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INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS
THREADNEEDLE OPPORTUNITY INVESTMENT FUNDS ICVC
NOVEMBER 2018

THREADNEEDLE OPPORTUNITY INVESTMENT FUNDS ICVC

Contents

Company Information*	2
Authorised Corporate Director's Report*	3
Threadneedle Dynamic Real Return Fund	4 – 8
Threadneedle Global Multi Asset Income Fund	9 – 13
Threadneedle UK Social Bond Fund	14 – 19
Portfolio Statements*:	
Threadneedle Dynamic Real Return Fund	20
Threadneedle Global Multi Asset Income Fund	21
Threadneedle UK Social Bond Fund	22 – 24
Performance Summary*	25
Risk and Reward Profiles*	26
Important Information*	27 – 29
Directory*	30

**These pages, together with the investment reports, Directors' Statements, Comparative Table Disclosure and portfolio statements of the individual funds comprise the Manager's Report.*

Company Information

Company

Threadneedle Opportunity Investment Funds ICVC (the Company)
Registered Number IC000862

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

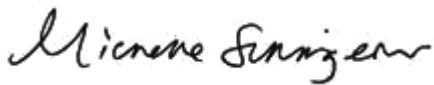
K Cates (non-executive)
D Kremer
A Roughead (non-executive)
M Scrimgeour
P Stone (Appointed to the Board on 5 September 2018)
L Weatherup

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle Opportunity Investment Funds ICVC for the 6 months to 25 November 2018.

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

Thank you for your continued support.



M Scrimgeour

Director

DIRECTORS' STATEMENTS

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



L Weatherup

Director

M Scrimgeour

Director

10 January 2019

Threadneedle Dynamic Real Return Fund

Investment Report

Investment Objective

The investment objective of the Fund is to achieve a positive real rate of return from capital appreciation and income over the medium to long term, at least above the rate of inflation (defined as the Consumer Price Index). Regardless of market conditions, it also aims to provide a positive return over a maximum period of 3 years. There is a risk to capital, and there is no guarantee that such a return will be achieved in 3 years or any other timescale.

Investment Policy

The ACD's investment policy is to actively manage an exposure to fixed income, equities, cash, money market instruments, currencies, commodities, property and other alternative asset classes on a global basis. The ACD will vary the exposure between these asset classes as deemed necessary in order to achieve the investment objective, and this may result in the Fund having no exposure to particular asset classes.

The ACD will invest in regulated and unregulated collective investment schemes, transferable securities, derivatives, forward transactions, cash, deposits and money market instruments. Investments in collective investment schemes may include those managed, operated or advised by the ACD, or a company in the same group as the ACD.

The Fund may gain indirect exposure to commodities through, but not limited to, investment in collective investment schemes, securitised notes and/or financial derivative instruments. The ACD will not invest in physical commodities or directly in real property.

Performance of Class 2 – Income shares*

Over the six months to 25 November 2018, the published share price of the Threadneedle Dynamic Real Return Fund has fallen from 124.22p to 118.18p. For comparison, using noon prices, the performance of the Class 2 share class for the six months ending 30 November 2018 was -3.24% compared to a return of -1.91% for the Morningstar UK Unit Trusts/OEICs – (IA) UK Absolute Return Peer Group (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

Market Overview and Portfolio Activity

The six months in review constituted an eventful period in financial markets, and a weak one for most asset classes. Core government bonds had mixed fortunes: 10-year German bund yields were down, while their US and UK equivalents rose modestly. Risk assets generally fared worse, with equity and commodity indices falling and a significant widening in credit spreads (the yield premium offered by corporate bonds over "risk-free" government bonds of the same maturity). By region, Asian ex Japan and emerging market (EM) equities fared worst, additionally pressured by a stronger dollar.

Markets were especially volatile in October. Early in the month, further evidence of US economic strength saw Treasury yields spike as investors anticipated faster US interest-rate hikes. This pulled other core yields higher and later triggered a global equity sell-off. As shares tumbled, however, core bonds rallied as investors sought safe havens.

The weakness in risk assets over the period came despite a reasonably supportive macroeconomic background. Slower-than-expected expansion in some areas, notably in the eurozone and China, was offset by stronger-than-forecast growth in the US. Corporate earnings continued to exceed expectations, especially in the US. Against this, however, appetite for risk was dampened by a range of factors including tightening US monetary policy, rising political uncertainty in Europe, currency crises in Turkey and Argentina, and ongoing fears of a global trade war. In the UK, the growing possibility of a disorderly Brexit also weighed on sentiment.

On the political front, US President Donald Trump continued to ramp up his protectionist agenda, not only against China but also traditional US allies such as Canada and the EU. Italy remained another source of uncertainty, given the potential for ongoing conflict between its newly formed euro-sceptic coalition government and the European Commission. Investors were also unsettled by news that Angela Merkel, Germany's long-serving chancellor, intends to retire in 2021. In the UK, Prime Minister Theresa May fought to stay in post as dissenters voiced concerns over the pace and direction of Brexit negotiations.

In terms of asset-allocation activity, one of our most significant moves came near the start of the period. In June, we started a new position in South African local-currency government bonds. We had spent some time looking

at South African bonds after President Cyril Ramaphosa came to power, but had held back from buying given the rally which accompanied his victory. Later, however, the aforementioned weakness in EM assets allowed us to build a position at what we felt were compelling valuations. By the end of the period, the holding accounted for around 2.0% of net asset value (NAV).

Also within fixed income, we added to our holdings of short-dated UK gilts. This mostly took place in September, as seemingly positive news about Brexit and a spike in inflation pushed yields up to levels that looked attractive relative to cash. Meanwhile, we took advantage of rising US yields to increase the fund's exposure to US Treasury Inflation Protected Securities (TIPS). These purchases helped to bring the overall allocation to developed government bonds up from 14.0% of NAV to 15.8%. Similarly, widening credit spreads in the European high-yield bond market saw the valuation case become more attractive, and we increased the fund's holdings here from 1.4% to 2.4%.

Within equities, we allowed the holdings in UK and European equities to fall as a proportion of NAV, in the former case from 4.7% to 3.7% and in the latter from 14.8% to 13.4%. By contrast, we raised the allocation to Japanese equities slightly, from 15.8% of NAV to 16.2%. We were net buyers of the Threadneedle Asia Fund and Threadneedle (Lux) Asia Contrarian Equity Fund, but we sold out of our long-standing exposure to India. Simply put, all the factors that led us to favour Indian equities, namely a better macro-economic backdrop, greater policy flexibility and structural reforms, had largely played out; at the same time, the key risk – higher oil prices – was materialising (India is a net importer of the commodity). The allocation to Asia ex Japan started and finished the period at 5.9% of NAV.

Japanese equities remain our largest risk position. Growth in Japanese earnings and expected earnings remains punchy, yet market performance has been relatively poor this year, so valuations appear increasingly attractive. We are also constructive on the outlook for Asian ex Japan equities. Compared with other regions – notably the US – the asset class appears to be pricing in a lot of trade-war risk. Valuations are therefore appealing, given relatively robust earnings prospects, and Chinese fiscal stimulus should give the region a boost.

STATEMENT OF TOTAL RETURN

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(74,750)	26,284
Revenue	11,399	5,984
Expenses	(4,247)	(2,307)
Interest payable and similar charges	–	(1)
Net revenue before taxation	7,152	3,676
Taxation	(1,020)	(446)
Net revenue after taxation	6,132	3,230
Total return before distributions	(68,618)	29,514
Distributions	(6,177)	(3,259)
Change in net assets attributable to shareholders from investment activities	(74,795)	26,255

BALANCE SHEET

as at 25 November 2018

	2018 £000	May 2018 £000
Assets:		
Fixed assets:		
Investments	1,323,987	1,125,958
Current assets:		
Debtors	25,099	11,000
Cash and bank balances	178,194	182,201
Cash equivalents**	80,249	55,059
Total assets	1,607,529	1,374,218
Liabilities:		
Investment liabilities	(2,901)	(3,497)
Creditors:		
Bank overdrafts	(122)	–
Distribution payable	(638)	(450)
Other creditors	(1,693)	(2,433)
Total liabilities	(5,354)	(6,380)
Net assets attributable to shareholders	1,602,175	1,367,838

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	1,367,838	652,065
Amounts receivable on the issue of shares	320,620	309,541
Amounts payable on the cancellation of shares	(17,819)	(23,898)
	302,801	285,643
Dilution adjustment	35	31
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(74,795)	26,255
Retained distribution on accumulation shares	6,296	3,958
Closing net assets attributable to shareholders	1,602,175	967,952

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 25 May 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 25 November 2017.

DISTRIBUTION TABLE

for the accounting period 26 May 2018 to 25 November 2018

Dividend distribution in pence per share

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/11/18	0.4188	–	0.4188	0.4435
Group 2				
26/05/18 to 25/11/18	0.2059	0.2129	0.4188	0.4435
Total distributions in the period			0.4188	0.4435

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/11/18	0.4441	–	0.4441	0.4659
Group 2				
26/05/18 to 25/11/18	0.2988	0.1453	0.4441	0.4659
Total distributions in the period			0.4441	0.4659

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

*In pound Sterling and against UK peer group (see Performance summary on page 25).

Threadneedle Dynamic Real Return Fund

DISTRIBUTION TABLE

(continued)

Class 2s – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/11/18	0.5118	–	0.5118	0.5326
Group 2				
26/05/18 to 25/11/18	0.3212	0.1906	0.5118	0.5326
Total distributions in the period			0.5118	0.5326

Class X – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/11/18	0.8049	–	0.8049	0.8179
Group 2				
26/05/18 to 25/11/18	0.5349	0.2700	0.8049	0.8179
Total distributions in the period			0.8049	0.8179

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/11/18	0.3327	–	0.3327	0.3576
Group 2				
26/05/18 to 25/11/18	0.1033	0.2294	0.3327	0.3576
Total distributions in the period			0.3327	0.3576

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/11/18	0.3505	–	0.3505	0.3739
Group 2				
26/05/18 to 25/11/18	0.2196	0.1309	0.3505	0.3739
Total distributions in the period			0.3505	0.3739

Group 2: shares purchased during a distribution period.

Threadneedle Dynamic Real Return Fund

Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	123.52	119.04	108.12	130.96	125.07	112.38
Return before operating charges (p)	(4.90)	6.51	13.10	(5.19)	6.85	13.62
Operating charges (p)	(0.46)	(0.91)	(0.91)	(0.49)	(0.96)	(0.93)
Return after operating charges (p)*	(5.36)	5.60	12.19	(5.68)	5.89	12.69
Distributions (p)	(0.42)	(1.12)	(1.27)	(0.44)	(1.18)	(1.33)
Retained distributions on accumulation shares (p)	–	–	–	0.44	1.18	1.33
Closing net asset value per share (p)	117.74	123.52	119.04	125.28	130.96	125.07
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(4.34)	4.70	11.27	(4.34)	4.71	11.29
Other information						
Closing net asset value (£000)	82,558	73,495	212	467,291	478,148	398,502
Closing number of shares	70,117,375	59,502,612	177,951	372,991,009	365,112,232	318,619,302
Operating charges (%)**	0.76 [†]	0.75	0.78	0.76 [†]	0.75	0.77
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	124.12	124.22	119.95	131.60	130.98	125.08
Lowest share price (p)	117.88	119.01	108.24	124.98	125.04	112.49
	Class 2s – Accumulation shares			Class X – Income shares		
	25/11/2018	25/05/2018	25/05/2017	14/11/2017 [†]	25/05/2017	
Change in net assets per share						
Opening net asset value per share (p)	116.65	111.16	99.67	119.34	108.14	
Return before operating charges (p)	(4.66)	6.04	12.02	3.60	12.97	
Operating charges (p)	(0.29)	(0.55)	(0.53)	(0.05)	(0.15)	
Return after operating charges (p)*	(4.95)	5.49	11.49	3.55	12.82	
Distributions (p)	(0.51)	(1.30)	(1.41)	–	(1.62)	
Retained distributions on accumulation shares (p)	0.51	1.30	1.41	–	–	
Closing net asset value per share (p)	111.70	116.65	111.16	122.89	119.34	
*after direct transaction costs of (p)	–	–	–	–	–	
Performance						
Return after charges (%)	(4.24)	4.94	11.53	2.97	11.86	
Other information						
Closing net asset value (£000)	925,597	715,676	204,505	–	4	
Closing number of shares	828,613,575	613,535,479	183,971,834	–	3,000	
Operating charges (%)**	0.50 [†]	0.48	0.49	–	0.13	
Direct transaction costs (%)***	–	–	–	–	–	
Prices						
Highest share price (p)	117.27	116.67	111.17	124.40	120.55	
Lowest share price (p)	111.42	111.16	99.77	119.37	108.26	

Threadneedle Dynamic Real Return Fund

Comparative Table Disclosure

(continued)

	Class X – Accumulation shares			Class Z – Income shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	134.50	127.79	114.23	123.47	118.99	108.08
Return before operating charges (p)	(5.42)	6.84	13.71	(4.87)	6.55	13.11
Operating charges (p)	(0.07)	(0.13)	(0.15)	(0.57)	(1.12)	(1.09)
Return after operating charges (p)*	(5.49)	6.71	13.56	(5.44)	5.43	12.02
Distributions (p)	(0.80)	(1.89)	(2.00)	(0.33)	(0.95)	(1.11)
Retained distributions on accumulation shares (p)	0.80	1.89	2.00	–	–	–
Closing net asset value per share (p)	129.01	134.50	127.79	117.70	123.47	118.99
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(4.08)	5.25	11.87	(4.41)	4.56	11.12
Other information						
Closing net asset value (£000)	23,364	22,754	21,909	13,783	9,683	2,407
Closing number of shares	18,111,095	16,917,639	17,145,229	11,710,135	7,842,197	2,022,847
Operating charges (%)**	0.10 [†]	0.10	0.12	0.93 [†]	0.92	0.94
Direct transaction costs (%)***	–	–	–	–	–	–
Prices						
Highest share price (p)	135.30	134.52	127.80	124.03	124.14	119.82
Lowest share price (p)	128.64	127.83	114.33	117.76	118.91	108.19

	Class Z – Accumulation shares		
	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share			
Opening net asset value per share (p)	130.06	124.38	111.92
Return before operating charges (p)	(5.13)	6.85	13.60
Operating charges (p)	(0.60)	(1.17)	(1.14)
Return after operating charges (p)*	(5.73)	5.68	12.46
Distributions (p)	(0.35)	(1.00)	(1.15)
Retained distributions on accumulation shares (p)	0.35	1.00	1.15
Closing net asset value per share (p)	124.33	130.06	124.38
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(4.41)	4.57	11.13
Other information			
Closing net asset value (£000)	89,582	68,082	24,526
Closing number of shares	72,050,277	52,346,963	19,717,697
Operating charges (%)**	0.93 [†]	0.92	0.94
Direct transaction costs (%)***	–	–	–
Prices			
Highest share price (p)	130.66	130.14	124.39
Lowest share price (p)	124.05	124.33	112.03

**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). The non-UCITS retail scheme Key Investor Information document (NURS-KII) 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.

[†]Closed 14 November 2017.

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

Threadneedle Dynamic Real Return Fund

Notes to the financial statements

for the accounting period 26 May 2018 to 25 November 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 25 May 2018 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2018
Class 2 – Income shares	
Opening shares	59,502,612
Shares issued	10,765,750
Shares redeemed	(150,987)
Net conversions	–
Closing shares	<u>70,117,375</u>
Class 2 – Accumulation shares	
Opening shares	365,112,232
Shares issued	10,619,562
Shares redeemed	(2,929,872)
Net conversions	189,087
Closing shares	<u>372,991,009</u>
Class 2s – Accumulation shares	
Opening shares	613,535,479
Shares issued	225,390,989
Shares redeemed	(10,369,479)
Net conversions	56,586
Closing shares	<u>828,613,575</u>
Class X – Accumulation shares	
Opening shares	16,917,639
Shares issued	1,569,506
Shares redeemed	(376,050)
Net conversions	–
Closing shares	<u>18,111,095</u>
Class Z – Income shares	
Opening shares	7,842,197
Shares issued	4,121,973
Shares redeemed	(286,513)
Net conversions	32,478
Closing shares	<u>11,710,135</u>
Class Z – Accumulation shares	
Opening shares	52,346,963
Shares issued	20,943,244
Shares redeemed	(967,819)
Net conversions	(272,111)
Closing shares	<u>72,050,277</u>

Threadneedle Global Multi Asset Income Fund

Investment Report

Investment Objective

The investment objective of the Fund is to achieve income with the prospect of capital appreciation over the medium to long term.

Investment Policy

The Fund's investment policy is to actively manage a global portfolio with exposure primarily to fixed income, equities and property and, in addition, to cash, money market instruments, currencies, commodities and other alternative asset classes. The ACD will vary the exposure between these asset classes as deemed necessary in order to achieve the investment objective, and this may result in the Fund having no exposure to particular asset classes.

The Fund will invest in regulated and unregulated collective investment schemes and may also invest in transferable securities, derivatives, forward transactions, cash, deposits and money market instruments. Investments in collective investment schemes may include those managed, operated or advised by the ACD, or a company in the same group as the ACD.

The Fund's exposure to property and commodities will be gained indirectly through, but not limited to, investment in collective investment schemes, securitised notes, financial derivative instruments and/or property related securities including Real Estate Investment Trusts (REITs). The Fund will not invest in physical commodities or directly in real property.

The Fund may use derivatives for the purposes of Efficient Portfolio Management and for investment purposes.

Performance of Class 2 – Income shares*

Over the six months to 25 November 2018, the published share price of the Threadneedle Global Multi-Asset Income Fund has fallen from 119.56p to 115.10p.

For comparison, using noon prices, the performance of the Class 2 share class was -1.00% (on a bid to bid basis, with income reinvested for a UK basic rate taxpayer).

For information purposes, using global close prices, the Composite Benchmark total return was 1.30%.

Market Overview and Portfolio Activity

The six months in review constituted an eventful period in financial markets, and a weak one for most asset classes. Core government bonds had mixed fortunes: 10-year German bund yields were down, while their US and UK equivalents rose modestly. Risk assets generally fared worse, with equity and commodity indices falling and a significant widening in credit spreads (the yield premium offered by corporate bonds over "risk-free" government bonds of the same maturity). By region, Asian ex Japan and emerging market (EM) equities fared worst, additionally pressured by a stronger dollar.

Markets were especially volatile in October. Early in the month, further evidence of US economic strength saw Treasury yields spike as investors anticipated faster US interest-rate hikes. This pulled other core yields higher and later triggered a global equity sell-off. As shares tumbled, however, core bonds rallied as investors sought safe havens.

The weakness in risk assets over the period came despite a reasonably supportive macroeconomic background. Slower-than-expected expansion in some areas, notably in the eurozone and China, was offset by stronger-than-forecast growth in the US. Corporate earnings continued to exceed expectations, especially in the US. Against this, however, appetite for risk was dampened by a range of factors including tightening US monetary policy, rising political uncertainty in Europe, currency crises in Turkey and Argentina, and ongoing fears of a global trade war. In the UK, the growing possibility of a disorderly Brexit also weighed on sentiment.

On the political front, US President Donald Trump continued to ramp up his protectionist agenda, not only against China but also traditional US allies such as Canada and the EU. Italy remained another source of uncertainty, given the potential for ongoing conflict between its newly formed euro-sceptic coalition government and the European Commission. Investors were also unsettled by news that Angela Merkel, Germany's long-serving chancellor, intends to retire in 2021. In the UK, Prime Minister Theresa May fought to stay in post as dissenters voiced concerns over the pace and direction of Brexit negotiations.

In terms of asset-allocation activity, one of our most significant moves came near the start of the period. In June, we started a new direct holding in South African local-currency government bonds. We had spent some time looking at South African bonds after President Cyril Ramaphosa came to power, but held back from buying given the rally which accompanied his victory. Later, however, the aforementioned weakness in EM assets allowed us to build a position at what we felt were compelling valuations. On the other side, we reduced the holding in the Threadneedle Emerging Market Local Fund. By the end of the period, exposure to local-currency EM debt accounted for around 2.0% of net asset value (NAV), up from 0.4% at the start.

Also within fixed income, we took advantage of rising US yields to increase the fund's exposure to US Treasury Inflation Protected Securities (TIPS). This helped to bring the overall allocation to developed government bonds up from 7.8% of NAV to 9.4%. Similarly, widening credit spreads in the European high-yield bond market saw the valuation case become more attractive, and we increased the fund's holdings here from 6.0% of NAV to 8.8%.

Within equities, we allowed the holdings in UK, European and global equities to fall as a proportion of NAV: the UK Equity Income Fund from 5.0% to 4.3%, the Pan European Equity Dividend Fund from 9.9% to 8.5%, and the Global Equity Income Fund from 8.3% to 7.6%. By contrast, we raised the allocation to Japanese equities slightly, from 3.6% of NAV to 3.7%. We were also net buyers of the Asian Equity Income Fund, which rose from 8.4% to 8.9%, and US Equity Income Fund, which rose from 7.0% to 7.4%.

The biggest move overall was a reduction in the fund's exposure to UK commercial property, where we took some profits following relatively strong performance and ahead of a period of Brexit-related uncertainty for the sector. We sold some of the holding in the UK Property Authorised Investment Fund, which brought the overall exposure to UK property down from 20.7% of NAV to 16.6%. This meant that sterling investment-grade credit finished the period as the fund's largest single allocation, at 17.5% of NAV.

STATEMENT OF TOTAL RETURN

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Income		
Net capital (losses)/gains	(1,470)	328
Revenue	705	455
Expenses	(133)	(91)
Net revenue before taxation	572	364
Taxation	(57)	(37)
Net revenue after taxation	515	327
Total return before distributions	(955)	655
Distributions	(634)	(408)
Change in net assets attributable to shareholders from investment activities	(1,589)	247

BALANCE SHEET

as at 25 November 2018

	2018 £000	2018 £000
Assets:		
Fixed assets:		
Investments	41,262	34,569
Current assets:		
Debtors	999	554
Cash and bank balances	205	633
Total assets	42,466	35,756
Liabilities:		
Investment liabilities	(7)	(65)
Creditors:		
Distribution payable	(193)	(99)
Other creditors	(115)	(119)
Total liabilities	(315)	(283)
Net assets attributable to shareholders	42,151	35,473

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	35,473	26,667
Amounts receivable on the issue of shares	10,880	6,466
Amounts payable on the cancellation of shares	(3,093)	(4,940)
	7,787	1,526
Dilution adjustment	1	2
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(1,589)	247
Retained distribution on accumulation shares	479	282
Closing net assets attributable to shareholders	42,151	28,724

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 25 May 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 25 November 2017.

DISTRIBUTION TABLE

for the accounting period 26 May 2018 to 25 November 2018

Dividend distribution in pence per share

Class 2 – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.7431	–	0.7431	0.6920
26/08/18 to 25/11/18	1.1436	–	1.1436	1.1018
Group 2				
26/05/18 to 25/08/18	0.4841	0.2590	0.7431	0.6920
26/08/18 to 25/11/18	0.9252	0.2184	1.1436	1.1018
Total distributions in the period			1.8867	1.7938

Class 2e – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.6851	–	0.6851	0.6344
26/08/18 to 25/11/18	1.0636	–	1.0636	1.0211
Group 2				
26/05/18 to 25/08/18	0.2874	0.3977	0.6851	0.6344
26/08/18 to 25/11/18	0.4921	0.5715	1.0636	1.0211
Total distributions in the period			1.7487	1.6555

*In pound Sterling and against UK peer group (see Performance summary on page 25).

Threadneedle Global Multi Asset Income Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.8368	–	0.8368	0.7553
26/08/18 to 25/11/18	1.2960	–	1.2960	1.2095
Group 2				
26/05/18 to 25/08/18	0.4726	0.3642	0.8368	0.7553
26/08/18 to 25/11/18	0.7505	0.5455	1.2960	1.2095
Total distributions in the period			2.1328	1.9648

Class Z – Income shares

Distribution Period	Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.7244	–	0.7244	0.6732
26/08/18 to 25/11/18	1.1250	–	1.1250	1.0821
Group 2				
26/05/18 to 25/08/18	0.4189	0.3055	0.7244	0.6732
26/08/18 to 25/11/18	0.7388	0.3862	1.1250	1.0821
Total distributions in the period			1.8494	1.7553

Class Z – Accumulation shares

Distribution Period	Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.8143	–	0.8143	0.7355
26/08/18 to 25/11/18	1.2723	–	1.2723	1.1882
Group 2				
26/05/18 to 25/08/18	0.2644	0.5499	0.8143	0.7355
26/08/18 to 25/11/18	0.7605	0.5118	1.2723	1.1882
Total distributions in the period			2.0866	1.9237

Group 2: shares purchased during a distribution period.

Threadneedle Global Multi Asset Income Fund

Comparative Table Disclosure

	Class 2 – Income shares			Class 2e – Income shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	118.34	117.34	105.40	111.54	110.29	98.76
Return before operating charges (p)	(2.08)	5.53	16.29	(2.01)	5.12	15.21
Operating charges (p)	(0.46)	(0.95)	(0.94)	(0.27)	(0.57)	(0.55)
Return after operating charges (p)*	(2.54)	4.58	15.35	(2.28)	4.55	14.66
Distributions (p)	(1.89)	(3.58)	(3.41)	(1.75)	(3.30)	(3.13)
Retained distributions on accumulation shares (p)	–	–	–	–	–	–
Closing net asset value per share (p)	113.91	118.34	117.34	107.51	111.54	110.29
*after direct transaction costs of (p)	–	0.01	–	–	0.01	–
Performance						
Return after charges (%)	(2.15)	3.90	14.56	(2.04)	4.13	14.84
Other information						
Closing net asset value (£000)	957	1,039	1,893	7,047	6,396	5,159
Closing number of shares	840,300	877,687	1,613,506	6,554,607	5,734,781	4,677,343
Operating charges (%)**	0.78 [†]	0.80	0.83	0.49 [†]	0.51	0.51
Direct transaction costs (%)***	–	0.01	–	–	0.01	–
Prices						
Highest share price (p)	120.70	120.26	118.56	113.82	113.20	111.41
Lowest share price (p)	114.78	114.56	105.51	108.30	107.90	98.87
	Class 2 – Accumulation shares			Class Z – Income shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	133.34	128.29	111.87	118.34	117.34	105.39
Return before operating charges (p)	(2.38)	6.08	17.43	(2.09)	5.54	16.31
Operating charges (p)	(0.52)	(1.03)	(1.01)	(0.50)	(1.03)	(1.02)
Return after operating charges (p)*	(2.90)	5.05	16.42	(2.59)	4.51	15.29
Distributions (p)	(2.13)	(3.95)	(3.65)	(1.85)	(3.51)	(3.34)
Retained distributions on accumulation shares (p)	2.13	3.95	3.65	–	–	–
Closing net asset value per share (p)	130.44	133.34	128.29	113.90	118.34	117.34
*after direct transaction costs of (p)	–	0.01	–	–	0.01	–
Performance						
Return after charges (%)	(2.17)	3.94	14.68	(2.19)	3.84	14.51
Other information						
Closing net asset value (£000)	19,560	17,714	11,214	3,374	2,822	2,942
Closing number of shares	14,995,689	13,285,049	8,741,263	2,961,861	2,385,129	2,507,369
Operating charges (%)**	0.78 [†]	0.79	0.82	0.85 [†]	0.87	0.90
Direct transaction costs (%)***	–	0.01	–	–	0.01	–
Prices						
Highest share price (p)	136.00	133.47	128.29	120.68	120.24	118.54
Lowest share price (p)	130.13	127.83	111.99	114.76	114.55	105.51

Threadneedle Global Multi Asset Income Fund

Comparative Table Disclosure

(continued)

	Class Z – Accumulation shares		
	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share			
Opening net asset value per share (p)	133.12	128.15	111.81
Return before operating charges (p)	(2.37)	6.09	17.43
Operating charges (p)	(0.57)	(1.12)	(1.09)
Return after operating charges (p)*	(2.94)	4.97	16.34
Distributions (p)	(2.09)	(3.87)	(3.58)
Retained distributions on accumulation shares (p)	2.09	3.87	3.58
Closing net asset value per share (p)	130.18	133.12	128.15
*after direct transaction costs of (p)	–	0.01	–
Performance			
Return after charges (%)	(2.21)	3.88	14.61
Other information			
Closing net asset value (£000)	11,213	7,502	5,459
Closing number of shares	8,613,439	5,635,526	4,259,662
Operating charges (%)**	0.86 [†]	0.86	0.89
Direct transaction costs (%)***	–	0.01	–
Prices			
Highest share price (p)	135.76	133.27	128.15
Lowest share price (p)	129.88	127.62	111.93

**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). The non-UCITS retail scheme Key Investor Information document (NURS-KII) 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.

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

Threadneedle Global Multi Asset Income Fund

Notes to the financial statements

for the accounting period 26 May 2018 to 25 November 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 25 May 2018 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2018
Class 2 – Income shares	
Opening shares	877,687
Shares issued	117,209
Shares redeemed	(154,596)
Net conversions	–
Closing shares	<u>840,300</u>
Class 2e – Income shares	
Opening shares	5,734,781
Shares issued	1,738,345
Shares redeemed	(918,519)
Net conversions	–
Closing shares	<u>6,554,607</u>
Class 2 – Accumulation shares	
Opening shares	13,285,049
Shares issued	2,782,929
Shares redeemed	(1,072,289)
Net conversions	–
Closing shares	<u>14,995,689</u>
Class Z – Income shares	
Opening shares	2,385,129
Shares issued	700,333
Shares redeemed	(123,601)
Net conversions	–
Closing shares	<u>2,961,861</u>
Class Z – Accumulation shares	
Opening shares	5,635,526
Shares issued	3,229,331
Shares redeemed	(251,418)
Net conversions	–
Closing shares	<u>8,613,439</u>

Threadneedle UK Social Bond Fund

Investment Report

Investment Objective

The investment objective of the Fund is to achieve a total return (by way of income and capital appreciation) through investments that are deemed to be supporting and funding socially beneficial activities and development, primarily in the UK.

Investment Policy

The investment policy is to maximise exposure to socially beneficial activities and development, based on assessments produced under the fund's Social Assessment Methodology. The exposure and assessments are reviewed by the Social Advisory Committee. The fund may invest in all forms of trade-able debt instrument (primarily investment grade) issued by a supranational, public, private or voluntary and/or charitable sector organisation, including without limitation, bonds, notes, bills, and loans, whether they have a fixed, floating, variable, index-linked rate or have a zero coupon.

Cash or near cash will be retained within the Fund for the purpose of efficient management, and similarly deposits and money market instruments may be held for this reason. The Fund may also use derivatives and forward transactions solely for the purpose of efficient portfolio management and hedging. Derivatives may also be used for investment purposes on not less than 60 days' notice to investors.

Performance of Class 2 – Income shares*

Over the six months to 25 November 2018, the published share price of the Threadneedle UK Social Bond Fund has fallen from 111.47p to 110.14p.

For comparison, using noon prices, the performance of the Class 2 share class for the six months ending 30 November 2018 was -0.17% compared to a return of -1.42% for the Morningstar UK Unit Trusts/OEICs – (IA) UK 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 Bank of America Merrill Lynch £ Non-Gilts Index was -0.38%.

Market Overview and Portfolio Activity

The fund delivered a modest gain for the period, outperforming sterling investment-grade (IG) credit, which produced a slight negative return. UK government bond yields finished only slightly above where they started, but credit spreads – the yield premium offered by corporate bonds over "risk-free" government bonds of the same maturity – widened more significantly.

Since it was instituted in April 2017, the fund's shorter-duration target has succeeded in protecting capital as gilt yields have risen. However, this effect was less prevalent during the review period; rather, it was the fund's defensive credit exposure that helped performance relative to the benchmark. Overall, we have been increasing exposure to the less cyclical areas of the economy, such as utilities and housing associations. The fund is also underweight in banks. This is only partially offset by mutuals such as building societies – another factor that has shielded it from the worst of the recent spread-widening.

From a social perspective we welcomed the continued growth over the period in specific use-of-proceeds bonds, i.e. green, social and sustainability issues. This market now accounts for approximately 2% of the global bond market. While green bonds still dominate, social and sustainability bonds are exhibiting strong growth and now represent approximately 15% of the specific use-of-proceeds market (two years ago it was closer to 8%).

The social performance of the fund has been maintained during the period, with the lower levels of social intensity standing at 17.1%; this compares favourably with the target set by the Social Advisory Committee and also that modelled at the time of the implementation of the fund's lower duration target. This performance was generated despite the redemption of the Inter-American Development Bank (IADB) Education, Youth and Employment bond and the Northern Ireland Electricity issue, which consequently reduced the 'high' and 'medium' outcome proportions in the portfolio and added to the fund's cash balance at the end of

the third quarter of 2018. In addition, we took the decision to sell our position in Voyage Care, for financial reasons.

Notable purchases over the period included a new issue from IDB Invest. This is part of the IDB Group, the multilateral development bank for Latin America and the Caribbean, which aims to create social and environmental value across the region. The issue will focus on funding for small and medium enterprises (SMEs) and job creation. In 2017, IDB financed 2.7 million SMEs and created 109,276 jobs. Another notable new issue we participated in was a green bond from Iberdrola, with proceeds directed towards funding wind farms in East Anglia. We also diversified into new positions in Connect Plus M25, International Finance Corporation, and a green bond from Scottish & Southern Energy, which has the largest renewable energy capacity in the UK and Ireland.

Investments in the secondary market included Pure Gym (Pinnacle Bidco Plc 6.375% 15-Feb-2025), the UK's largest low-cost fitness provider, which is democratising and expanding the provision of exercise in line with our theme of health and social care. Another interesting addition was National Australia Bank, where we bought a green bond directed at wind, solar and rail projects; as with the aforementioned Iberdrola issue, the projects themselves are primarily in the UK, thus enhancing the sustainability of the UK's energy and transport systems. This is an example where the ability to think socially has given us the opportunity to diversify into a sector where we are underweight, while supporting positive outcomes in the fund's core geography.

The economic outlook, while clouded in the UK by the ongoing Brexit negotiations, should benefit from improvements in European GDP growth prospects. However, we reiterate that the credit cycle is fairly mature and the incidence of merger and acquisition (M&A) activity is rising. That said, the fund's preference for mutual structures such as charities, including housing associations, building societies and universities, should distance the direct exposure to these event risks. We remain vigilant of any negative consequences of overtly shareholder-friendly policies which may impact bondholders.

STATEMENT OF TOTAL RETURN

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Income		
Net capital losses	(621)	(288)
Revenue	1,526	1,452
Expenses	(231)	(209)
Interest payable and similar charges	(23)	(48)
Net revenue before taxation	1,272	1,195
Taxation	–	–
Net revenue after taxation	1,272	1,195
Total return before distributions	651	907
Distributions	(1,443)	(1,349)
Change in net assets attributable to shareholders from investment activities	(792)	(442)

BALANCE SHEET

as at 25 November 2018

	2018 £000	2018 £000
Assets:		
Fixed assets:		
Investments	100,128	110,275
Current assets:		
Debtors	2,520	1,794
Cash and bank balances	3,282	5,232
Total assets	105,930	117,301
Liabilities:		
Investment liabilities	(128)	(162)
Creditors:		
Distribution payable	(454)	(408)
Other creditors	(1,259)	(198)
Total liabilities	(1,841)	(768)
Net assets attributable to shareholders	104,089	116,533

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Opening net assets attributable to shareholders	116,533	98,045
Amounts receivable on the issue of shares	12,692	9,260
Amounts payable on the cancellation of shares	(24,910)	(2,878)
	(12,218)	6,382
Dilution adjustment	1	–
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(792)	(442)
Retained distribution on accumulation shares	565	579
Closing net assets attributable to shareholders	104,089	104,564

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 25 May 2018 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 25 November 2017.

DISTRIBUTION TABLE

for the accounting period 26 May 2018 to 25 November 2018

Interest distribution in pence per share

Class 2 – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.7137	–	0.7137	0.7645
26/08/18 to 25/11/18	0.7207	–	0.7207	0.7517
Group 2				
26/05/18 to 25/08/18	0.4185	0.2952	0.7137	0.7645
26/08/18 to 25/11/18	0.3335	0.3872	0.7207	0.7517
Total distributions in the period			1.4344	1.5162

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.8029	–	0.8029	0.8385
26/08/18 to 25/11/18	0.8160	–	0.8160	0.8279
Group 2				
26/05/18 to 25/08/18	0.2762	0.5267	0.8029	0.8385
26/08/18 to 25/11/18	0.8160	–	0.8160	0.8279
Total distributions in the period			1.6189	1.6664

*In pound Sterling and against UK peer group (see Performance summary on page 25).

Threadneedle UK Social Bond Fund

DISTRIBUTION TABLE

(continued)

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.7138	–	0.7138	0.7658
26/08/18 to 25/11/18	0.7209	–	0.7209	0.7508
Group 2				
26/05/18 to 25/08/18	0.5717	0.1421	0.7138	0.7658
26/08/18 to 25/11/18	0.1762	0.5447	0.7209	0.7508
Total distributions in the period			1.4347	1.5166

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.8174	–	0.8174	0.8541
26/08/18 to 25/11/18	0.8308	–	0.8308	0.8431
Group 2				
26/05/18 to 25/08/18	0.4684	0.3490	0.8174	0.8541
26/08/18 to 25/11/18	0.5382	0.2926	0.8308	0.8431
Total distributions in the period			1.6482	1.6972

Class Z – Income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.6927	–	0.6927	0.7442
26/08/18 to 25/11/18	0.7000	–	0.7000	0.7294
Group 2				
26/05/18 to 25/08/18	0.4033	0.2894	0.6927	0.7442
26/08/18 to 25/11/18	0.3187	0.3813	0.7000	0.7294
Total distributions in the period			1.3927	1.4736

Class Z – Accumulation shares

Distribution Period	Gross Revenue	Equalisation	Revenue Accumulated 2018	Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.7763	–	0.7763	0.8129
26/08/18 to 25/11/18	0.7892	–	0.7892	0.8019
Group 2				
26/05/18 to 25/08/18	0.3753	0.4010	0.7763	0.8129
26/08/18 to 25/11/18	0.3138	0.4754	0.7892	0.8019
Total distributions in the period			1.5655	1.6148

Class Z – Gross income shares

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2018	Distribution Paid 2017
Group 1				
26/05/18 to 25/08/18	0.6927	–	0.6927	0.7442
26/08/18 to 25/11/18	0.6999	–	0.6999	0.7293
Group 2				
26/05/18 to 25/08/18	0.4972	0.1955	0.6927	0.7442
26/08/18 to 25/11/18	0.3820	0.3179	0.6999	0.7293
Total distributions in the period			1.3926	1.4735

Class Z – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.7907	–	0.7907	0.8280
26/08/18 to 25/11/18	0.8038	–	0.8038	0.8167
Group 2				
26/05/18 to 25/08/18	0.3778	0.4129	0.7907	0.8280
26/08/18 to 25/11/18	0.4884	0.3154	0.8038	0.8167
Total distributions in the period			1.5945	1.6447

Class Z EUR Hedged – Gross accumulation shares

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2018	Gross Revenue Accumulated 2017
Group 1				
26/05/18 to 25/08/18	0.6701	–	0.6701	0.7104
26/08/18 to 25/11/18	0.6556	–	0.6556	0.7051
Group 2				
26/05/18 to 25/08/18	0.6701	–	0.6701	0.7104
26/08/18 to 25/11/18	0.6556	–	0.6556	0.7051
Total distributions in the period			1.3257	1.4155

Group 2: shares purchased during a distribution period.

Threadneedle UK Social Bond Fund

Comparative Table Disclosure

	Class 2 – Income shares			Class 2 – Accumulation shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	110.44	112.98	107.39	124.25	123.82	114.57
Return before operating charges (p)	0.32	0.83	9.37	0.35	0.90	10.06
Operating charges (p)	(0.21)	(0.42)	(0.40)	(0.24)	(0.47)	(0.44)
Return after operating charges (p)*	0.11	0.41	8.97	0.11	0.43	9.62
Distributions (p)	(1.43)	(2.95)	(3.38)	(1.62)	(3.27)	(3.66)
Retained distributions on accumulation shares (p)**	–	–	–	1.62	3.27	3.29
Closing net asset value per share (p)	109.12	110.44	112.98	124.36	124.25	123.82
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.10	0.36	8.35	0.09	0.35	8.40
Other information						
Closing net asset value (£000)	1,176	690	15	414	356	46
Closing number of shares	1,077,583	624,577	13,471	332,922	286,312	36,920
Operating charges (%)**	0.38 [†]	0.38	0.36	0.38 [†]	0.38	0.36
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	111.51	114.20	116.65	125.45	125.58	124.64
Lowest share price (p)	109.72	110.73	107.94	124.23	123.47	115.14

	Class 2 – Gross income shares [§]			Class 2 – Gross accumulation shares [§]		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	110.47	113.02	107.42	126.50	126.06	116.31
Return before operating charges (p)	0.31	0.83	9.40	0.35	0.92	10.22
Operating charges (p)	(0.21)	(0.43)	(0.43)	(0.24)	(0.48)	(0.47)
Return after operating charges (p)*	0.10	0.40	8.97	0.11	0.44	9.75
Distributions (p)	(1.43)	(2.95)	(3.37)	(1.65)	(3.33)	(3.69)
Retained distributions on accumulation shares (p)**	–	–	–	1.65	3.33	3.69
Closing net asset value per share (p)	109.14	110.47	113.02	126.61	126.50	126.06
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.09	0.35	8.35	0.09	0.35	8.38
Other information						
Closing net asset value (£000)	45,972	45,585	44,813	9,444	9,423	6,411
Closing number of shares	42,121,220	41,264,674	39,649,427	7,458,663	7,449,415	5,085,104
Operating charges (%)**	0.38 [†]	0.38	0.38	0.38 [†]	0.38	0.38
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	111.54	114.24	116.84	127.72	127.86	126.73
Lowest share price (p)	109.74	110.76	107.98	126.47	125.71	116.90

Threadneedle UK Social Bond Fund

Comparative Table Disclosure

(continued)

	Class Z – Income shares			Class Z – Accumulation shares		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	110.47	113.02	107.42	123.79	123.46	114.32
Return before operating charges (p)	0.31	0.83	9.40	0.34	0.89	10.05
Operating charges (p)	(0.25)	(0.51)	(0.51)	(0.28)	(0.56)	(0.55)
Return after operating charges (p)*	0.06	0.32	8.89	0.06	0.33	9.50
Distributions (p)	(1.39)	(2.87)	(3.29)	(1.57)	(3.16)	(3.53)
Retained distributions on accumulation shares (p)**	–	–	–	1.57	3.16	3.17
Closing net asset value per share (p)	109.14	110.47	113.02	123.85	123.79	123.46
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.05	0.28	8.28	0.05	0.27	8.31
Other information						
Closing net asset value (£000)	11,815	8,623	5,554	21,277	16,201	10,932
Closing number of shares	10,825,267	7,805,903	4,914,143	17,179,052	13,087,502	8,855,002
Operating charges (%)**	0.45†	0.45	0.45	0.45†	0.45	0.45
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	111.52	114.22	116.66	124.96	125.18	124.35
Lowest share price (p)	109.73	110.75	107.97	123.73	123.09	114.90
	Class Z – Gross income shares ⁵			Class Z – Gross accumulation shares ⁵		
	25/11/2018	25/05/2018	25/05/2017	25/11/2018	25/05/2018	25/05/2017
Change in net assets per share						
Opening net asset value per share (p)	110.46	113.01	107.42	126.08	125.74	116.10
Return before operating charges (p)	0.31	0.83	9.39	0.36	0.91	10.18
Operating charges (p)	(0.25)	(0.51)	(0.51)	(0.29)	(0.57)	(0.54)
Return after operating charges (p)*	0.06	0.32	8.88	0.07	0.34	9.64
Distributions (p)	(1.39)	(2.87)	(3.29)	(1.59)	(3.22)	(3.59)
Retained distributions on accumulation shares (p)**	–	–	–	1.59	3.22	3.59
Closing net asset value per share (p)	109.13	110.46	113.01	126.15	126.08	125.74
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	0.05	0.28	8.27	0.06	0.27	8.30
Other information						
Closing net asset value (£000)	10,350	10,146	5,637	3,630	3,017	2,287
Closing number of shares	9,484,239	9,185,622	4,988,220	2,877,928	2,393,191	1,819,060
Operating charges (%)**	0.45†	0.45	0.45	0.45†	0.45	0.44
Direct transaction costs (%)**	–	–	–	–	–	–
Prices						
Highest share price (p)	111.51	114.21	116.81	127.28	127.50	126.48
Lowest share price (p)	109.72	110.75	107.97	126.02	125.37	116.69

Threadneedle UK Social Bond Fund

Comparative Table Disclosure

(continued)

	Class Z EUR Hedged – Gross accumulation shares ⁵		
	25/11/2018	25/05/2018	25/05/2017 ¹
Change in net assets per share			
Opening net asset value per share (p)	106.05	105.38	100.00
Return before operating charges (p)	0.53	1.16	5.48
Operating charges (p)	(0.24)	(0.49)	(0.10)
Return after operating charges (p)*	0.29	0.67	5.38
Distributions (p)	(1.33)	(2.75)	(1.38)
Retained distributions on accumulation shares (p)**	1.33	2.75	1.38
Closing net asset value per share (p)	106.34	106.05	105.38
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	0.27	0.64	5.38
Other information			
Closing net asset value (£000)	11	22,492	22,350
Closing number of shares	10,000	21,210,000	21,210,000
Operating charges (%)***	0.44 ¹	0.45	0.45 ¹
Direct transaction costs (%)****	–	–	–
Prices			
Highest share price (p)	110.08	114.33	105.80
Lowest share price (p)	105.08	104.39	97.43

**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). The non-UCITS retail scheme Key Investor Information document (NURS-KII) 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 7 December 2016.

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

Threadneedle UK Social Bond Fund

Notes to the financial statements

for the accounting period 26 May 2018 to 25 November 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 25 May 2018 and are described in those financial statements.

(b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

2 RECONCILIATION OF SHARES

	2018
Class 2 – Income shares	
Opening shares	624,577
Shares issued	321,483
Shares redeemed	(6,055)
Net conversions	137,578
Closing shares	<u>1,077,583</u>
Class 2 – Accumulation shares	
Opening shares	286,312
Shares issued	46,610
Shares redeemed	–
Net conversions	–
Closing shares	<u>332,922</u>
Class 2 – Gross income shares	
Opening shares	41,264,674
Shares issued	168,977
Shares redeemed	(20,198)
Net conversions	707,767
Closing shares	<u>42,121,220</u>
Class 2 – Gross accumulation shares	
Opening shares	7,449,415
Shares issued	501,576
Shares redeemed	(497,712)
Net conversions	5,384
Closing shares	<u>7,458,663</u>
Class Z – Income shares	
Opening shares	7,805,903
Shares issued	3,228,950
Shares redeemed	(65,855)
Net conversions	(143,731)
Closing shares	<u>10,825,267</u>
Class Z – Accumulation shares	
Opening shares	13,087,502
Shares issued	4,261,431
Shares redeemed	(169,881)
Net conversions	–
Closing shares	<u>17,179,052</u>
Class Z – Gross income shares	
Opening shares	9,185,622
Shares issued	1,689,287
Shares redeemed	(682,711)
Net conversions	(707,959)
Closing shares	<u>9,484,239</u>
Class Z – Gross accumulation shares	
Opening shares	2,393,191
Shares issued	593,715
Shares redeemed	(108,978)
Net conversions	–
Closing shares	<u>2,877,928</u>

	2018
Class Z EUR Hedged – Gross accumulation shares	
Opening shares	21,210,000
Shares issued	–
Shares redeemed	(21,200,000)
Net conversions	–
Closing shares	<u>10,000</u>

Threadneedle Dynamic Real Return Fund

Portfolio Statement

as at 25 November 2018

Holding		Investment	Value £000	% of Net Asset Value	Holding		Investment	Value £000	% of Net Asset Value
FIXED INTEREST 18.40% (14.52%)					Liquidity Funds 5.01% (4.03%)¹				
SOUTH AFRICA 1.94% (0.00%)					80,248,589	BlackRock Institutional Cash Series Sterling Liquidity Platinum	80,249	5.01	
BB+ 1.94% (0.00%)					Total collective investment schemes 1,109,048 69.22				
ZAR	507,000,000	South Africa Government Bond 10.5% 21/12/2026	31,075	1.94	DERIVATIVES -0.16% (0.04%)				
Total South Africa 31,075 1.94					Futures and Options -0.17% (0.09%)				
UNITED KINGDOM 10.42% (9.71%)					JPY	96	UBS Nikkei 225 Future Expiring December 2018	(465)	(0.03)
Aa2u 9.74% (9.11%)					JPY	717	UBS Topix Index Future Expiring December 2018	(2,156)	(0.14)
GBP	155,000,000	United Kingdom Gilt 1.75% 22/07/2019	156,007	9.74	Forward Foreign Exchange Contracts 0.01% (-0.05%)				
Real Estate Investment Trusts 0.68% (0.60%)					Sell USD 129,431,748				
	7,880,513	Tritax Big Box REIT	10,922	0.68	Buy GBP 100,162,541 Citigroup				
Total United Kingdom 166,929 10.42					Sell EUR 140,640,000				
UNITED STATES OF AMERICA 6.04% (4.81%)					Buy GBP 125,321,111 Barclays				
Aaa 6.04% (4.81%)					Total Derivatives (2,481) (0.16)				
USD	50,900,000	United States Treasury Note/Bond 0.125% 15/04/2022	39,786	2.49	Total value of investments² 1,401,335 87.46				
USD	37,000,000	United States Treasury Note/Bond 2.125% 15/02/2040	39,144	2.44	Net other assets (13.91%) 200,840 12.54				
USD	17,000,000	United States Treasury Note/Bond 2.125% 15/02/2041	17,834	1.11	Net assets 1,602,175 100.00				
Total United States of America 96,764 6.04					<i>May 2018 comparatives in brackets.</i>				
COLLECTIVE INVESTMENT SCHEMES 69.22% (71.53%)					<i>¹Cash equivalents.</i>				
UK equity 3.68% (4.71%)					<i>²Includes Cash equivalents.</i>				
	55,450,152	Threadneedle UK Fund	58,988	3.68	ANALYSIS OF INVESTMENTS BY ASSET CLASS				
	23,663	Threadneedle UK Smaller Companies Fund	31	–	Value % of				
UK bond 19.51% (18.75%)					£000 Investment				
	18,058,845	Threadneedle High Yield Bond Fund	21,111	1.32	Fixed interest	283,846 20.26			
	290,909,711	Threadneedle Sterling Short-Dated Corporate Bond Fund	291,259	18.18	Derivatives	(2,481) (0.18)			
	127,611	Threadneedle UK Corporate Bond Fund	135	0.01	Equity	10,922 0.78			
Real estate 3.71% (4.73%)					Collective investment schemes 1,109,048 79.14				
	69,454,475	Threadneedle UK Property Authorised Investment Fund	59,488	3.71	Total value of investments 1,401,335 100.00				
Overseas equity 29.42% (31.12%)					ANALYSIS OF UNDERLYING EXPOSURE				
	3,413,810	Threadneedle (Lux) – Asia Contrarian Equity	29,174	1.82	FUTURES AND OPTIONS				
	43,651,561	Threadneedle Asia Fund	65,613	4.09	Value				
	92,558,575	Threadneedle European Fund	113,856	7.11	£000				
	76,270,075	Threadneedle European Select Fund	99,456	6.21	UBS Nikkei 225 Future Expiring December 2018	14,315			
	118,040,535	Threadneedle Japan Fund	163,191	10.19	UBS Topix Index Future Expiring December 2018	80,227			
Overseas bond 1.13% (1.36%)					Total net exposure 94,542				
	1,868,837	Threadneedle (Lux) – European High Yield Bond	18,184	1.13	Total Purchases and Sales				
Commodity 6.76% (6.83%)					<i>for the accounting period 26 May 2018 to 25 November 2018</i>				
	16,194	Source Physical Markets Gold P-ETC	1,500	0.09	2018 2017				
	9,363,438	Threadneedle (Lux) – Enhanced Commodities	106,813	6.67	£000 £000				
					Total purchases for the period 333,372 303,711				
					Total sales for the period 40,065 66,160				

Threadneedle Global Multi Asset Income Fund

Portfolio Statement

as at 25 November 2018

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
SOUTH AFRICA 1.93% (0.00%)					DERIVATIVES -0.02% (-0.05%)				
		BB+ 1.93% (0.00%)					Forward Foreign Exchange Contracts -0.02% (-0.05%)		
ZAR	13,300,000	South Africa Government Bond 10.5% 21/12/2026	815	1.93			Sell USD 3,009,759		
		Total South Africa	815	1.93			Buy GBP 2,328,929 HSBC	(7)	(0.02)
							Total Derivatives	(7)	(0.02)
UNITED KINGDOM 5.19% (5.75%)					Total value of investments				
		Aa2u 3.94% (4.28%)						41,255	97.87
GBP	1,650,000	United Kingdom Gilt 1.75% 22/07/2019	1,661	3.94			Net other assets (2.73%)	896	2.13
		Real Estate Investment Trusts 1.25% (1.47%)					Net assets	42,151	100.00
GBP	379,638	Tritax Big Box REIT	526	1.25					
		Total United Kingdom	2,187	5.19					
UNITED STATES OF AMERICA 5.39% (3.47%)					ANALYSIS OF INVESTMENTS BY ASSET CLASS				
		Aaa 5.39% (3.47%)					Value	% of	
USD	1,250,000	United States Treasury Note/Bond 0.125% 15/04/2022	977	2.32			£000	Investment	
USD	900,000	United States Treasury Note/Bond 2.125% 15/02/2040	952	2.26			4,746	11.50	
USD	325,000	United States Treasury Note/Bond 2.125% 15/02/2041	341	0.81			(7)	(0.02)	
		Total United States of America	2,270	5.39			526	1.27	
							35,990	87.25	
							Total value of investments	41,255	100.00
COLLECTIVE INVESTMENT SCHEMES 85.38% (88.10%)					Total Purchases and Sales				
		UK equity 4.33% (5.02%)							
	1,596,326	Threadneedle UK Equity Income Fund	1,824	4.33					
		UK bond 17.69% (18.08%)							
	14,300	Threadneedle Sterling Bond Fund	16	0.04					
	6,812,014	Threadneedle Sterling Short-Dated Corporate Bond Fund	7,198	17.08					
	227,128	Threadneedle UK Corporate Bond Fund	240	0.57					
		Real estate 15.42% (19.27%)							
	7,591,730	Threadneedle UK Property Authorised Investment Fund	6,502	15.42					
		Overseas equity 36.09% (37.26%)							
	425,137	Threadneedle (Lux) – Asian Equity Income	3,756	8.91					
	3,143,723	Threadneedle (Lux) – Pan European Equity Dividend	3,552	8.43					
	2,529,021	Threadneedle Global Equity Income Fund	3,207	7.61					
	1,018,461	Threadneedle Japan Fund	1,556	3.69					
	1,345,578	Threadneedle US Equity Income Fund	3,142	7.45					
		Overseas bond 11.85% (8.47%)							
	208,225	Threadneedle (Lux) – Global Emerging Market Short-Term Bonds	948	2.25					
	182,431	Threadneedle Emerging Market Bond Fund	204	0.48					
	152,625	Threadneedle Emerging Market Local Fund	131	0.31					
	3,791,996	Threadneedle High Yield Bond Fund	3,714	8.81					
		Total collective investment schemes	35,990	85.38					

May 2018 comparatives in brackets.

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Total purchases for the period	10,173	4,713
Total sales for the period	2,013	3,018

Threadneedle UK Social Bond Fund

Portfolio Statement

as at 25 November 2018

	Value	% of		Value	% of		
Holding	Investment	£000	Net Asset Value	Holding	Investment	£000	Net Asset Value
FIXED INTEREST 79.63% (78.17%)							
	AAA 8.07% (9.34%)						
EUR	775,000 African Development Bank 0.25% 21/11/2024	682	0.66	GBP	407,000 Sanctuary Housing Association 8.375% 01/09/2031	542	0.52
GBP	3,125,000 European Investment Bank 2.25% 07/03/2020	3,175	3.05	GBP	200,000 Unilever 2% 19/12/2018	200	0.19
GBP	400,000 International Finance Corporation 1.25% 15/12/2023	399	0.38	GBP	260,000 Wheatley Group Capital 4.375% 28/11/2044	290	0.28
GBP	690,000 Meadowhall Finance 4.986% 12/01/2032	619	0.59	A 8.45% (7.75%)			
GBP	3,258,000 Wellcome Trust Finance 4.75% 28/05/2021	3,531	3.39	GBP	713,000 BBC Pacific Quay Finance 5.5653% 25/07/2034	790	0.76
	Aaa 0.30% (0.00%)			GBP	547,000 Circle Anglia Social Housing 7.25% 12/11/2038	865	0.83
USD	400,000 Inter-American Development Bank 3% 26/09/2022	311	0.30	GBP	300,000 Dwr Cymru Financing 2.5% 31/03/2036	285	0.27
	AA+ 0.10% (0.09%)			GBP	1,431,000 Dwr Cymru Financing 6.907% 31/03/2021	1,609	1.55
GBP	100,000 Trafford Centre Finance 2.875% 28/04/2019	100	0.10	GBP	1,262,000 Intu Metrocentre Finance 4.125% 06/12/2023	1,324	1.27
	AA 4.72% (1.92%)			GBP	250,000 London & Quadrant 2.25% 20/07/2029	239	0.23
GBP	100,000 Community Finance 1 5.017% 31/07/2034	129	0.12	GBP	1,547,000 London & Quadrant 2.625% 05/05/2026	1,564	1.50
GBP	741,000 Dwr Cymru Financing 6.015% 31/03/2028	964	0.93	GBP	570,000 London & Quadrant 2.625% 28/02/2028	567	0.54
GBP	1,500,000 LCR Finance 4.5% 07/12/2028	1,885	1.81	GBP	300,000 Northern Powergrid Yorkshire 2.5% 01/04/2025	305	0.29
GBP	1,035,000 Network Rail Infrastructure Finance 4.625% 21/07/2020	1,097	1.05	GBP	250,000 Penarian Housing 3.212% 07/06/2052	236	0.23
GBP	629,000 Network Rail Infrastructure Finance Index-Linked 3% 07/09/2023	681	0.65	GBP	375,000 THFC Funding No 1 5.125% 21/12/2037	464	0.45
GBP	163,000 Octagon Healthcare Funding 5.333% 31/12/2035	167	0.16	GBP	200,000 THFC Funding No 2 6.35% 08/07/2039	283	0.27
	Aa2 1.34% (0.85%)			GBP	250,000 UNITE USAF II 3.921% 30/06/2025	274	0.26
GBP	1,259,000 PRS Finance 1.75% 24/11/2026 55AN	1,264	1.21		A2 1.85% (1.76%)		
GBP	100,000 University of Manchester 4.25% 04/07/2053	130	0.13	GBP	320,000 Coventry Building Society 1% 05/05/2020	317	0.30
	AA- 3.41% (3.08%)			GBP	1,140,000 Coventry Building Society 5.875% 28/09/2022	1,294	1.24
EUR	625,000 National Australia Bank 0.35% 07/09/2022	549	0.53	GBP	187,000 Derby Healthcare 5.564% 30/06/2041	233	0.22
GBP	2,956,000 Transport for London 2.125% 24/04/2025	2,997	2.88	GBP	100,000 Optivo Finance 3.283% 22/03/2048	98	0.09
	Aa3 1.20% (0.88%)				A- 3.83% (2.66%)		
GBP	200,000 Cardiff University 3% 07/12/2055	206	0.20	GBP	2,666,000 Anglian Water Services Financing 1.625% 10/08/2025	2,568	2.47
GBP	600,000 De Montfort University 5.375% 30/06/2042	829	0.80	GBP	101,000 Anglian Water Services Financing 2.75% 26/10/2029	101	0.10
GBP	200,000 University of Leeds 3.125% 19/12/2050	209	0.20	GBP	490,000 Housing Association Funding 8.25% 07/06/2027	246	0.24
	A+ 7.84% (10.40%)			GBP	570,000 Places For People Homes 2.875% 17/08/2026	555	0.53
GBP	100,000 Cambridgeshire Housing Capital 4.25% 15/09/2045	113	0.11	EUR	200,000 SSE 1.375% 04/09/2027	171	0.16
GBP	448,000 Connect Plus M25 2.607% 31/03/2039	444	0.43	GBP	300,000 Wales & West Utilities Finance 6.25% 30/11/2021	340	0.33
GBP	100,000 Karbon Homes 3.375% 15/11/2047	98	0.09		A3 1.60% (2.56%)		
GBP	2,822,000 Lloyds Bank 2.5% 01/06/2022	2,889	2.78	GBP	523,000 Peabody Capital 5.25% 17/03/2043	673	0.65
GBP	150,000 Lloyds Bank 2.75% 09/12/2018	150	0.14	GBP	175,000 WHG Treasury 4.25% 06/10/2045	196	0.19
GBP	874,000 Motability Operations Group 3.75% 16/07/2026	969	0.93	GBP	774,000 Yorkshire Building Society 3.5% 21/04/2026	787	0.76
GBP	1,303,000 Motability Operations Group 4.375% 08/02/2027	1,500	1.44		BBB+ 7.64% (7.92%)		
GBP	855,000 Motability Operations Group 5.375% 28/06/2022	967	0.93	GBP	300,000 Cadent Finance 2.125% 22/09/2028	278	0.27
				GBP	1,350,000 Electricity North West 8.875% 25/03/2026	1,904	1.83
				EUR	300,000 Iberdrola Finanzas 1.25% 28/10/2026	261	0.25
				GBP	1,014,000 National Grid Gas 1.125% 22/09/2021	999	0.96
				GBP	1,525,000 NIE Finance 6.375% 02/06/2026	1,913	1.84
				GBP	814,000 RL Finance Bonds 6.125% 13/11/2028	861	0.83
				GBP	507,000 Severn Trent Utilities Finance 6.125% 26/02/2024	601	0.58

Threadneedle UK Social Bond Fund

Portfolio Statement

(continued)

	Holding	Investment	Value £000	% of Net Asset Value		Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 79.63% (78.17%) (continued)									
GBP	407,000	THPA Finance 7.127% 15/03/2024	223	0.21	GBP	1,750,000	Retail Charity Bond 4% 31/10/2027	1,747	1.68
GBP	874,000	Western Power Distribution 3.625% 06/11/2023	908	0.87	GBP	855,000	Retail Charity Bond 4.375% 29/07/2021	895	0.86
		Baa1 6.89% (7.23%)			GBP	1,611,100	Retail Charity Bond 5% 12/04/2026	1,781	1.71
GBP	1,642,000	Bazalgette Finance 2.375% 29/11/2027	1,606	1.54	GBP	2,200,000	UNITE Group 6.125% 12/06/2020	2,316	2.23
GBP	1,878,000	Birmingham Airport Finance 6.25% 22/02/2021	2,051	1.97	Total Fixed Interest				
GBP	570,000	Bupa Finance 5% 25/04/2023	613	0.59				82,886	79.63
GBP	794,000	Bupa Finance 5% 08/12/2026	844	0.81	FLOATING RATE NOTES 16.56% (16.37%)				
GBP	1,873,000	Manchester Airport Group Funding 4.125% 02/04/2024	2,058	1.98					
		BBB 5.92% (3.49%)							
GBP	833,000	Annington Funding 2.646% 12/07/2025	813	0.78	USD	1,325,000	*Inter-American Investment Corporation FRN 12/10/2021	1,034	0.99
GBP	1,148,000	CPUK Finance 2.666% 28/02/2020	1,159	1.11	USD	509,000	*International Finance Facility for Immunisation FRN 01/11/2019	398	0.38
GBP	200,000	CPUK Finance 7.239% 28/02/2024	241	0.23					
GBP	100,000	CPUK Finance Variable 3.588% 28/08/2025	103	0.10					
GBP	2,092,000	Everything Everywhere 4.375% 28/03/2019	2,111	2.03	GBP	450,000	*Trafford Centre Finance FRN 28/07/2035 B2	397	0.38
GBP	1,400,000	Liberty Living 2.625% 28/11/2024	1,379	1.32					
GBP	200,000	Trafford Centre Finance 4.75% 28/04/2024	214	0.21					
GBP	150,000	UNITE Group 3.5% 15/10/2028	150	0.14					
		Baa2 4.13% (4.02%)							
GBP	1,385,000	ABP Finance 6.25% 14/12/2026	1,669	1.60	GBP	213,000	*Legal & General Group 5.875% 29/03/2049	213	0.20
GBP	700,000	National Express Group 2.5% 11/11/2023	690	0.66	GBP	814,000	*Legal & General Group 10% 23/07/2041	962	0.92
GBP	291,000	WM Morrison Supermarkets 3.5% 27/07/2026	303	0.29	GBP	900,000	*Legal & General Group Variable 27/10/2045	936	0.90
GBP	1,379,000	WM Morrison Supermarkets 4.625% 08/12/2023	1,528	1.47	GBP	100,000	*Legal & General Group Variable 14/11/2048	99	0.10
GBP	100,000	WM Morrison Supermarkets 4.75% 04/07/2029	113	0.11					
		BBB- 0.84% (0.94%)							
GBP	200,000	Grainger 3.375% 24/04/2028	196	0.19	EUR	1,800,000	*Barclays 0.625% 14/11/2023	1,521	1.46
GBP	300,000	Marks & Spencer 1% 08/12/2023	300	0.29	EUR	1,366,000	*Nationwide Building Society 2% 25/07/2029	1,123	1.08
GBP	350,000	Marks & Spencer 4.75% 12/06/2025	372	0.36	GBP	570,000	*NGG Finance 5.625% 18/06/2073	607	0.58
		Baa3 0.20% (0.38%)			GBP	914,000	*SSE 3.875% 29/12/2049	908	0.87
GBP	250,000	Highbury Finance 7.017% 20/03/2023	203	0.20	GBP	122,000	*Wales & West Utilities Finance 6.75% 17/12/2036	122	0.12
		BB 0.38% (0.42%)			GBP	350,000	*Yorkshire Water Services Bradford Finance 3.75% 22/03/2046	361	0.35
GBP	407,000	Peterborough Progress Health 5.581% 02/10/2042	391	0.38					
		B+ 0.00% (0.17%)			GBP	450,000	*Yorkshire Building Society 4.125% 20/11/2024	457	0.44
		B 0.19% (0.00%)							
GBP	200,000	Pinnacle Bidco 6.375% 15/02/2025	202	0.19	EUR	400,000	*Iberdrola International Perpetual 2.625% 26/03/2067	343	0.33
		Not Rated 10.73% (12.31%)							
GBP	1,283,000	A2D Funding 4.75% 18/10/2022	1,381	1.33					
GBP	204,000	A2D Funding II 4.5% 30/09/2026	224	0.22					
GBP	200,000	A2Dominion Housing Group 3.5% 15/11/2028	201	0.19	GBP	2,418,000	*Nationwide Building Society 6.875% 11/03/2049	2,424	2.33
GBP	990,000	First Hydro Finance 9% 31/07/2021	1,169	1.12					
GBP	190,000	Intu Debenture 5.562% 31/12/2027	181	0.17					
GBP	200,000	John Lewis 6.125% 21/01/2025	218	0.21	GBP	1,376,000	*Pennon Group Perpetual Variable 22/05/2066	1,362	1.31
GBP	375,000	John Lewis 8.375% 08/04/2019	383	0.37	Total Floating Rate Notes				
GBP	650,000	Retail Charity Bond 3.9% 23/11/2027	663	0.64				17,242	16.56

Threadneedle UK Social Bond Fund

Portfolio Statement

(continued)

	Investment	Value £000	% of Net Asset Value
DERIVATIVES -0.12% (-0.05%)			
Interest Rate Swaps -0.02% (0.06%)			
GBP	1,170,000 Citigroup Interest Rate Swap Receive GBP Libor Pay 1.831% 08/11/2048	(20)	(0.02)
Futures and Options -0.06% (-0.07%)			
GBP	(41) UBS Long Gilt Future Expiring December 2018	(68)	(0.06)
Forward Foreign Exchange Contracts -0.04% (-0.04%)			
	Sell GBP 10,738		
	Buy EUR 12,108 J.P. Morgan	–	–
	Sell GBP 29,718		
	Buy EUR 33,548 Barclays	–	–
	Sell GBP 44,089		
	Buy EUR 49,487 UBS	–	–
	Sell USD 280,000		
	Buy GBP 214,231 HSBC	(3)	–
	Sell USD 4,343,533		
	Buy GBP 3,347,450 HSBC	(29)	(0.03)
	Sell USD 40,000		
	Buy GBP 31,147 Barclays	–	–
	Sell EUR 5,292,717		
	Buy GBP 4,686,676 HSBC	(8)	(0.01)
	Sell EUR 60,000		
	Buy GBP 53,611 HSBC	–	–
	Total Derivatives	(128)	(0.12)
Total value of investments		100,000	96.07
Net other assets (5.51%)		4,089	3.93
Net assets		104,089	100.00

May 2018 comparatives in brackets.

*Variable rate bonds.

ANALYSIS OF INVESTMENTS BY ASSET CLASS

	Value £000	% of Investment
Fixed interest	82,886	82.89
Floating rate notes	17,242	17.24
Derivatives	(128)	(0.13)
Total value of investments	100,000	100.00

ANALYSIS OF UNDERLYING EXPOSURE FUTURES AND OPTIONS

	Value £000
UBS Long Gilt Future Expiring December 2018	(5,046)
Total net exposure	(5,046)

Total Purchases and Sales

for the accounting period 26 May 2018 to 25 November 2018

	2018 £000	2017 £000
Total purchases for the period	18,881	22,002
Total sales for the period	27,497	14,133

Performance Summary from 31 May 2018 to 30 November 2018 – UK Universe

Funds	Sector	Index	Class 2 Net Return %	Sector Median Net Return %	Fund Gross Total Return %	Index Total Return %
Dynamic Real Return Fund	(IA) UK Absolute Return	–	-3.24	-1.91	-2.96	–
Global Multi-Asset Income Fund	–	Composite	-1.00	–	-0.67	1.30
UK Social Bond Fund	(IA) UK Sterling Corporate Bond	Bank of America Merrill Lynch £ Non-Gilts	-0.17	-1.42	-0.19	-0.38

The Fund Sector is taken from the UK Unit Trusts/OEICs universe. Comparing the fund's performance to this Fund Sector is only relevant for UK Investors.

Net returns (Source: Morningstar) are calculated using official noon prices, bid to bid basis with net income reinvested and are net of assumed fees and expenses but does not include any initial charges. 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.

Risk and Reward Profiles

Fund	Share Class	SRRI*
Dynamic Real Return Fund	Class 2 – Income shares	5
	Class 2 – Accumulation shares	5
	Class 2s – Accumulation shares	5
	Class X – Income shares	5
	Class Z – Income shares	5
	Class Z – Accumulation shares	5
Global Multi Asset Income Fund	Class 2 – Income shares	4
	Class 2e – Income shares	4
	Class 2 – Accumulation shares	4
	Class Z – Income shares	4
	Class Z – Accumulation shares	4
UK Social Bond Fund	Class 2 – Income shares	3
	Class 2 – Accumulation shares	3
	Class 2 – Gross income shares	3
	Class 2 – Gross accumulation shares	3
	Class Z – Income shares	3
	Class Z – Accumulation shares	3
	Class Z – Gross income shares	3
	Class Z – Gross accumulation shares	3
	Class Z EUR Hedged – Gross accumulation shares	3

*As at 25 November 2018 the synthetic risk and reward indicator (SRRI) is explained in the table below:

SRRI	
1	The fund is in this specific category because historically it has shown a low level of volatility (how much the value of the fund went up and down compared to other categories).
2	The fund is in this specific category because historically it has shown a relatively low level of volatility (how much the value of the fund went up and down compared to other categories).
3	The fund is in this specific category because historically it has shown a medium to low level of volatility (how much the value of the fund went up and down compared to other categories).
4	The fund is in this specific category because historically it has shown a medium level of volatility (how much the value of the fund went up and down compared to other categories).
5	The fund is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the fund went up and down compared to other categories).
6	The fund is in this specific category because historically it has shown a high level of volatility (how much the value of the fund went up and down compared to other categories).
7	The fund is in this specific category because historically it has shown a very high level of volatility (how much the value of the fund went up and down compared to other categories).

The Risk and Reward Profile is based on past performance data in pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the fund.

Historical data may not be a reliable indication of the future risk profile of the funds.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the funds may shift over time. The NURS-KII 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 Opportunity 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.

Prospectus

A prospectus (the Prospectus) which describes each fund in detail, is available from Threadneedle Investment Services Limited, Client Services, PO Box 10033, Chelmsford CM99 2AL.

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 non-UCITS retail scheme (NURS) (as defined in the FCA rules).

Other funds may be launched in the future.

Non-UCITS retail scheme Key Investor Information document (NURS-KII) – Subscription requirements

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

Changes to the management of the ACD

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

- Appointment of Mr. Peter Stone on 5 September 2018.

Changes to the Prospectus

There were no changes to the Prospectus during the time period from 26 May 2018 to 25 November 2018.

Changes to the Instrument of Incorporation

There were no changes to the Instrument of Incorporation during the period from 26 May 2018 to 25 November 2018.

Characteristics of Shares

The Company is structured as an umbrella company and currently consists of 3 different sub-funds. Several classes of share may be issued in respect of each fund, distinguished by their criteria for subscription and fee structure.

Share Class	Minimum Investment	Eligibility
Class 1	GBP 2,000 EUR 2,500 USD 3,000	Retail and non-retail investors
Class 2	GBP 5 million EUR 7.5 million USD 7.5 million	Non-retail investors
Class E	GBP 1 million	Available to certain eligible distributors and other entities at the discretion of the ACD and subject to such entities meeting any criteria imposed by the ACD prior to investing
Class S	GBP 1 million	Available to certain defined contribution pension schemes and other entities at the discretion of the ACD, subject to such entities meeting any criteria imposed by the ACD prior to investing
Class X	GBP 3 million EUR 5 million USD 5 million	Available only to Eligible Shareholders
Class Z	GBP 1 million EUR 1 million USD 1.5 million	Non-retail investors*

*The minimum investment may be considerably lower through a nominee or platform that have entered into separate fee arrangements with their clients. May be available to retail investors.

Income Equalisation

Since each Fund operates equalisation, the first allocation made after the acquisition of shares may 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 funds are managed. We continue to show stock market indices for information purposes and for those funds where The Investment Association sector is not considered to be a representative peer group. Audited peer group information is only available from Morningstar's Fund Services at month end points.

Investor Reports

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

Important Information

(continued)

The annual accounting period for the Company ends on 25 May and the interim reporting period ends on 25 November.

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.

Foreign Account Tax Compliance Act (FATCA)

Threadneedle and its funds (Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Threadneedle will not suffer withholding tax under FATCA.

Common reporting standard (CRS)

The Common Reporting Standard ('CRS'), which 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.

Brexit

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

Depending on the outcome of the UK's negotiations with the European Union, and the existence or otherwise of any formal implementation period, it is possible that the Funds may no longer be eligible to enjoy the rights set out in the Alternative Investment Fund Managers Directive (AIFMD). Ceasing to be so eligible may affect the ability of non-UK domiciled investors to make new investments in the Company. The ACD is monitoring the situation and will keep shareholders informed.

Important Information

(continued)

Key Risks of the Fund:

The table below shows the key risks applying to each Fund. A definition of the key risks can be found below.

Funds/Key risks	Investment	Investment in Funds	Currency	No Capital Guarantee	Issuer	Liquidity	Inflation	Interest Rate	Valuation	Investment in Derivatives	Derivatives for EPM/Hedging	Volatility	Property Valuation
Dynamic Real Return Fund	X	X	X	X	X			X	X	X		X	
Global Multi Asset Income Fund	X	X	X		X		X	X	X	X		X	X
UK Social Bond Fund	X				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.

Investment in Funds Risk: The Investment Policy allows the fund to invest principally in units of other collective investment schemes. Investors should consider the investment policy and asset composition in the underlying funds when assessing their portfolio exposure.

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

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

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

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

Liquidity Risk: The fund holds assets which could prove difficult to sell. The fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time.

Interest Rate Risk: Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

Valuation Risk: The fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

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

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.

Property Valuation Risk: The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold.

Further risks applicable to the fund can be found in the Prospectus.

Directory

Registered Office

Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD) and Alternative Investment Fund Manager

Threadneedle Investment Services Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Registrar

Threadneedle Investment Services Limited
Delegated to:
DST Financial Services Europe Limited
Authorised and regulated by the Financial Conduct Authority (FCA)
St Nicholas Lane
Basildon
Essex SS15 5FS

Investment Manager

Threadneedle Asset Management Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Depository

Citibank Europe plc, UK branch
(Authorised by the Prudential Regulatory Authority (PRA)
and regulated by the FCA and PRA)
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB

Legal Advisers

Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

ACD Client Services Details

UK Investors

Address: Threadneedle Investment Services Limited
PO Box 10033
Chelmsford
Essex CM99 2AL

Telephone (dealing & customer enquiries): 0800 953 0134*

Fax (dealing): 0845 113 0274

Email (enquiries): questions@service.columbiathreadneedle.co.uk

To find out more visit columbiathreadneedle.com



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