13

Threadneedle UK Institutional Fund

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 5.52% (7.81%)				Support Services 7.22% (5.34%)			
	Oil & Gas Producers 4.44% (6.38%)			1,289,944	Aggreko	8,514	0.77
1,592,587	Cairn Energy	1,986	0.18	697,084	Essentra	2,278	0.21
3,695,702	EnQuest	701	0.06	222,666	Ferguson	15,088	1.37
1,431,994	Premier Oil	908	0.08	6,749,398	Hays	8,342	0.76
2,777,695	Royal Dutch Shell 'B' Shares	45,376	4.12	1,935,116	Howden Joinery Group	12,002	1.09
	Oil Equipment, Services & Distribution 1.08% (1.43%)			933,941	Mears Group	2,522	0.23
3,609,763	John Wood Group	11,851	1.08	460,659	Northgate	1,036	0.09
	Total Oil & Gas	60,822	5.52	361,907	PayPoint	2,953	0.27
BASIC MATERIALS 2.34% (2.97%)				4,031,947	Rentokil Initial	20,168	1.83
	Chemicals 2.34% (2.95%)			248,703	Ricardo	1,651	0.15
1,650,361	Elementis	1,487	0.14	1,135,822	RPS Group	1,363	0.12
687,360	Johnson Matthey	16,387	1.49	320,832	Sanne Group IPO	1,838	0.17
393,185	Synthomer	1,025	0.09	2,603,723	Speedy Hire	1,797	0.16
340,842	Victrex	6,817	0.62		Total Industrials	195,815	17.78
	Mining 0.00% (0.02%)			CONSUMER GOODS 19.15% (17.02%)			
942,855	Petra Diamonds	25	—		Beverages 4.32% (5.03%)		
	Total Basic Materials	25,741	2.34	1,232,953	Britvic	10,628	0.97
INDUSTRIALS 17.78% (17.94%)				1,247,071	Diageo	34,120	3.10
	Construction & Materials 1.71% (3.41%)			1,493,904	Stock Spirits Group	2,782	0.25
13,737,557	¹ Breedon Aggregates	11,814	1.07		Food Producers 1.09% (0.11%)		
744,045	Costain Group	1,192	0.11	367,085	¹ Hotel Chocolat Group	1,450	0.13
218,990	Eurocell Group	499	0.04	1,484,658	Tate & Lyle	10,559	0.96
548,854	Galliford Try	786	0.07		Household Goods & Home Construction 3.29% (0.25%)		
248,031	Ibstock	558	0.05	753,948	Crest Nicholson Holdings	3,206	0.29
461,941	Polypipe Group	2,428	0.22	545,156	Reckitt Benckiser Group	32,998	3.00
710,483	Tyman	1,652	0.15		Leisure Goods 0.18% (0.09%)		
	Aerospace & Defence 2.65% (3.23%)			18,190	Games Workshop Group	1,113	0.10
165,832	Avon Rubber	4,038	0.37	1,073,383	Photo-Me International	903	0.08
1,927,218	BAE Systems	11,494	1.04		Personal Goods 4.68% (4.63%)		
964,780	Chemring Group	2,291	0.21	850,691	Burberry Group	13,483	1.22
1,528,126	Rolls-Royce Holdings	8,814	0.80	665,968	Ted Baker	1,529	0.14
1,023,990	Senior	1,398	0.13	826,267	Unilever	36,595	3.32
55,957	Ultra Electronics Holdings	1,070	0.10		Tobacco 5.59% (6.91%)		
	General Industrials 1.67% (1.77%)			1,286,923	British American Tobacco	40,577	3.68
3,408,336	Coats Group	1,878	0.17	1,277,432	Imperial Brands	21,019	1.91
1,135,478	Smiths Group	16,572	1.50		Total Consumer Goods	210,962	19.15
	Electronic & Electrical Equipment 0.89% (0.57%)			HEALTH CARE 12.85% (11.69%)			
249,246	Discoverie Group	1,169	0.11		Health Care Equipment & Services 1.64% (1.57%)		
669,939	Morgan Advanced Materials	1,789	0.16	1,080,631	Smith & Nephew	18,052	1.64
314,670	Oxford Instruments	4,286	0.39		Pharmaceuticals & Biotechnology 11.21% (10.12%)		
534,890	TT electronics	1,102	0.10	807,064	AstraZeneca	59,424	5.39
44,843	XP Power	1,399	0.13	190,756	¹ Clinigen Group	1,266	0.12
	Industrial Engineering 2.49% (2.46%)			81,335	Genus	2,904	0.26
3,905,532	Rotork	10,850	0.99	3,548,180	GlaxoSmithKline	56,962	5.17
1,672,661	Severfield	1,311	0.12	3,322,688	Vectura Group	2,974	0.27
532,095	Trifast	670	0.06		Total Health Care	141,582	12.85
1,158,261	Weir Group	14,484	1.32		CONSUMER SERVICES 18.59% (18.49%)		
	Industrial Transportation 1.15% (1.16%)				Food & Drug Retailers 3.75% (3.85%)		
54,529	Clarkson	1,301	0.12	9,794,147	Tesco	23,761	2.16
135,282	James Fisher & Sons	2,449	0.22	9,495,751	WM Morrison Supermarkets	17,529	1.59
5,509,254	Royal Mail	8,969	0.81				

Threadneedle UK Equity Opportunities Fund (formerly Threadneedle UK Overseas Earnings Fund)

Portfolio Statement

as at 7 March 2020

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 4.35% (5.53%)				CONSUMER SERVICES 29.35% (25.64%)			
	Oil & Gas Producers 2.91% (3.57%)				Food & Drug Retailers 6.01% (5.09%)		
138,194	Royal Dutch Shell 'B' Shares	2,257	2.91	879,256	Tesco	2,133	2.75
				1,369,237	WM Morrison Supermarkets	2,528	3.26
	Oil Equipment, Services & Distribution 1.44% (1.96%)				General Retailers 1.98% (2.52%)		
341,018	John Wood Group	1,120	1.44	1,004,202	Marks & Spencer Group	1,533	1.98
	Total Oil & Gas	3,377	4.35		Media 6.53% (6.58%)		
BASIC MATERIALS 3.25% (3.52%)				1,277,476	ITV	1,282	1.65
	Chemicals 3.25% (3.52%)			290,397	Pearson	1,595	2.05
67,507	Johnson Matthey	1,609	2.07	120,297	RELX (London Listing)	2,200	2.83
45,629	Victrix	913	1.18		Travel & Leisure 14.83% (11.45%)		
	Total Basic Materials	2,522	3.25	87,644	Compass Group	1,359	1.75
INDUSTRIALS 15.31% (15.74%)				120,492	easyJet	1,161	1.50
	Construction & Materials 0.00% (1.83%)			1,546,626	Firstgroup	1,571	2.02
	Aerospace & Defence 0.94% (3.27%)			120,739	J D Wetherspoon	1,554	2.00
125,632	Rolls-Royce Holdings	725	0.94	914,926	Rank Group	2,173	2.80
	General Industrials 2.21% (1.84%)			1,722,915	Restaurant Group	1,418	1.83
117,601	Smiths Group	1,716	2.21	189,510	SSP Group	831	1.07
	Industrial Engineering 1.65% (1.46%)			765,194	Stagecoach Group	865	1.11
460,829	Rotork	1,280	1.65	17,103	Whitbread	582	0.75
	Industrial Transportation 0.99% (0.91%)				Total Consumer Services	22,785	29.35
473,150	Royal Mail	770	0.99	TELECOMMUNICATIONS 2.08% (2.48%)			
	Support Services 9.52% (6.43%)				Fixed Line Telecommunications 2.08% (2.48%)		
126,185	Aggreko	833	1.07	1,245,749	BT Group	1,617	2.08
384,761	Electrocomponents	2,254	2.90		Total Telecommunications	1,617	2.08
829,786	Hays	1,026	1.32	UTILITIES 1.41% (1.98%)			
212,128	Howden Joinery Group	1,316	1.70		Gas, Water & Multiutilities 1.41% (1.98%)		
392,973	Rentokil Initial	1,966	2.53	1,501,898	Centrica	1,094	1.41
	Total Industrials	11,886	15.31		Total Utilities	1,094	1.41
CONSUMER GOODS 14.20% (18.57%)				FINANCIALS 16.98% (15.82%)			
	Beverages 0.00% (4.76%)				Banks 3.58% (4.31%)		
	Food Producers 2.44% (2.02%)			798,370	Royal Bank of Scotland Group	1,233	1.59
266,079	Tate & Lyle	1,892	2.44	293,898	Standard Chartered	1,545	1.99
	Household Goods & Home Construction 3.26% (0.00%)				Nonlife Insurance 2.66% (2.41%)		
41,814	Reckitt Benckiser Group	2,531	3.26	417,697	RSA Insurance Group	2,065	2.66
	Personal Goods 5.47% (5.11%)				Life Insurance 4.48% (5.33%)		
61,074	Burberry Group	968	1.25	563,657	Legal & General Group	1,347	1.74
68,670	Ted Baker	158	0.20	179,446	Prudential	2,126	2.74
70,534	Unilever	3,124	4.02		Financial Services 6.26% (3.77%)		
	Tobacco 3.03% (6.68%)			119,053	3i Group	1,096	1.41
142,807	Imperial Brands	2,350	3.03	476,110	M&G Prudential	906	1.17
	Total Consumer Goods	11,023	14.20	895,998	Melrose Industries	1,654	2.13
HEALTH CARE 13.24% (10.08%)				2,236,190	Sherborne Investors Guernsey	1,073	1.38
	Pharmaceuticals & Biotechnology 13.24% (10.08%)			1,549,692	Sherborne Investors Guernsey B	132	0.17
78,032	AstraZeneca	5,745	7.40		Total Financials	13,177	16.98
282,413	GlaxoSmithKline	4,534	5.84		Total value of investments	77,760	100.17
	Total Health Care	10,279	13.24		Net other (liabilities)/assets (0.64%)	(129)	(0.17)
					Net assets	77,631	100.00

March 2019 comparatives in brackets.

Performance Summary for the twelve months ended 29 February 2020

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
UNITED KINGDOM						
UK Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	-0.54	+0.04	-0.16	-1.43
UK Select Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	-1.85	-1.29	-0.16	-1.43
UK Smaller Companies Fund	IA UK Smaller Companies	Numis Smaller Companies Index ex Investment Companies	+15.24	+15.95	+8.29	+0.81
UK Growth & Income Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	+2.26	+2.86	-0.16	-1.43
UK Equity Income Fund	IA UK Equity Income	FTSE ALL-SHARE (TR)	+0.29	+0.83	-0.98	-1.43
UK Monthly Income Fund	IA UK Equity Income	FTSE ALL-SHARE (TR)	+0.34	+0.92	-0.98	-1.43
Monthly Extra Income Fund	IA UK Equity and Bond Income	80% FTSE All Share, 20% ICE BofA Sterling Corp & collateralized (USD Unhedged)	+3.94	-	+1.33	+1.15
Sterling Corporate Bond Fund	IA £ Corporate Bond	iBoxx GBP Non-Gilts	+9.46	+9.81	+10.39	+10.17
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%)	+6.23	+6.88	+8.04	+6.09
Sterling Bond Fund	IA UK Gilts	FTSE Actuaries UK Conventional Gilts All Stocks	+11.59	-	+11.72	+11.88
UK Institutional Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	-2.54	-1.74	-0.16	-1.43
UK Equity Opportunities Fund	IA UK All Companies	FTSE ALL-SHARE (TR)	-	-5.04	-0.16	-1.43
EUROPE						
European Fund	IA Europe Excluding UK	FTSE World Europe x UK – Total Return	+9.59	+10.23	+5.45	+6.53
European Select Fund	IA Europe Excluding UK	FTSE World Europe x UK – Total Return	+11.39	+11.99	+5.45	+6.53
European Smaller Companies Fund	Morningstar Category Europe ex-UK Small_Mid-Cap Eq	EMIX Smaller European Companies Ex UK	+5.37	+6.01	+4.43	+6.17
European Bond Fund	-	ICE BofA Pan-Europe Broad Market	+7.95	-	-	+8.64
US						
American Fund	IA North America	S&P 500	+9.97	+10.61	+9.38	+12.67
American Select Fund	IA North America	S&P 500	+11.32	+11.96	+9.38	+12.67
American Smaller Companies Fund (US)	Morningstar Category US Mid-Cap Equity	Russell 2500	+2.80	+3.38	+4.85	+2.26
Dollar Bond Fund	Morningstar Category USD Diversified Bond	ICE BofA US Treasury Master (50%), ICE BofA Eurodollar Global (50%)	+14.48	-	+15.67	+18.05
JAPAN						
Japan Fund	IA Japan	MSCI Japan	+7.37	+7.96	+1.94	+5.65

Performance Summary for the twelve months ended 29 February 2020 (continued)

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Index Total Return %
PACIFIC BASIN & EMERGING MARKETS, ASIA PACIFIC EXCLUDING JAPAN						
Asia Fund	IA Asia Pacific Excluding Japan	MSCI AC Asia Pacific ex Japan – Gross Return	+8.34	+8.96	+2.80	+4.54
Latin America Fund	Morningstar Category Latin American Equity	MSCI EM Latin America 10-40	-8.56	-8.00	-7.84	-7.89
Emerging Market Bond Fund	Morningstar Category Global Emerging Markets Bond	J.P. Morgan Emerging Market Bond Index Global (EMBI Global)	+11.60	+12.18	+11.85	+14.44
GLOBAL						
High Yield Bond Fund	IA £ High Yield	ICE BofA European Currency High Yield Excluding Subordinated Financials Constrained (Hedged to Sterling)	+4.97	+5.52	+5.51	+5.92
Global Select Fund	IA Global	MSCI AC World Index – Gross Return	+12.93	+13.57	+7.41	+8.77
Global Bond Fund	Morningstar Category Global Bond	J.P. Morgan Government Bond Index Global (GBI Global)	+12.99	+13.63	+10.94	+13.24
CASH						
Sterling Short-Term Money Market Fund	–	LIBID_blend	+0.51	–	–	+0.58

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*
UK Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Select Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class D – Accumulation shares	5
	Class L – Accumulation shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	Class Z – Income shares	5
	**Class Z – Gross accumulation shares	5
UK Smaller Companies Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Gross accumulation shares	5
UK Growth & Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
UK Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 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
		5
UK Monthly Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	**Class X – Gross income shares	5
	Class Z – Income shares	5
Monthly Extra Income Fund	Class 1 – Income shares	4
	Class 1 EUR Hedged – Income shares	4
	Class 1 EUR Hedged – Accumulation shares	4
	**Class X – Gross income shares	4
	**Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
	Class Z EUR Hedged – Accumulation shares	4
Sterling Corporate Bond Fund	Class 1 – Income shares	3
	Class 1 – Accumulation shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross accumulation shares	3
	Class L – Income shares	3
	Class L – Accumulation shares	3
	Class L – Gross income shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Sterling Bond Fund	Class 1 – Income shares	4
	Class 1 – Gross accumulation shares	4
	Class X – Gross income shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross accumulation shares	4
Sterling Short-Term Money Market Fund	Class 1 – Income shares	1
	Class 2 – Accumulation shares	1
	Class X – Gross accumulation shares	1
European Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class D – Accumulation shares	5
	Class L – Income shares	5
	Class L – Accumulation shares	5
	Class L GBP Hedged – Income shares	5
	Class X – Accumulation shares	5
	Class X2 – Accumulation shares	5
	**Class X GBP Hedged – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
European Select Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 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
European Smaller Companies Fund	Class 1 – Income shares	5
	Class 1 EUR – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class X – Gross accumulation shares	5
	Class Z – Income shares	5
European Bond Fund	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
Strategic Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	**Class X – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Gross income shares	3
	Class Z – Gross accumulation shares	3
American Fund	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*
American Select Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z GBP Hedged – Accumulation shares	5
American Smaller Companies Fund (US)	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
		6
Dollar Bond Fund	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
Japan Fund	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
Asia Fund	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
Latin America Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Bond Fund	Class 1 – Income shares	5
	Class 1 – Gross income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Gross accumulation shares	5
	Class X – Gross income shares	5
	Class X – Gross accumulation shares	5
	Class Z – Income shares	5
	Class Z – Gross income shares	5
	Class Z – Gross accumulation shares	5
High Yield Bond Fund	Class 1 – Income shares	3
	Class 1 – Gross income shares	3
	Class 1 USD Hedged – Gross income shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Income shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross income shares	3
	Class X – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Accumulation shares	3
	Class Z – Gross income shares	3
	Class Z – Gross accumulation shares	3

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
Global Select Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Global Bond Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 1 – Gross income shares	4
	Class 1 – Gross accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross accumulation shares	4
	Class X – Gross accumulation shares	4
	Class Z – Income shares	4
	Class Z – Gross income shares	4
	Class Z – Gross accumulation shares	4
UK Institutional Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	**Class X – Gross accumulation shares	5
UK Equity Opportunities Fund	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class Z – Income shares	5

* As at 7 March 2020 the synthetic risk and reward indicator (SRRI) is explained in the table below:

SRRI	
1	The fund is in this specific category because historically it has shown a low level of volatility (how much the value of the fund went up and down compared to other categories).
2	The fund is in this specific category because historically it has shown a relatively low level of volatility (how much the value of the fund went up and down compared to other categories).
3	The fund is in this specific category because historically it has shown a medium to low level of volatility (how much the value of the fund went up and down compared to other categories).
4	The fund is in this specific category because historically it has shown a medium level of volatility (how much the value of the fund went up and down compared to other categories).
5	The fund is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the fund went up and down compared to other categories).
6	The fund is in this specific category because historically it has shown a high level of volatility (how much the value of the fund went up and down compared to other categories).
7	The fund is in this specific category because historically it has shown a very high level of volatility (how much the value of the fund went up and down compared to other categories).

The Risk and Reward Profile is based on past performance data in pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the fund.

Historical data may not be a reliable indication of the future risk profile of the funds.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The KIID contains the current SRRI.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the classes.

The risk and reward profile of the Emerging Market Bond Fund changed to a 5 for all share classes on 22 November 2019.

**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.

Changes to the management of the ACD

The following changes have been made to the directors of the ACD:

- Resignation of M Scrimgeour on 26 April 2019;
- Appointment of R Vincent on 12 August 2019;
- Appointment of J Griffiths on 24 September 2019.

Changes to the Prospectus

During the period from 8 March 2019 to 7 March 2020 the following changes were made to the Prospectus of the Company:

- Change of investment policy for the American Select Fund (effective 15 April 2019);
- Change of name and investment policy for the Sterling Fund to change its name to “Sterling Short-Term Money Market Fund” (effective 1 May 2019);
- Include details of co-management between Threadneedle Asset Management Limited and Threadneedle Investments Singapore (Pte.) Limited for the Asia Fund;
- Change of name and investment policy for the UK Overseas Earnings Fund to change its name to “UK Equity Opportunities Fund” (effective 1 July 2019);
- Removal of references to the following funds (post-Brexit):
 - European Corporate Bond Fund
 - European High Yield Bond Fund
 - Pan European Fund
 - Pan European Smaller Companies Fund
- Change of name and investment policy of UK Corporate Bond Fund to change its name to “Sterling Corporate Bond Fund” (effective 31 August 2019);
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant):
 - American Fund
 - American Smaller Companies Fund (US)
 - Asia Fund
 - Dollar Bond Fund
 - Emerging Market Bond Fund
 - European Bond Fund
 - European Fund
 - European Select Fund
 - European Smaller Companies Fund
 - Global Bond Fund
 - Global Select Fund
 - High Yield Bond Fund
 - Japan Fund
 - Latin America Fund
 - Monthly Extra Income Fund
 - Sterling Bond Fund
 - Strategic Bond Fund
 - UK Equity Income Fund
 - UK Fund
 - UK Growth & Income Fund
 - UK Institutional Fund
 - UK Monthly Income Fund
 - UK Select Fund
 - UK Smaller Companies Fund
- Update of Bank of America ICE BofAML benchmark to reflect BAML re-branding;
- Updates to taxation, eligible markets, performance (including target benchmark performance (where applicable), dilution adjustments and delegates of the depositary;
- Update to the list of directors of Threadneedle Investment Services Limited.

Important Information

(continued)

Changes to the Instrument of Incorporation

The following changes were made to the instrument of incorporation of the Company during the period from 8 March 2019 to 7 March 2020:

- Change of investment policy for the American Select Fund (effective 15 April 2019);
- Change of name and investment policy for the Sterling Fund to change its name to "Sterling Short-Term Money Market Fund" (effective 1 May 2019)
- Change of name and investment policy for the UK Overseas Earnings Fund to change its name to "UK Equity Opportunities Fund" (effective 1 July 2019)
- Removal of references to the following funds (post-Brexit):
 - European Corporate Bond Fund
 - European High Yield Bond Fund
 - Pan European Fund
 - Pan European Smaller Companies Fund
- Change of name and investment policy of UK Corporate Bond Fund to change its name to "Sterling Corporate Bond Fund" (effective 31 August 2019).
- Changes to the following funds in respect of changes required in response to the FCA Asset Management Market Study (including addition of a target benchmark or comparator benchmark(s), where relevant)
 - American Fund
 - American Smaller Companies Fund (US)
 - Asia Fund
 - Dollar Bond Fund
 - Emerging Market Bond Fund
 - European Bond Fund
 - European Fund
 - European Select Fund
 - European Smaller Companies Fund
 - Global Bond Fund
 - Global Select Fund
 - High Yield Bond Fund
 - Japan Fund
 - Latin America Fund
 - Monthly Extra Income Fund
 - Sterling Bond Fund
 - Strategic Bond Fund
 - UK Equity Income Fund
 - UK Fund
 - UK Growth & Income Fund
 - UK Institutional Fund
 - UK Monthly Income Fund
 - UK Select Fund
 - UK Smaller Companies Fund

Emerging Market Bond Fund

From 1 January 2020, the Emerging Market Bond Fund is able to invest directly in mainland Chinese bonds on the China Interbank Bond Market. The Fund is able to invest up to a maximum of 10% of its assets in mainland Chinese bonds.

Investments on the China Interbank Bond Market are placed using a programme called Hong Kong Bond Connect ("Bond Connect") which aims to make it easier and more efficient for foreign investors, such as the Fund, to trade bonds in the China Interbank Bond Market.

As with any investment, investing in the mainland Chinese bond market using Bond Connect may involve certain specific risks, relating to areas such as operations, regulations, taxation and transactions including selling and settlement costs. However, we do not expect the use of Bond Connect to have a significant impact on the overall risk levels associated with the Fund.

Further information is available at columbiathreadneedle.com/changes

Brexit

On 31 January 2020, the UK formally exited the 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 are taking place. However, there remains a significant degree of uncertainty as to the outcome of these negotiations, in particular relating to the final terms of the agreement to be negotiated with the EU or whether a final agreement will ultimately be reached by the end of the implementation period.

COVID 19

COVID-19 (also referred to as "coronavirus") was identified in December 2019 as the cause of an outbreak of respiratory illness first detected in Wuhan, China, that has since spread globally, impacting economies, financial markets and businesses around the world. Countries are taking exhaustive steps to minimize public interaction to contain the spread of the virus. With the ongoing spread of coronavirus, the ACD is coordinating our response regionally and globally to ensure we continue to deliver for clients, support employees and maintain business continuity. The overall impact the virus will have on the Company is currently uncertain.

Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Private>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Intermediary>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Institutional>

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 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	Currency	Minimum Investment	Eligibility
Class 1	Class 1 and Class D GBP	GBP 2,000	Retail and non-retail investors
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500	
	Class 1 USD (including Class 1 Hedged Shares)	USD 3,000	
	Class 1 JPY	JPY 280,000	
	Class 1 CHF (including Class 1 Hedged Shares)	CHF 3,000	
	Class 1 SGD (Hedged Shares)	SGD 4,000	
Class L	Class L GBP	GBP 100 million	Non-retail investors
Class M	Class M AUD (Hedged Share Class)	AUD 750	Retail and non-retail investors
	Class M USD (Hedged Share Class)	USD 3,000	
Class N	Class N USD (Hedged Share Class)	USD 1.5 million	Retail and non-retail investors

Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
Class 2	Class 2 GBP	GBP 0.5 million	Non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 0.75 million	
	Class 2 USD (including Class 2 Hedged Shares)	USD 0.8 million	
	Class 2 JPY	JPY 70 million	
	Class 2 CHF (Hedged Share Class)	CHF 1.2 million	
Class X	Class X GBP	GBP 3 million	Available only to Eligible Shareholders
	Class X EUR	EUR 5 million	
	Class X USD	USD 5 million	
	Class X JPY	JPY 420 million	
	Class X AUD (Hedged Share Class)	AUD 5 million	
Class Z	Class Z GBP	GBP 1 million	Available at the ACD's discretion to eligible distributors which have entered into separate fee arrangements with their clients
	Class Z EUR (including Class Z Hedged Shares)	EUR 1.5 million	
	Class Z USD (including Class Z Hedged Shares)	USD 1.5 million	
	Class Z JPY	JPY 140 million	
	Class Z CHF (including Class Z Hedged Shares)	CHF 1.5 million	

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.

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.

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 Auditors gave their opinion on the financial statements presented in English. They take no responsibility for the translation of these financial statements. Where there is any inconsistency between the version presented in English and any translation, the English language version has 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)

Remuneration Disclosures 2019

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management SÁrl ("TAM SÁrl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2019.

1. The Remuneration Committee

The Remuneration Committee of TAM SÁrl is a sub-committee of the TAM SÁrl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, Mr Ted Truscott and Mr William Turner. Meetings are normally held in January, March, June, September and December. The Group's Global Head of Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Real Estate business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The leads in Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance and financial performance for the Investments and Real Estate divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are

capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available funding, in context of market competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments employees and for the Real Estate division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. For Sales, Real Estate and Investment incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff and those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Code Staff/Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its Code Staff/Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 16 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2019 performance year was £1.48m, of which £0.54m was fixed and £0.94m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £9.61m, of which £3.48m was fixed and £6.13m was variable. Total Remuneration paid to delegated managers of UCITS regulated funds was £0.44m, of which £0.09m was fixed and £0.35m was variable.

Important Information

(continued)

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.

Important Information

(continued)

Issuer Risk: The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay.

Political and Financial Risk: The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

Liquidity Risk: The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

Effect of Portfolio Concentration Risk: The Fund has a concentrated portfolio (holds a limited number of investments and/or has a restricted investment universe) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time.

Interest Rate Risk: Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

Valuation Risk: The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

Short Selling Risk: Short selling intends to make a profit from falling prices. However if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

Investment in Derivatives Risk: The Investment Policy of the fund allows it to invest materially in derivatives.

Leverage Risk: Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

Derivatives for EPM / Hedging Risk: The investment policy of the fund allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The fund may exhibit significant price volatility.

High Volatility Risk: The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

Investment in Deposits: 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.

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**Calls will be recorded.

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