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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC
APRIL 2019

THREADNEEDLE SPECIALIST INVESTMENT FUNDS ICVC

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**These pages, together with the investment reports of the individual funds comprise the Authorised Corporate Director's Report.*

Company Information

Company

Threadneedle Specialist Investment Funds ICVC (the Company)
Registered Number IC000232

Registered Office

Cannon Place, 78 Cannon Street, London EC4N 6AG

Director

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

Board of Directors of the ACD

K Cates (non-executive)
D Kremer (Resigned from the Board on 31 January 2019)
A Roughead (non-executive)
M Scrimgeour (Resigned from the Board on 26 April 2019)
P Stone (Appointed to the Board on 5 September 2018)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for Threadneedle Specialist Investment Funds ICVC for the 12 months to 30 April 2019.

The Absolute Return Bond Fund will be closed on 25 July 2019. Accordingly the going concern basis of preparation is no longer appropriate for this sub-fund and its financial statements have been prepared on a basis other than going concern.

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



P Stone
Director

12 August 2019

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

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

The Authorised Corporate Director intends to terminate the Threadneedle Absolute Return Bond Fund. Following the termination, which will take place on 25th July 2019, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern and any additional costs in respect of the termination of this Fund will be borne by the ACD. No adjustments were necessary in the Fund's financial statements to reduce assets to their realisable values or to provide for liabilities arising from the termination. Fixed assets and long term liabilities have been reclassified as current assets and liabilities. The comparative financial information was prepared on a going concern basis.

All of the remaining Funds have been prepared on a going concern basis.

(b) Basis of valuation of investments

The investments of the funds are valued at fair market prices at 12 noon of the accounting period (UK time). 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.

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 revenue 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. In addition, the ACD is entitled to receive a performance fee in the event of the NAV per share of the Fund outperforming the relevant benchmark index, in respect of the following funds:

American Extended Alpha Fund
Global Extended Alpha Fund
UK Absolute Alpha Fund
UK Extended Alpha Fund

Any fees arising as a result of outperformance are transferred to capital. The performance fee is only chargeable at the end of any Performance Period i.e. 31 December, and will be paid within one month of that date. If no performance fee has been charged since the launch of the Share Class, no performance fee will be payable until such time as there is an Excess Return and there is a performance fee accrual at the end of the Performance Period.

Further details including the relevant benchmark index, can be found within the "Expenses" note of the individual funds.

(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 revenue 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 208). 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.

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

Notes to the financial statements

(continued)

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:
- Emerging Market Local Fund
 - Global Equity Income Fund
 - UK Equity Alpha Income Fund
 - US Equity Income Fund
- (d) In addition to the ACD charge, all other expenses of the US Equity Income Fund are added back for the purpose of determining the amount available for distribution.
- (e) 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 a fund.
- (f) Any fees arising as a result of outperformance are added back for the purpose of determining the amount for distribution.

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 provided to and 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 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 instruments some of 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 funds' 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 funds 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 manage 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 their 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 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 Financial Conduct Authority (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. The funds are exposed to credit/counterparty risk by virtue of its direct investment into bonds and also indirectly via the underlying investments the Collective Investment Scheme holds and through counterparties it uses to trade the underlying investments or derivative transactions it enters. Credit risk arises from four 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 Floating Rate Notes (FRNs)) there is the possibility of default of the issuer and default in the underlying assets meaning that the funds 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 funds have fulfilled its responsibilities, which could result in the funds suffering a loss. Fourthly, for derivative counterparties there is the risk that the counterparty is unable to fulfill its obligations under the derivative contract, which could result in the funds suffering a loss.

In order to manage credit risk the fund and underlying investments 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 underlying funds only buy and sell investments or transact derivatives through brokers which have been approved by the ACD as an acceptable counterparty. 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 funds. 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 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. Where a portion 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 206. 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 Specialist Investment Funds ICVC.

*The RMP is available on request from the client services team (contact details on page 214).

Threadneedle UK Mid 250 Fund

Investment Report

Investment Objective

The investment objective of the UK Mid 250 Fund is to achieve capital growth from a portfolio of UK 'mid cap' equities.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in a selection of medium sized companies which are constituents of the FTSE 250 (ex Investment Trusts) Index. If the ACD considers it desirable, it may also invest in companies which are not included in that index, and may hold cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Mid 250 Fund has fallen from 267.27p to 263.38p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.46% and -0.88% for the Class 2 share class compared to a return of +1.59% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE 250 (ex Investment Trusts) Index was -1.35%.

Market Overview and Portfolio Activity

UK mid caps experienced a turbulent year. Factors unsettling investors included jitters around Brexit, rising populism in Europe, the approaching end of the 'easy money' era, and President Trump's protectionist measures, particularly against China. The last two factors, along with related fears of a global growth slowdown, dramatically soured sentiment towards risk assets in the fourth quarter of 2018. However, the extent of the sell-off prompted the Federal Reserve to adopt a more dovish tone in 2019, which along with optimism over Chinese stimulus measures and the trade negotiations between the US and China, helped markets rally

in the last four months of the review period. UK midcaps, perceived to be vulnerable to the inflationary effects of a weak pound, were further buoyed by the diminishing likelihood of a no-deal Brexit, and the concomitant sterling rally. Nevertheless, UK midcaps, measured by the FTSE 250, still underperformed the broader UK stock market, measured by the FTSE All-Share, over the year.

With a draft withdrawal arrangement being turned down three times by Parliament, the UK and the EU failed to agree on a Brexit deal. MPs also vetoed the UK leaving without a deal, which led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

On the economic front, the Bank of England raised rates once, in August 2018, as some stronger economic data reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. This has led firms to favour hiring workers over investing, which has contributed to the rise in employment over the review period. Wage growth also improved over the year and outstripped inflation.

New additions over the review period included engineering company Weir, home improvement business HomeServe and biotechnology firm Genus. Weir should benefit from increased capital expenditure as improving profitability develops in the commodities sector. HomeServe is well positioned to capitalise on the substantial opportunities presented by the digitalisation of the home improvements industry. In our view, Genus can continue to add significant value from investment in new technologies involving pig and cattle breeding.

We also participated in several initial public offerings, such as that of AJ Bell, which is expanding by making it easy for people to invest and has one of the lowest cost-pricing structures in the market. The business has operational scale in the advisory market and the direct-to-consumer segment. We expect AJ Bell to continue to grow strongly as demographics and regulatory change support growth, and as the business has significant barriers to entry because of its scale, technology and brand.

Over the review period, we also initiated exposure to, and topped up holdings in, several domestically-oriented companies with strong fundamentals and growth prospects that we felt had been excessively penalised by the market amid fears around Brexit. An example of such a purchase was Balfour Beatty.

We profitably closed our positions in Melrose Industries, IMI and Spirax-Sarco Engineering. We also sold GVC Holdings. This has been a highly profitable investment for us and we chose our exit point after the valuation climbed sharply on news of the company's partnership with US-based MGM.

In recent months, fears of a cyclical recession, ongoing political difficulties in agreeing a Brexit deal, and the US-led trade war have hampered market sentiment; UK exporters were particularly badly hit, even though many of these companies have minimal exposure to direct UK cross-border exports. The portfolio's positioning has tilted towards these firms, which have shown themselves to be winning franchises over time. The portfolio has reduced its industrial exposure and is focused on businesses with strong franchises and significant self-help.

We are also beginning to see pockets of value appear in the Brexit-related space, and have begun hunting for companies that meet our strict threshold in order to re-balance the portfolio. We continue to keep a close eye on related developments and hope to use the volatility that is sure to accompany Brexit to pick up further sustainable franchises in due course.

We believe it is imperative to own businesses that have pricing power, innovative qualities and the ability to increase market share in difficult environments. In this era of disruption and uncertainty around the direction of the economy, we are looking for companies that are focused on building their brands, products and barriers to entry, which will enable them to thrive when the skies eventually clear a little.

We remain convinced that there are areas of significant value in the UK mid-cap market. While the macroeconomic environment is likely to remain tough, we still see opportunities in quality businesses that operate in growth markets or have the strength to increase market share and profits.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(1,260)	5,598
Revenue	3	1,913	2,031
Expenses	4	(817)	(1,126)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		1,096	904
Taxation	6	–	–
Net revenue after taxation		1,096	904
Total return before distributions		(164)	6,502
Distributions	7	(1,096)	(904)
Change in net assets attributable to shareholders from investment activities		(1,260)	5,598

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		61,517	92,316
Current assets:			
Debtors	8	1,998	4,553
Cash and bank balances		773	980
Total assets		64,288	97,849
Liabilities:			
Creditors:			
Other creditors	9	(138)	(1,353)
Total liabilities		(138)	(1,353)
Net assets attributable to shareholders		64,150	96,496

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	96,496	116,282
Amounts receivable on the issue of shares	4,112	12,663
Amounts payable on the cancellation of shares	(36,070)	(38,932)
	(31,958)	(26,269)
Dilution adjustment	25	80
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,260)	5,598
Retained distribution on accumulation shares	847	805
Closing net assets attributable to shareholders	64,150	96,496

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	2.0217	–	2.0217	0.7092
Group 2				
01/05/18 to 30/04/19	0.6590	1.3627	2.0217	0.7092
Total distributions in the period			2.0217	0.7092

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	3.8182	–	3.8182	2.4189
Group 2				
01/05/18 to 30/04/19	2.0065	1.8117	3.8182	2.4189
Total distributions in the period			3.8182	2.4189

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle UK Mid 250 Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	2.8210	–	2.8210	2.2320
Group 2 01/05/18 to 30/04/19	2.8210	–	2.8210	2.2320
Total distributions in the period			2.8210	2.2320

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	2.9932	–	2.9932	2.0248
Group 2 01/05/18 to 30/04/19	1.1747	1.8185	2.9932	2.0248
Total distributions in the period			2.9932	2.0248

Group 2: shares purchased during a distribution period.

Threadneedle UK Mid 250 Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	266.89	252.12	215.87	290.35	272.68	232.13
Return before operating charges (p)	0.38	19.14	39.91	0.55	20.77	43.14
Operating charges (p)	(4.28)	(4.37)	(3.66)	(3.14)	(3.10)	(2.59)
Return after operating charges (p)*	(3.90)	14.77	36.25	(2.59)	17.67	40.55
Distributions (p)	(2.02)	(0.71)	(1.54)	(3.82)	(2.42)	(3.04)
Retained distributions on accumulation shares (p)	2.02	0.71	1.54	3.82	2.42	3.04
Closing net asset value per share (p)	262.99	266.89	252.12	287.76	290.35	272.68
*after direct transaction costs of (p)	0.93	0.85	0.80	1.06	0.92	0.87
Performance						
Return after charges (%)	(1.46)	5.86	16.79	(0.89)	6.48	17.47
Other information						
Closing net asset value (£000)	14,377	15,605	14,959	4,769	28,923	41,427
Closing number of shares	5,466,947	5,847,185	5,933,290	1,657,249	9,961,319	15,192,158
Operating charges (%)**	1.66	1.65	1.65	1.07	1.08	1.08
Direct transaction costs (%)***	0.36	0.32	0.36	0.36	0.32	0.36
Prices						
Highest share price (p)	283.29	285.04	252.41	308.42	309.51	272.98
Lowest share price (p)	221.67	250.98	189.90	242.07	271.77	204.41
	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	120.66	112.16	94.50	201.47	188.90	160.53
Return before operating charges (p)	0.22	8.54	17.69	0.33	14.36	29.86
Operating charges (p)	(0.04)	(0.04)	(0.03)	(1.78)	(1.79)	(1.49)
Return after operating charges (p)*	0.18	8.50	17.66	(1.45)	12.57	28.37
Distributions (p)	(2.82)	(2.23)	(2.25)	(2.99)	(2.02)	(2.39)
Retained distributions on accumulation shares (p)	2.82	2.23	2.25	2.99	2.02	2.39
Closing net asset value per share (p)	120.84	120.66	112.16	200.02	201.47	188.90
*after direct transaction costs of (p)	0.42	0.38	0.35	0.70	0.64	0.60
Performance						
Return after charges (%)	0.15	7.58	18.69	(0.72)	6.65	17.67
Other information						
Closing net asset value (£000)	4	4	3	45,000	51,964	59,893
Closing number of shares	3,000	3,000	3,000	22,497,816	25,793,053	31,707,053
Operating charges (%)**	0.03	0.03	0.03	0.91	0.90	0.90
Direct transaction costs (%)***	0.36	0.32	0.36	0.36	0.32	0.36
Prices						
Highest share price (p)	128.32	128.21	112.27	214.05	214.66	189.10
Lowest share price (p)	101.29	111.96	83.37	168.16	188.33	141.41

**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.

Threadneedle UK Mid 250 Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(1,253)	5,600
Other losses	(5)	–
Transaction costs	(2)	(2)
Net capital (losses)/gains	(1,260)	5,598

3 REVENUE

	2019 £000	2018 £000
UK dividends	1,900	1,895
Overseas dividends	2	129
Bank interest	6	7
Underwriting commission	5	–
Total revenue	1,913	2,031

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(712)	(994)
Registration fees	(73)	(92)
	(785)	(1,086)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(9)	(13)
Safe custody fees	(10)	(11)
	(19)	(24)
Other expenses:		
Regulatory fees	(4)	(7)
Audit fees	(9)	(9)
	(13)	(16)
Total expenses*	(817)	(1,126)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	–	(1)
Total interest payable and similar charges	–	(1)

6 TAXATION

	2019 £000	2018 £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	1,096	904
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(219)	(181)

Effects of:

Revenue not subject to taxation	375	395
Excess expenses	(156)	(214)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £2,328,451 (2018: £2,172,890) 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:

	2019 £000	2018 £000
Final	847	805
	847	805
Add: Revenue deducted on the cancellation of shares	278	164
Deduct: Revenue received on the creation of shares	(29)	(65)
Net distribution for the period	1,096	904

Details of the distribution per share are set out in the table on pages 6 to 7.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	105	3,754
Sales awaiting settlement	1,657	396
Accrued revenue	236	403
Total debtors	1,998	4,553

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(75)	(1,265)
Accrued expenses	(9)	(8)
Amounts payable to ACD	(54)	(80)
Total other creditors	(138)	(1,353)

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 Mid 250 Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Mid 250 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 8. The distribution per share class is given in the distribution table on pages 6 to 7. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	5,847,185
Shares issued	249,894
Shares redeemed	(608,557)
Net conversions	(21,575)
Closing shares	5,466,947
Class 2 – Accumulation shares	
Opening shares	9,961,319
Shares issued	675,552
Shares redeemed	(8,973,297)
Net conversions	(6,325)
Closing shares	1,657,249
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class Z – Accumulation shares	
Opening shares	25,793,053
Shares issued	760,540
Shares redeemed	(4,093,333)
Net conversions	37,556
Closing shares	22,497,816

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.47% and vice versa (2018: 4.35%).

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 2019	£000
US Dollar	48
Currency 2018	£000
Euro	51
US Dollar	113

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	773	–	63,467	64,240
US Dollar	–	–	48	48
Currency 2018	£000	£000	£000	£000
Euro	–	–	51	51
UK Sterling	980	–	96,705	97,685
US Dollar	–	–	113	113

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(138)	(138)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(1,353)	(1,353)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	61,517	–	92,316	–
	61,517	–	92,316	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

Threadneedle UK Mid 250 Fund

Notes to the financial statements

(continued)

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	50,087	25	0.05	213	0.43
Corporate actions	627	–	–	–	–
Total	50,714	25		213	

Gross purchases total: 50,952

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	79,761	34	0.04	–	–
Corporate actions	772	–	–	–	–
Total	80,533	34		–	

Total sales net of transaction costs: 80,499

Transaction costs as a percentage of average Net Assets

Commissions:	0.08%
Taxes:	0.28%

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	61,250	51	0.08	228	0.37
Total	61,250	51		228	

Gross purchases total: 61,529

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	79,284	56	0.07	–	–
Corporate actions	6,778	–	–	–	–
Total	86,062	56		–	

Total sales net of transaction costs: 86,006

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
Taxes:	0.22%

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 0.31% (2018: 0.29%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Ethical UK Equity Fund

Investment Report

Investment Objective

The investment objective of the Fund is to achieve a total return by way of income and capital growth by investing in companies that meet the ACD's criteria for responsible and ethical practices.

Investment Policy

The investment policy is to invest predominantly in shares of UK companies that meet the Fund's ethical investment criteria as determined and published by the ACD from time to time.

In doing so, the ACD will have regard to the environmental, social and corporate governance standards and practice of companies and the extent to which they contribute to products, services or practices that enhance quality of life.

Depending on the number of companies that satisfy the ACD's ethical investment criteria from time to time, this may result in a concentrated portfolio of holdings.

The Fund's ethical investment criteria may be amended from time-to-time.

If the ACD considers it desirable, it may also invest in fixed income instruments, money market instruments, cash and near cash.

The Fund is permitted to use derivatives for efficient portfolio management purposes.

Performance of Class Z – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class Z – Accumulation shares in the Threadneedle UK Ethical Equity Fund has risen from 124.71p to 128.18p.

For comparison, using noon prices, the performance of the Class Z share class was +2.78% and +2.36% for the Class T share class compared to a return of +1.59% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI UK IMI extended SRI Index was +2.22%.

Market Overview and Portfolio Activity

At the early stage of the review period, sustainability developments in the UK market centred around social impact investments. We contributed to a government-appointed taskforce aiming to foster impact investing in the

UK. In June 2018, the taskforce hosted an event on furthering its work and implementing its recommendations, which included assessing how our outcomes-focused funds have pioneered impact investment.

In the autumn, the issue of Unilever's proposed restructuring and move to the Netherlands garnered attention. Unilever's proposals were seen as sub-optimal as well as controversial but were withdrawn in early October, following shareholder collaboration and engagement. The company, a long-term holding in this fund, is a sustainable leader in its sector.

In the final quarter of 2018, we attended the launch of the 2018 Corporate Human Rights Benchmark, a collaborative effort by investors and civil society to compare the largest companies in higher risk sectors on human rights issues. We welcome the development of informative, comparable and actionable data on key responsible investment issues. We also saw strong consumer and government interest in the sustainability of fashion. Again, we were encouraged that our holdings, Marks & Spencer and Burberry, were highlighted by the House of Commons' Environmental Audit Committee as among those most engaged on this issue.

In the first quarter of 2019, climate change came to the forefront of the public agenda. In response to public action and school strikes, the governments of Wales, Scotland and finally, the UK, declared a state of climate emergency. Later, the Prudential Regulatory Authority set supervisory expectations for climate risk analysis and disclosure. We welcome increased awareness of the issue, and consideration of how this relates to financial markets.

In terms of financial markets, UK equities had a positive but eventful year. For much of 2018, investors were rattled by jitters around Brexit, rising populism in Europe, the approaching end of the "easy money" era, and President Trump's protectionist measures, particularly against China. Markets rebounded in 2019 however, as the extent of the sell-off in the final quarter of 2018 prompted the Federal Reserve to adopt a more dovish tone. Equities also benefited from optimism over Chinese stimulus measures and trade negotiations between the US and China. Meanwhile, UK domestically-oriented stocks were further buoyed by waning fears of a no-deal Brexit. While the UK and the EU failed to agree on a withdrawal agreement, investors correctly anticipated that this would lead to Parliament vetoing a no-deal scenario, and that this would result in the Article 50 deadline being postponed.

We added BT Group to the portfolio, following extensive engagement and research. BT Group is the largest investor in UK communications. BT Group's investments in ultrafast should have a positive effect on the UK's GDP. The firm has around 900,000 SME customers, for whom strong internet and telecommunications may be particularly important in keeping them competitive and, ultimately, contributing to the economy. BT Group also has a specific inclusion target to reach 10 million socially disadvantaged customers by 2020 and it is increasingly seeking to deliver positive environmental impacts.

Other new positions over the review period included Aveva Group, Ferguson and easyJet. Aveva's software is designed to increase customers' efficiency through design, monitoring, operational control and planning. Sustainability-related savings – in energy, water and safety – are part of this value add. We are supportive of the company's strong cash generation and leading market position. We see low-cost airline easyJet as the best-in-class in a challenged sector: for instance, the firm is experimenting with a partner to offer a short-haul electric flight route. Plumbing and heating products distributor Ferguson is increasingly focused on efficient products.

Exits included CityFibre Infrastructure Holdings, which was acquired by infrastructure investment consortium Connect Infrastructure at a premium in June. We also closed our positions in BTG, Smart Metering Systems and Victrex.

We feel that the UK market has effectively separated into three tiers. While the market has been narrowly led by a small cohort of mega-cap commodity stocks, many other UK-listed companies with global exposure remain attractive. Some of these non-commodity-driven international earners are trading at excessive discounts to their overseas-listed peers, partly as a consequence of the sheer weight of money re-allocated away from the UK stockmarket. Finally, UK domestics are trading at even cheaper valuations, owing to the poor sentiment around Brexit. This valuation dynamic creates numerous opportunities for active managers such as ourselves. We have already seen record levels of activist investment and, in our view, this environment should continue to entice inbound corporate mergers and acquisitions.

We will continue to use our disciplined process to identify investment opportunities in companies that deliver sustainable, innovative outcomes.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	261	359
Revenue	3	696	634
Expenses	4	(319)	(328)
Net revenue before taxation		377	306
Taxation	5	–	–
Net revenue after taxation		377	306
Total return before distributions		638	665
Distributions	6	(377)	(306)
Change in net assets attributable to shareholders from investment activities		261	359

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		24,210	24,196
Current assets:			
Debtors	7	258	168
Cash and bank balances		1,183	659
Total assets		25,651	25,023
Liabilities:			
Creditors:			
Distribution payable		(182)	(173)
Other creditors	8	(53)	(69)
Total liabilities		(235)	(242)
Net assets attributable to shareholders		25,416	24,781

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	24,781	24,850
Amounts receivable on the issue of shares	2,305	953
Amounts payable on the cancellation of shares	(1,973)	(1,402)
	332	(449)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	261	359
Retained distribution on accumulation shares	42	21
Closing net assets attributable to shareholders	25,416	24,781

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class T – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.8110	–	0.8110	0.5562
01/11/18 to 30/04/19	0.9670	–	0.9670	0.8818
Group 2				
01/05/18 to 31/10/18	0.4154	0.3956	0.8110	0.5562
01/11/18 to 30/04/19	0.7480	0.2190	0.9670	0.8818
Total distributions in the period			1.7780	1.4380

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle Ethical UK Equity Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	1.1050	–	1.1050	0.8215
01/11/18 to 30/04/19	1.2611	–	1.2611	1.1555
Group 2				
01/05/18 to 31/10/18	0.3943	0.7107	1.1050	0.8215
01/11/18 to 30/04/19	0.8190	0.4421	1.2611	1.1555
Total distributions in the period			2.3661	1.9770

Group 2: shares purchased during a distribution period.

Threadneedle Ethical UK Equity Fund

Comparative Table Disclosure

	Class T – Income shares			Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	118.98	117.30	98.99	124.41	120.71	100.12
Return before operating charges (p)	4.34	4.71	21.24	4.61	4.85	21.67
Operating charges (p)	(1.58)	(1.59)	(1.44)	(1.16)	(1.15)	(1.08)
Return after operating charges (p)*	2.76	3.12	19.80	3.45	3.70	20.59
Distributions (p)	(1.78)	(1.44)	(1.49)	(2.37)	(1.98)	(1.95)
Retained distributions on accumulation shares (p)	–	–	–	2.37	1.98	1.95
Closing net asset value per share (p)	119.96	118.98	117.30	127.86	124.41	120.71
*after direct transaction costs of (p)	0.13	0.21	0.21	0.13	0.21	0.22
Performance						
Return after charges (%)	2.32	2.66	20.00	2.77	3.07	20.57
Other information						
Closing net asset value (£000)	22,538	23,387	23,837	2,878	1,394	1,013
Closing number of shares	18,788,639	19,655,832	20,321,664	2,251,079	1,120,438	839,594
Operating charges (%)**	1.34	1.34	1.35	0.94	0.94	0.96
Direct transaction costs (%)***	0.11	0.17	0.19	0.11	0.17	0.19
Prices						
Highest share price (p)	125.71	122.46	118.33	131.62	126.26	121.05
Lowest share price (p)	107.74	111.36	92.55	113.77	115.54	93.67

**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 Ethical UK Equity Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019	2018
	£000	£000
Non-derivative securities	261	360
Transaction costs	–	(1)
Net capital gains	261	359

3 REVENUE

	2019	2018
	£000	£000
UK dividends	687	628
Overseas dividends	6	4
Bank interest	3	2
Total revenue	696	634

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(272)	(281)
Registration fees	(27)	(27)
	(299)	(308)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(3)	(3)
Safe custody fees	(9)	(9)
	(12)	(12)
Other expenses:		
Audit fees	(8)	(8)
	(8)	(8)
Total expenses*	(319)	(328)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2019	2018
	£000	£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	377	306
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(75)	(61)
Effects of:		
Revenue not subject to taxation	138	126
Excess expenses	(63)	(65)
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £217,523 (2018: £154,484) 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:

	2019	2018
	£000	£000
Interim	168	119
Final	210	186
	378	305
Add: Revenue deducted on the cancellation of shares	7	4
Deduct: Revenue received on the creation of shares	(8)	(3)
Net distribution for the period	377	306

Details of the distribution per share are set out in the table on pages 12 to 13.

7 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	34	3
Sales awaiting settlement	72	8
Accrued revenue	152	157
Total debtors	258	168

8 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(21)	(38)
Accrued expenses	(7)	(6)
Amounts payable to ACD	(25)	(25)
Total other creditors	(53)	(69)

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 Ethical UK Equity Fund currently has two share classes; Class T and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class T shares	1.15%
Class Z shares	0.75%
Registration fees	
Class T shares	0.110%
Class Z shares	0.110%

Threadneedle Ethical UK Equity 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 14. The distribution per share class is given in the distribution table on pages 12 to 13. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class T – Income shares	
Opening shares	19,655,832
Shares issued	496,329
Shares redeemed	(1,363,522)
Net conversions	–
Closing shares	<u>18,788,639</u>
Class Z – Accumulation shares	
Opening shares	1,120,438
Shares issued	1,407,528
Shares redeemed	(276,887)
Net conversions	–
Closing shares	<u>2,251,079</u>

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.01% and vice versa (2018: 3.93%).

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 2019	£000
Euro	283
US Dollar	12
Currency 2018	£000
Euro	411
US Dollar	9

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	–	–	283	283
UK Sterling	1,180	–	24,176	25,356
US Dollar	3	–	9	12
Currency 2018	£000	£000	£000	£000
Euro	7	–	404	411
UK Sterling	652	–	23,951	24,603
US Dollar	–	–	9	9

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(235)	(235)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(242)	(242)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	24,030	–	24,020	–
Level 3	180	–	176	–
	<u>24,210</u>	<u>–</u>	<u>24,196</u>	<u>–</u>

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value £000	Commissions £000	%	Taxes £000	%
	Equities	5,186	2	0.05	21
Corporate actions	109	–	–	–	–
Total	<u>5,295</u>	<u>2</u>		<u>21</u>	

Gross purchases total:

Sales	Value £000	Commissions £000	%	Taxes £000	%
	Equities	5,211	3	0.05	–
Corporate actions	365	–	–	–	–
Total	<u>5,576</u>	<u>3</u>		<u>–</u>	

Total sales net of transaction costs: 5,573

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.09%

Threadneedle Ethical UK Equity Fund

Notes to the financial statements

(continued)

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	6,501	5	0.07	30	0.47
Corporate actions	142	–	–	–	–
Total	6,643	5		30	

Gross purchases total: **6,678**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	7,705	9	0.11	–	–
Corporate actions	52	–	–	–	–
Total	7,757	9		–	

Total sales net of transaction costs: **7,748**

Transaction costs as a percentage of average Net Assets

Commissions:	0.05%
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 0.53% (2018: 0.50%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the UK Extended Alpha Fund is to achieve above average capital growth from a concentrated portfolio of UK equities.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to a concentrated portfolio of UK equities, i.e. equities of companies domiciled in the UK, or which have significant UK operations, by investing directly or indirectly in such securities. This approach means that the ACD has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the ACD considers it desirable it may further invest up to one third of the assets of the Fund in markets outside the United Kingdom. The Fund's exposure may be gained through long and short positions.

The ACD may take long and short positions through the use of derivatives and forward transactions. In addition in order to gain long exposure, the ACD may invest in equities, collective investment schemes including exchange traded funds and/or related indices. If the ACD considers it desirable, it may hold a substantial proportion or all of the Fund in cash and/or other securities (including fixed interest securities and money market instruments).

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Extended Alpha Fund has risen from 473.48p to 488.81p.

For comparison, using noon prices, the performance of the Class 1 share class was +3.24% and +3.82% for the Class 2 share class compared to a return of +1.59% for the Morningstar UK Unit Trusts/OEICs – (IA) UK All Companies Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +2.62%.

Market Overview and Portfolio Activity

UK equities experienced a positive but turbulent year. Factors unsettling investors included Brexit, rising populism in Europe, concerns that the "easy money" era was ending, and President Trump's protectionist measures, particularly against China. In the fourth quarter of 2018, increasing trade-war jitters and the prospect of tighter monetary policy, along with resulting fears of a global growth slowdown, triggered a sharp decline in equities across the world. The extent of the sell-off prompted the Federal Reserve (Fed) to adopt a more dovish tone in 2019, which, along with optimism over Chinese stimulus measures and the trade negotiations between the US and China, helped markets rally in the last four months of the review period. UK domestically-oriented stocks, perceived to be vulnerable to the inflationary effects of a weak pound, were further buoyed by the diminishing likelihood of a no-deal Brexit, and the concomitant sterling rally.

With a draft withdrawal arrangement being turned down three times by Parliament, the UK and the EU failed to agree on a Brexit deal. MPs also vetoed the UK leaving without a deal, which led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

On the economic front, the Bank of England raised rates once, in August 2018, as some stronger economic data reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. This has led firms to favour hiring workers over investing, which has contributed to the rise in employment over the review period. Wage growth also improved over the year and outstripped inflation.

New additions to the long book included Associated British Foods (ABF), easyJet and Smiths Group. We feel budget airline easyJet is a well-run business, with a robust brand and a flexible, healthy balance sheet. easyJet is strengthening its position in several key airport hubs and is improving its fleet prudently: measures which we feel should position it to deliver long-term economic returns. ABF has a strong balance sheet and an impressive management team focused on long-term value creation, while engineering firm

Smiths Group is trading at a significant discount relative to its peer group.

We also topped up some existing holdings, such as Royal Dutch Shell and BT Group. We profitably closed our positions in Shire and Rotork. We also exited Royal Mail, following a profit warning, and TP ICAP, as trading volumes remained subdued owing to the flattening of the US yield curve.

In October, we reviewed the portfolio and concluded that the short book was inadequately diversified. We addressed this by initiating new shorts in positions such as a capital equipment rental firm, an outsourcer, a holiday operator and a challenger bank. We also increased shorts in richly valued areas such as technology and online retail, which we feel could suffer materially as interest rates rise.

We feel that the UK market has effectively separated into three tiers. While the market has been narrowly led by a small cohort of mega-cap commodity stocks, many other UK-listed companies with global exposure remain attractive. Some of these non-commodity-driven international earners are trading at excessive discounts to their overseas-listed peers, partly as a consequence of the sheer weight of money re-allocated away from the UK stockmarket. Finally, UK domestics are trading at even cheaper valuations, owing to the poor sentiment around Brexit. This valuation dynamic creates numerous opportunities for active managers such as ourselves. We have already seen record levels of activist investment and, in our view, this environment should continue to entice inbound corporate mergers and acquisitions.

More broadly, we feel that the Fed's recent dovish shift and any significant resolution to the US-China trade spat could extend the economic cycle a bit further, but we are closely monitoring the situation.

We will focus on company fundamentals and use market volatility to top up and buy favoured stocks. We see numerous opportunities to generate returns in the long book, while the travails and challenges in global markets should give us decent opportunities to monetise the downside via the short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	2,122	3,664
Revenue	3	5,515	4,704
Expenses	4	(1,122)	(1,090)
Interest payable and similar charges	5	(726)	(609)
Net revenue before taxation		3,667	3,005
Taxation	6	–	–
Net revenue after taxation		3,667	3,005
Total return before distributions		5,789	6,669
Distributions	7	(3,667)	(3,005)
Change in net assets attributable to shareholders from investment activities		2,122	3,664

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		140,341	125,902
Current assets:			
Debtors	8	1,435	1,830
Cash and bank balances	9	6,437	12,008
Total assets		148,213	139,740
Liabilities:			
Investment liabilities		(56)	–
Creditors:			
Other creditors	10	(2,055)	(12,119)
Total liabilities		(2,111)	(12,119)
Net assets attributable to shareholders		146,102	127,621

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	127,621	125,527
Amounts receivable on the issue of shares	25,491	51,546
Amounts payable on the cancellation of shares	(12,992)	(56,241)
	12,499	(4,695)
Dilution adjustment	17	271
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	2,122	3,664
Retained distribution on accumulation shares	3,843	2,854
Closing net assets attributable to shareholders	146,102	127,621

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	10.3796	–	10.3796	8.1496
Group 2 01/05/18 to 30/04/19	6.4134	3.9662	10.3796	8.1496
Total distributions in the period	10.3796	3.9662	10.3796	8.1496

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	14.0411	–	14.0411	11.5348
Group 2 01/05/18 to 30/04/19	8.3126	5.7285	14.0411	11.5348
Total distributions in the period	14.0411	5.7285	14.0411	11.5348

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle UK Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	8.2236	–	8.2236	6.9923
Group 2 01/05/18 to 30/04/19	8.2236	–	8.2236	6.9923
Total distributions in the period			8.2236	6.9923

Group 2: shares purchased during a distribution period.

Threadneedle UK Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	473.27	449.80	385.34	510.38	482.36	410.94
Return before operating charges (p)	21.74	29.90	70.34	23.62	32.17	75.19
Operating charges (p)	(6.44)	(6.43)	(5.88)	(4.16)	(4.15)	(3.77)
Return after operating charges (p)*	15.30	23.47	64.46	19.46	28.02	71.42
Distributions (p)	(10.38)	(8.15)	(7.64)	(14.04)	(11.53)	(10.68)
Retained distributions on accumulation shares (p)	10.38	8.15	7.64	14.04	11.53	10.68
Closing net asset value per share (p)	488.57	473.27	449.80	529.84	510.38	482.36
*after direct transaction costs of (p)	1.16	1.68	1.59	1.25	1.81	1.69
Performance						
Return after charges (%)	3.23	5.22	16.73	3.81	5.81	17.38
Other information						
Closing net asset value (£000)	5,459	5,551	5,743	140,636	122,063	119,778
Closing number of shares	1,117,252	1,172,837	1,276,758	26,543,107	23,916,107	24,831,469
Operating charges (%)**	1.39	1.40	1.40	0.83	0.84	0.84
Direct transaction costs (%)***	0.25	0.37	0.38	0.25	0.37	0.38
Prices						
Highest share price (p)	490.22	480.95	452.41	531.58	517.83	485.03
Lowest share price (p)	413.00	439.96	367.13	447.04	474.18	391.86
Class X – Accumulation shares						
	30/04/2019	30/04/2018	30/04/2017			
Change in net assets per share						
Opening net asset value per share (p)	233.73	219.21	185.33			
Return before operating charges (p)	10.94	14.68	34.02			
Operating charges (p)	(0.16)	(0.16)	(0.14)			
Return after operating charges (p)*	10.78	14.52	33.88			
Distributions (p)	(8.22)	(6.99)	(6.38)			
Retained distributions on accumulation shares (p)	8.22	6.99	6.38			
Closing net asset value per share (p)	244.51	233.73	219.21			
*after direct transaction costs of (p)	0.58	0.83	0.76			
Performance						
Return after charges (%)	4.61	6.62	18.28			
Other information						
Closing net asset value (£000)	7	7	6			
Closing number of shares	3,000	3,000	3,000			
Operating charges (%)**	0.07	0.07	0.07			
Direct transaction costs (%)***	0.25	0.37	0.38			
Prices						
Highest share price (p)	245.28	236.61	220.33			
Lowest share price (p)	205.76	216.98	176.93			

**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 Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	533	2,757
Derivative contracts	1,600	900
Other (losses)/gains	(10)	9
Transaction costs	(1)	(2)
Net capital gains	2,122	3,664

3 REVENUE

	2019 £000	2018 £000
UK dividends	4,935	3,914
Overseas dividends	4	143
Derivative revenue	550	636
Bank interest	24	11
Underwriting commission	2	–
Total revenue	5,515	4,704

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,012)	(980)
Registration fees	(69)	(67)
	(1,081)	(1,047)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(16)	(15)
Safe custody fees	(11)	(11)
	(27)	(26)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(9)	(9)
	(14)	(17)
Total expenses*	(1,122)	(1,090)

The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the FTSE All Share Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2018 (2017: £Nil).

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Dividends payable on short positions	(726)	(606)
Interest payable	–	(3)
Total interest payable and similar charges	(726)	(609)

6 TAXATION

	2019 £000	2018 £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	3,667	3,005
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(733)	(601)
Effects of:		
Revenue not subject to taxation	952	788
Excess expenses	(219)	(187)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £1,395,684 (2018: £1,177,213) 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:

	2019 £000	2018 £000
Final	3,843	2,854
	3,843	2,854
Add: Revenue deducted on the cancellation of shares	117	757
Deduct: Revenue received on the creation of shares	(293)	(606)
Net distribution for the period	3,667	3,005

Details of the distribution per share are set out in the table on pages 18 to 19.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	106	120
Sales awaiting settlement	176	540
Accrued revenue	1,153	1,170
Total debtors	1,435	1,830

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	–	150
Cash and bank balances	6,437	11,858
Total cash and bank balances	6,437	12,008

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(87)	(11,154)
Purchases awaiting settlement	(1,679)	(651)
Accrued expenses	(192)	(224)
Amounts payable to ACD	(97)	(90)
Total other creditors	(2,055)	(12,119)

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 UK Extended Alpha 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 UK Extended Alpha 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	1.25%
Class 2 shares	0.75%
Class X shares	N/A*

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.050%
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 20. The distribution per share class is given in the distribution table on pages 18 to 19. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	1,172,837
Shares issued	209,553
Shares redeemed	(262,767)
Net conversions	(2,371)
Closing shares	<u>1,117,252</u>
Class 2 – Accumulation shares	
Opening shares	23,916,107
Shares issued	4,987,275
Shares redeemed	(2,362,462)
Net conversions	2,187
Closing shares	<u>26,543,107</u>
Class X – Accumulation shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 1.6 x benchmark¹ VAR 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 8.2% (2018: 9.8%). This means that there is estimated to be a 1% chance that the fund could lose more than 8.2% (2018: 9.8%) of its value in a month.

At 30 April, 2019 the VaR utilisation was 61% (2018: 65%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 0% (2018: 60%), the highest VaR utilisation was 64% (2018: 65%) and the average utilisation was 62% (2018: 62%).

¹The benchmark of fund is shown on page 202.

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 2019	
Euro	24
US Dollar	200
Currency 2018	£000
Euro	56
US Dollar	145

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose.

	Portfolio Swaps Exposure £000	Collateral Pledged £000
2018		
Counterparty		
UBS	189	150

The fund held £220,000 (2018: £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.

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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Euro	69	–	–	69
UK Sterling	6,341	–	141,576	147,917
US Dollar	27	–	200	227
Currency 2018				
Euro	–	–	56	56
UK Sterling	11,982	–	127,306	139,288
US Dollar	26	–	172	198
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
Euro	–	–	(45)	(45)
UK Sterling	–	–	(2,039)	(2,039)
US Dollar	–	–	(27)	(27)
Currency 2018				
UK Sterling	–	–	(11,868)	(11,868)
US Dollar	–	–	(53)	(53)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

Threadneedle UK Extended Alpha Fund

Notes to the financial statements

(continued)

Derivative risks

Derivatives including portfolio 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.

At 30 April 2019, the fund had outstanding portfolio swaps with an asset value of £Nil (2018: £189,000) and a liability value of £56,000 (2018: £Nil).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	140,341	–	125,713	–
Level 2	–	(56)	189	–
	140,341	(56)	125,902	–

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	56,170	29	0.05	278	0.50
Total	56,170	29		278	

Gross purchases total:

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	41,818	21	0.05	–	–
Corporate actions	283	–	–	–	–
Total	42,101	21		–	

Total sales net of transaction costs:

	42,080				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.04%				
Taxes:	0.21%				

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	78,694	43	0.06	375	0.48
Total	78,694	43		375	

Gross purchases total:

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	74,050	47	0.06	–	–
Corporate actions	696	–	–	–	–
Total	74,746	47		–	

Total sales net of transaction costs:

	74,699				
Transaction costs as a percentage of average Net Assets					
Commissions:	0.07%				
Taxes:	0.30%				

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 0.07% (2018: 0.06%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Equity Alpha Income Fund

Investment Report

Investment Objective

The investment objective of the UK Equity Alpha Income Fund is to achieve a reasonable and growing income with the prospects of capital growth from a concentrated portfolio of UK equities.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund in a concentrated portfolio of predominantly UK equities. The Alpha Income investment approach is a highly focused management style, which gives the ACD the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Income shares in the Threadneedle UK Equity Alpha Income Fund has fallen from 67.19p to 65.49p.

For comparison, using noon prices, the performance of the Class 1 share class was +1.77% and +2.35% for the Class 2 share class compared to a return of +0.52% for the Morningstar UK Unit Trusts/OEICS – (IA) UK Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE All-Share Index was +2.62%.

Market Overview and Portfolio Activity

UK equities experienced a positive but turbulent year. Factors unsettling investors included Brexit, rising populism in Europe, concerns that the "easy money" era was ending, and President Trump's protectionist measures, particularly against China. In the fourth quarter of 2018, increasing trade-war jitters and the prospect of tighter monetary policy, along with resulting

fears of a global growth slowdown, triggered a sharp decline in equities across the world. The extent of the sell-off prompted the Federal Reserve to adopt a more dovish tone in 2019, which, along with optimism over Chinese stimulus measures and the trade negotiations between the US and China, helped markets rally in the last four months of the review period. UK domestically-oriented stocks, perceived to be vulnerable to the inflationary effects of a weak pound, were further buoyed by the diminishing likelihood of a no-deal Brexit, and the concomitant sterling rally.

With a draft withdrawal arrangement being turned down three times by Parliament, the UK and the EU failed to agree on a Brexit deal. MPs also vetoed the UK leaving without a deal, which led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

On the economic front, the Bank of England raised rates once, in August 2018, as some stronger economic data reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. This has led firms to favour hiring workers over investing, which has contributed to the rise in employment over the review period. Wage growth also improved over the year and outstripped inflation.

Over the review period, we took advantage of bouts of market volatility to top up some favoured holdings. One example was Restaurant Group; we increased our holding in this stock by purchasing shares as well as by participating in a rights issue, which was conducted to fund its takeover of Wagamama. While the additional debt used to fund the transaction has increased the risks to the business, we feel that Restaurant Group's current valuation does not fully capture the possible upside from rolling out new Wagamama outlets across the still under-penetrated UK market, especially in airport hubs where the company already boasts a strong foothold. Moreover, the existing pubs and concessions segment continues to make solid progress.

We also participated in the rights issue of Phoenix Group Holdings, which helped finance its acquisition of Standard Life Aberdeen's UK and European insurance businesses.

Despite concerns about the UK's political and economic prospects, we are more constructive about the outlook for UK equities.

Although markets have rallied since the start of 2019, the UK continues to trade at an attractive price-to-earnings level for the year, with a yield still in excess of 4.5%. Nevertheless, global asset allocators remain fearful of the ongoing political uncertainty.

We feel that the UK market has effectively separated into three tiers. While the market has been narrowly led by a small cohort of mega-cap commodity stocks, many other UK-listed companies with global exposure remain attractive. Some of these non-commodity-driven international earners are trading at excessive discounts to their overseas-listed peers, partly as a consequence of the sheer weight of money re-allocated away from the UK stockmarket. Finally, UK domestics are trading at even cheaper valuations, owing to the poor sentiment around Brexit. This valuation dynamic creates numerous opportunities for active managers such as ourselves. We have already seen record levels of activist investment and, in our view, this environment should continue to entice inbound corporate mergers and acquisitions.

In a wider context, as markets have started to acknowledge the reality that there are issues elsewhere in the world, we believe that the opportunity cost of investing in the UK is now very different. With its sizeable defensive contingent, idiosyncratic drivers and lack of any short-term speculative investment, we are cautiously optimistic about the outlook for UK equities relative to other developed markets.

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

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(3,652)	(18,291)
Revenue	3	26,346	34,162
Expenses	4	(6,280)	(8,552)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		20,065	25,609
Taxation	6	–	–
Net revenue after taxation		20,065	25,609
Total return before distributions		16,413	7,318
Distributions	7	(25,837)	(33,499)
Change in net assets attributable to shareholders from investment activities		(9,424)	(26,181)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		373,353	774,148
Current assets:			
Debtors	8	2,763	7,898
Cash and bank balances		774	13,656
Cash equivalents**		55	–
Total assets		376,945	795,702
Liabilities:			
Creditors:			
Distribution payable		(8,121)	(17,145)
Other creditors	9	(6,505)	(1,359)
Total liabilities		(14,626)	(18,504)
Net assets attributable to shareholders		362,319	777,198

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	777,198	827,170
Amounts receivable on the issue of shares	24,449	54,897
Amounts payable on the cancellation of shares	(115,635)	(78,689)
Amounts payable on inspecie transfers	(314,269)	–
	(405,455)	(23,792)
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(9,424)	(26,181)
Unclaimed distributions	–	1
Closing net assets attributable to shareholders	362,319	777,198

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	1.4367	–	1.4367	1.3683
01/11/18 to 30/04/19	1.4059	–	1.4059	1.4208
Group 2				
01/05/18 to 31/10/18	0.5209	0.9158	1.4367	1.3683
01/11/18 to 30/04/19	0.7234	0.6825	1.4059	1.4208
Total distributions in the period			2.8426	2.7891

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

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

Threadneedle UK Equity Alpha Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	1.5330	–	1.5330	1.4600
01/11/18 to 30/04/19	1.5486	–	1.5486	1.5508
Group 2				
01/05/18 to 31/10/18	0.6954	0.8376	1.5330	1.4600
01/11/18 to 30/04/19	0.8436	0.7050	1.5486	1.5508
Total distributions in the period			3.0816	3.0108

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	2.3121	–	2.3121	2.2020
01/11/18 to 30/04/19	2.4766	–	2.4766	2.4336
Group 2				
01/05/18 to 31/10/18	2.3121	–	2.3121	2.2020
01/11/18 to 30/04/19	2.4766	–	2.4766	2.4336
Total distributions in the period			4.7887	4.6356

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	2.9799	–	2.9799	2.8380
01/11/18 to 30/04/19	3.0625	–	3.0625	3.0461
Group 2				
01/05/18 to 31/10/18	1.3647	1.6152	2.9799	2.8380
01/11/18 to 30/04/19	1.7731	1.2894	3.0625	3.0461
Total distributions in the period			6.0424	5.8841

Group 2: shares purchased during a distribution period.

Threadneedle UK Equity Alpha Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 2 – Income share		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	65.70	68.31	61.29	69.83	72.24	64.48
Return before operating charges (p)	2.23	1.28	11.01	2.39	1.36	11.64
Operating charges (p)	(1.07)	(1.10)	(1.07)	(0.75)	(0.76)	(0.74)
Return after operating charges (p)*	1.16	0.18	9.94	1.64	0.60	10.90
Distributions (p)	(2.84)	(2.79)	(2.92)	(3.08)	(3.01)	(3.14)
Closing net asset value per share (p)	64.02	65.70	68.31	68.39	69.83	72.24
*after direct transaction costs of (p)	0.02	0.06	0.08	0.03	0.06	0.08
Performance						
Return after charges (%)	1.77	0.26	16.22	2.35	0.83	16.90
Other information						
Closing net asset value (£000)	66,736	83,269	101,101	127,561	483,456	480,324
Closing number of shares	104,243,800	126,739,101	147,998,197	186,530,931	692,353,946	664,928,344
Operating charges (%)**	1.63	1.63	1.63	1.05	1.06	1.06
Direct transaction costs (%)***	0.03	0.08	0.12	0.03	0.08	0.12
Prices						
Highest share price (p)	70.41	72.20	70.38	74.95	76.39	74.43
Lowest share price (p)	59.42	61.52	58.59	63.39	65.39	61.70

	Class X – Income shares			Class Z – Income shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	107.65	110.25	97.43	139.15	143.58	127.85
Return before operating charges (p)	3.67	2.06	17.62	4.71	2.70	23.06
Operating charges (p)	(0.02)	(0.02)	(0.02)	(1.23)	(1.25)	(1.21)
Return after operating charges (p)*	3.65	2.04	17.60	3.48	1.45	21.85
Distributions (p)	(4.79)	(4.64)	(4.78)	(6.04)	(5.88)	(6.12)
Closing net asset value per share (p)	106.51	107.65	110.25	136.59	139.15	143.58
*after direct transaction costs of (p)	0.04	0.09	0.12	0.05	0.12	0.16
Performance						
Return after charges (%)	3.39	1.85	18.06	2.50	1.01	17.09
Other information						
Closing net asset value (£000)	3	3	3	168,019	210,470	245,742
Closing number of shares	3,000	3,000	3,000	123,009,135	151,257,373	171,147,904
Operating charges (%)**	0.02	0.02	0.02	0.88	0.88	0.88
Direct transaction costs (%)***	0.03	0.08	0.12	0.03	0.08	0.12
Prices						
Highest share price (p)	115.88	116.69	113.59	149.43	151.86	147.89
Lowest share price (p)	98.45	100.74	93.39	126.53	130.23	122.37

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

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

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(3,654)	(18,326)
Other gains	4	36
Transaction costs	(2)	(1)
Net capital losses	(3,652)	(18,291)

3 REVENUE

	2019 £000	2018 £000
UK dividends	25,037	34,106
Overseas dividends	1,235	–
Interest on short term investments	12	6
Bank interest	15	8
Underwriting commission	47	42
Total revenue	26,346	34,162

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(5,769)	(7,890)
Registration fees	(407)	(525)
	(6,176)	(8,415)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(70)	(97)
Safe custody fees	(21)	(26)
	(91)	(123)
Other expenses:		
Regulatory fees	(4)	(5)
Audit fees	(9)	(9)
	(13)	(14)
Total expenses*	(6,280)	(8,552)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(1)	(1)
Total interest payable and similar charges	(1)	(1)

6 TAXATION

	2019 £000	2018 £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	20,065	25,609
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(4,013)	(5,122)
Effects of:		
Revenue not subject to taxation	5,131	6,676
Excess expenses	(1,117)	(1,554)
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 £11,573,940 (2018: £10,457,263) 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:

	2019 £000	2018 £000
Interim	15,373	16,216
Final	8,121	17,145
	23,494	33,361
Add: Revenue deducted on the cancellation of shares	2,574	926
Deduct: Revenue received on the creation of shares	(231)	(788)
Net distribution for the period	25,837	33,499
Net revenue after taxation	20,065	25,609
Annual management charge to capital	5,769	7,890
Equalisation on conversion	3	–
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	25,837	33,499

Details of the distribution per share are set out in the table on pages 24 to 25.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	101	2,343
Accrued revenue	2,662	5,555
Total debtors	2,763	7,898

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(6,169)	(690)
Accrued expenses	(13)	(15)
Amounts payable to ACD	(323)	(654)
Total other creditors	(6,505)	(1,359)

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 Equity Alpha Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle UK Equity Alpha 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 26. The distribution per share class is given in the distribution table on pages 24 to 25. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	126,739,101
Shares issued	2,020,933
Shares redeemed	(13,384,958)
Net conversions	(11,131,276)
Closing shares	104,243,800
Class 2 – Income shares	
Opening shares	692,353,946
Shares issued	14,318,464
Shares redeemed	(520,087,726)
Net conversions	(53,753)
Closing shares	186,530,931
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class Z – Income shares	
Opening shares	151,257,373
Shares issued	9,616,356
Shares redeemed	(43,110,978)
Net conversions	5,246,384
Closing shares	123,009,135

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.75% and vice versa (2018: 4.68%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2018: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	829	–	376,116	376,945
Currency 2018	£000	£000	£000	£000
UK Sterling	13,656	–	782,046	795,702

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(14,626)	(14,626)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(18,504)	(18,504)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	373,408	–	774,148	–
	373,408	–	774,148	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions	Taxes	
	£000	£000	%	£000
Equities	37,952	9	0.02	188
Collective investment schemes	14,005	–	–	–
Corporate actions	15,274	–	–	–
Total	67,231	9		188
Gross purchases total:	67,428			

Threadneedle UK Equity Alpha Income Fund

Notes to the financial statements

(continued)

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	136,325	18	0.01	–	–
Collective investment schemes	13,950	–	–	–	–
In specie transactions	314,269	–	–	–	–
Total	464,544	18		–	

Total sales net of transaction costs: 464,526

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.03%

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	123,854	98	0.08	517	0.42
Corporate actions	5,548	–	–	–	–
Total	129,402	98		517	

Gross purchases total: 130,017

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	154,073	64	0.04	–	–
Total	154,073	64		–	

Total sales net of transaction costs: 154,009

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.06%

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% (2018: 0.20%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Absolute Alpha Fund

Investment Report

Investment Objective

The investment objective of the UK Absolute Alpha Fund is to achieve an absolute return, irrespective of market conditions, over the long term and a positive return over a 12 month period. There is a risk to capital, and there is no guarantee that such a return will be achieved within 12 months, or any other timescale.

Investment Policy

The ACD's investment policy is to principally invest in: equity securities, or equity related derivatives, of corporate issuers headquartered in the United Kingdom (or corporate issuers who exercise a predominant part of their activity in the United Kingdom) fixed interest securities, cash, or money market instruments. If the ACD considers it desirable, the ACD may invest in securities and derivatives related to corporate issuers headquartered outside the United Kingdom. The Fund's exposure to any equities may be gained through long and short positions.

The ACD may take long and short positions through the use of derivatives and forward transactions. In addition in order to gain long exposure the ACD may invest in equities, collective investment schemes including exchange traded funds and/or related indices.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle UK Absolute Alpha Fund has fallen from 134.31p to 130.70p.

For comparison, using noon prices, the performance of the Class 1 share class was -2.69% and -2.13% for the Class 2 share class compared to a return of -0.44% for the Morningstar UK Unit Trusts/OEICs – (IA) Targeted Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the UK LIBOR 3 Month returned +0.81%.

Market Overview and Portfolio Activity

UK equities experienced a positive but turbulent year. Factors unsettling investors included Brexit, rising populism in Europe, concerns that the "easy money" era was ending, and President Trump's protectionist measures, particularly against China. In the fourth quarter of 2018, increasing trade-war jitters and the prospect of tighter monetary policy, along with resulting fears of a global growth slowdown, triggered a sharp decline in equities across the world. The extent of the sell-off prompted the Federal Reserve to adopt a more dovish tone in 2019, which, along with optimism over Chinese stimulus measures and the trade negotiations between the US and China, helped markets rally in the last four months of the review period. UK domestically-oriented stocks, perceived to be vulnerable to the inflationary effects of a weak pound, were further buoyed by the diminishing likelihood of a no-deal Brexit, and the concomitant sterling rally.

With a draft withdrawal arrangement being turned down three times by Parliament, the UK and the EU failed to agree on a Brexit deal. MPs also vetoed the UK leaving without a deal, which led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

On the economic front, the Bank of England raised rates once, in August 2018, as some stronger economic data reassured policymakers that the slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, for 2018 as a whole, GDP growth slipped to a six-year low, partly because of the uncertainty induced by Brexit. This has led firms to favour hiring workers over investing, which has contributed to the rise in employment over the review period. Wage growth also improved over the year and outstripped inflation.

We undertook several trades over the period. In October, we reviewed the fund's positioning and risk and concluded that the long book was overly economically sensitive, while the short book was inadequately diversified. In response, we sold or reduced exposure to several cyclical names in the long book. In the short book, we focused on increasing the number of stock-specific shorts, moving away from the FTSE 100 index futures position. This had been an imperfect hedge for our long exposures, given the long book's lack of exposure to the major FTSE sectors such as oil and mining.

In the long book, key new positions over the year included GlaxoSmithKline and BT Group. Among the portfolio's holdings, GlaxoSmithKline is one of several globally diversified companies trading at an attractive

valuation relative to overseas-listed peers. We are optimistic about the transformation of the pharmaceutical pipeline, the company's more focused R&D approach and recent portfolio decisions. We sold out of BT Group on its first profit warning in January 2017 and continued to monitor the company since then. We re-initiated a position in August, as we felt that the stock had a lot of bad news priced in and was trading at an attractive valuation. Though BT Group is still facing some challenges, satisfactory resolution in some of the areas of market concern, such as its pension deficit, uncertainties around the rollout of fibre and the separation of Openreach, should allow the company to focus on execution.

We profitably closed our position in Shire, as the stock rallied in the run-up to the takeover by Japanese rival Takeda. We also exited some positions which had disappointed in 2018, such as TP ICAP and CRH.

In the short book, new positions over the year included businesses specialising in capital equipment rental, consumables for the steel industry, recruitment and advertising. We also increased shorts in richly valued areas such as technology and online retail; we feel these stocks are vulnerable to rising interest rates.

We feel that the UK market has effectively separated into three tiers. While the market has been narrowly led by a small cohort of mega-cap commodity stocks, many other UK-listed companies with global exposure remain attractive. Some of these non-commodity-driven international earners are trading at excessive discounts to their overseas-listed peers, partly as a consequence of the sheer weight of money re-allocated away from the UK stockmarket. Finally, UK domestics are trading at even cheaper valuations, owing to the poor sentiment around Brexit. This valuation dynamic creates numerous opportunities for active managers such as ourselves. We have already seen record levels of activist investment and, in our view, this environment should continue to entice inbound corporate mergers and acquisitions.

More broadly, we feel that the Federal Reserve's recent dovish shift and any significant resolution to the US-China trade spat could extend the economic cycle a bit further, but we are closely monitoring the situation.

We will focus on company fundamentals and use market volatility to top up and buy favoured stocks. We see numerous opportunities to generate returns in the long book, while the travails and challenges in global markets should give us decent opportunities to monetise the downside via the short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(18,829)	4,071
Revenue	3	10,869	11,168
Expenses	4	(4,347)	(6,300)
Interest payable and similar charges	5	(5,122)	(6,499)
Net revenue/(expense) before taxation		1,400	(1,631)
Taxation	6	–	–
Net revenue/(expense) after taxation		1,400	(1,631)
Total return before distributions		(17,429)	2,440
Distributions	7	(1,507)	(328)
Change in net assets attributable to shareholders from investment activities		(18,936)	2,112

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		240,852	525,083
Current assets:			
Debtors	8	2,921	3,627
Cash and bank balances	9	33,309	74,336
Cash equivalents**		28,038	50,076
Total assets		305,120	653,122
Liabilities:			
Investment liabilities		(3,218)	(7,544)
Creditors:			
Distribution payable		(96)	–
Other creditors	10	(2,105)	(9,216)
Total liabilities		(5,419)	(16,760)
Net assets attributable to shareholders		299,701	636,362

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	636,362	686,529
Amounts receivable on the issue of shares	32,060	163,159
Amounts payable on the cancellation of shares	(286,700)	(215,810)
Amounts payable on in specie transfers	(64,221)	–
	(318,861)	(52,651)
Dilution adjustment	76	34
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(18,936)	2,112
Retained distribution on accumulation shares	1,060	338
Closing net assets attributable to shareholders	299,701	636,362

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 1 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

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

Threadneedle UK Absolute Alpha Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 01/05/18 to 30/04/19	0.1920	–	0.1920	–
Group 2 01/05/18 to 30/04/19	0.1920	–	0.1920	–
Total distributions in the period			0.1920	–

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.1808	–	0.1808	–
Group 2 01/05/18 to 30/04/19	0.1193	0.0615	0.1808	–
Total distributions in the period			0.1808	–

Class 2 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 2 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	1.1393	–	1.1393	0.6552
Group 2 01/05/18 to 30/04/19	0.7883	0.3510	1.1393	0.6552
Total distributions in the period			1.1393	0.6552

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 01/05/18 to 30/04/19	0.3201	–	0.3201	–
Group 2 01/05/18 to 30/04/19	0.2370	0.0831	0.3201	–
Total distributions in the period			0.3201	–

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.3748	–	0.3748	–
Group 2 01/05/18 to 30/04/19	0.2592	0.1156	0.3748	–
Total distributions in the period			0.3748	–

Class Z CHF Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.0848	–	0.0848	–
Group 2 01/05/18 to 30/04/19	–	0.0848	0.0848	–
Total distributions in the period			0.0848	–

Class Z EUR Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.0765	–	0.0765	–
Group 2 01/05/18 to 30/04/19	0.0653	0.0112	0.0765	–
Total distributions in the period			0.0765	–

Class Z USD Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.3646	–	0.3646	–
Group 2 01/05/18 to 30/04/19	0.1046	0.2600	0.3646	–
Total distributions in the period			0.3646	–

Group 2: shares purchased during a distribution period.

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

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	134.21	135.67	135.54	135.77		
Return before operating charges (p)	(1.46)	0.74	2.29	(6.81)		
Operating charges (p)	(2.15)	(2.20)	(2.16)	(1.51)		
Return after operating charges (p)*	(3.61)	(1.46)	0.13	(8.32)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	130.60	134.21	135.67	127.45		
*after direct transaction costs of (p)	0.24	0.31	0.39	0.18		
Performance						
Return after charges (%)	(2.69)	(1.08)	0.10	(6.13)		
Other information						
Closing net asset value (£000)	4,205	14,547	20,954	–		
Closing number of shares	3,219,274	10,839,143	15,444,784	–		
Operating charges (%)**	1.63	1.63	1.63	–		
Direct transaction costs (%)***	0.19	0.23	0.29	–		
Prices						
Highest share price (p)	136.25	137.03	137.31	135.01		
Lowest share price (p)	126.86	131.56	129.09	126.86		
Class 1 EUR Hedged – Accumulation shares						
Class 2 – Income shares						
	25/01/2019 ²	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	121.88	119.37	110.91	106.02	106.56	105.87
Return before operating charges (p)	(7.67)	4.53	10.34	(1.14)	0.56	1.77
Operating charges (p)	(1.45)	(2.02)	(1.88)	(1.06)	(1.10)	(1.08)
Return after operating charges (p)*	(9.12)	2.51	8.46	(2.20)	(0.54)	0.69
Distributions (p)	–	–	–	(0.19)	–	–
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	112.76	121.88	119.37	103.63	106.02	106.56
*after direct transaction costs of (p)	0.17	0.28	0.34	0.19	0.24	0.30
Performance						
Return after charges (%)	(7.48)	2.10	7.63	(2.08)	(0.51)	0.65
Other information						
Closing net asset value (£000)	–	11,433	16,262	3	3	3
Closing number of shares	–	9,380,087	13,623,761	3,000	3,000	3,000
Operating charges (%)**	–	1.63	1.62	1.02	1.03	1.05
Direct transaction costs (%)***	–	0.23	0.29	0.19	0.23	0.29
Prices						
Highest share price (p)	125.54	129.93	125.12	107.67	107.69	107.28
Lowest share price (p)	112.76	118.33	108.49	100.60	103.89	101.15

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	138.80	139.50	138.57	140.51		
Return before operating charges (p)	(1.51)	0.78	2.37	(7.13)		
Operating charges (p)	(1.44)	(1.48)	(1.44)	(1.02)		
Return after operating charges (p)*	(2.95)	(0.70)	0.93	(8.15)		
Distributions (p)	(0.18)	–	–	–		
Retained distributions on accumulation shares (p)	0.18	–	–	–		
Closing net asset value per share (p)	135.85	138.80	139.50	132.36		
*after direct transaction costs of (p)	0.24	0.32	0.40	0.18		
Performance						
Return after charges (%)	(2.13)	(0.50)	0.67	(5.80)		
Other information						
Closing net asset value (£000)	90,331	94,473	95,196	–		
Closing number of shares	66,495,255	68,065,164	68,240,443	–		
Operating charges (%)**	1.06	1.06	1.06	–		
Performance fee (%)	–	–	–	–		
Direct transaction costs (%)***	0.19	0.23	0.29	–		
Prices						
Highest share price (p)	140.96	140.97	140.44	139.78		
Lowest share price (p)	131.67	136.00	132.41	131.67		
	Class 2 EUR Hedged – Accumulation shares			Class X – Accumulation shares		
	25/01/2019 ²	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	133.58	130.09	120.15	101.83	101.50	100.03
Return before operating charges (p)	(8.46)	4.92	11.28	(1.11)	0.39	1.53
Operating charges (p)	(1.04)	(1.43)	(1.34)	(0.06)	(0.06)	(0.06)
Return after operating charges (p)*	(9.50)	3.49	9.94	(1.17)	0.33	1.47
Distributions (p)	–	–	–	(1.14)	(0.66)	(0.75)
Retained distributions on accumulation shares (p)	–	–	–	1.14	0.66	0.75
Closing net asset value per share (p)	124.08	133.58	130.09	100.66	101.83	101.50
*after direct transaction costs of (p)	0.19	0.31	0.37	0.18	0.23	0.29
Performance						
Return after charges (%)	(7.11)	2.68	8.27	(1.15)	0.33	1.47
Other information						
Closing net asset value (£000)	–	48,999	135,089	48,949	52,573	49,162
Closing number of shares	–	36,682,370	103,842,844	48,626,848	51,630,949	48,436,200
Operating charges (%)**	–	1.06	1.06	0.06	0.06	0.06
Performance fee (%)	–	–	–	–	0.18	–
Direct transaction costs (%)***	–	0.23	0.29	0.19	0.23	0.29
Prices						
Highest share price (p)	137.84	141.86	135.88	103.37	102.89	101.59
Lowest share price (p)	124.08	129.66	117.62	97.20	99.70	96.08

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	105.63	105.98	105.09	123.81	124.22	123.18
Return before operating charges (p)	(1.14)	0.58	1.80	(1.35)	0.68	2.10
Operating charges (p)	(0.92)	(0.93)	(0.91)	(1.07)	(1.09)	(1.06)
Return after operating charges (p)*	(2.06)	(0.35)	0.89	(2.42)	(0.41)	1.04
Distributions (p)	(0.32)	–	–	(0.37)	–	–
Retained distributions on accumulation shares (p)	–	–	–	0.37	–	–
Closing net asset value per share (p)	103.25	105.63	105.98	121.39	123.81	124.22
*after direct transaction costs of (p)	0.19	0.24	0.30	0.22	0.28	0.35
Performance						
Return after charges (%)	(1.95)	(0.33)	0.85	(1.95)	(0.33)	0.84
Other information						
Closing net asset value (£000)	31,114	70,650	57,997	124,981	266,720	296,436
Closing number of shares	30,134,843	66,882,172	54,723,180	102,956,502	215,425,163	238,637,618
Operating charges (%)**	0.88	0.88	0.88	0.88	0.88	0.88
Direct transaction costs (%)***	0.19	0.23	0.29	0.19	0.23	0.29
Prices						
Highest share price (p)	107.29	107.12	106.52	125.75	125.55	124.85
Lowest share price (p)	100.32	103.49	100.51	117.58	121.30	117.81
	Class Z CHF Hedged – Accumulation shares			Class Z EUR Hedged – Accumulation shares		
	25/01/2019 ²	30/04/2018	30/04/2017	25/01/2019 ²	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	106.93	115.41	105.81	118.83	115.49	106.45
Return before operating charges (p)	(1.22)	(7.47)	10.87	(7.56)	4.40	10.03
Operating charges (p)	(0.77)	(1.01)	(1.27)	(0.72)	(1.06)	(0.99)
Return after operating charges (p)*	(1.99)	(8.48)	9.60	(8.28)	3.34	9.04
Distributions (p)	(0.08)	–	–	(0.08)	–	–
Retained distributions on accumulation shares (p)	0.08	–	–	0.08	–	–
Closing net asset value per share (p)	104.94	106.93	115.41	110.55	118.83	115.49
*after direct transaction costs of (p)	0.17	0.26	0.42	0.15	0.27	0.33
Performance						
Return after charges (%)	(1.86)	(7.35)	9.07	(6.97)	2.89	8.49
Other information						
Closing net asset value (£000)	–	185	396	–	76,578	12,585
Closing number of shares	–	172,625	342,397	–	64,442,114	10,896,822
Operating charges (%)**	–	0.88	0.87	–	0.88	0.88
Direct transaction costs (%)***	–	0.23	0.29	–	0.23	0.29
Prices						
Highest share price (p)	115.79	121.03	119.74	122.68	126.04	120.50
Lowest share price (p)	104.94	104.42	102.82	110.55	115.13	104.24

Threadneedle UK Absolute Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z USD Hedged – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share			
Opening net asset value per share (p)	114.92	120.87	105.20
Return before operating charges (p)	6.81	(4.91)	16.70
Operating charges (p)	(1.05)	(1.04)	(1.03)
Return after operating charges (p)*	5.76	(5.95)	15.67
Distributions (p)	(0.36)	–	–
Retained distributions on accumulation shares (p)	0.36	–	–
Closing net asset value per share (p)	120.68	114.92	120.87
*after direct transaction costs of (p)	0.21	0.27	0.34
Performance			
Return after charges (%)	5.01	(4.92)	14.90
Other information			
Closing net asset value (£000)	118	201	2,449
Closing number of shares	97,959	174,518	2,026,405
Operating charges (%)**	0.88	0.88	0.88
Performance fee (%)	–	0.05	–
Direct transaction costs (%)***	0.19	0.23	0.29
Prices			
Highest share price (p)	124.77	124.67	127.30
Lowest share price (p)	115.36	108.84	103.42

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

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

¹Commenced 15 June 2018 and closed 25 January 2019.

²Closed 25 January 2019.

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

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(28,641)	9,283
Derivative contracts	11,476	(10,635)
Forward currency contracts	(1,654)	5,393
Other (losses)/gains	(8)	32
Transaction costs	(2)	(2)
Net capital (losses)/gains	(18,829)	4,071

3 REVENUE

	2019 £000	2018 £000
UK dividends	9,665	10,497
Overseas dividends	1	–
Interest on debt securities	523	261
Interest on short term investments	324	296
Bank interest	330	114
Underwriting commission	24	–
Subsidised expense rebate	2	–
Total revenue	10,869	11,168

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(3,829)	(5,497)
Performance fees*	–	(92)
Registration fees	(423)	(583)
	(4,252)	(6,172)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(60)	(83)
Safe custody fees	(18)	(20)
	(78)	(103)
Other expenses:		
Regulatory fees	(3)	(6)
Audit fees	(14)	(19)
	(17)	(25)
Total expenses**	(4,347)	(6,300)

*The ACD is entitled to receive a performance fee for each shareclass in the event of the NAV per share of the shareclass outperforming the 3 Month LIBOR (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2018 (2017: £196,501).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Dividends payable on short positions	(2,515)	(3,785)
Interest payable	(5)	(7)
Derivative expense	(2,602)	(2,707)
Total interest payable and similar charges	(5,122)	(6,499)

6 TAXATION

	2019 £000	2018 £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/(expense) before taxation	1,400	(1,631)
Net revenue/(expense) before taxation multiplied by the standard rate of corporation tax of 20%	(280)	326
Effects of:		
Revenue not subject to taxation	1,895	2,106
Excess expenses	(1,615)	(2,432)
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £9,690,358 (2018: £8,075,357) 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:

	2019 £000	2018 £000
Final	1,156	338
Add: Revenue deducted on the cancellation of shares	366	19
Deduct: Revenue received on the creation of shares	(15)	(29)
Net distribution for the period	1,507	328
Net revenue/(expense) after taxation	1,400	(1,631)
Performance fee charged to capital	–	92
Shortfall transfer from capital to revenue	107	1,867
Total distributions	1,507	328

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 30 to 31.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	–	292
Sales awaiting settlement	1,769	–
Accrued revenue	1,152	3,335
Total debtors	2,921	3,627

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	5,895	9,959
Cash and bank balances	27,414	64,377
Total cash and bank balances	33,309	74,336

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(1,282)	(4,047)
Purchases awaiting settlement	(270)	(3,872)
Accrued expenses	(352)	(845)
Amounts payable to ACD	(201)	(452)
Total other creditors	(2,105)	(9,216)

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 UK Absolute Alpha 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 pages 32 to 35. The distribution per share class is given in the distribution table on pages 30 to 31.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	10,839,143
Shares issued	50,159
Shares redeemed	(4,634,467)
Net conversions	(3,035,561)
Closing shares	3,219,274
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	14,589
Shares redeemed	(2,985,065)
Net conversions	2,970,476
Closing shares	–

Class 1 EUR Hedged – Accumulation shares	
Opening shares	9,380,087
Shares issued	460,357
Shares redeemed	(9,840,444)
Net conversions	–
Closing shares	–
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 2 – Accumulation shares	
Opening shares	68,065,164
Shares issued	4,213,308
Shares redeemed	(2,431,909)
Net conversions	(3,351,308)
Closing shares	66,495,255
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	12,271
Shares redeemed	(3,363,579)
Net conversions	3,351,308
Closing shares	–
Class 2 EUR Hedged – Accumulation shares	
Opening shares	36,682,370
Shares issued	1,300,803
Shares redeemed	(37,983,173)
Net conversions	–
Closing shares	–
Class X – Accumulation shares	
Opening shares	51,630,949
Shares issued	2,463,995
Shares redeemed	(5,468,096)
Net conversions	–
Closing shares	48,626,848
Class Z – Income shares	
Opening shares	66,882,172
Shares issued	3,415,875
Shares redeemed	(40,191,859)
Net conversions	28,655
Closing shares	30,134,843
Class Z – Accumulation shares	
Opening shares	215,425,163
Shares issued	6,646,005
Shares redeemed	(119,160,296)
Net conversions	45,630
Closing shares	102,956,502
Class Z CHF Hedged – Accumulation shares	
Opening shares	172,625
Shares issued	13
Shares redeemed	(172,638)
Net conversions	–
Closing shares	–
Class Z EUR Hedged – Accumulation shares	
Opening shares	64,442,114
Shares issued	697,249
Shares redeemed	(65,139,363)
Net conversions	–
Closing shares	–

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

	2019
Class Z USD Hedged – Accumulation shares	
Opening shares	174,518
Shares issued	49,870
Shares redeemed	(126,429)
Net conversions	–
Closing shares	97,959

*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 5.

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 10.0% 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 2.4% (2018: 4.0%). This means that there is estimated to be a 1% chance that the fund could lose more than 2.4% (2018: 4.0%) of its value in a month.

At 30 April, 2019 the VaR utilisation was 24% (2018: 40%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 17% (2018: 20%), the highest VaR utilisation was 40% (2018: 40%) and the average utilisation was 27% (2018: 30%).

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 2019	
Euro	3
Swiss Franc	3
US Dollar	211
Currency 2018	
Euro	134,547
Swiss Franc	187
US Dollar	47

Currency sensitivity analysis

As the fund has no material currency exposure, no sensitivity analysis has been shown.

	Currency movement	Fund movement
	%	%
Currency 2018		
Euro	4.09	0.86

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	£000	£000
2019		
Counterparty		
UBS	–	1,705
2018		
Counterparty		
J.P. Morgan	845	640
UBS	–	5,170

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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	3	–	–	3
Swiss Franc	3	–	–	3
UK Sterling	61,309	53,383	190,330	305,022
US Dollar	32	–	179	211
Currency 2018				
Euro	61	–	138,989	139,050
Swiss Franc	3	–	184	187
UK Sterling	74,272	126,937	453,019	654,228
US Dollar	–	–	414	414

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(5,538)	(5,538)
Currency 2018				
Euro	–	–	(4,503)	(4,503)
UK Sterling	–	–	(152,647)	(152,647)
US Dollar	–	–	(367)	(367)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

Derivative risks

Derivatives including forward foreign exchange contracts, futures and options and portfolio 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.

At 30 April 2019, the fund had outstanding forward foreign exchange contracts, futures and options and portfolio swaps with an asset value of £Nil (2018: £864,000) and a liability value of £3,218,000 (2018: £7,544,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

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.

Threadneedle UK Absolute Alpha Fund

Notes to the financial statements

(continued)

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	268,890	(2,062)	574,295	(2,679)
Level 2	–	(1,156)	864	(4,865)
	<u>268,890</u>	<u>(3,218)</u>	<u>575,159</u>	<u>(7,544)</u>

Included within Level 1, are debt securities of £53,383,000 (2018: £126,936,000). 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 (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	872,585	–	–	–	–
Equities	148,256	81	0.05	709	0.48
Collective investment schemes	30,316	–	–	–	–
Corporate actions	3,880	–	–	–	–
Total	<u>1,055,037</u>	<u>81</u>		<u>709</u>	

Gross purchases total:

1,055,827

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	931,443	–	–	–	–
Equities	296,251	162	0.05	–	–
Collective investment schemes	52,325	–	–	–	–
In specie transactions	52,545	–	–	–	–
Corporate actions	306	–	–	–	–
Total	<u>1,332,870</u>	<u>162</u>		<u>–</u>	

Total sales net of transaction costs: 1,332,708

Transaction costs as a percentage of average Net Assets

Commissions: 0.05%
Taxes: 0.14%

Commissions
£000

Futures and Options

10

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	1,439,137	–	–	–	–
Equities	239,543	199	0.08	1,144	0.48
Collective investment schemes	70,047	–	–	–	–
Total	<u>1,748,727</u>	<u>199</u>		<u>1,144</u>	

Gross purchases total:

1,750,070

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Bonds	1,400,630	–	–	–	–
Equities	233,226	221	0.09	–	–
Collective investment schemes	20,000	–	–	–	–
Corporate actions	1,425	–	–	–	–
Total	<u>1,655,281</u>	<u>221</u>		<u>–</u>	

Total sales net of transaction costs: 1,655,060

Transaction costs as a percentage of average Net Assets

Commissions: 0.06%
Taxes: 0.17%

Commissions
£000

Futures and Options

8

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% (2018: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Absolute Return Bond Fund

Investment Report

Investment Objective

The investment objective of the Absolute Return Bond Fund is to achieve a total positive return over a 12 month period in all market conditions. There is a risk to capital, and there is no guarantee that such a return will be achieved within 12 months, or any other timescale.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund so as to gain exposure to global bond and currency markets. The ACD will invest primarily in derivatives, cash and near cash, fixed interest securities, index linked securities, money market instruments and deposits. At times the portfolio may be concentrated in any one or a combination of such assets. The ACD may take long and short positions through derivatives in such issues.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle Absolute Return Bond Fund has fallen from 56.04p to 55.68p.

Using noon prices, the performance of the Class 1 share class was -0.64% and -0.22% for the Class 2 share class compared to a return of -0.44% for the Morningstar UK Unit Trusts/OEICS – (IA) Targeted Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, the LIBOR 3 Month Deposit Rate returned +0.81%.

Market Overview and Portfolio Activity

Risk assets had a turbulent year amid jitters over rising populism in Europe, heightened geopolitical tensions, America's tariff war against China and other key trading partners, and, related to the latter, evidence of economic deceleration in China. The resulting flight to safety benefited core government bonds, and yields generally fell. However, core bonds were periodically unsettled by the prospect of tighter monetary conditions, as were risk assets.

The dollar rose against the euro as US economic markers generally remained robust, while the eurozone's post-crisis recovery appeared to

stall in 2018. This fuelled expectations that the Federal Reserve would 'normalise' policy faster than the European Central Bank (ECB), which further buoyed the dollar against the euro. The single currency was also pressured by fears over the formation of a euro-sceptic government in Italy and, later, the populists' insistence on a free-spending budget against the EU's wishes. As well as pressuring the euro, these developments also propelled eurozone periphery yields higher and led to spreads over comparable German bunds widening over the year.

Strong US GDP data and expectations of rising inflation led the Fed to hike US interest rates four times during 2018. However, the Fed turned more dovish in 2019, signalling that it was unlikely to raise rates during the year. This led to a simultaneous rally in core bonds and risk assets over the year to date. The latter were also supported by news of Chinese stimulus measures and apparent progress in the US-China trade talks.

The ECB finally terminated its bond-buying programme in December 2018, but recently announced more stimulus measures via cheap loans for banks, owing to the slowdown in growth within the eurozone. The bank also signalled it would be unlikely to raise rates in 2019.

In terms of portfolio activity, within rates, we started the period with a long duration bias as we believed the long-term drivers of lower yields remained broadly intact. We had a flattening bias across yield curves. On a tactical basis, we shifted to an outright short on German bunds towards the end of the second quarter of 2018 given the excessive under-pricing of the ECB's intentions. We broadly favoured US Treasuries relative to German bunds, given the attractive spreads and our expectations of relative monetary policy movements, as well as curve flattening positions. We closed our exposure to Russian and South African sovereign debt over the period, in view of the negative thematic for emerging markets. Given the seemingly excessive pricing of default risk in Italian government bonds, we traded the Italian-German government bond spread tactically during autumn 2018, looking for compression. Over the final quarter of 2018, we held long positions in Italian government bonds, as we felt that the pricing of default risk appeared excessive. During the first quarter of 2019, we started to diversify the exposure to US duration away from longer-dated bonds towards medium-dated bonds.

Within currency strategies, at the start of the period we held a negative bias to the US dollar, expressed against a combination of Canadian dollars and Norwegian krone. However, we removed all dollar shorts soon after the extent of the outperformance of the US economy became more apparent. We subsequently viewed the dollar as being stuck between competing structural and cyclical forces, and held tactical modest shorts at times. These were largely expressed against sterling, which we perceived to be overly punished by fears around Brexit, but also against the euro following the Fed's rate hike in December.

The latter part of 2018 saw a sharp reduction in both global and US growth estimates, as the stimulatory effects of the US tax package waned, and headwinds from tighter financial conditions became stronger. Meanwhile, the prospects for global trade volumes remain uncertain given the ongoing trade spat between the US and China.

In the US, rising earnings are not seeping into prices, and we see little in the incoming core price data to suggest inflation can be sustained at or above 2%. The Fed has signalled that it is comfortable maintaining policy rates around current levels while it assesses the near-term outlook for the economy. This should ensure estimates of the high-point in the rate cycle are contained, which should, in turn, maintain support for Treasuries.

The increased debt burden of the US fiscal package and the limited scope for fiscal easing in response to future downturns should limit the rise in yields. Structural issues and mounting debt levels should cap the upside in inflation over the medium term.

In the eurozone, the tightening trend in the jobs market continues, with unemployment declining and wage growth accelerating – especially in Germany – as signs of capacity constraints become evident. While this gives the ECB some comfort that its central inflation prognosis remains intact, the central bank has expressed growing unease over the slowdown in activity. Rate hikes still appear to be some way off.

We retain a negative long-term view on the dollar as the fiscal forces that have promoted a near-term strengthening will ultimately undermine it through wider federal and current account deficits. Historically, greater deficits have presaged dollar weakness and the flattening of the yield curve. However, global growth data must stabilise before we seek to further position the fund for a weaker dollar.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(149)	(1,013)
Revenue	3	247	819
Expenses	4	(217)	(303)
Interest payable and similar charges	5	(16)	(3)
Net revenue before taxation		14	513
Taxation	6	–	–
Net revenue after taxation		14	513
Total return before distributions		(135)	(500)
Distributions	7	(33)	(514)
Change in net assets attributable to shareholders from investment activities		(168)	(1,014)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		–	26,954
Current assets:			
Investments		20,547	–
Debtors	8	160	216
Cash and bank balances	9	2,730	1,798
Total assets		23,437	28,968
Liabilities:			
Investment liabilities		–	(512)
Creditors:			
Investment liabilities		(198)	–
Bank overdrafts	9	(367)	(443)
Other creditors	10	(153)	(170)
Total liabilities		(718)	(1,125)
Net assets attributable to shareholders		22,719	27,843

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	27,843	43,898
Amounts receivable on the issue of shares	1,625	1,160
Amounts payable on the cancellation of shares	(6,610)	(16,627)
	(4,985)	(15,467)
Dilution adjustment	–	2
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(168)	(1,014)
Retained distribution on accumulation shares	29	424
Closing net assets attributable to shareholders	22,719	27,843

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 0.7347).

Class 1 – Gross accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 0.7528).

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.1687	–	0.1687	1.0466
Group 2 01/05/18 to 30/04/19	0.1082	0.0605	0.1687	1.0466
Total distributions in the period			0.1687	1.0466

Threadneedle Absolute Return Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	0.1746	–	0.1746	1.0830
Group 2				
01/05/18 to 30/04/19	0.0773	0.0973	0.1746	1.0830
Total distributions in the period			0.1746	1.0830

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	0.7720	–	0.7720	2.2535
Group 2				
01/05/18 to 30/04/19	0.7720	–	0.7720	2.2535
Total distributions in the period			0.7720	2.2535

Group 2: shares purchased during a distribution period.

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares [§]		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	56.02	57.04	60.43	57.39	58.44	61.92
Return before operating charges (p)	0.24	(0.41)	(2.61)	0.25	(0.43)	(2.64)
Operating charges (p)	(0.59)	(0.61)	(0.78)	(0.61)	(0.62)	(0.84)
Return after operating charges (p)*	(0.35)	(1.02)	(3.39)	(0.36)	(1.05)	(3.48)
Distributions (p)	–	(0.73)	–	–	(0.75)	–
Retained distributions on accumulation shares (p)	–	0.73	–	–	0.75	–
Closing net asset value per share (p)	55.67	56.02	57.04	57.03	57.39	58.44
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.62)	(1.79)	(5.61)	(0.63)	(1.80)	(5.62)
Other information						
Closing net asset value (£000)	10,648	12,383	19,887	1,618	1,745	2,002
Closing number of shares	19,127,980	22,104,303	34,866,304	2,837,229	3,040,164	3,425,285
Operating charges (%)**	1.07	1.07	1.33	1.07	1.07	1.38
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	56.01	57.21	60.99	57.38	58.61	62.48
Lowest share price (p)	54.89	55.97	56.86	56.24	57.35	58.25
	Class 2 – Accumulation shares			Class 2 – Gross accumulation shares [§]		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	60.19	61.03	64.25	62.29	63.15	66.50
Return before operating charges (p)	0.27	(0.44)	(2.78)	0.27	(0.45)	(2.89)
Operating charges (p)	(0.39)	(0.40)	(0.44)	(0.40)	(0.41)	(0.46)
Return after operating charges (p)*	(0.12)	(0.84)	(3.22)	(0.13)	(0.86)	(3.35)
Distributions (p)	(0.17)	(1.05)	(0.37)	(0.17)	(1.08)	(0.38)
Retained distributions on accumulation shares (p)	0.17	1.05	0.37	0.17	1.08	0.38
Closing net asset value per share (p)	60.07	60.19	61.03	62.16	62.29	63.15
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.20)	(1.38)	(5.01)	(0.21)	(1.36)	(5.04)
Other information						
Closing net asset value (£000)	9,939	13,016	17,932	511	696	4,034
Closing number of shares	16,546,973	21,625,148	29,384,069	821,382	1,117,939	6,387,577
Operating charges (%)**	0.65	0.65	0.71	0.65	0.65	0.71
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	60.37	61.29	64.85	62.47	63.43	67.12
Lowest share price (p)	59.09	60.14	60.82	61.15	62.23	62.95

Threadneedle Absolute Return Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares ⁵		
	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share			
Opening net asset value per share (p)	97.74	98.53	103.07
Return before operating charges (p)	0.44	(0.71)	(4.50)
Operating charges (p)	(0.13)	(0.08)	(0.04)
Return after operating charges (p)*	0.31	(0.79)	(4.54)
Distributions (p)	(0.77)	(2.25)	(1.24)
Retained distributions on accumulation shares (p)	0.77	2.25	1.24
Closing net asset value per share (p)	98.05	97.74	98.53
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.32	(0.80)	(4.40)
Other information			
Closing net asset value (£000)	3	3	3
Closing number of shares	3,001	3,001	3,001
Operating charges (%)**	0.13	0.08	0.04
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	98.49	99.27	104.05
Lowest share price (p)	96.17	97.65	98.20

**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.

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5. Following the termination, which will take place on 25th July 2019, the fund will be closed, the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern and any additional costs in respect of the termination of this fund will be borne by the ACD. No adjustments were necessary in the fund's financial statements to reduce assets to their realisable values or to provide for liabilities arising from the termination. Fixed assets and long term liabilities have been reclassified as current assets and liabilities. The comparative financial information was prepared on a going concern basis.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	98	(1,014)
Derivative contracts	39	(873)
Forward currency contracts	(331)	866
Other gains	45	8
Net capital losses	(149)	(1,013)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	229	755
Interest on short term investments	2	2
Derivative revenue	–	49
Bank interest	16	13
Total revenue	247	819

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(171)	(238)
Registration fees	(18)	(26)
	(189)	(264)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(3)	(4)
Safe custody fees	(8)	(10)
	(11)	(14)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(12)	(17)
	(17)	(25)
Total expenses*	(217)	(303)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(1)	(3)
Derivative expense	(15)	–
Total interest payable and similar charges	(16)	(3)

6 TAXATION

	2019 £000	2018 £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	14	513
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(3)	(103)

Effects of:

Excess expenses	3	103
Current tax charge for period (note 6a)	–	–

The fund has not recognised a deferred tax asset of £944,570 (2018: £947,468) 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:

	2019 £000	2018 £000
Final	29	424
	29	424
Add: Revenue deducted on the cancellation of shares	5	99
Deduct: Revenue received on the creation of shares	(1)	(9)
Net distribution for the period	33	514
Net revenue after taxation	14	513
Equalisation on conversion	–	1
Shortfall transfer from capital to revenue	19	–
Total distributions	33	514

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 40 to 41.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	1	1
Accrued revenue	159	215
Total debtors	160	216

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	641	555
Cash and bank balances	2,089	1,243
	2,730	1,798
Cash overdrafts at broker	(367)	(443)
Total cash and bank balances	2,363	1,355

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(131)	(139)
Accrued expenses	(8)	(13)
Amounts payable to ACD	(14)	(18)
Total other creditors	(153)	(170)

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 Absolute Return Bond 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 Absolute Return Bond 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	0.85%
Class 2 shares	0.50%
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 pages 42 and 43. The distribution per share class is given in the distribution table on pages 40 and 41.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	22,104,303
Shares issued	923,262
Shares redeemed	(3,790,413)
Net conversions	(109,172)
Closing shares	<u>19,127,980</u>
Class 1 – Gross accumulation shares	
Opening shares	3,040,164
Shares issued	932,302
Shares redeemed	(1,135,237)
Net conversions	–
Closing shares	<u>2,837,229</u>
Class 2 – Accumulation shares	
Opening shares	21,625,148
Shares issued	554,520
Shares redeemed	(5,734,029)
Net conversions	101,334
Closing shares	<u>16,546,973</u>
Class 2 – Gross accumulation shares	
Opening shares	1,117,939
Shares issued	403,866
Shares redeemed	(700,423)
Net conversions	–
Closing shares	<u>821,382</u>
Class X – Gross accumulation shares	
Opening shares	3,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,001</u>

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 3.3 and is measured using the Monte Carlo 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 0.8% (2018: 1.4%). This means that there is estimated to be a 1% chance that the fund could lose more than 0.8% (2018: 1.4%) of its value in a month.

At 30 April, 2019 the VaR utilisation was 24% (2018: 42%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 19% (2018: 9%) the highest VaR utilisation was 52% (2018: 72%) and the average utilisation was 31% (2018: 47%).

¹The benchmark of fund is shown on page 202.

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 2019	£000
Australian Dollar	(29)
Canadian Dollar	–
Euro	23
Japanese Yen	–
Mexican Peso	(3)
New Zealand Dollar	2
Norwegian Krone	(1)
Swedish Krona	2
Swiss Franc	(5)
US Dollar	(901)
Currency 2018	£000
Australian Dollar	(9)
Canadian Dollar	1,427
Euro	(743)
Japanese Yen	–
Mexican Peso	(3)
New Zealand Dollar	2
Norwegian Krone	2,804
Russian Ruble	64
South Africa Rand	46
Swedish Krona	75
Swiss Franc	(5)
US Dollar	(3,640)

Currency sensitivity analysis

As the fund has no material currency exposure, no sensitivity analysis has been shown.

	Currency Movement	Fund Movement
	%	%
Currency 2018		
Norwegian Krone	0.63	0.06
US Dollar	6.05	0.79

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	£000	£000
2019		
Counterparty		
Barclays	22	–
Citigroup	–	20
UBS	1	–
	Forward Foreign Exchange Contracts Exposure	Collateral Pledged
	£000	£000
2018		
Counterparty		
Bank of Scotland	153	–
UBS	420	–

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £450,000). 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.

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

(continued)

Analysis of investments by credit ratings

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
Aaa	672	3.30	–	–
AA	–	–	473	1.79
Aa2	–	–	1,642	6.21
Aa2u	9,755	47.94	13,657	51.65
BBB+	1,236	6.07	4,782	18.09
BBB	504	2.48	1,544	5.84
BBB-	501	2.46	–	–
BB+	–	–	1,524	5.76
Not Rated*	7,789	38.28	2,521	9.53
Derivatives**	(108)	(0.53)	299	1.13
	20,349	100.00	26,442	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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Australian Dollar	6	–	–	6
Canadian Dollar	6	–	–	6
Euro	959	498	8	1,465
Japanese Yen	6	–	–	6
Mexican Peso	7	–	–	7
New Zealand Dollar	6	–	–	6
Swedish Krona	37	–	–	37
Swiss Franc	6	–	–	6
UK Sterling	1,321	19,287	3,772	24,380
US Dollar	376	672	2,084	3,132
Currency 2018				
Australian Dollar	6	–	9	15
Canadian Dollar	6	–	1,448	1,454
Euro	234	–	3,197	3,431
Japanese Yen	6	–	–	6
Mexican Peso	6	–	–	6
New Zealand Dollar	6	–	–	6
Norwegian Krone	–	–	2,987	2,987
Russian Ruble	–	2,521	2,445	4,966
South Africa Rand	–	1,524	344	1,868
Swedish Krona	39	–	4,342	4,381
Swiss Franc	6	–	–	6
UK Sterling	1,428	20,989	9,915	32,332
US Dollar	60	1,109	11,927	13,096
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Australian Dollar	(19)	–	(16)	(35)
Canadian Dollar	–	–	(6)	(6)
Euro	–	–	(1,442)	(1,442)
Japanese Yen	–	–	(6)	(6)
Mexican Peso	–	–	(10)	(10)
New Zealand Dollar	–	–	(4)	(4)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Norwegian Krone	–	–	(1)	(1)
Swedish Krona	–	–	(35)	(35)
Swiss Franc	–	–	(11)	(11)
UK Sterling	–	–	(749)	(749)
US Dollar	(348)	–	(3,685)	(4,033)
Currency 2018				
Australian Dollar	(17)	–	(7)	(24)
Canadian Dollar	–	–	(27)	(27)
Euro	–	–	(4,174)	(4,174)
Japanese Yen	–	–	(6)	(6)
Mexican Peso	–	–	(9)	(9)
New Zealand Dollar	–	–	(4)	(4)
Norwegian Krone	–	–	(183)	(183)
Russian Ruble	–	–	(4,902)	(4,902)
South Africa Rand	–	–	(1,822)	(1,822)
Swedish Krona	–	–	(4,306)	(4,306)
Swiss Franc	–	–	(11)	(11)
UK Sterling	–	–	(4,507)	(4,507)
US Dollar	(426)	–	(16,310)	(16,736)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

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 30 April 2019, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £90,000 (2018: £811,000) and a liability value of £198,000 (2018: £512,000).

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	18,273	(127)	13,697	(102)
Level 2	2,274	(71)	13,257	(410)
	20,547	(198)	26,954	(512)

Threadneedle Absolute Return Bond Fund

Notes to the financial statements

(continued)

Included within Level 1, are debt securities of £18,216,000 (2018: £13,657,000). 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 (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £29,943,020 (2018: £17,358,590) and £35,296,361 (2018: £30,229,080) 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 £4,067 (2018: £9,593).

At the balance sheet date, the portfolio dealing spread was 0.02% (2018: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Investment Report

Investment Objective

The objective of the Sterling Medium and Long-Dated Corporate Bond Fund is to achieve a long-term total return.

Investment Policy

The policy of the Sterling Medium and Long-Dated Corporate Bond Fund is to invest principally in investment grade Sterling denominated corporate bonds, predominately those with a maturity of more than 5 years. In addition, the Fund may invest in, non-Sterling investment grade bonds, sub-investment grade bonds, convertible bonds and preference shares, of any maturity.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.

Performance of Class 2 – Gross income shares*

Over the twelve months to 30 April 2019, the published share price of Class 2 – Income shares in the Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund has risen from 131.26p to 133.46p.

For comparison, using noon prices, the performance of the Class 2 share class was +4.29% compared to a return of +3.28% for the Morningstar UK Unit Trusts/OEICS – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (5+ Y) was +4.44%.

Market Overview and Portfolio Activity

The year in review was a volatile period for sterling investment-grade (IG) corporate bonds, which nevertheless managed to deliver a positive return. This return was due to falling underlying gilt yields, and was partially offset by wider credit spreads (the yield premiums offered by corporate bonds over “risk-free” government bonds of the same maturity).

Political noise was a constant feature of the period. For most of the year, though, investors preferred to focus on the still-robust

macro and corporate backdrop, especially in the US, where tax cuts boosted an already-strong economy. In the fourth quarter (Q4) of 2018, however, markets were increasingly rattled by a range of factors. As risk appetite evaporated, equities sold off, core bond yields fell, and credit spreads widened significantly. The main factors unsettling investors included rising political uncertainty in Europe and the US, President Trump's tariff war against China and other US trading partners, and – related to the trade dispute – more evidence of economic deceleration in the eurozone and China.

Fears of a no-deal Brexit waxed and waned over the year, but increased during Q4. In December, UK Prime Minister Theresa May delayed a parliamentary vote on a withdrawal agreement she had secured with the EU, and duly faced a vote of no-confidence called by outraged Conservative backbenchers; she only narrowly survived this. Parliament has now rejected Mrs May's withdrawal agreement three times. While MPs ruled out a no-deal exit in March, they also voted down every other Brexit plan put in front of them in a series of “indicative votes”. With time running, out the EU granted a short extension to the originally proposed exit date. This was subsequently extended further, to 31 October 2019. At time of writing, it remains unclear how and when, if ever, the UK will finally leave the EU.

Overarching all of these worries has been the prospect of tighter global monetary conditions. The US Federal Reserve (Fed) raised rates by 25 basis points (bps) on three occasions over the period, most recently in December. At that final 2018 meeting, the Fed's guidance was still pointing to two more such hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank has since cast doubts on this projection. Markets are not currently expecting a US rate rise this year. The easing monetary backdrop has been accompanied by a global rebound in risk assets, with equities rallying and credit spreads tightening in the year to date. Sterling IG bonds have benefited from this change in sentiment. In the UK, a run of disappointing economic data dissuaded the Bank of England's Monetary Policy Committee (MPC) from raising rates in May 2018. However, satisfied that harsh weather had been to blame

for the poor data, the MPC voted unanimously for a hike in August. More recently, the committee has been united in keeping rates on hold, and has reduced its UK growth projections, citing concerns surrounding Brexit.

In this environment, the 10-year gilt yield fell from 1.42% to 1.19% over the period, while sterling IG credit spreads widened by around 12 basis points (bps) to finish around 122 bps.

In terms of portfolio activity, we took part in a wide range of new issues. The largest of these in terms of additions to the portfolio included deals from Goldman Sachs; Becton Dickinson; BNP Paribas; Legal & General Finance; and London Power Networks. We were also active in the secondary market, starting new positions in GlaxoSmithKline, after a period of relative underperformance, and RSA Insurance Group among others, and increasing exposure to a variety of issuers including HSBC, British American Tobacco, EDF, Lloyds Bank and Sky. On the sales side, we reduced exposure to certain issuers, including Credit Suisse and Annington Funding, while exiting others completely, such as WM Morrison Supermarkets, Amgen, Santander UK and Discovery Communications.

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

Looking ahead, the main risk to the UK economy remains Britain crashing out of the EU without securing an agreement. Both sides have a strong incentive to avoid this, and in our central case, we still think they will find a way to do so.

While corporate earnings have been strong of late, debt holders have not been sufficiently benefiting from that strength in terms of more robust company balance sheets. Rather, the cash has typically been returned to shareholders in the form of higher dividends, share buy backs, or used for mergers & acquisitions – classic late-cycle behaviour.

Against this, cash rates are still very low, and strong demand for income without too much risk remains a powerful support for IG corporate bonds.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	5,176	(3,462)
Revenue	3	7,288	6,527
Expenses	4	(177)	(769)
Interest payable and similar charges	5	(2)	(24)
Net revenue before taxation		7,109	5,734
Taxation	6	–	–
Net revenue after taxation		7,109	5,734
Total return before distributions		12,285	2,272
Distributions	7	(7,109)	(5,601)
Change in net assets attributable to shareholders from investment activities		5,176	(3,329)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		292,967	217,791
Current assets:			
Debtors	8	5,910	3,609
Cash and bank balances	9	7,350	5,158
Total assets		306,227	226,558
Liabilities:			
Investment liabilities		(157)	(217)
Creditors:			
Bank overdrafts	9	(53)	(219)
Distribution payable		(12)	(16)
Other creditors	10	(1,794)	(1,590)
Total liabilities		(2,016)	(2,042)
Net assets attributable to shareholders		304,211	224,516

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	224,516	224,371
Amounts receivable on the issue of shares	84,615	28,257
Amounts payable on the cancellation of shares	(17,360)	(26,712)
	67,255	1,545
Dilution adjustment	243	55
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	5,176	(3,329)
Retained distribution on accumulation shares	7,021	1,874
Closing net assets attributable to shareholders	304,211	224,516

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Class 2 – Gross income shares				
Group 1				
01/05/18 to 31/05/18	0.2753	–	0.2753	0.2760
01/06/18 to 30/06/18	0.2746	–	0.2746	0.2698
01/07/18 to 31/07/18	0.2763	–	0.2763	0.2818
01/08/18 to 31/08/18	0.2785	–	0.2785	0.2776
01/09/18 to 30/09/18	0.2717	–	0.2717	0.2711
01/10/18 to 31/10/18	0.2761	–	0.2761	0.2813
01/11/18 to 30/11/18	0.2690	–	0.2690	0.2734
01/12/18 to 31/12/18	0.2843	–	0.2843	0.2740
01/01/19 to 31/01/19	0.2850	–	0.2850	0.2832
01/02/19 to 28/02/19	0.2513	–	0.2513	0.2544
01/03/19 to 31/03/19	0.2874	–	0.2874	0.2719
01/04/19 to 30/04/19	0.2696	–	0.2696	0.2705

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2				
01/05/18 to 31/05/18	0.1243	0.1510	0.2753	0.2760
01/06/18 to 30/06/18	0.1270	0.1476	0.2746	0.2698
01/07/18 to 31/07/18	0.1641	0.1122	0.2763	0.2818
01/08/18 to 31/08/18	0.1216	0.1569	0.2785	0.2776
01/09/18 to 30/09/18	0.1513	0.1204	0.2717	0.2711
01/10/18 to 31/10/18	0.1272	0.1489	0.2761	0.2813
01/11/18 to 30/11/18	0.0666	0.2024	0.2690	0.2734
01/12/18 to 31/12/18	0.1721	0.1122	0.2843	0.2740
01/01/19 to 31/01/19	0.1824	0.1026	0.2850	0.2832
01/02/19 to 28/02/19	0.0959	0.1554	0.2513	0.2544
01/03/19 to 31/03/19	0.1652	0.1222	0.2874	0.2719
01/04/19 to 30/04/19	0.1079	0.1617	0.2696	0.2705
Total distributions in the period			3.2991	3.2850

Class X – Gross accumulation shares*

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/05/18	0.2395	–	0.2395	
01/06/18 to 30/06/18	0.2384	–	0.2384	
01/07/18 to 31/07/18	0.2415	–	0.2415	
01/08/18 to 31/08/18	0.2437	–	0.2437	
01/09/18 to 30/09/18	0.2378	–	0.2378	
01/10/18 to 31/10/18	0.2424	–	0.2424	
01/11/18 to 30/11/18	0.2364	–	0.2364	
01/12/18 to 31/12/18	0.2498	–	0.2498	
01/01/19 to 31/01/19	0.2511	–	0.2511	0.1683
01/02/19 to 28/02/19	0.2232	–	0.2232	0.2191
01/03/19 to 31/03/19	0.2551	–	0.2551	0.2360
01/04/19 to 30/04/19	0.2412	–	0.2412	0.2343
Group 2				
01/05/18 to 31/05/18	0.1066	0.1329	0.2395	
01/06/18 to 30/06/18	0.0322	0.2062	0.2384	
01/07/18 to 31/07/18	0.2415	–	0.2415	
01/08/18 to 31/08/18	0.1616	0.0821	0.2437	
01/09/18 to 30/09/18	0.2378	–	0.2378	
01/10/18 to 31/10/18	0.0757	0.1667	0.2424	
01/11/18 to 30/11/18	0.1121	0.1243	0.2364	
01/12/18 to 31/12/18	0.1605	0.0893	0.2498	
01/01/19 to 31/01/19	0.0725	0.1786	0.2511	0.1683
01/02/19 to 28/02/19	0.0714	0.1518	0.2232	0.2191
01/03/19 to 31/03/19	0.1303	0.1248	0.2551	0.2360
01/04/19 to 30/04/19	0.1656	0.0756	0.2412	0.2343
Total distributions in the period			2.9001	0.8577

Group 2: shares purchased during a distribution period.

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

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 2 – Gross income shares [§]			Class X – Gross accumulation shares [§]	
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018 ²
Change in net assets per share					
Opening net asset value per share (p)	130.46	132.51	127.13	97.72	100.00
Return before operating charges (p)	6.14	1.87	6.90	4.68	(2.27)
Operating charges (p)	(0.61)	(0.63)	(0.23)	(0.07)	(0.01)
Return after operating charges (p)*	5.53	1.24	6.67	4.61	(2.28)
Distributions (p)	(3.30)	(3.29)	(1.29)	(2.90)	(0.86)
Retained distributions on accumulation shares (p)	–	–	–	2.90	0.86
Closing net asset value per share (p)	132.69	130.46	132.51	102.33	97.72
*after direct transaction costs of (p)	–	–	–	–	–
Performance					
Return after charges (%)	4.24	0.94	5.25	4.72	(2.28)
Other information					
Closing net asset value (£000)	5,844	7,700	224,371	298,367	216,816
Closing number of shares	4,404,481	5,902,305	169,329,161	291,568,801	221,883,949
Operating charges (%)**	0.47	0.47	0.46 ¹	0.07	0.07 ¹
Direct transaction costs (%)***	–	–	–	–	–
Prices					
Highest share price (p)	134.37	136.34	133.76	103.17	100.00
Lowest share price (p)	126.18	129.21	126.53	96.14	96.11

**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.

¹Commenced 9 December 2016.

²Commenced 9 January 2018.

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

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2019	2018
	£000	£000
Non-derivative securities	5,626	(3,886)
Derivative contracts	26	(97)
Forward currency contracts	(570)	452
Other gains	96	71
Transaction costs	(2)	(2)
Net capital gains/(losses)	5,176	(3,462)

3 REVENUE

	2019	2018
	£000	£000
Interest on debt securities	7,220	6,515
Interest on short term investments	13	–
Derivative revenue	33	–
Bank interest	22	12
Total revenue	7,288	6,527

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(29)	(631)
Registration fees	(85)	(78)
	(114)	(709)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(29)	(27)
Safe custody fees	(22)	(22)
	(51)	(49)
Other expenses:		
Audit fees	(12)	(11)
	(12)	(11)
Total expenses*	(177)	(769)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Interest payable	(2)	(4)
Derivative expense	–	(20)
Total interest payable and similar charges	(2)	(24)

6 TAXATION

	2019	2018
	£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	7,109	5,734
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%		
Effects of:	(1,422)	(1,147)
Distributions treated as tax deductible	1,422	1,147
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:

	2019	2018
	£000	£000
Interim	6,490	5,062
Final	715	536
	7,205	5,598
Add: Revenue deducted on the cancellation of shares	24	25
Deduct: Revenue received on the creation of shares	(120)	(22)
Net distribution for the period	7,109	5,601
Net revenue after taxation	7,109	5,734
Equalisation on conversion	–	(133)
Total distributions	7,109	5,601

Details of the distribution per share are set out in the table on pages 48 to 49.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	530	6
Sales awaiting settlement	933	348
Accrued revenue	4,447	3,255
Total debtors	5,910	3,609

9 CASH AND BANK BALANCES

	2019	2018
	£000	£000
Amounts held at futures clearing houses and brokers	489	373
Cash and bank balances	6,861	4,785
	7,350	5,158
Cash overdrafts at broker	(53)	(219)
Total cash and bank balances	7,297	4,939

10 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(167)	(4)
Purchases awaiting settlement	(1,601)	(1,565)
Accrued expenses	(15)	(12)
Amounts payable to ACD	(11)	(9)
Total other creditors	(1,794)	(1,590)

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 Medium and Long-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund currently has two share classes; Class 2 and Class X shares. The charges on each share class are as follows:

Annual management charge

Class 2 shares	0.40%
Class X shares	N/A*

Registration fees

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 50. The distribution per share class is given in the distribution table on pages 48 and 49. All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 2 – Gross income shares	
Opening shares	5,902,305
Shares issued	281,595
Shares redeemed	(1,779,419)
Net conversions	–
Closing shares	4,404,481
Class X – Gross accumulation shares	
Opening shares	221,883,949
Shares issued	84,798,213
Shares redeemed	(15,113,361)
Net conversions	–
Closing shares	291,568,801

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 10.28% and vice versa (2018: 10.57%).

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 2019	
Euro	9
US Dollar	82

	£000
Currency 2018	
Euro	14
US Dollar	22

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

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

	Futures and Options Exposure £000	Collateral Pledged £000
2019		
Counterparty		
Lloyds	–	120
2018		
Counterparty		
UBS	46	–

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £20,000). 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

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	21,382	7.30	18,273	8.40
Aaa	8,863	3.03	7,767	3.57
AA+	1,079	0.37	1,108	0.51
AA	16,463	5.62	11,156	5.13
Aa2	391	0.13	388	0.18
Aa2u	9,165	3.13	8,636	3.97
AA-	3,772	1.29	4,344	2.00
Aa3	407	0.14	1,291	0.59
A+	15,528	5.30	6,904	3.17
A	8,565	2.93	13,893	6.38
A2	928	0.32	1,125	0.52
A-	58,019	19.81	29,696	13.65
A3	1,829	0.62	2,487	1.14
BBB+	63,343	21.63	54,399	25.00
Baa1	3,334	1.14	1,883	0.86
BBB	51,490	17.59	27,544	12.66
Baa2	2,490	0.85	6,544	3.01
BBB-	13,548	4.63	9,167	4.21
Baa3	633	0.22	–	–
BB+	4,129	1.41	3,235	1.49
BB-	495	0.17	2,156	0.99
B	–	–	904	0.42
Not Rated*	7,093	2.42	4,742	2.18
Derivatives**	(136)	(0.05)	(68)	(0.03)
	292,810	100.00	217,574	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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Euro	147	1,231	9	1,387
UK Sterling	28,046	261,026	16,854	305,926
US Dollar	1,120	8,726	133	9,979
Currency 2018				
Euro	196	2,209	25	2,430
UK Sterling	20,251	193,090	16,683	230,024
US Dollar	1,184	5,870	3,894	10,948

Threadneedle Sterling Medium and Long-Dated Corporate Bond 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 2019				
Euro	(53)	–	(1,325)	(1,378)
UK Sterling	–	–	(1,806)	(1,806)
US Dollar	–	–	(9,897)	(9,897)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(2,416)	(2,416)
UK Sterling	(220)	–	(5,324)	(5,544)
US Dollar	–	–	(10,926)	(10,926)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

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 30 April 2019, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £21,000 (2018: £149,000) and a liability value of £157,000 (2018: £217,000).

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	17,118	(94)	13,627	(15)
Level 2	275,849	(63)	204,164	(202)
	292,967	(157)	217,791	(217)

Included within Level 1, are debt securities of £17,097,000 (2018: £13,566,000). 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 (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £174,111,701 (2018: £120,110,465) and £102,331,463 (2018: £111,082,071) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £602,270 (2018: £1,362,894) 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 £1,242 (2018: £1,832).

At the balance sheet date, the portfolio dealing spread was 0.79% (2018: 0.82%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Investment Report

Investment Objective

The objective of the Sterling Short-Dated Corporate Bond Fund is to achieve a long-term total return.

Investment Policy

The policy of the Sterling Short-Dated Corporate Bond Fund is to invest principally in investment grade Sterling denominated corporate bonds, predominantly those with a maturity of up to 5 years. In addition, the Fund may invest in non-Sterling investment grade bonds, government bonds, sub-investment grade bonds, convertible bonds and preference shares, of any maturity.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash.

Performance of Class 2 – Income shares*

Over the twelve months to 30 April 2019, the published share price of Class 2 – Income shares in Threadneedle Sterling Short-Dated Corporate Bond Fund risen from 106.45p to 106.70p.

For comparison, using noon prices, the performance of the Class 2 share class was +2.15% compared to a return of +3.28% for the Morningstar UK Unit Trusts/OEICs – (IA) Sterling Corporate Bond Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the iBoxx GBP Non-Gilt (1-5 Y) was +1.94%.

Market Overview and Portfolio Activity

The year in review was a volatile period for sterling investment-grade (IG) corporate bonds, which nevertheless managed to deliver a reasonable positive return. This return was due to falling underlying gilt yields, and was partially offset by wider credit spreads (the yield premiums offered by corporate bonds over "risk-free" government bonds of the same maturity).

Political noise was a constant feature of the period. For most of the year, though, investors preferred to focus on the still-robust macro and

corporate backdrop, especially in the US, where tax cuts boosted an already-strong economy.

In the fourth quarter (Q4) of 2018, however, markets were increasingly rattled by a range of factors. As risk appetite evaporated, equities sold off, core bond yields fell, and credit spreads widened significantly. The main factors unsettling investors included rising political uncertainty in Europe and the US, President Trump's tariff war against China and other US trading partners, and – related to the trade dispute – more evidence of economic deceleration in the eurozone and China.

Fears of a no-deal Brexit waxed and waned over the year, but increased during Q4. In December, UK Prime Minister Theresa May delayed a parliamentary vote on a withdrawal agreement she had secured with the EU, and duly faced a vote of no-confidence called by outraged Conservative backbenchers; she only narrowly survived this. Parliament has now rejected Mrs May's withdrawal agreement three times. While MPs ruled out a no-deal exit in March, they also voted down every other Brexit plan put in front of them in a series of "indicative votes". With time running, out the EU granted a short extension to the originally proposed exit date. This was subsequently extended further, to 31 October 2019. At time of writing, it remains unclear how and when, if ever, the UK will finally leave the EU.

Overarching all of these worries has been the prospect of tighter global monetary conditions. The US Federal Reserve (Fed) raised rates by 25 basis points on three occasions over the period, most recently in December. At that final 2018 meeting, the Fed's guidance was still pointing to two more such hikes in 2019. However, a subsequent dovish shift in commentary from policymakers at the central bank has since cast doubts on this projection. Markets are not currently expecting a US rate rise this year. The easing monetary backdrop has been accompanied by a global rebound in risk assets, with equities rallying and credit spreads tightening in the year to date. Sterling IG bonds have benefited from this change in sentiment.

In the UK, a run of disappointing economic data dissuaded the Bank of England's Monetary Policy Committee (MPC) from raising rates in May 2018. However, satisfied that harsh weather had been to blame

for the poor data, the MPC voted unanimously for a hike in August. More recently, the committee has been unanimous in keeping rates on hold, and has reduced its UK growth projections, citing concerns surrounding Brexit.

In terms of portfolio activity, we took part in a wide range of new issues. The largest of these in terms of additions to the portfolio included deals from DNB Bank, Bayer US Finance, AstraZeneca, New York Life Global Funding and Charter Communications Operating. We were also active in the secondary market, starting new positions in DS Smith, Scottish Widows, United Utilities Water Finance and Synlab among others, and increasing exposure to a variety of issuers including Bacardi, KfW Bankengruppe, British American Tobacco, and Digital Stout Holding. On the sales side, we reduced exposure to some issuers, including Cenovus Energy, Tate & Lyle International Finance and Kinder Morgan, while exiting others completely, such as Rabobank, Nordic Investment Bank and State Grid of China.

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

The short-dated UK corporate bond market is supported by very low interest rates in the UK and little likelihood that these circumstances will change in the coming months. The outlook for the UK economy remains clouded by Brexit uncertainty. Consequently, we expect to see low but positive economic growth and inflation in the coming months.

In terms of market valuations, short-dated gilt yields are historically low, both in nominal and inflation-adjusted terms. However, short-dated UK credit spreads are reasonable and close to their long-term average. Meanwhile, demand for income with some degree of safety is expected to be supportive for this area of the bond market.

Corporate earnings have been reasonably strong recently, though most of the benefits have accrued to shareholders rather than making an improvement to credit metrics.

All things considered, market returns are expected to be muted in the months ahead, and we do not think this is a period in which to be particularly aggressive with overall portfolio credit risk.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	3,363	(9,997)
Revenue	3	30,917	21,384
Expenses	4	(2,173)	(2,710)
Interest payable and similar charges	5	(217)	(288)
Net revenue before taxation		28,527	18,386
Taxation	6	–	–
Net revenue after taxation		28,527	18,386
Total return before distributions		31,890	8,389
Distributions	7	(28,527)	(18,465)
Change in net assets attributable to shareholders from investment activities		3,363	(10,076)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		1,360,449	1,124,429
Current assets:			
Debtors	8	20,271	34,852
Cash and bank balances	9	29,467	9,546
Cash equivalents**		101	–
Total assets		1,410,288	1,168,827
Liabilities:			
Investment liabilities		(1,942)	(3,791)
Creditors:			
Bank overdrafts	9	(1,268)	(85)
Distribution payable		(1,368)	(1,037)
Other creditors	10	(3,690)	(21,180)
Total liabilities		(8,268)	(26,093)
Net assets attributable to shareholders		1,402,020	1,142,734

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,142,734	845,343
Amounts receivable on the issue of shares	369,408	371,853
Amounts payable on the cancellation of shares	(126,809)	(68,915)
	242,599	302,938
Dilution adjustment	175	41
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	3,363	(10,076)
Retained distribution on accumulation shares	13,149	4,488
Closing net assets attributable to shareholders	1,402,020	1,142,734

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/05/18	0.1474	–	0.1474	0.1000
01/06/18 to 30/06/18	0.1507	–	0.1507	0.1088
01/07/18 to 31/07/18	0.1477	–	0.1477	0.1335
01/08/18 to 31/08/18	0.1576	–	0.1576	0.1037
01/09/18 to 30/09/18	0.1517	–	0.1517	0.0993
01/10/18 to 31/10/18	0.1443	–	0.1443	0.1061
01/11/18 to 30/11/18	0.1503	–	0.1503	0.1464
01/12/18 to 31/12/18	0.1652	–	0.1652	0.0973
01/01/19 to 31/01/19	0.1501	–	0.1501	0.0989
01/02/19 to 28/02/19	0.1466	–	0.1466	0.1241
01/03/19 to 31/03/19	0.1765	–	0.1765	0.1510
01/04/19 to 30/04/19	0.1551	–	0.1551	0.1383

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

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

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2					Group 2				
01/05/18 to 31/05/18	0.0078	0.1396	0.1474	0.1000	01/05/18 to 31/05/18	0.0739	0.0894	0.1633	0.1433
01/06/18 to 30/06/18	0.1000	0.0507	0.1507	0.1088	01/06/18 to 30/06/18	0.0936	0.0724	0.1660	0.1513
01/07/18 to 31/07/18	0.0877	0.0600	0.1477	0.1335	01/07/18 to 31/07/18	0.0781	0.0851	0.1632	0.1780
01/08/18 to 31/08/18	0.0455	0.1121	0.1576	0.1037	01/08/18 to 31/08/18	0.0675	0.1056	0.1731	0.1470
01/09/18 to 30/09/18	0.1001	0.0516	0.1517	0.0993	01/09/18 to 30/09/18	0.0926	0.0738	0.1664	0.1408
01/10/18 to 31/10/18	0.0648	0.0795	0.1443	0.1061	01/10/18 to 31/10/18	0.0906	0.0684	0.1590	0.1490
01/11/18 to 30/11/18	0.0523	0.0960	0.1503	0.1464	01/11/18 to 30/11/18	0.0433	0.1212	0.1645	0.1896
01/12/18 to 31/12/18	0.1075	0.0577	0.1552	0.0973	01/12/18 to 31/12/18	0.0846	0.0952	0.1798	0.1396
01/01/19 to 31/01/19	0.0843	0.0658	0.1501	0.0989	01/01/19 to 31/01/19	0.0675	0.0966	0.1641	0.1412
01/02/19 to 28/02/19	0.0375	0.1091	0.1466	0.1241	01/02/19 to 28/02/19	0.0791	0.0803	0.1594	0.1387
01/03/19 to 31/03/19	0.1153	0.0612	0.1765	0.1510	01/03/19 to 31/03/19	0.1012	0.0894	0.1906	0.1674
01/04/19 to 30/04/19	0.0650	0.0901	0.1551	0.1383	01/04/19 to 30/04/19	0.0902	0.0781	0.1683	0.1537
Total distributions in the period			1.8432	1.4074	Total distributions in the period			2.0177	1.8396
Class 1 – Gross accumulation shares					Class 2 – Gross income shares				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1					Group 1				
01/05/18 to 31/05/18	0.1506	–	0.1506	0.1021	01/05/18 to 31/05/18	0.1639	–	0.1639	0.1438
01/06/18 to 30/06/18	0.1538	–	0.1538	0.1112	01/06/18 to 30/06/18	0.1666	–	0.1666	0.1518
01/07/18 to 31/07/18	0.1510	–	0.1510	0.1363	01/07/18 to 31/07/18	0.1637	–	0.1637	0.1786
01/08/18 to 31/08/18	0.1610	–	0.1610	0.1061	01/08/18 to 31/08/18	0.1736	–	0.1736	0.1475
01/09/18 to 30/09/18	0.1550	–	0.1550	0.1015	01/09/18 to 30/09/18	0.1670	–	0.1670	0.1413
01/10/18 to 31/10/18	0.1474	–	0.1474	0.1084	01/10/18 to 31/10/18	0.1595	–	0.1595	0.1495
01/11/18 to 30/11/18	0.1537	–	0.1537	0.1496	01/11/18 to 30/11/18	0.1651	–	0.1651	0.1902
01/12/18 to 31/12/18	0.1688	–	0.1688	0.0994	01/12/18 to 31/12/18	0.1804	–	0.1804	0.1401
01/01/19 to 31/01/19	0.1533	–	0.1533	0.1010	01/01/19 to 31/01/19	0.1646	–	0.1646	0.1417
01/02/19 to 28/02/19	0.1499	–	0.1499	0.1267	01/02/19 to 28/02/19	0.1599	–	0.1599	0.1391
01/03/19 to 31/03/19	0.1803	–	0.1803	0.1543	01/03/19 to 31/03/19	0.1913	–	0.1913	0.1681
01/04/19 to 30/04/19	0.1584	–	0.1584	0.1412	01/04/19 to 30/04/19	0.1688	–	0.1688	0.1542
Total distributions in the period			1.8332	1.4378	Total distributions in the period			2.0244	1.8459
Group 2					Group 2				
01/05/18 to 31/05/18	0.1506	–	0.1506	0.1021	01/05/18 to 31/05/18	0.0861	0.0778	0.1639	0.1438
01/06/18 to 30/06/18	0.0738	0.0800	0.1538	0.1112	01/06/18 to 30/06/18	0.0826	0.0840	0.1666	0.1518
01/07/18 to 31/07/18	0.0010	0.1500	0.1510	0.1363	01/07/18 to 31/07/18	0.0256	0.1381	0.1637	0.1786
01/08/18 to 31/08/18	0.1410	0.0200	0.1610	0.1061	01/08/18 to 31/08/18	0.0672	0.1064	0.1736	0.1475
01/09/18 to 30/09/18	0.1550	–	0.1550	0.1015	01/09/18 to 30/09/18	0.1047	0.0623	0.1670	0.1413
01/10/18 to 31/10/18	0.1054	0.0420	0.1474	0.1084	01/10/18 to 31/10/18	0.0562	0.1033	0.1595	0.1495
01/11/18 to 30/11/18	0.1537	–	0.1537	0.1496	01/11/18 to 30/11/18	0.1189	0.0462	0.1651	0.1902
01/12/18 to 31/12/18	0.1688	–	0.1688	0.0994	01/12/18 to 31/12/18	0.0747	0.1057	0.1804	0.1401
01/01/19 to 31/01/19	0.1533	–	0.1533	0.1010	01/01/19 to 31/01/19	0.0984	0.0662	0.1646	0.1417
01/02/19 to 28/02/19	0.1499	–	0.1499	0.1267	01/02/19 to 28/02/19	0.0745	0.0854	0.1599	0.1391
01/03/19 to 31/03/19	0.1803	–	0.1803	0.1543	01/03/19 to 31/03/19	0.0524	0.1389	0.1913	0.1681
01/04/19 to 30/04/19	0.1584	–	0.1584	0.1412	01/04/19 to 30/04/19	0.1118	0.0570	0.1688	0.1542
Total distributions in the period			1.8332	1.4378	Total distributions in the period			2.0244	1.8459
Class 1 EUR Hedged – Gross accumulation shares*					Class 2 – Gross accumulation shares*				
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1					Group 1				
01/05/18 to 31/05/18	0.1434	–	0.1434	0.0528	01/05/18 to 31/05/18	0.1545	–	0.1545	0.0676
01/06/18 to 30/06/18	0.1464	–	0.1464	0.1320	01/06/18 to 30/06/18	0.1574	–	0.1574	0.1426
01/07/18 to 31/07/18	0.1459	–	0.1459	0.1063	01/07/18 to 31/07/18	0.1549	–	0.1549	0.1661
01/08/18 to 31/08/18	0.1559	–	0.1559	0.0997	01/08/18 to 31/08/18	0.1646	–	0.1646	0.1373
01/09/18 to 30/09/18	0.1498	–	0.1498	0.1054	01/09/18 to 30/09/18	0.1585	–	0.1585	0.1320
01/10/18 to 31/10/18	0.1405	–	0.1405	0.1434	01/10/18 to 31/10/18	0.1516	–	0.1516	0.1396
01/11/18 to 30/11/18	0.1461	–	0.1461	0.0950	01/11/18 to 30/11/18	0.1571	–	0.1571	0.1778
01/12/18 to 31/12/18	0.1635	–	0.1635	0.0973	01/12/18 to 31/12/18	0.1720	–	0.1720	0.1312
01/01/19 to 31/01/19	0.1465	–	0.1465	0.1225	01/01/19 to 31/01/19	0.1573	–	0.1573	0.1329
01/02/19 to 28/02/19	0.1412	–	0.1412	0.1487	01/02/19 to 28/02/19	0.1530	–	0.1530	0.1306
01/03/19 to 31/03/19	0.1650	–	0.1650	0.1330	01/03/19 to 31/03/19	0.1832	–	0.1832	0.1579
01/04/19 to 30/04/19	0.1461	–	0.1461	0.1330	01/04/19 to 30/04/19	0.1620	–	0.1620	0.1453
Total distributions in the period			1.7903	1.2361	Total distributions in the period			1.9261	1.6609
Group 2					Group 2				
01/05/18 to 31/05/18	0.1434	–	0.1434	0.0528	01/05/18 to 31/05/18	0.1009	0.0536	0.1545	0.0676
01/06/18 to 30/06/18	0.1464	–	0.1464	0.1320	01/06/18 to 30/06/18	0.0454	0.1120	0.1574	0.1426
01/07/18 to 31/07/18	0.1459	–	0.1459	0.1063	01/07/18 to 31/07/18	0.0937	0.0612	0.1549	0.1661
01/08/18 to 31/08/18	0.1559	–	0.1559	0.0997	01/08/18 to 31/08/18	0.1036	0.0610	0.1646	0.1373
01/09/18 to 30/09/18	0.1498	–	0.1498	0.1054	01/09/18 to 30/09/18	0.0957	0.0628	0.1585	0.1320
01/10/18 to 31/10/18	0.1405	–	0.1405	0.1434	01/10/18 to 31/10/18	0.0950	0.0566	0.1516	0.1396
01/11/18 to 30/11/18	0.1461	–	0.1461	0.0950	01/11/18 to 30/11/18	0.0864	0.0707	0.1571	0.1778
01/12/18 to 31/12/18	0.1635	–	0.1635	0.0973	01/12/18 to 31/12/18	0.0981	0.0739	0.1720	0.1312
01/01/19 to 31/01/19	0.1465	–	0.1465	0.1225	01/01/19 to 31/01/19	0.0699	0.1504	0.1573	0.1329
01/02/19 to 28/02/19	0.1412	–	0.1412	0.1487	01/02/19 to 28/02/19	0.0695	0.0835	0.1530	0.1306
01/03/19 to 31/03/19	0.1650	–	0.1650	0.1330	01/03/19 to 31/03/19	0.1034	0.0798	0.1832	0.1579
01/04/19 to 30/04/19	0.1461	–	0.1461	0.1330	01/04/19 to 30/04/19	0.1063	0.0557	0.1620	0.1453
Total distributions in the period			1.7903	1.2361	Total distributions in the period			1.9261	1.6609
Class 2 – Income shares					Class 2 EUR Hedged – Gross accumulation shares*				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018	Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1					Group 1				
01/05/18 to 31/05/18	0.1633	–	0.1633	0.1433	01/05/18 to 31/05/18	0.1582	–	0.1582	0.0659
01/06/18 to 30/06/18	0.1660	–	0.1660	0.1513	01/06/18 to 30/06/18	0.1607	–	0.1607	0.1455
01/07/18 to 31/07/18	0.1632	–	0.1632	0.1780	01/07/18 to 31/07/18	0.1602	–	0.1602	0.1726
01/08/18 to 31/08/18	0.1731	–	0.1731	0.1470	01/08/18 to 31/08/18	0.1712	–	0.1712	0.1457
01/09/18 to 30/09/18	0.1664	–	0.1664	0.1408	01/09/18 to 30/09/18	0.1633	–	0.1633	0.1377
01/10/18 to 31/10/18	0.1590	–	0.1590	0.1490	01/10/18 to 31/10/18	0.1540	–	0.1540	0.1464
01/11/18 to 30/11/18	0.1645	–	0.1645	0.1896	01/11/18 to 30/11/18	0.1591	–	0.1591	0.1845
01/12/18 to 31/12/18	0.1798	–	0.1798	0.1396	01/12/18 to 31/12/18	0.1774	–	0.1774	0.1359
01/01/19 to 31/01/19	0.1641	–	0.1641	0.1412	01/01/19 to 31/01/19	0.1604	–	0.1604	0.1373
01/02/19 to 28/02/19	0.1594	–	0.1594	0.1387	01/02/19 to 28/02/19	0.1533	–	0.1533	0.1359
01/03/19 to 31/03/19	0.1906	–	0.1906	0.1674	01/03/19 to 31/03/19	0.1800	–	0.1800	0.1632
01/04/19 to 30/04/19	0.1683	–	0.1683	0.1537	01/04/19 to 30/04/19	0.1598	–	0.1598	0.1468

Threadneedle Sterling Short-Dated Corporate Bond Fund

DISTRIBUTION TABLE

(continued)

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018	Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2					Class Y – Gross income shares				
01/05/18 to 31/05/18	0.1582	–	0.1582	0.0659	Group 1				
01/06/18 to 30/06/18	0.1607	–	0.1607	0.1455	01/05/18 to 31/05/18	0.1649	–	0.1649	0.1510
01/07/18 to 31/07/18	0.1602	–	0.1602	0.1726	01/06/18 to 30/06/18	0.1676	–	0.1676	0.1600
01/08/18 to 31/08/18	0.0312	0.1400	0.1712	0.1457	01/07/18 to 31/07/18	0.1651	–	0.1651	0.1820
01/09/18 to 30/09/18	0.0733	0.0900	0.1633	0.1377	01/08/18 to 31/08/18	0.1745	–	0.1745	0.1546
01/10/18 to 31/10/18	0.1540	–	0.1540	0.1464	01/09/18 to 30/09/18	0.1678	–	0.1678	0.1490
01/11/18 to 30/11/18	0.1591	–	0.1591	0.1845	01/10/18 to 31/10/18	0.1612	–	0.1612	0.1553
01/12/18 to 31/12/18	0.1774	–	0.1774	0.1359	01/11/18 to 30/11/18	0.1660	–	0.1660	0.1936
01/01/19 to 31/01/19	0.1604	–	0.1604	0.1373	01/12/18 to 31/12/18	0.1806	–	0.1806	0.1470
01/02/19 to 28/02/19	0.1533	–	0.1533	0.1359	01/01/19 to 31/01/19	0.1659	–	0.1659	0.1480
01/03/19 to 31/03/19	0.1800	–	0.1800	0.1632	01/02/19 to 28/02/19	0.1604	–	0.1604	0.1440
01/04/19 to 30/04/19	0.1598	–	0.1598	0.1468	01/03/19 to 31/03/19	0.1908	–	0.1908	0.1721
Total distributions in the period			1.9576	1.7174	01/04/19 to 30/04/19	0.1696	–	0.1696	0.1565
Class X – Gross income shares					Group 2				
Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018	01/05/18 to 31/05/18	0.0477	0.1172	0.1649	0.1510
Group 1					01/06/18 to 30/06/18	0.0596	0.1080	0.1676	0.1600
01/05/18 to 31/05/18	0.1896	–	0.1896	0.1709	01/07/18 to 31/07/18	0.0957	0.0694	0.1651	0.1820
01/06/18 to 30/06/18	0.1910	–	0.1910	0.1775	01/08/18 to 31/08/18	0.0827	0.0918	0.1745	0.1546
01/07/18 to 31/07/18	0.1894	–	0.1894	0.2039	01/09/18 to 30/09/18	0.0962	0.0716	0.1678	0.1490
01/08/18 to 31/08/18	0.1988	–	0.1988	0.1744	01/10/18 to 31/10/18	0.0943	0.0669	0.1612	0.1553
01/09/18 to 30/09/18	0.1914	–	0.1914	0.1674	01/11/18 to 30/11/18	0.0734	0.0926	0.1660	0.1936
01/10/18 to 31/10/18	0.1853	–	0.1853	0.1760	01/12/18 to 31/12/18	0.0872	0.0934	0.1806	0.1470
01/11/18 to 30/11/18	0.1894	–	0.1894	0.2137	01/01/19 to 31/01/19	0.0770	0.0889	0.1659	0.1480
01/12/18 to 31/12/18	0.2048	–	0.2048	0.1673	01/02/19 to 28/02/19	0.0749	0.0855	0.1604	0.1440
01/01/19 to 31/01/19	0.1899	–	0.1899	0.1688	01/03/19 to 31/03/19	0.1095	0.0813	0.1908	0.1721
01/02/19 to 28/02/19	0.1823	–	0.1823	0.1629	01/04/19 to 30/04/19	0.1031	0.0665	0.1696	0.1565
01/03/19 to 31/03/19	0.2156	–	0.2156	0.1936	Total distributions in the period			2.0344	1.9131
01/04/19 to 30/04/19	0.1932	–	0.1932	0.1792	<i>Group 2: shares purchased during a distribution period.</i>				
Group 2					<i>*For launch dates, refer to the footnotes after the comparative tables.</i>				
01/05/18 to 31/05/18	0.0295	0.1601	0.1896	0.1709					
01/06/18 to 30/06/18	0.0876	0.1034	0.1910	0.1775					
01/07/18 to 31/07/18	0.0371	0.1523	0.1894	0.2039					
01/08/18 to 31/08/18	0.0969	0.1019	0.1988	0.1744					
01/09/18 to 30/09/18	0.1486	0.0428	0.1914	0.1674					
01/10/18 to 31/10/18	–	0.1853	0.1853	0.1760					
01/11/18 to 30/11/18	–	0.1894	0.1894	0.2137					
01/12/18 to 31/12/18	0.1631	0.0417	0.2048	0.1673					
01/01/19 to 31/01/19	–	0.1899	0.1899	0.1688					
01/02/19 to 28/02/19	0.0790	0.1033	0.1823	0.1629					
01/03/19 to 31/03/19	0.0156	0.2000	0.2156	0.1936					
01/04/19 to 30/04/19	0.1138	0.0794	0.1932	0.1792					
Total distributions in the period			2.3207	2.1556					
Class X – Gross accumulation shares									
Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018					
Group 1									
01/05/18 to 31/05/18	0.2001	–	0.2001	0.1766					
01/06/18 to 30/06/18	0.2019	–	0.2019	0.1836					
01/07/18 to 31/07/18	0.2007	–	0.2007	0.2114					
01/08/18 to 31/08/18	0.2110	–	0.2110	0.1812					
01/09/18 to 30/09/18	0.2035	–	0.2035	0.1742					
01/10/18 to 31/10/18	0.1974	–	0.1974	0.1836					
01/11/18 to 30/11/18	0.2021	–	0.2021	0.2232					
01/12/18 to 31/12/18	0.2191	–	0.2191	0.1750					
01/01/19 to 31/01/19	0.2035	–	0.2035	0.1769					
01/02/19 to 28/02/19	0.1957	–	0.1957	0.1710					
01/03/19 to 31/03/19	0.2317	–	0.2317	0.2035					
01/04/19 to 30/04/19	0.2083	–	0.2083	0.1888					
Group 2									
01/05/18 to 31/05/18	0.0950	0.1051	0.2001	0.1766					
01/06/18 to 30/06/18	0.0513	0.1506	0.2019	0.1836					
01/07/18 to 31/07/18	0.0505	0.1502	0.2007	0.2114					
01/08/18 to 31/08/18	0.0750	0.1360	0.2110	0.1812					
01/09/18 to 30/09/18	0.1568	0.0467	0.2035	0.1742					
01/10/18 to 31/10/18	0.0331	0.1643	0.1974	0.1836					
01/11/18 to 30/11/18	0.0121	0.1900	0.2021	0.2232					
01/12/18 to 31/12/18	0.1769	0.0422	0.2191	0.1750					
01/01/19 to 31/01/19	0.1305	0.0730	0.2035	0.1769					
01/02/19 to 28/02/19	0.0062	0.1895	0.1957	0.1710					
01/03/19 to 31/03/19	0.1190	0.1127	0.2317	0.2035					
01/04/19 to 30/04/19	0.1983	0.0100	0.2083	0.1888					
Total distributions in the period			2.4750	2.2490					

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 – Gross accumulation shares ⁵		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	102.91	102.45	101.29	105.15	104.68	103.43
Return before operating charges (p)	2.67	1.28	1.57	2.72	1.31	1.60
Operating charges (p)	(0.60)	(0.82)	(0.35)	(0.61)	(0.84)	(0.35)
Return after operating charges (p)*	2.07	0.46	1.22	2.11	0.47	1.25
Distributions (p)	(1.84)	(1.41)	(0.50)	(1.88)	(1.44)	(0.51)
Retained distributions on accumulation shares (p)**	1.84	1.41	0.44	1.88	1.44	0.51
Closing net asset value per share (p)	104.98	102.91	102.45	107.26	105.15	104.68
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.01	0.45	1.20	2.01	0.45	1.21
Other information						
Closing net asset value (£000)	7,549	5,247	4,390	270	197	144
Closing number of shares	7,191,000	5,098,206	4,285,227	251,892	187,903	137,694
Operating charges (%)**	0.58	0.80	0.88 ¹	0.58	0.80	0.87 ¹
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	105.20	103.48	102.58	107.48	105.72	104.81
Lowest share price (p)	102.65	102.49	101.21	104.87	104.72	103.36
	Class 1 EUR Hedged – Gross accumulation shares ⁵			Class 2 – Income shares		
	30/04/2019	30/04/2018 ²		30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	99.77	100.00		106.13	107.11	106.35
Return before operating charges (p)	(0.93)	0.38		2.73	1.35	1.65
Operating charges (p)	(0.57)	(0.61)		(0.49)	(0.49)	(0.19)
Return after operating charges (p)*	(1.50)	(0.23)		2.24	0.86	1.46
Distributions (p)	(1.79)	(1.24)		(2.02)	(1.84)	(0.70)
Retained distributions on accumulation shares (p)**	1.79	1.24		–	–	–
Closing net asset value per share (p)	98.27	99.77		106.35	106.13	107.11
*after direct transaction costs of (p)	–	–		–	–	–
Performance						
Return after charges (%)	(1.50)	(0.23)		2.11	0.80	1.37
Other information						
Closing net asset value (£000)	10	10		218,577	208,705	154,712
Closing number of shares	10,001	10,001		205,518,255	196,649,685	144,439,030
Operating charges (%)**	0.57	0.79 ¹		0.46	0.46	0.46 ¹
Direct transaction costs (%)**	–	–		–	–	–
Prices						
Highest share price (p)	102.91	106.43		106.74	107.75	107.39
Lowest share price (p)	96.91	97.57		104.69	106.00	106.28

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares ⁵			Class 2 – Gross accumulation shares ⁵		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018 ³	
Change in net assets per share						
Opening net asset value per share (p)	106.49	107.47	106.71	100.43	100.00	
Return before operating charges (p)	2.73	1.36	1.65	2.61	0.86	
Operating charges (p)	(0.49)	(0.49)	(0.19)	(0.46)	(0.43)	
Return after operating charges (p)*	2.24	0.87	1.46	2.15	0.43	
Distributions (p)	(2.02)	(1.85)	(0.70)	(1.93)	(1.66)	
Retained distributions on accumulation shares (p)**	–	–	–	1.93	1.66	
Closing net asset value per share (p)	106.71	106.49	107.47	102.58	100.43	
*after direct transaction costs of (p)	–	–	–	–	–	
Performance						
Return after charges (%)	2.10	0.81	1.37	2.14	0.43	
Other information						
Closing net asset value (£000)	98,360	122,717	443,539	7,677	8,123	
Closing number of shares	92,174,744	115,241,314	412,697,442	7,483,840	8,088,402	
Operating charges (%)**	0.46	0.46	0.46 ¹	0.46	0.47 ¹	
Direct transaction costs (%)**	–	–	–	–	–	
Prices						
Highest share price (p)	107.10	108.11	107.76	102.78	100.92	
Lowest share price (p)	105.04	106.36	106.64	100.24	99.87	
	Class 2 EUR Hedged – Gross accumulation shares ⁵			Class X – Gross income shares ⁵		
	30/04/2019	30/04/2018 ³		30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	102.39	100.00		100.88	101.81	101.09
Return before operating charges (p)	(0.93)	2.83		2.59	1.29	1.56
Operating charges (p)	(0.47)	(0.44)		(0.06)	(0.06)	(0.02)
Return after operating charges (p)*	(1.40)	2.39		2.53	1.23	1.54
Distributions (p)	(1.96)	(1.72)		(2.32)	(2.16)	(0.82)
Retained distributions on accumulation shares (p)**	1.96	1.72		–	–	–
Closing net asset value per share (p)	100.99	102.39		101.09	100.88	101.81
*after direct transaction costs of (p)	–	–		–	–	–
Performance						
Return after charges (%)	(1.37)	2.39		2.51	1.21	1.52
Other information						
Closing net asset value (£000)	71	10		414,599	311,778	196,037
Closing number of shares	70,780	10,000		410,127,179	309,062,267	192,551,783
Operating charges (%)**	0.46	0.46 ¹		0.06	0.06	0.06 ¹
Direct transaction costs (%)**	–	–		–	–	–
Prices						
Highest share price (p)	105.68	109.00		101.49	102.45	102.11
Lowest share price (p)	99.58	99.83		99.52	100.78	101.03

Threadneedle Sterling Short-Dated Corporate Bond Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares ⁵			Class Y – Gross income shares ⁵		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ⁴
Change in net assets per share						
Opening net asset value per share (p)	106.46	105.18	103.59	99.20	100.12	100.00
Return before operating charges (p)	2.77	1.34	1.61	2.54	1.31	0.28
Operating charges (p)	(0.06)	(0.06)	(0.02)	(0.31)	(0.32)	–
Return after operating charges (p)*	2.71	1.28	1.59	2.23	0.99	0.28
Distributions (p)	(2.48)	(2.25)	(0.85)	(2.03)	(1.91)	(0.16)
Retained distributions on accumulation shares (p)**	2.48	2.25	0.85	–	–	–
Closing net asset value per share (p)	109.17	106.46	105.18	99.40	99.20	100.12
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.55	1.22	1.53	2.25	0.99	0.28
Other information						
Closing net asset value (£000)	611,786	483,878	46,518	43,121	2,069	3
Closing number of shares	560,409,345	454,536,245	44,225,469	43,379,079	2,085,832	3,000
Operating charges (%)**	0.06	0.06	0.06 ¹	0.31	0.32	0.27 ¹
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	109.39	106.85	105.31	99.78	100.73	100.39
Lowest share price (p)	106.46	105.38	103.54	97.85	99.09	100.00

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

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

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

⁵Only available to eligible investors.

¹Commenced 9 December 2016.

²Commenced 15 June 2017.

³Commenced 17 May 2017.

⁴Commenced 29 March 2017.

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

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	12,420	(15,123)
Derivative contracts	(1,771)	1,712
Forward currency contracts	(9,492)	2,467
Other gains	2,207	949
Transaction costs	(1)	(2)
Net capital gains/(losses)	3,363	(9,997)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	30,826	21,312
Interest on short term investments	26	23
Bank interest	65	49
Total revenue	30,917	21,384

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,461)	(2,171)
Registration fees	(461)	(343)
	(1,922)	(2,514)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(156)	(117)
Safe custody fees	(76)	(62)
	(232)	(179)
Other expenses:		
Regulatory fees	(2)	(1)
Audit fees	(17)	(16)
	(19)	(17)
Total expenses*	(2,173)	(2,710)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(15)	(24)
Derivative expense	(202)	(264)
Total interest payable and similar charges	(217)	(288)

6 TAXATION

	2019 £000	2018 £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

	2019 £000	2018 £000
Net revenue before taxation	28,527	18,386
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(5,705)	(3,677)
Effects of:		
Distributions treated as tax deductible	5,705	3,693
Retail Distribution Review (RDR) conversion transfer from capital	–	(16)
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:

	2019 £000	2018 £000
Interim	26,225	16,873
Final	2,559	1,914
	28,784	18,787
Add: Revenue deducted on the cancellation of shares	116	54
Deduct: Revenue received on the creation of shares	(373)	(376)
Net distribution for the period	28,527	18,465
Net revenue after taxation	28,527	18,386
Equalisation on conversion	–	80
Undistributed revenue brought forward	1	–
Undistributed revenue carried forward	(1)	(1)
Total distributions	28,527	18,465

Details of the distribution per share are set out in the table on pages 54 to 56.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	822	17,979
Accrued revenue	19,449	16,873
Total debtors	20,271	34,852

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	5,018	1,250
Cash and bank balances	24,449	8,296
	29,467	9,546
Cash overdrafts at broker	(1,268)	(85)
Total cash and bank balances	28,199	9,461

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(2,161)	(777)
Purchases awaiting settlement	(1,331)	(20,229)
Accrued expenses	(39)	(28)
Amounts payable to ACD	(159)	(146)
Total other creditors	(3,690)	(21,180)

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

Annual management charge

Class 1 shares	0.45%
Class 2 shares	0.40%
Class X shares	N/A*
Class Y shares	0.25%

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class X shares	0.035%
Class Y 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 57 to 59.

The distribution per share class is given in the distribution table on pages 54 to 56.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	5,098,206
Shares issued	3,295,579
Shares redeemed	(1,202,785)
Net conversions	–
Closing shares	7,191,000
Class 1 – Gross accumulation shares	
Opening shares	187,903
Shares issued	96,128
Shares redeemed	(32,139)
Net conversions	–
Closing shares	251,892
Class 1 EUR Hedged – Gross accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	10,001
Class 2 – Income shares	
Opening shares	196,649,685
Shares issued	37,116,625
Shares redeemed	(28,717,500)
Net conversions	469,445
Closing shares	205,518,255

	2019
Class 2 – Gross income shares	
Opening shares	115,241,314
Shares issued	18,882,875
Shares redeemed	(37,014,278)
Net conversions	(4,935,167)
Closing shares	92,174,744
Class 2 – Gross accumulation shares	
Opening shares	8,088,402
Shares issued	16,947,630
Shares redeemed	(17,552,192)
Net conversions	–
Closing shares	7,483,840
Class 2 EUR Hedged – Gross accumulation shares	
Opening shares	10,000
Shares issued	70,256
Shares redeemed	(9,476)
Net conversions	–
Closing shares	70,780
Class X – Gross income shares	
Opening shares	309,062,267
Shares issued	101,065,301
Shares redeemed	(389)
Net conversions	–
Closing shares	410,127,179
Class X – Gross accumulation shares	
Opening shares	454,536,245
Shares issued	141,174,888
Shares redeemed	(35,301,788)
Net conversions	–
Closing shares	560,409,345
Class Y – Gross income shares	
Opening shares	2,085,832
Shares issued	36,955,948
Shares redeemed	(457,991)
Net conversions	4,795,290
Closing shares	43,379,079

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 2.46% and vice versa (2018: 2.61%).

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 2019	£000
Canadian Dollar	12
Euro	1,139
US Dollar	1,079
Currency 2018	£000
Canadian Dollar	30
Euro	150
US Dollar	(12,084)

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

Credit/Counterparty exposure

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

2019 Counterparty	Futures and Options Exposure	Collateral Pledged
	£000	£000
Citigroup	–	970
Goldman Sachs	–	510
Lloyds	–	1,270
2018 Counterparty	Futures and Options Exposure	Collateral Pledged
	£000	£000
Lloyds	–	50
UBS	272	–

The fund held £860,000 (2018: £1,540,000) 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

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	77,091	5.68	55,060	4.91
Aaa	28,922	2.13	14,313	1.28
AA+	37,214	2.74	24,824	2.22
AA	–	–	2,087	0.19
Aa2	–	–	1,408	0.13
AA-	47,012	3.46	23,043	2.06
A+	20,975	1.54	49,469	4.41
A	88,827	6.54	83,388	7.44
A2u	2,228	0.16	2,319	0.21
A-	117,817	8.67	84,308	7.52
A3	12,754	0.94	–	–
BBB+	275,030	20.24	209,830	18.72
Baa1	14,448	1.06	16,156	1.44
BBB	278,906	20.53	229,618	20.49
Baa2	24,781	1.82	24,250	2.16
BBB-	183,111	13.48	138,030	12.32
Baa3	11,690	0.86	14,153	1.26
BB+	44,880	3.30	51,124	4.56
Ba1	4,710	0.35	2,689	0.24
BB	21,939	1.62	19,837	1.77
Ba2	–	–	1,495	0.13
BB-	12,990	0.96	14,883	1.33
B+	9,394	0.69	–	–
B1	–	–	3,155	0.28
B	–	–	9,432	0.84
B-	3,521	0.26	–	–
Not Rated*	42,163	3.10	48,064	4.29
Liquidity Funds	101	0.01	–	–
Derivatives**	(1,896)	(0.14)	(2,297)	(0.20)
	1,358,608	100.00	1,120,638	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 30 April was:

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	–	4,147	67	4,214
Euro	39,430	157,460	8,466	205,356
UK Sterling	174,629	844,616	392,223	1,411,468
US Dollar	110,206	59,483	979	170,668
Currency 2018	£000	£000	£000	£000
Canadian Dollar	140	15,458	2,660	18,258
Euro	23,008	78,114	4,603	105,725
UK Sterling	130,660	710,334	339,127	1,180,121
US Dollar	77,536	97,231	11,333	186,100

Currency 2019	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Canadian Dollar	–	–	(4,202)	(4,202)
Euro	(1,268)	–	(202,949)	(204,217)
UK Sterling	–	–	(11,678)	(11,678)
US Dollar	–	–	(169,589)	(169,589)
Currency 2018	£000	£000	£000	£000
Canadian Dollar	–	–	(18,228)	(18,228)
Euro	–	–	(105,575)	(105,575)
UK Sterling	(85)	–	(25,398)	(25,483)
US Dollar	–	–	(198,184)	(198,184)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

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 30 April 2019, the fund had outstanding forward foreign exchange contracts and futures and options with an asset value of £46,000 (2018: £1,494,000) and a liability value of £1,942,000 (2018: £3,791,000).

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.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Notes to the financial statements

(continued)

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	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	2,940	(605)	14,152	(214)
Level 2	1,356,889	(1,337)	1,110,277	(3,577)
Level 3	721	–	–	–
	<u>1,360,550</u>	<u>(1,942)</u>	<u>1,124,429</u>	<u>(3,791)</u>

Included within Level 1, are debt securities of £2,914,000 (2018: £13,666,000). 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 (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £855,027,394 (2018: £838,122,668) and £612,920,688 (2018: £477,421,369) respectively. Collective investment schemes purchases and sales amounted to £14,001,428 (2018: £Nil) and £13,900,000 (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £1,719,632 (2018: £2,548,772) 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 £12,221 (2018: £6,238).

At the balance sheet date, the portfolio dealing spread was 0.34% (2018: 0.32%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Fixed Interest Fund

Investment Report

Investment Objective

The objective of the UK Fixed Interest Fund is to achieve a long-term total return and to maximise this return whilst moderating the risk of investment at any particular point in the economic and business cycle.

Investment Policy

The policy of the UK Fixed Interest Fund is to invest principally in UK government bonds (gilts), and other Sterling denominated fixed interest securities. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash and hold securities of any duration.

Performance of Class Z – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class Z – Accumulation shares in the Threadneedle UK Fixed Interest Fund risen from 168.06p to 173.34p.

For comparison, using noon prices, the performance of the Class Z share class was +3.14% compared to a return of +3.02% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Gilt Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Government (All stocks) was +3.17%.

Market Overview and Portfolio Activity

UK government bonds (gilts) posted a positive return over the year in review. Early in the period, gilts were caught up in a sell-off in US Treasuries amid expectations of faster US interest rate hikes. However, gilts performed well in the second half of the period, notably in the fourth quarter of 2018, when risk assets fell out of favour with investors. Markets were unsettled by the continued rise of populist political parties in Europe, heightened geopolitical tensions, jitters over the US tariff war

against China and other key trading partners, and evidence of economic deceleration in China. Consequently, investors flocked to safe-havens such as core government bonds. The extent of the market turmoil led the US Federal Reserve (Fed) to strike a more dovish tone in 2019, which benefited gilts.

The Bank of England (BoE) raised rates once, in August, as stronger economic data releases reassured policymakers that a slowdown earlier in the year had been chiefly induced by severe winter weather. More recently, the committee has been united in keeping rates on hold, and has reduced its UK growth projections, citing concerns surrounding Brexit.

Fears of a no-deal Brexit waxed and waned over the year. The UK and the EU failed to agree on a Brexit deal, with a draft withdrawal arrangement being voted down three times by the British parliament. MPs also vetoed the UK leaving without a deal, which ultimately led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

The fund started the review period with a relative duration of around 0.5 years long of the index. It was underweight at the front-end of the yield curve ahead of the BoE's May meeting, but we later added some duration in this segment. Towards the end of April, as the Italian crisis took hold, we reduced duration in the 7–15 year area to flat. Before the BoE's June meeting, we took the portfolio to flat across all maturities, which was how the fund ended the second quarter of 2018.

The portfolio entered the third quarter with a flat relative duration across maturity buckets. Over the period, we undertook various trades, which increased duration, especially in ultra-longs. We also carried out some relative value trades. By the end of the quarter, the portfolio had an overall relative duration of 0.8 years long.

In early October, we adjusted exposures around the 2071 syndication before reducing exposure across most maturity buckets as yields approached the bottom of the trading range. As yields rose as a Brexit deal appeared imminent, we switched some exposure to 20-years and ultra-longs into 30-years. Once it

was clear that the deal was unlikely to be backed by parliament, we carried out some relative value trades, taking advantage of significant improvements in yield pick-ups. In December, we moved some of the flattening bias from ultra-longs to 20-years and made numerous relative value trades for record pick-ups in yield. As yields fell following the delay to the parliamentary vote, we reduced duration by closing the overweight in 25-30s. The portfolio ended the quarter 0.2 years short.

The portfolio's flattening bias was maintained throughout quarter 1 (Q1) of 2019, given that an Article 50 extension would likely lift yields at the front end of the curve. Going into March, the portfolio's overall relative duration had risen to -0.1 years: -0.05 CTD (contribution to duration) in the 0–3 year segment; -0.25 CTD in 3–7s; -0.1 in 7–15s; +0.1 in 15–25s; +0.2 in 25–35s and flat in ultra-longs. We lowered duration on 20 March via a 0.3 year CTD sale of the 10-year segment, as yields approached the bottom of the year's trading range. We reversed this two days later, when yields broke lower through the bottom of the range as Brexit fears mounted and the Fed removed any remaining hikes from this year's forecast. The portfolio ended the Q1 -0.2 years short of the index.

With 10-year yields having fallen below 1% into the March close, we reduced duration by 0.25 CTD at the start of April, via sales of 2028 and 2037 gilts. Mid-month, we bought back 0.15 CTD, via 2028s, as yields breached 1.20%; on 26 April we added a further 0.1 CTD, again via 2028s, with yields at 1.14%. The portfolio's relative duration finished April at -0.25 years: -0.1 CTD in the 0–3 year segment; -0.15 in 3–7s; -0.2 in 7–15s; +0.1 in 15–25s; +0.1 in 25–35s; and flat in ultra-longs.

The outlook for the UK economy remains clouded by uncertainty regarding the future relationship between the UK and its European neighbours. Consequently, we expect to see low but positive economic growth and inflation in the coming months.

The BoE is likely to keep interest rates on hold for the time being, given the current uncertainties over Brexit and the implications for the UK economy.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	11,112	(7,869)
Revenue	3	6,635	5,848
Expenses	4	(1,866)	(1,700)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		4,769	4,147
Taxation	6	–	–
Net revenue after taxation		4,769	4,147
Total return before distributions		15,881	(3,722)
Distributions	7	(4,769)	(4,131)
Change in net assets attributable to shareholders from investment activities		11,112	(7,853)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		479,425	469,506
Current assets:			
Debtors	8	2,420	2,406
Cash and bank balances		14,921	8,141
Total assets		496,766	480,053
Liabilities:			
Creditors:			
Distribution payable		(31)	(26)
Other creditors	9	(200)	(292)
Total liabilities		(231)	(318)
Net assets attributable to shareholders		496,535	479,735

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	479,735	468,928
Amounts receivable on the issue of shares	58,049	73,434
Amounts payable on the cancellation of shares	(57,154)	(57,067)
	895	16,367
Dilution adjustment	12	1
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	11,112	(7,853)
Retained distribution on accumulation shares	4,781	2,292
Closing net assets attributable to shareholders	496,535	479,735

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.5659	–	0.5659	0.4476
01/11/18 to 30/04/19	0.5400	–	0.5400	0.5268
Group 2				
01/05/18 to 31/10/18	0.3687	0.1972	0.5659	0.4476
01/11/18 to 30/04/19	0.2979	0.2421	0.5400	0.5268
Total distributions in the period			1.1059	0.9744

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.6955	–	0.6955	0.5455
01/11/18 to 30/04/19	0.6650	–	0.6650	0.6441
Group 2				
01/05/18 to 31/10/18	0.6955	–	0.6955	0.5455
01/11/18 to 30/04/19	0.5850	0.0800	0.6650	0.6441
Total distributions in the period			1.3605	1.1896

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle UK Fixed Interest Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.5300	–	0.5300	0.4423
01/11/18 to 30/04/19	0.5105	–	0.5105	0.4994
Group 2				
01/05/18 to 31/10/18	0.2533	0.2767	0.5300	0.4423
01/11/18 to 30/04/19	0.2887	0.2218	0.5105	0.4994
Total distributions in the period			1.0405	0.9417

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.6705	–	0.6705	0.5554
01/11/18 to 30/04/19	0.6444	–	0.6444	0.6258
Group 2				
01/05/18 to 31/10/18	0.4083	0.2622	0.6705	0.5554
01/11/18 to 30/04/19	0.5622	0.0822	0.6444	0.6258
Total distributions in the period			1.3149	1.1812

Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.8373	–	0.8373	0.6837
01/11/18 to 30/04/19	0.8079	–	0.8079	0.7822
Group 2				
01/05/18 to 31/10/18	0.2654	0.5719	0.8373	0.6837
01/11/18 to 30/04/19	0.2064	0.6015	0.8079	0.7822
Total distributions in the period			1.6452	1.4659

Group 2: shares purchased during a distribution period.

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	134.07	136.45	131.87	164.62	166.35	160.32
Return before operating charges (p)	4.73	(0.69)	5.24	5.82	(0.85)	6.36
Operating charges (p)	(0.72)	(0.72)	(0.28)	(0.88)	(0.88)	(0.33)
Return after operating charges (p)*	4.01	(1.41)	4.96	4.94	(1.73)	6.03
Distributions (p)	(1.11)	(0.97)	(0.38)	(1.36)	(1.19)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	1.36	1.19	0.46
Closing net asset value per share (p)	136.97	134.07	136.45	169.56	164.62	166.35
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	2.99	(1.03)	3.76	3.00	(1.04)	3.76
Other information						
Closing net asset value (£000)	508	572	648	59	73	561
Closing number of shares	371,149	426,890	474,812	34,906	44,225	336,991
Operating charges (%)**	0.53	0.53	0.53 [†]	0.53	0.53	0.52 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	140.27	138.69	138.20	172.96	169.07	168.01
Lowest share price (p)	130.99	130.97	131.00	160.84	160.20	159.26
	Class 2 – Income shares			Class 2 – Gross income shares ⁵		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	103.84	105.69	102.13	131.21	133.53	129.05
Return before operating charges (p)	3.65	(0.54)	4.07	4.63	(0.69)	5.12
Operating charges (p)	(0.37)	(0.37)	(0.15)	(0.48)	(0.45)	(0.18)
Return after operating charges (p)*	3.28	(0.91)	3.92	4.15	(1.14)	4.94
Distributions (p)	(1.04)	(0.94)	(0.36)	(1.31)	(1.18)	(0.46)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	106.08	103.84	105.69	134.05	131.21	133.53
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	3.16	(0.86)	3.84	3.16	(0.85)	3.83
Other information						
Closing net asset value (£000)	24	23	29	6,120	4,927	443,227
Closing number of shares	22,335	21,832	27,798	4,565,819	3,755,314	331,920,395
Operating charges (%)**	0.35	0.35	0.36 [†]	0.36	0.34	0.36 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	108.71	107.49	107.10	137.37	135.81	135.32
Lowest share price (p)	101.53	101.49	101.46	128.29	128.24	128.20

Threadneedle UK Fixed Interest Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share			
Opening net asset value per share (p)	168.00	169.50	163.26
Return before operating charges (p)	5.94	(0.85)	6.49
Operating charges (p)	(0.65)	(0.65)	(0.25)
Return after operating charges (p)*	5.29	(1.50)	6.24
Distributions (p)	(1.65)	(1.47)	(0.56)
Retained distributions on accumulation shares (p)	1.65	1.47	0.56
Closing net asset value per share (p)	173.29	168.00	169.50
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	3.15	(0.88)	3.82
Other information			
Closing net asset value (£000)	489,824	474,140	24,463
Closing number of shares	282,654,571	282,234,163	14,432,487
Operating charges (%)**	0.38	0.39	0.38 [†]
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	176.74	172.37	171.19
Lowest share price (p)	164.25	163.43	162.19

**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.

[‡]Only available to eligible investors.

[†]Commenced 9 December 2016.

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

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	11,113	(7,867)
Transaction costs	(1)	(2)
Net capital gains/(losses)	<u>11,112</u>	<u>(7,869)</u>

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	6,589	5,832
Interest on short term investments	32	6
Bank interest	14	10
Total revenue	<u>6,635</u>	<u>5,848</u>

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,237)	(1,312)
Registration fees	(539)	(301)
	<u>(1,776)</u>	<u>(1,613)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(59)	(56)
Safe custody fees	(21)	(22)
	<u>(80)</u>	<u>(78)</u>
Other expenses:		
Audit fees	(10)	(9)
	<u>(10)</u>	<u>(9)</u>
Total expenses*	<u>(1,866)</u>	<u>(1,700)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	–	(1)
Total interest payable and similar charges	<u>–</u>	<u>(1)</u>

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	<u>–</u>	<u>–</u>
b) Factors affecting taxation charge for period		
Net revenue before taxation	4,769	4,147
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(954)	(829)
Effects of:		
Distributions treated as tax deductible	954	829
Current tax charge for period (note 6a)	<u>–</u>	<u>–</u>
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:

	2019 £000	2018 £000
Interim	2,526	1,941
Final	2,315	2,234
	<u>4,841</u>	<u>4,175</u>
Add: Revenue deducted on the cancellation of shares	122	114
Deduct: Revenue received on the creation of shares	(194)	(158)
Net distribution for the period	<u>4,769</u>	<u>4,131</u>
Net revenue after taxation	4,769	4,147
Equalisation on conversion	–	(16)
Total distributions	<u>4,769</u>	<u>4,131</u>

Details of the distribution per share are set out in the table on pages 64 to 65.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	124	10
Accrued revenue	2,296	2,396
Total debtors	<u>2,420</u>	<u>2,406</u>

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(38)	(137)
Accrued expenses	(15)	(13)
Amounts payable to ACD	(147)	(142)
Total other creditors	<u>(200)</u>	<u>(292)</u>

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 Fixed Interest Fund currently has three share classes; Class 1, Class 2 and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	0.40%
Class 2 shares	0.30%
Class Z shares	0.25%
Registration fees	
Class 1 shares	0.110%
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 pages 66 to 67. The distribution per share class is given in the distribution table on pages 64 to 65.

All classes have the same rights on winding up.

Threadneedle UK Fixed Interest Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	426,890
Shares issued	5,189
Shares redeemed	(60,930)
Net conversions	–
Closing shares	371,149
Class 1 – Accumulation shares	
Opening shares	44,225
Shares issued	–
Shares redeemed	(9,319)
Net conversions	–
Closing shares	34,906
Class 2 – Income shares	
Opening shares	21,832
Shares issued	3,544
Shares redeemed	(3,041)
Net conversions	–
Closing shares	22,335
Class 2 – Gross income shares	
Opening shares	3,755,314
Shares issued	873,584
Shares redeemed	(63,079)
Net conversions	–
Closing shares	4,565,819
Class Z – Accumulation shares	
Opening shares	282,234,163
Shares issued	33,781,688
Shares redeemed	(33,361,280)
Net conversions	–
Closing shares	282,654,571

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 11.07% and vice versa (2018: 11.71%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2018: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AAA	8,793	1.84	15,368	3.27
Aaa	8,820	1.84	6,185	1.32
AA+	8,215	1.71	7,388	1.57
AA	8,200	1.71	7,088	1.51
Aa2u	359,759	75.04	359,019	76.47
AA-	2,880	0.60	2,044	0.44
Not Rated*	82,758	17.26	72,414	15.42
	479,425	100.00	469,506	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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
UK Sterling	14,921	479,425	2,420	496,766
Currency 2018				
UK Sterling	8,141	469,506	2,406	480,053
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
UK Sterling	–	–	(231)	(231)
Currency 2018				
UK Sterling	–	–	(318)	(318)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	449,574	–	440,684	–
Level 2	29,851	–	28,822	–
	479,425	–	469,506	–

Included within Level 1, are debt securities of £449,574,000 (2018: £440,684,000). 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.

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £1,196,928,971 (2018: £1,117,726,548) and £1,194,808,533 (2018: £1,099,117,780) respectively.

The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.06% (2018: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle UK Index Linked Fund

Investment Report

Investment Objective

The objective of the UK Index Linked Fund is to achieve a long-term total return and to maximise this return whilst moderating the risk of investment at any particular point in the economic and business cycle.

Investment Policy

The policy of the UK Index Linked Fund is to invest principally in UK index linked gilts and other Sterling denominated index linked securities. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and near cash and hold securities of any duration.

Performance of Class 2 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 2 – Accumulation shares in the Threadneedle UK Index Linked Fund risen from 197.46p to 211.72p.

For comparison, using noon prices, the performance of the Class 2 share class was +7.22% compared to a return of +7.17% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Index Linked Gilts Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the FTSE UK Gilts Index Linked Government (All stocks) was +6.86%.

Market Overview and Portfolio Activity

Index-linked UK government bonds (gilts) posted a positive return over the review period, outperforming conventional gilts.

The first half of the reporting period proved disappointing for gilts, amid concerns over tighter monetary policy from the US Federal Reserve (Fed). However, gilts performed well in the second half of the reporting period, notably in the fourth quarter of 2018, when risk assets fell out of favour with investors. Markets were unsettled by the continued rise of populist political parties in Europe, heightened geopolitical tensions, jitters over the US tariff war against China and other key trading partners, and evidence of economic deceleration in

China. Consequently, investors flocked to safe-havens such as core government bonds. The extent of the market turmoil led the Fed to strike a more dovish tone in 2019, which benefited gilts.

Gilts periodically benefited from Brexit-related uncertainties. The UK and the EU failed to agree on a Brexit deal, with a draft withdrawal arrangement being turned down three times by Parliament. MPs also vetoed the UK leaving without a deal, which led to the Article 50 deadline being extended, at the time of writing, to 31 October 2019.

On the economic front, the Bank of England (BoE) raised rates once, in August, as stronger economic data releases reassured policymakers that a slowdown earlier in the year had been chiefly induced by severe winter weather. Nevertheless, GDP growth slipped to a six-year low for 2018 as a whole, partly because of the uncertainty induced by Brexit. More encouragingly, wage growth improved over the period and outstripped inflation, while the employment rate neared a record high.

The portfolio started the quarter with an overall duration of 0.3 years long relative to the index: -0.1 years CTD (contribution to duration) in the 0-3 year segment, flat in 3-7s, +0.3 CTD in 7-15s, -0.1 CTD in 15-25s, flat in 25-35s, and +0.2 in ultra longs.

Over the review period, we undertook various relative value switches within maturity buckets. Notable trades are set out below. Towards the end of April, we sold 2046s and 2048s into 2047s. In May, we brought duration in the 15-25 year segment to flat, and moved the flat position in 25-35s to -0.1 years CTD. We also increased duration in the ultra-long space to +0.3 years. On 20 June, we reduced top line duration to flat ahead of the BoE's policy meeting, as we felt the market had priced in the bank's actions too far out. Later in the month, we sold 2026s into 2040s to rebalance various maturity buckets to flat positions.

In mid-July, we used butterfly trades to bring relative duration to +0.2 years in the ultra-long segment, -0.25 years in the 7-15 year segment, and +0.15 years in the 15-25 year segment. In August, we increased overall duration by 0.1 years via purchases of 2029s. In late September, we slightly increased duration again.

In mid-October, as inflation expectations looked extended, we sold index-linked securities into conventional 2071s, adding +0.3 years CTD. We later brought duration in the 15-25 year segment to flat, and, after the budget, switched half of the exposure to 2071 conventionals back into 2065 index-linked bonds. In November, yields rose on reports that a Brexit deal was imminent. Mid-month, we reduced CTD in ultra-longs to +0.1 years. As break-evens rose on fears of a "hard Brexit", we switched conventional 2071s into index-linked 2058s, and conventional 2046s into 2058s, for the highest yield pick-ups in the 2018 year-to-date. Early in December, we reduced the flattening bias. Mid-month, as the prime minister deferred the parliamentary vote on her withdrawal agreement and yields approached their lows of the year, we closed the overweight in the 25-30 year area.

We undertook no trades in January. In February, we held a marginally short duration position with a flattening bias, owing to our expectation that an extension to Article 50 would likely lift yields at the front end of the curve. We shifted duration from 15-25s to 25-35s by selling 2040s into 2048s. On 25 March, we sold 2048s to rebalance the fund's overall duration to -0.2 CTD following a strong rally. There were large changes in maturity bucket exposures due to several 22 March issues moving to lower-maturity buckets across the curve. The fund finished the period with an overall duration of -0.2 CTD: +0.05 CTD in 0-3s; -0.4 CTD in 3-7s; -0.45 CTD in 7-15s; -0.5 CTD in 15-25s; +0.95 CTD in 25-35s; and +0.15CTD in ultra-longs.

The outlook for the UK economy remains clouded by uncertainty regarding the future relationship between the UK and its European neighbours. Consequently, we expect to see low but positive economic growth and inflation in the coming months.

The BoE is likely to keep interest rates on hold for the time being, given the current uncertainties over Brexit and the implications for the UK economy.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	4,058	(3,809)
Revenue	3	899	599
Expenses	4	(108)	(210)
Net revenue before taxation		791	389
Taxation	5	–	–
Net revenue after taxation		791	389
Total return before distributions		4,849	(3,420)
Distributions	6	(791)	(406)
Change in net assets attributable to shareholders from investment activities		4,058	(3,826)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		68,835	64,121
Current assets:			
Debtors	7	60	121
Cash and bank balances		168	1,022
Total assets		69,063	65,264
Liabilities:			
Creditors:			
Distribution payable		(3)	–
Other creditors	8	(27)	(94)
Total liabilities		(30)	(94)
Net assets attributable to shareholders		69,033	65,170

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	65,170	95,998
Amounts receivable on the issue of shares	2,177	5,352
Amounts payable on the cancellation of shares	(3,156)	(32,661)
	(979)	(27,309)
Dilution adjustment	–	10
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	4,058	(3,826)
Retained distribution on accumulation shares	784	297
Closing net assets attributable to shareholders	69,033	65,170

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.5402	–	0.5402	0.0144
01/11/18 to 30/04/19	0.7433	–	0.7433	–
Group 2				
01/05/18 to 31/10/18	0.2349	0.3053	0.5402	0.0144
01/11/18 to 30/04/19	0.1542	0.5891	0.7433	–
Total distributions in the period			1.2835	0.0144

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.3719	–	0.3719	0.0097
01/11/18 to 30/04/19	0.5146	–	0.5146	–
Group 2				
01/05/18 to 31/10/18	0.0619	0.3100	0.3719	0.0097
01/11/18 to 30/04/19	0.5146	–	0.5146	–
Total distributions in the period			0.8865	0.0097

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle UK Index Linked Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.4669	–	0.4669	0.2910
01/11/18 to 30/04/19	0.6045	–	0.6045	0.1698
Group 2				
01/05/18 to 31/10/18	0.2944	0.1725	0.4669	0.2910
01/11/18 to 30/04/19	0.1214	0.4831	0.6045	0.1698
Total distributions in the period			1.0714	0.4608

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.8069	–	0.8069	0.5011
01/11/18 to 30/04/19	1.0491	–	1.0491	0.2939
Group 2				
01/05/18 to 31/10/18	0.4315	0.3754	0.8069	0.5011
01/11/18 to 30/04/19	0.4922	0.5569	1.0491	0.2939
Total distributions in the period			1.8560	0.7950

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	0.6206	–	0.6206	0.3867
01/11/18 to 30/04/19	0.8032	–	0.8032	0.2164
Group 2				
01/05/18 to 31/10/18	0.3770	0.2436	0.6206	0.3867
01/11/18 to 30/04/19	0.4184	0.3848	0.8032	0.2164
Total distributions in the period			1.4238	0.6031

Class D – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.6052	–	0.6052	0.3153
01/11/18 to 30/04/19	0.8481	–	0.8481	0.1140
Group 2				
01/05/18 to 31/10/18	0.6052	–	0.6052	0.3153
01/11/18 to 30/04/19	0.8481	–	0.8481	0.1140
Total distributions in the period			1.4533	0.4293

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	0.5953	–	0.5953	0.4377
01/11/18 to 30/04/19	0.7230	–	0.7230	0.3289
Group 2				
01/05/18 to 31/10/18	0.4987	0.0966	0.5953	0.4377
01/11/18 to 30/04/19	0.6930	0.0300	0.7230	0.3289
Total distributions in the period			1.3183	0.7666

Group 2: shares purchased during a distribution period.

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares [§]		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	169.55	178.36	169.80	116.87	122.94	117.00
Return before operating charges (p)	13.00	(7.34)	9.21	8.98	(5.08)	6.41
Operating charges (p)	(1.07)	(1.46)	(0.65)	(0.74)	(0.99)	(0.47)
Return after operating charges (p)*	11.93	(8.80)	8.56	8.24	(6.07)	5.94
Distributions (p)	(1.28)	(0.01)	–	(0.89)	(0.01)	–
Retained distributions on accumulation shares (p)	–	–	–	0.89	0.01	–
Closing net asset value per share (p)	180.20	169.55	178.36	125.11	116.87	122.94
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.04	(4.93)	5.04	7.05	(4.94)	5.08
Other information						
Closing net asset value (£000)	413	421	448	72	74	60
Closing number of shares	229,407	248,111	251,173	57,859	63,224	48,433
Operating charges (%)**	0.61	0.84	0.89 [†]	0.61	0.83	0.97 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	190.69	181.66	185.69	131.85	125.21	127.98
Lowest share price (p)	168.27	166.20	165.59	115.99	114.57	114.13
	Class 2 – Income shares			Class 2 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	114.12	120.04	114.20	197.38	206.80	196.50
Return before operating charges (p)	8.76	(4.95)	6.17	15.18	(8.53)	10.65
Operating charges (p)	(0.52)	(0.51)	(0.21)	(0.90)	(0.89)	(0.35)
Return after operating charges (p)*	8.24	(5.46)	5.96	14.28	(9.42)	10.30
Distributions (p)	(1.07)	(0.46)	(0.12)	(1.86)	(0.80)	(0.21)
Retained distributions on accumulation shares (p)	–	–	–	1.86	0.80	0.21
Closing net asset value per share (p)	121.29	114.12	120.04	211.66	197.38	206.80
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.22	(4.55)	5.22	7.23	(4.56)	5.24
Other information						
Closing net asset value (£000)	79	71	68	14,077	13,734	17,007
Closing number of shares	64,996	62,043	57,028	6,650,841	6,957,792	8,223,803
Operating charges (%)**	0.44	0.44	0.42 [†]	0.44	0.44	0.42 [†]
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	128.45	122.47	125.07	223.04	210.99	215.24
Lowest share price (p)	113.27	112.00	111.36	195.92	193.07	191.65

Threadneedle UK Index Linked Fund

Comparative Table Disclosure

(continued)

	Class 2 – Gross income shares ⁵			Class D – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	151.72	159.56	151.70	192.40	201.93	192.00
Return before operating charges (p)	11.64	(6.60)	8.29	14.75	(8.34)	10.41
Operating charges (p)	(0.69)	(0.64)	(0.27)	(1.21)	(1.19)	(0.48)
Return after operating charges (p)*	10.95	(7.24)	8.02	13.54	(9.53)	9.93
Distributions (p)	(1.42)	(0.60)	(0.16)	(1.45)	(0.43)	(0.05)
Retained distributions on accumulation shares (p)	–	–	–	1.45	0.43	0.05
Closing net asset value per share (p)	161.25	151.72	159.56	205.94	192.40	201.93
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	7.22	(4.54)	5.29	7.04	(4.72)	5.17
Other information						
Closing net asset value (£000)	172	151	64,216	15	36	478
Closing number of shares	106,599	99,637	40,246,041	7,008	18,957	236,471
Operating charges (%)**	0.44	0.41	0.42 ¹	0.61	0.60	0.59 ¹
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	170.77	162.81	166.24	217.05	205.89	210.20
Lowest share price (p)	150.59	148.89	148.02	190.95	188.45	187.26
Class X – Gross accumulation shares⁵						
	30/04/2019	30/04/2018	30/04/2017 ¹			
Change in net assets per share						
Opening net asset value per share (p)	101.01	105.46	100.00			
Return before operating charges (p)	7.78	(4.36)	5.49			
Operating charges (p)	(0.09)	(0.09)	(0.03)			
Return after operating charges (p)*	7.69	(4.45)	5.46			
Distributions (p)	(1.32)	(0.77)	(0.27)			
Retained distributions on accumulation shares (p)	1.32	0.77	0.27			
Closing net asset value per share (p)	108.70	101.01	105.46			
*after direct transaction costs of (p)	–	–	–			
Performance						
Return after charges (%)	7.61	(4.22)	5.46			
Other information						
Closing net asset value (£000)	54,205	50,683	13,721			
Closing number of shares	49,868,396	50,175,770	13,011,638			
Operating charges (%)**	0.09	0.09	0.07 ¹			
Direct transaction costs (%)***	–	–	–			
Prices						
Highest share price (p)	114.50	107.73	109.74			
Lowest share price (p)	100.28	98.53	97.60			

**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.

⁵Only available to eligible investors.

¹Commenced 25 November 2016.

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

Threadneedle UK Index Linked Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	4,059	(3,808)
Transaction costs	(1)	(1)
Net capital gains/(losses)	4,058	(3,809)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	895	597
Bank interest	4	2
Total revenue	899	599

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(51)	(153)
Registration fees	(24)	(26)
	(75)	(179)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(8)	(7)
Safe custody fees	(10)	(10)
	(18)	(17)
Other expenses:		
Audit fees	(15)	(14)
	(15)	(14)
Total expenses*	(108)	(210)

*Including irrecoverable VAT where applicable.

5 TAXATION

	2019 £000	2018 £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	791	389
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(158)	(78)
Effects of:		
Excess expenses	(87)	(404)
Retail Distribution Review (RDR) conversion transfer from capital	–	(3)
UK Indexation relief	245	485
Current tax charge for period (note 5a)	–	–

The fund has not recognised a deferred tax asset of £490,797 (2018: £404,180) 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.

6 DISTRIBUTIONS

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

	2019 £000	2018 £000
Interim	356	198
Final	434	186
	790	384
Add: Revenue deducted on the cancellation of shares	6	26
Deduct: Revenue received on the creation of shares	(5)	(4)
Net distribution for the period	791	406
Net revenue after taxation	791	389
Shortfall transfer from capital to revenue	–	17
Total distributions	791	406

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 70 to 71.

7 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	17	30
Accrued revenue	43	91
Total debtors	60	121

8 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(8)	(77)
Accrued expenses	(13)	(11)
Amounts payable to ACD	(6)	(6)
Total other creditors	(27)	(94)

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

Annual management charge	
Class 1 shares	0.45%
Class 2 shares	0.35%
Class D shares	0.45%
Class X shares	N/A*
Registration fees	
Class 1 shares	0.110%
Class 2 shares	0.035%
Class D shares	0.110%
Class X shares	0.035%

Threadneedle UK Index Linked 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 pages 72 to 73. The distribution per share class is given in the distribution table on pages 70 to 71.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	248,111
Shares issued	8,765
Shares redeemed	(27,469)
Net conversions	–
Closing shares	229,407
Class 1 – Gross accumulation shares	
Opening shares	63,224
Shares issued	7,415
Shares redeemed	(12,780)
Net conversions	–
Closing shares	57,859
Class 2 – Income shares	
Opening shares	62,043
Shares issued	17,005
Shares redeemed	(14,052)
Net conversions	–
Closing shares	64,996
Class 2 – Accumulation shares	
Opening shares	6,957,792
Shares issued	1,004,591
Shares redeemed	(1,311,542)
Net conversions	–
Closing shares	6,650,841
Class 2 – Gross income shares	
Opening shares	99,637
Shares issued	12,293
Shares redeemed	(5,331)
Net conversions	–
Closing shares	106,599
Class D – Accumulation shares	
Opening shares	18,957
Shares issued	–
Shares redeemed	(11,949)
Net conversions	–
Closing shares	7,008
Class X – Gross accumulation shares	
Opening shares	50,175,770
Shares issued	54,093
Shares redeemed	(361,467)
Net conversions	–
Closing shares	49,868,396

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

Market price risk sensitivity

A 1.00% interest rate decrease applied to the fixed income proportion of the fund would result in an increase on the net asset value of the fund by 21.90% and vice versa (2018: 22.87%).

Currency exposures

As at the balance sheet date there are no material assets denominated in currencies other than Sterling (2018: same).

Currency sensitivity

As the fund has no material currency exposure, no sensitivity analysis has been shown (2018: same).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
AA	2,512	3.65	2,328	3.63
Aa2u	66,323	96.35	61,793	96.37
	68,835	100.00	64,121	100.00

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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	168	68,835	60	69,063
Currency 2018				
UK Sterling	1,022	64,121	121	65,264
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
UK Sterling	–	–	(30)	(30)
Currency 2018				
UK Sterling	–	–	(94)	(94)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Threadneedle UK Index Linked Fund

Notes to the financial statements

(continued)

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	66,323	–	61,793	–
Level 2	2,512	–	2,328	–
	<u>68,835</u>	<u>–</u>	<u>64,121</u>	<u>–</u>

Included within Level 1, are debt securities of £66,323,000 (2018: £61,793,000). 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.

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £85,929,900 (2018: £65,166,712) and £85,925,159 (2018: £92,962,664) respectively. The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.06% (2018: 0.07%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Pan European Focus Fund

Investment Report Investment Objective

The investment objective of the Pan European Focus Fund is to achieve above average capital growth.

Investment Policy

The ACD's investment policy is to actively manage a concentrated portfolio of primarily European equities including UK Equities with the ability to hold cash and/or money market securities in order to enable the pursuit of the Fund's investment objective. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility. The portfolio will primarily consist of equities of companies domiciled in Europe including the UK or which have a significant part of their economic activities in Europe and/or the UK. Where securities are non-euro denominated they may be hedged into Euros. If the ACD considers it desirable it may hold a substantial proportion or all of the Funds in cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle Pan European Accelerando Fund has risen from 238.23p to 285.29p in sterling terms and from 2.8272 to 3.3105 Euros.

For comparison, using noon prices, the sterling performance of the Class 1 share class was +12.40% and +13.05% for the Class 2 share class compared to a return of +1.24% for the Morningstar UK Unit Trusts/OEICs – (IA) Europe Including UK Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Europe Index was +3.17%.

Market Overview and Portfolio Activity

This was a volatile period for European equities.

Markets initially delivered strong gains and the eurozone's composite Purchasing Managers' Index pushed firmly into expansionary territory. Data later showed continuing growth, but at a slower pace, and GDP figures indicated a loss of momentum in Germany. Sectors linked to economic expansion suffered from profit-taking during the fourth quarter of 2018 as investors rotated into defensive stocks, and oil prices dropped sharply.

The European Central Bank completed its bond-buying stimulus plan; this programme had helped to drive the region's post-crisis economic recovery. Monetary policy in the region continued to be accommodative; interest rates remained on hold at record lows.

Markets were unsettled by President Trump's protectionism, which led to tariffs on goods imported into the US from China and Europe. Stocks also reacted to rising political risk in the eurozone. Italy's new populist government unnerved investors by targeting a larger-than-expected budget deficit for 2019.

The UK remained mired in Brexit negotiations. The deadline for a deal was postponed until 31 October 2019, after the UK parliament failed to ratify a withdrawal agreement which had been negotiated with the EU.

2019 started on a more upbeat note and markets rebounded. News that the US and China were to hold further talks reignited hopes that President Trump may soften his stance on trade tariffs. Investors were also reassured when the US Federal Reserve adopted a more dovish tone, signalling that it was alert to the downside economic risks of further rapid interest-rate increases. GDP growth for the first quarter of 2019 was higher than expected in the US and the eurozone. The UK economy also grew faster than anticipated in the three months to the end of February.

New positions included Puma and Diageo. Puma is seeing strong top-line and gross-margin expansion, and continued growth in fashion sportswear. The firm has scope for increasing market share. Diageo is strengthening its brand portfolio, with an emphasis on premium drinks, and is experiencing strong growth in emerging markets, especially India and Africa. The firm's shares have potential to re-rate in line with global peers. Wolters Kluwer was another new holding; it is a solid, defensive publishing stock, which was trading on an appealing rating, with potential for margin improvement.

Sales included Prysmian and Volvo. Prysmian announced reduced profits guidance and a write-off due to the Western Link HVDC cable order. This disappointment reduced the potential upside for the shares. Volvo issued a cautious 2019 truck market outlook. The company also reported that an emissions control component was degrading more quickly than expected.

European equities are supported by encouraging profitability, by economic growth, which is slowing but still positive, and by attractive valuations relative to US equities. The market volatility seen in recent months presents us with investment opportunities.

It will take time before the full effects of Brexit become clear; the same is true of Italian politics where there have been well-publicised tensions with Brussels over the budget. Other risks include heightened tensions with Russia, the threat of a global trade war, and slower global growth as the Chinese economy decelerates and the US nears the end of the economic cycle.

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour high-quality companies with the pricing power to sustain strong returns, and we also target re-rating opportunities.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	9,057	4,171
Revenue	3	1,314	1,811
Expenses	4	(861)	(896)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		452	914
Taxation	6	(114)	(64)
Net revenue after taxation		338	850
Total return before distributions		9,395	5,021
Distributions	7	(349)	(854)
Change in net assets attributable to shareholders from investment activities		9,046	4,167

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		80,627	72,890
Current assets:			
Debtors	8	203	741
Cash and bank balances		693	1,053
Total assets		81,523	74,684
Liabilities:			
Creditors:			
Other creditors	9	(644)	(538)
Total liabilities		(644)	(538)
Net assets attributable to shareholders		80,879	74,146

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	74,146	71,377
Amounts receivable on the issue of shares	4,221	5,902
Amounts payable on the cancellation of shares	(6,882)	(8,146)
	(2,661)	(2,244)
Dilution adjustment	10	5
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,046	4,167
Retained distribution on accumulation shares	338	841
Closing net assets attributable to shareholders	80,879	74,146

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 0.8033).

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 1.6597).

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	1.4701	–	1.4701	3.3308
Group 2				
01/05/18 to 30/04/19	0.8798	0.5913	1.4701	3.3308
Total distributions in the period			1.4701	3.3308

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle Pan European Focus Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	1.8879	–	1.8879	2.6470
Group 2 01/05/18 to 30/04/19	1.8879	–	1.8879	2.6470
Total distributions in the period			1.8879	2.6470

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	1.3313	–	1.3313	2.5800
Group 2 01/05/18 to 30/04/19	0.6169	0.7144	1.3313	2.5800
Total distributions in the period			1.3313	2.5800

Group 2: shares purchased during a distribution period.

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	117.03	110.55	101.67	253.74	238.14	217.96
Return before operating charges (p)	16.51	9.20	11.18	35.82	19.84	23.93
Operating charges (p)	(1.95)	(1.92)	(1.72)	(4.35)	(4.24)	(3.75)
Return after operating charges (p)*	14.56	7.28	9.46	31.47	15.60	20.18
Distributions (p)	–	(0.80)	(0.58)	–	(1.66)	(1.16)
Retained distributions on accumulation shares (p)	–	–	–	–	1.66	1.16
Closing net asset value per share (p)	131.59	117.03	110.55	285.21	253.74	238.14
*after direct transaction costs of (p)	0.45	0.35	0.50	0.98	0.76	1.06
Performance						
Return after charges (%)	12.44	6.59	9.30	12.40	6.55	9.26
Other information						
Closing net asset value (£000)	4	3	3	21,615	22,035	21,665
Closing number of shares	3,000	3,000	3,000	7,578,621	8,683,917	9,097,364
Operating charges (%)**	1.62	1.62	1.65	1.66	1.66	1.68
Direct transaction costs (%)***	0.38	0.30	0.48	0.38	0.30	0.48
Prices						
Highest share price (p)	131.86	124.14	111.42	285.79	267.37	238.78
Lowest share price (p)	109.29	110.93	96.15	236.92	238.98	206.12
	Class 2 – Accumulation shares			Class X – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	272.24	254.04	231.18	119.42	110.32	99.37
Return before operating charges (p)	38.60	21.18	25.49	17.05	9.21	11.05
Operating charges (p)	(3.07)	(2.98)	(2.63)	(0.11)	(0.11)	(0.10)
Return after operating charges (p)*	35.53	18.20	22.86	16.94	9.10	10.95
Distributions (p)	(1.47)	(3.33)	(2.61)	(1.89)	(2.65)	(2.19)
Retained distributions on accumulation shares (p)	1.47	3.33	2.61	1.89	2.65	2.19
Closing net asset value per share (p)	307.77	272.24	254.04	136.36	119.42	110.32
*after direct transaction costs of (p)	1.05	0.82	1.13	0.46	0.36	0.51
Performance						
Return after charges (%)	13.05	7.16	9.89	14.19	8.25	11.02
Other information						
Closing net asset value (£000)	51,600	44,514	41,807	5,766	5,604	5,178
Closing number of shares	16,765,820	16,350,734	16,456,859	4,229,068	4,693,111	4,693,111
Operating charges (%)**	1.09	1.09	1.11	0.09	0.09	0.09
Direct transaction costs (%)***	0.38	0.30	0.48	0.38	0.30	0.48
Prices						
Highest share price (p)	308.36	286.06	254.70	136.60	125.10	110.60
Lowest share price (p)	255.15	254.94	218.82	112.65	110.72	94.21

Threadneedle Pan European Focus Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share			
Opening net asset value per share (p)	184.54	171.91	156.16
Return before operating charges (p)	26.19	14.31	17.24
Operating charges (p)	(1.74)	(1.68)	(1.49)
Return after operating charges (p)*	24.45	12.63	15.75
Distributions (p)	(1.33)	(2.58)	(2.05)
Retained distributions on accumulation shares (p)	1.33	2.58	2.05
Closing net asset value per share (p)	208.99	184.54	171.91
*after direct transaction costs of (p)	0.71	0.55	0.76
Performance			
Return after charges (%)	13.25	7.35	10.09
Other information			
Closing net asset value (£000)	1,894	1,990	2,724
Closing number of shares	906,329	1,078,174	1,584,429
Operating charges (%)**	0.91	0.91	0.93
Direct transaction costs (%)***	0.38	0.30	0.48
Prices			
Highest share price (p)	209.39	193.75	172.35
Lowest share price (p)	173.15	172.52	147.86

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

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

Threadneedle Pan European Focus Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	9,045	4,187
Forward currency contracts	3	(4)
Other gains/(losses)	12	(10)
Transaction costs	(3)	(2)
Net capital gains	<u>9,057</u>	<u>4,171</u>

3 REVENUE

	2019 £000	2018 £000
UK dividends	231	213
Overseas dividends	1,080	1,596
Bank interest	3	2
Total revenue	<u>1,314</u>	<u>1,811</u>

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(782)	(812)
Registration fees	(43)	(46)
	<u>(825)</u>	<u>(858)</u>
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(9)
Safe custody fees	(12)	(12)
Revenue collection expenses	(1)	–
	<u>(22)</u>	<u>(21)</u>
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(9)	(9)
	<u>(14)</u>	<u>(17)</u>
Total expenses*	<u>(861)</u>	<u>(896)</u>

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(1)	(1)
Total interest payable and similar charges	<u>(1)</u>	<u>(1)</u>

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(114)	(64)
Total current tax (note 6b)	<u>(114)</u>	<u>(64)</u>
Total tax charge for the period	<u>(114)</u>	<u>(64)</u>

b) Factors affecting taxation charge for period

	2019 £000	2018 £000
Net revenue before taxation	452	914
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(90)	(183)
Effects of:		
Revenue not subject to taxation	262	361
Overseas taxes	(114)	(64)
Excess expenses	(172)	(177)
Retail Distribution Review (RDR) conversion transfer from capital	–	(1)
Current tax charge for period (note 6a)	<u>(114)</u>	<u>(64)</u>

The fund has not recognised a deferred tax asset of £1,732,344 (2018: £1,560,855) 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:

	2019 £000	2018 £000
Final	338	841
	<u>338</u>	<u>841</u>
Add: Revenue deducted on the cancellation of shares	18	35
Deduct: Revenue received on the creation of shares	(7)	(22)
Net distribution for the period	<u>349</u>	<u>854</u>
Net revenue after taxation	338	850
Equalisation on conversion	–	4
Shortfall transfer from capital to revenue	11	–
Total distributions	<u>349</u>	<u>854</u>

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 77 to 78.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	21	20
Sales awaiting settlement	–	344
Accrued revenue	59	235
Foreign withholding tax recoverable	123	142
Total debtors	<u>203</u>	<u>741</u>

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(152)	(32)
Purchases awaiting settlement	(410)	(430)
Accrued expenses	(9)	(8)
Amounts payable to ACD	(73)	(68)
Total other creditors	<u>(644)</u>	<u>(538)</u>

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.

Threadneedle Pan European Focus 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 9.

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

12 SHAREHOLDER FUNDS

Threadneedle Pan European Focus 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 pages 79 to 80. The distribution per share class is given in the distribution table on pages 77 to 78.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class 1 – Accumulation shares	
Opening shares	8,683,917
Shares issued	316,286
Shares redeemed	(1,421,582)
Net conversions	–
Closing shares	7,578,621
Class 2 – Accumulation shares	
Opening shares	16,350,734
Shares issued	1,132,455
Shares redeemed	(716,383)
Net conversions	(986)
Closing shares	16,765,820
Class X – Accumulation shares	
Opening shares	4,693,111
Shares issued	–
Shares redeemed	(464,043)
Net conversions	–
Closing shares	4,229,068
Class Z – Accumulation shares	
Opening shares	1,078,174
Shares issued	46,580
Shares redeemed	(219,878)
Net conversions	1,453
Closing shares	906,329

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.22% and vice versa (2018: 4.13%).

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 2019	
Danish Krone	7,754
Euro	50,650
Norwegian Krone	383
Swedish Krona	781
Swiss Franc	1,912
US Dollar	1,997
Currency 2018	£000
Danish Krone	4,322
Euro	43,933
Norwegian Krone	1,234
Swedish Krona	9,516
Swiss Franc	3,776
US Dollar	924

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 2019	%	%
Euro	2.26	1.42
Currency 2018	%	%
Euro	4.09	2.42
Swedish Krona	4.54	0.58

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Danish Krone	–	–	7,754	7,754
Euro	93	–	50,967	50,060
Norwegian Krone	–	–	383	383
Swedish Krona	–	–	781	781
Swiss Franc	–	–	1,912	1,912
UK Sterling	600	–	17,036	17,636
US Dollar	–	–	1,997	1,997
Currency 2018	£000	£000	£000	£000
Danish Krone	–	–	4,322	4,322
Euro	69	–	44,040	44,109
Norwegian Krone	–	–	1,234	1,234
Swedish Krona	–	–	9,516	9,516
Swiss Franc	–	–	3,776	3,776
UK Sterling	984	–	9,788	10,772
US Dollar	–	–	954	954

Threadneedle Pan European Focus 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 2019				
Euro	–	–	(410)	(410)
UK Sterling	–	–	(234)	(234)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(176)	(176)
UK Sterling	–	–	(331)	(331)
US Dollar	–	–	(30)	(30)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	80,627	–	72,890	–
	80,627	–	72,890	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	83,292	49	0.06	175	0.21	
Total	83,292	49		175		

Gross purchases total:

83,516

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	84,365	51	0.06	–	–	
Corporate actions	528	–	–	–	–	
Total	84,893	51		–		

Total sales net of transaction costs:

84,842

Transaction costs as a percentage of average Net Assets

Commissions:	0.14%
Taxes:	0.24%

30 April 2018

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	67,724	55	0.08	112	0.17	
Total	67,724	55		112		

Gross purchases total:

67,891

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	67,892	60	0.09	–	–	
Total	67,892	60		–		

Total sales net of transaction costs:

67,832

Transaction costs as a percentage of average Net Assets

Commissions:	0.15%
Taxes:	0.15%

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 0.06% (2018: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (p)		
	30 April 2019	08 August 2019	% Movement
Class 1 – Income shares	131.63	146.12	11.01
Class 1 – Accumulation shares	285.29	316.68	11.00
Class 2 – Accumulation shares	307.85	342.26	11.18
Class X – Accumulation shares	136.39	152.05	11.48
Class Z – Accumulation shares	209.05	232.52	11.23

Threadneedle American Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the American Extended Alpha Fund is to achieve above average capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to equities of companies which are domiciled in North America or which have significant North American operations, by investing directly or indirectly in such securities. If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in markets other than in North America. Exposure to North American and other markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle American Extended Alpha Fund has risen from 366.56p to 439.23p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +19.82% and

+19.19% for the Class 2 share class compared to a return of +16.12% for the Morningstar UK Unit Trusts/OEICs – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +19.91%.

Market Overview and Portfolio Activity

The S&P 500 index rose in dollar terms during the 12-month period under review, as broadly supportive US economic figures, robust corporate earnings and the Federal Reserve's (Fed) dovish policy shift overcame worries about the US-China trade war and slowing growth elsewhere in the world.

Following strong US second-quarter (Q2) 2018 growth, (4.2% annualised), the Fed took a more hawkish turn, raising interest rates in June as expected but increasing its projections for the pace of future rate hikes. Continued strong US data in Q3 helped push Treasury yields sharply higher, triggering an equity sell-off in the final quarter of 2018, as investors anticipated faster Fed rate hikes. Against this backdrop, Q4 2018 proved challenging for US equities, as, despite another strong results season from US companies in aggregate, investors seemed concerned that earnings may already have peaked. The Fed raised rates as expected at its December meeting, but reduced (to two) the number of hikes projected for 2019.

US equities rallied strongly in Q1 2019, as comments from key Fed officials suggested that US interest rates might not rise at all during the year; the Fed also said it would slow the pace of its balance-sheet reduction and halt the process completely in September. US economic data were mixed towards the end of the review period, and the yield on three-month Treasuries briefly exceeded the 10-year equivalent; such an inversion of the yield curve has historically been viewed as heralding a recession.

Meanwhile, trade-war fears waxed and waned. Stocks rallied after a tariff truce was agreed between the US and China at

the G20 Summit in November/December, but optimism waned after concrete details failed to emerge. In early 2019, US stocks were boosted as Trump touted "substantial progress" towards a trade deal with China, agreeing to postpone tariffs on Chinese imports that were due to come into force at the start of March.

In the long book, we opened positions during the period including Facebook, capitalising on a material setback in the share price following disappointing results towards the end of July.

Other new additions included NXP Semiconductors, Nvidia (semiconductors) and Mondelez International (confectionery). Demand for semiconductors has grown rapidly in recent years, as machines and devices worldwide have become increasingly data-intensive; NXP and Nvidia are engaged in markets that are exposed to faster-growing secular trends, such as the "internet of things". Mondelez operates in markets with relatively robust growth, and strong quarterly results showed that the company's turnaround is on track.

Holdings reduced during the review term included Norfolk Southern (rail transport), Phillips 66 (energy), UnitedHealth (healthcare) and Alphabet (technology). Celgene (biotechnology), Lockheed Martin (aerospace) and Cigna (healthcare) were among positions that were sold.

The market recovery of 2019's first quarter continued into April, with the S&P 500 index registering a new record high over the month. The correction recorded in late 2018 was fully retraced, with sentiment supported by the Fed's ongoing dovish policy stance and progress in US-China trade talks. At the end of the review period, valuations in terms of forward earnings multiples were in line with historic averages. This seems fair, as the fundamentals for US equities remain solid: the domestic economy is set to expand at trend or slightly above, and we expect corporate earnings to rise in line with historic averages, in the 5-8% range.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	20,399	20,146
Revenue	3	1,839	2,433
Expenses	4	(2,685)	(2,494)
Interest payable and similar charges	5	(492)	(663)
Net expense before taxation		(1,338)	(724)
Taxation	6	(223)	(282)
Net expense after taxation		(1,561)	(1,006)
Total return before distributions		18,838	19,140
Distributions	7	1	(11)
Change in net assets attributable to shareholders from investment activities		18,839	19,129

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		70,821	155,790
Current assets:			
Debtors	8	455	2,029
Cash and bank balances	9	1,548	11,583
Cash equivalents**		3,463	5,118
Total assets		76,287	174,520
Liabilities:			
Investment liabilities		(1)	(1,306)
Creditors:			
Bank overdrafts	9	(131)	–
Other creditors	10	(3,577)	(3,384)
Total liabilities		(3,709)	(4,690)
Net assets attributable to shareholders		72,578	169,830

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	169,830	178,835
Amounts receivable on the issue of shares	203,632	64,280
Amounts payable on the cancellation of shares	(219,604)	(92,479)
Amounts payable on in-specie transfers	(100,182)	–
	(116,154)	(28,199)
Dilution adjustment	63	65
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,839	19,129
Closing net assets attributable to shareholders	72,578	169,830

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 1 EUR Hedged – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

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

Threadneedle American Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class 2 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 2 USD – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 2 EUR Hedged – Gross income shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class Z USD – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class Z EUR Hedged – Gross accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class Z CHF Hedged – Gross accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Group Z: shares purchased during a distribution period.

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

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹		
Change in net assets per share						
Opening net asset value per share (p)	366.49	329.82	242.77	393.81		
Return before operating charges (p)	79.09	42.44	91.91	4.23		
Operating charges (p)	(6.45)	(5.77)	(4.86)	(4.61)		
Return after operating charges (p)*	72.64	36.67	87.05	(0.38)		
Distributions (p)	–	–	–	–		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	439.13	366.49	329.82	393.43		
*after direct transaction costs of (p)	0.18	0.22	0.50	0.11		
Performance						
Return after charges (%)	19.82	11.12	35.86	(0.10)		
Other information						
Closing net asset value (£000)	15,548	73,981	86,608	–		
Closing number of shares	3,540,678	20,186,206	26,258,801	–		
Operating charges (%)**	1.64	1.64	1.64	–		
Performance fee (%)	–	–	–	–		
Direct transaction costs (%)***	0.04	0.06	0.16	–		
Prices						
Highest share price (p)	440.53	380.52	347.99	427.87		
Lowest share price (p)	353.61	325.03	238.42	353.61		
	Class 1 USD – Accumulation shares			Class 1 EUR Hedged – Accumulation shares		
	25/01/2019 ¹			25/01/2019 ²	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	393.81			318.33	266.31	207.27
Return before operating charges (p)	4.23			(0.88)	57.07	63.01
Operating charges (p)	(4.61)			(3.96)	(5.05)	(3.97)
Return after operating charges (p)*	(0.38)			(4.84)	52.02	59.04
Distributions (p)	–			–	–	–
Retained distributions on accumulation shares (p)	–			–	–	–
Closing net asset value per share (p)	393.43			313.49	318.33	266.31
*after direct transaction costs of (p)	0.11			0.10	0.19	0.40
Performance						
Return after charges (%)	(0.10)			(1.52)	19.53	28.48
Other information						
Closing net asset value (£000)	–			–	2,352	2,007
Closing number of shares	–			–	739,017	753,580
Operating charges (%)**	–			–	1.64	1.64
Performance fee (%)	–			–	–	–
Direct transaction costs (%)***	–			–	0.06	0.16
Prices						
Highest share price (p)	427.87			352.69	338.25	273.65
Lowest share price (p)	353.61			283.85	266.56	201.79

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	394.75	353.41	258.00	424.83
Return before operating charges (p)	79.26	44.44	97.98	2.51
Operating charges (p)	(3.53)	(3.10)	(2.57)	(2.50)
Return after operating charges (p)*	75.73	41.34	95.41	0.01
Distributions (p)	–	–	(0.96)	–
Retained distributions on accumulation shares (p)	–	–	0.96	–
Closing net asset value per share (p)	470.48	394.75	353.41	424.84
*after direct transaction costs of (p)	0.20	0.23	0.52	0.12
Performance				
Return after charges (%)	19.18	11.70	36.98	0.00
Other information				
Closing net asset value (£000)	54,710	86,589	88,084	–
Closing number of shares	11,628,437	21,934,983	24,923,929	–
Operating charges (%)**	0.82	0.82	0.82	–
Performance fee (%)	1.11	0.33	–	–
Direct transaction costs (%)***	0.04	0.06	0.16	–
Prices				
Highest share price (p)	472.59	408.46	372.48	461.24
Lowest share price (p)	384.08	348.42	253.67	382.73
	Class 2 USD – Accumulation shares		Class 2 EUR Hedged – Gross income shares ⁵	
	25/01/2019 ¹		25/01/2019 ³	
Change in net assets per share				
Opening net asset value per share (p)	424.83		100.00	
Return before operating charges (p)	(0.09)		(2.22)	
Operating charges (p)	(2.50)		(0.57)	
Return after operating charges (p)*	(2.59)		(2.79)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	422.24		97.21	
*after direct transaction costs of (p)	0.12		0.03	
Performance				
Return after charges (%)	(0.61)		(2.79)	
Other information				
Closing net asset value (£000)	–		–	
Closing number of shares	–		–	
Operating charges (%)**	–		–	
Performance fee (%)	–		–	
Direct transaction costs (%)***	–		–	
Prices				
Highest share price (p)	460.99		108.28	
Lowest share price (p)	383.96		94.52	

Threadneedle American Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares			Class Z USD – Accumulation shares
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	201.13	180.24	131.68	218.01
Return before operating charges (p)	44.84	22.61	50.03	1.02
Operating charges (p)	(1.97)	(1.72)	(1.47)	(1.45)
Return after operating charges (p)*	42.87	20.89	48.56	(0.43)
Distributions (p)	–	–	(0.37)	–
Retained distributions on accumulation shares (p)	–	–	0.37	–
Closing net asset value per share (p)	244.00	201.13	180.24	217.58
*after direct transaction costs of (p)	0.10	0.12	0.28	0.06
Performance				
Return after charges (%)	21.31	11.59	36.88	(0.20)
Other information				
Closing net asset value (£000)	2,320	6,908	2,136	–
Closing number of shares	950,897	3,434,576	1,185,323	–
Operating charges (%)**	0.89	0.89	0.89	–
Performance fee (%)	–	0.36	–	–
Direct transaction costs (%)***	0.04	0.06	0.16	–
Prices				
Highest share price (p)	244.90	208.24	189.99	236.64
Lowest share price (p)	197.97	177.69	129.46	196.98
	Class Z EUR Hedged – Gross accumulation shares ⁵		Class Z CHF Hedged – Gross accumulation shares ⁵	
	25/01/2019 ³		25/01/2019 ³	
Change in net assets per share				
Opening net asset value per share (p)	100.00		100.00	
Return before operating charges (p)	(1.87)		(1.94)	
Operating charges (p)	(0.58)		(0.59)	
Return after operating charges (p)*	(2.45)		(2.53)	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	97.55		97.47	
*after direct transaction costs of (p)	0.03		0.03	
Performance				
Return after charges (%)	(2.45)		(2.53)	
Other information				
Closing net asset value (£000)	–		–	
Closing number of shares	–		–	
Operating charges (%)**	–		–	
Performance fee (%)	–		–	
Direct transaction costs (%)***	–		–	
Prices				
Highest share price (p)	108.27		110.34	
Lowest share price (p)	94.51		95.31	

**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.

¹Commenced 15 June 2018 and closed 25 January 2019.

²Closed 25 January 2019.

³Commenced 5 June 2018 and closed 25 January 2019.

⁵Only available to eligible investors.

Threadneedle American Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019	2018
	£000	£000
Non-derivative securities	20,073	24,301
Derivative contracts	118	(3,484)
Forward currency contracts	(421)	277
Other gains/(losses)	630	(947)
Transaction costs	(1)	(1)
Net capital gains	20,399	20,146

3 REVENUE

	2019	2018
	£000	£000
Overseas dividends	1,494	1,961
Interest on short term investments	98	145
Derivative revenue	143	270
Bank interest	99	57
Subsidised expense rebate	5	–
Total revenue	1,839	2,433

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,623)	(1,992)
Performance fees*	(910)	(313)
Registration fees	(104)	(132)
	(2,637)	(2,437)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(18)	(22)
Safe custody fees	(12)	(13)
	(30)	(35)
Other expenses:		
Regulatory fees	(6)	(8)
Audit fees	(12)	(14)
	(18)	(22)
Total expenses**	(2,685)	(2,494)

*The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the S&P 500 Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. The performance fee paid during the reporting period in respect of the calendar year ended 31 December 2018 was £10,232 (2017: £Nil).

**Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Dividends payable on short positions	(483)	(660)
Interest payable	(9)	(3)
Total interest payable and similar charges	(492)	(663)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(223)	(282)
Total current tax (note 6b)	(223)	(282)
Total tax charge for the period	(223)	(282)
b) Factors affecting taxation charge for period		
Net expense before taxation	(1,338)	(724)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	268	145
Effects of:		
Revenue not subject to taxation	297	392
Overseas taxes	(223)	(282)
Excess expenses	(565)	(537)
Current tax charge for period (note 6a)	(223)	(282)

The fund has not recognised a deferred tax asset of £2,126,877 (2018: £1,562,183) 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:

	2019	2018
	£000	£000
Final	–	–
Add: Revenue deducted on the cancellation of shares	(74)	18
Deduct: Revenue received on the creation of shares	73	(7)
Net distribution for the period	(1)	11
Net expense after taxation	(1,561)	(1,006)
Performance fee charged to capital	910	313
Shortfall transfer from capital to revenue	650	704
Total distributions	(1)	11

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 84 to 85.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	130	313
Sales awaiting settlement	297	1,660
Accrued revenue	27	56
Foreign withholding tax recoverable	1	–
Total debtors	455	2,029

9 CASH AND BANK BALANCES

	2019	2018
	£000	£000
Amounts held at futures clearing houses and brokers	146	357
Cash and bank balances	1,402	11,226
	1,548	11,583
Cash overdrafts at broker	(131)	–
Total cash and bank balances	1,417	11,583

10 OTHER CREDITORS

	2019	2018
	£000	£000
Amounts payable for the cancellation of shares	(2,444)	(708)
Purchases awaiting settlement	(185)	(2,176)
Accrued expenses	(17)	(27)
Amounts payable to ACD	(60)	(160)
Accrued performance fee	(871)	(313)
Total other creditors	(3,577)	(3,384)

Threadneedle American Extended Alpha 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 American Extended Alpha Fund currently has three share classes; Class 1, Class 2 and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 1 shares	1.50%
Class 2 shares	0.75%
Class Z shares	0.75%

Registration fees

Class 1 shares	0.110%
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 pages 86 to 88. The distribution per share class is given in the distribution table on pages 84 to 85.

All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	20,186,206
Shares issued	13,258,577
Shares redeemed	(11,267,181)
Net conversions	(18,636,924)
Closing shares	<u>3,540,678</u>
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	1,289,784
Shares redeemed	(8,473,111)
Net conversions	7,183,327
Closing shares	<u>–</u>
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	498,819
Shares redeemed	(11,904,166)
Net conversions	11,405,347
Closing shares	<u>–</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	739,017
Shares issued	3,598,310
Shares redeemed	(4,336,581)
Net conversions	(746)
Closing shares	<u>–</u>
Class 2 – Accumulation shares	
Opening shares	21,934,983
Shares issued	2,746,333
Shares redeemed	(5,405,806)
Net conversions	(7,647,073)
Closing shares	<u>11,628,437</u>

Class 2 EUR – Accumulation shares*	2019
Opening shares	–
Shares issued	1,153,716
Shares redeemed	(1,734,849)
Net conversions	581,133
Closing shares	<u>–</u>
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	1,621,402
Shares redeemed	(8,732,453)
Net conversions	7,111,051
Closing shares	<u>–</u>
Class 2 EUR Hedged – Gross income shares*	
Opening shares	–
Shares issued	1,017
Shares redeemed	(1,017)
Net conversions	–
Closing shares	<u>–</u>
Class Z – Accumulation shares	
Opening shares	3,434,576
Shares issued	423,984
Shares redeemed	(2,833,414)
Net conversions	(74,249)
Closing shares	<u>950,897</u>
Class Z USD – Accumulation shares*	
Opening shares	–
Shares issued	4,808
Shares redeemed	(79,057)
Net conversions	74,249
Closing shares	<u>–</u>
Class Z EUR Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	1,017
Shares redeemed	(1,017)
Net conversions	–
Closing shares	<u>–</u>
Class Z CHF Hedged – Gross accumulation shares*	
Opening shares	–
Shares issued	1,015
Shares redeemed	(1,015)
Net conversions	–
Closing shares	<u>–</u>

*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 5.

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 1.6 x benchmark¹ VAR 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 11.1% (2018: 9.7%). This means that there is estimated to be a 1% chance that the fund could lose more than 11.1% (2018: 9.7%) of its value in a month.

At 30 April, 2019 the VaR utilisation was 75% (2018: 67%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 67% (2018: 65%) the highest VaR utilisation was 79% (2018: 72%) and the average utilisation was 71% (2018: 68%).

¹The benchmark of fund is shown on page 202.

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

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 2019	
Australian Dollar	1
Euro	2
US Dollar	75,543
Currency 2018	£000
Australian Dollar	1
Euro	1,981
US Dollar	168,212

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.21% (2018: 6.05%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.42% (2018: 6.00%).

Credit/Counterparty exposure

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

2019	Counterparty	Forward	Portfolio	Collateral
		Foreign		
		Exchange	Exposure	Exposure
		Contracts	£000	£000
		Exposure	£000	£000
	Bank of Scotland	4	–	–
	Merrill Lynch	–	183	15
2018	Counterparty	Forward	Portfolio	Collateral
		Foreign	Swaps	Pledged
		Exchange	Exposure	Exposure
		Contracts	£000	£000
		Exposure	£000	£000
	Citigroup	1	–	–
	HSBC	1	–	–
	J.P. Morgan	–	–	15
	Merrill Lynch	–	–	342

The fund held £269,000 (2018: £87,000) 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

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 30 April was:

	Floating rate	Fixed rate	Financial	Total
	financial	financial	assets not	
	assets	assets	carrying	
	£000	£000	interest	£000
	£000	£000	£000	£000
Currency 2019				
Australian Dollar	1	–	–	1
Euro	2	–	–	2
UK Sterling	37	–	616	653
US Dollar	4,971	–	71,243	76,214
Currency 2018	£000	£000	£000	£000
Australian Dollar	1	–	–	1
Euro	3	–	2,808	2,811
UK Sterling	78	–	492	570
US Dollar	11,501	–	163,189	174,690

	Floating rate	Fixed rate	Financial	Total
	financial	financial	liabilities not	
	liabilities	liabilities	carrying	
	£000	£000	interest	£000
	£000	£000	£000	£000
Currency 2019				
UK Sterling	(131)	–	(3,490)	(3,621)
US Dollar	–	–	(671)	(671)
Currency 2018	£000	£000	£000	£000
Euro	–	–	(830)	(830)
UK Sterling	–	–	(934)	(934)
US Dollar	–	–	(6,478)	(6,478)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio 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. At 30 April 2019, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £187,000 (2018: £4,000) and a liability value of £1,000 (2018: £1,306,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

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	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	74,097	–	160,904	–
Level 2	187	(1)	4	(1,306)
	74,284	(1)	160,908	(1,306)

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

Threadneedle American Extended Alpha Fund

Notes to the financial statements

(continued)

17 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	98,843	42	0.04	–	–
Collective investment schemes	10,483	–	–	–	–
Total	109,326	42		–	

Gross purchases total: 109,368

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	107,276	45	0.04	1	0.00
Collective investment schemes	12,560	–	–	–	–
In specie transactions	96,391	–	–	–	–
Corporate actions	–	–	–	–	–
Total	216,227	45		1	

Total sales net of transaction costs: 216,181

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.00%

Commissions
£000

Futures and Options 5

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	74,688	41	0.06	–	–
Collective investment schemes	6,723	–	–	–	–
Total	81,411	41		–	

Gross purchases total: 81,452

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	106,408	67	0.06	2	0.00
Collective investment schemes	1,444	–	–	–	–
Corporate actions	245	–	–	–	–
Total	108,097	67		2	

Total sales net of transaction costs: 108,028

Transaction costs as a percentage of average Net Assets

Commissions:	0.06%
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% (2018: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle US Equity Income Fund

Investment Report

Investment Objective

The objective of the Fund is to achieve a high level of income combined with the potential for long-term capital growth.

Investment Policy

The Fund will invest principally in a portfolio of US equities, unconstrained by company size or sector classification. The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, and cash and near cash when deemed appropriate.

The ACD will look to invest in companies that exhibit a high potential for paying above average income.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2019 the published share price of Class 1 – Income shares in the Threadneedle US Equity Income Fund has risen from 127.47p to 143.41p.

For comparison, on a total return basis using noon prices, the performance of the Class 1 share class was +15.48% and +16.19% for the Class 2 share class compared to a return of +16.12% for the Morningstar UK Unit Trusts/OEICS – (IA) North America Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the S&P 500 Composite Index was +19.91%.

Market Overview and Portfolio Activity

The S&P 500 index rose in dollar terms during the 12-month period under review, as broadly supportive US economic figures, robust corporate earnings and the Federal Reserve's (Fed) dovish policy

shift overcame worries about the US-China trade war and slowing growth elsewhere in the world.

Following strong US second-quarter (Q2) 2018 growth, (4.2% annualised), the Fed took a more hawkish turn, raising interest rates in June as expected but increasing its projections for the pace of future rate hikes. Continued strong US data in Q3 helped push Treasury yields sharply higher, triggering an equity sell-off in the final quarter of 2018, as investors anticipated faster Fed rate hikes. Against this backdrop, Q4 2018 proved challenging for US equities, as, despite another strong results season from US companies in aggregate, investors seemed concerned that earnings may already have peaked. The Fed raised rates as expected at its December meeting, but reduced (to two) the number of hikes projected for 2019.

US equities rallied strongly in Q1 2019, as comments from key Fed officials suggested that US interest rates might not rise at all during the year, the Fed also said it would slow the pace of its balance-sheet reduction and halt the process completely in September. US economic data were mixed towards the end of the review period, and the yield on three-month Treasuries briefly exceeded the 10-year equivalent; such an inversion of the yield curve has historically been viewed as heralding a recession.

Meanwhile, trade-war fears waxed and waned. Stocks rallied after a tariff truce was agreed between the US and China at the G20 Summit in November/December, but optimism waned after concrete details failed to emerge. In early 2019, US stocks were boosted as Trump touted "substantial progress" towards a trade deal with China, agreeing to postpone tariffs on Chinese imports that were due to come into force at the start of March.

During the review term, we established holdings including PepsiCo (food and beverages), Union Pacific (rail transport), Texas Instruments (technology) and Home Depot (retail).

The global snacks market is projected to grow at 3-5%, and PepsiCo is well positioned to increase its market share, by combining the advantages of its direct store delivery model with its strong global footprint. Union Pacific occupies a monopolistic position and uses a system of fixed pricing, leading to strong free cashflow conversion. Texas Instruments is the market-leading semiconductor company with industrial exposure, and should enjoy further benefits from its exposure to the auto and industrial sectors. Home Depot is a market leader in its sector and continues to take market share from smaller independent retailers, due to its broad variety, e-commerce offering, and service and delivery capabilities.

The fund exited positions including Exxon Mobil (energy), Kellogg (food), Hasbro (consumer discretionary), Abbvie (pharmaceuticals), SunTrust Banks (financial) and Analog Devices (technology) over the period.

The market recovery of 2019's first quarter continued into April, with the S&P 500 index registering a new record high over the month. The correction recorded in late 2018 was fully retraced, with sentiment supported by the Fed's ongoing dovish policy stance and progress in US-China trade talks. At the end of the review period, valuations in terms of forward earnings multiples were in line with historic averages. This seems fair, as the fundamentals for US equities remain solid: a deregulation agenda, benign inflation, low unemployment and a domestic economy which is set to expand at trend or slightly above. The Q1 results season, having been better than expected, seems to have erased notions that we would face an earnings recession this year. As such, we expect corporate earnings to rise in line with long-run averages for 2019, in the 5-8% range.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	9,721	2,109
Revenue	3	2,164	3,286
Expenses	4	(593)	(487)
Interest payable and similar charges	5	–	(1)
Net revenue before taxation		1,571	2,798
Taxation	6	(284)	(418)
Net revenue after taxation		1,287	2,380
Total return before distributions		11,008	4,489
Distributions	7	(1,880)	(2,857)
Change in net assets attributable to shareholders from investment activities		9,128	1,632

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		67,238	87,515
Current assets:			
Debtors	8	2,742	111
Cash and bank balances		170	852
Total assets		70,150	88,478
Liabilities:			
Investment liabilities		–	(1)
Creditors:			
Distribution payable		(137)	(290)
Other creditors	9	(2,831)	(66)
Total liabilities		(2,968)	(357)
Net assets attributable to shareholders		67,182	88,121

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	88,121	118,746
Amounts receivable on the issue of shares	9,973	26,213
Amounts payable on the cancellation of shares	(41,186)	(59,129)
	(31,213)	(32,916)
Dilution adjustment	–	48
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	9,128	1,632
Retained distribution on accumulation shares	1,146	611
Closing net assets attributable to shareholders	67,182	88,121

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8789	–	0.8789	0.8895
01/08/18 to 31/10/18	0.8817	–	0.8817	0.8329
01/11/18 to 31/01/19	0.9089	–	0.9089	0.8493
01/02/19 to 30/04/19	0.8751	–	0.8751	0.7953
Group 2				
01/05/18 to 31/07/18	0.8122	0.0667	0.8789	0.8895
01/08/18 to 31/10/18	0.6018	0.2799	0.8817	0.8329
01/11/18 to 31/01/19	0.1590	0.7499	0.9089	0.8493
01/02/19 to 30/04/19	0.1413	0.7338	0.8751	0.7953
Total distributions in the period			3.5446	3.3670

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.7830	–	0.7830	0.7656
01/08/18 to 31/10/18	0.7892	–	0.7892	0.7250
01/11/18 to 31/01/19	0.8187	–	0.8187	0.7406
01/02/19 to 30/04/19	0.7939	–	0.7939	0.7016
Group 2				
01/05/18 to 31/07/18	0.0130	0.7700	0.7830	0.7656
01/08/18 to 31/10/18	0.7892	–	0.7892	0.7250
01/11/18 to 31/01/19	0.8187	–	0.8187	0.7406
01/02/19 to 30/04/19	0.0045	0.7894	0.7939	0.7016
Total distributions in the period			3.1848	2.9328

*In pound Sterling and against UK peer group (See Performance summary on pages 202 and 203).

Threadneedle US Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.7940	–	0.7940	0.7631
01/08/18 to 31/10/18	0.7842	–	0.7842	0.7577
01/11/18 to 31/01/19	0.7934	–	0.7934	0.7740
01/02/19 to 30/04/19	0.7583	–	0.7583	0.7549

Group 2				
01/05/18 to 31/07/18	0.7940	–	0.7940	0.7631
01/08/18 to 31/10/18	0.7842	–	0.7842	0.7577
01/11/18 to 31/01/19	0.7934	–	0.7934	0.7740
01/02/19 to 30/04/19	0.7583	–	0.7583	0.7549
Total distributions in the period			3.1299	3.0497

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8866	–	0.8866	0.8893
01/08/18 to 31/10/18	0.8886	–	0.8886	0.8383
01/11/18 to 31/01/19	0.9200	–	0.9200	0.8520
01/02/19 to 30/04/19	0.8856	–	0.8856	0.8020

Group 2				
01/05/18 to 31/07/18	0.8866	–	0.8866	0.8893
01/08/18 to 31/10/18	0.8886	–	0.8886	0.8383
01/11/18 to 31/01/19	0.9200	–	0.9200	0.8520
01/02/19 to 30/04/19	0.8856	–	0.8856	0.8020
Total distributions in the period			3.5808	3.3816

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8946	–	0.8946	0.8760
01/08/18 to 31/10/18	0.8786	–	0.8786	0.8685
01/11/18 to 31/01/19	0.8841	–	0.8841	0.8806
01/02/19 to 30/04/19	0.8405	–	0.8405	0.8541

Group 2				
01/05/18 to 31/07/18	0.8946	–	0.8946	0.8760
01/08/18 to 31/10/18	0.8786	–	0.8786	0.8685
01/11/18 to 31/01/19	0.8841	–	0.8841	0.8806
01/02/19 to 30/04/19	0.8405	–	0.8405	0.8541
Total distributions in the period			3.4978	3.4792

Class 2 EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8007	–	0.8007	0.7652
01/08/18 to 31/10/18	0.7921	–	0.7921	0.7608
01/11/18 to 31/01/19	0.8022	–	0.8022	0.7788
01/02/19 to 30/04/19	0.7686	–	0.7686	0.7604

Group 2				
01/05/18 to 31/07/18	0.8007	–	0.8007	0.7652
01/08/18 to 31/10/18	0.7921	–	0.7921	0.7608
01/11/18 to 31/01/19	0.8022	–	0.8022	0.7788
01/02/19 to 30/04/19	0.7686	–	0.7686	0.7604
Total distributions in the period			3.1636	3.0652

Class L – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.4611	–	1.4611	1.4640
01/08/18 to 31/10/18	1.4680	–	1.4680	1.3731
01/11/18 to 31/01/19	1.5177	–	1.5177	1.4039
01/02/19 to 30/04/19	1.4652	–	1.4652	1.3178

Group 2				
01/05/18 to 31/07/18	0.2289	1.2322	1.4611	1.4640
01/08/18 to 31/10/18	0.4428	1.0252	1.4680	1.3731
01/11/18 to 31/01/19	0.6695	0.8482	1.5177	1.4039
01/02/19 to 30/04/19	0.4071	1.0581	1.4652	1.3178
Total distributions in the period			5.9120	5.5588

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.5188	–	1.5188	1.5055
01/08/18 to 31/10/18	1.5268	–	1.5268	1.4175
01/11/18 to 31/01/19	1.5823	–	1.5823	1.7576
01/02/19 to 30/04/19	1.5301	–	1.5301	1.3655

Group 2				
01/05/18 to 31/07/18	1.3257	0.1931	1.5188	1.5055
01/08/18 to 31/10/18	0.8851	0.6417	1.5268	1.4175
01/11/18 to 31/01/19	0.6988	0.8835	1.5823	1.7576
01/02/19 to 30/04/19	0.5001	1.0300	1.5301	1.3655
Total distributions in the period			6.1580	6.0461

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8907	–	0.8907	0.9283
01/08/18 to 31/10/18	0.8947	–	0.8947	0.8391
01/11/18 to 31/01/19	0.9248	–	0.9248	0.8574
01/02/19 to 30/04/19	0.8960	–	0.8960	0.8059

Group 2				
01/05/18 to 31/07/18	0.7651	0.1256	0.8907	0.9283
01/08/18 to 31/10/18	0.2937	0.6010	0.8947	0.8391
01/11/18 to 31/01/19	0.3644	0.5604	0.9248	0.8574
01/02/19 to 30/04/19	0.4279	0.4681	0.8960	0.8059
Total distributions in the period			3.6062	3.4307

Class Z CHF Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	0.7166	–	0.7166	0.7546
01/08/18 to 31/10/18	0.7234	–	0.7234	0.7106
01/11/18 to 31/01/19	0.7306	–	0.7306	0.7080
01/02/19 to 30/04/19	0.6942	–	0.6942	0.6891

Group 2				
01/05/18 to 31/07/18	0.7166	–	0.7166	0.7546
01/08/18 to 31/10/18	0.7234	–	0.7234	0.7106
01/11/18 to 31/01/19	0.7306	–	0.7306	0.7080
01/02/19 to 30/04/19	0.6942	–	0.6942	0.6891
Total distributions in the period			2.8648	2.8623

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.7907	–	0.7907	0.7700
01/08/18 to 31/10/18	0.7995	–	0.7995	0.7283
01/11/18 to 31/01/19	0.8314	–	0.8314	0.7462
01/02/19 to 30/04/19	0.8077	–	0.8077	0.7085

Group 2				
01/05/18 to 31/07/18	0.0007	0.7900	0.7907	0.7700
01/08/18 to 31/10/18	0.0295	0.7700	0.7995	0.7283
01/11/18 to 31/01/19	–	0.8314	0.8314	0.7462
01/02/19 to 30/04/19	0.0077	0.8000	0.8077	0.7085
Total distributions in the period			3.2293	2.9530

Class Z CHF Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.6606	–	0.6606	0.2302
01/08/18 to 31/10/18	0.6710	–	0.6710	0.6420
01/11/18 to 31/01/19	0.6818	–	0.6818	0.6444
01/02/19 to 30/04/19	0.6525	–	0.6525	0.6304

Group 2				
01/05/18 to 31/07/18	0.6606	–	0.6606	0.2302
01/08/18 to 31/10/18	0.6710	–	0.6710	0.6420
01/11/18 to 31/01/19	0.6818	–	0.6818	0.6444
01/02/19 to 30/04/19	0.6525	–	0.6525	0.6304
Total distributions in the period			2.6659	2.1470

Class Z EUR Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	0.8030	–	0.8030	0.7661
01/08/18 to 31/10/18	0.7948	–	0.7948	0.7618
01/11/18 to 31/01/19	0.8051	–	0.8051	0.7803
01/02/19 to 30/04/19	0.7711	–	0.7711	0.7616

Group 2				
01/05/18 to 31/07/18	0.8030	–	0.8030	0.7661
01/08/18 to 31/10/18	0.7948	–	0.7948	0.7618
01/11/18 to 31/01/19	0.8051	–	0.8051	0.7803
01/02/19 to 30/04/19	0.7711	–	0.7711	0.7616
Total distributions in the period			3.1740	3.0698

Group 2: shares purchased during a distribution period.

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

Threadneedle US Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ²
Change in net assets per share						
Opening net asset value per share (p)	126.66	126.67	100.00	112.65	109.71	100.00
Return before operating charges (p)	21.66	5.48	31.64	19.49	4.77	10.32
Operating charges (p)	(2.26)	(2.12)	(1.98)	(2.05)	(1.83)	(0.61)
Return after operating charges (p)*	19.40	3.36	29.66	17.44	2.94	9.71
Distributions (p)	(3.54)	(3.37)	(2.99)	(3.18)	(2.93)	(1.55)
Retained distributions on accumulation shares (p)	–	–	–	3.18	2.93	1.55
Closing net asset value per share (p)	142.52	126.66	126.67	130.09	112.65	109.71
*after direct transaction costs of (p)	0.04	0.07	0.06	0.04	0.06	0.03
Performance						
Return after charges (%)	15.32	2.65	29.66	15.48	2.68	9.71
Other information						
Closing net asset value (£000)	287	268	288	18	8	3
Closing number of shares	201,309	211,486	227,050	13,687	6,781	3,000
Operating charges (%)**	1.66	1.65	1.67 ¹	1.67	1.63	1.63 ¹
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
Prices						
Highest share price (p)	145.77	134.72	136.28	130.93	118.27	117.23
Lowest share price (p)	123.77	120.77	98.94	111.50	106.74	99.54
	Class 1 EUR Hedged – Accumulation shares			Class 2 – Income shares		
	30/04/2019	30/04/2018	30/04/2017 ²	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	118.09	106.64	100.00	128.04	127.27	100.00
Return before operating charges (p)	6.45	13.35	7.23	21.97	5.47	31.44
Operating charges (p)	(1.99)	(1.90)	(0.59)	(1.44)	(1.32)	(1.17)
Return after operating charges (p)*	4.46	11.45	6.64	20.53	4.15	30.27
Distributions (p)	(3.13)	(3.05)	(1.48)	(3.58)	(3.38)	(3.00)
Retained distributions on accumulation shares (p)	3.13	3.05	1.48	–	–	–
Closing net asset value per share (p)	122.55	118.09	106.64	144.99	128.04	127.27
*after direct transaction costs of (p)	0.03	0.06	0.03	0.04	0.07	0.06
Performance						
Return after charges (%)	3.78	10.74	6.64	16.03	3.26	30.27
Other information						
Closing net asset value (£000)	12	12	11	4	4	4
Closing number of shares	10,000	10,000	10,000	3,000	3,000	3,000
Operating charges (%)**	1.66	1.63	1.65 ¹	1.04	1.02	1.03 ¹
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
Prices						
Highest share price (p)	130.07	127.21	110.91	147.68	135.91	136.82
Lowest share price (p)	107.81	105.48	98.76	125.64	122.01	98.95

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR Hedged – Income shares			Class 2 EUR Hedged – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ²
Change in net assets per share						
Opening net asset value per share (p)	133.00	122.53	100.00	119.06	106.92	100.00
Return before operating charges (p)	7.17	15.35	26.61	6.54	13.37	7.31
Operating charges (p)	(1.46)	(1.40)	(1.18)	(1.31)	(1.23)	(0.39)
Return after operating charges (p)*	5.71	13.95	25.43	5.23	12.14	6.92
Distributions (p)	(3.50)	(3.48)	(2.90)	(3.16)	(3.07)	(1.48)
Retained distributions on accumulation shares (p)	–	–	–	3.16	3.07	1.48
Closing net asset value per share (p)	135.21	133.00	122.53	124.29	119.06	106.92
*after direct transaction costs of (p)	0.04	0.07	0.06	0.04	0.06	0.03
Performance						
Return after charges (%)	4.29	11.38	25.43	4.39	11.35	6.92
Other information						
Closing net asset value (£000)	14	13	12	12	12	11
Closing number of shares	10,000	10,000	10,000	10,000	10,000	10,000
Operating charges (%)**	1.09	1.05	1.07 ¹	1.08	1.05	1.08 ¹
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
Prices						
Highest share price (p)	145.77	144.89	128.18	131.39	128.07	111.15
Lowest share price (p)	120.27	121.20	98.75	109.12	105.77	98.80
	Class L – Income shares			Class X – Income shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ¹
Change in net assets per share						
Opening net asset value per share (p)	210.24	208.26	163.20	218.62	215.49	168.05
Return before operating charges (p)	36.12	8.98	51.25	37.62	9.31	52.61
Operating charges (p)	(1.56)	(1.44)	(1.28)	(0.24)	(0.13)	(0.15)
Return after operating charges (p)*	34.56	7.54	49.97	37.38	9.18	52.46
Distributions (p)	(5.91)	(5.56)	(4.91)	(6.16)	(6.05)	(5.02)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	238.89	210.24	208.26	249.84	218.62	215.49
*after direct transaction costs of (p)	0.07	0.11	0.10	0.07	0.11	0.10
Performance						
Return after charges (%)	16.44	3.62	30.62	17.10	4.26	31.22
Other information						
Closing net asset value (£000)	16,207	39,302	32,363	4,604	331	86,005
Closing number of shares	6,784,256	18,693,598	15,540,116	1,842,894	151,486	39,910,418
Operating charges (%)**	0.69	0.68	0.68 ¹	0.10	0.06	0.08 ¹
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
Prices						
Highest share price (p)	242.76	222.93	223.81	252.98	231.61	231.46
Lowest share price (p)	206.77	200.27	161.48	215.80	208.05	166.28

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z CHF Hedged – Income shares		
	30/04/2019	30/04/2018	30/04/2017 ¹	30/04/2019	30/04/2018	30/04/2017 ²
Change in net assets per share						
Opening net asset value per share (p)	128.28	127.38	100.00	104.13	106.29	100.00
Return before operating charges (p)	22.00	5.50	31.44	10.30	1.66	8.12
Operating charges (p)	(1.24)	(1.17)	(1.05)	(1.00)	(0.96)	(0.33)
Return after operating charges (p)*	20.76	4.33	30.39	9.30	0.70	7.79
Distributions (p)	(3.61)	(3.43)	(3.01)	(2.86)	(2.86)	(1.50)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	145.43	128.28	127.38	110.57	104.13	106.29
*after direct transaction costs of (p)	0.04	0.07	0.06	0.03	0.06	0.03
Performance						
Return after charges (%)	16.18	3.40	30.39	8.93	0.66	7.79
Other information						
Closing net asset value (£000)	1,249	6,329	24	11	10	11
Closing number of shares	858,517	4,933,721	19,166	10,000	10,000	10,000
Operating charges (%)**	0.90	0.90	0.89 ¹	0.91	0.88	0.90 ¹
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	0.05
Prices						
Highest share price (p)	148.02	136.11	136.99	120.74	117.11	112.61
Lowest share price (p)	125.97	122.22	98.95	99.59	102.35	99.98
	Class Z – Accumulation shares			Class Z CHF Hedged – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ²	30/04/2019	30/04/2018 ³	
Change in net assets per share						
Opening net asset value per share (p)	113.87	110.08	100.00	95.99	100.00	
Return before operating charges (p)	19.74	4.86	10.41	9.56	(3.38)	
Operating charges (p)	(1.13)	(1.07)	(0.33)	(0.91)	(0.63)	
Return after operating charges (p)*	18.61	3.79	10.08	8.65	(4.01)	
Distributions (p)	(3.23)	(2.95)	(1.55)	(2.67)	(2.15)	
Retained distributions on accumulation shares (p)	3.23	2.95	1.55	2.67	2.15	
Closing net asset value per share (p)	132.48	113.87	110.08	104.64	95.99	
*after direct transaction costs of (p)	0.04	0.06	0.03	0.03	0.04	
Performance						
Return after charges (%)	16.34	3.44	10.08	9.01	(4.01)	
Other information						
Closing net asset value (£000)	44,741	41,810	3	10	10	
Closing number of shares	33,772,380	36,717,781	3,000	10,001	10,001	
Operating charges (%)**	0.91	0.94	0.88 ¹	0.89	0.87 ¹	
Direct transaction costs (%)***	0.03	0.05	0.05	0.03	0.05	
Prices						
Highest share price (p)	133.33	119.28	117.55	112.02	106.58	
Lowest share price (p)	113.26	107.45	99.60	93.01	93.73	

Threadneedle US Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017 ²
Change in net assets per share			
Opening net asset value per share (p)	119.36	107.01	100.00
Return before operating charges (p)	6.55	13.38	7.33
Operating charges (p)	(1.11)	(1.03)	(0.32)
Return after operating charges (p)*	5.44	12.35	7.01
Distributions (p)	(3.17)	(3.07)	(1.48)
Retained distributions on accumulation shares (p)	3.17	3.07	1.48
Closing net asset value per share (p)	124.80	119.36	107.01
*after direct transaction costs of (p)	0.04	0.06	0.03
Performance			
Return after charges (%)	4.56	11.54	7.01
Other information			
Closing net asset value (£000)	13	12	11
Closing number of shares	10,000	10,000	10,000
Operating charges (%)**	0.91	0.88	0.90 ¹
Direct transaction costs (%)***	0.03	0.05	0.05
Prices			
Highest share price (p)	131.79	128.34	111.23
Lowest share price (p)	109.51	105.86	98.81

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

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

¹Commenced 23 May 2016.

²Commenced 4 October 2016.

³Commenced 22 June 2017.

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

Threadneedle US Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	9,752	2,070
Forward currency contracts	1	(206)
Other (losses)/gains	(29)	247
Transaction costs	(3)	(2)
Net capital gains	9,721	2,109

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	2,153	3,268
Bank interest	11	18
Total revenue	2,164	3,286

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(492)	(397)
Registration fees	(64)	(55)
	(556)	(452)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(13)
Safe custody fees	(10)	(4)
	(19)	(17)
Other expenses:		
Regulatory fees	(5)	(6)
Audit fees	(13)	(12)
	(18)	(18)
Total expenses*	(593)	(487)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	–	(1)
Total interest payable and similar charges	–	(1)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(284)	(418)
Total current tax (note 6b)	(284)	(418)
Total tax charge for the period	(284)	(418)
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,571	2,798
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(314)	(560)

Effects of:

Revenue not subject to taxation	411	630
Overseas taxes	(284)	(418)
Overseas tax expensed	2	4
Excess expenses	(99)	(74)
Current tax charge for period (note 6a)	(284)	(418)

The fund has not recognised a deferred tax asset of £172,678 (2018: £74,030) 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:

	2019 £000	2018 £000
Interim	1,438	2,176
Final	410	551
	1,848	2,727
Add: Revenue deducted on the cancellation of shares	64	237
Deduct: Revenue received on the creation of shares	(32)	(107)
Net distribution for the period	1,880	2,857
Net revenue after taxation	1,287	2,380
All fees charged to capital	593	487
Equalisation on conversion	–	(1)
Tax relief on capitalised fees	–	(9)
Total distributions	1,880	2,857

Details of the distribution per share are set out in the table on pages 93 to 94.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	35	39
Sales awaiting settlement	2,654	–
Accrued revenue	53	72
Total debtors	2,742	111

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(59)	(2)
Purchases awaiting settlement	(2,719)	–
Accrued expenses	(12)	(11)
Amounts payable to ACD	(41)	(53)
Total other creditors	(2,831)	(66)

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 US Equity Income Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle US Equity Income Fund currently has five share classes; Class 1, Class 2, 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 L shares	0.60%
Class X shares	N/A*
Class Z shares	0.75%

Registration fees

Class 1 shares	0.110%
Class 2 shares	0.035%
Class L 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 95 to 98. The distribution per share class is given in the distribution table on pages 93 to 94.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	211,486
Shares issued	8,132
Shares redeemed	(18,309)
Net conversions	–
Closing shares	<u>201,309</u>
Class 1 – Accumulation shares	
Opening shares	6,781
Shares issued	6,906
Shares redeemed	–
Net conversions	–
Closing shares	<u>13,687</u>
Class 1 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 2 – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>3,000</u>
Class 2 EUR Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class 2 EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class L – Income shares	
Opening shares	18,693,598
Shares issued	1,342,184
Shares redeemed	(13,251,526)
Net conversions	–
Closing shares	<u>6,784,256</u>

	2019
Class X – Income shares	
Opening shares	151,486
Shares issued	1,897,406
Shares redeemed	(205,998)
Net conversions	–
Closing shares	<u>1,842,894</u>
Class Z – Income shares	
Opening shares	4,933,721
Shares issued	1,776,021
Shares redeemed	(5,851,225)
Net conversions	–
Closing shares	<u>858,517</u>
Class Z CHF Hedged – Income shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>
Class Z – Accumulation shares	
Opening shares	36,717,781
Shares issued	195,626
Shares redeemed	(3,141,027)
Net conversions	–
Closing shares	<u>33,772,380</u>
Class Z CHF Hedged – Accumulation shares	
Opening shares	10,001
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,001</u>
Class Z EUR Hedged – Accumulation shares	
Opening shares	10,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	<u>10,000</u>

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.50% and vice versa (2018: 4.75%).

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 2019	
Euro	51
Swiss Franc	22
US Dollar	67,313
Currency 2018	
Euro	49
Swiss Franc	20
US Dollar	88,298

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.21% (2018: 6.05%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 5.22% (2018: 6.07%).

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: same).

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

Threadneedle US Equity Income Fund

Notes to the financial statements

(continued)

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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Euro	–	–	51	51
Swiss Franc	–	–	22	22
UK Sterling	10	–	35	45
US Dollar	160	1,617	68,328	70,105
Currency 2018	£000	£000	£000	£000
Euro	–	–	49	49
Swiss Franc	–	–	20	20
UK Sterling	66	–	43	109
US Dollar	786	948	86,634	88,368

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(249)	(249)
US Dollar	–	–	(2,792)	(2,792)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(355)	(355)
US Dollar	–	–	(70)	(70)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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 30 April 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £Nil) and a liability value of £Nil (2018: £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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	67,238	–	87,515	–
Level 2	–	–	–	(1)
	67,238	–	87,515	(1)

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	26,228	7	0.03	–	–
Total	26,228	7		–	

Gross purchases total:

26,235

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	56,216	12	0.02	1	0.00
Total	56,216	12		1	

Total sales net of transaction costs:

56,203

Transaction costs as a percentage of average Net Assets

Commissions: 0.03%
Taxes: 0.00%

30 April 2018

	Value £000	Commissions £000	%	Taxes £000	%
Purchases					
Equities	44,694	22	0.05	–	–
Total	44,694	22		–	

Gross purchases total:

44,716

	Value £000	Commissions £000	%	Taxes £000	%
Sales					
Equities	75,429	31	0.04	2	0.00
Corporate actions	33	–	–	–	–
Total	75,462	31		2	

Total sales net of transaction costs:

75,429

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% (2018: 0.02%), being the difference between the respective buying and selling prices for the fund's investments.

17 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (p)		
	30 April 2019	08 August 2019	% Movement
Class Z CHF Hedged – Accumulation shares	104.65	115.42	10.30

Threadneedle China Opportunities Fund

Investment Report

Investment Objective

The investment objective of the China Opportunities Fund is to achieve long-term capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities and equity related securities of Chinese companies. These are defined as companies domiciled in and/or whose significant activities are in the People's Republic of China. The Fund may invest up to 70% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme. If the ACD considers it desirable, it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities, other equities, money market securities and cash).

In exceptional circumstances and on a temporary basis, the ACD may hold a substantial proportion of the Fund in cash and/or money market instruments.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle China Opportunities Fund has fallen from 366.97p to 358.13p.

For comparison, using noon prices, the performance of the Class 1 share class was -2.41% and -1.84% for the Class 2 share class compared to a return of +1.41% for the Morningstar UK Unit Trusts/OEICs – (IA) China – Greater China Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI China Index was +0.70%.

Market Overview and Portfolio Activity

Overall, it was an eventful year for the Chinese equity market. Initially, the fund benefited from a market rally as fears of a financial crisis in China, centring on the rise in its debt-to-GDP ratio, abated as policymakers took steps to manage risks within the financial system. Investors were also cheered by MSCI's decision to include China A-shares in its Emerging Markets index. This was an important further step in opening up China's financial markets to overseas capital.

Unfortunately, investors subsequently became risk-averse, and the fourth quarter of 2018 proved volatile amid the escalation of trade tensions between the US and China. Softer domestic economic data and a weaker currency also dampened sentiment towards Chinese equities. In response to these headwinds, the Chinese authorities have adopted a more accommodative monetary and fiscal stance. As an example, the Chinese government has reduced taxes to support both domestic consumption and small- and medium-sized enterprises (SMEs).

The G20 summit, held on 30 November and 1 December 2018, helped to ease fears over the path of future trade negotiations. The US agreed to postpone raising tariffs from 10% to 25% on \$200bn of Chinese imports, which had been due to come into effect on 1 January 2019.

Chinese equities rallied strongly in the first quarter of 2019. Sentiment was buoyed by signs of more constructive trade talks between the US and China, a dovish policy shift by the US Federal Reserve, and further economic stimulus measures from the Chinese authorities. GDP growth for Q1 2019 exceeded market estimates, rising by 6.4% year on year.

However, shortly after the end of the reporting period, Chinese equities received a jolt from renewed trade friction, with the US accusing China of backtracking on some of its earlier commitments.

President Trump threatened to put the proposed tariff hike in place from 10 May 2019.

Within the fund, we added several new holdings, including the A-shares of Chinese liquor producer Wuliangye Yibin. The company's shares benefited from optimism surrounding the firm's higher earnings visibility, with quality improvements and production capacity gains expected to strengthen its position in the distilled spirit (Baijiu) market. Other new positions included Shanghai International Airport and China International Travel Service, both of which should benefit from the growth of duty free sales. The former released strong results for the first quarter of 2019. The fund also purchased a new holding in TAL Education, which has developed a strong position in the online after-school tutoring business. Other new holdings included Beijing Enterprises Water and CRRC, the manufacturer of train rolling stock.

In financials, we exited Chongqing Rural Commercial Bank, but topped up the position in Hong Kong Exchanges & Clearing. Within other sectors, sales included AAC Technologies, Weibo and Inner Mongolia Yili.

The rate of real GDP growth in China is expected to slow gradually in 2019 under the influence of US trade tariffs and weaker domestic demand. However, we expect only a moderate loss of economic momentum as growth stability remains a policy priority for the Chinese authorities, who have started to pull some of the levers at their disposal to support growth.

At the corporate level, we should continue to see the implementation of capital spending discipline, leading to cashflow improvement and balance sheet deleveraging. The fund currently favours domestically oriented stocks in China, particularly those in the services and consumption spaces that can tap into the structural growth of China's middle class, and those that stand to benefit from demand and supply rebalancing.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(8,504)	22,979
Revenue	3	2,481	2,201
Expenses	4	(1,274)	(1,296)
Interest payable and similar charges	5	(1)	(3)
Net revenue before taxation		1,206	902
Taxation	6	(177)	(162)
Net revenue after taxation		1,029	740
Total return before distributions		(7,475)	23,719
Distributions	7	(1,030)	(746)
Change in net assets attributable to shareholders from investment activities		(8,505)	22,973

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		80,946	115,712
Current assets:			
Debtors	8	769	2,247
Cash and bank balances		1,281	3,789
Total assets		82,996	121,748
Liabilities:			
Creditors:			
Other creditors	9	(812)	(2,103)
Total liabilities		(812)	(2,103)
Net assets attributable to shareholders		82,184	119,645

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	119,645	84,747
Amounts receivable on the issue of shares	90,356	102,953
Amounts payable on the cancellation of shares	(120,054)	(92,124)
	(29,698)	10,829
Dilution adjustment	215	229
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(8,505)	22,973
Retained distribution on accumulation shares	527	867
Closing net assets attributable to shareholders	82,184	119,645

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share					
Class 1 – Accumulation shares					
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018	
Group 1					
01/05/18 to 30/04/19	1.0258	–	1.0258	0.9779	
Group 2					
01/05/18 to 30/04/19	–	1.0258	1.0258	0.9779	
Total distributions in the period			1.0258	0.9779	
Class 2 – Accumulation shares					
Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018	
Group 1					
01/05/18 to 30/04/19	3.2014	–	3.2014	3.1444	
Group 2					
01/05/18 to 30/04/19	–	3.2014	3.2014	3.1444	
Total distributions in the period			3.2014	3.1444	

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

Threadneedle China Opportunities Fund

DISTRIBUTION TABLE

(continued)

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	2.4652	–	2.4652	2.4246
Group 2				
01/05/18 to 30/04/19	0.4142	2.0510	2.4652	2.4246
Total distributions in the period			2.4652	2.4246

Group 2: shares purchased during a distribution period.

Threadneedle China Opportunities Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 2 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	366.75	287.12	213.82	390.45	303.92	225.02
Return before operating charges (p)	(3.13)	85.40	77.60	(3.17)	90.53	81.91
Operating charges (p)	(5.71)	(5.77)	(4.30)	(4.05)	(4.00)	(3.01)
Return after operating charges (p)*	(8.84)	79.63	73.30	(7.22)	86.53	78.90
Distributions (p)	(1.03)	(0.98)	(0.78)	(3.20)	(3.14)	(2.40)
Retained distributions on accumulation shares (p)	1.03	0.98	0.78	3.20	3.14	2.40
Closing net asset value per share (p)	357.91	366.75	287.12	383.23	390.45	303.92
*after direct transaction costs of (p)	0.84	0.65	0.48	0.91	0.69	0.51
Performance						
Return after charges (%)	(2.41)	27.73	34.28	(1.85)	28.47	35.06
Other information						
Closing net asset value (£000)	36,298	29,655	21,531	21,816	51,050	45,160
Closing number of shares	10,141,625	8,085,987	7,498,733	5,692,771	13,074,890	14,859,167
Operating charges (%)**	1.66	1.66	1.65	1.09	1.09	1.09
Direct transaction costs (%)***	0.25	0.18	0.18	0.25	0.18	0.18
Prices						
Highest share price (p)	399.92	391.25	297.31	426.05	415.88	314.49
Lowest share price (p)	300.64	282.93	200.65	321.32	299.50	211.23
Class Z – Accumulation shares						
	30/04/2019	30/04/2018	30/04/2017			
Change in net assets per share						
Opening net asset value per share (p)	250.28	194.47	143.75			
Return before operating charges (p)	(2.02)	57.99	52.28			
Operating charges (p)	(2.16)	(2.18)	(1.56)			
Return after operating charges (p)*	(4.18)	55.81	50.72			
Distributions (p)	(2.47)	(2.42)	(1.84)			
Retained distributions on accumulation shares (p)	2.47	2.42	1.84			
Closing net asset value per share (p)	246.10	250.28	194.47			
*after direct transaction costs of (p)	0.58	0.45	0.32			
Performance						
Return after charges (%)	(1.67)	28.70	35.28			
Other information						
Closing net asset value (£000)	24,070	38,940	18,056			
Closing number of shares	9,780,611	15,558,132	9,284,713			
Operating charges (%)**	0.91	0.91	0.91			
Direct transaction costs (%)***	0.25	0.18	0.18			
Prices						
Highest share price (p)	273.16	266.46	201.21			
Lowest share price (p)	206.22	191.65	134.95			

**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 China Opportunities Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(8,672)	22,918
Forward currency contracts	195	(28)
Other (losses)/gains	(23)	91
Transaction costs	(4)	(2)
Net capital (losses)/gains	(8,504)	22,979

3 REVENUE

	2019 £000	2018 £000
Overseas dividends	2,423	2,175
Bank interest	58	26
Total revenue	2,481	2,201

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(1,134)	(1,163)
Registration fees	(87)	(81)
	(1,221)	(1,244)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(13)	(13)
Safe custody fees	(26)	(22)
	(39)	(35)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(9)	(9)
	(14)	(17)
Total expenses*	(1,274)	(1,296)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(1)	(3)
Total interest payable and similar charges	(1)	(3)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(177)	(162)
Total current tax (note 6b)	(177)	(162)
Total tax charge for the period	(177)	(162)
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,206	902
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(241)	(180)
Effects of:		
Revenue not subject to taxation	433	413
Overseas taxes	(177)	(162)
Excess expenses	(192)	(232)

	2019 £000	2018 £000
Retail Distribution Review (RDR) conversion transfer from capital	–	(1)
Current tax charge for period (note 6a)	(177)	(162)

The fund has not recognised a deferred tax asset of £1,811,351 (2018: £1,619,415) 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:

	2019 £000	2018 £000
Final	527	867
	527	867
Add: Revenue deducted on the cancellation of shares	1,195	809
Deduct: Revenue received on the creation of shares	(692)	(930)
Net distribution for the period	1,030	746
Net revenue after taxation	1,029	740
Equalisation on conversion	1	6
Total distributions	1,030	746

Details of the distribution per share are set out in the table on pages 102 to 103.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	73	1,522
Sales awaiting settlement	693	708
Accrued revenue	3	17
Total debtors	769	2,247

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(74)	(1,964)
Purchases awaiting settlement	(621)	–
Accrued expenses	(11)	(9)
Amounts payable to ACD	(86)	(110)
Corporation tax payable	(20)	(20)
Total other creditors	(812)	(2,103)

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 China Opportunities Fund

Notes to the financial statements

(continued)

12 SHAREHOLDER FUNDS

Threadneedle China Opportunities Fund currently has three share classes; Class 1, Class 2 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 Z shares	0.75%

Registration fees

Class 1 shares	0.110%
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 104. The distribution per share class is given in the distribution table on pages 102 to 103. All classes have the same rights on winding up.

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	8,085,987
Shares issued	22,400,563
Shares redeemed	(20,325,710)
Net conversions	(19,215)
Closing shares	10,141,625
Class 2 – Accumulation shares	
Opening shares	13,074,890
Shares issued	1,559,120
Shares redeemed	(8,941,239)
Net conversions	–
Closing shares	5,692,771
Class Z – Accumulation shares	
Opening shares	15,558,132
Shares issued	3,232,800
Shares redeemed	(9,038,291)
Net conversions	27,970
Closing shares	9,780,611

13 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 4.92% and vice versa (2018: 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
Currency 2019	£000
China Renminbi	5,032
Euro	1
Hong Kong Dollar	57,037
Taiwan Dollar	8
US Dollar	20,002
Currency 2018	£000
Hong Kong Dollar	78,489
Taiwan Dollar	8
US Dollar	41,580

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 2019	%	%
Hong Kong Dollar	5.25	3.64
US Dollar	5.21	1.27

	Currency Movement	Fund Movement
Currency 2018	%	%
Hong Kong Dollar	7.01	4.60
US Dollar	6.05	2.10

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
China Renminbi	–	–	5,032	5,032
Euro	1	–	–	1
Hong Kong Dollar	6	–	57,652	57,658
Taiwan Dollar	8	–	–	8
UK Sterling	222	–	73	295
US Dollar	1,044	–	18,958	20,002
Currency 2018	£000	£000	£000	£000
Hong Kong Dollar	–	–	78,489	78,489
Taiwan Dollar	8	–	–	8
UK Sterling	150	–	1,521	1,671
US Dollar	3,631	–	37,949	41,580

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
Hong Kong Dollar	–	–	(621)	(621)
UK Sterling	–	–	(191)	(191)
Currency 2018	£000	£000	£000	£000
UK Sterling	–	–	(2,103)	(2,103)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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.

Threadneedle China Opportunities Fund

Notes to the financial statements

(continued)

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	80,946	–	115,712	–
	80,946	–	115,712	–

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	87,406	56	0.06	62	0.07
Total	87,406	56		62	

Gross purchases total: **87,524**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	113,747	57	0.05	83	0.07
Corporate actions	1	–	–	–	–
Total	113,748	57		83	

Total sales net of transaction costs: **113,608**

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.14%

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	70,526	59	0.08	49	0.07
Total	70,526	59		49	

Gross purchases total: **70,634**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	62,092	53	0.09	43	0.07
Total	62,092	53		43	

Total sales net of transaction costs: **61,996**

Transaction costs as a percentage of average Net Assets

Commissions:	0.10%
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 0.11% (2018: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Emerging Markets Equity Fund

Investment Report

Investment Objective

The investment objective of the Global Emerging Markets Equity Fund is to achieve long-term capital growth.

Investment Policy

The ACD's investment policy is to invest the assets of the Fund primarily in equities of Emerging Markets companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market countries. Emerging Market countries are those characterised as developing or emerging by the World Bank, the United Nations or the MSCI Emerging Markets Free Index. From 14 May 2018, the Fund may invest up to 30% of its Net Asset Value in China A-Shares through the China-Hong Kong Stock Connect Programme.

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

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Emerging Markets Equity Fund has fallen from 113.85p to 113.53p.

For comparison, using noon prices, the performance of the Class 1 share class was -0.28% and +0.29% for the Class 2 share class compared to a return of +0.09% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Emerging Markets Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI Emerging Markets Index was +0.71%.

Market Overview and Portfolio Activity

Emerging-market (EM) equities had a challenging year. There were concerns surrounding US-China trade tensions, global liquidity tightening and the slowdown in China's economy. Macro headwinds began to recede in 2019 due to a more dovish stance from the Federal Reserve, ongoing trade negotiations between the US and China and stimulus measures from Chinese authorities.

China suffered in 2018 as trade relations with the US began to unravel following the announcement of tariffs on Chinese imports. This coincided with the Chinese government's efforts to de-leverage the economy, which led to a mild growth slowdown and increased investor concern. Towards the end of the period, market sentiment was lifted as US and Chinese officials engaged in talks, ahead of the next round negotiations scheduled to start at the end of April. Meanwhile the government began to move towards stabilising the economy through stimulus measures, both on the monetary side through cuts in the reserve-requirement ratio; and the fiscal side, through tax cuts and selective infrastructure spending. Stimulus measures began to have the desired effect on the economy as the Purchasing Managers' Index (PMI) exceeded market estimates in March.

Indian equities were initially supported by cuts in the goods and services tax for selected items. Lower oil prices also helped. Markets sold off in September due to concerns surrounding the defaults of non-bank financials, before sentiment was boosted by easing geopolitical tensions with Pakistan and polls indicating that the country's government would likely retain power in the upcoming election. Korean markets were down over the year, with a sell-off in October aggravated by earnings misses, weak macro prints and currency weakness.

In Latin America, Brazilian markets rallied following the victory of candidate Jair Bolsonaro in the presidential elections. However, markets fell back in 2019 amid doubts surrounding the government's ability to push through a high-profile pension reform. In Mexico, equities had a volatile period due to political uncertainty, with President Obrador cancelling the construction of the new airport in Mexico City.

In EMEA, Russian equities were initially weighed down by concerns surrounding US sanctions and lower energy prices before the rebound in oil prices boosted markets. Turkey was impacted by geopolitical tensions which resulted in currency volatility over the period.

In terms of activity, the fund initiated a position in Indian conglomerate Reliance Industries, as its consumer business continued to display strong growth while the petrochemicals segment remained resilient. In China, we purchased TAL Education and CNOOC. TAL Education is expected to benefit from the superior

demand growth in the Chinese education sector driven by rising incomes. CNOOC has solid cashflows and an improving returns outlook, and is expected to grow its natural-gas earnings and increase reserves and production in the South China Sea. The fund also purchased Beigene, a Chinese biopharmaceutical firm which has launched new oncology drugs expected to strengthen commercial capability for cancer treatment; and Midea Group, which is benefiting from flows relating to the inclusion of A-shares into the MSCI EM index. We also purchased Ayala Land in the Philippines, as strong pre-sales growth and increased rental property development underpins its growth trajectory. In Latin America, the fund opened allocations to Mexichem, because of its strategic expansions plans and a ramp-up in ethylene production; and Notre Dame Intermedia, a Brazilian healthcare service provider which is well positioned to navigate the industry's expected secular growth in the country. The fund exited a number of positions over the period including Kasikombank, Komercni banka, UPL, Wuliangye and Vale.

EMs have had a strong start to 2019. The asset class has been supported by receding macro risks given the Fed's dovish stance, ongoing US-China trade negotiations and selective stimulus by Chinese policymakers. The Fed's renewed accommodative stance, its indication of a pause in rate hikes through 2019 and a focus on economic data points, should limit further US dollar strength. A key risk over the coming months relates to the progression of a US-China trade deal, with extended negotiations likely to cause uncertainty in markets. While we expect a deal around trade given the interests of both sides, we expect both positive and negative surprises, given the intermingling of issues such as deficit reduction, market access, IP protection and industrial policy. In China, the government's focus has shifted with the government beginning to implement stimulus measures to stabilise the economy. We believe real activity growth will remain under pressure, with particular headwinds related to exports. Reforms in EMs can be transformational in unlocking growth potential. Key reforms in countries such as Brazil, Indonesia, China and India are paving the way for greater macro stability and stronger structural growth. Despite the recent rally, the valuation case remains compelling, with metrics below their respective historical means. This offers investors an attractive opportunity into solid businesses supported by structural growth trends.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital (losses)/gains	2	(4,075)	26,744
Revenue	3	5,354	7,639
Expenses	4	(2,462)	(3,276)
Interest payable and similar charges	5	(10)	(6)
Net revenue before taxation		2,882	4,357
Taxation	6	(525)	(765)
Net revenue after taxation		2,357	3,592
Total return before distributions		(1,718)	30,336
Distributions	7	(2,357)	(3,602)
Change in net assets attributable to shareholders from investment activities		(4,075)	26,734

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		270,945	321,108
Current assets:			
Debtors	8	1,096	8,231
Cash and bank balances		3,642	7,020
Cash equivalents**		3,936	–
Total assets		279,619	336,359
Liabilities:			
Investment liabilities		(1)	(1)
Creditors:			
Bank overdrafts		–	(1,028)
Other creditors	9	(2,683)	(6,346)
Total liabilities		(2,684)	(7,375)
Net assets attributable to shareholders		276,935	328,984

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	328,984	319,330
Amounts receivable on the issue of shares	155,127	87,434
Amounts payable on the cancellation of shares	(175,642)	(108,287)
Amounts payable on inspecie transfers	(29,979)	–
	(50,494)	(20,853)
Dilution adjustment	160	209
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(4,075)	26,734
Retained distribution on accumulation shares	2,360	3,564
Closing net assets attributable to shareholders	276,935	328,984

*In pound Sterling and against UK peer group (See Performance summary on pages 202 and 203).

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 0.331).

Class 1 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1			
01/05/18 to 30/04/19	0.1638	–	0.1638
Group 2			
01/05/18 to 30/04/19	–	0.1638	0.1638
Total distributions in the period			0.1638

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

Threadneedle Global Emerging Markets Equity Fund

DISTRIBUTION TABLE

(continued)

Class 1 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 01/05/18 to 30/04/19	0.1661	–	0.1661
Group 2 01/05/18 to 30/04/19	–	0.1661	0.1661
Total distributions in the period			0.1661

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.6462	–	0.6462	1.0549
Group 2 01/05/18 to 30/04/19	0.1120	0.5342	0.6462	1.0549
Total distributions in the period			0.6462	1.0549

Class 2 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 01/05/18 to 30/04/19	0.5614	–	0.5614
Group 2 01/05/18 to 30/04/19	–	0.5614	0.5614
Total distributions in the period			0.5614

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1 01/05/18 to 30/04/19	0.5760	–	0.5760
Group 2 01/05/18 to 30/04/19	–	0.5760	0.5760
Total distributions in the period			0.5760

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1 01/05/18 to 30/04/19	1.8203	–	1.8203	2.3893
Group 2 01/05/18 to 30/04/19	1.8203	–	1.8203	2.3893
Total distributions in the period			1.8203	2.3893

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	1.5515	–	1.5515	2.0045
Group 2 01/05/18 to 30/04/19	0.4262	1.1253	1.5515	2.0045
Total distributions in the period			1.5515	2.0045

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.9928	–	0.9928	1.5013
Group 2 01/05/18 to 30/04/19	0.3726	0.6202	0.9928	1.5013
Total distributions in the period			0.9928	1.5013

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

	Class 1 – Accumulation shares			Class 1 EUR – Accumulation shares	
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	113.76	105.03	84.26	115.00	
Return before operating charges (p)	1.46	10.63	22.40	(15.59)	
Operating charges (p)	(1.79)	(1.90)	(1.63)	(0.88)	
Return after operating charges (p)*	(0.33)	8.73	20.77	(16.47)	
Distributions (p)	–	(0.33)	(0.28)	(0.16)	
Retained distributions on accumulation shares (p)	–	0.33	0.28	0.16	
Closing net asset value per share (p)	113.43	113.76	105.03	98.53	
*after direct transaction costs of (p)	0.25	0.37	0.45	0.12	
Performance					
Return after charges (%)	(0.29)	8.31	24.65	(14.32)	
Other information					
Closing net asset value (£000)	56,074	81,432	83,187	–	
Closing number of shares	49,434,505	71,581,656	79,200,870	–	
Operating charges (%)**	1.67	1.67	1.66	–	
Direct transaction costs (%)***	0.23	0.32	0.46	–	
Prices					
Highest share price (p)	117.44	121.08	107.76	114.32	
Lowest share price (p)	94.05	105.14	80.61	94.05	
	Class 1 USD – Accumulation shares		Class 2 – Accumulation shares		
	23/11/2018 ¹		30/04/2019	30/04/2018	30/04/2017
Change in net assets per share					
Opening net asset value per share (p)	115.00		122.25	112.22	89.51
Return before operating charges (p)	(15.58)		1.61	11.37	23.85
Operating charges (p)	(0.89)		(1.27)	(1.34)	(1.14)
Return after operating charges (p)*	(16.47)		0.34	10.03	22.71
Distributions (p)	(0.17)		(0.65)	(1.05)	(0.90)
Retained distributions on accumulation shares (p)	0.17		0.65	1.05	0.90
Closing net asset value per share (p)	98.53		122.59	122.25	112.22
*after direct transaction costs of (p)	0.12		0.26	0.39	0.48
Performance					
Return after charges (%)	(14.32)		0.28	8.94	25.37
Other information					
Closing net asset value (£000)	–		84,341	101,039	132,690
Closing number of shares	–		68,800,040	82,652,196	118,241,653
Operating charges (%)**	–		1.10	1.10	1.09
Direct transaction costs (%)***	–		0.23	0.32	0.46
Prices					
Highest share price (p)	114.32		126.27	129.92	114.79
Lowest share price (p)	94.05		101.36	112.34	85.66

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class 2 EUR – Accumulation shares			Class 2 USD – Accumulation shares		
	23/11/2018 ¹			23/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	123.67			123.67		
Return before operating charges (p)	(16.82)			(16.79)		
Operating charges (p)	(0.63)			(0.65)		
Return after operating charges (p)*	(17.45)			(17.44)		
Distributions (p)	(0.56)			(0.58)		
Retained distributions on accumulation shares (p)	0.56			0.58		
Closing net asset value per share (p)	106.22			106.23		
*after direct transaction costs of (p)	0.12			0.12		
Performance						
Return after charges (%)	(14.11)			(14.10)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	122.94			122.94		
Lowest share price (p)	101.36			101.37		
	Class X – Income shares			Class X – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	124.94	115.68	92.93	108.67	98.77	78.02
Return before operating charges (p)	1.66	11.73	24.81	1.45	10.01	20.84
Operating charges (p)	(0.06)	(0.08)	(0.05)	(0.10)	(0.11)	(0.09)
Return after operating charges (p)*	1.60	11.65	24.76	1.35	9.90	20.75
Distributions (p)	(1.82)	(2.39)	(2.01)	(1.55)	(2.00)	(1.66)
Retained distributions on accumulation shares (p)	–	–	–	1.55	2.00	1.66
Closing net asset value per share (p)	124.72	124.94	115.68	110.02	108.67	98.77
*after direct transaction costs of (p)	0.27	0.41	0.50	0.24	0.35	0.43
Performance						
Return after charges (%)	1.28	10.07	26.64	1.24	10.02	26.60
Other information						
Closing net asset value (£000)	4	4	3	117,798	115,966	72,418
Closing number of shares	3,000	3,000	3,000	107,070,910	106,715,868	73,320,963
Operating charges (%)**	0.05	0.06	0.05	0.10	0.10	0.10
Direct transaction costs (%)***	0.23	0.32	0.46	0.23	0.32	0.46
Prices						
Highest share price (p)	129.18	135.13	120.07	112.35	115.33	100.78
Lowest share price (p)	104.12	115.82	89.00	90.54	98.89	74.73

Threadneedle Global Emerging Markets Equity Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share			
Opening net asset value per share (p)	145.03	132.91	105.83
Return before operating charges (p)	1.92	13.45	28.20
Operating charges (p)	(1.26)	(1.33)	(1.12)
Return after operating charges (p)*	0.66	12.12	27.08
Distributions (p)	(0.99)	(1.50)	(1.27)
Retained distributions on accumulation shares (p)	0.99	1.50	1.27
Closing net asset value per share (p)	145.69	145.03	132.91
*after direct transaction costs of (p)	0.31	0.46	0.57
Performance			
Return after charges (%)	0.46	9.12	25.59
Other information			
Closing net asset value (£000)	18,718	30,543	31,032
Closing number of shares	12,847,884	21,059,232	23,348,073
Operating charges (%)**	0.92	0.92	0.91
Direct transaction costs (%)***	0.23	0.32	0.46
Prices			
Highest share price (p)	149.83	154.10	135.84
Lowest share price (p)	120.35	133.06	101.29

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

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

¹ Commenced 15 June 2018 and closed 23 November 2018.

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

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL (LOSSES)/GAINS

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

	2019 £000	2018 £000
Non-derivative securities	(4,183)	28,215
Forward currency contracts	175	162
Other losses	(47)	(1,625)
Transaction costs	(20)	(8)
Net capital (losses)/gains	(4,075)	26,744

3 REVENUE

	2019 £000	2018 £000
UK dividends	110	213
Overseas dividends	5,147	7,272
Interest on short term investments	22	106
Bank interest	71	48
Subsidised expense rebate	4	–
Total revenue	5,354	7,639

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,100)	(2,823)
Registration fees	(172)	(210)
	(2,272)	(3,033)
Payable to the depository or associates of the depository, and the agents of either of them:		
Depository fees	(35)	(42)
Safe custody fees	(71)	(88)
Revenue collection expenses	(49)	(43)
	(155)	(173)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(12)	(13)
Non audit service fees payable to auditors	(18)	(20)
Professional fees	–	(29)
	(35)	(70)
Total expenses*	(2,462)	(3,276)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(10)	(6)
Total interest payable and similar charges	(10)	(6)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(525)	(765)
Total current tax (note 6b)	(525)	(765)
Total tax charge for the period	(525)	(765)

b) Factors affecting taxation charge for period

	2019 £000	2018 £000
Net revenue before taxation	2,882	4,357
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(577)	(871)
Effects of:		
Revenue not subject to taxation	904	1,434
Overseas taxes	(525)	(765)
Overseas tax expensed	16	11
Excess expenses	(343)	(572)
Retail Distribution Review (RDR) conversion transfer from capital	–	(2)
Current tax charge for period (note 6a)	(525)	(765)

The fund has not recognised a deferred tax asset of £2,753,173 (2018: £2,409,726) 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:

	2019 £000	2018 £000
Interim	126	–
Final	2,234	3,564
	2,360	3,564
Add: Revenue deducted on the cancellation of shares	523	820
Deduct: Revenue received on the creation of shares	(526)	(782)
Net distribution for the period	2,357	3,602
Net revenue after taxation	2,357	3,592
Equalisation on conversion	(10)	10
Shortfall transfer from capital to revenue	10	–
Total distributions	2,357	3,602

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 108 to 109.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	79	1,463
Sales awaiting settlement	545	6,166
Accrued revenue	472	602
Total debtors	1,096	8,231

9 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(2,062)	(48)
Purchases awaiting settlement	(423)	(6,061)
Accrued expenses	(30)	(20)
Amounts payable to ACD	(168)	(217)
Total other creditors	(2,683)	(6,346)

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.

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

(continued)

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 Global Emerging Markets Equity 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 pages 110 to 112. The distribution per share class is given in the distribution table on pages 108 to 109.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Accumulation shares	
Opening shares	71,581,656
Shares issued	37,352,620
Shares redeemed	(48,810,436)
Net conversions	(10,689,335)
Closing shares	49,434,505
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	8,583,550
Shares redeemed	(12,217,064)
Net conversions	3,633,514
Closing shares	–
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	97,815
Shares redeemed	(7,121,993)
Net conversions	7,024,178
Closing shares	–
Class 2 – Accumulation shares	
Opening shares	82,652,196
Shares issued	32,201,569
Shares redeemed	(25,214,834)
Net conversions	(20,838,891)
Closing shares	68,800,040
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	1,016
Shares redeemed	(17,997,306)
Net conversions	17,996,290
Closing shares	–

Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	136,922
Shares redeemed	(12,054,799)
Net conversions	11,917,877
Closing shares	–
Class X – Income shares	
Opening shares	3,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	3,000
Class X – Accumulation shares	
Opening shares	106,715,868
Shares issued	19,221,855
Shares redeemed	(18,866,813)
Net conversions	–
Closing shares	107,070,910
Class Z – Accumulation shares	
Opening shares	21,059,232
Shares issued	1,631,705
Shares redeemed	(2,226,713)
Net conversions	(7,616,340)
Closing shares	12,847,884

*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 5.

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 (2018: 4.88%).

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 2019	
Brazilian Real	19,751
Canadian Dollar	2,885
China Renminbi	6,235
Euro	1
Hong Kong Dollar	52,454
Hungarian Forint	1,348
Indian Rupee	22,964
Indonesian Rupiah	20,385
Mexican Peso	5,124
Philippines Peso	5,137
Polish Zloty	2,251
Singapore Dollar	3
South Africa Rand	16,862
South Korean Won	21,060
Taiwan Dollar	2,009
Thai Baht	6,813
UAE Dirham	70
US Dollar	91,667
Currency 2018	
Australian Dollar	1
Brazilian Real	10,459
Canadian Dollar	3,541
Czech Koruna	3,444
Euro	1
Hong Kong Dollar	65,820
Indian Rupee	29,538

Threadneedle Global Emerging Markets Equity Fund

Notes to the financial statements

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Currency 2018	£000
Indonesian Rupiah	5,097
Mexican Peso	5,332
Norwegian Krone	1
Philippines Peso	2,251
Polish Zloty	3,624
Russian Ruble	1,143
Singapore Dollar	3
South Africa Rand	21,956
South Korean Won	47,489
Taiwan Dollar	11,944
Thai Baht	12,691
Turkish Lira	482
UAE Dirham	66
US Dollar	103,056

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 2019	Currency Movement	Fund Movement
	%	%
Hong Kong Dollar	5.25	0.99
US Dollar	5.21	1.72

Currency 2018	Currency Movement	Fund Movement
	%	%
Hong Kong Dollar	7.01	1.40
South Korean Won	0.46	0.07
US Dollar	6.05	1.90

Credit/Counterparty exposure

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

2019	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
Bank of Scotland	15

2018	Forward Foreign Exchange Contracts Exposure
Counterparty	£000
Citigroup	10
HSBC	5

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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Brazilian Real	1,444	–	18,730	20,174
Canadian Dollar	–	–	2,885	2,885
China Renminbi	–	–	6,235	6,235
Euro	1	–	–	1
Hong Kong Dollar	–	–	52,454	52,454
Hungarian Forint	–	–	1,348	1,348
Indian Rupee	86	–	22,878	22,964
Indonesian Rupiah	55	–	20,330	20,385
Mexican Peso	–	–	5,124	5,124

Philippines Peso	–	–	5,137	5,137
Polish Zloty	–	–	2,251	2,251
Singapore Dollar	3	–	–	3
South Africa Rand	–	–	16,862	16,862
South Korean Won	–	–	21,060	21,060
Taiwan Dollar	355	–	1,654	2,009
Thai Baht	66	–	6,747	6,813
UK Sterling	83	–	2,123	2,206
UAE Dirham	70	–	–	70
US Dollar	5,415	–	88,574	93,989

Currency 2018	£000	£000	£000	£000
Australian Dollar	1	–	–	1
Brazilian Real	1,488	–	8,971	10,459
Canadian Dollar	–	–	3,541	3,541
Czech Koruna	–	–	3,444	3,444
Euro	1	–	–	1
Hong Kong Dollar	502	–	68,759	69,261
Indian Rupee	2,705	–	29,453	32,158
Indonesian Rupiah	22	–	5,075	5,097
Mexican Peso	–	–	5,332	5,332
Norwegian Krone	1	–	–	1
Philippines Peso	6	–	2,245	2,251
Polish Zloty	–	–	3,624	3,624
Russian Ruble	–	–	1,143	1,143
Singapore Dollar	3	–	–	3
South Africa Rand	–	–	23,810	23,810
South Korean Won	175	–	47,314	47,489
Taiwan Dollar	1,681	–	10,263	11,944
Thai Baht	107	–	12,584	12,691
Turkish Lira	–	–	482	482
UK Sterling	262	–	2,035	2,297
UAE Dirham	66	–	–	66
US Dollar	–	–	104,084	104,084

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Brazilian Real	–	–	(423)	(423)
UK Sterling	–	–	(2,290)	(2,290)
US Dollar	–	–	(2,322)	(2,322)
Currency 2018	£000	£000	£000	£000
Hong Kong Dollar	–	–	(3,441)	(3,441)
Indian Rupee	–	–	(2,620)	(2,620)
South Africa Rand	–	–	(1,854)	(1,854)
UK Sterling	–	–	(1,252)	(1,252)
US Dollar	(1,028)	–	–	(1,028)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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 30 April 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £15,000 (2018: £15,000) and a liability value of £1,000 (2018: £1,000).

Threadneedle Global Emerging Markets Equity Fund

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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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	274,866	–	321,093	–
Level 2	15	(1)	15	(1)
	<u>274,881</u>	<u>(1)</u>	<u>321,108</u>	<u>(1)</u>

15 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

16 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	234,327	168	0.07	123	0.05	–
Collective investment schemes	24,915	–	–	–	–	–
Total	259,242	168		123		

Gross purchases total:

259,533

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	258,496	166	0.06	250	0.10	–
Collective investment schemes	21,028	–	–	–	–	–
Inspecie transactions	22,442	–	–	–	–	–
Corporate actions	1	–	–	–	–	–
Total	301,967	166		250		

Total sales net of transaction costs:

301,551

Transaction costs as a percentage of average Net Assets

Commissions:	0.11%
Taxes:	0.12%

30 April 2018

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	356,935	344	0.10	183	0.05	–
Collective investment schemes	10,449	–	–	–	–	–
Corporate actions	534	–	–	–	–	–
Total	367,918	344		183		

Gross purchases total:

368,445

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	371,925	391	0.11	199	0.05	–
Collective investment schemes	10,094	–	–	–	–	–
Corporate actions	21	–	–	–	–	–
Total	382,040	391		199		

Total sales net of transaction costs:

381,450

Transaction costs as a percentage of average Net Assets

Commissions:	0.21%
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 0.13% (2018: 0.14%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Emerging Market Local Fund

Investment Report

Investment Objective

The investment objective of the Emerging Market Local Fund is to achieve a total return primarily by way of income with some capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure primarily to emerging market local currencies and debt securities issued by governments in Emerging Markets and/or companies which are domiciled or have significant operations in an Emerging Market. Those debt securities may be denominated in any currency, but at least two-thirds of the Fund will be invested in securities denominated in the local emerging market currency. Emerging markets countries are those characterised as developing or emerging by the MSCI Emerging Markets Index or those not listed in the OECD country list. If the ACD considers it desirable the Fund may gain exposure of up to one third of the total assets of the Fund to non-emerging market currencies and non-emerging market government/corporate debt securities.

The ACD will utilise the following investments to obtain the Funds exposure: government bonds, treasury bills, corporate bonds, cash or near cash, securitised notes, foreign exchange forward transactions, swaps (including but not limited to cross currency interest rate and credit default swaps) and other types of derivative. At times the portfolio may be concentrated in any one or a combination of such assets.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Income shares in the Threadneedle Emerging Market Local Fund has risen from 88.40p to 80.93p.

For comparison, using noon prices, the performance of the Class 1 share class was -1.42%. The performance of the Class 1 gross accumulation share class was -1.48% and -0.72% for the Class 2 gross accumulation share class.

For information purposes, using global close prices, the total return of the JPM GBI-EM Global Diversified Composite was +0.44%.

Market Overview and Portfolio Activity

Emerging-market (EM) bonds retreated over the review period, as political risk, currency woes and fears about a US-China trade war weighed on

sentiment. Turkish and Argentinian currency crises dismayed investors in August, sparking fears of wider contagion and thereby impacting the wider EM space. Saudi Arabia's relations with the West worsened following the assassination of a Saudi journalist in Turkey, while tensions also rose between Russia and the West. Sentiment towards EMs improved in 2019, however, as dovish signals from the Federal Reserve and signs of apparent progress in trade negotiations between the US and China prompted a 'risk-on' rally.

In Turkey, relations with the US soured following the arrest of an American pastor; the US responded by imposing sanctions and hiking tariffs on Turkish metal imports in August, prompting the aforementioned slump in the lira. Relations were later further tested by President Trump's formal recognition of Israeli sovereignty over the Golan Heights and Turkey's planned purchase of a Russian air-defence system. With Turkey in recession, the government largely continued to eschew orthodox economic policies, and there were also concerns about unconventional borrowing by the central bank, particularly in the run-up to the country's municipal elections in early April.

Meanwhile, Argentina sought an aid package from the IMF in the spring following a sharp fall in the peso. This briefly buoyed sentiment, but a widening corruption probe in August caused the currency to slump again. The peso later stabilised as the government unveiled austerity measures, and as the IMF agreed to expand its bailout loan. Nevertheless, investors remained wary about poor growth, hyperinflation and the Argentine monetary policy framework, and towards the end of the period, the outcome of elections scheduled for October 2019.

Elsewhere in Latin America, the Brazilian market and the real were periodically buffeted by concerns that an anti-establishment candidate could be elected president in October 2018. In the event, the victory of far-right candidate Jair Bolsonaro triggered a rally in bond markets, due to his business-friendly views. Towards the end of the review period, optimism grew that the new president would manage to implement a long-delayed reform of the country's pension system, viewed as essential to mending the national finances. However, the arrest of former President Michel Temer on corruption charges impacted sentiment towards the end of March.

Mexico was initially hurt by concerns around the revision of NAFTA and the populist campaign of presidential candidate Andres Manuel Lopez

Obrador. The former waned towards the end of 2018, as following contentious negotiations, the US finally agreed on a revised trade agreement with Mexico and Canada. Following Lopez Obrador's election, bonds initially rallied as he assumed a more market-friendly stance. However, the president subsequently unsettled markets by scrapping plans to build a new airport in Mexico City, and investors also fretted that other policy decisions could be based on popular opinion. On a positive note, the new government unveiled a fiscally prudent budget for 2019.

Russian bonds were impacted by volatile oil prices and the country's deteriorating relations with the West, which led the US to impose more sanctions on the country.

Within sovereign debt, we initiated exposures to Hungary, Georgia, Senegal and the Czech Republic, and added to our exposures to the Philippines, Indonesia, Peru, Poland, Nigeria, Malaysia and Mexico, among others.

Reduced positions included Russia, Brazil, Egypt, Colombia, Uruguay and the Dominican Republic. We sold our holdings in sovereign debt from Ivory Coast.

On the corporate side, we opened new holdings in Ukraine's national railway company in June and aluminium company PT Indonesia Asahan Aluminium (Persero) in November. We exited several corporate exposures over the period, including Kazmunagaz, Gazprom, Tullow Oil, Cemex and Lukoil.

Elevated global uncertainty, particularly around the prospects for US-China trade, warrants caution towards local currency bonds; periods of heightened risk aversion (driven in part by particular ongoing crises in Argentina and Turkey) will inevitably lead to volatility and we remain defensively positioned for the present. Nevertheless, the recently benign path of inflation across many emerging economies, combined with active monetary policy, has left real rates at attractive levels and we envisage positive returns to the asset class over the course of the year.

We expect EM growth to accelerate compared to that in developed economies, especially if a material slump in Chinese demand can be averted through the judicious application of policy stimulus; again, a satisfactory resolution to the trade dispute with the US may be crucial here. In that context, and with the US Federal Reserve plotting a more accommodative policy path, we expect the dollar to weaken somewhat before the end of the year, creating reasonable conditions for EM local debt performance.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital losses	2	(6,180)	(4,114)
Revenue	3	5,699	6,884
Expenses	4	(595)	(683)
Interest payable and similar charges	5	(61)	(157)
Net revenue before taxation		5,043	6,044
Taxation	6	–	–
Net revenue after taxation		5,043	6,044
Total return before distributions		(1,137)	1,930
Distributions	7	(5,524)	(6,616)
Change in net assets attributable to shareholders from investment activities		(6,661)	(4,686)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		66,307	83,275
Current assets:			
Debtors	8	3,703	3,988
Cash and bank balances	9	6,310	3,176
Cash equivalents**		3,845	–
Total assets		80,165	90,439
Liabilities:			
Investment liabilities		(492)	(1,417)
Creditors:			
Bank overdrafts	9	–	(110)
Distribution payable		(169)	(150)
Other creditors	10	(1,451)	(772)
Total liabilities		(2,112)	(2,449)
Net assets attributable to shareholders		78,053	87,990

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	87,990	73,463
Amounts receivable on the issue of shares	8,250	22,123
Amounts payable on the cancellation of shares	(16,515)	(9,386)
	(8,265)	12,737
Dilution adjustment	(3)	15
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(6,661)	(4,686)
Retained distribution on accumulation shares	4,992	6,461
Closing net assets attributable to shareholders	78,053	87,990

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Interest distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	2,5775	–	2,5775	3,5208
01/11/18 to 30/04/19	3,0067	–	3,0067	3,5199
Group 2				
01/05/18 to 31/10/18	0,7741	1,8034	2,5775	3,5208
01/11/18 to 30/04/19	1,0511	1,9556	3,0067	3,5199
Total distributions in the period			5,5842	7,0407

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	4,5561	–	4,5561	5,7550
01/11/18 to 30/04/19	5,5033	–	5,5033	5,9853
Group 2				
01/05/18 to 31/10/18	1,7881	2,7680	4,5561	5,7550
01/11/18 to 30/04/19	4,6310	0,8723	5,5033	5,9853
Total distributions in the period			10,0594	11,7403

*In pound Sterling and against UK peer group (See Performance summary on pages 202 to 203).

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

Threadneedle Emerging Market Local Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	5.3959	–	5.3959	6.7372
01/11/18 to 30/04/19	6.5172	–	6.5172	7.0292
Group 2				
01/05/18 to 31/10/18	5.3959	–	5.3959	6.7372
01/11/18 to 30/04/19	2.7012	3.8160	6.5172	7.0292
Total distributions in the period			11.9131	13.7664

Class X – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	2.8210	–	2.8210	3.7897
01/11/18 to 30/04/19	3.3082	–	3.3082	3.8128
Group 2				
01/05/18 to 31/10/18	2.8210	–	2.8210	3.7897
01/11/18 to 30/04/19	2.2552	1.0530	3.3082	3.8128
Total distributions in the period			6.1292	7.6025

Class X – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	6.6604	–	6.6604	8.2552
01/11/18 to 30/04/19	8.0742	–	8.0742	8.6433
Group 2				
01/05/18 to 31/10/18	5.1510	1.5094	6.6604	8.2552
01/11/18 to 30/04/19	1.8618	6.2124	8.0742	8.6433
Total distributions in the period			14.7346	16.8985

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/10/18	2.3215	–	2.3215	3.1438
01/11/18 to 30/04/19	2.7196	–	2.7196	3.1582
Group 2				
01/05/18 to 31/10/18	0.8363	1.4852	2.3215	3.1438
01/11/18 to 30/04/19	0.4913	2.2283	2.7196	3.1582
Total distributions in the period			5.0411	6.3020

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/10/18	3.3565	–	3.3565	4.1954
01/11/18 to 30/04/19	4.0629	–	4.0629	4.3815
Group 2				
01/05/18 to 31/10/18	1.2758	2.0807	3.3565	4.1954
01/11/18 to 30/04/19	1.5662	2.4967	4.0629	4.3815
Total distributions in the period			7.4194	8.5769

Group 2: shares purchased during a distribution period.

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Gross accumulation shares ⁵		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	84.76	90.03	80.90	150.12	147.17	124.04
Return before operating charges (p)	(0.04)	3.29	16.08	0.19	5.49	25.57
Operating charges (p)	(1.33)	(1.52)	(1.57)	(2.38)	(2.54)	(2.44)
Return after operating charges (p)*	(1.37)	1.77	14.51	(2.19)	2.95	23.13
Distributions (p)	(5.58)	(7.04)	(5.38)	(10.06)	(11.74)	(9.46)
Retained distributions on accumulation shares (p)	–	–	–	10.06	11.74	9.46
Closing net asset value per share (p)	77.81	84.76	90.03	147.93	150.12	147.17
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(1.62)	1.97	17.94	(1.46)	2.00	18.65
Other information						
Closing net asset value (£000)	1,051	1,018	1,042	10,776	18,594	19,912
Closing number of shares	1,350,534	1,200,965	1,157,863	7,284,076	12,385,958	13,530,180
Operating charges (%)**	1.65	1.68	1.72	1.65	1.68	1.71
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	84.32	95.86	99.71	152.47	156.70	153.84
Lowest share price (p)	76.69	86.39	76.55	136.29	145.88	117.44
	Class 2 – Gross accumulation shares ⁵			Class X – Gross income shares ⁵		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	175.06	170.23	142.30	91.34	95.57	84.57
Return before operating charges (p)	0.26	6.35	29.38	0.01	3.49	17.60
Operating charges (p)	(1.49)	(1.52)	(1.45)	(0.11)	(0.12)	(0.13)
Return after operating charges (p)*	(1.23)	4.83	27.93	(0.10)	3.37	17.47
Distributions (p)	(11.91)	(13.77)	(11.01)	(6.13)	(7.60)	(6.47)
Retained distributions on accumulation shares (p)	11.91	13.77	11.01	–	–	–
Closing net asset value per share (p)	173.83	175.06	170.23	85.11	91.34	95.57
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.70)	2.84	19.63	(0.11)	3.53	20.66
Other information						
Closing net asset value (£000)	33,752	34,519	24,351	466	142	549
Closing number of shares	19,416,519	19,718,113	14,305,251	548,047	155,625	574,467
Operating charges (%)**	0.88	0.87	0.88	0.12	0.12	0.14
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	178.85	181.76	177.20	90.87	102.31	105.71
Lowest share price (p)	159.39	168.81	134.81	83.27	92.51	80.16

Threadneedle Emerging Market Local Fund

Comparative Table Disclosure

(continued)

	Class X – Gross accumulation shares [§]			Class Z – Income shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	215.71	208.18	172.73	76.19	80.21	71.43
Return before operating charges (p)	0.36	7.79	35.72	(0.01)	2.92	14.21
Operating charges (p)	(0.27)	(0.26)	(0.27)	(0.58)	(0.64)	(0.65)
Return after operating charges (p)*	0.09	7.53	35.45	(0.59)	2.28	13.56
Distributions (p)	(14.73)	(16.90)	(13.41)	(5.04)	(6.30)	(4.78)
Retained distributions on accumulation shares (p)	14.73	16.90	13.41	–	–	–
Closing net asset value per share (p)	215.80	215.71	208.18	70.56	76.19	80.21
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.04	3.62	20.52	(0.77)	2.84	18.98
Other information						
Closing net asset value (£000)	28,731	30,895	24,857	2,872	2,460	2,487
Closing number of shares	13,313,339	14,322,799	11,940,032	4,069,786	3,228,656	3,100,397
Operating charges (%)**	0.13	0.12	0.13	0.80	0.79	0.81
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	221.66	222.86	215.90	75.80	85.66	88.41
Lowest share price (p)	196.93	206.53	163.73	69.24	77.38	67.63

	Class Z – Gross accumulation shares [§]		
	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share			
Opening net asset value per share (p)	110.16	107.04	89.41
Return before operating charges (p)	0.16	3.99	18.46
Operating charges (p)	(0.86)	(0.87)	(0.83)
Return after operating charges (p)*	(0.70)	3.12	17.63
Distributions (p)	(7.42)	(8.58)	(6.85)
Retained distributions on accumulation shares (p)	7.42	8.58	6.85
Closing net asset value per share (p)	109.46	110.16	107.04
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(0.64)	2.91	19.72
Other information			
Closing net asset value (£000)	405	362	265
Closing number of shares	370,208	328,650	247,652
Operating charges (%)**	0.80	0.79	0.82
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	112.61	114.32	111.38
Lowest share price (p)	100.33	106.15	84.71

**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.

[§]Only available to eligible investors.

Threadneedle Emerging Market Local Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	(5,126)	(5,847)
Derivative contracts	276	(396)
Forward currency contracts	(1,278)	2,518
Other losses	(51)	(388)
Transaction costs	(1)	(1)
Net capital losses	(6,180)	(4,114)

3 REVENUE

	2019 £000	2018 £000
Interest on debt securities	5,601	6,817
Interest on short term investments	47	31
Bank interest	51	36
Total revenue	5,699	6,884

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(481)	(572)
Registration fees	(41)	(47)
	(522)	(619)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(9)	(10)
Safe custody fees	(28)	(28)
Revenue collection expenses	(15)	(2)
	(52)	(40)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(15)	(15)
Non-audit service fees payable to auditors	(1)	(1)
	(21)	(24)
Total expenses*	(595)	(683)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(3)	(12)
Derivative expense	(58)	(145)
Total interest payable and similar charges	(61)	(157)

6 TAXATION

	2019 £000	2018 £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	5,043	6,044
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(1,009)	(1,209)
Effects of:		
Distributions treated as tax deductible	1,009	1,209
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:

	2019 £000	2018 £000
Interim	2,357	3,224
Final	2,926	3,530
	5,283	6,754
Add: Revenue deducted on the cancellation of shares	371	244
Deduct: Revenue received on the creation of shares	(130)	(382)
Net distribution for the period	5,524	6,616
Net revenue after taxation	5,043	6,044
Annual management charge to capital	481	572
Total distributions	5,524	6,616

Details of the distribution per share are set out in the table on pages 117 to 118.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	406	293
Sales awaiting settlement	1,903	2,410
Accrued revenue	1,383	1,281
Foreign withholding tax recoverable	11	4
Total debtors	3,703	3,988

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	315	1,014
Cash and bank balances	5,995	2,162
	6,310	3,176
Bank overdrafts	–	(110)
Total cash and bank balances	6,310	3,066

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	–	(5)
Purchases awaiting settlement	(1,395)	(704)
Accrued expenses	(16)	(13)
Amounts payable to ACD	(40)	(50)
Total other creditors	(1,451)	(772)

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 Emerging Market Local Fund

Notes to the financial statements

(continued)

13 SHAREHOLDER FUNDS

Threadneedle Emerging Market Local 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	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 119 to 120. The distribution per share class is given in the distribution table on pages 117 to 118.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	1,200,965
Shares issued	606,033
Shares redeemed	(423,277)
Net conversions	(33,187)
Closing shares	<u>1,350,534</u>
Class 1 – Gross accumulation shares	
Opening shares	12,385,958
Shares issued	226,650
Shares redeemed	(5,328,532)
Net conversions	–
Closing shares	<u>7,284,076</u>
Class 2 – Gross accumulation shares	
Opening shares	19,718,113
Shares issued	2,375
Shares redeemed	(301,400)
Net conversions	(2,569)
Closing shares	<u>19,416,519</u>
Class X – Gross income shares	
Opening shares	155,625
Shares issued	392,422
Shares redeemed	–
Net conversions	–
Closing shares	<u>548,047</u>
Class X – Gross accumulation shares	
Opening shares	14,322,799
Shares issued	2,474,429
Shares redeemed	(3,483,889)
Net conversions	–
Closing shares	<u>13,313,339</u>
Class Z – Income shares	
Opening shares	3,228,656
Shares issued	2,479,286
Shares redeemed	(1,674,815)
Net conversions	36,659
Closing shares	<u>4,069,786</u>

Class Z – Gross accumulation shares

Opening shares	328,650
Shares issued	128,521
Shares redeemed	(91,043)
Net conversions	4,080
Closing shares	<u>370,208</u>

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 1.5 x benchmark¹ 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 6.6% (2018: 8.4%). This means that there is estimated to be a 1% chance that the fund could lose more than 6.6% (2018: 8.4%) of its value in a month.

At 30 April, 2018 the VaR utilisation was 71% (2018: 80%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 66% (2018: 69%), the highest VaR utilisation was 80% (2018: 89%) and the average utilisation was 74% (2018: 79%).

¹The benchmark of fund is shown on page 202.

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 2019	Total £000
Argentina Peso	124
Brazilian Real	7,713
Chilean Peso	2,503
Colombian Peso	5,741
Czech Koruna	3,407
Dominican Republic Peso	2,374
Egyptian Pound	2,867
Euro	1,577
Hungarian Forint	3,493
Indonesian Rupiah	7,735
Malaysian Ringgit	4,535
Mexican Peso	8,019
Nigeria Naira	1,214
Peruvian New Sol	2,658
Philippines Peso	154
Polish Zloty	6,978
Romanian Leu	401
Russian Ruble	5,919
South Africa Rand	6,744
Thai Baht	6,622
Turkish Lira	2,892
Uruguay Peso	212
US Dollar	(5,979)
Currency 2018	£000
Argentina Peso	648
Brazilian Real	8,839
Chilean Peso	2,118
Colombian Peso	6,408
Czech Koruna	8,764
Dominican Republic Peso	4,279
Egyptian Pound	4,199
Euro	79
Hungarian Forint	4,107

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

Currency 2018	£000
Indonesian Rupiah	8,145
Malaysian Ringgit	4,987
Mexican Peso	8,848
Nigeria Naira	1,873
Peruvian New Sol	2,345
Philippines Peso	200
Polish Zloty	7,950
Romanian Leu	(2,703)
Russian Ruble	6,400
South Africa Rand	7,671
Thai Baht	6,963
Turkish Lira	5,837
Uruguay Peso	1,433
US Dollar	(11,422)

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 2019	Currency movement	Fund movement
	%	%
Mexican Peso	3.65	0.38

Currency 2018	Currency movement	Fund movement
	%	%
Brazilian Real	15.18	1.53
Mexican Peso	4.15	0.42
US Dollar	6.05	0.79

Credit/Counterparty exposure

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

2019 Counterparty	Credit Default Swaps Exposure £000	Interest Rate Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure		Collateral Pledged £000
			£000	£000	
Citigroup	–	–	–	–	38
Goldman Sachs	–	–	13	–	85
HSBC	–	–	–	–	192
J.P. Morgan	–	107	8	–	–
UBS	–	49	–	–	–

2018 Counterparty	Credit Default Swaps Exposure £000	Interest Rate Swaps Exposure £000	Forward Foreign Exchange Contracts Exposure		Collateral Pledged £000
			£000	£000	
Citigroup	–	–	–	–	220
Credit Suisse	–	–	7	–	–
HSBC	–	–	–	–	510
J.P. Morgan	5	–	112	–	189
RBS	–	–	–	–	95
UBS	–	132	26	–	–

The fund held £231,000 (2018: £36,000) 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

	2019		2018	
	Value £000	% of Investment	Value £000	% of Investment
A	2,062	2.96	–	–
A-	8,161	11.72	7,346	8.97
A3	3,345	4.80	2,463	3.01
BBB+	205	0.30	–	–
BBB	3,878	5.57	7,083	8.65
Baa2	7,601	10.91	7,807	9.54
BBB-	6,565	9.42	4,456	5.44
BB+	8,048	11.55	12,465	15.23
BB	2,771	3.98	3,004	3.67
BB-	6,527	9.37	14,974	18.29
B+	747	1.07	887	1.08
B	1,864	2.68	956	1.17
Ba3	–	–	863	1.06
B2	124	0.18	648	0.79
B-	616	0.88	606	0.74
CCC+	323	0.46	–	–
Not Rated*	13,185	18.93	19,200	23.46
Collective investment schemes	3,845	5.52	–	–
Derivatives**	(207)	(0.30)	(900)	(1.10)
	69,660	100.00	81,858	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 30 April was:

Currency 2019	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Argentina Peso	–	124	–	124
Brazilian Real	–	5,633	2,080	7,713
Chilean Peso	–	–	2,503	2,503
Colombian Peso	–	4,498	1,243	5,741
Czech Koruna	–	708	2,712	3,420
Dominican Republic Peso	–	2,246	128	2,374
Egyptian Pound	1,134	1,734	–	2,868
Euro	–	–	1,577	1,577
Hungarian Forint	–	1,933	1,560	3,493
Indonesian Rupiah	1	9,117	3,300	12,418
Malaysian Ringgit	–	2,989	1,546	4,535
Mexican Peso	–	4,137	4,028	8,165
Nigeria Naira	–	1,214	–	1,214
Peruvian New Sol	–	4,380	58	4,438
Philippines Peso	–	3,151	49	3,200
Polish Zloty	–	2,062	4,916	6,978
Romanian Leu	–	–	1,980	1,980
Russian Ruble	–	1,347	4,572	5,919
South Africa Rand	–	8,048	213	8,261
Thai Baht	–	–	6,622	6,622
Turkish Lira	–	1,813	1,079	2,892
UK Sterling	89	–	405	494
Uruguay Peso	–	211	1	212
US Dollar	8,931	10,677	11,539	31,147

Threadneedle Emerging Market Local Fund

Notes to the financial statements

(continued)

Currency 2018	£000	£000	£000	£000
Argentina Peso	–	648	–	648
Brazilian Real	4	11,849	–	11,853
Chilean Peso	–	–	2,118	2,118
Colombian Peso	–	5,652	844	6,496
Czech Koruna	–	–	8,764	8,764
Dominican Republic Peso	–	4,109	170	4,279
Egyptian Pound	–	4,199	–	4,199
Euro	228	863	828	1,919
Hungarian Forint	–	–	4,107	4,107
Indonesian Rupiah	–	7,638	507	8,145
Malaysian Ringgit	–	2,112	2,875	4,987
Mexican Peso	–	4,189	4,744	8,933
Nigeria Naira	–	1,873	–	1,873
Peruvian New Sol	–	2,829	40	2,869
Philippines Peso	–	198	2	200
Polish Zloty	–	680	7,383	8,063
Romanian Leu	–	–	2,406	2,406
Russian Ruble	–	8,280	1,179	9,459
South Africa Rand	–	11,241	288	11,529
Thai Baht	–	–	6,963	6,963
Turkish Lira	–	3,833	2,004	5,837
UK Sterling	220	–	543	763
Uruguay Peso	–	1,424	9	1,433
US Dollar	2,724	11,141	19,577	33,442

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Czech Koruna	–	–	(13)	(13)
Indonesian Rupiah	–	–	(4,683)	(4,683)
Mexican Peso	–	–	(146)	(146)
Peruvian New Sol	–	–	(1,780)	(1,780)
Philippines Peso	–	–	(3,046)	(3,046)
Romanian Leu	–	–	(1,579)	(1,579)
South Africa Rand	–	–	(1,518)	(1,518)
UK Sterling	–	–	(344)	(344)
US Dollar	–	–	(37,126)	(37,126)

Currency 2018	£000	£000	£000	£000
Brazilian Real	–	–	(3,014)	(3,014)
Colombian Peso	–	–	(88)	(88)
Euro	–	–	(1,840)	(1,840)
Mexican Peso	–	–	(85)	(85)
Peruvian New Sol	–	–	(524)	(524)
Polish Zloty	–	–	(113)	(113)
Romanian Leu	–	–	(5,109)	(5,109)
Russian Ruble	–	–	(3,059)	(3,059)
South Africa Rand	–	–	(3,858)	(3,858)
UK Sterling	(110)	–	(631)	(741)
US Dollar	–	–	(44,864)	(44,864)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

Derivative risks

Derivatives including forward foreign exchange contracts 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 forward foreign exchange contracts 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 30 April 2019, the fund had outstanding forward foreign exchange contracts and interest rate swaps with an asset value of £285,000 (2018: £517,000) and a liability value of £492,000 (2018: £1,417,000).

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	3,845	–	–	–
Level 2	66,307	(492)	83,275	(1,417)
	70,152	(492)	83,275	(1,417)

Included within Level 1, are debt securities of £3,845,000 (2018: £Nil). 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 (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £77,741,728 (2018: £108,072,520) and £89,705,079 (2018: £81,985,605) respectively. Collective investment schemes purchases and sales amounted to £3,796,686 (2018: £Nil) and £Nil (2018: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2018: £Nil) and £135,578 (2018: £Nil) respectively.

The purchases and sales are not subject to portfolio transaction costs.

At the balance sheet date, the portfolio dealing spread was 0.28% (2018: 0.31%), being the difference between the respective buying and selling prices for the fund's investments.

18 POST BALANCE SHEET EVENT

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

Share class	Net asset value per share (p)		
	30 April 2019	08 August 2019	% Movement
Class 1 – Income shares	77.92	87.75	12.62
Class 1 – Gross accumulation shares	148.12	166.82	12.62
Class 2 – Gross accumulation shares	174.05	196.43	12.86
Class X – Gross income shares	85.22	96.38	13.09
Class X – Gross accumulation shares	216.08	244.36	13.09
Class Z – Income shares	70.65	79.75	12.88
Class Z – Gross accumulation shares	109.60	123.72	12.88

Threadneedle Global Extended Alpha Fund

Investment Report

Investment Objective

The investment objective of the Global Extended Alpha Fund is to achieve long term capital growth.

Investment Policy

The ACD's investment policy is to actively manage an exposure by investing directly or indirectly into equity securities worldwide, including companies located in developed and emerging markets. Exposure to these markets may be gained through both long and short positions.

The ACD may invest in equities, derivatives, forward transactions and collective investment schemes. The ACD may also invest in other securities (including fixed interest securities and money market securities), deposits and cash.

In order to gain short exposure the ACD will invest in derivatives. The ACD may also invest in derivatives to gain long exposure.

It is expected that the Investment Manager will obtain part of its long and short exposure by investing in a single total return swap entered into with a counterparty, where the return is linked to the performance of a portfolio of actively managed investments. These investments will consist mainly of equity-related securities, exchange-traded funds and equity index positions and will be selected by the Investment Manager at its sole and entire discretion.

Performance of Class 1 – Accumulation shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Accumulation shares in the Threadneedle Global Extended Alpha Fund has risen from 284.93p to 326.98p.

For comparison, using noon prices, the performance of the Class 1 share class was +14.76% and +15.18% for the Class 2 share class compared to a return of +8.64% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI AC World Index was +11.61%.

Market Overview and Portfolio Activity

Global equity markets experienced a positive, albeit volatile, 12 months. The MSCI ACWI rose 8.0% in local terms, despite indiscriminate sell-offs in the fourth quarter of 2018 as concerns around trade, global growth and political uncertainty hit markets. For much of the period however, resilient economic data, healthy corporate earnings and strong US labour market statistics buoyed equities. North American stocks led returns, aided by the continued strength of the US economy. Japanese stocks, which are highly geared to global risk sentiment, were weak as concerns around trade and growth drove investors' preferences for other geographies. Politics dominated markets in Europe; the lack of progress in the Brexit negotiations and disagreements between the newly-elected eurosceptic Italian government and the European Union caused some concern. Later, the European Central Bank announced stimulus measures to reignite economic growth. Brazilian and Turkish currency concerns were among the factors pressuring emerging markets, before perceived improvements in US-China trade relations aided their recovery.

Defensive stocks outperformed over the period against a backdrop of declining bond yields. However, the technology sector led returns. Strong corporate earnings drove its rise early on; later, the resurgent semiconductor segment propelled the sector higher. Meanwhile, utilities and consumer staples stocks benefitted from the Federal Reserve's dovish pivot in the period's second half. Against this backdrop, rate-sensitive financials lagged. Energy stocks also underperformed, notably in the fourth quarter of 2018 as Saudi Arabia committed to increasing oil output. Concerns around higher supplies and a growth-driven slowdown in demand applied further pressure.

New positions included internet service provider Tencent. Strong platform engagement paves the way for durable earnings growth, and we felt that concerns around gaming regulation could ease. This thesis was later validated by news that China had resumed gaming approvals. We also purchased sports equipment manufacturer adidas which is gaining share in a concentrated industry with attractive structural and cyclical dynamics. Accelerating launch rates can support top-line expansion, and we feel growth in North America and China should remain robust.

Elsewhere, we bought Becton Dickinson. We feel the medical technology company can produce solid revenue and earnings growth, retaining its

leading position across multiple product lines. Its scale drives pricing stability and lowers manufacturing costs relative to peers. Becton Dickinson should also continue benefiting from synergies following its acquisition of Bard. Visual computing technology developer NVIDIA was purchased following a pullback on concerns over demand for digital currency mining hardware. The stock's valuation was compelling given NVIDIA's semiconductor growth exposure and competitive edges within gaming, cryptocurrencies and artificial intelligence.

Sales included Bank of America. Our investment thesis centred on monetary tightening, fiscal stimulus, the company's capital return story and its operational efficiency gains. We felt these had largely materialised and were better reflected in the shares. We also sold Nike. The stock's valuation had become rich after a strong run, and we had concerns over departures of senior executives. Elsewhere, we exited digital payments firm PagSeguro, owing to concerns around competition following the move of rival Itaú Unibanco's card-processing unit to reduce interest rates for small- and medium-sized merchants. Additionally, beverage company AB InBev was sold after a strong run. We held concerns around cost inflation, competition in key areas of profitability and the investments required to drive its premium strategy. Acquisition synergies are also projected to fade.

We initiated shorts in a capital equipment company, a food retailer and a bank. We covered shorts in other retailers which had generated value through the underperformance of the underlying asset.

Global equity markets have recently been providing evidence of the value to be found in sustainably growing, secular winners following last year's resets in valuations. With scope for further re-rating and expectations that volatility remains elevated, we believe this backdrop is ideal for investors capable of identifying long-term winners, trading at below their intrinsic value. We feel that structural trends such as demographics, debt and technological disruption will continue to drive a world which is 'lower for longer', ensuring that companies sustaining above-average growth remain attractive. We therefore retain our focus on companies with durable competitive advantages, as we believe these promote high returns on capital, for longer than the market assumes, and sustainable earnings growth. By contrast, we continue to seek companies experiencing a secular decline or deteriorating competitive position for the short book.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	21,676	23,729
Revenue	3	2,959	4,033
Expenses	4	(3,382)	(3,114)
Interest payable and similar charges	5	(2,548)	(1,614)
Net expense before taxation		(2,971)	(695)
Taxation	6	(249)	(365)
Net expense after taxation		(3,220)	(1,060)
Total return before distributions		18,456	22,669
Distributions	7	(33)	(168)
Change in net assets attributable to shareholders from investment activities		18,423	22,501

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		127,626	241,020
Current assets:			
Debtors	8	11,009	10,275
Cash and bank balances	9	4,490	22,736
Cash equivalents**		3,864	–
Total assets		146,989	274,031
Liabilities:			
Investment liabilities		(36)	(2,035)
Creditors:			
Bank overdrafts	9	(6)	–
Other creditors	10	(1,921)	(633)
Total liabilities		(1,963)	(2,668)
Net assets attributable to shareholders		145,026	271,363

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	271,363	208,841
Amounts receivable on the issue of shares	343,420	157,433
Amounts payable on the cancellation of shares	(359,295)	(117,790)
Amounts payable on in specie transfers	(129,002)	–
	(144,877)	39,643
Dilution adjustment	84	148
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	18,423	22,501
Retained distribution on accumulation shares	33	230
Closing net assets attributable to shareholders	145,026	271,363

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class 1 – Income shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class 1 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class 1 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 1 USD – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

*In pound Sterling and against UK peer group (see Performance summary on pages 202 and 203).

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

Threadneedle Global Extended Alpha Fund

DISTRIBUTION TABLE

(continued)

Class A – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class A SGD Hedged – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 2 – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: 0.0811).

Class 2 EUR – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class 2 USD – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue.

Class P – Accumulation shares*

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1 01/05/18 to 30/04/19	0.1330	–	0.1330	1.1014
Group 2 01/05/18 to 30/04/19	0.1306	0.0024	0.1330	1.1014
Total distributions in the period			0.1330	1.1014

Class Z – Accumulation shares

There is no distribution for the accounting period 1 May 2018 to 30 April 2019, as expenses exceed revenue (2018: Nil).

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/17
Change in net assets per share						
Opening net asset value per share (p)	145.82	133.60	104.07	284.81	259.10	201.74
Return before operating charges (p)	23.64	14.60	31.57	46.91	30.33	61.29
Operating charges (p)	(2.49)	(2.38)	(2.04)	(4.86)	(4.62)	(3.93)
Return after operating charges (p)*	21.15	12.22	29.53	42.05	25.71	57.36
Distributions (p)	–	0.00	0.00	–	0.00	0.00
Retained distributions on accumulation shares (p)	–	–	–	–	0.00	0.00
Closing net asset value per share (p)	166.97	145.82	133.60	326.86	284.81	259.10
*after direct transaction costs of (p)	0.09	0.17	0.18	0.18	0.33	0.35
Performance						
Return after charges (%)	14.50	9.15	28.38	14.76	9.92	28.43
Other information						
Closing net asset value (£000)	13	21	8	10,419	125,195	101,649
Closing number of shares	7,485	14,086	6,311	3,187,685	43,957,510	39,231,252
Operating charges (%)**	1.63	1.64	1.63	1.63	1.64	1.65
Performance fee (%)	0.42	0.48	–	0.10	–	–
Direct transaction costs (%)***	0.06	0.12	0.14	0.06	0.12	0.14
Prices						
Highest share price (p)	167.34	155.21	136.74	327.71	303.47	265.19
Lowest share price (p)	132.36	133.02	102.79	258.47	257.98	199.65
	Class 1 EUR – Accumulation shares		Class 1 USD – Accumulation shares			
	25/01/2019 ¹		25/01/2019 ¹			
Change in net assets per share						
Opening net asset value per share (p)	306.01		306.01			
Return before operating charges (p)	(20.79)		(20.77)			
Operating charges (p)	(3.43)		(3.44)			
Return after operating charges (p)*	(24.22)		(24.21)			
Distributions (p)	–		–			
Retained distributions on accumulation shares (p)	–		–			
Closing net asset value per share (p)	281.79		281.80			
*after direct transaction costs of (p)	0.13		0.12			
Performance						
Return after charges (%)	(7.91)		(7.91)			
Other information						
Closing net asset value (£000)	–		–			
Closing number of shares	–		–			
Operating charges (%)**	–		–			
Performance fee (%)	–		–			
Direct transaction costs (%)***	–		–			
Prices						
Highest share price (p)	322.21		322.22			
Lowest share price (p)	258.47		258.48			

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class A – Accumulation shares		Class A SGD Hedged – Accumulation shares	
	30/04/2019 ²		30/04/2019 ²	
Change in net assets per share				
Opening net asset value per share (p)	100.00		100.00	
Return before operating charges (p)	10.86		8.04	
Operating charges (p)	(1.76)		(1.72)	
Return after operating charges (p)*	9.10		6.32	
Distributions (p)	–		–	
Retained distributions on accumulation shares (p)	–		–	
Closing net asset value per share (p)	109.10		106.32	
*after direct transaction costs of (p)	0.06		0.06	
Performance				
Return after charges (%)	9.10		6.32	
Other information				
Closing net asset value (£000)	507		290	
Closing number of shares	464,605		272,390	
Operating charges (%)**	1.95 [†]		1.97 [†]	
Performance fee (%)	–		–	
Direct transaction costs (%)***	0.06		0.06	
Prices				
Highest share price (p)	109.25		106.39	
Lowest share price (p)	86.21		83.61	
	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares
	30/04/2019	30/04/2018	30/04/2017	25/01/2019 ¹
Change in net assets per share				
Opening net asset value per share (p)	306.94	276.96	213.87	329.84
Return before operating charges (p)	49.29	32.46	65.21	(22.42)
Operating charges (p)	(2.65)	(2.48)	(2.12)	(1.86)
Return after operating charges (p)*	46.64	29.98	63.09	(24.28)
Distributions (p)	–	(0.08)	(0.57)	–
Retained distributions on accumulation shares (p)	–	0.08	0.57	–
Closing net asset value per share (p)	353.58	306.94	276.96	305.56
*after direct transaction costs of (p)	0.19	0.36	0.37	0.14
Performance				
Return after charges (%)	15.20	10.82	29.50	(7.36)
Other information				
Closing net asset value (£000)	75,569	103,242	86,416	–
Closing number of shares	21,372,674	33,635,483	31,201,424	–
Operating charges (%)**	0.82	0.82	0.83	–
Performance fee (%)	0.70	0.02	–	–
Direct transaction costs (%)***	0.06	0.12	0.14	–
Prices				
Highest share price (p)	354.35	326.00	283.16	347.35
Lowest share price (p)	280.07	275.88	211.75	280.08

Threadneedle Global Extended Alpha Fund

Comparative Table Disclosure

(continued)

	Class 2 USD – Accumulation shares			Class P – Accumulation shares		
	25/01/2019 ¹			30/04/2019	30/04/2018 ²	
Change in net assets per share						
Opening net asset value per share (p)	329.84			107.76	100.00	
Return before operating charges (p)	(22.44)			18.01	9.08	
Operating charges (p)	(1.85)			(1.50)	(1.32)	
Return after operating charges (p)*	(24.29)			16.51	7.76	
Distributions (p)	–			–	0.00	
Retained distributions on accumulation shares (p)	–			–	0.00	
Closing net asset value per share (p)	305.55			124.27	107.76	
*after direct transaction costs of (p)	0.14			0.07	0.12	
Performance						
Return after charges (%)	(7.36)			15.32	7.76	
Other information						
Closing net asset value (£000)	–			3,005	3,278	
Closing number of shares	–			2,418,553	3,042,311	
Operating charges (%)**	–			1.31	1.35 ¹	
Performance fee (%)	–			–	–	
Direct transaction costs (%)***	–			0.06	0.12	
Prices						
Highest share price (p)	347.34			124.45	114.72	
Lowest share price (p)	280.06			98.00	97.30	

	Class X – Accumulation shares			Class Z – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	144.38	131.16	100.70	142.24	128.41	99.24
Return before operating charges (p)	22.95	13.32	30.55	22.44	15.08	30.31
Operating charges (p)	(0.11)	(0.10)	(0.09)	(1.33)	(1.25)	(1.14)
Return after operating charges (p)*	22.84	13.22	30.46	21.11	13.83	29.17
Distributions (p)	(0.13)	(1.10)	(1.21)	–	0.00	(0.18)
Retained distributions on accumulation shares (p)	0.13	1.10	1.21	–	0.00	0.18
Closing net asset value per share (p)	167.22	144.38	131.16	163.35	142.24	128.41
*after direct transaction costs of (p)	0.09	0.17	0.19	0.09	0.17	0.18
Performance						
Return after charges (%)	15.82	10.08	30.25	14.84	10.77	29.39
Other information						
Closing net asset value (£000)	41,275	26,553	13,138	13,948	13,074	7,630
Closing number of shares	24,683,479	18,391,279	10,017,162	8,538,631	9,191,576	5,941,918
Operating charges (%)**	0.07	0.07	0.07	0.89	0.89	0.91
Performance fee (%)	0.97	1.42	–	0.88	–	–
Direct transaction costs (%)***	0.06	0.12	0.14	0.06	0.12	0.14
Prices						
Highest share price (p)	167.58	153.03	134.19	163.76	151.10	131.30
Lowest share price (p)	132.38	130.78	99.51	129.73	127.90	98.25

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

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

¹Commenced 15 June 2018 and closed 25 January 2019.

²Commenced 1 June 2018.

³Commenced 17 May 2017.

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

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019	2018
	£000	£000
Non-derivative securities	14,989	23,312
Derivative contracts	4,381	994
Forward currency contracts	(157)	154
Other gains/(losses)	2,465	(730)
Transaction costs	(2)	(1)
Net capital gains	21,676	23,729

3 REVENUE

	2019	2018
	£000	£000
UK dividends	565	428
Overseas dividends	1,878	3,185
Interest on short term investments	355	111
Derivative revenue	–	261
Bank interest	157	48
Subsidised expense rebate	4	–
Total revenue	2,959	4,033

4 EXPENSES

	2019	2018
	£000	£000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(2,207)	(2,545)
Performance fees*	(942)	(316)
Registration fees	(160)	(180)
	(3,309)	(3,041)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(29)	(30)
Safe custody fees	(21)	(20)
	(50)	(50)
Other expenses:		
Regulatory fees	(7)	(8)
Audit fees	(14)	(14)
Non audit service fees payable to auditors	(2)	(1)
	(23)	(23)
Total expenses**	(3,382)	(3,114)

*The ACD is entitled to receive a performance fee in the event of the NAV per Share of the fund outperforming the MSCI All Countries World Index (with revenue reinvested, calculated at market close). The performance fee rate of 20% is multiplied by the Excess Return. Performance fees are calculated on a calendar basis and may vary substantially from year to year depending on how a fund has performed against its benchmark. As the accounting period falls during the calculation period of the performance fee, the performance fees are accrued at that point in time, but may not represent the actual amount that will be paid. Therefore, previously accrued amounts may be required to be reversed. The performance fee by nature is a capital charge, and is therefore charged to capital when calculating the distribution. No performance fee was paid during the reporting period in respect of the calendar year ended 31 December 2018 (2017: £338,109).

** Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Dividends payable on short positions	(2,126)	(1,608)
Interest payable	(2)	(6)
Derivative expense	(420)	–
Total interest payable and similar charges	(2,548)	(1,614)

6 TAXATION

	2019	2018
	£000	£000
a) Analysis of charge in period		
Overseas taxes	(249)	(365)
Total current tax (note 6b)	(249)	(365)
Total tax charge for the period	(249)	(365)
b) Factors affecting taxation charge for period		
Net expense before taxation	(2,971)	(695)
Net expense before taxation multiplied by the standard rate of corporation tax of 20%	594	139
Effects of:		
Revenue not subject to taxation	508	712
Overseas taxes	(249)	(365)
Overseas tax expensed	1	2
Excess expenses	(1,103)	(853)
Current tax charge for period (note 6a)	(249)	(365)

The fund has not recognised a deferred tax asset of £1,400,262 (2018: £297,467) 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:

	2019	2018
	£000	£000
Final	33	230
	33	230
Add: Revenue deducted on the cancellation of shares	(405)	30
Deduct: Revenue received on the creation of shares	405	(92)
Net distribution for the period	33	168
Net expense after taxation	(3,220)	(1,060)
Performance fee charged to capital	942	316
Shortfall transfer from capital to revenue	2,311	912
Total distributions	33	168

Details of the distribution per share and any share class with a shortfall are set out in the table on pages 125 to 126.

8 DEBTORS

	2019	2018
	£000	£000
Amounts receivable for the issue of shares	6,662	9,719
Sales awaiting settlement	4,184	–
Accrued revenue	57	433
Foreign withholding tax recoverable	106	123
Total debtors	11,009	10,275

9 CASH AND BANK BALANCES

	2019	2018
	£000	£000
Amounts held at futures clearing houses and brokers	–	2,354
Cash and bank balances	4,490	20,382
	4,490	22,736
Bank overdrafts	(6)	–
Total cash and bank balances	4,484	22,736

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(157)	(85)
Purchases awaiting settlement	(693)	(54)
Accrued expenses	(59)	(267)
Amounts payable to ACD	(70)	(227)
Accrued performance fee	(942)	–
Total other creditors	<u>(1,921)</u>	<u>(633)</u>

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 Extended Alpha Fund currently has six share classes; Class 1, Class A, Class 2, Class P, Class X and Class Z shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.50%
Class A shares	1.80%
Class 2 shares	0.75%
Class P shares	1.25%
Class X shares	N/A*
Class Z shares	0.75%

Registration fees	
Class 1 shares	0.110%
Class A shares	0.110%
Class 2 shares	0.035%
Class P 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 127 to 129. The distribution per share class is given in the distribution table on pages 125 to 126.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	14,086
Shares issued	–
Shares redeemed	(6,601)
Net conversions	–
Closing shares	<u>7,485</u>
Class 1 – Accumulation shares	
Opening shares	43,957,510
Shares issued	19,293,849
Shares redeemed	(23,026,438)
Net conversions	(37,037,236)
Closing shares	<u>3,187,685</u>

	2019
Class 1 EUR – Accumulation shares*	
Opening shares	–
Shares issued	3,641,063
Shares redeemed	(38,741,968)
Net conversions	<u>35,100,905</u>
Closing shares	–

	2019
Class 1 USD – Accumulation shares*	
Opening shares	–
Shares issued	27,718,011
Shares redeemed	(29,654,342)
Net conversions	<u>1,936,331</u>
Closing shares	–

	2019
Class A – Accumulation shares*	
Opening shares	–
Shares issued	513,673
Shares redeemed	(49,068)
Net conversions	–
Closing shares	<u>464,605</u>

	2019
Class A SGD Hedged – Accumulation shares*	
Opening shares	–
Shares issued	283,073
Shares redeemed	(10,683)
Net conversions	–
Closing shares	<u>272,390</u>

	2019
Class 2 – Accumulation shares	
Opening shares	33,635,483
Shares issued	2,354,841
Shares redeemed	(1,194,568)
Net conversions	(13,423,082)
Closing shares	<u>21,372,674</u>

	2019
Class 2 EUR – Accumulation shares*	
Opening shares	–
Shares issued	717,753
Shares redeemed	(3,065,611)
Net conversions	<u>2,347,858</u>
Closing shares	–

	2019
Class 2 USD – Accumulation shares*	
Opening shares	–
Shares issued	1,785,077
Shares redeemed	(12,860,301)
Net conversions	<u>11,075,224</u>
Closing shares	–

	2019
Class P – Accumulation shares	
Opening shares	3,042,311
Shares issued	5,105,732
Shares redeemed	(5,729,490)
Net conversions	–
Closing shares	<u>2,418,553</u>

	2019
Class X – Accumulation shares	
Opening shares	18,391,279
Shares issued	8,625,269
Shares redeemed	(2,333,069)
Net conversions	–
Closing shares	<u>24,683,479</u>

	2019
Class Z – Accumulation shares	
Opening shares	9,191,576
Shares issued	750,522
Shares redeemed	(1,403,467)
Net conversions	–
Closing shares	<u>8,538,631</u>

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

Threadneedle Global Extended Alpha Fund

Notes to the financial statements

(continued)

14 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 1.6 x benchmark¹ VAR 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 9.6% (2018: 9.4%). This means that there is estimated to be a 1% chance that the fund could lose more than 9.6% (2018: 9.4%) of its value in a month.

At 30 April, 2019 the VaR utilisation was 74% (2018: 72%) (actual VaR/VaR limit). During the year ended 30 April, 2019 the lowest VaR utilisation was 69% (2018: 68%), the highest VaR utilisation was 82% (2018: 75%) and the average utilisation was 75% (2018: 71%).

¹The benchmark of fund is shown on page 202.

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 2019	
Australian Dollar	(125)
Danish Krone	1,886
Euro	11,467
Hong Kong Dollar	12,146
Indian Rupee	5,705
Indonesian Rupiah	2,623
Japanese Yen	6,232
Singapore Dollar	289
Swiss Franc	3
US Dollar	98,874
Currency 2018	£000
Australian Dollar	(80)
Danish Krone	2,236
Euro	15,666
Hong Kong Dollar	9,592
Indian Rupee	8,913
Indonesian Rupiah	3,878
Japanese Yen	11,878
Swedish Krona	(196)
Swiss Franc	21
US Dollar	196,767

Currency sensitivity analysis

The only material currency exposure of the fund is to the US Dollar. A movement of 5.21% (2018: 6.05%) in this currency (equivalent to the movement in the year) would result in a change in the fund value of 3.55% (2018: 4.39%).

Credit/Counterparty exposure

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

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
2019			
Counterparty			
Goldman Sachs	2	–	–
UBS	–	1,942	–

	Forward Foreign Exchange Contracts Exposure £000	Portfolio Swaps Exposure £000	Collateral Pledged £000
2018			
Counterparty			
Citigroup	5	–	–
UBS	–	–	2,353

The fund held £1,380,000 (2018: £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.

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 30 April was:

	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Currency 2019				
Danish Krone	–	–	1,894	1,894
Euro	48	–	11,551	11,599
Hong Kong Dollar	–	–	12,146	12,146
Indian Rupee	270	–	5,608	5,878
Indonesian Rupiah	–	–	2,623	2,623
Japanese Yen	–	–	6,585	6,585
Singapore Dollar	–	–	289	289
Swiss Franc	3	–	–	3
UK Sterling	–	–	11,405	11,405
US Dollar	8,033	–	91,538	99,571
Currency 2018	£000	£000	£000	£000
Australian Dollar	2	–	–	2
Danish Krone	1	–	2,247	2,248
Euro	13	–	16,268	16,281
Hong Kong Dollar	–	–	9,610	9,610
Indian Rupee	266	–	8,647	8,913
Indonesian Rupiah	–	–	3,878	3,878
Japanese Yen	–	–	11,884	11,884
Swedish Krona	1	–	–	1
Swiss Franc	3	–	18	21
UK Sterling	925	–	22,884	23,809
US Dollar	21,525	–	176,333	197,858

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Currency 2019				
Australian Dollar	–	–	(125)	(125)
Danish Krone	–	–	(8)	(8)
Euro	–	–	(132)	(132)
Indian Rupee	–	–	(173)	(173)
Japanese Yen	–	–	(353)	(353)
UK Sterling	(6)	–	(5,473)	(5,479)
US Dollar	–	–	(697)	(697)
Currency 2018	£000	£000	£000	£000
Australian Dollar	–	–	(82)	(82)
Danish Krone	–	–	(12)	(12)
Euro	–	–	(615)	(615)
Hong Kong Dollar	–	–	(18)	(18)
Japanese Yen	–	–	(6)	(6)
Swedish Krona	–	–	(197)	(197)
UK Sterling	–	–	(1,121)	(1,121)
US Dollar	–	–	(1,091)	(1,091)

Threadneedle Global Extended Alpha 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 (2018: same).

Derivative risks

Derivatives including forward foreign exchange contracts and portfolio 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. At 30 April 2019, the fund had outstanding forward foreign exchange contracts and portfolio swaps with an asset value of £1,944,000 (2018: £5,000) and a liability value of £36,000 (2018: £2,035,000).

As part of the fund strategy, the fund manager is permitted to short sell in accordance with the investment restrictions to obtain leverage. To achieve this, the fund has entered into a portfolio swap throughout this accounting period, whereby the total return of a basket of securities, including capital appreciation or depreciation, has been received in exchange for a series of periodic cash flows calculated by reference to financing costs, stock loan fees and interest in respect of short positions. The swap is subject to a monthly reset process, thereby crystallising returns and risk exposure each month. The use of short selling strategies increases the risk profile of the fund, and may result in a higher degree of volatility than a fund that does not employ short exposure. Any such positions entered into are regularly reviewed by the fund manager.

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	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	129,546	–	241,015	–
Level 2	1,944	(36)	5	(2,035)
	<u>131,490</u>	<u>(36)</u>	<u>241,020</u>	<u>(2,035)</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	111,111	48	0.04	56	0.05	–
Collective investment schemes	<u>35,077</u>	–	–	–	–	–
Total	<u>146,188</u>	<u>48</u>		<u>56</u>		
Gross purchases total:	<u>146,292</u>					

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	125,697	60	0.05	14	0.01	–
Collective investment schemes	<u>30,956</u>	–	–	–	–	–
In specie transactions	115,999	–	–	–	–	–
Corporate actions	<u>118</u>	–	–	–	–	–
Total	<u>272,770</u>	<u>60</u>		<u>14</u>		

Total sales net of transaction costs: 272,696

Transaction costs as a percentage of average Net Assets

Commissions: 0.04%
Taxes: 0.02%

30 April 2018

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	140,436	94	0.07	100	0.07	–
Total	<u>140,436</u>	<u>94</u>		<u>100</u>		

Gross purchases total: 140,630

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	121,050	80	0.07	20	0.02	–
Corporate actions	<u>209</u>	–	–	–	–	–
Total	<u>121,259</u>	<u>80</u>		<u>20</u>		

Total sales net of transaction costs: 121,159

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 0.04% (2018: 0.05%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Equity Income Fund

Investment Report

Investment Objective

The investment objective of the Global Equity Income Fund is to achieve a high and growing income over the long term combined with prospects for capital growth.

Investment Policy

The ACD's investment policy is to invest no less than two-thirds of the gross assets of the Fund in global equities. Income will be in the form of dividend distribution.

If the ACD considers it desirable it may further invest up to one third of the total assets of the Fund in derivatives, forward transactions and other securities (including fixed interest securities and money market securities) deposits and cash.

Performance of Class 1 – Income shares*

Over the twelve months to 30 April 2019, the published share price of Class 1 – Income shares in the Threadneedle Global Equity Income Fund has risen from 135.18p to 139.13p.

For comparison, using noon prices, the performance of the Class 1 share class was +6.73% and +7.25% for the Class 2 share class compared to a return of +7.96% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Equity Income Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI AC World Free Index was +11.61%.

Market Overview and Portfolio Activity

Global equity markets experienced a positive, albeit volatile, 12 months. The MSCI ACWI rose 8.0% in local terms, despite indiscriminate sell-offs in the fourth quarter of 2018 as concerns around trade, global growth and political uncertainty hit markets. For much of the period however, resilient economic data, healthy corporate earnings and strong US labour market statistics buoyed equities. North American stocks led returns, aided by the continued strength of the US economy. Japanese stocks, which are highly geared to global risk sentiment, were weak as

concerns around trade and growth drove investors' preferences for other geographies. Politics dominated markets in Europe; the lack of progress in the Brexit negotiations and disagreements between the newly-elected eurosceptic Italian government and the European Union caused some concern. Later, the European Central Bank announced stimulus measures to reignite economic growth. Brazilian and Turkish currency concerns were among the factors pressuring emerging markets, before perceived improvements in US-China trade relations aided their recovery.

Defensive stocks outperformed over the period against a backdrop of declining bond yields. However, the technology sector led returns. Strong corporate earnings drove its rise early on; later, the resurgent semiconductor segment propelled the sector higher. Meanwhile, utilities and consumer staples stocks benefitted from the Federal Reserve's dovish pivot in the period's second half. Against this backdrop, rate-sensitive financials lagged. Energy stocks also underperformed, notably in the fourth quarter of 2018 as Saudi Arabia committed to increasing oil output. Concerns around higher supplies and a growth-driven slowdown in demand applied further pressure.

New positions included insurer Prudential plc. The group is well-diversified by region, with a low-risk UK life/asset management business capable of strong free cash flow generation, and an Asian segment exposed to structural growth. We also purchased Nintendo. We felt the stock was trading attractively, given the prospects of growing international sales and the broader monetisation of its intellectual property. The approval for Tencent to distribute Nintendo's Switch console in China, plus a test version of its New Super Mario Bros. title, reaffirmed our belief in the firm's international sales opportunity.

Elsewhere, we purchased defence company Lockheed Martin, and electric and natural gas services provider Xcel Energy. Lockheed Martin boasts strong win-rates and a multi-year growth runway in an attractive space, given rising defence budgets. Meanwhile, Xcel has a track record of delivering operationally. It is predominantly present in favourable regulatory states, and has a credible plan to deliver attractive earnings and dividend growth. We also bought

Gilead Sciences. We believe that mergers and acquisitions activity can help the biopharmaceutical company to diversify its portfolio across therapy classes and supplement growth.

Sales included commercial banking company PacWest Bancorp and Indonesia's Bank Rakyat. The sale of PacWest Bancorp reflected its run of outperformance over peers, which was driven by strong loan growth trends, and moderating interest-rate expectations. Bank Rakyat performed well in late 2018 as loan growth among Indonesian banks reached four-year highs and the rupiah strengthened on trade related optimism. The company's quarterly results then met consensus estimates, which boosted the stock's valuation. Thai bank Siam Commercial was also sold. Despite solid loan growth, its transformation programme, which is designed to enhance its digital capabilities, had continued driving costs higher.

Away from financials, we profitably sold Chinese sportswear company Anta Sports. The stock had outperformed after management gave upbeat sales guidance, citing government policy, sporting events and e-commerce potential. The Chinese State Council's announcement of a reduction in value-added tax provided additional support. With several positive catalysts priced in, we took profits. We also sold integrated industrial property group Goodman after a strong run pushed its dividend yield below our hurdle level. Goodman's operating profit had exceeded expectations owing to higher levels of development revenue. Management also lifted earnings guidance to reflect healthy embedded margins and performance fees in the management business. Elsewhere, we took profits in medical device manufacturer Coloplast, which had outperformed on optimism around US market share growth.

Style-driven rotations have left the top two quintiles of companies by dividend yield cheaply valued relative to their own history and their lower-dividend-paying peers. We retain our focus on quality income, seeking companies which offer high, rising and sustainable dividends. We believe that companies demonstrating superior capital allocation are well placed to outperform over the long term, and that dividends remain an underappreciated signal of investment quality.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains/(losses)	2	128	(794)
Revenue	3	47,943	70,640
Expenses	4	(9,430)	(15,700)
Interest payable and similar charges	5	(12)	(12)
Net revenue before taxation		38,501	54,928
Taxation	6	(5,247)	(6,920)
Net revenue after taxation		33,254	48,008
Total return before distributions		33,382	47,214
Distributions	7	(41,375)	(61,570)
Change in net assets attributable to shareholders from investment activities		(7,993)	(14,356)

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		390,258	1,632,186
Current assets:			
Debtors	8	1,927	8,839
Cash and bank balances	9	3,833	34,397
Cash equivalents**		3,468	–
Total assets		399,486	1,675,422
Liabilities:			
Investment liabilities		–	(15)
Creditors:			
Distribution payable		(2,683)	(10,547)
Other creditors	10	(1,105)	(8,484)
Total liabilities		(3,788)	(19,046)
Net assets attributable to shareholders		395,698	1,656,376

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,656,376	1,792,180
Amounts receivable on the issue of shares	1,085,878	653,339
Amounts payable on the cancellation of shares	(1,252,624)	(797,665)
Amounts payable on in specie transfers	(1,100,457)	–
	(1,267,203)	(144,326)
Dilution adjustment	124	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(7,993)	(14,356)
Retained distribution on accumulation shares	14,394	22,878
Closing net assets attributable to shareholders	395,698	1,656,376

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share				
Class 1 – Income shares				
Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.5890	–	1.5890	1.3692
01/08/18 to 31/10/18	1.0032	–	1.0032	1.1112
01/11/18 to 31/01/19	0.9219	–	0.9219	0.8330
01/02/19 to 30/04/19	1.1518	–	1.1518	1.3913
Group 2				
01/05/18 to 31/07/18	0.4866	1.1024	1.5890	1.3692
01/08/18 to 31/10/18	0.2640	0.7392	1.0032	1.1112
01/11/18 to 31/01/19	0.3561	0.5658	0.9219	0.8330
01/02/19 to 30/04/19	0.2344	0.9174	1.1518	1.3913
Total distributions in the period			4.6659	4.7047

*In pound Sterling and against UK peer group (See Performance summary on pages 202 to 203).

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

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1			
01/05/18 to 31/07/18	1.5890	–	1.5890
01/08/18 to 31/10/18	1.0033	–	1.0033
01/11/18 to 31/01/19	0.3307	–	0.3307
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	0.2243	1.3647	1.5890
01/08/18 to 31/10/18	0.2677	0.7356	1.0033
01/11/18 to 31/01/19	0.1404	0.1903	0.3307
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			2.9230

Class 1 USD – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1			
01/05/18 to 31/07/18	1.5889	–	1.5889
01/08/18 to 31/10/18	1.0031	–	1.0031
01/11/18 to 31/01/19	0.3306	–	0.3306
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	0.0347	1.5542	1.5889
01/08/18 to 31/10/18	–	1.0031	1.0031
01/11/18 to 31/01/19	0.1466	0.1840	0.3306
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			2.9226

Class 1 – Monthly Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/05/18	0.8488	–	0.8488	0.4925
01/06/18 to 30/06/18	0.4378	–	0.4378	0.5994
01/07/18 to 31/07/18	0.0832	–	0.0832	0.0899
01/08/18 to 31/08/18	0.4719	–	0.4719	0.5083
01/09/18 to 30/09/18	0.2796	–	0.2796	0.3443
01/10/18 to 31/10/18	0.1140	–	0.1140	0.1073
01/11/18 to 30/11/18	0.3160	–	0.3160	0.2574
01/12/18 to 31/12/18	0.3680	–	0.3680	0.4324
01/01/19 to 31/01/19	0.1114	–	0.1114	0.0301
01/02/19 to 28/02/19	0.2868	–	0.2868	0.2946
01/03/19 to 31/03/19	0.4208	–	0.4208	0.4812
01/04/19 to 30/04/19	0.4173	–	0.4173	0.4229
Group 2				
01/05/18 to 31/05/18	0.2601	0.5887	0.8488	0.4925
01/06/18 to 30/06/18	0.4113	0.0265	0.4378	0.5994
01/07/18 to 31/07/18	0.0187	0.0645	0.0832	0.0899
01/08/18 to 31/08/18	0.2056	0.2663	0.4719	0.5083
01/09/18 to 30/09/18	0.1931	0.0865	0.2796	0.3443
01/10/18 to 31/10/18	0.0239	0.0901	0.1140	0.1073
01/11/18 to 30/11/18	0.0425	0.2735	0.3160	0.2574
01/12/18 to 31/12/18	0.0575	0.3105	0.3680	0.4324
01/01/19 to 31/01/19	0.0014	0.1100	0.1114	0.0301
01/02/19 to 28/02/19	–	0.2868	0.2868	0.2946
01/03/19 to 31/03/19	–	0.4208	0.4208	0.4812
01/04/19 to 30/04/19	–	0.4173	0.4173	0.4229
Total distributions in the period			4.1556	4.0603

Class 1 SGD Hedged – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.3354	–	1.3354	1.1241
01/08/18 to 31/10/18	0.8259	–	0.8259	0.9311
01/11/18 to 31/01/19	0.2704	–	0.2704	0.7035
01/02/19 to 30/04/19	–	–	–	1.1983
Group 2				
01/05/18 to 31/07/18	–	1.3354	1.3354	1.1241
01/08/18 to 31/10/18	–	0.8259	0.8259	0.9311
01/11/18 to 31/01/19	–	0.2704	0.2704	0.7035
01/02/19 to 30/04/19	–	–	–	1.1983
Total distributions in the period			2.4317	3.9570

Class 1 AUD Hedged – Monthly Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/05/18	0.8318	–	0.8318	0.4778
01/06/18 to 30/06/18	0.4258	–	0.4258	0.5917
01/07/18 to 31/07/18	0.0804	–	0.0804	0.0924
01/08/18 to 31/08/18	0.4525	–	0.4525	0.5262
01/09/18 to 30/09/18	0.2633	–	0.2633	0.3584
01/10/18 to 31/10/18	0.1059	–	0.1059	0.1090
01/11/18 to 30/11/18	0.2694	–	0.2694	0.2572
01/12/18 to 31/12/18	–	–	–	0.4367
01/01/19 to 31/01/19	–	–	–	0.0239
01/02/19 to 28/02/19	–	–	–	0.3051
01/03/19 to 31/03/19	–	–	–	0.4888
01/04/19 to 30/04/19	–	–	–	0.4248
Total distributions in the period			2.4291	4.0920

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 2				
01/05/18 to 31/05/18	–	0.8318	0.8318	0.4778
01/06/18 to 30/06/18	0.1553	0.2705	0.4258	0.5917
01/07/18 to 31/07/18	0.0247	0.0657	0.0804	0.0924
01/08/18 to 31/08/18	–	0.4525	0.4525	0.5262
01/09/18 to 30/09/18	0.0131	0.2502	0.2633	0.3584
01/10/18 to 31/10/18	–	0.1059	0.1059	0.1090
01/11/18 to 30/11/18	–	0.2694	0.2694	0.2572
01/12/18 to 31/12/18	–	–	–	0.4367
01/01/19 to 31/01/19	–	–	–	0.0239
01/02/19 to 28/02/19	–	–	–	0.3051
01/03/19 to 31/03/19	–	–	–	0.4888
01/04/19 to 30/04/19	–	–	–	0.4248
Total distributions in the period			2.4291	4.0920

Class 1 SGD Hedged – Monthly Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/05/18	0.8570	–	0.8570	0.4815
01/06/18 to 30/06/18	0.4402	–	0.4402	0.5923
01/07/18 to 31/07/18	0.0828	–	0.0828	0.0899
01/08/18 to 31/08/18	0.4671	–	0.4671	0.5092
01/09/18 to 30/09/18	0.2762	–	0.2762	0.3473
01/10/18 to 31/10/18	0.1117	–	0.1117	0.1076
01/11/18 to 30/11/18	0.2806	–	0.2806	0.2591
01/12/18 to 31/12/18	–	–	–	0.4418
01/01/19 to 31/01/19	–	–	–	0.0328
01/02/19 to 28/02/19	–	–	–	0.3061
01/03/19 to 31/03/19	–	–	–	0.4974
01/04/19 to 30/04/19	–	–	–	0.4368
Group 2				
01/05/18 to 31/05/18	0.1656	0.6914	0.8570	0.4815
01/06/18 to 30/06/18	0.2337	0.2065	0.4402	0.5923
01/07/18 to 31/07/18	0.0125	0.0703	0.0828	0.0899
01/08/18 to 31/08/18	0.3330	0.1341	0.4671	0.5092
01/09/18 to 30/09/18	0.1448	0.1314	0.2762	0.3473
01/10/18 to 31/10/18	0.0139	0.0978	0.1117	0.1076
01/11/18 to 30/11/18	0.0637	0.2169	0.2806	0.2591
01/12/18 to 31/12/18	–	–	–	0.4418
01/01/19 to 31/01/19	–	–	–	0.0328
01/02/19 to 28/02/19	–	–	–	0.3061
01/03/19 to 31/03/19	–	–	–	0.4974
01/04/19 to 30/04/19	–	–	–	0.4368
Total distributions in the period			2.5156	4.1018

Class 1 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.5515	–	2.5515	2.1254
01/08/18 to 31/10/18	1.6297	–	1.6297	1.7414
01/11/18 to 31/01/19	1.5109	–	1.5109	1.3167
01/02/19 to 30/04/19	1.8972	–	1.8972	2.2119
Group 2				
01/05/18 to 31/07/18	0.7289	1.8226	2.5515	2.1254
01/08/18 to 31/10/18	0.6880	0.9417	1.6297	1.7414
01/11/18 to 31/01/19	1.0738	0.4371	1.5109	1.3167
01/02/19 to 30/04/19	0.8060	1.0912	1.8972	2.2119
Total distributions in the period			7.5893	7.3954

Class 1 EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.5515	–	2.5515	2.1254
01/08/18 to 31/10/18	1.6298	–	1.6298	1.7414
01/11/18 to 31/01/19	0.5413	–	0.5413	0.4367
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	0.2610	2.2905	2.5515	2.1254
01/08/18 to 31/10/18	0.6899	0.9399	1.6298	1.7414
01/11/18 to 31/01/19	0.2565	0.2848	0.5413	0.4367
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			4.7226	4.3099

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class 1 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.5512	–	2.5512	–
01/08/18 to 31/10/18	1.6294	–	1.6294	–
01/11/18 to 31/01/19	0.5412	–	0.5412	–
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	–	2.5512	2.5512	–
01/08/18 to 31/10/18	0.2777	1.3517	1.6294	–
01/11/18 to 31/01/19	0.3379	0.2033	0.5412	–
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			4.7218	

Class 1 CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.3318	–	1.3318	1.1615
01/08/18 to 31/10/18	0.8509	–	0.8509	0.9545
01/11/18 to 31/01/19	0.7716	–	0.7716	0.7012
01/02/19 to 30/04/19	0.9588	–	0.9588	1.2131
Group 2				
01/05/18 to 31/07/18	1.3318	–	1.3318	1.1615
01/08/18 to 31/10/18	0.8509	–	0.8509	0.9545
01/11/18 to 31/01/19	0.7716	–	0.7716	0.7012
01/02/19 to 30/04/19	0.9588	–	0.9588	1.2131
Total distributions in the period			3.9131	4.0303

Class 1 SGD Hedged – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.5833	–	1.5833	1.2880
01/08/18 to 31/10/18	0.9903	–	0.9903	1.0777
01/11/18 to 31/01/19	0.3267	–	0.3267	0.8205
01/02/19 to 30/04/19	–	–	–	1.4049
Group 2				
01/05/18 to 31/07/18	0.2683	1.3150	1.5833	1.2880
01/08/18 to 31/10/18	–	0.9903	0.9903	1.0777
01/11/18 to 31/01/19	0.0520	0.2747	0.3267	0.8205
01/02/19 to 30/04/19	–	–	–	1.4049
Total distributions in the period			2.9003	4.5911

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.6984	–	1.6984	1.4603
01/08/18 to 31/10/18	1.0839	–	1.0839	1.1922
01/11/18 to 31/01/19	0.9933	–	0.9933	0.9041
01/02/19 to 30/04/19	1.2405	–	1.2405	1.4878
Group 2				
01/05/18 to 31/07/18	0.5676	1.1308	1.6984	1.4603
01/08/18 to 31/10/18	0.4070	0.6769	1.0839	1.1922
01/11/18 to 31/01/19	0.4525	0.5408	0.9933	0.9041
01/02/19 to 30/04/19	0.4830	0.7575	1.2405	1.4878
Total distributions in the period			5.0161	5.0444

Class 2 EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.6982	–	1.6982	1.4602
01/08/18 to 31/10/18	1.0819	–	1.0819	1.1921
01/11/18 to 31/01/19	0.3540	–	0.3540	0.9040
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	–	1.6982	1.6982	1.4602
01/08/18 to 31/10/18	0.5000	0.5819	1.0819	1.1921
01/11/18 to 31/01/19	0.1540	0.2000	0.3540	0.9040
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			3.1341	

Class 2 USD – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.6993	–	1.6993	1.4603
01/08/18 to 31/10/18	1.0844	–	1.0844	1.1922
01/11/18 to 31/01/19	0.3540	–	0.3540	0.9041
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	–	1.6993	1.6993	1.4603
01/08/18 to 31/10/18	–	1.0844	1.0844	1.1922
01/11/18 to 31/01/19	0.3540	–	0.3540	0.9041
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			3.1377	

Class 2 EUR Hedged – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.2070	–	1.2070	1.0186
01/08/18 to 31/10/18	0.7515	–	0.7515	0.8767
01/11/18 to 31/01/19	0.6753	–	0.6753	0.6563
01/02/19 to 30/04/19	0.8291	–	0.8291	1.1115
Group 2				
01/05/18 to 31/07/18	1.2070	–	1.2070	1.0186
01/08/18 to 31/10/18	0.7515	–	0.7515	0.8767
01/11/18 to 31/01/19	0.6753	–	0.6753	0.6563
01/02/19 to 30/04/19	0.8291	–	0.8291	1.1115
Total distributions in the period			3.4629	3.6631

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.7501	–	2.7501	2.2832
01/08/18 to 31/10/18	1.7755	–	1.7755	1.8816
01/11/18 to 31/01/19	1.6478	–	1.6478	1.4367
01/02/19 to 30/04/19	2.0626	–	2.0626	2.3835
Group 2				
01/05/18 to 31/07/18	2.2036	0.5465	2.7501	2.2832
01/08/18 to 31/10/18	0.5076	1.2679	1.7755	1.8816
01/11/18 to 31/01/19	1.0250	0.6228	1.6478	1.4367
01/02/19 to 30/04/19	1.4661	0.5965	2.0626	2.3835
Total distributions in the period			8.2360	7.9850

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.7495	–	2.7495	2.2832
01/08/18 to 31/10/18	1.7761	–	1.7761	1.8816
01/11/18 to 31/01/19	0.5844	–	0.5844	1.4367
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	–	2.7495	2.7495	2.2832
01/08/18 to 31/10/18	0.1863	1.5898	1.7761	1.8816
01/11/18 to 31/01/19	0.1415	0.4429	0.5844	1.4367
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			5.1100	

Class 2 USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	2.7489	–	2.7489	2.2832
01/08/18 to 31/10/18	1.7756	–	1.7756	1.8816
01/11/18 to 31/01/19	0.5841	–	0.5841	1.4367
01/02/19 to 30/04/19	–	–	–	–
Group 2				
01/05/18 to 31/07/18	2.7489	–	2.7489	2.2832
01/08/18 to 31/10/18	0.6767	1.0989	1.7756	1.8816
01/11/18 to 31/01/19	0.5841	–	0.5841	1.4367
01/02/19 to 30/04/19	–	–	–	–
Total distributions in the period			5.1086	

Class W – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.2111	–	1.2111	1.0064
01/08/18 to 31/10/18	0.7752	–	0.7752	0.8237
01/11/18 to 31/01/19	0.2576	–	0.2576	0.6236
01/02/19 to 30/04/19	–	–	–	1.0490
Group 2				
01/05/18 to 31/07/18	0.3385	0.8726	1.2111	1.0064
01/08/18 to 31/10/18	0.2485	0.5267	0.7752	0.8237
01/11/18 to 31/01/19	0.1268	0.1308	0.2576	0.6236
01/02/19 to 30/04/19	–	–	–	1.0490
Total distributions in the period			2.2439	3.5027

Class X – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.4998	–	1.4998	1.2918
01/08/18 to 31/10/18	0.9689	–	0.9689	1.0625
01/11/18 to 31/01/19	0.8682	–	0.8682	0.7945
01/02/19 to 30/04/19	1.1212	–	1.1212	1.3150
Group 2				
01/05/18 to 31/07/18	1.4998	–	1.4998	1.2918
01/08/18 to 31/10/18	0.1478	0.8211	0.9689	1.0625
01/11/18 to 31/01/19	0.3108	0.5574	0.8682	0.7945
01/02/19 to 30/04/19	1.1212	–	1.1212	1.3150
Total distributions in the period			4.4581	4.4638

Threadneedle Global Equity Income Fund

DISTRIBUTION TABLE

(continued)

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.7641	–	1.7641	1.4683
01/08/18 to 31/10/18	1.1524	–	1.1524	1.2198
01/11/18 to 31/01/19	1.0362	–	1.0362	0.9194
01/02/19 to 30/04/19	1.3723	–	1.3723	1.5309
Group 2				
01/05/18 to 31/07/18	1.7641	–	1.7641	1.4683
01/08/18 to 31/10/18	1.1524	–	1.1524	1.2198
01/11/18 to 31/01/19	1.0362	–	1.0362	0.9194
01/02/19 to 30/04/19	1.3723	–	1.3723	1.5309
Total distributions in the period			5.3250	5.1384

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019	Distribution Paid 2017/2018
Group 1				
01/05/18 to 31/07/18	1.7229	–	1.7229	1.4753
01/08/18 to 31/10/18	1.0904	–	1.0904	1.1988
01/11/18 to 31/01/19	1.0036	–	1.0036	0.8982
01/02/19 to 30/04/19	1.2547	–	1.2547	1.5072
Group 2				
01/05/18 to 31/07/18	0.4282	1.2947	1.7229	1.4753
01/08/18 to 31/10/18	0.3635	0.7269	1.0904	1.1988
01/11/18 to 31/01/19	0.4592	0.5444	1.0036	0.8982
01/02/19 to 30/04/19	0.5519	0.7028	1.2547	1.5072
Total distributions in the period			5.0716	5.0795

Class Z EUR – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1			
01/05/18 to 31/07/18	1.7229	–	1.7229
01/08/18 to 31/10/18	1.0902	–	1.0902
01/11/18 to 31/01/19	0.3598	–	0.3598
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	0.2716	1.4513	1.7229
01/08/18 to 31/10/18	0.4825	0.6077	1.0902
01/11/18 to 31/01/19	0.1729	0.1869	0.3598
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			3.1729

Class Z USD – Income shares*

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018/2019
Group 1			
01/05/18 to 31/07/18	1.7219	–	1.7219
01/08/18 to 31/10/18	1.0898	–	1.0898
01/11/18 to 31/01/19	0.3599	–	0.3599
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	0.0718	1.6501	1.7219
01/08/18 to 31/10/18	0.6195	0.4703	1.0898
01/11/18 to 31/01/19	0.3599	–	0.3599
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			3.1716

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.7730	–	1.7730	1.4669
01/08/18 to 31/10/18	1.1345	–	1.1345	1.2040
01/11/18 to 31/01/19	1.0523	–	1.0523	0.9117
01/02/19 to 30/04/19	1.3248	–	1.3248	1.5352
Group 2				
01/05/18 to 31/07/18	0.5636	1.2094	1.7730	1.4669
01/08/18 to 31/10/18	0.4148	0.7197	1.1345	1.2040
01/11/18 to 31/01/19	0.4937	0.5586	1.0523	0.9117
01/02/19 to 30/04/19	0.4912	0.8336	1.3248	1.5352
Total distributions in the period			5.2846	5.1178

Class Z EUR – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1			
01/05/18 to 31/07/18	1.7730	–	1.7730
01/08/18 to 31/10/18	1.1314	–	1.1314
01/11/18 to 31/01/19	0.3772	–	0.3772
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	0.2775	1.4955	1.7730
01/08/18 to 31/10/18	0.8185	0.3129	1.1314
01/11/18 to 31/01/19	0.3772	–	0.3772
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			3.2816

Class Z USD – Accumulation shares*

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019
Group 1			
01/05/18 to 31/07/18	1.7731	–	1.7731
01/08/18 to 31/10/18	1.1329	–	1.1329
01/11/18 to 31/01/19	0.3772	–	0.3772
01/02/19 to 30/04/19	–	–	–
Group 2			
01/05/18 to 31/07/18	–	1.7731	1.7731
01/08/18 to 31/10/18	0.5453	0.5876	1.1329
01/11/18 to 31/01/19	0.3772	–	0.3772
01/02/19 to 30/04/19	–	–	–
Total distributions in the period			3.2832

Class Z CHF Hedged – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018/2019	Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 31/07/18	1.3596	–	1.3596	1.1790
01/08/18 to 31/10/18	0.8731	–	0.8731	0.9710
01/11/18 to 31/01/19	0.7919	–	0.7919	0.7156
01/02/19 to 30/04/19	0.9839	–	0.9839	1.2387
Group 2				
01/05/18 to 31/07/18	1.3596	–	1.3596	1.1790
01/08/18 to 31/10/18	0.8731	–	0.8731	0.9710
01/11/18 to 31/01/19	0.7919	–	0.7919	0.7156
01/02/19 to 30/04/19	0.9839	–	0.9839	1.2387
Total distributions in the period			4.0085	4.1043

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

	Class 1 – Income shares			Class 1 EUR – Income shares
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	133.72	135.91	114.61	137.60
Return before operating charges (p)	11.08	4.76	28.25	(1.90)
Operating charges (p)	(2.19)	(2.25)	(2.13)	(1.13)
Return after operating charges (p)*	8.89	2.51	26.12	(3.03)
Distributions (p)	(4.67)	(4.70)	(4.82)	(2.92)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	137.94	133.72	135.91	131.65
*after direct transaction costs of (p)	0.10	0.16	0.19	0.05
Performance				
Return after charges (%)	6.65	1.85	22.79	(2.20)
Other information				
Closing net asset value (£000)	23,161	121,197	176,453	–
Closing number of shares	16,791,003	90,637,264	129,827,544	–
Operating charges (%)**	1.62	1.63	1.63	–
Direct transaction costs (%)***	0.07	0.11	0.15	–
Prices				
Highest share price (p)	142.52	144.13	143.12	142.52
Lowest share price (p)	123.61	127.89	111.05	130.39
	Class 1 USD – Income shares		Class 1 – Monthly Income shares	
	23/11/2018 ¹	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share				
Opening net asset value per share (p)	137.60	115.65	117.61	99.29
Return before operating charges (p)	(1.89)	9.55	4.04	24.34
Operating charges (p)	(1.13)	(1.88)	(1.94)	(1.87)
Return after operating charges (p)*	(3.02)	7.67	2.10	22.47
Distributions (p)	(2.92)	(4.16)	(4.06)	(4.15)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	131.66	119.16	115.65	117.61
*after direct transaction costs of (p)	0.05	0.08	0.13	0.17
Performance				
Return after charges (%)	(2.19)	6.63	1.79	22.63
Other information				
Closing net asset value (£000)	–	808	2,049	1,003
Closing number of shares	–	678,017	1,771,578	852,625
Operating charges (%)**	–	1.62	1.63	1.63
Direct transaction costs (%)***	–	0.07	0.11	0.15
Prices				
Highest share price (p)	142.52	123.21	123.98	123.42
Lowest share price (p)	130.39	106.53	109.88	96.20

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 SGD Hedged – Income shares			Class 1 AUD Hedged – Monthly Income shares		
	23/11/2018 ²	30/04/2018	30/04/2017	23/11/2018 ²	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	114.26	111.14	97.64	114.07	114.99	98.37
Return before operating charges (p)	(3.03)	8.97	19.23	(3.43)	5.14	22.52
Operating charges (p)	(1.05)	(1.89)	(1.75)	(1.04)	(1.97)	(1.82)
Return after operating charges (p)*	(4.08)	7.08	17.48	(4.47)	3.17	20.70
Distributions (p)	(2.43)	(3.96)	(3.98)	(2.43)	(4.09)	(4.08)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	107.75	114.26	111.14	107.17	114.07	114.99
*after direct transaction costs of (p)	0.05	0.13	0.16	0.04	0.14	0.16
Performance						
Return after charges (%)	(3.57)	6.37	17.90	(3.92)	2.76	21.04
Other information						
Closing net asset value (£000)	–	6,332	9,175	–	175	427
Closing number of shares	–	5,541,743	8,255,637	–	153,602	371,044
Operating charges (%)**	–	1.63	1.63	–	1.62	1.63
Direct transaction costs (%)***	–	0.11	0.15	–	0.11	0.15
Prices						
Highest share price (p)	117.86	124.27	116.57	119.13	130.80	124.09
Lowest share price (p)	106.15	110.15	92.03	102.73	110.18	89.82
	Class 1 SGD Hedged – Monthly Income shares			Class 1 – Accumulation shares		
	23/11/2018 ²	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	118.53	115.36	101.39	214.77	210.96	171.58
Return before operating charges (p)	(3.13)	9.23	19.92	18.03	7.34	42.63
Operating charges (p)	(1.08)	(1.96)	(1.84)	(3.55)	(3.53)	(3.25)
Return after operating charges (p)*	(4.21)	7.27	18.08	14.48	3.81	39.38
Distributions (p)	(2.52)	(4.10)	(4.11)	(7.59)	(7.40)	(7.32)
Retained distributions on accumulation shares (p)	–	–	–	7.59	7.40	7.32
Closing net asset value per share (p)	111.80	118.53	115.36	229.25	214.77	210.96
*after direct transaction costs of (p)	(0.05)	0.14	0.16	0.16	0.25	0.29
Performance						
Return after charges (%)	(3.55)	6.30	17.83	6.74	1.81	22.95
Other information						
Closing net asset value (£000)	–	1,552	355	7,341	68,140	121,084
Closing number of shares	–	1,309,709	308,091	3,201,991	31,726,139	57,397,197
Operating charges (%)**	–	1.64	1.64	1.62	1.63	1.63
Direct transaction costs (%)***	–	0.11	0.15	0.07	0.11	0.15
Prices						
Highest share price (p)	122.24	128.23	120.60	231.52	227.77	219.64
Lowest share price (p)	109.42	113.52	95.59	202.29	203.30	166.26

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 1 EUR – Accumulation shares			Class 1 USD – Accumulation shares		
	23/11/2018 ¹			23/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	221.01			221.01		
Return before operating charges (p)	(3.69)			(3.70)		
Operating charges (p)	(1.83)			(1.83)		
Return after operating charges (p)*	(5.52)			(5.53)		
Distributions (p)	(4.72)			(4.72)		
Retained distributions on accumulation shares (p)	4.72			4.72		
Closing net asset value per share (p)	215.49			215.48		
*after direct transaction costs of (p)	0.08			0.08		
Performance						
Return after charges (%)	(2.50)			(2.50)		
Other information						
Closing net asset value (£000)	–			–		
Closing number of shares	–			–		
Operating charges (%)**	–			–		
Direct transaction costs (%)***	–			–		
Prices						
Highest share price (p)	231.52			231.52		
Lowest share price (p)	211.81			211.80		
	Class 1 CHF Hedged – Accumulation shares			Class 1 SGD Hedged – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ²	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	112.70	113.91	97.62	135.40	127.35	107.87
Return before operating charges (p)	1.80	0.72	18.05	(3.98)	10.25	21.45
Operating charges (p)	(1.83)	(1.93)	(1.76)	(1.25)	(2.20)	(1.97)
Return after operating charges (p)*	(0.03)	(1.21)	16.29	(5.23)	8.05	19.48
Distributions (p)	(3.91)	(4.03)	(4.01)	(2.90)	(4.59)	(4.45)
Retained distributions on accumulation shares (p)	3.91	4.03	4.01	2.90	4.59	4.45
Closing net asset value per share (p)	112.67	112.70	113.91	130.17	135.40	127.35
*after direct transaction costs of (p)	0.08	0.13	0.16	0.05	0.15	0.18
Performance						
Return after charges (%)	(0.03)	(1.06)	16.69	(3.86)	6.32	18.06
Other information						
Closing net asset value (£000)	11	11	11	–	1,037	1,242
Closing number of shares	10,000	10,000	10,000	–	765,943	974,977
Operating charges (%)**	1.62	1.63	1.62	–	1.63	1.64
Direct transaction costs (%)***	0.07	0.11	0.15	–	0.11	0.15
Prices						
Highest share price (p)	121.64	126.73	118.01	141.30	144.90	132.07
Lowest share price (p)	103.35	110.42	91.87	127.27	126.45	101.71

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 EUR – Income shares
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	140.60	142.25	119.39	144.77
Return before operating charges (p)	11.60	4.91	29.45	(2.08)
Operating charges (p)	(1.51)	(1.52)	(1.45)	(0.77)
Return after operating charges (p)*	10.09	3.39	28.00	(2.85)
Distributions (p)	(5.02)	(5.04)	(5.14)	(3.13)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	145.67	140.60	142.25	138.79
*after direct transaction costs of (p)	0.10	0.16	0.20	0.05
Performance				
Return after charges (%)	7.18	2.38	23.45	(1.97)
Other information				
Closing net asset value (£000)	16,022	416,554	161,216	–
Closing number of shares	10,998,425	296,274,681	113,332,670	–
Operating charges (%)**	1.05	1.06	1.06	–
Direct transaction costs (%)***	0.07	0.11	0.15	–
Prices				
Highest share price (p)	150.01	151.37	149.74	150.02
Lowest share price (p)	130.33	134.46	115.71	137.42
	Class 2 USD – Income shares		Class 2 EUR Hedged – Income shares	
	23/11/2018 ¹	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share				
Opening net asset value per share (p)	144.77	102.95	96.52	86.07
Return before operating charges (p)	(2.07)	(2.84)	11.20	14.94
Operating charges (p)	(0.77)	(1.02)	(1.11)	(0.95)
Return after operating charges (p)*	(2.84)	(3.86)	10.09	13.99
Distributions (p)	(3.14)	(3.46)	(3.66)	(3.54)
Retained distributions on accumulation shares (p)	–	–	–	–
Closing net asset value per share (p)	138.79	95.63	102.95	96.52
*after direct transaction costs of (p)	0.05	0.07	0.12	0.14
Performance				
Return after charges (%)	(1.96)	(3.75)	10.45	16.25
Other information				
Closing net asset value (£000)	–	8	9	3
Closing number of shares	–	8,625	8,625	3,001
Operating charges (%)**	–	1.05	1.05	1.02
Direct transaction costs (%)***	–	0.07	0.11	0.15
Prices				
Highest share price (p)	150.02	104.99	113.84	99.82
Lowest share price (p)	137.42	87.83	96.45	81.93

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class 2 – Accumulation shares			Class 2 EUR – Accumulation shares	
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	227.60	222.34	179.90	234.37	
Return before operating charges (p)	19.10	7.69	44.65	(4.03)	
Operating charges (p)	(2.46)	(2.43)	(2.21)	(1.27)	
Return after operating charges (p)*	16.64	5.26	42.44	(5.30)	
Distributions (p)	(8.24)	(7.99)	(7.85)	(5.11)	
Retained distributions on accumulation shares (p)	8.24	7.99	7.85	5.11	
Closing net asset value per share (p)	244.24	227.60	222.34	229.07	
*after direct transaction costs of (p)	0.17	0.26	0.30	0.08	
Performance					
Return after charges (%)	7.31	2.37	23.59	(2.26)	
Other information					
Closing net asset value (£000)	9,052	87,296	143,899	–	
Closing number of shares	3,706,334	38,355,617	64,719,749	–	
Operating charges (%)**	1.06	1.06	1.06	–	
Direct transaction costs (%)***	0.07	0.11	0.15	–	
Prices					
Highest share price (p)	246.23	240.97	231.34	245.71	
Lowest share price (p)	215.12	215.36	174.35	225.06	
	Class 2 USD – Accumulation shares		Class W – Accumulation shares		
	23/11/2018 ¹		23/11/2018 ²	30/04/2018 ³	
Change in net assets per share					
Opening net asset value per share (p)	234.37		101.91	100.00	
Return before operating charges (p)	(4.04)		1.27	2.96	
Operating charges (p)	(1.26)		(0.61)	(1.05)	
Return after operating charges (p)*	(5.30)		0.66	1.91	
Distributions (p)	(5.11)		(2.24)	(3.50)	
Retained distributions on accumulation shares (p)	5.11		2.24	3.50	
Closing net asset value per share (p)	229.07		102.57	101.91	
*after direct transaction costs of (p)	0.08		0.04	0.12	
Performance					
Return after charges (%)	(2.26)		0.65	1.91	
Other information					
Closing net asset value (£000)	–		–	111,343	
Closing number of shares	–		–	109,258,299	
Operating charges (%)**	–		–	1.03 ¹	
Direct transaction costs (%)***	–		–	0.11	
Prices					
Highest share price (p)	245.71		110.01	107.89	
Lowest share price (p)	225.07		100.78	96.44	

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class X – Income shares			Class X – Accumulation shares		
	30/04/2019	30/04/2018	30/04/2017	30/04/2019	30/04/2018	30/04/2017
Change in net assets per share						
Opening net asset value per share (p)	127.71	127.94	106.37	150.21	145.42	116.68
Return before operating charges (p)	10.43	4.31	26.11	12.49	4.88	28.82
Operating charges (p)	(0.08)	(0.08)	(0.07)	(0.09)	(0.09)	(0.08)
Return after operating charges (p)*	10.35	4.23	26.04	12.40	4.79	28.74
Distributions (p)	(4.46)	(4.46)	(4.47)	(5.33)	(5.14)	(4.97)
Retained distributions on accumulation shares (p)	–	–	–	5.33	5.14	4.97
Closing net asset value per share (p)	133.60	127.71	127.94	162.61	150.21	145.42
*after direct transaction costs of (p)	0.09	0.15	0.18	0.11	0.17	0.20
Performance						
Return after charges (%)	8.10	3.31	24.48	8.26	3.29	24.63
Other information						
Closing net asset value (£000)	91,619	71,295	75,430	5	256,680	258,410
Closing number of shares	68,576,811	55,824,979	58,957,425	3,000	170,881,136	177,703,368
Operating charges (%)**	0.06	0.06	0.06	0.06	0.06	0.06
Direct transaction costs (%)***	0.07	0.11	0.15	0.07	0.11	0.15
Prices						
Highest share price (p)	136.66	137.06	134.51	163.89	158.61	151.17
Lowest share price (p)	119.11	122.02	103.13	142.75	142.06	113.10
	Class Z – Income shares			Class Z EUR – Income shares		
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹		
Change in net assets per share						
Opening net asset value per share (p)	144.97	146.31	122.53	149.31		
Return before operating charges (p)	11.93	5.06	30.20	(2.17)		
Operating charges (p)	(1.29)	(1.32)	(1.24)	(0.66)		
Return after operating charges (p)*	10.64	3.74	28.96	(2.83)		
Distributions (p)	(5.07)	(5.08)	(5.18)	(3.17)		
Retained distributions on accumulation shares (p)	–	–	–	–		
Closing net asset value per share (p)	150.54	144.97	146.31	143.31		
*after direct transaction costs of (p)	0.10	0.17	0.21	0.05		
Performance						
Return after charges (%)	7.34	2.56	23.64	(1.90)		
Other information						
Closing net asset value (£000)	189,770	390,807	691,613	–		
Closing number of shares	126,058,775	269,584,169	472,699,311	–		
Operating charges (%)**	0.88	0.88	0.88	–		
Direct transaction costs (%)***	0.07	0.11	0.15	–		
Prices						
Highest share price (p)	154.80	155.93	153.96	154.81		
Lowest share price (p)	134.56	138.59	118.75	141.85		

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Income shares			Class Z SGD Hedged – Income shares	
	23/11/2018 ¹			23/11/2017	30/04/2017
Change in net assets per share					
Opening net asset value per share (p)	149.31			112.08	97.77
Return before operating charges (p)	(2.16)			10.12	19.26
Operating charges (p)	(0.66)			(0.59)	(0.94)
Return after operating charges (p)*	(2.82)			9.53	18.32
Distributions (p)	(3.17)			(2.09)	(4.01)
Retained distributions on accumulation shares (p)	–			–	–
Closing net asset value per share (p)	143.32			119.52	112.08
*after direct transaction costs of (p)	0.05			0.07	0.16
Performance					
Return after charges (%)	(1.89)			8.50	18.74
Other information					
Closing net asset value (£000)	–			–	3
Closing number of shares	–			–	3,001
Operating charges (%)**	–			–	0.87
Direct transaction costs (%)***	–			–	0.15
Prices					
Highest share price (p)	154.81			120.74	117.47
Lowest share price (p)	141.86			111.30	92.18
	Class Z – Accumulation shares			Class Z EUR – Accumulation shares	
	30/04/2019	30/04/2018	30/04/2017	23/11/2018 ¹	
Change in net assets per share					
Opening net asset value per share (p)	149.15	145.47	117.53	153.62	
Return before operating charges (p)	12.46	5.00	29.14	(2.68)	
Operating charges (p)	(1.34)	(1.32)	(1.20)	(0.69)	
Return after operating charges (p)*	11.12	3.68	27.94	(3.37)	
Distributions (p)	(5.28)	(5.12)	(5.03)	(3.28)	
Retained distributions on accumulation shares (p)	5.28	5.12	5.03	3.28	
Closing net asset value per share (p)	160.27	149.15	145.47	150.25	
*after direct transaction costs of (p)	0.11	0.17	0.20	0.06	
Performance					
Return after charges (%)	7.46	2.53	23.77	(2.19)	
Other information					
Closing net asset value (£000)	57,889	121,887	151,841	–	
Closing number of shares	36,119,333	81,718,586	104,377,174	–	
Operating charges (%)**	0.88	0.88	0.88	–	
Direct transaction costs (%)***	0.07	0.11	0.15	–	
Prices					
Highest share price (p)	161.58	157.84	151.34	161.09	
Lowest share price (p)	141.07	141.13	113.91	147.60	

Threadneedle Global Equity Income Fund

Comparative Table Disclosure

(continued)

	Class Z USD – Accumulation shares		Class Z CHF Hedged – Accumulation shares		
	23/11/2018 ¹		30/04/2019	30/04/2018	30/04/2017
Change in net assets per share					
Opening net asset value per share (p)	153.62		115.18	115.56	98.31
Return before operating charges (p)	(2.68)		1.80	0.67	18.20
Operating charges (p)	(0.69)		(1.01)	(1.05)	(0.95)
Return after operating charges (p)*	(3.37)		0.79	(0.38)	17.25
Distributions (p)	(3.28)		(4.01)	(4.10)	(4.05)
Retained distributions on accumulation shares (p)	3.28		4.01	4.10	4.05
Closing net asset value per share (p)	150.25		115.97	115.18	115.56
*after direct transaction costs of (p)	0.05		0.08	0.14	0.16
Performance					
Return after charges (%)	(2.19)		0.69	(0.33)	17.55
Other information					
Closing net asset value (£000)	–		12	12	11
Closing number of shares	–		10,000	10,000	10,000
Operating charges (%)**	–		0.87	0.87	0.87
Direct transaction costs (%)***	–		0.07	0.11	0.15
Prices					
Highest share price (p)	161.09		124.61	129.29	119.62
Lowest share price (p)	147.60		106.11	112.80	92.56
Class Z SGD Hedged – Accumulation shares					
	23/11/2017 ⁴	30/04/2017			
Change in net assets per share					
Opening net asset value per share (p)	125.26	105.30			
Return before operating charges (p)	11.33	20.97			
Operating charges (p)	(0.64)	(1.01)			
Return after operating charges (p)*	10.69	19.96			
Distributions (p)	(2.34)	(4.39)			
Retained distributions on accumulation shares (p)	2.34	4.39			
Closing net asset value per share (p)	135.95	125.26			
*after direct transaction costs of (p)	0.08	0.17			
Performance					
Return after charges (%)	8.53	18.96			
Other information					
Closing net asset value (£000)	–	4			
Closing number of shares	–	3,001			
Operating charges (%)**	–	0.85			
Direct transaction costs (%)***	–	0.15			
Prices					
Highest share price (p)	136.24	129.80			
Lowest share price (p)	124.39	99.32			

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

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

¹Commenced 15 June 2018 and closed 23 November 2018.

²Closed 23 November 2018.

³Commenced 3 May 2017.

⁴Closed 23 November 2017.

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

Threadneedle Global Equity Income Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS/(LOSSES)

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

	2019 £000	2018 £000
Non-derivative securities	(137)	292
Forward currency contracts	(563)	463
Other gains/(losses)	837	(1,541)
Transaction costs	(9)	(8)
Net capital gains/(losses)	128	(794)

3 REVENUE

	2019 £000	2018 £000
UK dividends	5,732	10,071
Overseas dividends	41,775	60,304
Interest on short term investments	238	182
Bank interest	187	76
Management fee rebate on collective investment scheme holdings	–	7
Subsidised expense rebate	11	–
Total revenue	47,943	70,640

4 EXPENSES

	2019 £000	2018 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(8,354)	(13,804)
Registration fees	(822)	(1,467)
	(9,176)	(15,271)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(135)	(217)
Safe custody fees	(97)	(140)
Revenue collection expenses	–	(42)
	(232)	(399)
Other expenses:		
Regulatory fees	(5)	(8)
Audit fees	(16)	(22)
Non audit service fees payable to auditors	(1)	–
	(22)	(30)
Total expenses*	(9,430)	(15,700)

*Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Interest payable	(12)	(12)
Total interest payable and similar charges	(12)	(12)

6 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(5,247)	(6,920)
Total current tax (note 6b)	(5,247)	(6,920)
Total tax charge for the period	(5,247)	(6,920)
b) Factors affecting taxation charge for period		
Net revenue before taxation	38,501	54,928
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(7,700)	(10,986)

	2019 £000	2018 £000
Effects of:		
Revenue not subject to taxation	8,367	12,464
Overseas taxes	(5,247)	(6,920)
Overseas tax expensed	85	167
Excess expenses	(752)	(1,645)
Current tax charge for period (note 6a)	(5,247)	(6,920)

The fund has not recognised a deferred tax asset of £2,668,299 (2018: £1,916,703) 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:

	2019 £000	2018 £000
Interim	35,475	43,306
Final	3,299	17,191
	38,774	60,497
Add: Revenue deducted on the cancellation of shares	10,993	4,712
Deduct: Revenue received on the creation of shares	(8,392)	(3,639)
Net distribution for the period	41,375	61,570
Net revenue after taxation	33,254	48,008
Annual management charge to capital	8,354	13,804
Equalisation on conversion	–	1
Tax relief on capitalised fees	(233)	(243)
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	41,375	61,570

Details of the distribution per share are set out in the table on pages 134 to 137.

8 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	130	598
Accrued revenue	1,176	6,261
Foreign withholding tax recoverable	621	1,980
Total debtors	1,927	8,839

9 CASH AND BANK BALANCES

	2019 £000	2018 £000
Amounts held at futures clearing houses and brokers	30	230
Cash and bank balances	3,803	34,167
Total cash and bank balances	3,833	34,397

10 OTHER CREDITORS

	2019 £000	2018 £000
Amounts payable for the cancellation of shares	(811)	(7,281)
Accrued expenses	(29)	(43)
Amounts payable to ACD	(242)	(1,137)
Corporation tax payable	(23)	(23)
Total other creditors	(1,105)	(8,484)

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 Global Equity Income 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.

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. In addition this investment has produced a non-derivative security gain of £2 (2018: £3,152).

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

13 SHAREHOLDER FUNDS

Threadneedle Global Equity 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 pages 138 to 145. The distribution per share class is given in the distribution table on pages 134 to 137.

All classes have the same rights on winding up.

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

Reconciliation of shares

	2019
Class 1 – Income shares	
Opening shares	90,637,264
Shares issued	330,543
Shares redeemed	(51,511,974)
Net conversions	(22,664,830)
Closing shares	<u>16,791,003</u>
Class 1 EUR – Income shares*	
Opening shares	–
Shares issued	301,150
Shares redeemed	(15,125,514)
Net conversions	14,824,364
Closing shares	<u>–</u>
Class 1 USD – Income shares*	
Opening shares	–
Shares issued	11,983
Shares redeemed	(7,456,862)
Net conversions	7,444,879
Closing shares	<u>–</u>
Class 1 – Monthly Income shares	
Opening shares	1,771,578
Shares issued	393,143
Shares redeemed	(1,486,704)
Net conversions	–
Closing shares	<u>678,017</u>

Class 1 SGD Hedged – Income shares		2019
Opening shares		5,541,743
Shares issued		74,553
Shares redeemed		(5,616,296)
Net conversions		–
Closing shares		<u>–</u>
Class 1 AUD Hedged – Monthly Income shares		
Opening shares		153,602
Shares issued		26,178
Shares redeemed		(179,780)
Net conversions		–
Closing shares		<u>–</u>
Class 1 SGD Hedged – Monthly Income shares		
Opening shares		1,309,709
Shares issued		1,088,976
Shares redeemed		(2,450,400)
Net conversions		51,715
Closing shares		<u>–</u>
Class 1 – Accumulation shares		
Opening shares		31,726,139
Shares issued		3,031,242
Shares redeemed		(4,103,919)
Net conversions		(27,451,471)
Closing shares		<u>3,201,991</u>
Class 1 EUR – Accumulation shares*		
Opening shares		–
Shares issued		306,904
Shares redeemed		(21,521,459)
Net conversions		21,214,555
Closing shares		<u>–</u>
Class 1 USD – Accumulation shares*		
Opening shares		–
Shares issued		142,769
Shares redeemed		(6,160,718)
Net conversions		6,017,949
Closing shares		<u>–</u>
Class 1 CHF Hedged – Accumulation shares		
Opening shares		10,000
Shares issued		–
Shares redeemed		–
Net conversions		–
Closing shares		<u>10,000</u>
Class 1 SGD Hedged – Accumulation shares		
Opening shares		765,943
Shares issued		22,204
Shares redeemed		(742,877)
Net conversions		(45,270)
Closing shares		<u>–</u>
Class 2 – Income shares		
Opening shares		296,274,681
Shares issued		45,896,134
Shares redeemed		(58,629,985)
Net conversions		(272,542,405)
Closing shares		<u>10,998,425</u>
Class 2 EUR – Income shares*		
Opening shares		–
Shares issued		47,558,824
Shares redeemed		(319,432,209)
Net conversions		271,873,385
Closing shares		<u>–</u>

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

	2019		2019
Class 2 USD – Income shares*		Class Z USD – Income shares*	
Opening shares	–	Opening shares	–
Shares issued	28,893,808	Shares issued	117,108
Shares redeemed	(29,437,250)	Shares redeemed	(592,060)
Net conversions	543,442	Net conversions	474,952
Closing shares	–	Closing shares	–
Class 2 EUR Hedged – Income shares		Class Z – Accumulation shares	
Opening shares	8,625	Opening shares	81,718,586
Shares issued	–	Shares issued	1,686,053
Shares redeemed	–	Shares redeemed	(6,702,141)
Net conversions	–	Net conversions	(40,583,165)
Closing shares	8,625	Closing shares	36,119,333
Class 2 – Accumulation shares		Class Z EUR – Accumulation shares*	
Opening shares	38,355,617	Opening shares	–
Shares issued	1,723,794	Shares issued	948,890
Shares redeemed	(4,633,833)	Shares redeemed	(21,298,747)
Net conversions	(31,739,244)	Net conversions	20,349,857
Closing shares	3,706,334	Closing shares	–
Class 2 EUR – Accumulation shares*		Class Z USD – Accumulation shares*	
Opening shares	–	Opening shares	–
Shares issued	10,695,857	Shares issued	1,345,607
Shares redeemed	(42,282,594)	Shares redeemed	(21,900,732)
Net conversions	31,586,737	Net conversions	20,555,125
Closing shares	–	Closing shares	–
Class 2 USD – Accumulation shares*		Class Z CHF Hedged – Accumulation shares	
Opening shares	–	Opening shares	10,000
Shares issued	1,008	Shares issued	–
Shares redeemed	(107,525)	Shares redeemed	–
Net conversions	106,517	Net conversions	–
Closing shares	–	Closing shares	10,000
Class W – Accumulation shares			
Opening shares	109,258,299		
Shares issued	41,240,572		
Shares redeemed	(150,498,871)		
Net conversions	–		
Closing shares	–		
Class X – Income shares			
Opening shares	55,824,979		
Shares issued	14,027,785		
Shares redeemed	(1,275,953)		
Net conversions	–		
Closing shares	68,576,811		
Class X – Accumulation shares			
Opening shares	170,881,136		
Shares issued	–		
Shares redeemed	(170,878,136)		
Net conversions	–		
Closing shares	3,000		
Class Z – Income shares			
Opening shares	269,584,169		
Shares issued	20,391,915		
Shares redeemed	(58,948,838)		
Net conversions	(104,968,471)		
Closing shares	126,058,775		
Class Z EUR – Income shares*			
Opening shares	–		
Shares issued	721,355		
Shares redeemed	(105,763,704)		
Net conversions	105,042,349		
Closing shares	–		

*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 5.

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 4.45% and vice versa (2018: 4.71%).

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 2019	
Australian Dollar	19,454
Brazilian Real	5,622
Canadian Dollar	21,099
Danish Krone	77
Euro	59,078
Hong Kong Dollar	10,091
Indonesian Rupiah	3,900
Japanese Yen	30,659
Norwegian Krone	124
South Korean Won	6,845
Swedish Krona	3,486
Swiss Franc	14,541
Taiwan Dollar	15,624
Thai Baht	610
US Dollar	159,446

Threadneedle Global Equity Income Fund

Notes to the financial statements

(continued)

Currency 2018	£000
Australian Dollar	87,466
Brazilian Real	46,819
Canadian Dollar	83,375
Danish Krone	17,715
Euro	260,244
Hong Kong Dollar	57,288
Indonesian Rupiah	23,090
Japanese Yen	88,741
Mexican Peso	9,204
Norwegian Krone	127
Singapore Dollar	19,065
South Africa Rand	7,941
Swiss Franc	55,826
Taiwan Dollar	50,976
Thai Baht	23,714
US Dollar	590,409

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 2019	%	%
Euro	2.26	0.34
US Dollar	5.21	2.10
Currency 2018	%	%
Euro	4.09	0.64
US Dollar	6.05	2.16

Credit/Counterparty exposure

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

	Collateral Pledged
2019	£000
Counterparty	
J.P. Morgan	30
2018	£000
Counterparty	
J.P. Morgan	230

The fund did not hold any collateral received from the fund's counterparties in the current year (2018: £20,000). 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.

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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2019	£000	£000	£000	£000
Australian Dollar	–	–	19,454	19,454
Brazilian Real	108	–	5,514	5,622
Canadian Dollar	65	–	21,034	21,099
Danish Krone	1	–	76	77
Euro	–	–	59,078	59,078
Hong Kong Dollar	–	–	10,091	10,091
Indonesian Rupiah	–	–	3,900	3,900
Japanese Yen	–	–	30,659	30,659
Norwegian Krone	1	–	123	124
South Korean Won	92	–	6,753	6,845
Swedish Krona	–	–	3,486	3,486
Swiss Franc	–	–	14,541	14,541
Taiwan Dollar	540	–	15,084	15,624
Thai Baht	610	–	–	610
UK Sterling	40	–	48,790	48,830
US Dollar	2,376	–	157,101	159,477
Currency 2018	£000	£000	£000	£000
Australian Dollar	1	–	87,465	87,466
Brazilian Real	117	–	46,702	46,819
Canadian Dollar	232	–	83,143	83,375
Danish Krone	1	–	17,714	17,715
Euro	3	–	260,241	260,244
Hong Kong Dollar	–	–	57,288	57,288
Indonesian Rupiah	–	–	23,090	23,090
Japanese Yen	–	–	88,741	88,741
Mexican Peso	–	–	9,204	9,204
Norwegian Krone	1	–	126	127
Singapore Dollar	154	–	18,916	19,070
South Africa Rand	–	–	7,941	7,941
Swiss Franc	–	–	55,826	55,826
Taiwan Dollar	535	–	50,441	50,976
Thai Baht	585	–	23,129	23,714
UK Sterling	4,576	–	248,829	253,405
US Dollar	28,192	–	571,293	599,485
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2019	£000	£000	£000	£000
UK Sterling	–	–	(3,788)	(3,788)
US Dollar	–	–	(31)	(31)
Currency 2018	£000	£000	£000	£000
Singapore Dollar	–	–	(5)	(5)
UK Sterling	–	–	(19,029)	(19,029)
US Dollar	–	–	(9,076)	(9,076)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: 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

Threadneedle Global Equity Income Fund

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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 30 April 2019, the fund had outstanding forward foreign exchange contracts with an asset value of £Nil (2018: £Nil) and a liability value of £Nil (2018: £15,000).

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	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	393,726	–	1,632,174	–
Level 2	–	–	12	(15)
	<u>393,726</u>	<u>–</u>	<u>1,632,186</u>	<u>(15)</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

17 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	513,049	298	0.06	205	0.04	–
Collective investment schemes	<u>52,683</u>	–	–	–	–	–
Total	565,732	298		205		

Gross purchases total:

566,235

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	741,814	380	0.05	252	0.03	–
Collective investment schemes	<u>49,142</u>	–	–	–	–	–
In specie transactions	<u>1,013,918</u>	–	–	–	–	–
Total	1,804,874	380		252		

Total sales net of transaction costs:

1,804,242

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.03%

30 April 2018

Purchases	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	869,401	596	0.07	618	0.07	–
Collective investment schemes	<u>26,935</u>	–	–	–	–	–
Total	896,336	596		618		

Gross purchases total:

897,550

Sales	Value		Commissions		Taxes	
	£000	£000	%	£000	%	£000
Equities	1,006,897	677	0.07	156	0.02	–
Collective investment schemes	<u>39,786</u>	–	–	–	–	–
Corporate actions	<u>1,337</u>	–	–	–	–	–
Total	1,048,020	677		156		

Total sales net of transaction costs:

1,047,187

Transaction costs as a percentage of average Net Assets

Commissions:	0.07%
Taxes:	0.04%

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% (2018: 0.11%), being the difference between the respective buying and selling prices for the fund's investments.

Threadneedle Global Focus Fund*

Investment Report

Investment Objective

The investment objective of the Fund is to achieve long-term capital growth.

Investment Policy

The Fund will invest primarily in a concentrated portfolio of global equities. This approach means that the ACD has the flexibility to take significant stock and sector positions, which may lead to increased levels of volatility.

If the ACD considers it desirable, it may further invest up to one-third of the total assets of the Fund in other securities (including securities convertible into equity securities and/or warrants, fixed interest securities, money market securities, cash and near cash).

In addition, the ACD may use derivatives and forward transactions for purposes that are limited to efficient portfolio management.

Performance of Class Z – Gross accumulation shares**

Over the twelve months to 30 April 2019, the published share price of Class Z – Gross accumulation shares in the Threadneedle Global Focus Fund has risen from 102.24p to 120.25p.

For comparison, using noon prices, the performance of the Class Z share class was +17.62% compared to a return of +8.64% for the Morningstar UK Unit Trusts/OEICs – (IA) Global Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the total return of the MSCI AC World was +11.61%.

Market Overview and Portfolio Activity

Global equity markets experienced a positive, albeit volatile, 12 months. The MSCI ACWI rose 8.0% in local terms, despite indiscriminate sell-offs in the fourth quarter of 2018 as concerns around trade, global growth and political uncertainty hit markets. For much of the period however, resilient economic data, healthy corporate earnings and strong US labour market statistics

buoyed equities. North American stocks led returns, aided by the continued strength of the US economy. Japanese stocks, which are highly geared to global risk sentiment, were weak as concerns around trade and growth drove investors' preferences for other geographies. Politics dominated markets in Europe; the lack of progress in the Brexit negotiations and disagreements between the newly-elected euro-sceptic Italian government and the European Union caused some concern. Later, the European Central Bank announced stimulus measures to reignite economic growth. Brazilian and Turkish currency concerns were among the factors pressuring emerging markets, before perceived improvements in US-China trade relations aided their recovery.

Defensive stocks outperformed over the period against a backdrop of declining bond yields. However, the technology sector led returns. Strong corporate earnings drove its rise early on; later, the resurgent semiconductor segment propelled the sector higher. Meanwhile, utilities and consumer staples stocks benefitted from the Federal Reserve's dovish pivot in the period's second half. Against this backdrop, rate-sensitive financials lagged. Energy stocks also underperformed, notably in the fourth quarter of 2018 as Saudi Arabia committed to increasing oil output. Concerns around higher supplies and a growth-driven slowdown in demand applied further pressure.

New positions over the period included beverage producer Pernod Ricard, healthcare product provider Baxter International, outsourcing firm Automatic Data Processing and Indian private-sector bank Kotak Mahindra. Our purchase of Pernod Ricard was premised on the prospects of an earnings upgrade cycle. Its focus on operating leverage, exposure to the fast-growing super premium segment, and far-reaching affiliate network, a key competitive advantage, strengthens the outlook. Baxter offers the prospect of durable and visible long-term growth, with a robust balance sheet and an improving mix, given that its faster growing businesses and products have higher margins. Automatic Data Processing is a global provider of business process outsourcing services, which offers resilient growth and the prospect of international expansion. The company possesses a wide moat in a recurring revenue business and should benefit from the mid-market client migration to its new HR management systems. This can bolster client retention

through switching costs. Kotak is well-placed to capitalise on India's healthy economic growth as well as compelling financial trends in Asia, such as the emerging middle class, financialisation of savings, technological advancement and demographics. We have turned increasingly constructive on the pricing power of Indian private banks and believe that diminishing credit risk is a catalyst for Kotak, given its improved liability franchise and strong balance sheet.

Sales to fund these purchases included beverage producer Anheuser-Busch InBev (ABI) amid concerns around cost inflation, competition in key areas of profitability and the investments required to drive its premium strategy. We felt that there were now more preferable long-term assets within the consumer staples space. We also exited British American Tobacco and Centene. Despite solid industry pricing and the potential for British American Tobacco to expand its margins, we felt that regulatory risk may continue to apply pressure to the shares. Managed care provider Centene was a strong contributor to the fund's outperformance in 2018. While we retain conviction in the secular themes that Centene is exposed to, we feel that the ongoing political noise about the sector ahead of the 2020 US elections could continue to cause some fluctuations in investor sentiment. Hence, we elected to profitably close our position.

Following a reset in valuations in 2018, global markets have recently provided evidence of the value to be found in sustainably growing, secular winners. With scope for further re-rating and expectations that volatility should remain somewhat elevated, we believe this backdrop is ideal for investors capable of identifying long-term winners, trading at below their intrinsic value. While factors such as technological regulation and trade remain in focus, we believe that structural trends driving a world which is 'lower for longer' remain in place. These include demographics, debt and technological disruption, and should ensure that companies sustaining above-average growth remain attractive. Within this context, we retain our focus on companies with durable competitive advantages, as we believe these promote high returns on capital – for longer than the market assumes – and sustainable earnings growth. In our view, companies exhibiting these qualities are best placed to outperform over the long term, generating above-average, through-the-cycle returns.

STATEMENT OF TOTAL RETURN

for the accounting period 1 May 2018 to 30 April 2019

	Notes	2019 £000	2018 £000
Income			
Net capital gains	2	1,218	31
Revenue	3	36	2
Expenses	4	(41)	–
Net (expense)/revenue before taxation		(5)	2
Taxation	5	(4)	–
Net (expense)/revenue after taxation		(9)	2
Total return before distributions		1,209	33
Distributions	6	9	(2)
Change in net assets attributable to shareholders from investment activities		1,218	31

BALANCE SHEET

as at 30 April 2019

	Notes	2019 £000	2018 £000
Assets:			
Fixed assets:			
Investments		29,205	1,547
Current assets:			
Debtors	7	114	104
Cash and bank balances		538	40
Total assets		29,857	1,691
Liabilities:			
Creditors:			
Other creditors	8	(77)	(41)
Total liabilities		(77)	(41)
Net assets attributable to shareholders		29,780	1,650

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 1 May 2018 to 30 April 2019

	2019 £000	2018 £000
Opening net assets attributable to shareholders	1,650	–
Amounts receivable on the issue of shares	28,592	1,617
Amounts payable on the cancellation of shares	(1,731)	–
	26,861	1,617
Dilution adjustment	7	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	1,218	31
Retained distribution on accumulation shares	44	2
Closing net assets attributable to shareholders	29,780	1,650

DISTRIBUTION TABLE

for the accounting period 1 May 2018 to 30 April 2019

Dividend distribution in pence per share

Class Z – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	0.1892	–	0.1892	0.0940
Group 2				
01/05/18 to 30/04/19	–	0.1892	0.1892	0.0940
Total distributions in the period			0.1892	0.0940

Class Q – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	0.4150	–	0.4150	0.1050
Group 2				
01/05/18 to 30/04/19	0.4150	–	0.4150	0.1050
Total distributions in the period			0.4150	0.1050

*The Fund launched on 17 April 2018.

**In pound Sterling and against UK peer group (See Performance summary on pages 202 and 203).

Threadneedle Global Focus Fund

DISTRIBUTION TABLE

(continued)

Class Z – Gross accumulation shares*

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2018/2019	Gross Revenue Accumulated 2017/2018
Group 1				
01/05/18 to 30/04/19	0.0421	–	0.0421	0.0930
Group 2				
01/05/18 to 30/04/19	–	0.0421	0.0421	0.0930
Total distributions in the period			0.0421	0.0930

Group 2: shares purchased during a distribution period.

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

Threadneedle Global Focus Fund

Comparative Table Disclosure

	Class 2 – Gross accumulation shares [§]		Class Q – Gross accumulation shares [§]	
	30/04/2019	30/04/2018 ¹	30/04/2019	30/04/2018 ¹
Change in net assets per share				
Opening net asset value per share (p)	102.05	100.00	102.07	100.00
Return before operating charges (p)	19.34	2.89	19.15	2.60
Operating charges (p)	(0.98)	(0.84)	(0.56)	(0.53)
Return after operating charges (p)*	18.36	2.05	18.59	2.07
Distributions (p)	(0.19)	(0.09)	(0.42)	(0.11)
Retained distributions on accumulation shares (p)	0.19	0.09	0.42	0.11
Closing net asset value per share (p)	120.41	102.05	120.66	102.07
*after direct transaction costs of (p)	0.35	0.09	0.33	0.09
Performance				
Return after charges (%)	17.99	2.05	18.21	2.07
Other information				
Closing net asset value (£000)	27,845	1	1	1
Closing number of shares	23,124,875	1,000	1,000	1,000
Operating charges (%)**	0.83	0.84 [†]	0.51	0.53 [†]
Direct transaction costs (%)***	0.30	0.09	0.30	0.09
Prices				
Highest share price (p)	120.75	102.24	121.00	102.25
Lowest share price (p)	101.33	98.78	101.47	98.79
Class Z – Gross accumulation shares[§]				
	30/04/2019	30/04/2018 ¹		
Change in net assets per share				
Opening net asset value per share (p)	102.06	100.00		
Return before operating charges (p)	19.12	2.93		
Operating charges (p)	(0.95)	(0.87)		
Return after operating charges (p)*	18.17	2.06		
Distributions (p)	(0.04)	(0.09)		
Retained distributions on accumulation shares (p)	0.04	0.09		
Closing net asset value per share (p)	120.23	102.06		
*after direct transaction costs of (p)	0.33	0.09		
Performance				
Return after charges (%)	17.80	2.06		
Other information				
Closing net asset value (£000)	1,934	1,648		
Closing number of shares	1,608,295	1,614,353		
Operating charges (%)**	0.86	0.87 [†]		
Direct transaction costs (%)***	0.30	0.09		
Prices				
Highest share price (p)	120.58	102.24		
Lowest share price (p)	101.24	98.78		

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

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

[§]Only available to eligible investors.

¹Commenced 17 April 2018.

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

Threadneedle Global Focus Fund

Notes to the financial statements

for the accounting period 1 May 2018 to 30 April 2019

1 ACCOUNTING POLICIES

The accounting policies for the fund are the same as those disclosed on pages 4 and 5.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2019 £000	2018 £000
Non-derivative securities	1,290	40
Forward currency contracts	7	–
Other losses	(79)	(9)
Net capital gains	1,218	31

3 REVENUE

	2019 £000	2018 £000
UK dividends	4	–
Overseas dividends	31	2
Bank interest	1	–
Total revenue	36	2

4 EXPENSES

	2019 £000	2018* £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(37)	–
Registration fees	(4)	–
	(41)	–
Payable to the depositary or associates of the depositary, and the agents of either of them:		
	–	–
Other expenses:		
	–	–
Total expenses**	(41)	–

*The amounts payable to the ACD, the depositary and other expenses each totalled less than £500.

** Including irrecoverable VAT where applicable.

5 TAXATION

	2019 £000	2018 £000
a) Analysis of charge in period		
Overseas taxes	(4)	–
Total current tax (note 5b)	(4)	–
Total tax charge for the period	(4)	–
b) Factors affecting taxation charge for period		
Net (expense)/revenue before taxation	(5)	2
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	1	–
Effects of:		
Revenue not subject to taxation	7	–
Overseas taxes	(4)	–
Excess expenses	(8)	–
Current tax charge for period (note 5a)	(4)	–

The fund has not recognised a deferred tax asset of £7,903 (2018: £91) 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:

	2019 £000	2018 £000
Final	44	2
	44	2
Add: Revenue deducted on the cancellation of shares	1	–
Deduct: Revenue received on the creation of shares	(54)	–
Net distribution for the period	(9)	2

Details of the distribution per share are set out in the table on pages 151 to 152.

7 DEBTORS

	2019 £000	2018 £000
Amounts receivable for the issue of shares	102	102
Amounts receivable from ACD	3	–
Accrued revenue	9	2
Total debtors	114	104

8 OTHER CREDITORS

	2019 £000	2018 £000
Purchases awaiting settlement	(59)	(40)
Amounts payable to ACD	(18)	(1)
Total other creditors	(77)	(41)

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 Global Focus Fund currently has three share classes; Class 2, Class Q and Class Z shares. The charges on each share class are as follows:

Annual management charge

Class 2 shares	0.75%
Class Q shares	0.50%
Class Z shares	0.75%

Registration fees

Class 2 shares	0.035%
Class Q 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 153. The distribution per share class is given in the distribution table on pages 151 to 152. All classes have the same rights on winding up.

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

Reconciliation of shares

	2019
Class 2 – Gross accumulation shares	
Opening shares	1,000
Shares issued	23,123,875
Shares redeemed	–
Net conversions	–
Closing shares	23,124,875
Class Q – Gross accumulation shares	
Opening shares	1,000
Shares issued	–
Shares redeemed	–
Net conversions	–
Closing shares	1,000
Class Z – Gross accumulation shares	
Opening shares	1,614,353
Shares issued	1,479,677
Shares redeemed	(1,485,735)
Net conversions	–
Closing shares	1,608,295

12 RISK MANAGEMENT

The analysis and tables provided below refer to the risk management policies narrative disclosure on page 5.

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 5.27% and vice versa (2018: 4.63%).

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 2019	
Euro	3,074
Hong Kong Dollar	1,505
Indian Rupee	2,027
Indonesian Rupiah	172
Japanese Yen	811
Swedish Krona	474
Taiwan Dollar	322
US Dollar	20,702
Currency 2018	
Australian Dollar	12
Euro	242
Hong Kong Dollar	79
Indonesian Rupiah	9
Japanese Yen	64
South Korean Won	31
Swedish Krona	17
US Dollar	1,002

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 2019	%	%
Euro	2.26	0.23
US Dollar	5.21	3.62
Currency 2018	%	%
Euro	4.09	0.60
US Dollar	6.05	3.68

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2018: 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 30 April was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	–	–	3,089	3,089
Hong Kong Dollar	–	–	1,505	1,505
Indian Rupee	–	–	2,027	2,027
Indonesian Rupiah	1	–	171	172
Japanese Yen	–	–	811	811
Swedish Krona	–	–	474	474
Taiwan Dollar	–	–	322	322
UK Sterling	14	–	697	711
US Dollar	523	–	20,223	20,746
Currency 2018				
Australian Dollar	–	–	12	12
Euro	–	–	247	247
Hong Kong Dollar	–	–	80	80
Indonesian Rupiah	–	–	9	9
Japanese Yen	–	–	64	64
South Korean Won	–	–	31	31
Swedish Krona	–	–	18	18
UK Sterling	2	–	193	195
US Dollar	38	–	997	1,035
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£000	£000	£000	£000
Currency 2019				
Euro	–	–	(15)	(15)
UK Sterling	–	–	(18)	(18)
US Dollar	–	–	(44)	(44)
Currency 2018				
Euro	–	–	(5)	(5)
Hong Kong Dollar	–	–	(1)	(1)
Swedish Krona	–	–	(1)	(1)
UK Sterling	–	–	(1)	(1)
US Dollar	–	–	(33)	(33)

Interest rate risk sensitivity

No sensitivity analysis shown as the fund has minimal exposure to interest rate risk in relation to cash balances (2018: same).

Threadneedle Global Focus Fund

Notes to the financial statements

(continued)

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.

Valuation technique	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	29,205	–	1,547	–
	29,205	–	1,547	–

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% (2018: 0.04%), being the difference between the respective buying and selling prices for the fund's investments.

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2018: Nil).

15 PORTFOLIO TRANSACTION COSTS

30 April 2019

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	28,767	5	0.02	8	0.03
Corporate actions	16	–	–	–	–
Total	28,783	5		8	

Gross purchases total: **28,796**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	2,426	1	0.04	–	–
Corporate actions	1	–	–	–	–
Total	2,427	1		–	

Total sales net of transaction costs: **2,426**

Transaction costs as a percentage of average Net Assets

Commissions: 0.12%
Taxes: 0.18%

30 April 2018

Purchases	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	1,549	–	–	1	0.00
Total	1,549	–		1	

Gross purchases total: **1,550**

Sales	Value	Commissions		Taxes	
	£000	£000	%	£000	%
Equities	43	–	–	–	–
Total	43	–		–	

Total sales net of transaction costs: **43**

Transaction costs as a percentage of average Net Assets

Commissions: 0.03%
Taxes: 0.06%

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/(expense) 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) in 2014;
- 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 Specialist Investment Funds ICVC (the Company) for the Period ended 30 April 2019

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' 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
12 August 2019

Independent Auditors' Report to the Shareholders of Threadneedle Specialist Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Specialist Investment Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2019 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 Specialist Investment Funds ICVC (the "company") is an Open Ended Investment Company ("OEIC") with 19 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 30 April 2019; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Emphasis of matter – Basis of preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy 1(a) which describes the Authorised Corporate Director's reason why the financial statements of the Threadneedle Absolute Return Bond Fund have been prepared on a basis other than going concern.

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

With the exception of the circumstances described in the Emphasis of matter – Basis of preparation paragraph above regarding the Threadneedle Absolute Return Bond Fund, we have nothing to report in respect of the following matters in relation to which ISAs (UK) requires us to report to you when:

- the Authorised Corporate Director's 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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's or any of the sub-fund's business and the wider economy.

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 (ACD) Responsibilities set out on page 157, 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.

Threadneedle UK Mid 250 Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 2.01% (4.02%)				HEALTH CARE 7.83% (8.53%)			
	Oil Equipment, Services & Distribution 2.01% (4.02%)				Health Care Equipment & Services 1.66% (0.00%)		
265,075	John Wood Group	1,287	2.01	781,719	Convatec Group	1,065	1.66
	Total Oil & Gas	1,287	2.01		Pharmaceuticals & Biotechnology 6.17% (8.53%)		
BASIC MATERIALS 3.10% (5.26%)				182,709	¹ Clinigen Group	1,815	2.83
	Chemicals 3.10% (5.26%)			89,188	Genus	2,146	3.34
400,927	Elementis	649	1.01		Total Health Care	5,026	7.83
318,541	Synthomer	1,338	2.09	CONSUMER SERVICES 14.62% (14.05%)			
	Total Basic Materials	1,987	3.10		General Retailers 0.00% (1.67%)		
INDUSTRIALS 31.33% (29.74%)					Media 7.52% (6.25%)		
	Construction & Materials 5.25% (7.38%)			595,272	Ascential	2,113	3.29
712,382	Balfour Beatty	1,794	2.80	120,770	Euromoney Institutional Investor	1,488	2.32
2,291,355	¹ Breedon Aggregates	1,572	2.45	90,403	Future	763	1.19
	Aerospace & Defence 2.04% (2.06%)			76,705	¹ GlobalData	460	0.72
961	Avon Rubber	14	0.02		Travel & Leisure 7.10% (6.13%)		
431,343	QinetiQ Group	1,292	2.02	783,078	Domino's Pizza Group	2,096	3.27
	General Industrials 1.98% (5.31%)			348,492	SSP Group	2,457	3.83
1,468,729	Coats Group	1,272	1.98		Total Consumer Services	9,377	14.62
	Electronic & Electrical Equipment 4.15% (2.07%)			FINANCIALS 11.21% (12.84%)			
95,879	Oxford Instruments	1,091	1.70		Life Insurance 2.10% (4.77%)		
57,122	Spectris	1,574	2.45	1,988,014	Just Group	1,348	2.10
	Industrial Engineering 6.58% (5.37%)				Real Estate Investment Trusts 0.00% (2.52%)		
550,120	Rotork	1,712	2.67		Financial Services 8.41% (4.23%)		
149,030	Weir Group	2,508	3.91	367,630	AJ Bell	1,489	2.32
	Support Services 11.33% (7.55%)			199,195	Intermediate Capital Group	2,360	3.68
119,236	Electrocomponents	774	1.21	1,049,605	Quilter	1,550	2.41
244,569	HomeServe	2,658	4.14		Equity Investment Instruments 0.60% (1.23%)		
295,389	Howden Joinery Group	1,509	2.35	110,363	Electra Private Equity	383	0.60
375,160	Sanne Group IPO	2,326	3.63		Nonequity Investment Instruments 0.10% (0.09%)		
	Total Industrials	20,096	31.33	67,908	Wilmcote Holdings	65	0.10
CONSUMER GOODS 12.97% (9.53%)					Total Financials	7,195	11.21
	Beverages 4.00% (3.70%)			TECHNOLOGY 12.83% (11.70%)			
280,579	Britvic	2,563	4.00		Software & Computer Services 9.85% (9.76%)		
	Food Producers 3.46% (0.00%)			68,865	AVEVA Group	2,311	3.60
72,673	Cranswick	2,100	3.27	57,491	¹ Blue Prism Group	1,128	1.76
33,019	¹ Hotel Chocolat Group	119	0.19	171,700	FDM Group Holdings IPO	1,669	2.60
	Household Goods & Home Construction 1.86% (2.91%)			37,820	¹ First Derivatives	1,212	1.89
237,209	¹ Victoria	1,196	1.86		Technology Hardware & Equipment 2.98% (1.94%)		
	Leisure Goods 1.24% (0.00%)			1,213,882	Spirent Communications	1,911	2.98
172,667	¹ Codemasters Group Holdings	392	0.61		Total Technology	8,231	12.83
9,920	Games Workshop Group	405	0.63	Total value of investments			
	Personal Goods 2.41% (2.92%)					61,517	95.90
94,952	Ted Baker	1,543	2.41	Net other assets (4.33%)			
	Total Consumer Goods	8,318	12.97			2,633	4.10
				Net assets			
				64,150			
				100.00			

April 2018 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle Ethical UK Equity Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 1.97% (1.65%)				CONSUMER SERVICES 17.82% (15.76%)			
Oil Equipment, Services & Distribution 0.92% (0.00%)				Media 9.32% (8.35%)			
203,017	¹ Tekmar Group	234	0.92	179,027	Ascential	636	2.50
Alternative Energy 1.05% (1.65%)				327,310	ITV	456	1.79
87,135	¹ Ceres Power Holdings	156	0.62	72,858	RELX (London Listing)	1,277	5.03
306,648	¹ Ilika	110	0.43	Travel & Leisure 8.50% (7.41%)			
Total Oil & Gas				48,564	Compass Group	847	3.33
		500	1.97	26,484	easyJet	310	1.22
BASIC MATERIALS 4.23% (6.25%)				232,196	Gym Group	543	2.14
Chemicals 4.23% (6.25%)				9,188	Intercontinental Hotels Group	460	1.81
6,303	Croda International	326	1.28	Total Consumer Services			
22,205	Johnson Matthey	749	2.95			4,529	17.82
Total Basic Materials				TELECOMMUNICATIONS 3.42% (1.08%)			
		1,075	4.23	Fixed Line Telecommunications 3.42% (1.08%)			
INDUSTRIALS 14.95% (16.01%)				381,441	BT Group	870	3.42
Construction & Materials 2.55% (2.83%)				Total Telecommunications			
6,960	Kingspan Group (EUR)	281	1.10			870	3.42
180,126	Melrose Industries	369	1.45	UTILITIES 1.26% (0.00%)			
General Industrials 2.79% (4.14%)				Electricity 0.53% (0.00%)			
318,412	Coats Group	276	1.08	791,289	¹ SIMEC Atlantis Energy	135	0.53
119,768	DS Smith	433	1.71	Gas, Water & Multiutilities 0.73% (0.00%)			
Electronic & Electrical Equipment 0.00% (0.50%)				24,697	Pennon Group	184	0.73
Industrial Engineering 3.83% (2.97%)				Total Utilities			
5,555	Spirax-Sarco Engineering	457	1.80			319	1.26
30,702	Weir Group	517	2.03	FINANCIALS 21.07% (23.69%)			
Support Services 5.78% (5.57%)				Banks 0.87% (1.22%)			
6,367	Ferguson	347	1.37	15,000	Secure Trust Bank	222	0.87
139,691	Mears Group	335	1.32	Nonlife Insurance 1.68% (2.09%)			
124,301	Rentokil Initial	485	1.91	78,471	RSA Insurance Group	427	1.68
40,346	Ricardo	299	1.18	Life Insurance 11.41% (11.97%)			
Total Industrials				599,069	Just Group	406	1.60
		3,799	14.95	307,121	Legal & General Group	859	3.38
CONSUMER GOODS 8.62% (10.16%)				93,320	Prudential	1,634	6.43
Food Producers 1.24% (1.34%)				Financial Services 7.11% (8.41%)			
87,294	¹ Hotel Chocolat Group	314	1.24	113,417	John Laing Group	438	1.72
Household Goods & Home Construction 0.68% (1.36%)				15,931	London Stock Exchange Group	810	3.19
50,870	Countryside Properties	173	0.68	360,730	Xafinity	559	2.20
Personal Goods 6.70% (7.46%)				Total Financials			
16,098	Burberry Group	326	1.28			5,355	21.07
29,909	Unilever	1,379	5.42	TECHNOLOGY 5.24% (3.89%)			
Total Consumer Goods				Software & Computer Services 5.24% (3.89%)			
		2,192	8.62	410,667	¹ Spatial	131	0.51
HEALTH CARE 16.67% (19.15%)				15,118	AVEVA Group	507	1.99
Health Care Equipment & Services 1.53% (1.94%)				29,545	FDM Group Holdings IPO	287	1.13
22,151	Smith & Nephew	330	1.30	14,841	Micro Focus International	287	1.13
470,000	¹ Totally (Suspended)	59	0.23	5,058,733	¹ Shearwater Group (Suspended)	121	0.48
Pharmaceuticals & Biotechnology 15.14% (17.21%)				Total Technology			
17,790	AstraZeneca	1,037	4.08			1,333	5.24
16,835	Genus	405	1.59	Total value of investments			
142,554	GlaxoSmithKline	2,240	8.81			24,210	95.25
228,675	Vectura Group	167	0.66	Net other assets (2.36%)			
Total Health Care						1,206	4.75
		4,238	16.67	Net assets			
						25,416	100.00

April 2018 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle UK Extended Alpha Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 5.19% (4.81%)				HEALTH CARE 6.78% (7.94%)			
	Oil & Gas Producers 4.03% (2.95%)				Health Care Equipment & Services 1.98% (2.00%)		
238,897	Royal Dutch Shell 'B' Shares	5,885	4.03	193,854	Smith & Nephew	2,885	1.98
	Oil Equipment, Services & Distribution 1.16% (1.86%)				Pharmaceuticals & Biotechnology 4.80% (5.94%)		
350,514	John Wood Group	1,701	1.16	446,434	GlaxoSmithKline	7,013	4.80
	Total Oil & Gas	7,586	5.19		Total Health Care	9,898	6.78
BASIC MATERIALS 7.60% (8.26%)				CONSUMER SERVICES 15.16% (13.96%)			
	Chemicals 3.05% (3.31%)				Food & Drug Retailers 3.31% (2.93%)		
131,889	Johnson Matthey	4,449	3.05	1,944,135	Tesco	4,827	3.31
	Mining 4.55% (4.95%)				General Retailers 0.57% (1.64%)		
149,667	Rio Tinto	6,654	4.55	134,904	Inchcape	834	0.57
	Total Basic Materials	11,103	7.60		Media 2.55% (3.09%)		
				476,163	Informa	3,723	2.55
INDUSTRIALS 14.43% (18.40%)					Travel & Leisure 8.73% (6.30%)		
	Construction & Materials 5.34% (6.55%)			65,714	Carnival	2,675	1.83
2,501,849	[†] Breedon Aggregates	1,716	1.18	754,593	Domino's Pizza Group	2,020	1.38
143,234	CRH (London Listing)	3,664	2.51	252,060	easyJet	2,953	2.02
1,179,481	Melrose Industries	2,413	1.65	863,490	Merlin Entertainments	3,198	2.19
	Aerospace & Defence 3.02% (2.47%)			41,999	Whitbread	1,919	1.31
1,893,334	Cobham	2,218	1.52		Total Consumer Services	22,149	15.16
239,172	Rolls-Royce Holdings	2,192	1.50				
16,981,212	Rolls-Royce Holdings Preference Share	–	–	TELECOMMUNICATIONS 2.87% (1.97%)			
	General Industrials 1.51% (0.00%)				Fixed Line Telecommunications 2.87% (1.97%)		
144,311	Smiths Group	2,212	1.51	1,836,449	BT Group	4,186	2.87
	Industrial Engineering 0.00% (3.74%)				Total Telecommunications	4,186	2.87
	Industrial Transportation 0.00% (1.28%)			FINANCIALS 20.01% (20.49%)			
	Support Services 4.56% (4.36%)				Banks 4.99% (5.77%)		
188,149	Aggreko	1,597	1.09	1,512,445	Barclays	2,488	1.70
56,225	Ferguson	3,068	2.10	684,099	Standard Chartered	4,807	3.29
392,739	Howden Joinery Group	2,006	1.37		Life Insurance 7.23% (7.59%)		
	Total Industrials	21,086	14.43	412,671	Prudential	7,226	4.95
				294,442	St James's Place	3,333	2.28
CONSUMER GOODS 22.30% (21.26%)					Real Estate Investment & Services 1.44% (0.00%)		
	Beverages 4.74% (4.36%)			831,072	Grainger	2,098	1.44
215,842	Diageo	6,927	4.74		Real Estate Investment Trusts 3.47% (4.06%)		
	Food Producers 2.56% (0.00%)			74,900	Derwent London	2,373	1.62
145,365	Associated British Foods	3,739	2.56	291,490	Land Securities Group REIT	2,708	1.85
	Household Goods & Home Construction 5.03% (4.00%)				Financial Services 2.88% (3.07%)		
22,408	Berkeley Group Holdings	853	0.58	44,399	London Stock Exchange Group	2,256	1.54
528,224	Crest Nicholson Holdings	2,044	1.40	79,309	Schroders Non-voting	1,951	1.34
72,186	Reckitt Benckiser Group	4,449	3.05		Total Financials	29,240	20.01
	Personal Goods 3.70% (4.53%)			TECHNOLOGY 1.72% (1.41%)			
73,103	Burberry Group	1,482	1.01		Software & Computer Services 1.72% (1.41%)		
85,168	Unilever	3,925	2.69	36,487	Micro Focus International	706	0.49
	Tobacco 6.27% (8.37%)			248,991	Sage Group	1,801	1.23
187,675	British American Tobacco	5,585	3.82		Total Technology	2,507	1.72
148,447	Imperial Brands	3,582	2.45				
	Total Consumer Goods	32,586	22.30				

Threadneedle UK Extended Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.04% (0.15%)			
	Portfolio Swap -0.04% (0.15%)		
	USB Portfolio Swap	(56)	(0.04)
	Total Derivatives	(56)	(0.04)
Total value of investments		140,285	96.02
Net other assets (1.35%)		5,817	3.98
Net assets		146,102	100.00

April 2018 comparatives in brackets.

¹Alternative Investment Market.

Threadneedle UK Equity Alpha Income Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 3.87% (4.16%)				TELECOMMUNICATIONS 3.04% (3.34%)			
	Oil & Gas Producers 3.87% (4.16%)				Fixed Line Telecommunications 3.04% (3.34%)		
569,605	Royal Dutch Shell 'B' Shares	14,032	3.87	4,838,972	BT Group	11,031	3.04
	Total Oil & Gas	14,032	3.87		Total Telecommunications	11,031	3.04
BASIC MATERIALS 2.34% (2.36%)				UTILITIES 4.99% (5.99%)			
	Chemicals 2.34% (2.36%)				Gas, Water & Multiutilities 4.99% (5.99%)		
251,360	Johnson Matthey	8,478	2.34	9,013,858	Centrica	9,474	2.61
	Total Basic Materials	8,478	2.34	1,156,166	Pennon Group	8,616	2.38
					Total Utilities	18,090	4.99
INDUSTRIALS 18.08% (16.98%)				FINANCIALS 18.37% (17.60%)			
	Aerospace & Defence 3.73% (3.66%)				Nonlife Insurance 4.15% (4.87%)		
11,523,648	Cobham	13,500	3.73	2,761,090	RSA Insurance Group	15,020	4.15
	General Industrials 2.97% (2.99%)				Life Insurance 9.87% (8.13%)		
702,762	Smiths Group	10,773	2.97	5,449,309	Legal & General Group	15,236	4.20
	Industrial Engineering 1.59% (1.32%)			2,826,509	Phoenix Group Holdings	20,546	5.67
1,626,575	Castings	5,758	1.59		Real Estate Investment Trusts 3.29% (2.64%)		
	Support Services 9.79% (9.01%)			5,932,707	Londonmetric Property REIT	11,925	3.29
3,020,041	Electrocomponents	19,600	5.41		Financial Services 1.06% (1.96%)		
4,071,549	Rentokil Initial	15,879	4.38	6,782,255	Sherborne Investors Guernsey	3,832	1.06
	Total Industrials	65,510	18.08		Total Financials	66,559	18.37
CONSUMER GOODS 12.60% (11.90%)				TECHNOLOGY 4.03% (2.77%)			
	Food Producers 3.60% (2.83%)				Technology Hardware & Equipment 4.03% (2.77%)		
1,716,737	Tate & Lyle	13,054	3.60	9,264,462	Spirent Communications	14,582	4.03
	Personal Goods 3.37% (3.08%)				Total Technology	14,582	4.03
265,074	Unilever	12,217	3.37				
	Tobacco 5.63% (5.99%)			COLLECTIVE INVESTMENT SCHEMES 0.02% (0.00%)			
845,328	Imperial Brands	20,398	5.63		Liquidity Funds 0.02% (0.00%)¹		
	Total Consumer Goods	45,669	12.60	54,588	BlackRock Institutional Cash Series		
					Sterling Liquidity Platinum	55	0.02
					Total Collective Investment Schemes	55	0.02
HEALTH CARE 14.25% (13.61%)				Total value of investments²			
	Pharmaceuticals & Biotechnology 14.25% (13.61%)					373,408	103.06
508,398	AstraZeneca	29,645	8.18		Net other (liabilities)/assets (0.39%)	(11,089)	(3.06)
1,398,720	GlaxoSmithKline	21,974	6.07		Net assets	362,319	100.00
	Total Health Care	51,619	14.25				
CONSUMER SERVICES 21.47% (20.90%)				<i>April 2018 comparatives in brackets.</i>			
	Food & Drug Retailers 4.61% (5.20%)			<i>¹Cash equivalents.</i>			
7,610,124	WM Morrison Supermarkets	16,689	4.61	<i>²Includes Cash equivalents.</i>			
	General Retailers 3.49% (3.51%)						
4,413,883	Marks & Spencer Group	12,637	3.49				
	Media 7.12% (7.37%)						
7,460,027	ITV	10,384	2.86				
1,845,490	Pearson	15,428	4.26				
	Travel & Leisure 6.25% (4.82%)						
9,997,641	Restaurant Group	14,337	3.96				
6,279,997	Stagecoach Group	8,308	2.29				
	Total Consumer Services	77,783	21.47				

Threadneedle UK Absolute Alpha Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES -1.07% (-1.05%) (continued)			
	Forward Foreign Exchange Contracts 0.00% (0.13%)		
	Sell GBP 118,828		
	Buy USD 154,091 J.P. Morgan	(1)	–
	Portfolio Swap -0.38% (-0.76%)		
	UBS Portfolio Swap	(1,155)	(0.38)
	Total Derivatives	(3,218)	(1.07)
	Total value of investments²	265,672	88.65
	Net other assets (10.80%)	34,029	11.35
	Net assets	299,701	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS FTSE 100 Future Expiring June 2019	(48,913)
Total net exposure	(48,913)

April 2018 comparatives in brackets.

¹Alternative Investment Market.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle Absolute Return Bond Fund

Portfolio Statement

as at 30 April 2019

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
BELGIUM 0.00% (6.09%)					DERIVATIVES -0.48% (1.07%)				
		BBB+ 0.00% (6.09%)					Futures and Options -0.31% (-0.22%)		
FRANCE 2.19% (0.00%)					EUR	(83)	UBS 3 Month EURO Euribor Future Expiring December 2019	(56)	(0.25)
		Not Rated 2.19% (0.00%)			AUD	(35)	UBS Australia 3 Year Bond Future Expiring June 2019	(16)	(0.07)
EUR	570,000	France Government Bond 1.5% 25/05/2050	498	2.19	EUR	(32)	UBS EURO-Bobl Future Expiring June 2019	(25)	(0.11)
		Total France	498	2.19	EUR	(15)	UBS EURO Bond Future Expiring June 2019	(30)	(0.13)
NETHERLANDS 3.22% (7.30%)					GBP	(10)	UBS Long Gilt Future Expiring June 2019	7	0.03
		BBB+ 3.22% (7.30%)			USD	10	UBS US 10 Year Note Future Expiring June 2019	7	0.03
GBP	730,000	Volkswagen Financial Services 2.625% 22/07/2019	732	3.22	USD	48	UBS US 10 Year Ultra Future Expiring June 2019	41	0.18
		Total Netherlands	732	3.22	USD	5	UBS US Ultra Bond Future Expiring June 2019	2	0.01
RUSSIA 0.00% (9.05%)					Forward Foreign Exchange Contracts -0.17% (1.29%)				
		Not Rated 0.00% (9.05%)					Sell USD 365		
		Total Russia	-	-			Buy AUD 513 Bank of Scotland ¹	-	-
SOUTH AFRICA 0.00% (5.47%)							Sell USD 167,084		
		BB+ 0.00% (5.47%)					Buy GBP 125,867 HSBC	(2)	(0.01)
		Total South Africa	-	-			Sell USD 3,312,200		
SOUTH KOREA 0.00% (7.60%)							Buy GBP 2,490,529 J.P. Morgan	(52)	(0.23)
		AA 0.00% (1.70%)					Sell USD 604,329		
		Aa2 0.00% (5.90%)					Buy GBP 456,076 UBS	(8)	(0.03)
		Total South Korea	-	-			Sell USD 610,952		
UNITED KINGDOM 81.68% (58.39%)							Buy GBP 462,472 HSBC	(7)	(0.03)
		Aa2u 42.94% (49.05%)					Sell USD 105,339		
GBP	5,500,000	United Kingdom Gilt 1.75% 22/07/2019	5,512	24.26			Buy GBP 79,392 J.P. Morgan	(2)	(0.01)
GBP	4,200,000	United Kingdom Gilt 3.75% 07/09/2019	4,243	18.68			Sell EUR 1,572,236		
		BBB+ 2.22% (3.79%)					Buy USD 1,794,511 Barclays	22	0.10
GBP	500,000	Northern Gas Networks Finance 5.875% 08/07/2019	504	2.22			Sell MXN 244,193		
		BBB 2.22% (5.55%)					Buy USD 12,615 Citigroup ¹	-	-
GBP	500,000	Imperial Brands Finance 7.75% 24/06/2019	504	2.22			Sell CHF 14,897		
		BBB- 2.20% (0.00%)					Buy USD 14,983 HSBC	1	-
GBP	500,000	G4S 7.75% 13/05/2019	501	2.20			Sell SEK 434,412	1	-
		Not Rated 32.10% (0.00%)					Buy USD 47,364 J.P. Morgan	1	-
GBP	1,186,000	United Kingdom Gilt 0% 13/05/2019	1,186	5.22			Sell NZD 8,620		
GBP	814,000	United Kingdom Gilt 0% 20/05/2019	814	3.58			Buy USD 5,926 HSBC ¹	-	-
GBP	900,000	United Kingdom Gilt 0% 24/06/2019	899	3.96			Sell GBP 474,156		
GBP	2,400,000	United Kingdom Gilt 0% 15/07/2019	2,396	10.55			Buy USD 629,096 UBS	9	0.04
GBP	2,000,000	United Kingdom Gilt 0% 22/07/2019	1,996	8.79			Sell GBP 58,445		
		Total United Kingdom	18,555	81.68			Buy USD 76,052 Bank of Scotland ¹	-	-
UNITED STATES OF AMERICA 2.96% (0.00%)							Sell CAD 10,884		
		Aaa 2.96% (0.00%)					Buy USD 8,180 J.P. Morgan ¹	-	-
USD	875,000	United States Treasury Note/Bond 0.875% 15/05/2019	672	2.96			Sell JPY 954,399		
		Total United States of America	672	2.96			Buy USD 8,603 J.P. Morgan ¹	-	-
							Sell GBP 63,454		
							Buy USD 82,963 Bank of Scotland ¹	-	-
							Sell NOK 7,386		
							Buy USD 869 J.P. Morgan ¹	-	-
							Total Derivatives	(108)	(0.48)
							Total value of investments	20,349	89.57
							Net other assets (5.03%)	2,370	10.43
							Net assets	22,719	100.00

April 2018 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle Absolute Return Bond Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Investment
ANALYSIS OF INVESTMENTS BY ASSET CLASS			
Fixed interest		20,459	100.53
Derivatives		(108)	(0.53)
Total value of investments		20,351	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS 3 Month EURO Euribor Future Expiring December 2019	(17,938)
UBS Australia 3 Year Bond Future Expiring June 2019	(2,161)
UBS EURO-Bobl Future Expiring June 2019	(3,663)
UBS EURO Bond Future Expiring June 2019	(2,134)
UBS Long Gilt Future Expiring June 2019	(1,272)
UBS US 10 Year Note Future Expiring June 2019	949
UBS US 10 Year Ultra Future Expiring June 2019	4,851
UBS US Ultra Bond Future Expiring June 2019	629
Total net exposure	(20,739)

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

as at 30 April 2019

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 1.92% (2.47%)									
		A 0.65% (0.39%)							
GBP	710,000	BHP Billiton Finance 4.3% 25/09/2042	927	0.31					
GBP	1,050,000	Westfield America Management 2.625% 30/03/2029	1,047	0.34					
		A- 0.42% (0.53%)							
USD	1,721,000	SGSP Australia Assets 3.25% 29/07/2026	1,281	0.42					
		BBB+ 0.00% (0.33%)							
GBP	2,475,000	APT Pipelines 3.5% 22/03/2030	2,583	0.85					
		BBB- 0.00% (0.40%)							
		Total Australia	5,838	1.92					
AUSTRIA 0.00% (0.21%)									
		Baa2 0.00% (0.21%)							
		Total Austria	-	-					
BELGIUM 0.58% (0.89%)									
		A- 0.58% (0.89%)							
GBP	1,825,000	Anheuser-Busch 2.25% 24/05/2029	1,767	0.58					
		Total Belgium	1,767	0.58					
BERMUDA 0.53% (0.00%)									
		BBB- 0.53% (0.00%)							
USD	2,179,000	Bacardi 5.15% 15/05/2038	1,617	0.53					
		Total Bermuda	1,617	0.53					
BRITISH VIRGIN ISLANDS 0.00% (0.10%)									
		BBB 0.00% (0.10%)							
		Total British Virgin Islands	-	-					
CAYMAN ISLANDS 3.05% (3.35%)									
		AA+ 0.25% (0.35%)							
GBP	850,000	*Trafford Centre Finance FRN 28/07/2035 A3	759	0.25					
		AA 0.52% (0.00%)							
GBP	1,200,000	Dwr Cymru Financing 6.015% 31/03/2028	1,587	0.52					
		A 0.00% (0.55%)							
		A- 0.18% (0.19%)							
GBP	400,000	Yorkshire Power Finance Cayman Islands 7.25% 04/08/2028	559	0.18					
		BBB+ 1.89% (1.92%)							
GBP	2,200,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	2,130	0.70					
GBP	2,240,000	Thames Water Utilities Cayman Finance 3.5% 25/02/2028	2,375	0.78					
GBP	775,000	Thames Water Utilities Cayman Finance 4% 19/06/2025	844	0.28					
GBP	300,000	Thames Water Utilities Cayman Finance 5.5% 11/02/2041	406	0.13					
		BBB- 0.21% (0.15%)							
GBP	650,000	Thames Water Utilities 2.875% 03/05/2027	630	0.21					
		B 0.00% (0.19%)							
		Total Cayman Islands	9,290	3.05					
FRANCE 6.63% (3.97%)									
		AA 0.56% (0.00%)							
GBP	675,000	Reseau Ferre de France 5% 11/03/2052	1,069	0.35					
GBP	455,000	Reseau Ferre de France 5.25% 31/01/2035	637	0.21					
		A- 4.02% (2.15%)							
GBP	2,650,000	BNP Paribas 3.375% 23/01/2026	2,753	0.90					
USD	2,000,000	Electricite de France 4.5% 21/09/2028	1,599	0.53					
GBP	2,800,000	Electricite de France 5.125% 22/09/2050	3,824	1.26					
GBP	2,200,000	Electricite de France 5.5% 17/10/2041	3,027	0.99					
GBP	1,000,000	Vinci 2.75% 15/09/2034	1,020	0.34					
		BBB+ 1.58% (1.02%)							
GBP	1,200,000	*AXA FRN 16/01/2054	1,354	0.44					
GBP	1,100,000	Orange 3.25% 15/01/2032	1,163	0.38					
GBP	400,000	Orange 5.375% 22/11/2050	578	0.19					
GBP	500,000	Orange 5.625% 23/01/2034	668	0.22					
GBP	717,000	Orange 8.125% 20/11/2028	1,056	0.35					
		BBB 0.00% (0.37%)							
		B 0.00% (0.21%)							
		Not Rated 0.47% (0.22%)							
GBP	1,275,000	*Credit Agricole 7.5% 31/12/2049	1,429	0.47					
		Total France	20,177	6.63					
GERMANY 2.36% (3.01%)									
		AAA 2.13% (2.45%)							
GBP	3,720,000	KFW 5% 09/06/2036	5,507	1.81					
GBP	650,000	KFW 5.75% 07/06/2032	963	0.32					
		BB+ 0.23% (0.31%)							
EUR	800,000	ADLER Real Estate 3% 27/04/2026	710	0.23					
		BB- 0.00% (0.25%)							
		Total Germany	7,180	2.36					
GUERNSEY 0.00% (0.64%)									
		BBB+ 0.00% (0.64%)							
		Total Guernsey	-	-					
JERSEY 2.84% (2.15%)									
		A- 1.02% (1.19%)							
GBP	310,000	Heathrow Funding 2.75% 09/08/2049	296	0.10					
GBP	625,000	Heathrow Funding 4.625% 31/10/2046	812	0.27					
GBP	1,350,000	Heathrow Funding 5.875% 13/05/2041	1,981	0.65					

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment
				Value	Net Asset Value
		£000		£000	Value
JERSEY 2.84% (2.15%) (continued)					
BBB+ 1.00% (0.72%)					
GBP	800,000	Gatwick Funding 3.125% 28/09/2039	812	0.27	
GBP	2,200,000	Glencore Finance Europe 3.125% 26/03/2026	2,215	0.73	
BBB 0.82% (0.24%)					
GBP	850,000	CPUK Finance 3.69% 28/08/2028	882	0.29	
GBP	1,075,000	CPUK Finance 3.69% 28/08/2028 (Dublin Listing)	1,116	0.36	
GBP	419,000	*HSBC Bank Capital Funding Sterling 1 5.844% 29/11/2049	537	0.17	
Total Jersey			8,651	2.84	
LUXEMBOURG 0.00% (0.23%)					
BBB- 0.00% (0.23%)					
Total Luxembourg			-	-	
MEXICO 0.96% (1.71%)					
A- 0.55% (0.69%)					
GBP	300,000	America Movil 4.375% 07/08/2041	370	0.12	
GBP	270,000	America Movil 4.948% 22/07/2033	343	0.11	
GBP	800,000	America Movil 5% 27/10/2026	957	0.32	
BBB+ 0.41% (1.02%)					
GBP	630,000	Petroleos Mexicanos 3.75% 16/11/2025	589	0.19	
GBP	648,000	United Mexican States 5.625% 19/03/2114	661	0.22	
Total Mexico			2,920	0.96	
NETHERLANDS 6.42% (4.14%)					
AAA 0.47% (0.44%)					
GBP	1,100,000	Bank Nederlandse Gemeenten 5.2% 07/12/2028	1,439	0.47	
AA- 0.30% (0.24%)					
GBP	900,000	JT International Financial Services 2.75% 28/09/2033	903	0.30	
A- 0.70% (0.00%)					
GBP	2,100,000	ING Groep 3% 18/02/2026	2,134	0.70	
BBB+ 1.47% (0.76%)					
GBP	1,250,000	Co-operative Rabobank 4.625% 23/05/2029	1,414	0.47	
GBP	840,000	Enel Finance International 5.75% 14/09/2040	1,090	0.36	
GBP	1,900,000	Volkswagen International Finance 3.375% 16/11/2026	1,951	0.64	
BBB 3.48% (2.70%)					
GBP	875,000	E.ON International Finance 6.375% 07/06/2032	1,207	0.40	
USD	1,090,000	E.ON International Finance 6.65% 30/04/2038	1,036	0.34	
GBP	1,300,000	E.ON International Finance 6.75% 27/01/2039	1,985	0.65	
GBP	400,000	Innogy Finance 4.75% 31/01/2034	482	0.16	
GBP	850,000	Innogy Finance 6.125% 06/07/2039	1,221	0.40	
GBP	2,600,000	Innogy Finance 6.25% 03/06/2030	3,451	1.14	
GBP	1,250,000	LafargeHolcim Sterling Finance 3% 12/05/2032	1,199	0.39	
Total Netherlands			19,512	6.42	
NORWAY 0.31% (0.11%)					
A3 0.31% (0.11%)					
GBP	800,000	WHG Treasury 4.25% 06/10/2045	946	0.31	
Total Norway			946	0.31	
REPUBLIC OF IRELAND 1.14% (1.15%)					
A 0.00% (0.93%)					
BBB+ 1.03% (0.00%)					
GBP	2,225,000	GE Capital UK Funding 5.875% 18/01/2033	2,695	0.88	
GBP	300,000	GE Capital UK Funding 8% 14/01/2039	449	0.15	
Not Rated 0.11% (0.22%)					
GBP	299,000	PGH Capital 6.625% 28/12/2025	325	0.11	
Total Republic of Ireland			3,469	1.14	
SINGAPORE 0.50% (0.68%)					
AAA 0.50% (0.68%)					
GBP	1,040,000	Temasek Financial 5.125% 26/07/2040	1,526	0.50	
Total Singapore			1,526	0.50	
SPAIN 0.69% (0.69%)					
BBB 0.69% (0.69%)					
GBP	1,525,000	Telefonica Emisiones 5.375% 02/02/2026	1,792	0.59	
GBP	250,000	Telefonica Emisiones 5.445% 08/10/2029	308	0.10	
Total Spain			2,100	0.69	
SUPRANATIONAL 2.46% (2.36%)					
AAA 1.65% (1.24%)					
GBP	443,000	European Investment Bank 0% 07/12/2028	379	0.13	
GBP	2,800,000	European Investment Bank 3.875% 08/06/2037	3,663	1.20	
GBP	645,000	European Investment Bank 4.5% 07/03/2044	972	0.32	
Aaa 0.81% (1.12%)					
GBP	2,525,000	European Investment Bank 1% 21/09/2026	2,458	0.81	
Total Supranational			7,472	2.46	
SWEDEN 0.80% (0.83%)					
BBB 0.80% (0.83%)					
GBP	2,500,000	Akelius Residential 2.375% 15/08/2025	2,427	0.80	
Total Sweden			2,427	0.80	
SWITZERLAND 0.52% (0.94%)					
BBB+ 0.42% (0.81%)					
USD	610,000	*Credit Suisse Group 3.869% 12/01/2029	464	0.15	
USD	1,023,000	UBS 5.125% 15/05/2024	824	0.27	
BB+ 0.10% (0.13%)					
USD	370,000	*UBS Group 7% 29/12/2049	305	0.10	
Total Switzerland			1,593	0.52	

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
		UNITED KINGDOM 50.88% (54.99%)			GBP	850,000	Bromford Housing Group 3.125% 03/05/2048	875	0.29
		AAA 2.28% (3.33%)			GBP	196,000	Cambridgeshire Housing Capital 4.25% 15/09/2045	234	0.08
GBP	1,300,000	Broadgate Financing 4.949% 05/04/2029	743	0.24	GBP	615,000	Connect Plus M25 2.607% 31/03/2039	627	0.21
GBP	1,600,000	Meadowhall Finance 4.986% 12/01/2032	1,392	0.46	GBP	875,000	Futures Treasury 3.375% 08/02/2044	918	0.30
GBP	1,790,000	Santander UK 4.875% 30/03/2027	2,286	0.76	GBP	2,275,000	GlaxoSmithKline 5.25% 19/12/2033	3,028	1.00
GBP	850,000	Wellcome Trust Finance 2.517% 07/02/2118	820	0.27	GBP	647,000	Incommunities 3.25% 21/03/2049	666	0.22
GBP	1,220,000	Wellcome Trust Finance 4.625% 25/07/2036	1,673	0.55	GBP	590,000	Karbon Homes 3.375% 15/11/2047	634	0.21
		Aaa 2.11% (2.36%)			GBP	1,380,000	Lloyds Bank 6.5% 17/09/2040	2,208	0.73
GBP	1,325,000	Clydesdale Bank 4.625% 08/06/2026	1,586	0.52	GBP	1,430,000	Longstone Finance 4.791% 19/04/2030	944	0.31
GBP	1,871,000	Lloyds Bank 4.875% 30/03/2027	2,286	0.75	GBP	1,050,000	Motability Operations Group 2.375% 14/03/2032	1,052	0.35
GBP	800,000	Lloyds Bank 6% 08/02/2029	1,083	0.36	GBP	620,000	Motability Operations Group 4.375% 08/02/2027	725	0.24
GBP	300,000	University of Cambridge 2.35% 27/06/2078	298	0.10	GBP	1,000,000	Wheatley Group Capital 4.375% 28/11/2044	1,170	0.38
GBP	310,000	University of Cambridge 3.75% 17/10/2052	418	0.14			A 2.17% (3.46%)		
GBP	750,000	University of Oxford 2.544% 08/12/2117	734	0.24	GBP	750,000	Catalyst Housing 3.125% 31/10/2047	758	0.25
		AA 4.33% (4.99%)			GBP	521,000	Circle Anglia Social Housing 5.2% 02/03/2044	720	0.24
GBP	1,550,000	Integrated Accommodation Services 6.48% 31/03/2029	1,116	0.37	GBP	585,000	Clarion Housing Group 3.125% 19/04/2048	592	0.19
GBP	1,887,000	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,947	0.64	GBP	765,000	*HSBC Holdings Variable 22/07/2028	777	0.26
GBP	655,000	Land Securities Capital Markets 2.399% 08/02/2029	666	0.22	GBP	95,000	Legal & General Finance 5.875% 05/04/2033	132	0.04
GBP	650,000	Land Securities Capital Markets 2.75% 22/09/2057	649	0.21	GBP	1,150,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	1,184	0.39
GBP	2,675,000	LCR Finance 4.5% 07/12/2028	3,385	1.11	GBP	470,000	Notting Hill Housing Trust 3.25% 12/10/2048	459	0.15
GBP	1,315,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	1,861	0.61	GBP	365,000	Penarian Housing 3.212% 07/06/2052	359	0.12
GBP	1,170,000	Octagon Healthcare Funding 5.333% 31/12/2035	1,210	0.40	GBP	785,000	QHT 4% 20/07/2049	695	0.23
GBP	1,875,000	Telereal Securitisation 5.9478% 10/12/2031	1,754	0.58	GBP	835,000	UNITE USAF II 3.921% 30/06/2025	915	0.30
GBP	530,000	White City Property 5.1202% 17/04/2035	582	0.19			A2 0.30% (0.50%)		
		Aa2 0.13% (0.17%)			GBP	900,000	Optivo Finance 3.283% 22/03/2048	928	0.30
GBP	305,000	Merseylink 3.842% 31/03/2043	391	0.13			A- 8.11% (4.28%)		
		Aa2u 3.00% (3.84%)			GBP	1,235,000	Anglian Water Services Financing 1.625% 10/08/2025	1,208	0.40
GBP	1,760,000	United Kingdom Gilt 1.5% 22/07/2047	1,680	0.55	GBP	830,000	Anglian Water Services Financing 2.75% 26/10/2029	861	0.28
GBP	632,000	United Kingdom Gilt 1.75% 07/09/2037	643	0.21	GBP	1,743,000	BP Capital Markets 2.274% 03/07/2026	1,786	0.59
GBP	1,910,000	United Kingdom Gilt 1.75% 22/07/2057	1,985	0.65	GBP	1,294,000	Home Group 3.125% 27/03/2043	1,257	0.41
GBP	130,000	United Kingdom Gilt 3.25% 22/01/2044	170	0.06	GBP	550,000	HSBC Bank 4.75% 24/03/2046	659	0.22
GBP	673,000	United Kingdom Gilt 3.5% 22/07/2068	1,111	0.36	GBP	3,294,000	HSBC Bank 5.375% 22/08/2033	4,074	1.34
GBP	965,000	United Kingdom Gilt 4% 22/01/2060	1,655	0.54	GBP	500,000	*HSBC Bank 5.375% FRN 04/11/2030	575	0.19
GBP	1,400,000	United Kingdom Gilt 4.75% 07/12/2030	1,921	0.63	GBP	2,200,000	London Power Networks 2.625% 01/03/2029	2,237	0.73
		AA- 0.59% (0.87%)			GBP	312,000	London Power Networks 6.125% 07/06/2027	398	0.13
GBP	820,000	BG Energy Capital 5% 04/11/2036	1,144	0.38	GBP	1,225,000	National Grid Electricity Transmission 2.75% 06/02/2035	1,263	0.41
GBP	500,000	Transport for London 5% 31/03/2035	653	0.21	GBP	1,525,000	Sky 4% 26/11/2029	1,776	0.58
		Aa3 0.13% (0.57%)			GBP	1,125,000	South Eastern Power Networks 6.375% 12/11/2031	1,574	0.52
GBP	450,000	University of Southampton 2.25% 11/04/2057	407	0.13	GBP	1,700,000	United Utilities Water Finance 2.625% 12/02/2031	1,742	0.57
		A+ 5.12% (3.06%)			GBP	600,000	Wales & West Utilities Finance 3% 03/08/2038	625	0.21
GBP	1,500,000	Aster Treasury 4.5% 18/12/2043	1,896	0.62	GBP	2,200,000	Western Power Distribution 2.375% 16/05/2029	2,177	0.72
GBP	510,000	Broadgate Finance 5.098% 05/04/2033	551	0.18					

Threadneedle Sterling Medium and Long-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 50.88% (54.99%) (continued)									
GBP	1,500,000	Western Power Distribution West Midlands 5.75% 16/04/2032	1,987	0.65	GBP	1,771,000	Imperial Brands Finance 5.5% 28/09/2026	2,060	0.68
GBP	498,000	Yorkshire Water Finance 2.75% 18/04/2041	492	0.16	GBP	1,550,000	Lloyds Bank 7.625% 22/04/2025	1,982	0.65
		A3 0.29% (1.00%)			GBP	440,000	*NGG Finance 5.625% 18/06/2073	476	0.16
GBP	550,000	Paragon Treasury 3.625% 21/01/2047	588	0.19	GBP	1,475,000	*Prudential Variable 20/10/2051	1,567	0.51
GBP	226,000	Peabody Capital 4.625% 12/12/2053	295	0.10	GBP	1,154,000	RMPA Services 5.337% 30/09/2038	1,112	0.37
		BBB+ 8.12% (11.56%)			GBP	1,050,000	Telereal Securitisation 6.1645% 10/12/2031	1,178	0.39
GBP	740,000	BAT International Finance 6% 24/11/2034	939	0.31	GBP	1,955,000	Unite Group 3.5% 15/10/2028	1,998	0.66
GBP	3,150,000	Bunzl Finance 2.25% 11/06/2025	3,108	1.02			Baa2 0.82% (2.70%)		
GBP	2,050,000	Cadent Finance 2.625% 22/09/2038	1,958	0.64	GBP	500,000	Eversholt Funding 3.529% 07/08/2042	484	0.16
GBP	2,100,000	Cadent Finance 2.75% 22/09/2046	1,994	0.66	GBP	570,000	Eversholt Funding 6.697% 22/02/2035	722	0.24
GBP	700,000	*Legal & General Group 5.5% 27/06/2064	767	0.25	GBP	1,415,000	Vodafone Group 3.375% 08/08/2049	1,284	0.42
GBP	2,200,000	*Legal & General Group Variable 14/11/2048	2,363	0.78			BBB- 3.06% (2.54%)		
GBP	1,140,000	NIE Finance 2.5% 27/10/2025 (BSE)	1,164	0.38	GBP	475,000	*CYBG 4% 22/06/2025	464	0.15
GBP	385,000	NIE Finance 2.5% 27/10/2025 (LSE)	393	0.13	GBP	1,190,000	DS Smith 2.875% 26/07/2029	1,172	0.38
GBP	1,100,000	Northern Gas Networks Finance 4.875% 15/11/2035	1,403	0.46	EUR	605,000	G4S International Finance 1.875% 24/05/2025	521	0.17
GBP	1,095,000	Northumbrian Water Finance 1.625% 11/10/2026	1,045	0.34	GBP	1,412,000	GKN Holdings 3.375% 12/05/2032	1,365	0.45
GBP	945,000	Northumbrian Water Finance 2.375% 05/10/2027	944	0.31	GBP	240,000	Marks & Spencer 4.75% 12/06/2025	259	0.08
GBP	875,000	*Prudential 5.7% 19/12/2063	1,053	0.35	GBP	3,015,000	*Royal Bank of Scotland 2.875% 19/09/2026	3,018	0.99
GBP	530,000	Royal Bank of Scotland 7.5% 29/04/2024	655	0.21	GBP	1,562,000	*Royal Bank of Scotland Group Variable 28/03/2027	1,574	0.52
GBP	1,025,000	*RSA Insurance Group 5.125% 10/10/2045	1,114	0.37	GBP	850,000	Standard Chartered 5.125% 06/06/2034	966	0.32
GBP	900,000	Severn Trent Utilities Finance 2.75% 05/12/2031	917	0.30			Baa3 0.21% (0.00%)		
GBP	1,450,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,573	0.52	GBP	605,000	*HSBC Holdings Variable 28/03/2167	633	0.21
GBP	682,000	Severn Trent Utilities Finance 4.875% 24/01/2042	894	0.29			BB+ 1.03% (1.00%)		
GBP	161,000	Severn Trent Utilities Finance 4.875% EMTN 24/01/2042	211	0.07	GBP	570,000	Delamare Finance 5.5457% 29/02/2029	552	0.18
GBP	380,000	Southern Electric Power Distribution 4.625% 20/02/2037	462	0.15	GBP	1,075,000	Tesco Property Finance 1 7.6227% 13/07/2039	1,327	0.44
GBP	678,000	Southern Gas Networks 3.1% 15/09/2036	701	0.23	GBP	1,075,000	Tesco Property Finance 6 5.4111% 13/07/2044	1,235	0.41
GBP	1,030,000	Western Power Distribution 3.5% 16/10/2026	1,057	0.35			BB- 0.16% (0.71%)		
		Baa1 1.10% (0.84%)			GBP	490,000	Virgin Media 4.875% 15/01/2027	495	0.16
GBP	3,000,000	Bupa Finance 5% 08/12/2026	3,334	1.10			Not Rated 1.76% (1.67%)		
		BBB 6.06% (5.54%)			GBP	2,050,000	Newriver REIT 3.5% 07/03/2028	2,004	0.66
GBP	510,000	Anglian Water Services Financing 2.625% 15/06/2027	486	0.16	GBP	950,000	Pension Insurance 5.625% 20/09/2030	946	0.31
GBP	1,280,000	Annington Funding 3.685% 12/07/2034	1,313	0.43	GBP	390,000	Prudential 5.875% 11/05/2029	512	0.17
GBP	750,000	*Aviva 4.375% 12/09/2049	761	0.25	GBP	1,450,000	Segro 2.875% 11/10/2037	1,417	0.47
GBP	1,287,000	*Aviva 6.875% 20/05/2058	1,653	0.54	GBP	450,000	United Kingdom Gilt 1.625% 22/10/2071	460	0.15
GBP	2,250,000	Barclays 3.25% 17/01/2033	2,135	0.70			Total United Kingdom	154,775	50.88
GBP	350,000	Brit 3.625% 21/11/2047	356	0.12	UNITED STATES OF AMERICA 13.70% (12.32%)				
GBP	1,100,000	British Telecommunications 3.125% 21/11/2031	1,123	0.37	GBP	342,971	*SLM Student Loan Trusts FRN 15/12/2039	320	0.11
GBP	200,000	Imperial Brands Finance 4.875% 07/06/2032	227	0.07			AA+ 0.11% (0.15%)		
					GBP	518,000	Metropolitan Life Global Funding I 3.5% 30/09/2026	574	0.19
					GBP	500,000	Procter & Gamble 1.8% 03/05/2029	498	0.16

Threadneedle Sterling Medium and Long-Dated Corporate 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 13.70% (12.32%) (continued)					Forward Foreign Exchange Contracts -0.02% (-0.05%)				
A 0.00% (0.84%)					Sell EUR 1,500,000				
A- 3.49% (3.30%)					Buy GBP 1,294,919 Lloyds (1) –				
USD	3,050,000	Anheuser-Busch InBev 4.7% 01/02/2036	2,369	0.78	Sell EUR 13,814				
GBP	2,000,000	Bank of America 7% 31/07/2028	2,746	0.90	Buy GBP 11,962 Lloyds ¹ – –				
GBP	2,085,000	Prologis 2.25% 30/06/2029	2,046	0.67	Sell USD 71,755				
GBP	695,000	Wells Fargo 2% 28/07/2025	683	0.23	Buy GBP 54,640 Lloyds ¹ – –				
GBP	1,606,000	Wells Fargo 2.5% 02/05/2029	1,596	0.53	Sell EUR 10,939				
GBP	1,075,000	Wells Fargo 3.5% 12/09/2029	1,165	0.38	Buy GBP 9,486 Citigroup ¹ – –				
					Sell USD 12,614,282				
					Buy GBP 9,598,493 Lloyds (61) (0.02)				
					Sell USD 126,652				
					Buy GBP 96,338 Lloyds (1) –				
					Total Derivatives (136) (0.04)				
GBP	3,500,000	BBB+ 4.89% (5.46%) BAT Capital 2.125% 15/08/2025	3,385	1.11	Total value of investments 292,810 96.25				
GBP	500,000	Citigroup 7.375% 01/09/2039	842	0.28	Net other assets (3.09%) 11,401 3.75				
GBP	550,000	General Electric 5.375% 18/12/2040	649	0.21	Net assets 304,211 100.00				
GBP	895,000	General Electric Capital 5.25% 07/12/2028	1,026	0.34	ANALYSIS OF INVESTMENTS BY ASSET CLASS				
GBP	3,275,000	Goldman Sachs Group 3.125% 25/07/2029	3,329	1.10	Value				
GBP	1,100,000	McDonald's 2.95% 15/03/2034	1,125	0.37	£000				
GBP	864,000	Verizon Communications 2.5% 08/04/2031	858	0.28	% of				
GBP	1,425,000	Verizon Communications 3.375% 27/10/2036	1,520	0.50	Investment				
GBP	650,000	Verizon Communications 4.75% 17/02/2034	803	0.26	Fixed interest 270,985 92.55				
GBP	625,000	Welltower 4.5% 01/12/2034	709	0.23	Floating rate notes 21,961 7.50				
GBP	560,000	Welltower 4.8% 20/11/2028	644	0.21	Derivatives (136) (0.05)				
					Total value of investments 292,810 100.00				
BBB 4.22% (0.98%)					ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS				
GBP	2,452,000	AT&T 4.25% 01/06/2043	2,669	0.88	Value				
GBP	2,775,000	AT&T 4.375% 14/09/2029	3,105	1.02	£000				
GBP	625,000	AT&T 4.875% 01/06/2044	741	0.24	UBS EURO Bond Future Expiring June 2019 (853)				
GBP	2,850,000	Becton Dickinson 3.02% 24/05/2025	2,924	0.96	UBS Long Gilt Future Expiring June 2019 8,521				
GBP	2,295,000	Digital Stout 3.3% 19/07/2029	2,295	0.76	UBS US 10 Year Note Future Expiring June 2019 (474)				
GBP	1,075,000	Digital Stout Holding 3.75% 17/10/2030	1,103	0.36	UBS US 10 Year Ultra Future Expiring June 2019 (2,224)				
					UBS US Long Bond Future Expiring June 2019 (2,259)				
					UBS US Ultra Bond Future Expiring June 2019 (1,886)				
					Total net exposure 825				
GBP	975,000	BBB- 0.64% (0.78%) Time Warner Cable 5.25% 15/07/2042	1,102	0.36					
GBP	725,000	Time Warner Cable 5.75% 02/06/2031	860	0.28					
Total United States of America 41,686 13.70									
DERIVATIVES -0.04% (-0.03%)									
Futures and Options -0.02% (0.02%)									
EUR	(6)	UBS EURO Bond Future Expiring June 2019	(8)	–					
GBP	67	UBS Long Gilt Future Expiring June 2019	21	0.01					
USD	(5)	UBS US 10 Year Note Future Expiring June 2019	(4)	–					
USD	(22)	UBS US 10 Year Ultra Future Expiring June 2019	(35)	(0.01)					
USD	(20)	UBS US Long Bond Future Expiring June 2019	(20)	(0.01)					
USD	(15)	UBS US Ultra Bond Future Expiring June 2019	(27)	(0.01)					

April 2018 comparatives in brackets.

*Variable rate bonds.

¹Less than £500, rounded to nil.

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

as at 30 April 2019

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 3.27% (3.26%)					BBB 0.14% (0.75%)				
		Aaa 0.48% (0.58%)			USD	540,000	Cenovus Energy 3% 15/08/2022	409	0.03
GBP	6,757,000	Commonwealth Bank of Australia 1.125% 22/12/2021	6,722	0.48	USD	1,941,000	Cenovus Energy 3.8% 15/09/2023	1,498	0.11
		AA- 0.24% (0.00%)			Total Canada				
GBP	3,289,000	Toyota Finance Australia 1.625% 11/07/2022	3,326	0.24	13,404 0.96				
		A 0.64% (0.79%)			CAYMAN ISLANDS 0.97% (1.56%)				
GBP	8,787,000	Scentre Group Trust 2.375% 08/04/2022	8,931	0.64	GBP	1,085,000	Dwr Cymru Financing 6.907% 31/03/2021	1,199	0.09
		A- 0.42% (0.43%)			A- 0.00% (0.11%)				
GBP	5,642,000	SGSP Australia Assets 5.125% 11/02/2021	5,978	0.42	GBP	4,750,000	Thames Water Utilities Cayman Finance 1.875% 24/01/2024	4,682	0.33
		BBB+ 0.58% (0.33%)			BBB 0.00% (0.43%)				
GBP	7,233,000	*BHP Billiton Finance 6.5% 22/10/2077	8,120	0.58	USD	1,100,000	Sunny Optical 3.75% 23/01/2023	843	0.06
		BBB 0.32% (0.37%)			Baa2 0.06% (0.05%)				
USD	5,795,000	Ausgrid Finance 3.85% 01/05/2023	4,539	0.32	GBP	6,989,000	Thames Water Utilities 2.375% 03/05/2023	6,845	0.49
		BBB- 0.59% (0.64%)			Total Cayman Islands				
GBP	6,247,000	Asciano Finance 5% 19/09/2023	6,828	0.49	13,569 0.97				
GBP	1,320,000	*QBE Insurance Group 6.115% 24/05/2042	1,429	0.10	DENMARK 0.33% (0.33%)				
		BB 0.00% (0.12%)			USD	6,228,000	Danske Bank 2.7% 02/03/2022	4,680	0.33
		Total Australia	45,873	3.27	BBB+ 0.00% (0.33%)				
BELGIUM 1.13% (0.00%)					Total Denmark				
		A- 1.13% (0.00%)			4,680 0.33				
GBP	6,600,000	Anheuser-Busch InBev 4% 24/09/2025	7,331	0.52	FINLAND 0.72% (0.88%)				
GBP	6,194,000	Anheuser-Busch InBev 9.75% 30/07/2024	8,532	0.61	GBP	10,035,000	Municipality Finance 1.25% 07/12/2022	10,039	0.72
		Total Belgium	15,863	1.13	Total Finland				
BERMUDA 1.25% (0.33%)					10,039 0.72				
		BBB- 1.25% (0.33%)			FRANCE 4.32% (3.71%)				
EUR	19,040,000	Bacardi 2.75% 03/07/2023	17,503	1.25	GBP	8,300,000	BPCE 2.125% 16/12/2022	8,419	0.60
		Total Bermuda	17,503	1.25	A 2.08% (1.37%)				
BRITISH VIRGIN ISLANDS 1.07% (1.66%)					GBP	12,300,000	Banque Fédérative du Crédit Mutuel 1.375% 20/12/2021	12,232	0.87
		A+ 0.00% (0.77%)			GBP	7,900,000	Banque Fédérative du Crédit Mutuel 2.25% 18/12/2023	8,046	0.57
GBP	13,986,000	Global Switch Holdings 4.375% 13/12/2022	15,070	1.07	USD	11,550,000	*Banque Fédérative du Crédit Mutuel FRN 20/07/2023	8,925	0.64
		BBB 1.07% (0.89%)			BBB+ 0.80% (0.48%)				
		Total British Virgin Islands	15,070	1.07	GBP	2,200,000	*CNP Assurances 7.375% 30/09/2041	2,434	0.17
CANADA 0.96% (1.88%)					GBP	9,000,000	Orange 0.375% 27/06/2021	8,828	0.63
		AAA 0.00% (0.22%)			BBB 0.33% (0.53%)				
		Aaa 0.55% (0.67%)			GBP	2,435,000	*AXA 6.772% 29/10/2049	2,478	0.18
GBP	7,700,000	Royal Bank of Canada 1.125% 22/12/2021	7,662	0.55	GBP	2,100,000	RCI Banque 1.875% 08/11/2022	2,076	0.15
		BBB+ 0.27% (0.24%)			Total France				
GBP	3,615,000	Xstrata Finance Canada 7.375% 27/05/2020	3,835	0.27	24,780 1.72				

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FRANCE 4.32% (3.71%) (continued)					Baa3 0.00% (0.05%)				
		BBB- 0.51% (0.32%)					Ba1 0.34% (0.24%)		
GBP	3,660,000	*Orange 5.875% 29/12/49	3,962	0.28	GBP	4,500,000	*Assicurazioni Generali 6.416% 29/12/2049	4,710	0.34
EUR	3,500,000	TDF Infrastructure 2.875% 19/10/2022	3,167	0.23			Total Italy	9,120	0.65
		Ba2 0.00% (0.13%)							
		B 0.00% (0.29%)							
		Total France	60,567	4.32	JAPAN 0.00% (0.33%)				
							BB+ 0.00% (0.33%)		
							Total Japan	-	-
GERMANY 7.60% (5.04%)					JERSEY 0.76% (2.37%)				
		AAA 5.15% (2.13%)					A- 0.40% (0.32%)		
GBP	38,000,000	FMS Wertmanagement 1.125% 07/09/2023	37,834	2.70	GBP	4,938,000	Heathrow Funding 5.225% 15/02/2023	5,589	0.40
GBP	9,500,000	KFW 0.875% 15/03/2022	9,448	0.67			BBB 0.19% (1.75%)		
GBP	19,000,000	KFW 1% 15/12/2022	18,923	1.35	GBP	2,250,000	Heathrow Funding 7.125% 14/02/2024	2,716	0.19
GBP	6,000,000	KFW 1.375% 09/12/2024	6,027	0.43			BBB- 0.17% (0.30%)		
		A 0.20% (0.94%)			GBP	2,420,000	AA Bond 2.875% 31/01/2022	2,342	0.17
GBP	2,500,000	*Munich Rueckversicherungs 6.625% 26/05/2042	2,834	0.20			Total Jersey	10,647	0.76
		BBB+ 0.22% (0.00%)			KAZAKHSTAN 0.00% (0.51%)				
EUR	3,500,000	Deutsche Bank 1.125% 30/08/2023	3,078	0.22			BB- 0.00% (0.51%)		
		BBB- 0.17% (0.48%)					Total Kazakhstan	-	-
GBP	2,300,000	Deutsche Bank 3.875% 12/02/2024	2,312	0.17	LUXEMBOURG 2.55% (2.51%)				
		BB+ 1.12% (1.16%)					BBB+ 0.48% (0.00%)		
EUR	3,000,000	ADLER Real Estate 1.5% 17/04/2022	2,601	0.19	GBP	6,081,000	Glencore Finance Europe 6% 03/04/2022	6,747	0.48
EUR	13,400,000	ADLER Real Estate 1.875% 27/04/2023	11,665	0.83			BBB 0.95% (0.74%)		
EUR	1,642,000	IHO Verwaltungs PIK 2.75% 15/09/2021	1,432	0.10	EUR	2,080,000	Allergan Funding SCS 1.5% 15/11/2023	1,857	0.13
		BB- 0.74% (0.33%)			EUR	8,480,000	Bevco 1.75% 09/02/2023	7,492	0.54
EUR	4,400,000	Unitymedia Hessen 4% 15/01/2025	3,943	0.28	USD	5,053,000	CPI Property Group 4.75% 08/03/2023	3,899	0.28
EUR	7,050,000	Unitymedia NRW 3.5% 15/01/2027	6,410	0.46			Baa2 0.46% (0.54%)		
		Total Germany	106,507	7.60	EUR	7,394,000	SELP Finance 1.25% 25/10/2023	6,499	0.46
GUERNSEY 0.72% (1.07%)							BBB- 0.43% (1.23%)		
		BBB+ 0.72% (1.07%)			GBP	5,758,000	Gaz Capital 5.388% 25/09/2020	6,006	0.43
GBP	9,796,000	Credit Suisse 3% 27/05/2022	10,136	0.72			BB+ 0.05% (0.00%)		
		Total Guernsey	10,136	0.72	EUR	800,000	*CPI Property Group Variable 09/05/2167	653	0.05
ICELAND 0.00% (0.67%)							B+ 0.18% (0.00%)		
		BBB+ 0.00% (0.67%)			EUR	2,786,000	Cirsa Finance International 6.25% 20/12/2023	2,546	0.18
		Total Iceland	-	-			Total Luxembourg	35,699	2.55
INDIA 0.28% (0.16%)					MEXICO 0.96% (0.94%)				
		BBB- 0.28% (0.16%)					A- 0.18% (0.00%)		
USD	5,000,000	Adani Ports and Special Economic Zone 3.95% 19/01/2022	3,868	0.28	EUR	3,000,000	America Movil 0% 28/05/2020	2,568	0.18
		Total India	3,868	0.28			BBB+ 0.42% (0.56%)		
ITALY 0.65% (0.29%)					GBP	5,263,000	Petroleos Mexicanos 8.25% 02/06/2022	5,871	0.42
		BBB 0.31% (0.00%)					BBB 0.36% (0.38%)		
GBP	4,012,000	Autostrade per l'Italia 6.25% 09/06/2022	4,410	0.31	GBP	4,780,000	*America Movil 6.375% 06/09/2073	5,052	0.36
							Total Mexico	13,491	0.96

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 7.13% (7.69%)					REPUBLIC OF IRELAND 3.05% (1.84%)				
		A+ 0.27% (1.34%)					A 0.00% (0.94%)		
GBP	3,750,000	BMW International Investment 1.875% 11/09/2023	3,769	0.27			BBB+ 1.98% (0.00%)		
		A 1.66% (0.89%)			EUR	7,660,000	Abbott Ireland Financing 0.875% 27/09/2023	6,781	0.48
GBP	7,000,000	ABN AMRO Bank 1.375% 07/06/2022	6,974	0.50	GBP	15,774,000	GE Capital UK Funding 4.125% 13/09/2023	16,798	1.20
GBP	8,400,000	Daimler International Finance 1.5% 18/08/2021	8,390	0.60	GBP	3,940,000	GE Capital UK Funding 5.875% 04/11/2020	4,178	0.30
GBP	7,800,000	Daimler International Finance 2% 04/09/2023	7,840	0.56			BBB 0.40% (0.49%)		
		BBB+ 1.85% (2.19%)			GBP	5,670,000	FCA Capital Ireland 1.625% 29/09/2021	5,567	0.40
USD	4,000,000	Deutsche Telekom 2.485% 19/09/2023	2,994	0.21			BBB- 0.27% (0.00%)		
GBP	5,200,000	Deutsche Telekom 6.5% 08/04/2022	5,932	0.42	USD	5,000,000	*AIB Group 10/04/2025	3,876	0.27
GBP	8,380,000	Volkswagen Financial Services 1.75% 12/09/2022	8,337	0.59			BB- 0.00% (0.08%)		
GBP	3,600,000	Volkswagen Financial Services 1.875% 07/09/2021	3,607	0.26			Not Rated 0.39% (0.33%)		
GBP	5,100,000	Volkswagen Financial Services 2.75% 10/07/2023	5,192	0.37	GBP	5,330,000	PGH Capital 4.125% 20/07/2022	5,500	0.39
		BBB 1.79% (1.78%)					Liquidity Funds 0.01% (0.00%)¹		
EUR	3,050,000	*Eneco Holding 3.25% 29/12/2049	2,749	0.20	GBP	101,428	BlackRock Institutional Cash Series Sterling Liquidity Platinum	101	0.01
GBP	4,300,000	Innogy Finance 5.5% 06/07/2022	4,810	0.34			Total Republic of Ireland	42,801	3.05
GBP	7,400,000	Innogy Finance 5.625% 06/12/2023	8,655	0.62					
GBP	8,047,000	Innogy Finance 6.5% 20/04/2021	8,802	0.63					
		BBB- 1.13% (0.66%)			SINGAPORE 0.00% (0.21%)				
USD	18,020,000	Syngenta Finance 4.441% 24/04/2023	14,203	1.01			AAA 0.00% (0.21%)		
EUR	1,800,000	*Vonovia Finance 4% 17/12/2166	1,660	0.12			Total Singapore	-	-
		Baa3 0.05% (0.00%)			SOUTH KOREA 0.00% (0.31%)				
EUR	857,000	Schaeffler Holding Finance 2.5% 15/05/2020	739	0.05			AA 0.00% (0.19%)		
		BB+ 0.00% (0.07%)					Aa2 0.00% (0.12%)		
		BB 0.13% (0.44%)					Total South Korea	-	-
EUR	2,159,000	Teva Pharmaceutical Finance 0.375% 25/07/2020	1,846	0.13	SPAIN 0.72% (0.50%)				
		B 0.00% (0.32%)					BBB 0.72% (0.50%)		
		B- 0.25% (0.00%)			GBP	3,300,000	Telefonica Emisiones 5.597% 12/03/2020	3,417	0.24
EUR	3,933,000	LGE HoldCo VI 7.125% 15/05/2024	3,521	0.25	GBP	6,000,000	Telefonica Emisiones SAU 5.289% 09/12/2022	6,720	0.48
		Total Netherlands	100,020	7.13			Total Spain	10,137	0.72
NEW ZEALAND 0.17% (0.21%)					SUPERNATIONAL 0.00% (0.88%)				
		AA- 0.17% (0.21%)					AAA 0.00% (0.88%)		
GBP	2,450,000	ASB Finance 1% 07/09/2020	2,437	0.17			Total Supernational	-	-
		Total New Zealand	2,437	0.17	SWEDEN 1.27% (2.09%)				
NORWAY 1.07% (0.60%)							AAA 0.00% (0.63%)		
		AA- 1.07% (0.00%)					AA- 0.35% (0.00%)		
GBP	14,964,000	DNB Bank 1.625% 15/12/2023	14,941	1.07	GBP	4,925,000	Svenska Handelsbanken 1.625% 18/06/2022	4,941	0.35
		A+ 0.00% (0.60%)					BBB 0.64% (1.16%)		
		Total Norway	14,941	1.07	EUR	10,127,000	Akelius Residential 1.5% 23/01/2022	8,958	0.64
PORTUGAL 0.05% (0.02%)							BB+ 0.28% (0.30%)		
		Not Rated 0.05% (0.02%)			EUR	4,370,000	*Akelius Residential FRN 05/10/2078	3,886	0.28
EUR	3,100,000	Banco Espirito Santo 4% 21/01/2019 (Defaulted)	721	0.05			Total Sweden	17,785	1.27
		Total Portugal	721	0.05					

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Value	% of		Value	% of				
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value		
UNITED KINGDOM 39.81% (38.71%) (continued)				UNITED STATES OF AMERICA 14.90% (15.84%)					
BBB- 5.86% (4.16%)				AA+ 1.95% (1.29%)					
GBP	6,312,000	Barclays Bank 10% 21/05/2021	7,303	0.52	GBP	2,480,000	New York Life Global Funding 1% 15/12/2021	2,457	0.18
EUR	3,000,000	Barclays Bank 6.625% 30/03/2022	3,001	0.21	GBP	12,274,000	New York Life Global Funding 1.625% 15/12/2023	12,296	0.88
EUR	10,000,000	DS Smith 1.375% 26/07/2024	8,730	0.62	GBP	12,295,000	New York Life Global Funding 1.75% 15/12/2022	12,422	0.89
EUR	6,200,000	DS Smith 2.25% 16/09/2022	5,617	0.40	AA- 1.52% (1.81%)				
GBP	3,750,000	Firstgroup 5.25% 29/11/22	4,026	0.29	GBP	18,235,000	Met Life Global Funding 1.125% 15/12/2021 GBP	18,074	1.29
GBP	12,586,000	G4S 7.75% 13/05/2019	12,608	0.90	GBP	3,150,000	Metropolitan Life Global Funding I 2.875% 11/01/2023	3,293	0.23
EUR	6,377,000	G4S International Finance 1.5% 09/01/2023	5,499	0.39	A+ 0.03% (0.05%)				
GBP	12,232,000	GKN Holdings 5.375% 19/09/2022	13,169	0.94	GBP	558,000	*SLM Student Loan Trusts FRN 15/03/2038	467	0.03
GBP	4,161,000	GKN Holdings 6.75% 28/10/2019	4,254	0.30	A 0.00% (0.45%)				
GBP	2,695,000	Marks & Spencer 1% 08/12/2023	2,725	0.19	A- 3.24% (3.19%)				
GBP	6,025,000	Marks & Spencer 6.125% 02/12/2019	6,180	0.44	GBP	7,300,000	Bank of America 6.125% 15/09/2021	8,066	0.58
GBP	2,250,000	Marks & Spencer 6.125% 06/12/2021	2,476	0.18	USD	10,500,000	*JPMorgan Chase FRN 25/04/2023	8,114	0.58
GBP	1,357,000	Mitchells & Butlers Finance 5.965% 15/12/2023	386	0.03	USD	12,500,000	*JPMorgan Chase FRN 23/07/2024	9,630	0.69
EUR	7,000,000	*Royal Bank of Scotland Group Variable 04/03/2025	6,274	0.45	GBP	6,130,000	Wells Fargo 1.375% 30/06/2022	6,055	0.43
Baa3 0.78% (1.19%)				BBB+ 1.25% (2.10%)					
GBP	10,700,000	*TSB Banking Group 5.75% 06/05/2026	10,951	0.78	GBP	5,100,000	American International Group 5% 26/04/2023	5,668	0.40
BB+ 1.75% (1.54%)				BBB 4.74% (2.74%)					
EUR	3,400,000	*Barclays Bank 2% 07/02/2028	2,861	0.20	USD	2,500,000	BAT Capital 3.222% 15/08/2024	1,876	0.13
GBP	1,360,000	Delamare Finance 5.5457% 29/02/2029	1,318	0.09	GBP	4,215,000	Citigroup 2.75% 24/01/2024	4,313	0.31
GBP	2,362,000	*Marstons Issuer 5.1576% 15/10/2027	2,122	0.15	GBP	2,500,000	General Electric Capital 6.44% 15/11/2022	247	0.02
GBP	1,000,000	*Marstons Issuer FRN 15/07/2020	101	0.01	USD	2,097,000	NiSource Finance 2.65% 17/11/2022	1,593	0.11
GBP	4,700,000	National Westminster Bank 6.5% 07/09/2021	5,182	0.37	USD	4,985,000	RELX Capital 3.5% 16/03/2023	3,896	0.28
GBP	4,162,000	Tesco 6.125% 24/02/2022	4,645	0.33	BBB- 1.91% (3.21%)				
EUR	9,535,000	Tesco Corporate Treasury Services 1.375% 24/10/2023	8,414	0.60	GBP	50,000	*American International Group Variable 15/03/2067	42	-
BB 0.50% (0.77%)				BBB- 1.91% (3.21%)					
GBP	1,865,000	*Barclays Bank 14% 29/11/2049	1,893	0.14	USD	13,740,000	*Charter Communications Operating FRN 01/02/2024	10,607	0.76
GBP	3,909,000	*CYBG 5% 09/02/2026	3,939	0.28	USD	1,260,000	Continental Resources 5% 15/09/2022	977	0.07
GBP	3,600,000	Unique Pub Finance 6.542% 30/03/2021	1,188	0.08	EUR	5,300,000	Equinix 2.875% 01/10/2025	4,693	0.33
BB- 0.19% (0.38%)				BBB- 1.91% (3.21%)					
GBP	2,355,000	*Virgin Media Secured Finance 6% 15/01/2025	2,637	0.19	EUR	1,700,000	Equinix 2.875% 01/02/2026	1,507	0.11
B1 0.00% (0.28%)				BBB- 1.91% (3.21%)					
B 0.00% (0.22%)				BBB- 1.91% (3.21%)					
B+ 0.49% (0.00%)				BBB- 1.91% (3.21%)					
GBP	2,000,000	*Barclays Bank 7.75% 08/03/2075	2,148	0.15	USD	6,365,000	Plains All American Pipeline 3.65% 01/06/2022	4,938	0.35
GBP	995,000	Jaguar Land Rover Automotive 2.75% 24/01/2021	952	0.07	USD	5,265,000	Plains All American Pipeline 3.85% 15/10/2023	4,098	0.29
EUR	4,250,000	Synlab 6.25% 01/07/2022	3,748	0.27	Not Rated 2.56% (3.85%)				
Not Rated 2.56% (3.85%)				Not Rated 2.56% (3.85%)					
GBP	13,250,000	First Hydro Finance 9% 31/07/2021	15,281	1.09	GBP	700,000	Segro 5.625% 07/12/2020	743	0.05
GBP	11,808,000	*Pennon Group Perpetual Variable 22/05/2066	11,838	0.84	GBP	5,076,200	Unite Group 6.125% 12/06/2020	5,267	0.38
GBP	700,000	Segro 5.625% 07/12/2020	743	0.05	GBP	2,800,000	United Kingdom Gilt 1% 22/04/2024	2,813	0.20
GBP	5,076,200	Unite Group 6.125% 12/06/2020	5,267	0.38	Total United Kingdom				
GBP	2,800,000	United Kingdom Gilt 1% 22/04/2024	2,813	0.20	Value	£558,106	% of Net Asset Value	39.81	

Threadneedle Sterling Short-Dated Corporate Bond Fund

Portfolio Statement

(continued)

	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 14.90% (15.84%) (continued)			
BB+ 0.00% (0.86%)			
	BB 0.26% (0.14%)		
EUR	4,225,000 IQVIA 3.25% 15/03/2025	3,709	0.26
	Total United States of America	208,833	14.90

DERIVATIVES -0.14% (-0.20%)

	Investment	Value £000	% of Net Asset Value
Futures and Options -0.05% (0.03%)			
EUR	(647) UBS EURO-Bobl Future Expiring June 2019	(338)	(0.03)
GBP	144 UBS Long Gilt Future Expiring June 2019	26	–
USD	(524) UBS US 5 Year Note Future Expiring June 2019	(267)	(0.02)

Forward Foreign Exchange Contracts -0.09% (-0.23%)

	Sell GBP 1,336,844		
	Buy EUR 1,545,053 HSBC	(2)	–
	Sell GBP 9,882		
	Buy EUR 11,417 J.P. Morgan ²	–	–
	Sell GBP 5,201,922		
	Buy EUR 6,000,000 Lloyds	(19)	–
	Sell GBP 71,873		
	Buy EUR 83,044 J.P. Morgan ²	–	–
	Sell EUR 1,536,119		
	Buy GBP 1,328,693 Goldman Sachs	2	–
	Sell USD 2,115,214		
	Buy GBP 1,608,863 HSBC	(11)	–
	Sell EUR 3,000,000		
	Buy GBP 2,603,412 Lloyds	12	–
	Sell CAD 42,048		
	Buy GBP 24,104 Lloyds ²	–	–
	Sell CAD 7,320,271		
	Buy GBP 4,183,873 HSBC	6	–
	Sell USD 109,500,000		
	Buy GBP 83,378,982 Citigroup	(472)	(0.03)
	Sell USD 109,500,000		
	Buy GBP 83,393,371 Lloyds	(457)	(0.03)
	Sell EUR 115,000,000		
	Buy GBP 99,151,747 Goldman Sachs	(194)	(0.02)
	Sell EUR 115,000,000		
	Buy GBP 99,164,615 Lloyds	(182)	(0.01)
	Total Derivatives	(1,896)	(0.14)

Total value of investments²	1,358,608	96.90
Net other assets (1.93%)	43,412	3.10
Net assets	1,402,020	100.00

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	1,065,807	78.45
Floating rate notes	294,697	21.69
Derivatives	(1,896)	(0.14)
Total value of investments	1,358,608	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS EURO-Bobl Future Expiring June 2019	(74,064)
UBS Long Gilt Future Expiring June 2019	18,315
UBS US 5 Year Note Future Expiring June 2019	(46,510)
Total net exposure	(102,259)

April 2018 comparatives in brackets.

*Variable rate bonds.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle UK Index Linked Fund

Portfolio Statement

as at 30 April 2019

	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 99.71% (98.39%)			
AA 3.64% (3.57%)			
GBP	500,000 Network Rail Infrastructure Finance 1.375% 22/11/2037	1,154	1.67
GBP	510,000 Network Rail Infrastructure Finance Index-Linked 1.125% 22/11/2047	1,358	1.97
Aa2u 96.07% (94.82%)			
GBP	8,321,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2019	9,676	14.02
GBP	3,279,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2024	4,339	6.28
GBP	3,742,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2029	5,588	8.09
GBP	1,538,000 United Kingdom Index-Linked Gilt 0.125% 22/03/2044	2,883	4.18
GBP	2,733,000 United Kingdom Index-Linked Gilt 0.125% 10/08/2048	4,843	7.02
GBP	577,667 United Kingdom Index-Linked Gilt 0.125% 22/03/2058	1,279	1.85
GBP	2,912,000 United Kingdom Index-Linked Gilt 0.25% 22/03/2052	6,419	9.30
GBP	4,752,000 United Kingdom Index-Linked Gilt 0.375% 22/03/2062	13,109	18.99
GBP	5,531,000 United Kingdom Index-Linked Gilt 0.625% 22/03/2040	11,903	17.24
GBP	2,604,000 United Kingdom Index-Linked Gilt 1.25% 22/11/2032	5,181	7.50
GBP	442,000 United Kingdom Index-Linked Gilt 0.125% 22/11/2065	1,103	1.60
Total Fixed Interest		68,835	99.71
Total value of investments		68,835	99.71
Net other assets (1.61%)		198	0.29
Net assets		69,033	100.00

April 2018 comparatives in brackets.

Threadneedle Pan European Focus Fund

Portfolio Statement

as at 30 April 2019

Country	Investment	Value £000	% of Net Asset Value	Country	Investment	Value £000	% of Net Asset Value
BELGIUM 0.00% (1.96%)	Pharmaceuticals & Biotechnology 0.00% (1.37%)			ITALY 6.62% (13.60%)	Electronic & Electrical Equipment 0.00% (3.91%)		
	Media 0.00% (0.59%)				Beverages 4.31% (4.35%)		
	Total Belgium	–	–	448,648	Davide Campari-Milano	3,483	4.31
DENMARK 9.49% (5.76%)	Pharmaceuticals & Biotechnology 1.39% (4.44%)				Mobile Telecommunications 2.31% (5.34%)		
	9,534 Chr. Hansen	743	0.92	293,466	Infrastructure Wireless Italia	1,868	2.31
	10,118 Novo Nordisk	381	0.47		Total Italy	5,351	6.62
	Nonlife Insurance 8.10% (1.32%)			NETHERLANDS 7.13% (5.69%)	Personal Goods 1.91% (0.16%)		
	67,002 Topdanmark	2,774	3.43		33,660 Unilever (EUR)	1,546	1.91
	160,208 Tryg	3,773	4.67		Media 4.71% (0.16%)		
	Total Denmark	7,671	9.49	71,097	Wolters Kluwer	3,807	4.71
FINLAND 0.43% (2.11%)	Nonlife Insurance 0.43% (2.11%)				Technology Hardware & Equipment 0.51% (5.37%)		
	9,949 Sampo	349	0.43	2,608	ASML	414	0.51
	Total Finland	349	0.43		Total Netherlands	5,767	7.13
FRANCE 26.20% (20.51%)	Electronic & Electrical Equipment 0.50% (5.45%)			NORWAY 0.47% (1.57%)	Banks 0.47% (1.57%)		
	7,192 Legrand	407	0.50	25,910	DNB Bank	383	0.47
	Support Services 8.25% (3.25%)				Total Norway	383	0.47
	100,328 Edenred	3,663	4.53	REPUBLIC OF IRELAND 5.04% (3.31%)	Construction & Materials 3.08% (0.00%)		
	20,394 Teleperformance	3,011	3.72	61,833	Kingspan Group	2,494	3.08
	Beverages 4.41% (0.49%)				Food Producers 1.96% (0.00%)		
	26,487 Pernod Ricard	3,562	4.41	18,481	Kerry Group	1,584	1.96
	Personal Goods 8.19% (4.83%)				Travel & Leisure 0.00% (3.31%)		
	18,030 L'Oreal	3,763	4.65		Total Republic of Ireland	4,078	5.04
	9,579 LVMH Moet Hennessy Vuitton	2,864	3.54	SPAIN 0.46% (5.21%)	Mobile Telecommunications 0.46% (5.21%)		
	Software & Computer Services 4.85% (6.49%)			16,346	Cellnex Telecom	374	0.46
	32,508 Dassault Systems	3,921	4.85		Total Spain	374	0.46
	Total France	21,191	26.20	SWEDEN 0.97% (12.37%)	Industrial Engineering 0.48% (4.48%)		
GERMANY 12.10% (6.79%)	Automobiles & Parts 0.55% (0.00%)			51,314	Epiroc B	390	0.48
	5,017 Knorr-Bremse	444	0.55		Banks 0.00% (1.98%)		
	Personal Goods 9.57% (0.70%)				Software & Computer Services 0.49% (5.91%)		
	19,268 adidas	3,811	4.71	9,284	Hexagon	391	0.49
	8,179 Puma	3,929	4.86		Total Sweden	781	0.97
	Mobile Telecommunications 0.00% (1.11%)			SWITZERLAND 2.36% (5.05%)	Construction & Materials 2.36% (5.05%)		
	Financial Services 1.98% (0.00%)			16,287	Sika	1,911	2.36
	15,748 Deutsche Boerse	1,606	1.98		Total Switzerland	1,911	2.36
	Software & Computer Services 0.00% (4.98%)						
	Total Germany	9,790	12.10				

Threadneedle Pan European Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED KINGDOM 25.95% (13.83%)			
Support Services 5.85% (0.00%)			
217,218	HomeServe	2,361	2.92
606,346	Rentokil Initial	2,365	2.93
Beverages 4.17% (0.00%)			
105,000	Diageo	3,370	4.17
Household Goods & Home Construction 0.00% (0.70%)			
Personal Goods 0.00% (1.63%)			
Health Care Equipment & Services 0.00% (0.73%)			
Pharmaceuticals & Biotechnology 0.00% (0.73%)			
Media 5.68% (0.67%)			
226,948	RELX (UK Listing)	3,982	4.92
114,676	Rightmove	619	0.76
Travel & Leisure 0.91% (0.00%)			
42,090	Compass Group	734	0.91
Life Insurance 0.00% (3.22%)			
Financial Services 4.87% (4.71%)			
77,432	London Stock Exchange Group	3,935	4.87
Software & Computer Services 4.47% (1.44%)			
107,802	AVEVA Group	3,618	4.47
Total United Kingdom		20,984	25.95
UNITED STATES OF AMERICA 2.47% (0.55%)			
Software & Computer Services 2.47% (0.55%)			
38,186	InterXion Holding	1,997	2.47
Total United States of America		1,997	2.47
Total value of investments		80,627	99.69
Net other assets (1.69%)		252	0.31
Net assets		80,879	100.00

April 2018 comparatives in brackets.

Threadneedle American Extended Alpha Fund

Portfolio Statement

as at 30 April 2019

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
CAYMAN ISLANDS 0.00% (0.90%)				Banks 8.40% (9.83%)			
	Support Services 0.00% (0.90%)			104,167	Bank of America	2,464	3.39
	Total Cayman Islands	–	–	40,750	JPMorgan Chase	3,637	5.01
NETHERLANDS 2.30% (0.00%)				Nonlife Insurance 8.19% (6.47%)			
	Technology Hardware & Equipment 2.30% (0.00%)			35,692	Berkshire Hathaway	5,941	8.19
22,247	NXP Semiconductors	1,673	2.30	Financial Services 9.19% (10.72%)			
	Total Netherlands	1,673	2.30	16,614	MasterCard Class A	3,157	4.35
				27,860	Visa 'A' Shares	3,514	4.84
REPUBLIC OF IRELAND 4.77% (3.02%)				Software & Computer Services 22.15% (17.40%)			
	Liquidity Funds 4.77% (3.02%) ¹			6,626	Alphabet Class A	6,597	9.09
4,505,672	BlackRock Institutional Cash Series			25,089	Facebook	3,756	5.18
	US Dollar Liquidity Platinum	3,463	4.77	52,981	Microsoft	5,283	7.28
	Total Republic of Ireland	3,463	4.77	13,377	Nutanix	438	0.60
UNITED STATES OF AMERICA 95.02% (90.83%)				Technology Hardware & Equipment 8.03% (10.12%)			
	Oil & Gas Producers 6.22% (4.40%)			11,014	Analog Devices	964	1.33
143,418	Centennial Resource Development	1,163	1.60	6,537	Apple	1,028	1.42
25,087	Phillips 66	1,838	2.53	3,447	Broadcom	829	1.14
139,994	WPX Energy	1,515	2.09	17,317	Lam Research	2,743	3.78
				1,901	Nvidia	262	0.36
	Chemicals 1.05% (2.71%)			Total United States of America			
26,105	Dowdupont	762	1.05	68,961	95.02		
	Aerospace & Defence 1.30% (3.02%)			DERIVATIVES 0.26% (-0.77%)			
1,039	Boeing	303	0.42	Forward Foreign Exchange Contracts 0.01% (-0.02%)			
3,876	L3 Technologies	638	0.88	Sell USD 160,000			
	General Industrials 0.45% (0.00%)			Buy GBP 123,846 Bank of Scotland			
2,214	3M	324	0.45	Sell USD 465,000			
	Electronic & Electrical Equipment 0.00% (0.50%)			Buy GBP 359,982 Bank of Scotland			
	Industrial Transportation 3.84% (2.92%)			Sell GBP 103,164			
17,888	Norfolk Southern	2,788	3.84	Buy USD 133,000 Barclays			
	Food Producers 1.23% (0.00%)			Portfolio Swap 0.25% (-0.75%)			
22,931	Mondelez International	891	1.23	Merrill Lynch Portfolio Swap			
	Personal Goods 0.67% (0.00%)			Total Derivatives			
6,709	VF	487	0.67	186	0.26		
	Health Care Equipment & Services 6.79% (7.11%)			Total value of investments²			
13,641	Edwards Lifesciences	1,827	2.52	74,283			
16,993	UnitedHealth Group	3,100	4.27	Net other liabilities (6.02%)			
	Pharmaceuticals & Biotechnology 7.48% (9.86%)			(1,705)			
14,359	Alexion Pharmaceuticals	1,493	2.06	Net assets			
6,538	Biogen	1,152	1.59	72,578			
23,368	Biomarin Pharmaceutical	1,539	2.12	100.00			
1,069	Illumina	256	0.35				
7,459	Vertex Pharmaceuticals	989	1.36				
	General Retailers 6.02% (4.37%)						
2,447	Amazon.com	3,647	5.02				
24,769	Ebay	728	1.00				
	Media 0.51% (0.87%)						
3,453	Walt Disney	370	0.51				
	Travel & Leisure 3.50% (0.53%)						
1,760	Booking Holdings	2,538	3.50				

April 2018 comparatives in brackets.

¹Cash equivalents.

²Includes Cash equivalents.

Threadneedle US Equity Income Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 7.53% (9.61%)				Pharmaceuticals & Biotechnology 8.76% (11.46%)			
	Oil & Gas Producers 5.77% (7.43%)			14,303	Bristol-Myers Squibb	509	0.76
15,045	Chevron	1,361	2.02	16,587	Gilead Sciences	828	1.23
19,671	ConocoPhillips	947	1.41	15,960	Johnson & Johnson	1,715	2.55
30,147	Suncor Energy (USD)	767	1.14	22,360	Merck & Co	1,320	1.97
11,670	Valero Energy	804	1.20	49,651	Pfizer	1,511	2.25
	Oil Equipment, Services & Distribution 1.76% (2.18%)				Total Health Care	8,638	12.86
12,903	Helmerich & Payne	579	0.86				
18,067	Schlumberger	603	0.90				
	Total Oil & Gas	5,061	7.53	CONSUMER SERVICES 8.37% (6.91%)			
BASIC MATERIALS 2.78% (3.28%)					General Retailers 4.44% (1.94%)		
	Chemicals 1.53% (1.85%)			39,124	American Eagle Outfitters	721	1.07
7,917	Dow	338	0.50	3,944	Costco Wholesale	741	1.10
23,753	Dowdupont	693	1.03	9,816	Home Depot	1,525	2.27
	Industrial Metals & Mining 1.25% (1.43%)				Media 2.35% (0.00%)		
19,114	Nucor	836	1.25	47,185	Comcast Corporation	1,575	2.35
	Total Basic Materials	1,867	2.78		Travel & Leisure 1.58% (4.97%)		
INDUSTRIALS 8.22% (8.31%)				76,248	Extended Stay America	1,063	1.58
	Construction & Materials 0.00% (1.54%)				Total Consumer Services	5,625	8.37
	Aerospace & Defence 2.05% (2.13%)			TELECOMMUNICATIONS 3.03% (1.27%)			
5,467	Lockheed Martin	1,381	2.05		Fixed Line Telecommunications 3.03% (1.27%)		
	General Industrials 2.10% (2.02%)			17,259	AT&T	410	0.61
21,901	Eaton	1,413	2.10	37,235	Verizon Communications	1,627	2.42
	Industrial Transportation 2.43% (1.35%)				Total Telecommunications	2,037	3.03
12,014	Union Pacific	1,629	2.43	UTILITIES 6.16% (6.26%)			
	Support Services 1.64% (1.27%)				Electricity 5.09% (4.79%)		
8,788	Automatic Data Processing	1,101	1.64	12,522	American Electric Power	809	1.20
	Total Industrials	5,524	8.22	15,300	Edison International	745	1.11
CONSUMER GOODS 9.99% (8.53%)				6,524	FPL Group	962	1.43
	Beverages 1.90% (0.00%)			21,221	Xcel Energy	904	1.35
13,083	PepsiCo	1,274	1.90		Gas, Water & Multiutilities 1.07% (1.47%)		
	Food Producers 0.00% (2.85%)			34,035	Nisource	718	1.07
	Household Goods & Home Construction 3.03% (0.00%)				Total Utilities	4,138	6.16
25,271	Procter & Gamble	2,035	3.03	FINANCIALS 20.99% (23.62%)			
	Leisure Goods 0.00% (1.18%)				Banks 7.20% (10.57%)		
	Personal Goods 1.37% (1.48%)			35,207	BB&T	1,388	2.07
37,072	Tapestry	921	1.37	27,709	Citigroup	1,513	2.25
	Tobacco 3.69% (3.02%)			9,050	JPMorgan Chase	808	1.20
28,967	Altria Group	1,192	1.77	14,477	Pacwest Bancorp	443	0.66
19,760	Philip Morris International	1,289	1.92	6,540	PNC Financials	689	1.02
	Total Consumer Goods	6,711	9.99		Nonlife Insurance 1.45% (1.46%)		
HEALTH CARE 12.86% (13.13%)				8,823	Chubb	974	1.45
	Health Care Equipment & Services 4.10% (1.67%)				Life Insurance 2.70% (2.84%)		
18,000	Becton Dickinson Preference Share	813	1.21	22,338	Aflac	853	1.27
1,000	Danaher Corporation Preference Share	804	1.20	27,387	Metlife	962	1.43
16,942	Medtronic	1,138	1.69		Real Estate Investment Trusts 7.54% (6.78%)		
				7,074	Alexandria Real Estate Equities	766	1.14
				10,507	Amer Tower Corporation	1,554	2.31
				9,449	Equity LifeStyle Properties	837	1.25
				17,962	Prologis REIT	1,040	1.55
				34,123	STORE Capital	866	1.29
					Financial Services 2.10% (1.97%)		
				10,348	CME Group	1,411	2.10
					Total Financials	14,104	20.99

Threadneedle US Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TECHNOLOGY 20.15% (18.39%)			
Software & Computer Services 6.13% (4.75%)			
41,265	Microsoft	4,115	6.13
Technology Hardware & Equipment 14.02% (13.64%)			
19,917	Apple	3,132	4.66
5,432	Broadcom	1,306	1.94
46,067	Cisco Systems	1,987	2.96
65,742	Cypress Semiconductor	867	1.29
10,286	KLA-Tencor	997	1.49
12,590	Texas Instruments	1,129	1.68
	Total Technology	13,533	20.15
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 13,605		
	Buy CHF 13,806 J.P. Morgan ¹	–	–
	Sell USD 14,465		
	Buy CHF 14,679 J.P. Morgan ¹	–	–
	Sell USD 15,873		
	Buy EUR 14,149 J.P. Morgan ¹	–	–
	Sell USD 16,096		
	Buy EUR 14,348 J.P. Morgan ¹	–	–
	Sell USD 16,162		
	Buy EUR 14,407 J.P. Morgan ¹	–	–
	Sell USD 17,619		
	Buy EUR 15,705 J.P. Morgan ¹	–	–
	Total Derivatives	–	–
	Total value of investments	67,238	100.08
	Net other liabilities (0.69%)	(56)	(0.08)
	Net assets	67,182	100.00

April 2018 comparatives in brackets.

¹Less than £500, rounded to nil

Threadneedle China Opportunities Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
BERMUDA 0.00% (0.76%)				Pharmaceuticals & Biotechnology 1.74% (0.00%)			
	Oil Equipment, Services & Distribution 0.00% (0.76%)			12,300	BeiGene (Hong Kong Listing)	90	0.11
	Total Bermuda	–	–	444,800	Sinopharm Group	1,342	1.63
CAYMAN ISLANDS 37.74% (40.34%)				General Retailers 2.77% (1.20%)			
	Construction & Materials 0.75% (0.72%)			31,453	New Oriental Education & Technology Group ADR	2,277	2.77
800,000	China Resources Cement Holdings	615	0.75		Travel & Leisure 1.30% (0.00%)		
	Electronic & Electrical Equipment 0.19% (1.83%)			121,200	China International Travel Service	1,071	1.30
16,600	Sunny Optical Technology Group	156	0.19		Banks 14.16% (19.33%)		
	Automobiles & Parts 0.00% (0.43%)			8,626,000	China Construction Bank	5,857	7.13
	Food Producers 2.26% (1.55%)			512,500	China Merchants Bank	1,948	2.37
655,000	China Mengniu Dairy	1,855	2.26	6,642,000	Industrial & Commercial Bank of China	3,826	4.66
	Personal Goods 1.75% (1.11%)				Life Insurance 6.81% (4.11%)		
139,300	Shenzhou International Group Holdings	1,437	1.75	286,000	China Life Insurance	621	0.76
	Pharmaceuticals & Biotechnology 1.81% (2.41%)			537,000	Ping An Insurance Group	4,969	6.05
1,018,000	Sino Biopharmaceutical	751	0.91		Real Estate Investment & Services 1.74% (1.06%)		
96,000	Wuxi Biologics Cayman	742	0.90	437,200	China Vanke	1,298	1.58
	General Retailers 12.97% (11.81%)			196,000	Greentown Service Group	130	0.16
55,626	Alibaba Group ADR	7,991	9.72		Software & Computer Services 0.07% (0.00%)		
42,091	JD.com ADR	966	1.18	4,371	Tencent Music Entertainment Group ADR	60	0.07
57,249	TAL Education Group ADR	1,702	2.07		Technology Hardware & Equipment 1.30% (0.00%)		
	Travel & Leisure 0.79% (2.56%)			359,254	Luxshare Precision	1,069	1.30
19,267	Ctrip.Com International ADS	652	0.79		Total China	33,442	40.69
	Real Estate Investment & Services 1.22% (1.06%)			HONG KONG 20.06% (15.58%)			
300,000	China Resources Land	1,002	1.22		Oil & Gas Producers 3.93% (3.51%)		
	Software & Computer Services 16.00% (16.86%)			2,327,000	CNOOC	3,233	3.93
12,205	Baidu ADR	1,556	1.89		General Industrials 0.00% (1.25%)		
9,728	Baozun	355	0.43		Automobiles & Parts 0.64% (0.87%)		
14,833	Netease	3,234	3.94	624,000	Brilliance China Automotive	526	0.64
210,700	Tencent Holdings	8,005	9.74		Beverages 0.14% (0.00%)		
	Total Cayman Islands	31,019	37.74	32,000	China Resources Enterprise	112	0.14
CHINA 40.69% (30.27%)					Personal Goods 0.00% (0.45%)		
	Oil & Gas Producers 1.07% (1.92%)				Pharmaceuticals & Biotechnology 1.03% (2.65%)		
1,488,000	China Petroleum & Chemical	878	1.07	572,000	CSPC Pharmaceutical Group	845	1.03
	Industrial Metals & Mining 0.48% (0.00%)				General Retailers 0.18% (0.72%)		
487,492	Baoshan Iron & Steel	399	0.48	218,000	Sun Art Retail Group	146	0.18
	Construction & Materials 1.10% (0.86%)				Travel & Leisure 0.85% (0.00%)		
193,000	Anhui Conch Cement	905	1.10	122,000	Galaxy Entertainment Group	700	0.85
	Industrial Engineering 5.12% (1.14%)				Mobile Telecommunications 3.92% (2.33%)		
2,967,000	CRRC Corporation 'H' Shares	1,985	2.41	347,500	China Mobile	2,543	3.09
570,400	Zhuzhou CRRC Times Electric	2,224	2.71	744,000	China Unicom	679	0.83
	Industrial Transportation 1.59% (0.00%)				Gas, Water & Multiutilities 1.92% (0.00%)		
162,335	Shanghai International Airport-A	1,307	1.59	3,312,000	Beijing Enterprises Water Group	1,577	1.92
	Beverages 1.44% (0.65%)				Life Insurance 1.81% (2.18%)		
3,500	Kweichow Moutai	389	0.47	190,400	AIA Group	1,491	1.81
68,300	Wuliangye Yibin	797	0.97				

Threadneedle China Opportunities Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
HONG KONG 20.06% (15.58%) (continued)			
Real Estate Investment & Services 2.84% (0.57%)			
812,000	China Overseas Land & Investment	2,335	2.84
Financial Services 1.77% (1.05%)			
54,500	Hong Kong Exchanges and Clearing	1,451	1.77
Technology Hardware & Equipment 1.03% (0.00%)			
468,000	Hua Hong Semiconductor	847	1.03
	Total Hong Kong	16,485	20.06
LUXEMBOURG 0.00% (8.90%)			
Industrial Metals & Mining 0.00% (1.48%)			
Electronic & Electrical Equipment 0.00% (0.85%)			
Beverages 0.00% (1.88%)			
Food Producers 0.00% (1.51%)			
Household Goods & Home Construction 0.00% (0.97%)			
Life Insurance 0.00% (1.76%)			
Technology Hardware & Equipment 0.00% (0.45%)			
	Total Luxembourg	–	–
UNITED STATES OF AMERICA 0.00% (0.86%)			
Travel & Leisure 0.00% (0.86%)			
	Total United States of America	–	–
Total value of investments		80,946	98.49
Net other assets (3.29%)		1,238	1.51
Net assets		82,184	100.00

April 2018 comparatives in brackets.

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
COLOMBIA 0.00% (0.88%)				Gas, Water & Multiutilities 0.46% (0.88%)			
	Banks 0.00% (0.88%)			371,028	Indraprastha Gas	1,276	0.46
	Total Colombia	–	–		Banks 3.21% (3.02%)		
CZECH REPUBLIC 0.00% (1.00%)				74,694	HDFC Bank ADR	6,573	2.37
	Banks 0.00% (1.00%)			131,256	IndusInd Bank	2,318	0.84
	Total Czech Republic	–	–		Life Insurance 0.76% (0.00%)		
HONG KONG 4.46% (4.99%)				469,627	HDFC Stand Life Insurance	2,102	0.76
	Oil & Gas Producers 1.20% (0.00%)				Financial Services 0.41% (0.53%)		
2,390,000	CNOOC	3,320	1.20	33,434	Bajaj Finance	1,142	0.41
	Automobiles & Parts 0.00% (0.27%)				Software & Computer Services 0.00% (0.59%)		
	Household Goods & Home Construction 0.84% (2.02%)				Total India	29,451	10.63
419,500	Techtronic Industries	2,326	0.84	INDONESIA 7.34% (1.54%)			
	Personal Goods 0.00% (0.55%)				Automobiles & Parts 0.92% (0.00%)		
	Pharmaceuticals & Biotechnology 0.00% (0.50%)			6,209,200	Astra International	2,545	0.92
	Travel & Leisure 0.00% (0.62%)				General Retailers 0.70% (0.00%)		
	Life Insurance 2.42% (1.03%)			21,823,900	Ace Hardware Indonesia	1,942	0.70
856,400	AIA Group	6,708	2.42		Banks 4.98% (1.54%)		
	Total Hong Kong	12,354	4.46	4,667,900	Bank Central Asia	7,233	2.61
				27,929,200	Bank Rakyat Indonesia	6,568	2.37
HUNGARY 0.49% (0.00%)					Real Estate Investment & Services 0.74% (0.00%)		
	Pharmaceuticals & Biotechnology 0.49% (0.00%)			52,945,500	Pakuwon Jati	2,042	0.74
89,118	Richter Gedeon	1,348	0.49		Total Indonesia	20,330	7.34
	Total Hungary	1,348	0.49	ITALY 0.00% (0.29%)			
INDIA 10.63% (10.98%)					Personal Goods 0.00% (0.29%)		
	Oil & Gas Producers 2.31% (0.00%)				Total Italy	–	–
416,778	Reliance Industries	6,404	2.31	LUXEMBOURG 0.86% (2.82%)			
	Chemicals 0.00% (0.78%)				Beverages 0.36% (1.92%)		
	Construction & Materials 0.00% (1.13%)			8,932	JP Morgan Structured Note Warrant (Kweichow Moutai) 10/07/2020	992	0.36
	Industrial Engineering 0.73% (2.40%)				Household Goods & Home Construction 0.50% (0.90%)		
9,023	Eicher Motors	2,025	0.73	233,400	JP Morgan Structured Notes Warrant (Midea Group) 16/04/2020	1,394	0.50
	Industrial Transportation 0.38% (0.71%)				Total Luxembourg	2,386	0.86
245,390	Adani Ports And Special Economic Zone	1,059	0.38	MEXICO 1.85% (1.85%)			
	Automobiles & Parts 0.45% (0.42%)				Chemicals 0.81% (0.00%)		
123,174	Balkrishna Industries	1,242	0.45	1,244,761	Mexichem	2,233	0.81
	Health Care Equipment & Services 0.41% (0.00%)				Construction & Materials 0.00% (0.23%)		
83,736	Apollo Hospitals Enterprise	1,128	0.41		Travel & Leisure 0.00% (0.53%)		
	Pharmaceuticals & Biotechnology 0.51% (0.00%)				Banks 1.04% (1.09%)		
213,753	Biocon	1,401	0.51	578,523	Grupo Financiero Banorte	2,891	1.04
	General Retailers 0.00% (0.52%)				Total Mexico	5,124	1.85
	Travel & Leisure 1.00% (0.00%)						
189,765	Jubilant Foodworks	2,781	1.00				

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
NETHERLANDS 1.50% (1.27%)				Banks 0.44% (0.64%)			
	Travel & Leisure 0.00% (0.17%)			16,869	Capitec Bank Holdings	1,209	0.44
	Software & Computer Services 1.50% (1.10%)			Life Insurance 0.00% (0.47%)			
144,615	Yandex	4,147	1.50	Software & Computer Services 4.33% (0.00%)			
	Total Netherlands	4,147	1.50	60,670	Naspers	11,983	4.33
PANAMA 0.48% (0.00%)				Total South Africa			
	Travel & Leisure 0.48% (0.00%)					16,862	6.09
21,769	Copa Holdings	1,334	0.48	SOUTH KOREA 7.58% (14.34%)			
	Total Panama	1,334	0.48	Chemicals 0.47% (0.00%)			
PHILIPPINES 1.85% (0.64%)				5,486	LG Chemicals	1,303	0.47
	Gas, Water & Multiutilities 0.00% (0.16%)			Industrial Metals & Mining 0.00% (0.93%)			
	Banks 0.00% (0.48%)			Electronic & Electrical Equipment 0.00% (0.74%)			
	Real Estate Investment & Services 1.85% (0.00%)			Leisure Goods 0.27% (6.80%)			
7,166,400	Ayala Land	5,137	1.85	6,466	Pearl Abyss	740	0.27
	Total Philippines	5,137	1.85	General Retailers 0.00% (0.62%)			
POLAND 0.81% (1.10%)				Mobile Telecommunications 0.37% (0.00%)			
	Food & Drug Retailers 0.45% (0.89%)			6,360	SK Telecom	1,034	0.37
49,466	Dino Polska	1,260	0.45	Banks 0.76% (1.27%)			
	Banks 0.00% (0.21%)			69,036	KB Financial Group	2,096	0.76
	Financial Services 0.36% (0.00%)			Software & Computer Services 0.32% (1.04%)			
28,451	Kruk	991	0.36	14,099	Cafe24	890	0.32
	Total Poland	2,251	0.81	Technology Hardware & Equipment 5.39% (2.94%)			
REPUBLIC OF IRELAND 1.42% (0.00%)				378,035	Samsung Electronics	11,404	4.12
	Liquidity Funds 1.42% (0.00%) ¹			67,758	SK Hynix	3,518	1.27
5,121,367	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	3,936	1.42	Total South Korea			
	Total Republic of Ireland	3,936	1.42			20,985	7.58
RUSSIA 0.65% (2.43%)				TAIWAN 4.48% (6.13%)			
	Industrial Metals & Mining 0.00% (0.54%)			Electronic & Electrical Equipment 0.00% (0.59%)			
	Food & Drug Retailers 0.00% (0.18%)			Food & Drug Retailers 0.00% (0.30%)			
	Travel & Leisure 0.00% (0.35%)			Banks 0.00% (0.72%)			
	Banks 0.65% (1.36%)			Life Insurance 0.00% (1.01%)			
163,397	Sberbank of Russia	1,809	0.65	Technology Hardware & Equipment 4.48% (3.51%)			
	Total Russia	1,809	0.65	125,000	ASMedia Technology	1,654	0.60
SOUTH AFRICA 6.09% (6.66%)				319,336	Taiwan Semiconductor Manufacturing ADR	10,758	3.88
	Chemicals 0.81% (0.00%)			Total Taiwan			
88,287	Sasol	2,249	0.81			12,412	4.48
	Industrial Transportation 0.00% (0.53%)			THAILAND 2.39% (3.79%)			
	Food Producers 0.51% (0.66%)			Oil & Gas Producers 0.00% (0.63%)			
287,138	AVI	1,421	0.51	769,400	TISCO Financial Group	1,551	0.56
	General Retailers 0.00% (0.56%)			Real Estate Investment & Services 0.00% (1.36%)			
	Media 0.00% (3.80%)			Financial Services 1.83% (0.82%)			
				4,098,000	Muangthai Capital	5,056	1.83
				Total Thailand			
						6,607	2.39

Threadneedle Global Emerging Markets Equity Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
TURKEY 0.00% (0.15%)			
	Automobiles & Parts 0.00% (0.15%)		
	Total Turkey	-	-
UNITED STATES OF AMERICA 0.79% (0.89%)			
	Electronic & Electrical Equipment 0.40% (0.51%)		
9,042	Universal Display	1,101	0.40
	General Retailers 0.39% (0.00%)		
2,894	Mercadolibre	1,098	0.39
	Banks 0.00% (0.38%)		
	Total United States of America	2,199	0.79
DERIVATIVES 0.01% (0.00%)			
	Forward Foreign Exchange Contracts 0.01% (0.00%)		
	Sell USD 381,778		
	Buy BRL 1,502,182 Citigroup	(1)	-
	Sell USD 1,628,000		
	Buy GBP 1,260,324 Bank of Scotland	9	0.01
	Sell USD 1,008,000		
	Buy GBP 780,227 Bank of Scotland	6	-
	Sell GBP 30,251		
	Buy USD 39,000 Barclays ²	-	-
	Total Derivatives	14	0.01
	Total value of investments³	274,880	99.26
	Net other assets (2.39%)	2,055	0.74
	Net assets	276,935	100.00

April 2018 comparatives in brackets.

¹Cash equivalents.

²Less than £500, rounded to nil.

³Includes Cash equivalents.

Threadneedle Emerging Market Local Fund

Portfolio Statement

as at 30 April 2019

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value	
ARGENTINA 1.07% (1.74%)					HONG KONG 1.26% (1.02%)					
		B+ 0.00% (1.01%)					BBB 1.26% (1.02%)			
		B 0.91% (0.00%)			USD	1,235,000	China National Chemical Corporation 4.625% 14/03/2023	983	1.26	
USD	1,100,000	Provincia de Buenos Aires 9.95% 09/06/2021	714	0.91			Total Hong Kong	983	1.26	
		B2 0.16% (0.73%)								
ARS	10,000,000	Republic of Argentina 15.5% 17/10/2026	124	0.16	HUNGARY 2.48% (0.00%)					
		Total Argentina	838	1.07			BBB 2.48% (0.00%)			
BRAZIL 7.22% (13.47%)						HUF	200,000,000	Hungary Government International Bond 3% 27/10/2027	540	0.69
		BB- 7.22% (13.47%)			HUF	400,000,000	Hungary Government International Bond 6.75% 22/10/2028	1,393	1.79	
BRL	12,658	Brazil Government International Bond 10% 01/01/2023	2,680	3.44			Total Hungary	1,933	2.48	
BRL	4,193	Brazil Government International Bond 10% 01/01/2025	892	1.14	INDONESIA 12.21% (8.68%)					
BRL	9,772	Brazil Government International Bond 10% 01/01/2027	2,061	2.64			Baa2 9.74% (5.92%)			
		Total Brazil	5,633	7.22	USD	515,000	Indonesia Asahan Aluminium 5.23% 15/11/2021	412	0.53	
COLOMBIA 5.76% (6.42%)					IDR	8,094,000,000	Indonesia Government International Bond 6.625% 15/05/2033	377	0.48	
		Baa2 0.00% (2.95%)			IDR	47,600,000,000	Indonesia Government International Bond 7% 15/05/2027	2,443	3.13	
		BBB- 5.76% (3.47%)			IDR	25,244,000,000	Indonesia Government International Bond 8.375% 15/03/2034	1,372	1.76	
COP	15,462,000,000	Colombia Government International Bond 9.85% 28/06/2027	4,498	5.76	IDR	28,013,000,000	Indonesia Government International Bond 9% 15/03/2029	1,618	2.07	
		Total Colombia	4,498	5.76	IDR	23,125,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,379	1.77	
CROATIA 2.65% (1.39%)							Not Rated 2.47% (2.76%)			
		BB+ 0.00% (1.39%)			IDR	34,194,000,000	Indonesia Government International Bond 8.75% 15/05/2031	1,928	2.47	
		BBB- 2.65% (0.00%)					Total Indonesia	9,529	12.21	
USD	1,000,000	Croatia Government International Bond 6.375% 24/03/2021	814	1.04	IVORY COAST 0.00% (0.98%)					
USD	1,600,000	Croatia Government International Bond 6.75% 05/11/2019	1,253	1.61			Ba3 0.00% (0.98%)			
		Total Croatia	2,067	2.65			Total Ivory Coast	-	-	
CZECH REPUBLIC 0.91% (0.00%)					KAZAKHSTAN 0.00% (1.95%)					
		Not Rated 0.91% (0.00%)					BB- 0.00% (1.95%)			
CZK	20,000,000	Czech Republic 2.5% 25/08/2028	708	0.91			Total Kazakhstan	-	-	
		Total Czech Republic	708	0.91	LUXEMBOURG 0.00% (1.33%)					
DOMINICAN REPUBLIC 2.88% (4.67%)							BBB- 0.00% (1.33%)			
		BB- 0.00% (1.61%)					Total Luxembourg	-	-	
		Not Rated 2.88% (3.06%)			MALAYSIA 3.83% (2.40%)					
DOP	130,700,000	Dominican Republic International Bond 15.95% 04/06/2021	2,246	2.88			A3 3.83% (2.40%)			
		Total Dominican Republic	2,246	2.88	MYR	6,767,000	Malaysian Government Bond 3.84% 15/04/2033	1,215	1.56	
EGYPT 2.22% (4.77%)					MYR	9,238,000	Malaysian Government Bond 4.392% 15/04/2026	1,774	2.27	
		Not Rated 2.22% (4.77%)					Total Malaysia	2,989	3.83	
EGP	40,200,000	Egypt Treasury Bill 0% 16/07/2019	1,734	2.22	GEORGIA 1.14% (0.00%)					
		Total Egypt	1,734	2.22			BB- 1.14% (0.00%)			
GEORGIA 1.14% (0.00%)					USD	1,100,000	Georgia Government International Bond 6.875% 12/04/2021	894	1.14	
		BB- 1.14% (0.00%)					Total Georgia	894	1.14	

Threadneedle Global Extended Alpha Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value	
BELGIUM 0.00% (1.39%)				Software & Computer Services 0.17% (0.26%)				
	Beverages 0.00% (1.39%)			36,952	Matrimony.Com	251	0.17	
	Total Belgium	–	–		Total India	5,608	3.87	
BERMUDA 1.09% (1.57%)				INDONESIA 1.81% (1.43%)				
	Financial Services 1.09% (1.57%)				Banks 1.81% (1.43%)			
36,301	IHS Markit	1,587	1.09	11,153,800	Bank Rakyat Indonesia	2,623	1.81	
	Total Bermuda	1,587	1.09		Total Indonesia	2,623	1.81	
CANADA 1.39% (1.47%)				JAPAN 4.13% (4.32%)				
	Oil & Gas Producers 1.39% (1.47%)				Electronic & Electrical Equipment 1.45% (0.00%)			
79,110	Suncor Energy (USD)	2,014	1.39	4,400	Keyence	2,099	1.45	
	Total Canada	2,014	1.39		Industrial Engineering 0.95% (1.16%)			
				10,500	DISCO	1,382	0.95	
CAYMAN ISLANDS 5.49% (4.70%)					Automobiles & Parts 0.00% (0.95%)			
	Support Services 0.00% (1.21%)				Household Goods & Home Construction 0.00% (1.27%)			
	General Retailers 2.25% (3.49%)				Leisure Goods 0.67% (0.94%)			
22,743	Alibaba Group ADR	3,267	2.25	3,700	Nintendo	971	0.67	
	Software & Computer Services 3.24% (0.00%)				Technology Hardware & Equipment 1.06% (0.00%)			
123,500	Tencent Holdings	4,692	3.24	27,400	Rohm	1,540	1.06	
	Total Cayman Islands	7,959	5.49		Total Japan	5,992	4.13	
CHINA 2.28% (1.61%)				JERSEY 0.00% (0.81%)				
	Life Insurance 2.28% (1.61%)				Support Services 0.00% (0.81%)			
358,000	Ping An Insurance Group	3,313	2.28		Total Jersey	–	–	
	Total China	3,313	2.28	NETHERLANDS 0.00% (1.25%)				
DENMARK 1.29% (0.82%)					Media 0.00% (1.25%)			
	Pharmaceuticals & Biotechnology 1.29% (0.82%)				Total Netherlands	–	–	
49,566	Novo Nordisk	1,868	1.29	REPUBLIC OF IRELAND 6.09% (3.49%)				
	Total Denmark	1,868	1.29		Construction & Materials 1.82% (2.03%)			
FRANCE 0.93% (0.00%)					103,147	CRH (Dublin Listing)	2,639	1.82
	Health Care Equipment & Services 0.93% (0.00%)				Industrial Engineering 1.61% (1.15%)			
14,519	Essilor International	1,350	0.93	25,139	Ingersoll-Rand	2,328	1.61	
	Total France	1,350	0.93		Pharmaceuticals & Biotechnology 0.00% (0.31%)			
GERMANY 2.73% (0.91%)					Liquidity Funds 2.66% (0.00%)¹			
	Electronic & Electrical Equipment 0.53% (0.00%)				BlackRock Institutional Cash Series			
28,635	Osram	764	0.53	5,027,704	US Dollar Liquidity Platinum	3,864	2.66	
	Household Goods & Home Construction 0.00% (0.91%)				Total Republic of Ireland	8,831	6.09	
	Personal Goods 2.20% (0.00%)			SPAIN 0.26% (0.28%)				
16,157	adidas	3,195	2.20		General Retailers 0.26% (0.28%)			
	Total Germany	3,959	2.73	16,566	Inditex	380	0.26	
HONG KONG 1.82% (1.93%)					Total Spain	380	0.26	
	Life Insurance 1.82% (1.93%)			SWITZERLAND 1.90% (0.92%)				
336,600	AIA Group	2,637	1.82		Electronic & Electrical Equipment 1.13% (0.92%)			
	Total Hong Kong	2,637	1.82	22,751	TE Connectivity	1,647	1.13	
INDIA 3.87% (3.19%)					Support Services 0.77% (0.00%)			
	Media 0.00% (0.34%)			20,434	Ferguson	1,115	0.77	
	Banks 3.70% (2.59%)				Total Switzerland	2,762	1.90	
209,359	HDFC Bank	5,357	3.70					

Threadneedle Global Extended Alpha Fund

Portfolio Statement

(continued)

		Value £000	% of Net Asset Value			Value £000	% of Net Asset Value
UNITED KINGDOM	6.12% (5.74%)						
	Mining 0.82% (1.54%)						
26,925	Rio Tinto	1,197	0.82				
	Personal Goods 1.31% (0.70%)						
41,163	Unilever	1,897	1.31				
	Tobacco 0.00% (1.77%)						
	Media 2.05% (0.00%)						
169,699	RELX (UK Listing)	2,977	2.05				
	Nonlife Insurance 1.94% (1.73%)						
20,486	Aon	2,811	1.94				
	Total United Kingdom	8,882	6.12				
UNITED STATES OF AMERICA	48.12% (52.99%)						
	Oil & Gas Producers 3.20% (5.22%)						
35,484	Diamondback Energy	2,915	2.01				
23,116	EOG Resources	1,723	1.19				
	Oil Equipment, Services & Distribution 0.40% (2.39%)						
25,983	Halliburton	574	0.40				
	Chemicals 1.26% (1.16%)						
12,890	ECOLAB	1,826	1.26				
	Construction & Materials 0.61% (0.00%)						
15,052	Trex Company	885	0.61				
	Electronic & Electrical Equipment 1.09% (1.53%)						
20,830	Amphenol	1,584	1.09				
	Industrial Transportation 2.88% (2.08%)						
30,760	Union Pacific	4,171	2.88				
	Support Services 2.38% (0.67%)						
12,274	TransUnion	661	0.46				
25,745	United Rentals	2,788	1.92				
	Leisure Goods 1.48% (1.12%)						
57,753	Activision Blizzard	2,148	1.48				
	Personal Goods 1.91% (3.29%)						
14,037	Estee Lauder Companies Class A	1,861	1.28				
36,816	Tapestry	915	0.63				
	Health Care Equipment & Services 4.18% (4.33%)						
23,904	Baxter International	1,387	0.96				
5,341	Becton Dickinson	971	0.67				
53,530	Centene	2,154	1.49				
6,968	Cooper Cos	1,531	1.06				
	Pharmaceuticals & Biotechnology 3.53% (6.15%)						
13,238	Alexion Pharmaceuticals	1,377	0.95				
47,561	Gilead Sciences	2,373	1.64				
4,838	Illumina	1,160	0.80				
1,505	Vertex Pharmaceuticals	200	0.14				
	General Retailers 4.23% (3.81%)						
4,119	Amazon.com	6,139	4.23				
	Media 2.59% (1.83%)						
4,192	Charter Communications	1,195	0.82				
76,980	Comcast Corporation	2,570	1.77				
	Banks 0.92% (6.48%)						
14,985	JPMorgan Chase	1,337	0.92				
	Nonlife Insurance 2.01% (0.00%)						
17,523	Berkshire Hathaway	2,917	2.01				
	Real Estate Investment Trusts 1.24% (0.00%)						
5,220	Equinix	1,800	1.24				
	Financial Services 6.69% (7.80%)						
34,078	Charles Schwab	1,202	0.83				
15,915	MasterCard Class A	3,024	2.08				
7,727	S&P Global	1,304	0.90				
33,099	Visa 'A' Shares	4,175	2.88				
	Software & Computer Services 4.90% (4.23%)						
662	Adobe Systems	146	0.10				
4,865	Alphabet Class A	4,844	3.34				
13,853	Microsoft	1,381	0.95				
4,202	Tyler Technologies	739	0.51				
	Technology Hardware & Equipment 2.62% (0.90%)						
10,880	Lam Research	1,724	1.19				
15,089	Nvidia	2,080	1.43				
	Total United States of America	69,781	48.12				
	DERIVATIVES 1.32% (-0.75%)						
	Forward Foreign Exchange Contracts -0.02% (0.00%)						
	Sell USD 32,000						
	Buy GBP 24,773 Bank of Scotland ²						
	Sell USD 49,000						
	Buy GBP 37,928 Bank of Scotland ²						
	Sell USD 458,353						
	Buy JPY 51,180,447 Goldman Sachs	2					
	Sell USD 371,659						
	Buy SGD 505,122 J.P. Morgan ²						
	Sell USD 642						
	Buy SGD 874 J.P. Morgan ²						
	Sell GBP 3,951,256						
	Buy USD 5,094,000 Barclays	(36)	(0.02)				
	Portfolio Swap 1.34% (-0.75%)						
	UBS Portfolio Swap	1,942	1.34				
	Total Derivatives	1,908	1.32				
	Total value of investments³	131,454	90.64				
	Net other assets (11.93%)	13,572	9.36				
	Net assets	145,026	100.00				
	<i>April 2018 comparatives in brackets.</i>						
	¹ Cash equivalents.						
	² Less than £500, rounded to nil.						
	³ Includes Cash equivalents.						

Threadneedle Global Equity Income Fund

Portfolio Statement

as at 30 April 2019

		Value	% of			Value	% of
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
AUSTRALIA 4.90% (5.27%)				FINLAND 1.45% (1.33%)			
	Construction & Materials 0.99% (1.15%)				Nonlife Insurance 1.45% (1.33%)		
742,174	Dulux Group	3,915	0.99	162,953	Sampo	5,724	1.45
	General Industrials 1.36% (0.73%)				Total Finland	5,724	1.45
621,377	Amcor	5,390	1.36				
	Industrial Metals & Mining 0.70% (0.00%)			FRANCE 1.20% (1.88%)			
2,296,642	Alumina	2,789	0.70		Banks 1.20% (1.88%)		
	Industrial Transportation 1.85% (2.27%)			115,956	BNP Paribas	4,750	1.20
796,546	Sydney Airport	3,286	0.83		Total France	4,750	1.20
552,570	Transurban	4,017	1.02				
	Real Estate Investment Trusts 0.00% (1.12%)			GERMANY 4.66% (5.76%)			
	Total Australia	19,397	4.90		Chemicals 1.07% (1.06%)		
				183,484	Evonik Industries	4,230	1.07
AUSTRIA 1.26% (1.20%)					Media 0.97% (1.37%)		
	Banks 1.26% (1.20%)			88,028	Axel Springer	3,854	0.97
161,953	Erste Group Bank	4,996	1.26		Mobile Telecommunications 2.62% (3.33%)		
	Total Austria	4,996	1.26	807,111	Deutsche Telekom	10,351	2.62
					Total Germany	18,435	4.66
BRAZIL 1.39% (2.82%)				HONG KONG 0.98% (2.06%)			
	Beverages 0.90% (1.26%)				Fixed Line Telecommunications 0.98% (1.52%)		
994,747	Ambev	3,557	0.90	3,254,473	HKT Trust & HKT	3,877	0.98
	General Retailers 0.49% (0.80%)				Banks 0.00% (0.54%)		
1,023,824	Kroton Educacional	1,957	0.49		Total Hong Kong	3,877	0.98
	Financial Services 0.00% (0.76%)			INDONESIA 0.99% (1.39%)			
	Total Brazil	5,514	1.39		Fixed Line Telecommunications 0.99% (1.39%)		
				19,126,759	Telekomunikasi Indonesia	3,900	0.99
CANADA 7.42% (6.04%)					Total Indonesia	3,900	0.99
	Oil & Gas Producers 1.36% (1.47%)			ISLE OF MAN 0.48% (0.99%)			
212,603	Suncor Energy CAD	5,398	1.36		Travel & Leisure 0.48% (0.99%)		
	Oil Equipment, Services & Distribution 1.50% (1.30%)			290,949	GVC Holdings	1,916	0.48
161,905	TransCanada	5,938	1.50		Total Isle of Man	1,916	0.48
	Chemicals 2.11% (1.02%)			JAPAN 7.66% (5.30%)			
202,174	Nutrien	8,346	2.11		Automobiles & Parts 1.71% (1.48%)		
	Life Insurance 2.45% (2.25%)			222,476	Bridgestone	6,766	1.71
694,002	Manulife Financial	9,698	2.45		Leisure Goods 1.72% (0.00%)		
	Total Canada	29,380	7.42	25,982	Nintendo	6,817	1.72
CAYMAN ISLANDS 0.00% (1.40%)					Real Estate Investment Trusts 0.70% (0.63%)		
	Personal Goods 0.00% (1.40%)			4,407	Japan Hotel Investment REIT	2,757	0.70
	Total Cayman Islands	-	-		Financial Services 1.18% (2.22%)		
CHINA 1.57% (0.00%)					Technology Hardware & Equipment 2.35% (0.97%)		
	Life Insurance 1.57% (0.00%)			1,309,232	Daiwa Securities Group	4,655	1.18
671,503	Ping An Insurance Group	6,214	1.57		Technology Hardware & Equipment 2.35% (0.97%)		
	Total China	6,214	1.57	76,515	Tokyo Electron	9,308	2.35
					Total Japan	30,303	7.66
DENMARK 0.00% (1.07%)				MEXICO 0.00% (0.56%)			
	Health Care Equipment & Services 0.00% (1.07%)				General Retailers 0.00% (0.56%)		
	Total Denmark	-	-		Total Mexico	-	-

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

	Investment	Value £000	% of Net Asset Value		Investment	Value £000	% of Net Asset Value	
NETHERLANDS 2.43% (4.71%)				UNITED KINGDOM 13.68% (13.87%)				
	Chemicals 0.00% (0.93%)				Oil & Gas Producers 1.28% (2.44%)			
	Personal Goods 2.43% (2.79%)			207,461	Royal Dutch Shell 'A' Shares (London Listing)	5,071	1.28	
209,455	Unilever (EUR)	9,621	2.43		Mining 1.99% (2.03%)			
	Media 0.00% (0.99%)			144,478	Anglo American	2,848	0.72	
	Total Netherlands	9,621	2.43	113,372	Rio Tinto	5,041	1.27	
REPUBLIC OF IRELAND 0.88% (0.00%)					Aerospace & Defence 1.29% (0.84%)			
	Liquidity Funds 0.88% (0.00%)			1,028,704	BAE Systems	5,090	1.29	
4,511,527	BlackRock Institutional Cash Series US Dollar Liquidity Platinum	3,468	0.88		Tobacco 2.04% (2.85%)			
	Total Republic of Ireland	3,468	0.88	270,960	British American Tobacco	8,064	2.04	
SOUTH AFRICA 0.00% (0.48%)					Pharmaceuticals & Biotechnology 1.58% (1.52%)			
	Food & Drug Retailers 0.00% (0.48%)			396,473	GlaxoSmithKline	6,228	1.58	
	Total South Africa	–	–		Media 2.00% (0.92%)			
SOUTH KOREA 1.71% (0.00%)					451,503	RELX (UK Listing)	7,922	2.00
	Technology Hardware & Equipment 1.71% (0.00%)				Fixed Line Telecommunications 1.02% (1.16%)			
223,858	Samsung Electronics	6,753	1.71	1,764,206	BT Group	4,022	1.02	
	Total South Korea	6,753	1.71		Banks 0.00% (0.53%)			
SPAIN 1.82% (1.61%)					Life Insurance 2.48% (1.58%)			
	Construction & Materials 1.82% (1.61%)			835,157	Legal & General Group	2,335	0.59	
382,096	Ferrovial	7,204	1.82	427,843	Prudential	7,492	1.89	
	Total Spain	7,204	1.82		Total United Kingdom	54,113	13.68	
SWEDEN 0.87% (0.00%)				UNITED STATES OF AMERICA 36.67% (32.48%)				
	Industrial Engineering 0.87% (0.00%)				Oil & Gas Producers 1.75% (2.44%)			
157,135	Atlas Copco 'B' Shares	3,446	0.87	72,560	Occidental Petroleum	3,352	0.85	
	Total Sweden	3,446	0.87	51,551	Valero Energy	3,550	0.90	
SWITZERLAND 3.67% (3.31%)					Oil Equipment, Services & Distribution 2.85% (2.41%)			
	Pharmaceuticals & Biotechnology 1.92% (1.77%)			364,782	Enterprise Products Partners	8,083	2.04	
120,867	Novartis	7,596	1.92	96,094	Schlumberger	3,207	0.81	
	Banks 1.75% (1.54%)				Construction & Materials 0.53% (0.91%)			
666,392	UBS Group	6,922	1.75	17,111	Watsco	2,081	0.53	
	Total Switzerland	14,518	3.67		Aerospace & Defence 1.55% (0.00%)			
TAIWAN 3.81% (3.04%)				24,256	Lockheed Martin	6,125	1.55	
	Personal Goods 1.81% (0.74%)				General Industrials 1.17% (0.00%)			
654,163	Eclat Textile Company	7,159	1.81	31,679	3M	4,631	1.17	
	Technology Hardware & Equipment 2.00% (2.30%)				Electronic & Electrical Equipment 1.55% (0.73%)			
1,230,113	Taiwan Semiconductor Manufacturing	7,925	2.00	112,471	Emerson Electric	6,143	1.55	
	Total Taiwan	15,084	3.81		Support Services 1.29% (1.53%)			
THAILAND 0.00% (1.97%)				79,450	Paychex	5,105	1.29	
	Beverages 0.00% (0.61%)				Automobiles & Parts 1.42% (1.38%)			
	Banks 0.00% (1.36%)			182,174	General Motors	5,604	1.42	
	Total Thailand	–	–					

Threadneedle Global Equity Income Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 36.67% (32.48%) (continued)			
Beverages 3.38% (1.96%)			
182,462	Coca-Cola	6,789	1.72
67,525	PepsiCo	6,575	1.66
Personal Goods 0.00% (1.05%)			
Tobacco 2.45% (2.26%)			
150,499	Altria Group	6,193	1.56
54,044	Philip Morris International	3,525	0.89
Pharmaceuticals & Biotechnology 5.66% (4.05%)			
97,177	Gilead Sciences	4,848	1.22
46,435	Johnson & Johnson	4,990	1.26
61,573	Merck & Co	3,634	0.92
293,598	Pfizer	8,936	2.26
General Retailers 0.00% (0.75%)			
Travel & Leisure 0.81% (0.81%)			
60,935	Las Vegas Sands	3,188	0.81
Electricity 1.51% (0.00%)			
140,688	Xcel Energy	5,996	1.51
Banks 4.41% (4.42%)			
149,759	BB&T	5,906	1.49
311,140	Wells Fargo	11,543	2.92
Real Estate Investment Trusts 1.30% (0.60%)			
53,998	Crown Castle International	5,127	1.30
Financial Services 1.58% (2.44%)			
45,960	CME Group	6,268	1.58
Equity Investment Instruments 0.00% (1.04%)			
Software & Computer Services 0.76% (0.00%)			
28,120	International Business Machines	3,006	0.76
Technology Hardware & Equipment 2.70% (3.70%)			
149,021	Cisco Systems	6,429	1.62
93,698	Maxim Integrated Products	4,279	1.08
Total United States of America		145,113	36.67
DERIVATIVES 0.00% (0.00%)			
Forward Foreign Exchange Contracts 0.00% (0.00%)			
	Sell USD 14,769		
	Buy CHF 14,988 J.P. Morgan ¹	–	–
	Sell USD 15,201		
	Buy CHF 15,426 J.P. Morgan ¹	–	–
	Sell USD 10,863		
	Buy EUR 9,683 J.P. Morgan ¹	–	–
Total Derivatives		–	–
Total value of investments		393,726	99.50
Net other assets (1.46%)		1,972	0.50
Net assets		395,698	100.00

April 2018 comparatives in brackets.

¹Less than £500, rounded to nil.

Threadneedle Global Focus Fund

Portfolio Statement

as at 30 April 2019

Holding	Investment	Value £000	% of Net Asset Value	Holding	Investment	Value £000	% of Net Asset Value
AUSTRALIA 0.00% (0.73%)				REPUBLIC OF IRELAND 2.15% (0.85%)			
	Pharmaceuticals & Biotechnology		0.00% (0.73%)		Industrial Engineering		2.15% (0.00%)
	Total Australia	–	–	6,918	Ingersoll-Rand	641	2.15
BELGIUM 0.00% (1.33%)					Travel & Leisure		0.00% (0.85%)
	Beverages		0.00% (1.33%)		Total Republic of Ireland	641	2.15
	Total Belgium	–	–	SOUTH KOREA 0.00% (1.88%)			
CAYMAN ISLANDS 0.98% (1.64%)					Leisure Goods		0.00% (1.88%)
	Support Services		0.00% (0.61%)		Total South Korea	–	–
	General Retailers		0.98% (1.03%)	SPAIN 0.00% (1.82%)			
2,041	Alibaba Group ADR	293	0.98		Mobile Telecommunications		0.00% (1.82%)
	Total Cayman Islands	293	0.98		Total Spain	–	–
FRANCE 1.52% (2.30%)				SWEDEN 1.58% (1.09%)			
	Support Services		0.00% (2.30%)		Industrial Engineering		1.58% (1.09%)
	Beverages		1.52% (0.00%)	13,878	Atlas Copco 'B' Shares	304	1.02
3,351	Pernod Ricard	451	1.52	21,758	Epiroc B	165	0.56
	Total France	451	1.52		Total Sweden	469	1.58
GERMANY 1.96% (1.94%)				TAIWAN 1.08% (0.00%)			
	Personal Goods		1.96% (1.94%)		Technology Hardware & Equipment		1.08% (0.00%)
2,942	adidas	582	1.96	50,000	Taiwan Semiconductor Manufacturing	322	1.08
	Total Germany	582	1.96		Total Taiwan	322	1.08
HONG KONG 5.05% (4.85%)				UNITED KINGDOM 8.10% (7.94%)			
	Life Insurance		5.05% (4.85%)		Tobacco		0.00% (4.24%)
192,200	AIA Group	1,505	5.05		Pharmaceuticals & Biotechnology		0.00% (0.30%)
	Total Hong Kong	1,505	5.05		Media		4.30% (0.00%)
INDIA 6.81% (3.64%)					RELX (UK Listing)	1,282	4.30
	Banks		6.81% (3.64%)		Travel & Leisure		0.99% (0.97%)
39,167	HDFC Bank	1,002	3.37	5,876	Intercontinental Hotels Group	294	0.99
67,020	Kotak Mahindra Bank	1,025	3.44		Nonlife Insurance		1.81% (2.43%)
	Total India	2,027	6.81	3,931	Aon	539	1.81
INDONESIA 0.57% (0.54%)					Financial Services		1.00% (0.00%)
	Banks		0.57% (0.54%)	5,872	London Stock Exchange Group	298	1.00
110,400	Bank Central Asia	171	0.57		Total United Kingdom	2,413	8.10
	Total Indonesia	171	0.57	UNITED STATES OF AMERICA 62.95% (52.73%)			
JAPAN 2.72% (3.88%)					Electronic & Electrical Equipment		0.00% (0.91%)
	Electronic & Electrical Equipment		2.72% (2.73%)		Support Services		5.48% (0.91%)
1,700	Keyence	811	2.72	8,282	Automatic Data Processing	1,037	3.48
	Financial Services		0.00% (1.15%)	11,042	TransUnion	595	2.00
	Total Japan	811	2.72		Beverages		0.00% (0.85%)
NETHERLANDS 2.60% (6.60%)					Leisure Goods		0.95% (1.94%)
	Personal Goods		2.60% (2.61%)	7,613	Activision Blizzard	283	0.95
16,852	Unilever (EUR)	774	2.60		Personal Goods		2.09% (0.00%)
	Media		0.00% (3.99%)	4,705	Estee Lauder Companies Class A	624	2.09
	Total Netherlands	774	2.60				

Threadneedle Global Focus Fund

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 62.95% (52.73%) (continued)			
Health Care Equipment & Services 13.49% (11.58%)			
11,284	Baxter International	655	2.20
3,614	Becton Dickinson	657	2.21
26,910	Boston Scientific	759	2.55
1,196	Cooper Cos	263	0.88
4,208	Thermo Fisher Scientific	881	2.96
4,383	UnitedHealth Group	800	2.69
Pharmaceuticals & Biotechnology 3.64% (0.00%)			
9,813	Abbott Laboratories	590	1.98
937	Bio-Techne Corporation	141	0.47
1,481	Illumina	355	1.19
General Retailers 3.00% (2.97%)			
599	Amazon.com	893	3.00
Media 0.00% (0.85%)			
Real Estate Investment Trusts 0.00% (1.94%)			
Financial Services 13.88% (13.88%)			
9,102	Charles Schwab	321	1.08
2,292	CME Group	313	1.05
8,457	MasterCard Class A	1,607	5.40
5,250	S&P Global	886	2.98
7,964	Visa 'A' Shares	1,005	3.37
Software & Computer Services 19.38% (13.39%)			
7,240	Adobe Systems	1,592	5.35
1,716	Alphabet Class A	1,709	5.74
20,673	Microsoft	2,062	6.92
5,851	PTC	409	1.37
Technology Hardware & Equipment 1.04% (3.51%)			
1,949	Lam Research	309	1.04
Total United States of America		18,746	62.95
Total value of investments		29,205	98.07
Net other assets (6.24%)		575	1.93
Net assets		29,780	100.00

April 2018 comparatives in brackets.

Performance Summary for the twelve months ended 30 April 2019 – UK Universe

Funds	Sector	Index	Class 1 Net Return %	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
UK Mid 250 Fund	(IA) UK All Companies	FTSE 250 (ex Investment Trusts)*	-1.46	-0.88	+1.59	-0.13	-1.35
UK Ethical Equity Fund**	(IA) UK All Companies	MSCI UK IMI extended SRI	+2.36	+2.78	+1.59	+3.42	+2.22
UK Extended Alpha Fund	(IA) UK All Companies	FTSE All-Share*	+3.24	+3.82	+1.59	+4.83	+2.62
UK Equity Alpha Income Fund	(IA) UK Equity Income*	FTSE All-Share	+1.77	+2.35	+0.52	+3.77	+2.62
UK Absolute Alpha Fund	(IA) Targeted Absolute Return	UK LIBOR 3 Month	-2.69	-2.13	-0.44	-1.23	+0.81
Absolute Return Bond Fund	(IA) Targeted Absolute Return	UK LIBOR 3 Month	-0.64	-0.22	-0.44	+0.42	+0.81
Pan European Focus Fund	(IA) Europe Including UK	MSCI Europe*	+12.40	+13.05	+1.24	+14.88	+3.17
Pan European Equity Dividend Fund ¹	(IA) Europe Including UK*	MSCI Europe	+0.60	+0.87	+0.06	–	-0.33
American Extended Alpha Fund	(IA) North America*	S&P 500	+19.82	+19.19	+16.12	+22.25	+19.91
US Equity Income Fund	(IA) North America	S&P 500*	+15.48	+16.19	+16.12	+19.46	+19.91
China Opportunities Fund	(IA) China – Greater China	MSCI China*	-2.41	-1.84	+1.41	-1.73	+0.70
Global Emerging Markets Equity Fund	(IA) Global Emerging Markets	MSCI EM (Emerging Markets)*	-0.28	+0.29	+0.09	+1.45	+0.71
Global Focus Fund ²	(IA) Global	MSCI AC World	+17.62	+17.79	+8.64	+19.59	+11.61
Emerging Market Local Fund ¹	(IA) Specialist	JPM GBI-EM Global Diversified Composite*	-1.48	-0.72	–	+0.67	+0.44
Global Extended Alpha Fund	(IA) Global	MSCI AC World*	+14.76	+15.18	+8.64	+16.91	+11.61
Global Equity Income Fund	(IA) Global Equity Income	MSCI AC World*	+6.73	+7.25	+7.96	+9.89	+11.61
Global Opportunities Bond Fund ³	(IA) Absolute Return	Citigroup GBP 1 Month Euro deposit	+3.77	–	-2.56	–	+0.50
UK Index Linked Fund	(IA) UK Index Linked Gilts	FTSE UK Gilts Index Linked Government (All stocks)	+7.04	+7.22	+7.17	+7.02	+6.86
Sterling Medium and Long-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (5+ Y)	–	+4.29	+3.28	+4.56	+4.44
Sterling Short-Dated Corporate Bond Fund	(IA) Sterling Corporate Bond	iBoxx GBP Non-Gilt (1-5 Y)	+2.02	+2.15	+3.28	+2.68	+1.94
UK Fixed Interest Fund***	(IA) UK Gilt	FTSE UK Gilts Government (All stocks)	+2.99	+3.14	+3.02	+3.42	+3.17

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.

¹These funds do not currently display a sector median return because the Fund Sector (as defined by the Investment Association) is not felt to be representative.

*Denotes official benchmark of the fund.

¹Fund closed 5 October 2018.

²Fund launched on 17 April 2018. Shown is Z Accumulation for Class 1.

³Fund closed 9 January 2019.

**Class 1 showing Class T, and Class 2 showing Class Z.

***Class 2 showing Class Z.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in GBP.

Performance Summary for the twelve months ended 30 April 2019 – Offshore Universe

Funds	Sector	Index	Share Class 1 Return %	Share Class 2 Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %	Currency
UK Mid 250 Fund	GIFS Offshore – UK Mid Cap Equity	FTSE 250 (ex Investment Trusts)*	-1.46	-0.88	+0.11	-0.13	-1.35	GBP
UK Ethical Equity Fund**	GIFS Offshore – UK Large Cap Blend	MSCI UK IMI extended SRI	+2.36	+2.78	+2.06	+3.42	+2.22	GBP
UK Extended Alpha Fund	GIFS Offshore – UK Large Cap Blend	FTSE All-Share*	+3.24	+3.82	+2.06	+4.83	+2.62	GBP
UK Equity Alpha Income Fund	GIFS Offshore – UK Equity Income	FTSE All-Share	+1.77	+2.35	+1.42	+3.77	+2.62	GBP
UK Absolute Alpha Fund	GIFS Offshore – Alternative Long/Short UK	UK LIBOR 3 Month	-2.69	-2.13	+0.13	-1.23	+0.81	GBP
Absolute Return Bond Fund	GIFS Offshore – Alternative Long/Short Debt	UK LIBOR 3 Month	-0.64	-0.22	-0.25	+0.42	+0.81	GBP
Pan European Focus Fund	GIFS Offshore – Europe Large Cap Growth	MSCI Europe*	+14.69	+15.35	+6.00	+17.22	+5.27	EUR
Pan European Equity Dividend Fund ¹	GIFS Offshore – Europe Large Cap Value	MSCI Europe	+0.25	+0.53	-0.98	–	-0.67	EUR
American Extended Alpha Fund	GIFS Offshore – US Large Cap Growth	S&P 500	+13.41	+12.81	+14.79	+15.71	+13.49	USD
US Equity Income Fund	GIFS Offshore – US Large Cap Value	S&P 500*	+9.30	+9.98	+5.68	+13.07	+13.49	USD
China Opportunities Fund	GIFS Offshore – China Equity	MSCI China*	-7.63	-7.10	-4.79	-6.99	-4.68	USD
Global Emerging Markets Equity Fund	GIFS Offshore – Global Emerging Markets Equity	MSCI EM (Emerging Markets)*	-5.62	-5.08	-5.73	-3.98	-4.68	USD
Emerging Market Local Fund	GIFS Offshore – Global Emerging Markets Bond Local	JPM GBI-EM Global Diversified Composite*	-6.75	-6.04	-6.62	-4.71	-4.93	USD
Global Extended Alpha Fund	GIFS Offshore – Global Large Cap Blend	MSCI AC World*	+8.62	+9.02	+2.10	+10.65	+5.63	USD
Global Equity Income Fund	GIFS Offshore – Global Large Cap Value	MSCI AC World*	+1.02	+1.52	-3.05	+4.01	+5.63	USD
Global Opportunities Bond Fund ²	–	Citigroup GBP 1 Month Euro deposit	+3.77	–	–	–	+0.50	GBP
Global Focus Fund ³	GIFS Offshore – Global Large Cap Growth	MSCI AC World	+17.62	+17.79	+5.56	+13.18	+5.63	GBP

Morningstar changed its definition of the GIFS Offshore Universe as at February 2011. This resulted in Threadneedle OEIC Funds being removed from it. For the purposes of comparison, Threadneedle continues to use this Universe with its OEICs included.

Performance data is shown on a gross of tax basis.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with unadjusted income and are net of assumed fees and expenses but does not include any initial charges. Gross returns (Source: Factset) represent the fund at total level and are calculated using global close authorised valuations based on in-house calculated transactions with cash flow at the start of the day and are gross of total expenses to facilitate comparison with the index. All data shown in Fund Currency.

*Denotes official benchmark of the fund.

**Class 1 showing Class T, and Class 2 showing Class Z.

¹Fund closed 5 October 2018.

²Fund closed 9 January 2019.

³Fund launched 17 April 2018. Class Z showing Class 1.

Risk and Reward Profiles

Fund	Share Class	SRRI*
UK Mid 250 Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
Ethical UK Equity Fund	Class T – Income shares	5
	Class Z – Accumulation shares	5
UK Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
UK Equity Alpha Income Fund	Class 1 – Income shares	5
	Class 2 – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
UK Absolute Alpha Fund	Class 1 – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z USD Hedged – Accumulation shares	5
Absolute Return Bond Fund	Class 1 – Accumulation shares	3
	Class 1 – Gross accumulation shares	3
	Class 2 – Accumulation shares	3
	Class 2 – Gross accumulation shares	3
	Class X – Gross accumulation shares	3
Sterling Medium and Long-Dated Corporate Bond Fund	Class 2 – Gross income shares	4
	Class X – Gross accumulation shares	4
Sterling Short-Dated Corporate Bond Fund	Class 1 – Accumulation shares	2
	Class 1 – Gross accumulation shares	2
	Class 1 EUR Hedged – Gross accumulation shares	2
	Class 2 – Income shares	2
	Class 2 – Gross income shares	2
	Class 2 – Gross accumulation shares	2
	Class 2 EUR Hedged – Gross accumulation shares	2
	Class X – Gross income shares	2
	Class X – Gross accumulation shares	2
	Class Y – Gross income shares	2
UK Fixed Interest Fund	Class 1 – Income shares	4
	Class 1 – Accumulation shares	4
	Class 2 – Income shares	4
	Class 2 – Gross income shares	4
	Class Z – Accumulation shares	4
UK Index Linked Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation shares	5
	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2 – Gross income shares	5
	Class D – Accumulation shares	5
	Class X – Gross accumulation shares	5
Pan European Focus Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
American Extended Alpha Fund	Class 1 – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class Z – Accumulation shares	5
US Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 EUR Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 EUR Hedged – Accumulation shares	5
	Class L – Income shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z CHF Hedged – Income shares	6
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Class Z EUR Hedged – Accumulation shares	5

Risk and Reward Profiles

(continued)

Fund	Share Class	SRRI*
China Opportunities Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class Z – Accumulation shares	6
Global Emerging Markets Equity Fund	Class 1 – Accumulation shares	6
	Class 2 – Accumulation shares	6
	Class X – Income shares	6
	Class X – Accumulation shares	6
	Class Z – Accumulation shares	6
Emerging Market Local Fund	Class 1 – Income shares	5
	Class 1 – Gross accumulation 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 accumulation shares	5
Global Extended Alpha Fund	Class 1 – Income shares	5
	Class 1 – Accumulation shares	5
	**Class A – Accumulation shares	5
	**Class A SGD Hedged – Accumulation shares	5
	Class 2 – Accumulation shares	5
	Class P – Accumulation shares	5
	Class X – Accumulation shares	5
	Class Z – Accumulation shares	5
	Class Z – Accumulation shares	5
Global Equity Income Fund	Class 1 – Income shares	5
	Class 1 – Monthly Income shares	5
	Class 1 – Accumulation shares	5
	Class 1 CHF Hedged – Accumulation shares	5
	Class 2 – Income shares	5
	Class 2 EUR Hedged – Income shares	5
	Class 2 – Accumulation shares	5
	Class X – Income shares	5
	Class X – Accumulation shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
	Class Z CHF Hedged – Accumulation shares	5
	Global Focus Fund	Class 2 – Gross accumulation shares
Class Q – Gross accumulation shares		5
Class Z – Gross accumulation shares		5

*As at 30 April 2019 the synthetic risk and reward indicator (SRRI) is explained in the table below:

**For launch dates, refer to the footnotes after the fund's comparative table.

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.

Important Information

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

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

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

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

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

Prospectus

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

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

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

Other funds may be launched in the future.

Key Investor Information Document – Subscription requirements

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

Changes to the management of the ACD

- Appointment of Mr Peter Stone on 5 September 2018;
- Resignation of Mr Dominik Kremer on 31 January 2019;
- Resignation of Michelle Scrimgeour on 26 April 2019.

Changes to the Prospectus

The main changes to the prospectus of the Company during the period from 1 May 2018 to 30 April 2019 were as follows:

- Include a note regarding the winding up of the Pan European Equity Dividend Fund following successful votes in favour of cross-border mergers;

- Increase to the initial investment minimum for L Shares;
- Update to the list of directors of, and funds managed by, Threadneedle Investment Services Limited;
- Update to the list of countries where the funds are registered;
- Update to dilution and performance figures.

Changes to the investment objectives and policies of the Funds

The investment objectives and policies of certain Funds will be changed in August 2019 following changes to the FCA rules requiring additional disclosures around the use of benchmarks.

There will be no change to the way the Funds are managed. Further information can be found at <https://www.columbiathreadneedle.co.uk/en/how-to-invest/investing-with-us/significant-fund-changes>.

Changes to the Instrument of Incorporation

There were no changes to the Instrument of Incorporation of the Company during the period from 1 May 2018 to 30 April 2019.

China Opportunities Fund

With effect from 21 May 2019, Threadneedle Asset Management Limited ("TAML"), the investment management of the China Opportunities Fund, will delegate some of its investment decisions to Threadneedle Investments Singapore (Pte.) Limited.

Global Emerging Markets Equity Fund

With effect from 21 May 2019, the ACD has appointed Columbia Management Investment Advisers, LLC to provide investment management services to the ACD for the Global Emerging Markets Equity Fund. TAML will no longer be the investment manager but will continue to provide investment advice and recommendations in relation to the Global Emerging Markets Equity Fund.

Ethical UK Equity Fund

With effect from 1 July 2019 the following changes will be made to the Ethical UK Equity Fund:

- An amendment to the investment objective and policy to reflect the fund's positive focus on sustainability and to clarify how the fund is managed;
- Change of the fund's name to "UK Sustainable Equity Fund" to reflect the changes to the objective and policy;
- Change of benchmark to the FTSE All Share index.

Brexit

At the referendum held in June 2016, the United Kingdom voted to leave the European Union (known as "Brexit"). The UK invoked Article 50 of the Lisbon Treaty to negotiate the exit from the European Union. There is a significant degree of uncertainty about how negotiations relating to the UK's withdrawal will be concluded, as well as the potential consequences and precise timeframe for this.

The full scope of the changes and the consequences on the legal framework is currently not known. Depending on the outcome of the UK's negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the Funds may no longer be eligible to enjoy the rights set out in the UCITS Directive. Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 19 different sub-funds. Several classes of share may be issued in respect of the fund, distinguished by their criteria for subscription and fee structure.

Important Information

(continued)

Share Class	Currency	Minimum Investment	Eligibility
Class 1	Class 1 GBP	GBP 2,000	Available to retail and institutional investors seeking income or growth (or a combination of both) over the medium to long-term
	Class 1 EUR (including Class 1 Hedged Shares)	EUR 2,500 – EUR 3,000	
	Class 1 USD (including Class 1 Hedged Shares)	USD 2,500 – USD 3,000	
	Class 1 CHF (Hedged Shares)	CHF 4,000	
	Class 1 SGD (including Class 1 Hedged Shares)	SGD 4,000	
	Class 1 SEK (Hedged Shares)	SEK 25,000	
Class 2	Class 2 GBP	GBP 50,000 – GBP 500,000	Available to non-retail investors
	Class 2 EUR (including Class 2 Hedged Shares)	EUR 100,000 – EUR 800,000	
	Class 2 USD (including Class 2 Hedged Shares)	USD 750,000 – USD 800,000	
	Class 2 SEK (Hedged Shares)	SEK 6 million	
Class A	Class A GBP	GBP 2,000	Available to retail and institutional investors in the Global Extended Alpha Fund seeking income or growth (or a combination of both) over the medium to long term (no performance fee)
	Class A USD	USD 3,000	
	Class A SGD	SGD 4,000	
Class D	Class D GBP	GBP 2,000	Available only to certain investors in the UK Index Linked Fund
Class L	Class L GBP	GBP 100 million	Available only to certain investors in the US Equity Income Fund
Class M	Class M GBP	GBP 2,000	Available to retail and institutional investors (distributions paid monthly) seeking income or growth (or a combination of both) over the medium to long-term
	Class M AUD (including Class M Hedge Shares)	AUD 3,000	
	Class M SGD (including Class M Hedge Shares)	SGD 4,000	
	Class M USD (including Class M Hedge Shares)	USD 3,000	

Share Class	Currency	Minimum Investment	Eligibility
Class P	Class P GBP	GBP 50 million	Available to non-retail investors in the Global Extended Alpha Fund (no performance fee)
	Class P USD	USD 80 million	
Class Q	Class Q GBP	GBP 3 million	Available only to Eligible Shareholders in the Global Focus Fund
Class T	Class T GBP	GBP 2,000	Available only to certain investors in the Ethical UK Equity Fund
Class W	Class W GBP	GBP 80 million	Available only to Eligible Shareholders in the Global Equity Income Fund
	Class W EUR	EUR 100 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 AUD (Hedged Share Class)	AUD 5 million	
Class Y	Class Y GBP	GBP 150 million	Available to Eligible Shareholders in the Sterling Short-Dated Corporate Bond Fund
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 CHF (including Class Z Hedged Shares)	CHF 1.5 million	
	Class Z SGD (including Class Z Hedged Shares)	SGD 2 million	

*Class Z Shares are available at the ACD's discretion to eligible distributors that have entered into separate fee arrangements with their clients.

The limits for minimum initial investment, minimum subsequent investment and minimum holding of shares may be waived at the discretion of the ACD. The level of net income attributable to each share class will differ. For further information please refer to the Prospectus.

Important Information

(continued)

Hedged Share Classes (HSCs)

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

- “Reference Currency” or “Reference Currencies” means (according to the context) the primary investment currency of the share class against which the currency hedging transaction will be applied in order to reduce any exchange rate fluctuation with the Hedged Currency;
- “Portfolio Currency” or “Portfolio Currencies” means (according to the context) the currency or currencies in which the underlying assets of the fund are invested in line with the investment objectives applicable to the fund;
- “Hedged Currency” is the currency in which the Hedged Share Class is denominated.

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

Income Equalisation

The first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD’s best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

Performance

For the period under review, where applicable, fund performance has been compared to the relevant peer group. We show a peer group comparison as this more accurately reflects the way the fund is managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not felt to be a representative peer group. Audited peer group information is only available from Morningstar’s Fund Services at month end points.

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 should 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.

Investor Reports

At the end of each reporting period short form reports are available on our website columbiathreadneedle.com/shortform and from Threadneedle Investment Services Limited P.O. Box 10033, Chelmsford, Essex CM99 2AL.

The annual accounting period for the Company ends on 30 April and the interim reporting period ends on 31 October.

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 takes precedence.

The documents will also be available from the paying agents in the countries where the funds are registered. The reports will provide information on the performance of the funds, the market background, and details of each of the portfolios.

Remuneration Disclosures 2018

This disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Sàrl (“TAM Sàrl” or “the Group”), as it applies to Threadneedle Investment 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 2018.

1. The Remuneration Committee

The Remuneration Committee of TAM Sàrl is a sub-committee of the TAM Sàrl 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, and Mr Ted Truscott. Meetings are normally held in January, March, June, September and December. The Group’s Global Head, 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 Property 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.

Important Information

(continued)

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 final 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 for the Investments and Property 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 pool, 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 Property 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. 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 19 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2018 performance year was £1.47m, of which £0.59m was fixed and £0.88m 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 £11.11m, of which £4.48m was fixed and £6.63m was variable.

Important Information

(continued)

Securities Financing Transaction Regulation (unaudited)

The Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps. A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 30 April 2019 the ICVC held Portfolio Swaps which are a type of instrument in scope of the SFTR.

Global data

Name of Portfolio	Type of asset	Unrealised gain and loss in the portfolio base currency and in absolute value (£)	% of Net Assets
Threadneedle UK Extended Alpha Fund	Portfolio Swap	56,154	0.04
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	1,155,482	0.38
Threadneedle American Extended Alpha Fund	Portfolio Swap	183,025	0.25
Threadneedle Global Extended Alpha Fund	Portfolio Swap	1,942,020	1.34

Data on collateral reuse

There was no collateral reuse during the year ended 30 April 2019.

Concentration data

All collateral received in respect of Portfolio Swap as at 30 April 2019 is cash collateral. The ten largest issuers disclosure is therefore not applicable.

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions) in respect of the Portfolio Swaps held per Portfolio as at 30 April 2019:

Name of Portfolio	Type of asset	Counterparty	Unrealised gain and loss in the portfolio base currency and in absolute value (£)
Threadneedle UK Extended Alpha Fund	Portfolio Swap	UBS	56,154
Threadneedle UK Absolute Alpha Fund	Portfolio Swap	UBS	1,155,482
Threadneedle American Extended Alpha Fund	Portfolio Swap	Merill Lynch	183,025
Threadneedle Global Extended Alpha Fund	Portfolio Swap	UBS	1,942,020

Safekeeping of collateral received

Cash collateral is received on each Portfolio's cash account at Citibank Europe plc, London Branch.

The amount of collateral received for Portfolio Swaps as at 30 April 2019 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral
Threadneedle UK Extended Alpha Fund	Cash	UBS	GBP	£220,000
		Total	GBP	£220,000
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	\$350,000
		Total	USD	\$350,000
Threadneedle Global Extended Alpha Fund	Cash	UBS	USD	\$1,795,000
		Total	USD	\$1,795,000

Important Information

(continued)

Aggregate transaction data

Name of Portfolio	Type of collateral	Maturity tenor (collateral)	Currency of collateral	Maturity tenor (SFT/TRS)	Country of establishment (counterparty)	Settlement and clearing	Quality of collateral
Threadneedle UK Extended Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle UK Absolute Alpha Fund	Cash	Open maturity	GBP	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle American Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash
Threadneedle Global Extended Alpha Fund	Cash	Open maturity	USD	Less than 1 month	UK	Bilateral	N/A – Cash

Safekeeping of collateral granted

Cash and security collateral paid to the counterparties is delivered to segregated accounts at the counterparty.

The amount of collateral granted for Portfolio Swaps as at 30 April 2019 is as follows:

Name of Portfolio	Type of collateral	Counterparty	Currency of collateral	Amount of collateral*	% of collateral held at year-end by category
Threadneedle UK Absolute Alpha Fund	Cash	UBS	GBP	£1,705,000	0.57
		Total	GBP	£1,705,000	0.57
Threadneedle American Extended Alpha Fund	Cash	Merill Lynch	USD	\$20,000	0.02
		Total	USD	\$20,000	0.02

Return/Costs

Return and costs of Portfolio Swap transactions for the year ended 30 April 2019 are disclosed in the Statement of Total Return of the relevant Fund under the headings, "Net capital gains/(losses)", "Revenue" and "Interest payable and similar charges".

*This collateral amount may be related to transactions other than TRS which are not covered by SFTR disclosure.

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	Active Currency Investment	Short Selling	Investment in Derivatives	Leverage	Derivatives for EPM/Hedging	Volatility	High Volatility	China-Hong Kong Stock Connect	Sustainable Investment Criteria
UK Mid 250 Fund	X	X														X	X			
Ethical UK Equity	X															X	X			X
UK Extended Alpha Fund	X	X		X							X		X	X	X		X			
UK Equity Alpha Income Fund	X	X						X								X	X			
UK Absolute Alpha Fund	X	X	X	X							X		X	X	X		X			
Absolute Return Bond Fund	X	X	X	X	X		X		X	X	X	X	X	X	X					
Sterling Medium and Long-Dated Corporate Bond Fund	X	X			X		X		X	X						X				
Sterling Short-Dated Corporate Bond Fund	X	X			X		X		X	X						X				
UK Fixed Interest Fund	X	X			X		X		X	X						X				
UK Index Linked Fund	X	X			X					X						X				
Pan European Focus Fund	X	X						X								X		X		
American Extended Alpha Fund	X	X		X							X		X	X	X		X			
US Equity Income Fund	X	X														X		X		
China Opportunities Fund	X	X				X	X									X		X	X	
Global Emerging Markets Equity Fund	X	X				X	X									X		X	X	
Emerging Market Local Fund	X	X		X	X	X	X		X	X	X		X	X	X		X			
Global Extended Alpha Fund	X	X		X							X		X	X	X		X			
Global Equity Income Fund	X	X														X	X			
Global Focus Fund	X	X						X								X	X			

Description of the Key Risks:

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

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

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

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

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

Political and Financial Risk: The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

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.

Important Information

(continued)

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.

Active Currency Investment Risk: The fund actively invests directly in foreign currency instruments. Currency markets are complex and exchange rates are sensitive to political and market events. This aspect of the fund's investment policy may affect the value of your investments.

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.

China-Hong Kong Stock Connect Risk: 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.

Sustainable Investment Criteria: The Fund aims to invest in companies which deliver sustainable outcomes and in doing so adheres to a set of Sustainable Investment Guidelines. The Guidelines will affect the Fund's exposure to certain sectors, which may impact the performance of the Fund positively or negatively relative to a benchmark or other funds without such restrictions.

Further risks applicable to the fund can be found in the Prospectus.

Directory

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*Calls will be recorded.

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Information Agent in Spain

Threadneedle Specialist Investment Funds ICVC is duly authorised for its marketing in Spain under registered number 481 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15. 2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended. A list of the appointed local distributors and Funds and share classes available for public distribution in Spain is available at the CNMV web page (www.cnmv.es).

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To find out more visit columbiathreadneedle.com



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